ANNEX 1: CONTEXT ANALYSIS

This Annex provides a template for documenting the conclusions of the context analysis which underpins the strategic choices to be made when preparing Country Strategic Frameworks, Regional Strategic Frameworks, Programmes and Projects. It provides guidance on the context analysis to be carried out during the identification phase, which will be updated during the formulation phase. [Links will be inserted in September 2022]

This Annex is closely related to the strategic guidance provided in the How-to-notes and approach papers developed to support implementation of Denmark's Strategy for Development Cooperation "The World we Share". See the list of these notes below and the full papers Links will be inserted in September 2022]

It is also related to the <u>Fragility Risk and Resilience Analysis Tool (um.dk)</u> (FRRAT) (June 2020), which provides specific guidance on integrating multi-dimensional and systematic considerations on fragility risks in context analyses. The FRAAT is of particular relevance for a context analysis in fragile situations.

The type of analysis needed depends on whether it relates to the preparation of a Country Strategic Framework (macro-level), a thematic or sector programme where various projects are bound together at the sector level (sector/thematic analysis) or a stand-alone programme/project. The level of detail required and the choice of areas to be analysed should therefore be adapted to the nature of the engagement and areas not deemed relevant may be left out.

Type of engagement	Analyses needed
Country or Regional Strategic Frameworks	At this level the purpose of the context analysis is (i) to understand broader political, economic, social, environmental and security dimensions, and how these enable or inhibit overall development, and (ii) to identify strategic entry points for country (or regional) programming.
Sector or thematic programme level	At this level, the purpose of the context analysis is to understand interests, incentives and institutions operating within a particular sector/theme, with a view to informing the design of the programme/project.
Other programme/project level	At this level, the purpose of the context analysis is to understand and address a particular challenge at the project/programme level, or in relation to a specific policy issue.

The development challenges to be addressed should be tentatively formulated during the identification phase and refined during the formulation process. In practice, it will be an iterative process where the broader context analysis will inform the formulation of more specific interventions, which may require need for additional context analysis during the formulation phase and during implementation to inform programme adjustments according to changes in the context.

The analysis should to the extent possible draw on already existing research and analyses. In some cases, it might be necessary to commission additional research and/or specific inputs from experts. Depending on the nature of the analysis, it may be considered to use expert panels and participatory methods involving various types of groups and sources of data to develop flexible, up-to-date and relevant answers to questions of relevance for the further identification and formulation.

The context analysis should be seen as a key tool and reference document throughout programme/project implementation. The context analysis template should not contain the full analysis (which would often be in the form of already existing analyses) but focus on conclusions and implications of these analyses within each topic for identifying the opportunities, challenges and risks that will inform the choices of objectives, partners and modalities proposed. The annex shall be submitted as Annex 1 to the country strategic framework, project or programme document at the time of appraisal. It may also be shared during the preparation process with country task force members, as relevant.

For each topic area, the template is divided into three sections:

- Key conclusions and implications for the design of the project/programme.
- List of documentation and sources used (existing as well as own work).
- Listing of further analytic work required during formulation or implementation.

List of How-to-notes and approach papers [Links will be inserted in September 2022]

- 1) Poverty and Inequality
- 2) Mitigation and Energy
- 3) Climate Adaptation, Environment and Nature
- 4) Migration/ROHA
- 5) Peace Building and Stabilisation
- 6) Job Creation and Sustainable Growth
- 7) Human Rights and Democracy
- 8) Civil Society
- 9) Denmark as a humanitarian actor
- 10) Social Sectors and Safety Nets
- 11) Humanitarian, Development, Peace nexus (HDP)
- 12) Food Security

TEMPLATE: Context Analysis

The questions/areas of focus indicated under each thematic area below are not exhaustive, but are meant as inspiration. The specific context of the country in question, needs to be reflected in the areas of focus and relevant question to be analysed.

1. Poverty and inequality analysis

This section takes its guidance from the approach note on poverty and inequality [Links will be inserted in September 2022]. For more information and background, please consult this note.

