



DANIDA GREEN GROWTH GUIDANCE NOTE

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Danida Green Growth Guidance Note

Preamble

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Preamble

Green Growth is a priority area in Denmark's development cooperation, both as a thematic focus for programming of new activities and for mainstreaming in other thematic areas.

This Guidance Note is intended to serve as inspiration for Danida staff, development cooperation partners and external consultants for promoting inclusive green growth in the policy dialogue, programming and implementation of Danida's development cooperation.

Danida already supports a number of programmes that contribute to the transition to a greener and more sustainable development pathway, and a Catalogue of Green Growth Cases and Interventions is available as a separate document, complementing this Guidance Note.

The main text of the Note summarises the Danida strategic framework for green growth, illustrates ways and means to support the transition to a greener economy, and provides guiding questions to the user at the different stages of the programme cycle. Key entry points and opportunities are highlighted and further detailed guidance is provided in the 8 annexes, including how to use the Danida mandatory Climate Change and Green Growth Screening Note. The Guidance Note is intended to be used online and throughout the Note internet links to selected key tools and resources are provided.

Learn more through the short e-bite: "[Introduction to Green Growth](#)".

This Guidance Note was developed by the Technical Advisory Services (TAS) and the Green Growth Department (GRV) of the Ministry of Foreign Affairs of Denmark. Feedback from users of the Note should be addressed to grv@um.dk and uft@um.dk.

Abbreviations

3GF	Global Green Growth Forum
AIT	Asian Institute of Technology
AMG	Danida Aid Management Guidelines
CEDAW	The Convention on the Elimination of All Forms of Discrimination Against Women
CIC	Climate Innovation Centre
COP	Conference of the Parties (the formal meeting of the UNFCCC Parties)
CTP	World Bank Climate Technology Program
DAC	OECD Development Assistance Committee
DBE	Danida Business Explorer
DBF	Danida Business Finance
DBP	Danida Business Partnerships
DCED	Donor Committee for Enterprise Development
DCIF	Danish Climate Investment Fund
DKK	Danish kroner
EIA	Environmental Impact Assessment
EKF	Denmark's Export Credit Agency
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESMAP	World Bank Energy Sector Management Assistance Program
EU	European Union
EVAL	Evaluation Department
FAO	Food and Agriculture Organization of the United Nations
G20	Group of Twenty major economies
GE	Growth and Employment (Danida strategic framework, March 2011)
GEC	Green Economy Coalition
GGBP	Green Growth Best Practice
GGGI	Global Green Growth Institute
GGKP	Green Growth Knowledge Platform
GHG	greenhouse gas emissions
GPA	TC Global Public Affairs
GRV	MFA Green Growth Department
HRBA	Human rights-based approach
IFU	Investment Fund for Developing Countries
IIED	International Institute for Environment and Development
ILO	International Labour Organization
M&E	Monitoring and evaluation
MDG	Millennium Development Goal
MFA	Ministry of Foreign Affairs of Denmark
NAMA	Nationally appropriate mitigation actions
NAPA	National Adaptation Programmes of Action
NEC	Natural Resources Energy and Climate Change (Danida strategic framework, September 2013)
NGO	Non-governmental organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAGE	Partnership for Action on Green Economy

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PDB	Danida Project Data Base
PPO	Danida Programme and Project Orientation
PPP	Public-private partnership
SDG	Sustainable Development Goal
SE4All	Sustainable Energy for All
SEA	Strategic environmental assessment
SMART	Specific, Measurable, Attainable, Realistic and Timely
SMEs	Small and medium enterprises
TAS	MFA Technical Advisory Services
TC	Trade Council of Denmark
TEEB	The Economics of Ecosystems and Biodiversity
TOC	Theory of change
ToR	Terms of Reference
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UPR	The Universal Periodic Review of the UN Human Rights Council
WAVES	Wealth Accounting and the Valuation of Ecosystem Services
WRI	World Resources Institute
WWF	World Wildlife Fund

1. Scope and Users of this Note

The Strategy for Denmark's Development Cooperation "[The Right to a Better Life](#)" (2012) includes green growth as one of four priority areas for Denmark's development policy engagement. Further policy direction on advancing green growth is provided in the Danida Strategic Frameworks for Natural Resources, Energy and Climate Change "[A Greener World for All](#)" (2013) and "[Growth and Employment](#)" (2011). The **purpose of this guidance note** is to serve as inspiration for Danida staff, development cooperation partners and external consultants on promoting inclusive green growth in the policy dialogue, programming and implementation of Danida's development cooperation.

The guidance note is part of the Danida Aid Management Guidelines (AMG)¹ and should be seen in conjunction with the Climate Change and Green Growth Screening Note. It applies to new programmes and projects including regional programmes and earmarked contributions to multilateral organisations as well as new country programmes². The guidance note is therefore closely linked to the Danida Guidelines for development of Country Policy Papers, Guidelines for Country Programmes and to Guidelines for Programmes and Projects above and under DKK 35 million. It will also guide further development of green growth interventions in existing development programmes.

In its development assistance Danida already supports a number of programmes and initiatives, which contribute to the promotion of a greener development pathway. This includes e.g. sector programme support for environmental management; energy development; green value chains, as well as more specific investments in energy efficiency or sustainable natural resource management (see the [catalogue on green growth cases and interventions](#)). The new approach to country programming provides the opportunity to take a more strategic approach in advancing green growth within an overall country programme. The guidance note therefore focuses on key entry points and opportunities for green growth at the different stages of the country programme preparation process and it follows the same cycle as presented in the Guidelines for Country Programmes. For programmes and projects outside country programmes the specific entry points in the programming processes will also apply as described in Chapter 3.

Chapter 2 provides the background for why development towards a greener economy is important in a global context as well as at national and local levels. The Chapter also introduces the strategic frameworks for Natural Resources, Energy and Climate Change (NEC strategy) and Growth and Employment (GE Strategy) emphasising their complementary in furthering

¹ See www.amg.um.dk

² The note is not applied to Danida Business Partnerships

green growth. Chapter 3 provides further guidance on actions and processes to follow at each entry point. This chapter also includes a short introduction to the Climate Change and Green Growth Screening Note. The annexes provide additional guidance and references to further reading.

2. Global challenges, opportunities and the Danida strategic framework for green growth

Climate change, increasing resource scarcity, population growth, and urbanization are global challenges that have local impacts. These challenges affect people's livelihood and well-being through access to food, water, and energy – resources critical to the reduction of poverty. The concepts of green growth and green economy are increasingly becoming part of international and national responses to address these development challenges, and to decouple growth from environmental degradation. A push for greening of growth acknowledges that economic growth is critical to lifting countries out of poverty and that economic, social and environmental dimensions of development need to be addressed simultaneously to ensure long-term sustainability and poverty reduction. Shifting production and consumption patterns to become environmentally sustainable requires reducing pollutants and greenhouse gas (GHG) emissions, improving energy and resource efficiency, and avoiding natural resource depletion and degradation. Through the priority area of green growth, Danish development policy and development cooperation support developing countries in pursuing the opportunities that greener growth offers in terms of contributing to increasing their potential earnings and productivity and enhancing their competitiveness – based on efficient and sustainable management of scarce natural resources and emphasising that green growth must be inclusive ensuring that no one is left behind.

From "The Right to a Better Life" (p.17)

Green growth should be understood as an integral part of sustainable growth which promotes general economic growth and development in a manner that enables the environment today and in future to deliver the resources and environmental services on which our welfare depends. Green growth should catalyse investments, innovation and job creation, which not only sustain continued growth, but also give rise to new economic opportunities. According to the United Nations Environment Programme (UNEP), a green economy is one which is low carbon, resource efficient and socially inclusive.

The transition from a brown to a green economy may follow several pathways and opportunities for furthering the agenda will depend on the actual country context. There is no blueprint for "how green", or which pathways of transition are "the right ones" to follow in this process; the important issue is to support partner countries in identifying and pursuing greener development pathways where opportunities arise in a country-owned and -led transition process.

The NEC strategy provides the framework and demonstrates opportunities for pursuing greener pathways across all instruments and intervention areas in Danish development cooperation; this is also the key approach for mainstreaming environment as a cross-cutting issue.



The GE strategy provides the framework for efforts to foster sustainable economic growth and creation of decent jobs. Moreover the GE strategy outlines the main principles and priorities for instruments that directly engage the Danish business community in fostering growth and employment, including the development of partnerships and investments that can expand the use of green technology and contribute to increased food security. The NEC and GE strategies are complementary and they both include tools and approaches that provide guidance on specific intervention areas within the green growth agenda. The policy priority of greening growth applies to all focus areas of the GE strategy although this strategy was developed before green growth was explicitly selected as a priority area for Danish development cooperation.



Poverty reduction and the promotion of human rights are key objectives for Danish development cooperation. In the transition towards a greener economy it is critical to ensure that poor and marginalised groups are not excluded from the benefits nor harmed by new green policies, regulations and investments. The Strategy for Denmark's Development Cooperation stresses that green growth will only succeed if there is an open and inclusive dialogue between citizens, civil society, the private sector and authorities on how green initiatives will be planned and adapted to the country-specific and local situation.

Sustainable development goals (SDGs) – post-2015 development agenda

During the Rio+20 Conference it was agreed to launch a process to develop a set of Sustainable Development Goals (SDGs), which will build upon the Millennium Development Goals and provide a new development agenda post-2015. The SDGs will be global in nature and universally applicable to all countries. They are envisioned to take an integrated approach to the economic, social and environmental dimensions of global development challenges, while taking into account different national realities, capacities and levels of development. The goals are currently being established and will be agreed upon during the UN General Assembly in September 2015. The SDG targets and indicators will form a new framework for monitoring sustainable and equitable development outcomes. See the [UN SDG site](#) for more information.

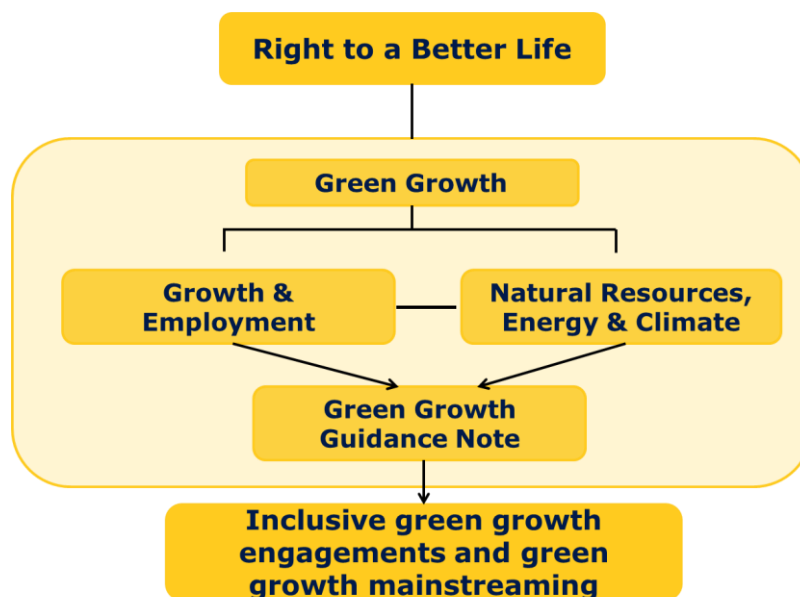
The figure illustrates how the NEC and GE strategies together contribute to implementing the green growth priority area³ of the “Right to a better Life”. Further contextual background and rationale for Danida’s position within the specific thematic areas is presented in the two strategic frameworks that should be consulted for more guidance.

Increased attention is being placed on linking programme and project assistance with the demand driven Danida business instruments, Danida Business Partnerships (DBP) and Danida Business

Finance (DBF). There is also additional focus on creating synergies with purely commercial engagements and services provided by the Trade Council such as Global Public Affairs. Engaging the Danish business community may in this way facilitate win-win situations, benefitting businesses and the green transition in developing countries, by bringing into play Danish core competencies and technology especially within energy, cleaner technologies, natural resources management, and sustainable food production. In the case of Danida Business Partnerships, the companies/partners qualifying for support may include greentech businesses as well as business partnerships within other sectors where production processes, use of material, water or energy can be carried out in a more sustainable and green manner. For further introduction to these instruments see Annex 6.

Danish priorities on e.g. green trade liberalization and concrete actions are unfolded in more detail in the Strategy for Trade Policy.⁴

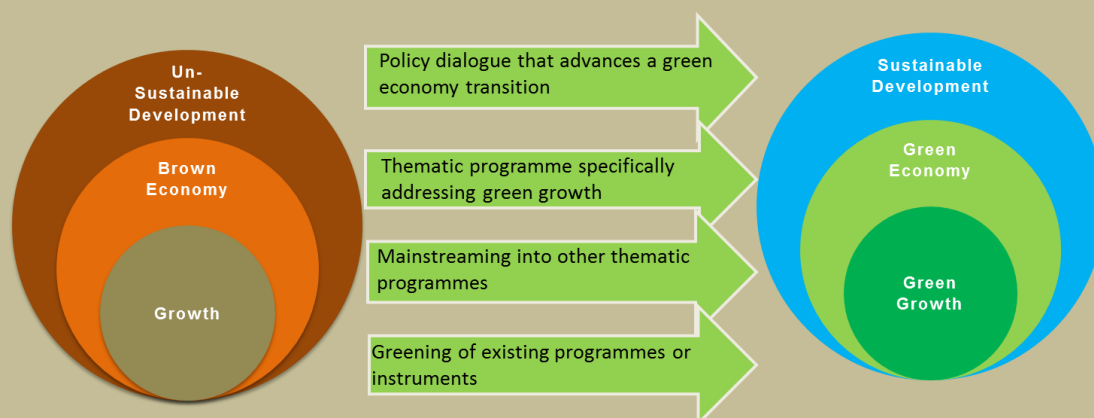
In developing specific green growth interventions and programmes there are several opportunities for linking to initiatives of multilateral organisations such as the World Bank, regional development banks and the UN system. Danish and international NGOs and think tanks also provide opportunities for collaboration and for provision of new knowledge. Annex 7 provides a short introduction to relevant organisations and links to their key areas of activities.



³ The green growth priority area in principle includes all support within economic development and job creation.

⁴ [Handelspolitisk Strategi, maj, 2013](#)

Multiple ways to support the transition



The transition from a brown, unsustainable economy towards a green, sustainable economy may follow different pathways that are not necessarily linear. Danish development cooperation will support the green growth transition process through different types of engagements and instruments.

Policy dialogue

Promotion of a green economy can be included in the policy dialogue with a priority country e.g. in relation to the identification of strategic focus areas of a new country policy; during annual dialogue meetings in priority countries; during dialogue on budget support indicators and during sector policy dialogue. It should be ensured that civil society and actors in the private sector are included in the policy processes towards a greener economy. Potential for cooperation on shared positions in international forums could also be part of the policy dialogue.

Green Growth thematic areas and engagements in country programmes and other green growth programmes and projects

A thematic programme or development engagement may have a primary focus on supporting green and environmentally sustainable development. Programmes and projects with focus on climate and energy, growth and employment with focus on e.g. promotion of green value chains, management of water resources and other natural resources are typical examples.

Mainstreaming green growth

Mainstreaming green growth issues into other thematic programmes and projects/engagements across sectors can be pursued in many ways. Examples include promotion of environmental education in the curricula; ensuring that the legal system secures land and natural resource tenure rights; that environmental legislation is in place and enforced; promoting business sector reforms that incentivise the private sector in investing in green technology; etc.

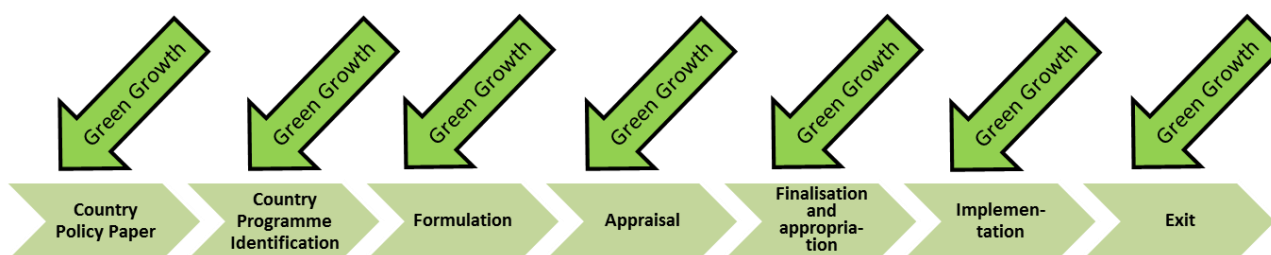
Greening of existing programmes and projects

Examples include greening of value chains through introduction of energy efficiency and renewable energy; introducing green procurement practices, etc.

3. Specific entry points and opportunities for green growth in the Danida programme cycle

This chapter describes the key entry points for addressing green growth during the preparation of Country Policy Papers, Country Programmes, other programmes and projects, and within on-going programmes.

The key green growth entry points in the programming cycle are illustrated below.



The entry points and required documentation for programmes and projects outside country programmes are in principle the same as indicated above from the stage of identification through implementation. In these cases the country policy paper is replaced by other country, regional or thematic strategies for overall strategic guidance. Likewise, for identifying and planning new green growth interventions in on-going programmes and projects the entry points above may be followed.

3.1 Country Policy Paper



Responsible Unit:

Responsible for analyses and preparation of Synopsis and of Country Policy Paper: **Danish Mission in cooperation with regional department.**

Options: Technical support with TAS/GRV. Possible support from external consultants.

Development of the Country Policy Paper constitutes an important entry point for addressing green growth constraints and opportunities. The foundation for pursuing these further during formulation of the country programme is laid at this stage. The 3-4 main Danish strategic objectives identified may specify which particular elements of the Green Growth priority area Denmark will prioritize and how these will translate into lines of action.

The preparation process comprises two outputs of relevance for green growth: 1. Synopsis for Country Policy Paper and 2. Country Policy Paper. The guiding questions below can be applied in the preparation of both documents. Further inspiration for addressing green growth and environment issues in relation to each of the 13 topic areas to be analysed during the preparation of the Country Policy Paper are included in Annex 2.