Summarise key conclusions from the analysis and implications for the strategic framework/programme/project regarding each of the following points:

- What is the status regarding multidimensional poverty (see approach note on poverty and inequality [*Links will be inserted in September 2022*] and World Bank Multidimensional Poverty Measurement Workshop | OPHI
- Status and progress in relation to SDGs 1 End poverty- disaggregated by age, sex, poverty thresholds (World Poverty Clock)
- Status and progress in relation to SDGs 10 (Reduce inequality). Income share per poorest 40% (See <u>Human Development Reports</u>)
- Which are the most vulnerable groups and do we target these (Leaving No One Behind)? (See also section 4 on HRBA)
- Are there any risks that the project/programme may cause harm to poor and vulnerable groups?
- What are the drivers of poverty and inequality (see also section 2 on political-stakeholder analysis)?

Relevant references and guidance may include:

- National Development strategies and progress reports
- National poverty household surveys
- World Poverty Clock: https://worldpoverty.io/headline
- Multidimensional Poverty Measure: worldbank.org
- OPHI | Oxford Poverty and Human Development Initiative
 Human Development Reports | United Nations Development Programme: undp.org
- Sida Poverty Toolbox : https://www.sida.se/en/for-partners/methods-materials/poverty-toolbox
- National poverty assessments
 - IMF Article 4 and other country reports: https://www.imf.org/en/Countries
- UNDP Human Development Index: https://hdr.undp.org/data-center/human-development-index#/indicies/HDI
 - SDG Tracker Our World in Data: sdg-tracker.org and Sustainable Development Goals Report United Nations Sustainable Development https://www.un.org/sustainabledevelopment/progress-report/
- World Bank Human Capital Index: https://datacatalog.worldbank.org/dataset/human-capital-index

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the formulation or implementation phase, including studies that will be carried out jointly with others or by partners /other donors.

2. Political Economy and Stakeholder Analysis

Political Economy Analysis (PEA) examines social and economic structures, formal and informal institutions and power relations, cultural norms, stakeholders and their interests, incentives and influence potential. The analysis provides a critical underpinning for programming and decisions on approaches and modalities and informs most of the other analyses.

A project or program takes place in a *context*, which includes different interests, power relations, a specific institutional set-up and political environment. The context factors – both structural and conjunctional- and the actors/stakeholders shape the dynamics, which will enable or constrain change, reform and more broadly development. The interdisciplinary analysis of such context factors are often referred to by the broad term "political economy". Different societal groups have different interests in e.g. rent seeking or market access, and they pursue their interest with formal and informal means of influence and power at their disposal. They have a stake in the sector, the theme or the issue – and they are therefore referred to as *stakeholders*. They may be individuals, groups or organizations.

Country level analysis (strategic frameworks) provides awareness and knowledge about the country context and understanding of the broad political-economy environment. At sector level, the analysis identifies specific barriers and opportunities within particular sectors/thematic areas, and finally problem-driven analysis PEA is geared to understand a particular problem at the project level, or in relation to a specific policy issue.

Summarise key conclusions from the analyses and implications for the strategic frameworks/programs/projects regarding each of the following points:

- State of democracy; what are the most important political and democratic trends in the specific context incl. regime persistence, political inclusiveness and government accountability.
- Are there stable politics in the country with the low risk of regime breakdown and opportunities for ordered political transition?
- Identify social, political, economic and institutional factors affecting the dynamics and possibilities for change.
- Is extraction of rents an issue? How are rents extracted (distortion funds, creation of monopolies, public tenders, land allocation...)? To what extent are rents influencing sustainable development. Are rent seeking practices relevant to the issue/problem at hand? And has it increased or decreased over the last decades?
- Assess the legitimacy of a given political process;
- What are the barriers for women and minority groups to entering and participating in the political arena and in influencing decisions and address inequity and the distribution of power and social and economic resources?

Stakeholder analysis:

- Who are the key stakeholders that may be interested in or affected by the project/programme including donors, and what are their main interests, capacity and contributions?
- Who are the most powerful and important stakeholders and what are their main interests, capacity and contributions? Who are likely to hinder the program? What is the gender balance and dynamics within the most important stakeholders? Who stands to gain and who stands to lose from the envisaged project/program?
- Local leaders' commitment and ownership when promoting relevant reforms?
- Which stakeholders must in some way be kept informed by the project/programme to ensure their continued support and/or diminish their resistance?
- What are potential strategies (approaches, methods etc.) for engaging key stakeholders?