3.1.1 Guiding questions for formulation of Country Policy Paper – green perspective

- What are the major issues facing the country in climate change, availability and efficient use of resources, and environmental degradation that limit sustainable growth and affect food security and human wellbeing? How do these issues contribute to shaping the development challenges and opportunities of the country and its transition towards a greener economy? Are the key sectors that contribute to the country's economy affected by these issues?
- What are the key environmental issues that affect the livelihoods and health of poor and vulnerable groups including e.g. rights and access to natural resources, environmental hazards? Are any parts of society, such as women, youth, indigenous peoples, excluded from participating? How is their inclusion in and benefit from the economic development process secured? How are local rights and capacities addressed in local governance?
- Are key policies and development strategies conducive for supporting the transition towards a green economy and are public financial resources allocated accordingly? Are there specific green growth policies and strategies? To what extent are natural resources and ecosystem services valued?
- Do policies support the development of green and decent jobs? Is innovation and green skills development encouraged and facilitated?
- Does the enabling environment provide sufficient incentives for green investments and greening of private sector development?
- Are regulatory frameworks and standards for greening the country's development in place? Are they enforced? Are economic instruments such as taxes and subsidies supportive?
- Are robust monitoring systems in place, which capture green growth and environmental outcomes? Are the intervention logic and theory of change approach for the transition clear?
- Do domestic or export markets open up for niches, which promote green production?
- What are the major drivers and opponents in the political economy for greening development? Where are the critical strengths and weaknesses in institutional and human capacities?
- What are the lessons learned from ongoing and previous cooperation on inclusive green growth?

- What evidence underpins the strategic choices to be made?
- Is relevant Danish know-how and technology already engaged and where are further potentials? Are there opportunities for Danida Business instruments, Climate Investment Fund, commercial interventions etc.? Can Danish civil society partners be part of such processes? Is the potential for engaging with development research cooperation considered?
- How are synergies with other development partners and multilateral instruments considered?

Based on the above, it must be considered how the analyses and syntheses translate into strategic objectives of the Country Policy that support the transition towards a green economy.

Although not mandatory at this stage, the **Climate Change and Green Growth Screening Note** (see Annex 1) could provide inspiration in the above analyses.

Annex 8 lists a range of proposed tasks to be included in the ToR of consultants that may be engaged in order to ensure that green growth and environmental issues are adequately addressed.

Annex 6 provides more details on issues to address in identifying the ways and means of involving the private sector in both the partner country and in Denmark. Annex 5 provides guidance on how to address results orientation at the strategic level, which is required for the Synopsis.

3.2 Country programme, programme or project

In the following, guidance is given in relation to the main entry points for green growth from identification to implementation of a country programme, programme or project.

3.2.1 Identification



Responsible Unit:

Responsible for preparation of Concept Note: **Danish Mission or MFA department**
Possible technical support: **TAS/GRV**. Possible **consultant** for support to the process.
Responsible for quality assurance: **Programme Committee**

Inclusive Green Growth – what's in it for the poor and vulnerable?

Promoting green growth does not necessarily benefit poor and vulnerable groups. These could face significant costs such as rising energy prices, restricted access to natural resources such as forest and land and their jobs may be at risk in the transition process. These adverse social implications need to be addressed ensuring that green policymaking is inclusive. Examples could include compensation for reduced access to the natural assets on which their livelihoods depend or measures to safeguard poor people against potential transitional price hikes. More importantly, however, an integrated approach that addresses social and environmental goals and identifies potential benefits and trade-offs in advance is required. See for example [IIED](#).

During the identification phase the strategic direction of the country programme, programme or project is established, which provides a key entry point for addressing green growth and environmental opportunities and challenges.

For country programmes the identification phase takes its point of departure in the strategic objectives and line of actions defined in the Country Policy Paper and the work at this stage builds among others on a deepening of the analysis of the 13 topic areas carried out in preparation of the Country Policy Paper. Programmes and projects outside country programmes will be guided by other country, regional or thematic policies and strategies. **The use of the Climate Change and Green Growth Screening Note (see Annex 1) is now mandatory.** The key outcome of the identification phase is the outline of the country programme, programme or project presented in a concept note⁵.

In preparation of the *Concept Note for the Danida Programme Committee*:

- Further develop the country analysis and intervention logic in relation to inclusive and green aspects in accordance with bullet points in 3.1.1 and Annex 2;
- Apply the **Climate Change and Green Growth Screening Note** (Annex 1) and ensure that the specific challenges and opportunities identified are addressed in the programme thematic objectives and the envisaged intervention areas/engagements.
- Investigate the opportunity/need for undertaking Strategic Environmental Assessments (SEA) during the preparation process.
- If requirements for undertaking Environmental Impact Assessments (EIAs) have been identified, ensure the timing is clearly stipulated in the Screening Note.
- The list of guiding questions included in Annex 3 on green growth opportunities in selected thematic areas may be applied in relation to mainstreaming of green growth.
- Consider the opportunities for enhancing synergies between different instruments (including Danida Business instruments) and e.g. trade related cooperation for promotion of green technology and innovation. See Annex 6 for further inspiration.

Strategic Environmental Assessment (SEA)

[OECD-DAC good practice guidance](#) defines SEA as a range of analytical and participatory approaches that aim to integrate environmental considerations into policies, plans and programmes and evaluate the inter linkages with economic and social considerations.

Legal, procedural, institutional and political factors in different circumstances and countries will generally determine the way in which SEA is defined and applied in practice. The availability of data, level of definition of the policy, plan or programme to be considered, knowledge of direct and indirect impacts, and available time frame for the SEA, will also help determine the approach taken and the corresponding tools to be used. The Danida Climate Change and Green Growth Screening Note (See Annex 1) addresses the need for considering SEA.

⁵ Not mandatory for projects under DKK 35 million.

- Consider the need for technical assistance with green growth and environmental competencies.
- Ensure that the preliminary results framework and monitoring system captures green growth and environmental indicators and results; build on national systems and indicators to the extent possible. See Annex 5 for further inspiration.
- Ensure that contextual, programmatic and institutional risks related to achieving the green growth objectives are assessed and included in the Risk Management Matrix.
- Ensure that the linkages between the Climate Change and Green Growth Screening Note and the concept note are apparent and that it is clear in what thematic areas/sector(s) the Screening Note has been applied.

The Nexus: water - energy – food security

It is increasingly recognized that water, energy and food security are inextricably linked. The interconnectedness across sectors and in space and time means that solutions to problems in one sector in most cases can no longer be found without impacts in one or both of the other sectors. A nexus approach integrating management and governance across sectors and scales can support the transition to a green economy by reducing negative economic, social and environmental externalities, increasing overall resource use efficiency, and providing additional benefits such as strengthening the focus on human rights to water and food. Rural-urban interaction in a rapidly urbanizing world and many value chains further underscore the importance of an intersectoral approach. The Nexus [online platform](#) provides guidance on the nexus approach and contains updates on nexus initiatives and events.

Process action plan (PAP)

The PAP developed during the identification process is an important tool for tracking critical milestones such as:

- Timing of the most critical dialogue processes with key partners.
- Follow-up actions to the recommendations included in the Climate Change and Green Growth Screening (including need for SEA and EIAs where relevant).
- Timing of further consultant inputs in developing the programme/project.
- Need for further analyses, including possible targeted studies.

External consultants will often be assisting the responsible unit during the identification phase. Annex 8 lists a range of proposed tasks to be included in the TOR of the consultants in order to ensure that green growth and environmental issues are adequately addressed.

If the Programme Committee required further green growth issues to be addressed, this has to be taken into account in the programming process.

3.2.2 Formulation



Responsible Unit:

Responsible for formulation of programmes and projects: **Danish Mission or MFA department**
Possible technical support: **TAS/GRV**. Possible **consultant** for support to the process.

Country programme level

Key inclusive green growth and environmental concerns and opportunities raised early in the identification process (among others based on the analysis of the 13 topic areas earlier mentioned) are further developed as basis for presentation of the country context and for explaining the rationale behind the strategic choices made in defining thematic programmes and engagements, selecting partners etc. For inspiration refer back to 3.1.1 and 3.2.1.

From a green growth perspective the following could be considered at country programme level:

- If green growth elements were identified as part of the strategic objectives of the country policy paper, how are these reflected through the thematic objectives of the country programme? How do these green growth priorities align to national partners' policies and strategies?
- Are there interlinkages/opportunities for synergy with other Danish foreign policy, trade related, civil society, humanitarian etc. instruments within the area of green growth as defined in the country policy paper?
- Are any development engagements mutually supporting each other or competing in terms of resource use across thematic areas? This might be relevant e.g. in relation to support for areas covering water, energy and food production or in support for value chain development.
- Are there any inclusive green growth opportunities that were not addressed in the country policy paper, which could be addressed in the country programme?

Thematic programme level / programme level

It is important to ensure coherence with the conclusions drawn from the country context analysis and the consequent reflection of these in the thematic programme summaries regarding key green growth concerns.

At the thematic programme level the following could be considered:

- Does the thematic programme address green growth priorities and challenges identified at earlier stages of the preparation process - Annex 3 and 6 provide guidance for specific thematic areas and Annex 7 provides links to relevant webpages. The list of key questions included in Annex 2 and 3 can be applied for deepening the analysis of the 13 topic areas in relation to green aspects of the thematic areas and engagements.
- Is the thematic programme effectively aligned to national policies and strategies that support the transition to a greener economy?
- What is the intervention logic/theory of change in terms of achieving the green growth objectives and outcomes envisaged? Does the results framework of the country programme capture green growth outcomes from the engagement level?
- How does the political economy analysis inform the thematic programme design in terms of advancing the green growth agenda? Who are the drivers of change and are there any opponents for pursuing a greener development pathway?
- How do lessons learned from past and present support within the area of green growth inform the choices made in the thematic programme including the choice of engagements and partners?
- What strategic choices have been made in identifying engagements and partners with a view to strengthening the green growth agenda? Is there a balance between engaging with both duty bearers and rights holders? And has the level and type of engagement partner (national and/or sub-national, private sector/civil society) been considered?
- What are opportunities for achieving complementarities and for coordinating support in the area of green growth supported by other development partners within the thematic area and its engagements? Are there particular green growth related resources available in terms of global or regional investment funds or green knowledge providers?

Sustainable Energy for All (SE4All)

SE4All is a multi-stakeholder partnership between governments, the private sector, and civil society. Launched by the UN Secretary-General in 2011, it has three interlinked objectives to be achieved by 2030:

1. Ensure universal access to modern energy services.
2. Double the global rate of improvement in energy efficiency.
3. Double the share of renewable energy in the global energy mix.

The SE4All initiative has a set-up with thematic and geographical hubs and a Global Facilitation Team. Denmark strongly supports SE4All and its thematic hub for Energy Efficiency is in the UN City in Copenhagen.

SE4All also acts in support of the [2014-2024 Decade of Sustainable Energy for All](#) as declared by the UN General Assembly.

Read more on the [SE4All website](#).

Development Engagement level / project level

The template for the Development Engagement Document requires that partner documents for the supported intervention are summarised, which entails close cooperation with the engagement partners in pursuing/identifying opportunities for furthering inclusive green growth and environmental sustainability issues.

Special attention could be given to the following during formulation:

- How are specific green growth aspects addressed in the Development Engagement?
- Has the design of green growth interventions been informed by a human rights-based approach (HRBA)? Have key stakeholders within civil society and the private sector been consulted on the opportunities and risks related to green growth issues in the planning of the engagement?
- How does the Development Engagement address the enabling environment in terms of policies, regulation and technological development, including research, to support a green economy? Is there space for introduction of relevant Danish know how and technology? For further details see Annex 3 and 6.
- Have the findings and conclusions of the Climate Change and Green Growth Screening note (Annex 1) been adequately followed-up?
- Has it been determined when and how possible SEA and EIAs identified in the Screening Note will be carried out? Have adequate social and environmental safeguards thus been included?
- Are indicators and baselines for inclusive green growth outputs developed and monitored by the engagement partner? Refer to Annex 5 for further information.
- Does the partner institution have the required capacity and incentives for pursuing the green agenda; are specific capacity development efforts required?
- Have strategic choices been considered concerning inclusion of other Danida instruments and modalities? Have potential links to multilateral assistance been pursued? (see also Annex 6 concerning instruments for private sector involvement).

Green jobs - decent jobs?

According to the International Labour Organization (ILO) green jobs contribute to preserving or restoring a sustainable environment and help:

- Improve energy and raw materials efficiency
- Limit greenhouse gas emissions
- Minimize waste and pollution
- Protect and restore ecosystems
- Support adaptation to the effects of climate change

Are green jobs also decent jobs? ILO puts the Decent Work Agenda into practice through the implementation of four strategic objectives, with gender equality as a crosscutting objective:

- Creating Jobs
- Guaranteeing rights at work
- Extending social protection
- Promoting social dialogue

Read more on ILO's [Green Jobs Programme](#) and the [Decent Work Agenda](#)

- Has a realistic timeframe for achieving inclusive green growth results been considered and has an exit strategy been developed?
- Have any risks related to climate change and green growth been identified and addressed?

As external consultants are normally contracted in the formulation process, it is important to ensure that they have expertise within the relevant green growth areas. Tasks which may be included in TOR of consultants are listed in Annex 8.

3.2.3 Appraisal



Responsible Unit

Responsible for preparation of (draft) TOR: **Danish Mission or MFA department**

Responsible for final TOR and for the appraisal process for Country Programme and for appraisal of engagements over DKK 35 million: **TAS**

(Appraisal of activities between 5-35 million: **External consultants**)

(Appraisal of activities under DKK 5 million: **Danish Mission**)

The appraisal is the final assessment of the Country Programme, programme or project before it is presented to the Grant Committee. The preparation of the TOR is a key entry point for ensuring that the inclusion of green growth issues will be adequately addressed during appraisal.

TOR for Appraisal

The appraisal will assess whether and how the green growth issues have been sufficiently addressed – including how the country programme, programme or project supports a greening of growth and employment in an inclusive manner and whether environmental and social safeguards have been adequately incorporated.

From a green growth perspective the appraisal will among others assess the following aspects:

- Degree to which the strategic choices made in terms of support for a green transition process in the programme or project are based on a sound analysis and intervention logic as well as the DAC Quality Criteria for Development Cooperation (relevance, effectiveness, efficiency, impact, sustainability).
- Whether mainstreaming of green growth as a cross-cutting issue has been pursued within thematic programmes/engagements, programmes and projects which are not “green growth”.

- Degree to which issues raised in the Climate Change and Green Growth Screening Note have been followed up.
- Follow-up by the Danish Mission or MFA department on the Programme Committee's possible recommendations concerning the green growth aspects of the Concept Note.
- Degree to which green growth thematic objectives and draft engagement documents reflect green growth interventions in the partner's results frameworks.

3.2.4 Finalisation and Appropriation



Responsible Unit

Responsible for preparation of documentation: **Danish Mission or MFA department**

In this phase the country programme, programme or project documentation is finalised for presentation to the Danida External/Internal Grant Committee for recommendation and subsequent appropriation. The country programme design is revised on the basis of appraisal recommendations – in close consultation with the partners. In this presentation the mission/unit should be prepared to provide the evidence and solid results framework that clearly demonstrates how green growth objectives will be met. One of the mandatory annexes to be submitted is the approved response to the summary of appraisal recommendations – as well as a list of supplementary material – both opportunities for addressing green growth issues.

3.2.5 Implementation



During programme or project implementation the green growth agenda may be pursued through:

- Regular dialogue between the responsible unit and implementing partners on further opportunities for including and strengthening inclusive green growth aspects in the programme/project (e.g. through steering committee meetings, opportunities for greening procurement, awareness raising and capacity development processes etc.).
- Dialogue with national authorities (possibly through joint donor forums for thematic area/sector dialogue) on inclusive green growth and environmental opportunities and challenges, including the development of the enabling environment for green growth.

- Follow-up to the monitoring of progress towards the agreed green growth outputs and outcomes.
- The annual dialogue meeting between the Danish Mission and the lead national partner for donor coordination and the annual consultation with partners at development engagement/project level.
- High Level Consultations between Denmark and a priority country.

Mid-term and technical reviews

During implementation, reviews are important entry points for addressing green growth issues. At this point there may be possibility for developing new initiatives to make use of new opportunities or further mainstreaming, particularly when unallocated funds are to be committed. The mid-term reviews are specifically required to address inclusive green growth and environmental sustainability issues. Technical reviews at development engagement level or thematic programme level provide similar opportunities. The drafting/finalisation of TOR for reviews is an important entry point since this is where it is decided how green growth issues will be addressed and the qualifications needed for the review team are determined accordingly.

TOR for reviews could include:

- Assessment of the results framework with regard to green elements and proposals for adjustments as needed.
- Assessment of the progress towards a better enabling environment for green investments/developments.
- Review of new trends or developments, which provide opportunities for new/adjusted initiatives possibly through use of un-allocated funds.
- Review of the synergy between different Danish instruments.

Responsible Unit

Responsible for preparation of draft TOR for Mid-Term Review: **Danish Mission or MFA department**

Responsible for final TOR and for the Mid-term Review: **TAS** (above DKK 35 million) or **Danish Mission/MFA department** (below DKK 35 million).

3.2.6 Completion and exit



Responsible Unit

Responsible for development of exit strategy note and Danida final results report: **Danish Mission or MFA department.**

During the completion phase of a programme, engagement or project, a decision may be made to either exit or to continue the intervention with the same partners. In either case, the completion phase provides an opportunity for gathering lessons learned among other related to green growth aspects that may inform subsequent phases of support as well as other related development cooperation. Furthermore, evaluation may be carried out at this stage.

The **Danida final results report**, which is based on the implementing partners' final report, is a key entry point for gathering and documenting lessons learned on green growth. The following issues could be addressed:

- How far has the transition towards a green economy progressed?
- Have objectives related to inclusiveness and social impact (including decent jobs) been achieved?
- What have key challenges been in achieving the green growth objectives?
- Which are the replicable lessons of good practice and how will they feed into possible subsequent support?
- Has the green growth support achieved leverage in terms of mobilising national resources (including from the private sector) and from other development partners?

3.3 Existing programmes and projects

While Country Programmes are gradually phased in, there also exists a large portfolio of ongoing programmes prepared under Guidelines for Programme Management and other guidelines. Although these projects and programmes should not be reformulated, opportunities for introducing green growth elements could be pursued. Several options exist for adjusting and developing these programmes to promote a green transition. During implementation the same aspects as mentioned under 3.2.5 could be considered.

3.3.1 Technical or mid-term reviews

- With support from the Climate Change and Green Growth Screening Note and the list of guiding questions included in Annex 3 review the adjustments possible within the programme to strengthen green elements.