Relevant references and guidance may include:

- Varieties of Democracy <u>V-Dem</u>)¹
- Afrobarometer is an African series of national public attitude surveys on democracy, governance and society: https://www.afrobarometer.org/
- Freedom House https://freedomhouse.org/ Freedom house assess the level of freedom in each country in the world, with a numerical score and ranking as Free, Partly Free, or Not Free.
- Political/economy analysis, stakeholder analysis, capacity assessments, Drivers of Change or Power Analysis
- Information on the governance regime can be found in power studies, political-economy studies, and drivers of changes studies. https://eba.se/rapporter/201909-democracy-in-african-governance-seeing-and-doing-it-differently/11528/

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the formulation or implementation phase, including studies that will be carried out jointly with others or by partners /other donors.

3. Fragility, Conflict and Resilience

The "Approach note on HDP-nexus" as well as the "How-to-note on peace building and stabilisation" provide further guidance and background for undertaking analytical work within this area. [Links will be inserted in September 2022]

Furthermore, the <u>Fragility Risk and Resilience Analysis Tool (um.dk)</u> (FRRAT) provides guidance on how to integrate multi-dimensional and systematic considerations on fragility risks in context analyses conducted in countries and situations where Denmark is engaged.

Summarise key conclusions from the analyses and implications for programs/projects regarding each of the following points:

- Situation with regards to peace and fragility based on the FRAAT.
- Key drivers of conflict and fragility, protection and resilience, organised transnational crime and illicit money flows.
- Highlight how conflict and fragility affect inclusive private sector development and women and youth.
- Relevant issues for pursuing the Women Peace and Security (WPS) agenda (the '1325' agenda).
- Identify on-going stabilisation/development and resilience efforts and entry points and the potential for establishing partnerships and alliances with national, regional and other international partners in order to maximise effects of the engagements.
- Relevant issues and considerations related to radicalisation and violent extremism.
- Issues and concerns of relevance to Danish interest in the area of security and migration.
- Considerations regarding the humanitarian situation, migration, refugee and displacement issues, including the need to integrate humanitarian-development linkages and long term strategies.

Relevant references and guidance may include:

- Fragility Risk and Resilience Analysis Tool (FRAAT) https://amg.um.dk/tools/fragility-risk-and-resilience-analysis-tool

- DAC International Network on Conflict and Fragility (INCAF): http://www.oecd.org/dac/governance-peace/conflictfragilityandresilience/

¹ An approach to conceptualizing and measuring democracy, which provide a multidimensional and disaggregated dataset that, reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections.

- World Bank Fragility, Conflict and Violence: http://www.worldbank.org/en/topic/fragilityconflictviolence
- International Dialogue for Peace and State Building New Deal: https://www.pbsbdialogue.org/en/
- Global Initiative Against Transnational Organised Crime: http://globalinitiative.net/
- Global Witness: https://www.globalwitness.org/en-gb/
- UK-Stabilisation Unit: https://www.gov.uk/government/organisations/stabilisation-unit
- Solution Alliance (humanitarian-development nexus) : http://www.solutionsalliance.org/
- DCAF Security Sector Governance/Reform: http://www.dcaf.ch/
- EU. Crisis and fragility management: https://europa.eu/capacity4dev/feeds/c4d-fragility-crisis-situations
- UN Peace Building; Un Peace Building Commission: https://www.un.org/peacebuilding/commission and the UN Peace Building Fund https://www.un.org/peacebuilding/fund
- UNOCHA situation reports: https://reports.unocha.org/
- Global Peace Index (<u>www.economicsandpeace.org</u>)
- Failed State Index (<u>www.fundforpeace.org</u>)
- International Crisis Group country reports (<u>www.crisisgroup.org</u>)
- World Bank Data: http://data.worldbank.org
- OCHA Reliefweb: http://reliefweb.int/countries
- UNSCR Resolution 1325 on Women, Peace and Security: http://unscr.com/en/resolutions/doc/1325
- International and regional human rights and HRBA principles and HRBA Guidance Note of 2013: https://amg.um.dk/library/hrba-guidance-and-screening-note
- International humanitarian law, humanitarian principles and Good Humanitarian Donorship
- Agenda for humanity (http://www.agendaforhumanity.org)
- Making the SDGs work for Humanitarian Needs: https://www.unsdsn.org/
- The solution alliance (a network to tackle protracted displacement http://www.solutionsalliance.org/library)