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- Review whether possible un-allocated funds can be used to strengthen the green profile of the programme.
- Identify green elements in on-going programmes to highlight already existing experiences as a basis for intensified policy dialogue on the transition towards greener growth.

Responsible Unit

Responsible for preparation of draft TOR for Technical or Mid-Term Review: **Danish Mission**

Responsible for final TOR and for the Technical or Mid-term Review: **Danish Mission or TAS** depending on projects/programmes.

Support: TAS/GRV

Annexes to Green Growth Guidance Note

Annex 1 - Climate Change and Green Growth Screening Note

The Climate Change and Green Growth Screening Note is mandatory as an annex to the Concept Paper for Country Programmes and other programmes and projects to be submitted to the Danida Programme Committee. However, already during preparation of the Country Policy Paper it could in many cases be used as a supporting tool in defining the opportunities and constraints related to green growth and climate change issues. It is also emphasized that the Screening Note is the mandatory vehicle in the Danida toolbox for ensuring that requirements for environmental impact assessments and needs/opportunities for strategic environmental assessments are systematically addressed.

The Climate Change and Green Growth Screening Note - and how to use it most effectively

Has it been carefully considered:

- How the Screening Note can be used for inspiration at early stages of analysis to identify major issues that can then serve as “red threads” through identification and formulation so as to ensure a strategic focus on climate change and green growth issues?
- Giving sufficient attention in the analyses to specific critical resource constraints, critical vulnerabilities to climate change, and other limits to an inclusive and sustainable growth?
- Providing the most important information in the columns “Comments and further work to be done“ and “Comments and elaboration” so as to ensure follow-up?
- Giving more information under “Summarize and explain climate change and green growth opportunities and risks” so as to ensure follow-up from the screening?
- Clarifying (both in the Screening Note and in the programme documentation) at what level and in which “sectors/thematic areas” the Note has been used and how this has fed back to the overall/strategic level of programme formulation?
- If sufficient focus is given to the identification of drivers and opponents in the political economy and how to most effectively engage with them in dialogue, consultation processes, and programme implementation?
- How synergies between different Danida instruments and modalities including those relevant for more engagement of the private sector have been taken into account in the screening?
- Whether sufficient attention was given to synergies with multilateral initiatives including multilateral development collaboration supported by Denmark? (for instance SE4All as the frame in energy-related issues)?
- The specific priority themes, tools and approaches in the Danida strategic frameworks “A Greener World for All” and “Growth and Employment”?
- What efforts are being made by the other key development partners in the sector/thematic area to align to national systems and procedures and in so doing, harmonize with other development partners including Danida – how well are the existing mechanisms reflected in the Screening Note and other documentation?
- How effectively green growth and environmental strategies and action plans are actually implemented in practice and how inclusive the approach to their formulation and implementation has been?
- Whether monitoring systems are adequately resourced to ensure effective means of verification?
- How effectively SEA and EIA procedures and legislation are actually implemented in practice and how inclusive this implementation is (can the public challenge findings in court, etc.?)

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- Consistency between the risk analysis of the Screening Note and the Danida Guideline to Risk Management.

Climate Change and Green Growth Screening Note:⁶

Basic Information			
Programme title:			
Country/region:			
Estimated allocation:	Million DKK		
Brief description of the Programme support:			
Dates (expected):	Programme committee:	Appraisal:	
Climate change screening			
Assess the status of policies and strategies to respond to climate change in the country and sector. If the issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and assess the potential impact on the program (see also “next steps” section, below).			
<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Are the processes and impacts of climate change documented (e.g. in national communications to the UNFCCC)?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is there a national climate change policy or strategy , including estimates of the economic costs of adaptation?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Have nationally appropriate mitigation actions (NAMAs) and or Low Carbon Development Plans been identified (e.g. targets for renewable energy production)?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Has a national adaptation programme of action (NAPA) been approved identifying key sectors where adaptation is required?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are there effective and operational meteorological and disaster preparedness organizations ?	<input type="checkbox"/>	<input type="checkbox"/>	
Summarize the overall assessment of climate change impacts and responses:			
Screening of Country Green Growth Framework			
Assess the status of policies and strategies for green growth and the procedures for			

⁶ Version in Danida Guidelines for Country Programmes, July 2013

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environmental impact assessment in the country and sector. If an issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).			
<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Do national procedures and legislation for Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) exist?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are there operational Green Growth Strategies/actions plans and/or National Environmental Action plans ?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are there regularly updated state of the environment reports and green growth monitoring systems with indicators ?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Is there sufficient institutional and human capacity for green growth and environmental management in the sector concerned?	<input type="checkbox"/>	<input type="checkbox"/>	
Summarize the overall impression of the Country Green Growth Framework:			
Climate change and Green Growth opportunities and risks of programme			
Assess how climate change and environmental opportunities and risks will arise through the programme:			
<i>Will the programme ...</i>	<i>Opportunity:</i>	<i>Risk:</i>	<i>None:</i>
1. ... support green growth initiatives including livelihood improvements and resource efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. ... support the creation of decent and green job ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ... contribute to effective management and efficient use of natural resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ... have direct or indirect impact on climate change (e.g. through increasing or reducing emissions of greenhouse gases)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. ... have direct or indirect impact on occupational health and safety ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. ... lead to changes in land and resource tenure and access rights , including the rights of indigenous peoples ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. ... include activities within or adjacent to protected or environmentally sensitive areas ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. ... have direct or indirect impact on the resilience of communities in the face of natural disasters ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Summarize and explain climate change and green growth opportunities :			

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Summarize and explain climate change and green growth risks :	
Identify requirements for undertaking an Environmental Impact Assessment (EIA). Categories are: [A] Full EIA required; [B] Partial EIA required; [C] No EIA required ⁷ .	
<i>Intervention Name</i>	<i>Category A, B or C:</i>
1:	Select category:
2:	Select category:
3:	Select category:
Will national regulations and procedures for EIA be applicable to activities of the programme that have potential environmental impacts? – Yes <input type="checkbox"/> - No <input type="checkbox"/>	
When will the EIA be undertaken?:	
Next Steps – process action plan	
Need for further work during the preparation, appraisal and implementation of the programme arising from the climate change and green growth screening:	
<i>Suggested activity:</i>	<i>Action needed</i> <i>Comments and elaboration:</i>
1. Assessment of green growth and climate change opportunities in sector development plan.	<input type="checkbox"/>
2. Assessment of capacity for green growth and climate change management in the sector/country.	<input type="checkbox"/>
3. Prepare ToR for and conduct Country Analytical Work.	<input type="checkbox"/>
4. Prepare ToR for and conduct SEA(s) of sector policies or plans.	<input type="checkbox"/>
5. Prepare ToR for and conduct EIA(s) for programme interventions.	<input type="checkbox"/>
6. Initiate donor harmonisation in the sector on green growth and climate change.	<input type="checkbox"/>
7. Other...?	
Signature of Screening Note	
<i>Place and date</i>	
.....	
(name)	
Danish Mission in	

⁷ Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.

Annex 2 - Green growth and the 13 analysis areas related to the Country Policy Paper

This annex supplements Chapter 3 with more details on the 13 analysis areas mentioned in Guidelines for Country Policy Papers.

Some illustrative guiding questions are given below for each of the 13 areas. From a green growth point of view, it is recommended to ensure a particularly strong focus on analysis areas such as development challenges, growth and employment, natural resources management, and key drivers of change. Guiding questions raised here are therefore in some cases similar to those required to be addressed in the Climate Change and Green Growth Screening Note, hence the Screening Note can be used for inspiration and serve as a supporting tool even at early stages of analysis and synthesis and may help to identify issues that are relevant from the analysis and synthesis work through the subsequent process steps.

Analysis area	Some guiding questions related to green growth
1. Analysis of country's development challenges.	<p>Is there a realisation of planetary boundaries and limits to “brown” growth at the most senior levels of decision making? How well are such development challenges articulated in national and sectoral development and investment plans? Are resource constraints impacting negatively on social development and human welfare (food and nutrition security, access to clean water, health)? Is there a national climate change policy or strategy and if so how explicit is it on the green growth challenges that Denmark could help address? Are there regularly updated state of the environment reports and green growth monitoring and evaluation systems and what picture do the indicators show?</p> <p>What can be learned on impacts of climate change as documented in national communications to the UNFCCC?</p>
2. Macroeconomic opportunities and challenges.	<p>How well is the concept of natural capital accounting understood/accepted? Are ministry of finance decision makers aware that some green improvements (e.g. in energy efficiency) may easily pay for themselves in the national economy? Where are the opportunities for innovation and the capital required to support climate initiatives and greening of growth? Where are the major macroeconomic and social challenges to reforming fossil fuels subsidies and creating the right incentives for improved access to energy, energy efficiency, and renewable energy solutions?</p>
3. Growth and employment policies.	<p>Where are the opportunities and constraints in the general investment climate, and which policies and business environment reforms are underway to address more targeted regulatory constraints in particular industries/sectors? How well is the concept of corporate social responsibility established? How well do current policies support the development of green and decent jobs that reduce consumption of energy and raw materials, limit greenhouse gas emissions, minimize waste and pollution, and protect and restore ecosystems while safeguarding the working environment?</p>
4. Human rights	<p>Have the key questions in Section 5 of the HRBA Guidance Note been carefully considered, with a particular focus on: i) who is excluded and why it is so?; ii) what</p>

assessment.	are the main barriers for participation and why do these exist?; iii) to which extent is information truly accessible to rights holders, including marginalised groups?; iv) do effective accountability mechanisms exist? How clear is the picture of rights holders and duty bearers as far as green growth issues are concerned? Where are the key challenges in making green growth inclusive?
5. Gender equality issues.	How have key challenges and opportunities for gender equality in greening growth been identified? Which strategic gender issues can be identified through CEDAW-reporting, UPR, and other relevant gender assessments? Where are the high impact opportunities from a gender perspective?
6. Governance and corruption.	What is the political acceptability of the transition to a greener economy and where are the key governance failures and opportunities? What are the key vested interests and entrenched behaviours that are the key obstacles to a transition to a green economy and to decent jobs? How transparent is environmental governance (and can e.g. EIAs be challenged in court by the public?). Does corruption affect natural resources management (e.g. in obtaining permits for extractive industries, water extraction, land use etc.).
7. Natural resource management, environment, climate change, energy, land, water, etc.	<p>How effective are national policies and regulations concerning SEA and EIA?</p> <p>What are key natural resource challenges in terms of availability, degradation, impact on livelihoods etc. What opportunities do natural resources provide in the national economy?</p> <p>How are the key development challenges related to climate change (e.g. sea level rise, drought, irretrievable loss of biodiversity, more frequent extreme weather events - and the impacts on the poor) identified in national climate change policy and strategy and in national communications to the UNFCCC? What information do NAPAs and NAMAs provide if available? (the key questions the Screening Note may be further considered here for inspiration).</p> <p>Have trans-boundary water issues and the nexus between water-energy-food security been considered?</p>
8. Public and private sector capacity, civil society.	Are rights-holders and duty bearers identified vs. key green growth issues such as land, water and energy? What is the overall picture concerning the capacity of holders of rights to access to natural resources? Who are the most effective advocacy voices in civil society on green growth issues? What is the overall picture regarding capacity of duty-bearing institutions to strengthen environmental legislation, regulations and natural resource governance and management? What is the interest and capacity of the private sector in delivering environmental services? How could capacity development needs and priorities best be identified at an early stage and integrated most effectively into programme design?
9. Key drivers of change.	How effectively have drivers and opponents of change in greening growth been identified and through which processes and tools ⁸ ? Is there political will to address

⁸ The AMG toolbox contains two particularly important documents: i) [Applying Political Stakeholder Analysis – How can it work?](#) and ii) [Addressing Capacity Development in Danish Development Cooperation](#).

	<p>a low-carbon transition for the country? Who are the specific champions of change toward a greener economy in the public sector, in civil society and in the business community, both formal and informal? – and who are Denmark’s key allies in the institutional landscape at national/strategic level? Who are the drivers of key local level examples of good practice that can be further showcased and replicated?</p>
<p>10. Dynamics of partnership including role of other development actors.</p>	<p>What is the experience of previous cooperation and where are the key opportunities for aligning to national policies and strategies in support of an inclusive green economy? Who are the key strategic alliance partners among other development actors who share Danida views on how to support a transition toward a greener economy? How effective are country level coordination mechanisms in ensuring synergy between multilateral development initiatives and bilateral development cooperation supported by Denmark? What does the EU’s ”Agenda for Change” (and EU’s emphasis on supporting inclusive and sustainable growth, including promoting a green, low carbon economy through efficient and sustainable use of natural resources) mean for joint programming? Have Denmark’s support to the development banks and the UN family in relation to green growth been carefully considered? (e.g. ILO, World Bank ESMAP, UNEP Risø Centre)</p>
<p>11. Potential for cooperation with the country in international fora.</p>	<p>Where are the climate change shared positions with Denmark in the recent COPs held under the UNFCCC? Where are the green growth shared positions with the partner country in the post-2015 process?</p>
<p>12. Trade relations including in EU context.</p>	<p>What does the increasing focus by several EU member states on business opportunities and trade mean for Denmark’s development cooperation on green growth in the country? Where are the key opportunities for Denmark in increased policy coherence?</p>
<p>13. Commercial engagement opportunities.</p>	<p>Which commercial engagements already exist between Danish companies and the partner country, and which lessons have been learned on further opportunities and specific constraints? What has been the experience from DBP and DBF projects if any – and which other financing mechanisms exist to support the development of commercial relations? When was a Danish trade promotion initiative on green know-how and green technology last taken and what were the lessons and follow-up? When considering Danish strengths in green growth (such as showcased by the House of Green, 3GF etc.) where do the specific “matches” seem to be strongest between country demand and Danish supply? Are there examples of concrete green product and service markets and value chains that could be developed and scaled up with Danish support? Who are the key competitors to Denmark and where are Danish strengths and weaknesses?</p>

Annex 3 - Green growth opportunities in selected thematic areas

Below are given some guiding questions concerning “mainstreaming” and possible “add-ons” in ongoing or new engagements in selected thematic areas/sectors.

Sector or thematic area	Guiding questions to identify green growth opportunities
Good Governance	<ul style="list-style-type: none"> • <i>Constitution, laws, and regulations.</i> Are the Constitution, national strategies, or other umbrella documents committed to green growth? Do laws and regulations reflect sustainable development principles (e.g., precautionary principle, polluter pays or user pays approach)? • <i>Rights, public engagement, and redress.</i> Do men and women as well as marginalised groups have secure rights to public land as well as environmental assets, services, information and decision-making processes? Are there mechanisms in place for effective participation of stakeholder groups in developing plans and policies? Is there access to justice to seek redress when rights or processes have been violated? Are there opportunities for promoting and applying FAO Voluntary Guidelines on Tenure? • <i>Shared ownership of and responsibility for green growth and sustainable development.</i> Are decentralization and application of subsidiary principles the foundations for multi-level, multi-stakeholder governance? Is there support to build civil society and business capacity to understand and engage in green growth issues? • <i>Development planning and control systems.</i> Are sustainable development principles mainstreamed in national development, economic, spatial and sector plans? Are mechanisms in place to identify social and environmental externalities and to resolve trade-offs between economic, social and environmental goals? Are Strategic Environmental Assessments and Environmental and Social Impact Assessments used effectively? • <i>Monitoring, accounting, and accountability systems.</i> Are capital assets – specifically natural and social capital – monitored? Are developmental and environmental monitoring linked at national and local levels? Are there efforts under way to track green growth with indicators or special accounts (e.g., natural capital or wealth accounts)? • <i>Government capacity to advance green growth.</i> Are incentives and support in place for officials and others to advance green growth? Do they have access to knowledge and technology? • <i>Governance of business.</i> Do businesses adopt standards, certification, labelling and other market mechanisms for ensuring sustainability and social responsibility?
Development Contracts (general budget support)	<ul style="list-style-type: none"> • <i>Government budget and expenditure.</i> Has there been a public environmental expenditure review? Is green growth reflected in budget rules and coding? What proportion of planned and actual expenditure is channelled into safeguarding and building natural capital? Does public procurement favour environmentally and socially responsible goods and services? • <i>Fiscal systems and incentive mechanisms.</i> Do resource pricing, taxation and subsidies reflect real costs to society, including environmental and social costs? Do environmental subsidies and tax reform exist for the transition from brown to green economy? Is the country testing or using innovative policy instruments to advance green growth (e.g., payment for ecosystem services)?
Health	<ul style="list-style-type: none"> • <i>Greening of health care facilities and healthcare delivery systems.</i> Environmental management of hospital waste? Are there opportunities to: enhance healthcare and make it more reliable for example, through off-grid renewable energy systems or use of cleaner onsite energy; use low-energy and no-energy medical devices and renewable energy sources; site health-care facilities near major public transport and safe pedestrian or cycling routes; or conserve water and harvest rain water? • <i>Greening of clean water and sanitation delivery.</i> Where can new water and sanitation infrastructure investments be combined with low-carbon energy use and with watershed restoration (to safeguard water supplies and maintain pollutant removal capacity of ecosystems)? Are there job opportunities to rehabilitate and expand water delivery networks? • <i>Removing short-lived particulate pollutants for health, development, and climate co-benefits.</i> Are there low-cost strategies to improve household energy use (e.g., clean cook stoves for biomass and coal users, photovoltaics to replace kerosene)? Can energy consumption subsidies be reformed to reduce local air pollutants and avoid disproportional effects on the poor? • <i>Combining greener production strategies to reduce toxic exposure and occupational health risks.</i> Reducing eco-toxicity of pharmaceuticals? Can reduction in agrochemicals, air pollution and toxic waste (e.g.,