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the preparation phase, including studies that will be carried out jointly with others or by partners/other donors.

4. Human Rights, Gender, Youth and applying a Human Rights Based Approach

The How-to-note on Human Rights and Democracy [Links will be inserted in September 2022] provides further guidance and background for undertaking analytical work within this area. Democracy and Human Rights are the foundation for Danish development cooperation, and the following five thematic areas are at the core of realising this agenda: 1) Democracy, human rights and free civil societies in the era of digitisation; 2) Rights and dignity of marginalised groups, 3) Gender equality, girls and women's rights, 4) Meaningful participation of young people and 5) Effective, democratic and responsible states.

Systematically applying a *Human Rights Based Approach (HRBA*) in Denmark's development cooperation implies a focus on those who are most marginalized, excluded or discriminated against (leaving no one behind) as well as on the relationships between duty-bearers and rights-holders. The core thrust of Denmark's approach to HRBA are the four principles of non-discrimination, participation and inclusion, transparency and accountability.

Gender equality is an essential part of human rights and is addressed both as a thematic priority and a cross-cutting area. Good governance is a priority across sectors, and is therefore also addressed under other thematic areas of the context analysis.

Summarise key conclusions from the analyses and implications for the strategic frameworks/programs/projects regarding each of the following points:

Human Right Standards (international, regional and national legislation)

- Identify most important achievements of human rights standards relevant for the specific context.
- Identify the most binding constraints on the intended target group(s) in terms of human rights.

Universal Periodic Review

- Assess the most important recommendations from Universal Periodic Review (UPR) relevant for the strategic framework/programme/project and from any treaty bodies, special procedures, INGOs, Human rights institutions etc. that require follow up by partners in the program.

Human Rights Based Approach (HRBA) Principles

Participation

- Identify barriers for participation, inclusion and empowerment of rights holders.

Accountability

- Identify accountability mechanisms in the relevant area – both horizontal and vertical.

Non-discrimination

- Identify groups among rights-holders excluded from access and influence in the thematic program areas identified.

Transparency

- Assess the extent to which information is accessible to rights holders including marginalised groups.

Gender

The HRBA and promoting gender equality share principles and reinforce each other. Gender equality should be mainstreamed throughout the four HRBA principles mentioned above.

- Identify assessments on gender, such as CEDAW-reporting, SDG National Action Plans, UPR, and other relevant gender analysis.
- Which laws/regulations (including community norms and beliefs) could affect women's participation in the programme/project or their access to its benefits?
- What are the key challenges and opportunities for gender equality?
- How are access and control patterns shaped by structural factors (demographic, economic, legal, and institutional) and by cultural, religious, and attitudinal ones
- Identify social and gender norms that drive inequality at all levels (policy and systems, institutional and societal, community, family, inter-personal, individual) with particular attention to underlying power structures and meta-norms.
- What are the opportunities for female participation in program management, in the delivery and management of goods and services, in any planned institutional changes, in training opportunities, and in the monitoring of resources and benefits?
- Reflect explicitly in goals, purposes, or objectives of the programme/project to women's needs and priorities

Youth

- How is youth generally viewed in society (e.g. as an opportunity, a challenge or a threat)?
- Has a national youth assessment been conducted recently? If yes, what are the main findings relevant to the embassy's engagements?
- Is there a National Youth Policy? If yes, how was it developed and how effective is it?
- Are there any other laws, policies or action plans of particular relevance to youth, and what structures exist to implement/enforce these laws, policies and/or plans?
- What are the main national youth platforms? Are they regarded as representative of youth and as legitimate entities; i.e. do they have a democratic structure, are they open to diversity and do they have regional/local representation?