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Sector or thematic area	Guiding questions to identify green growth opportunities
	<p>Integrated Pest Management, waste minimization) be achieved?</p> <ul style="list-style-type: none"> • <i>Integrated approaches to healthy housing and sustainable transport.</i> Are there opportunities to address housing needs and health in a more integrated way (e.g., improved energy supply and lighting, changes in ventilation and house screening, siting that decreases vulnerability)? Are there opportunities to encourage more liveable, cities (e.g., city planning that fosters compact, mixed-use urban development that promotes non-motorized transport, minimizes energy use and maximizes residents' health).
Education	<ul style="list-style-type: none"> • <i>Greening primary and secondary schools.</i> Are there opportunities to create green schools (e.g., by making school environments healthier, reducing their ecological foot print, teaching environmental sustainability and community engagement)? • <i>Strengthening education and training policies and institutions to support green economy transition.</i> How can the share of skilled workers in green growth (e.g., managing natural assets, becoming more resource-efficient, transitioning to a low-carbon economy) be increased and the transition out of brown economy jobs be supported? How can the participation of small and medium sized enterprises be encouraged? • <i>Building the capacity in the vocational education and training.</i> Are there opportunities to establish a national standard to deliver green skills in the work place? • <i>Creating a supportive environment to advance green growth innovation.</i> Are there opportunities to establish dialogue (e.g., educators, trainers, employers, trade unions) to reform the system of higher education to promote entrepreneurial capacity, more integrated learning, and green growth skills? Can government provide more certainty on green growth commitments to create incentives for business to invest in long-term skills development? Can innovation centres be established that provide training-of-trainers and other support to first movers in a greener economy?
Business Sector Development	<ul style="list-style-type: none"> • <i>Providing an enabling environment for greener and more inclusive markets.</i> Which changes will make the country more business-friendly and facilitate successful public private partnerships to create both private and public benefits? How can increased support for property rights create a more stable business environment and encourage sustainable resource use, especially for small and medium enterprises in the natural resources sector? Do overall business policies or sector-specific policies (e.g., energy, water, agriculture) provide predictable and long-term policy signals to encourage private investment into green growth technology and services (e.g., renewable energy)? Which structural changes can boost investment in green growth technology (e.g., energy efficiency, water saving technology)? How can government create a level playing field that encourages new businesses that seek to implement green business models? How can the public sector improve and expand the physical infrastructure and at the same time contribute to more efficient energy, water, and natural resources use? Is there a supportive environment for entrepreneurship and new business models to support commercialization of green innovation? Are the policies in place to support the entry and growth of new firms? Is access to finance for new green technology available? • <i>Catalysing opportunities for green and inclusive innovation.</i> How can government create incentives for green businesses? How can government strengthen regulations of harmful substances and production processes to discourage negative environmental and social impacts (e.g., through new taxes or reducing existing subsidies)? How does the country compare on performance standards, green labels and certificates, and technology-based standards to stimulate green growth? How can government simplify and streamline the process for companies that seek to access support mechanisms for green growth? Is the public sector committing resources to make green investment policies credible (e.g., establish confidence through co-investments or guarantees)? • <i>Establishing a learning environment for cooperation and partnerships.</i> What improvements can be made to stimulate public-private dialogues (e.g., to understand green growth challenges, develop new business models, and better adjusted regulatory frameworks)? How can policymakers and the private sector establish incubators for green businesses (e.g., climate change innovation centre, technology innovation hubs)? Which platforms for knowledge exchange and more systematic evidence collection are needed to overcome opposition benefiting from unsustainable practices?
Climate change adaptation and mitigation	<ul style="list-style-type: none"> • <i>Improve overall framework conditions for climate change mitigation and adaptation.</i> Have the costs and benefits of the different priorities outlined in climate change action plans been assessed and discussed? Is financing of adaptation to climate change adequate and effectively applied? How consistently are climate change issues addressed or going to be addressed across all sector plans

Sector or thematic area	Guiding questions to identify green growth opportunities
	<p>and priorities? Do the rights and participation of communities vulnerable to climate change impacts need to be enhanced to ensure more equitable distribution of risks and opportunities?</p> <ul style="list-style-type: none"> • <i>Reduce greenhouse gas emission (low-carbon development).</i> Which investments in agroforestry, integrated soil fertility management, and other land use practices will create co-benefits and contribute to sustainable intensification of small-scale farming? How can the country expand low-carbon energy supplies and promote sustainable small-scale energy installations in rural areas? Which opportunities exist to ensure a more reliable energy supply for agro-processing and other industries and link this to new energy-efficient technology investments? How can improvements in land use planning and zoning avoid future deforestation? Which investments in city planning and urban development can foster compact, mixed-use urban development that promotes non-motorized transport and minimizes energy use in urban transport and improves energy efficiency in buildings? • <i>Invest in climate change resilience.</i> How can investments in robust road networks create new jobs and more efficient resilient transport systems? What opportunities exist to improve irrigation efficiency, soil and water management practices, and integrated water resource planning? Which social protection programs can be greened (e.g., cash for landscape restoration to improve water supplies or mitigate disaster impacts)? How can new information systems increase access to data and maps to facilitate more integrated local planning and enhance disaster risk management?
Natural resources	<ul style="list-style-type: none"> • <i>Reform unsustainable natural resource use.</i> Is current economic growth consistent with sustainable use of scarce natural resources? How are natural resources priced, and do current prices encourage over-exploitation? Are rights to forests, wetlands, and other common pool resources clearly defined also for poor and vulnerable groups? Do men and women have equal access? Which subsidies provided to agriculture, fisheries, and other natural resources create perverse incentives and require reform? Do incentives to promote the production and use of biofuels and transport fuels made from agricultural commodities contribute to greenhouse gas emissions, price pressure on food commodities, and biodiversity loss? Do revenues based on natural resource use create cartels and undermine governance? Are the public benefits of watershed services, biodiversity, forests, wetlands, and other ecosystems sufficiently reflected in the market? • <i>Invest in restoring and safeguarding natural capital and the benefits derived from it.</i> Which support to establish and enforce well defined property rights can help ensure more optimal resource use of forests or marine resources and improve livelihoods and environmental benefits? Which reforms to environmental protection policies and practices can contribute to more equity and avoid disproportional effects on poor households (e.g., from natural resource degradation, soil fertility mining, and water pollution)? How can degraded watersheds, forest and rangelands, agricultural landscapes, or marine ecosystems be restored by providing support to local innovators, community-led actions, and stronger market linkages? How can the taxation of natural resource use be reformed to increase government revenues (national and local) and increase institutional capacities to manage natural resources sustainably? What opportunities exist to set up payment schemes for wetlands and biodiversity benefits or ecosystem services? What due diligence guidance and peer-learning need to be put in place to encourage actions by natural resource-based value chain actors (e.g., timber, charcoal, fish) that are more congruent with human rights and sustainable resource management?
Water and land	<ul style="list-style-type: none"> • <i>Improve policy and institutional framework for water management.</i> What are the expected trends in water scarcity and access to water at national, basin, and sub-catchment scales? What growth, job, and business opportunities exist to upgrade or expand the water supply infrastructure? Are water and land rights clearly defined for men and women and enforced? What new regulatory and other interventions can address market or information shortcomings for more sustainable water use? How can policy and legal frameworks be improved to support both providing basic water supply and sanitation services and catalysing new technologies for water savings, irrigation, and reuse? Are institutional mechanisms to address the nexus of water, energy, and food in place or require reform (e.g., water pricing, pollution-based taxes, integrated river basin management)? Does the public sector provide sufficient support to the private sector to develop new water technology, contribute to efficient operation of water utilities, and stimulate private investments? • <i>Encourage innovative approaches to limit water consumption and encourage efficient use.</i> Which low-cost investments in safe water supply and adequate sanitation can encourage water use efficiency, reduce fossil fuel demand, and improve public health? How does the country compare in its use

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Sector or thematic area	Guiding questions to identify green growth opportunities
	<p>of new water technology and integrated approaches to water management? How can water use efficiency, especially for agriculture and agro-value chains, be improved? How can rainwater harvesting, other improved soil and water management practices, and access to information technologies improve efficiency of agricultural production and increase climate-change resilience? How can investments in 'grey' water infrastructure (e.g., dams, ponds, irrigation systems) be efficiently combined with 'green' water infrastructure (e.g., wetlands restoration, riparian vegetation management, aquifer recharge) to ensure more steady water supply, improve water quality, and better manage storm water runoff?</p>
Sustainable agriculture and food production	<ul style="list-style-type: none"> • <i>Improve knowledge and framework conditions.</i> How can land and water rights be secured and better enforced to the benefits of small farmers? How can business conditions be improved for farmers and other agricultural enterprises championing green growth? How can science and evidence for greening agriculture and food production be strengthened to establish a better knowledge base to understand synergies and trade-offs between green growth and agriculture? How can farmers and local innovators of more sustainable agriculture be systematically supported (e.g. through access to new green technologies and knowledge, training and advisory services, information and communication technology)? • <i>Reduce environmental pressure from agriculture.</i> How is economic growth in the food and agriculture sector dependent on natural resources (water, air, soil, fish stocks, biodiversity) and ecosystem services and how can these be managed more sustainably? How can negative economic externalities of agriculture and food production be reduced (e.g., food loss during production, processing, and consumption; nutrient and agrochemical pollution; greenhouse gas emissions; conversion of forests and other ecosystems; unsustainable water use)? How could resource conservation and more efficient technology (e.g., water, energy, new crop varieties) become a driver for new businesses and services? • <i>Increase productivity and income generation?</i> How can degradation of croplands and agricultural landscapes be reversed through widespread adoption of improved land and water management practices boosting productivity such as agroforestry, farmer-led soil and water conservation techniques, rainwater harvesting, conservation agriculture, and integrated soil fertility management? What structural support can the public sector provide (e.g., long-term management plans for water use, alternate livelihoods) to avoid or mitigate unbalanced agricultural growth (e.g., shift to water-intensive crops, expansion of cultivated areas) from successful agro-value chains? How could green labels, certification, payment for ecosystem services, and other arrangements to reduce environmental pressure increase farm incomes in rural areas? How can access to finance for new green technology be provided? • <i>Reduce vulnerability to climate change?</i> Which opportunities exist to simultaneously increase agricultural productivity, mitigated greenhouse gas emissions, and increase resilience of farms and agricultural landscapes? How can policies promoting agricultural development with low greenhouse gas emissions be improved? How can the number of farms and cropland areas with agricultural greenhouse gas emission plans be increased? How can better weather information (e.g., daily and seasonal forecasts), early warning systems (e.g. for drought, disease outbreaks), and insurance systems be made available to small scale farmers to reduce crop and livestock losses?
Energy	<ul style="list-style-type: none"> • <i>Policy framework.</i> How green is the national and sector policy framework on energy and which energy indicators are used to monitor the transition to a greener economy? Is the country an opt-in country to the Sustainable Energy for All initiative? How well is the country's policy framework in line with SE4All objectives on access to energy, renewable energy, and energy efficiency? Is the policy framework conducive to private sector engagement in energy services and to increasing renewable energy solutions in the energy mix? What is the policy on fossil fuels subsidies and any reform initiatives in this area? Are feed-in tariffs for renewable energy to the grid appropriate? • <i>Political economy, institutional framework, and capacity.</i> Who are the key drivers and opponents in the public and private sectors and in civil society of energy solutions that promote a transition to a greener economy? Which national coordination mechanisms exist and how effective are they? (also in coordination external support from development partners). Is there requisite institutional capacity to enhance energy access for the poor, increase renewable energy solutions and increase energy efficiency while attracting the substantial private investments required to deliver more