- Are any larger youth programmes currently being implemented by government or donor agencies? If yes, what are the main areas/targets of relevance to the embassy's engagements?
- Identify key challenges and opportunities for meaningful engagement of youth following the principle of programming not only for, but also with youth.
- Identify opportunities/constraints for addressing youth issues.

Relevant references and guidance may include:

- Universal Period Review (UPR) processes and analysis http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx
- OHCHR country reports <u>www.ohchr.org</u>
- EU Human Rights Strategies
- Human Rights periodic reporting and Treaty Bodies monitoring of human rights in member states www.ohchr.org/EN/HRBodies/Pages/TreatyBodies.aspx
- International and regional human rights and HRBA principles and HRBA Guidance Note of 2013: https://amg.um.dk/library/hrba-guidance-and-screening-note
- Danish Institute of Human Rights (DIHR) Guide to understand the interlinkages between human rights and the SDGs http://sdg.humanrights.dk
- World economic forum gender equality index: (https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality)
- World Bank Human Capital Index (https://www.worldbank.org/en/publication/human-capital)
- World Bank Women, Business & the Law (https://wbl.worldbank.org/)

Gender transformative approach

- Care: Measuring Gender Transformative Change: https://www.care.org/wp-content/uploads/2020/05/working paper aas gt change measurement fa lowres.pdf
- PlanBørnefonden: Our Gender Transformative Approach, tackling the root causes of gender inequality: https://plan-international.org/eu/blog-alex-munive-gender-transformative-approach
- ODI: Knowledge to Action resource series: adolescent girls and gender norms: https://odi.org/en/
- Beam Exchange: The social norms factor: How gendered social norms influence how we empower women in market systems development: https://beamexchange.org/resources/797/
- UNICEF Everybody Wants To Belong: A practical guide to tackling and leveraging social norms in behavior change programming: https://www.unicef.org/mena/reports/everybody-wants-belong
- Human Development Report: Tackling social norms- a game changer for gender inequalities: https://hdr.undp.org/content/2020-gender-social-norms-index-gsni
- Understanding Masculinities: https://promundoglobal.org/resources/understanding-masculinities-results-international-men-gender-equality-survey-images-middle-east-north-africa/?lang=english

Youth

- Youth Power: https://www.youthpower.org/resources/usaidethiopia-cross-sectoral-youth-assessment-situational-analysis-report
- Youth in Development (amg): https://amg.um.dk/tools/youth-in-development/youth-situational-analysis

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the preparation and implementation phase, including studies that will be carried out jointly with others or by partners/other donors.

5. Migration

The 'How-to-note on Migration and ROHA' provides further guidance and background for undertaking analytical work within this area. [Links will be inserted in September 2022]

Summarise key conclusions from the analysis and implications for the strategic frameworks/programmes/projects regarding each of the following points:

- Can the context be characterized as a country of origin, transit or destination and/or with a significant displacement/migration situation?
- How does the migration/displacement situation influence the development of the country, the public debate and policy decisions related to migration?
- Does the migration/displacement situation affect the national communities? How do displaced persons and host communities interact?
- Is migration (including communities affected by migration) considered in the national development strategy (or equivalent)?
- Is institutional capacity building in the target countries or migration policy/cooperation envisaged (national/regional/local levels)? Does the country have a migration/asylum/border management/reintegration strategy and does the action contribute to its implementation?
- Do migrants face barriers and challenges in accessing services (social, healthcare, education, financial etc.) and to jobs?
- Are there sectors, regions or areas in which migrants are especially vulnerable to human trafficking, exploitation or abuse?
- Does the country have visa facilitation agreements with the EU and/or with European countries?
- Are there high levels of unemployment and underemployment of migrants?
- Are environmental degradation or climate impacts influencing migration and mobility?
- Have conflict, natural disasters, and other emergencies impacted migration/forced displacement in the country?
- Are there opportunities for migrants and diaspora to transfer their knowledge and skills?
- Are remittances an important percentage of the GDP? Are the costs of sending remittances above the SDG 10 target?

Relevant references and guidance may include:

- World Migration Report 2022. IOM (2021): https://publications.iom.int/books/world-migration-report-2022
- IOM Institutional Strategy on Migration and Sustainable development. IOM (2020) https://eea.iom.int/sites/g/files/tmzbdl666/files/mmicd/toolkit-integrating-migration-development-interventions.pdf

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the preparation and implementation phase, including studies that will be carried out jointly with others or by partners/other donors.

6. Inclusive sustainable growth, climate change and environment

The three How-to-notes on "Mitigation and Energy", "Climate adaptation, Environment and Nature", and "Job Creation and Sustainable Growth" provide further guidance and background for undertaking analytical work within this area. [Links will be inserted in September 2022]

The purpose of this section is dual.

Firstly, it should ensure that environment, climate and biodiversity considerations are integrated and mainstreamed into all development cooperation activities, including those activities that do not have climate or environment as a main or significant objective. The background analysis should ensure that the proposed activities avoid doing harm to the environment and that they are compatible with global and national environmental policies and goals (including the Paris Agreement). Further, it should identify climate and environment related risks to the results and the long-term sustainability of the programme/project and ensure that relevant risk mitigation measures are integrated into the project/programme design.

Secondly, it is the basis for identifying and formulating those projects and programmes that have climate, environment and biodiversity as their principal or significant objective and that are expected to contribute to the spending targets on climate and environment set out in the Government's Development Priorities. We use the OECD DAC standards and criteria for defining climate and environment, including the so-called Rio-markers.

Summarise key conclusions from the analyses and implications for the strategic frameworks/programs/projects regarding each of the following points:

Impact of climate change and environmental degradation on development

- How does climate change, biodiversity loss and environmental degradation threaten poverty eradication and the achievement of the SDGs and national developments goals of country?
- What are the key risks and opportunities created by climate and environment policies and actions, both domestic and international?
- Are any (major) displacements of people taking place caused by climate change / environmental degradation?
- Do any major tensions or (potential) conflicts related to natural resources or natural resources management exist? (describe major trends/issues)
- How resilient are the country's economy and populations to environmental disasters and climate change?
- Consider rights and access to key natural resources: land, water, energy, food and agriculture, including impacts on employment for youth, women and indigenous peoples, etc.
- Consider the impact of climate change on gender equality including the disproportionate impact on women's and girl's rights as well as the positive role women can play as agents of change and in mitigating the impacts of climate change

Effective and inclusive green transformation

- What is the overall status of climate and environment policies and strategies at the national/regional/local level, including the level of integration with overall development policies and strategies?

- What are the policy changes and investments that need to be prioritized to support an inclusive, green development pathway, implement the countries NDC's and other global environmental commitments and ensure achievement of meaningful reduction in GHG emissions?
- Is there political will and the institutional and human capacity to implement these policies and strategies?
- Identify opportunities for mainstreaming support to inclusive green growth and transformation to low-carbon and climate resilient economies in the programs/projects. How will green transformation affect different economic sectors and actors, population groups, etc. positively and negatively?

Screening for climate and environment risks and opportunities of the project / programme intervention (in particular interventions that are not climate / environment specific).

- Identify potential risk and negative impacts related to environment and climate change from the proposed programs/projects and consider how these may be mitigated in the design of the program/projects.
- Identify if EIA (Environmental impact assessment), climate risk analysis or similar should be carried, including legal requirements in partner countries/organizations.

Relevant references and guidance may include:

- Climate change: Intended Nationally Determined Contributions, national climate change or disaster risk
 management policies or strategies, NAMA or low carbon development plans, national adaptation planning (NAPAs,
 NAPs), etc.
- Environment and sustainable development: green growth strategies / actions plans, National Environmental Action Plans, State of the Environment Reporting, relevant sector studies and Strategic Environmental Assessments.
- World Bank Country Climate and Development Reports (CCDRs): https://www.worldbank.org/en/publication/country-climate-development-reports
- World Bank Systematic Country Diagnostics: https://openknowledge.worldbank.org/handle/10986/23099
- Other development partners' climate change or environmental assessments and country profiles eg.
- Climate Risk Profiles (short) & in-depth Climate Risk Analyses from Potsdam Institute for Climate Impact Research: https://www.pik-potsdam.de/en
- Regional & Country Risk Profiles and GHG Emissions Fact Sheets from USAID: https://www.climatelinks.org/climate-risk-management/regional-country-risk-profiles

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that will be carried out as part of the preparation phase, including studies that will be carried out jointly with others or by partners/other donors.

List required EIAs or similar studies to be carried during the formulation or implementation face.

7. Capacity of public sector, public financial management and corruption

All projects or programs which channel Danish funds through the public financial system in a country as well as projects/programs which aim at reforming the public sector should carry out an assessment of the capacity of the public sector, the state of public financial management, a corruption diagnostic, with emphasis on the sector or thematic institutions of importance for the programme/project. This assessment should be informed by the political economy analysis (section 2).

Summarise key conclusions and implications for the country strategic frameworks/ programs /projects:

- Capacity of the public sector for policy making, implementation of policies, enforcement of regulations and effective service delivery.
- Quality and capacity of PFM in general and at sector level, including budget credibility, comprehensiveness and transparency as well as control and external scrutiny/audit in all phases of the budget process.
- Participation of citizens/CSOs in monitoring public budgets and corruption;
- The corruption situation and relevant anti-corruption measures and reforms.
- Considerations on gender responsive and/or transformative budgeting and financing

Relevant references and guidance may include:

- World Bank Systematic Country Diagnostics: https://openknowledge.worldbank.org/handle/10986/23099
- Development-partner assessments of procurement quality, etc.; WB CPIA assessments
- SDG 16 targets https://www.un.org/sustainabledevelopment/peace-justice/
- National reports from the Ministry of Finance, national audit institutions, Ombudsman institutions as well as reports from national or international organizations, think tanks, and academia as well as media reports.
- National and development-partner documents on public-sector reforms; PFM reform-related documents; PEFA assessments;
- Corruption assessments based on an analysis of corruption cases from national anti-corruption agencies as well as reports on perceptions of corruption (barometer reports e.g. from Transparency and Afro-barometer), World Bank/IMF assessments and NGO (e.g. budget monitoring reports) and media reports.
- Assessments of corruption in the value chains at sector level
- Financing for gender equality: https://gender-and-development.de/en/
- UNWOMEN on gender responsive budgeting: https://gender-financing.unwomen.org/en

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the preparation phase, including studies that will be carried out jointly with others or by partners/other donors.

8. Matching with Danish strengths and interests, engaging Danish actors and seeking synergies

Concrete and potential synergies between the various Danish development and policy instruments should be identified. Prioritising coherence and synergy where it adds most value is important. At the country level the country strategic framework provides an overview of all the Danish supported stakeholders and institutions and identify possible concrete synergies when relevant within Danish supported development actors and instruments and between Danish development cooperation and the broader foreign and security policy and commercial interests. Synergies with other Danish policy areas e.g. climate policy should further be identified where relevant. Finally, Denmark is a small player and donor, and opportunities for collaboration with other bilateral and multilateral donors should always be explored.

In relation to the formulation of Country Strategic Frameworks, ELK may assist in providing an overall mapping of Danish engagements across the various instruments.

Summarise key conclusions and implications for the country strategic frameworks/ programs /projects:

- Identify areas/sectors where we have the most at stake interests and values.
- Identify where we can have influence through strategic use of positions of strengths, expertise and experiences.
- Identify where Denmark can play a role through active partnerships for a common aim/agenda or where there is a need for Denmark to take lead in pushing an agenda forward.
- Mapping of Danish foreign policy engagement, commercial engagement, trade relations and investment, Danish local and central authorities, civil society organizations, IFU and academia. Identify concrete opportunities for synergies.
- Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU.

Are additional studies/analytic work needed? How and when will it be done?

List additional studies that might be carried out as part of the preparation phase, including studies that will be carried out jointly with others or by partners/other donors.