Danida Green Growth Guidance Note

Sector or thematic area	Guiding questions to identify green growth opportunities
	<p>sustainable energy services? To what extent are duty bearers on energy services focused on the rights of poor and marginalized groups? What is the capacity of advocacy groups promoting green energy solutions?</p> <ul style="list-style-type: none"> • <i>Energy sector governance.</i> Is there sufficient information available for informed, transparent and accountable governance of the energy sector and of energy services in a broader sense? (both for on-grid, off-grid standalone solutions, mini-grid solutions, household level clean energy services). Is there a need for further analytical studies to facilitate well-informed decision making on a wide range of renewable energy sources (including windpower, hydropower, solar heating, solar photo voltaic power generation, biomass power generation, fuel wood production as part of integrated sustainable landscape and climate-smart agriculture approaches, geothermal energy, etc?). Is there enough knowledge on energy efficiency potentials in value chains including in buildings and transport systems? How coherent is the governance of energy services across grid vs. off-grid solutions? Is there understanding of the linkages between energy services, water and food security issues? • <i>Funding for cleaner energy.</i> Is there overview of financing mechanisms for energy services and are there innovative funding mechanisms that will leverage and accelerate public and private investments? Are the ambitions and time frames realistic for financing mechanisms to deliver expected results?

Annex 4 - Green growth terminology

This is a glossary of terminology relevant to the Guidance Note. Where universally accepted definitions do not exist, Danida's interpretation of the term is provided.

Brown economy is an economy that is inefficient, unequal and unsustainable.

Climate smart agriculture (CSA) seeks to achieve a triple bottom line with agricultural practices that sustainably increase productivity, improve resilience, and reduce greenhouse gas emissions.

Decent job: ILO defines decent work as the availability of employment in conditions of freedom, equity, human security, and dignity (see also box in section 3.2.2).

Eco-efficiency means creating more goods and services while reducing resource use, waste, and pollution.

Ecological limits: A point or range of conditions beyond which the benefits derived from a natural resource system is judged unacceptable or insufficient.

Ecosystem accounting is an accounting framework that tracks the changes in the stock of ecosystems (ecosystem assets) and flows from ecosystems (ecosystem services) and links these changes to economic and other human activities.

Ecosystem services are the benefits humans derive from ecosystems. Ecosystem services are often grouped into four broad categories: provisioning (products obtained from ecosystems such as food, freshwater, natural medicines, genetic material and wood fuel); regulating (benefits obtained from the regulation of ecosystem processes such as storm protection, erosion regulation and waste water purification); cultural (nonmaterial benefits people obtain from ecosystems through spiritual enrichment, cognitive development, reflection, recreation, and aesthetic experiences), and supporting (services that are necessary for the production of all other ecosystem services such as primary production and habitat provisioning).

Environmental externalities are uncompensated environmental effects of production and consumption that affect consumers and companies outside the market mechanism (e.g., downstream effects of water pollution from an upstream factory). As a consequence of negative externalities, private costs of production tend to be lower than its overall societal costs.

Environmental fiscal reform (EFR) refers to a range of taxation and pricing measures, which can raise fiscal revenues, increase efficiency and improve social equity while furthering environmental goals.

Environmental Impact Assessment (EIA) is a process that evaluates (with stakeholder participation) the likely environmental impacts of a proposed investment taking into account the beneficial and adverse socio-economic, cultural, and human-health impacts.

Fossil fuels subsidy reform: In September 2009, leaders of the Group of Twenty (G20) largest economies committed to phase out inefficient fossil fuel subsidies that encourage wasteful consumption. This reform agenda is challenging due to the many strong vested interests in fossil energy supply, and due to the importance of ensuring social safeguards in the subsidy reform agenda, as many poor people are directly affected by changes in energy prices. At the same time the energy price is an important driver for energy efficiency improvements.

Food security: The 1996 World Food Summit defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”.

Green accounting is a new type of accounting to overcome limitations of current accounting practices. It attempts to factor environmental costs into the financial results of operations (of a country or a firm).

Green economy is an economy that is efficient in its resource use, equitable in its distribution of cost and benefits, and environmentally, socially, and economically sustainable.

Green growth is in the NEC strategy described as the process by which the current economy can make the transition to a sustainable green economy, which entails shifting production and consumption patterns to become environmentally sustainable. Shifting these patterns requires reducing pollutants and greenhouse gas emissions, improving energy and resource efficiency, and avoiding natural resource degradation. Informed by a rights-based approach and good governance, inclusive green growth secures access to energy and natural resources for poor populations and thus promotes their economic resilience in times of environmental change (it is noted that there is no universally agreed definition of green growth).

Green job is a job or self-employment that contributes to sustainable development (e.g., jobs that help to protect ecosystems and biodiversity, reduce energy, materials, and water consumption, de-carbonize the economy, and minimize waste and pollution). (see also box in section 3.2.2).

Green public procurement refers to public authorities procuring goods and services with a reduced environmental impact throughout their life-cycle when compared to goods and services that would otherwise be procured.

Human rights-based approach (HRBA): Danida stipulates that all development interventions must be based on a solid analysis of the human rights situation, including the four HRBA (principles, non-discrimination, participation and inclusion, transparency and accountability); and that 1) the goal of development cooperation will seek to realize human rights as well as poverty alleviation, 2) the process of development cooperation should be guided by human rights standards and principles, and 3) there should be a focus on rights-holders and duty-bearers and their capacities to claim and fulfil obligations related to human rights.

Inclusive green growth reduces poverty, promotes equity, and creates economic growth without harming the environment.

Integrated landscape management - or the landscape approach - is the long-term collaboration among different groups of land managers and stakeholders to achieve the multiple objectives required from the landscape. These typically include agricultural production, provision of ecosystem service, protection of biodiversity; and local livelihoods, human health and well-being. Stakeholders seek to solve shared problems or capitalize on new opportunities that reduce trade-offs and strengthen synergies among different landscape objectives.

Low carbon development: There is no formally agreed definition, but it generally refers to economic development that has a minimal output of greenhouse gas emissions (other terminology often used includes low-emission development strategies, low-carbon development strategies, low-carbon growth plans, low-carbon economy, low-fossil-fuel economy, decarbonised economy).

Nationally Appropriate Mitigation Actions (NAMA) refers to a set of policies and actions that countries undertake as part of a commitment to reduce greenhouse gas emissions.

National Adaptation Programmes of Action (NAPAs) provide a process for Least Developed Countries to identify priority activities that respond to their urgent and immediate needs to adapt to climate change.

Natural capital is the extension of the economic notion of capital (manufactured means of production) to goods and services relating to the natural environment. Natural capital is the stock of ecosystems that provide a flow of ecosystem services. Overharvesting or overuse of ecosystem services can result in depletion of the stock of ecosystems and reduce the capacity to provide services in the future.

Nexus refers to the close linkages between sectors; water security, energy security and food security are inextricably linked, and solutions to problems in one sector in most cases can no longer be found without impacts in one or both of the other sectors (see also box in Section 3.2.1.)

Planetary boundaries: In 2009, a group of scientists proposed a framework of “planetary boundaries” designed to define a safe operating space within which humanity can continue to develop. However, once human activity has crossed certain thresholds, defined as planetary boundaries, there is a risk of irreversible and sudden environmental change. Boundaries for nine Earth system processes were identified. Preliminary analysis indicates that three boundaries have been crossed (climate change, the rate of biodiversity loss, and the rate of interference with the nitrogen cycle).

Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD) is a mechanism under negotiation by the United Nations Framework Convention on Climate Change (UNFCCC) since 2005 that seeks to financially reward

developing countries for their verified efforts to reduce emissions and enhance removals of greenhouse gases through a variety of forest management options.

Sustainable Energy for All initiative (SE4All) is a multi-stakeholder partnership between governments, the private sector, and civil society. Launched by the UN Secretary-General in 2011, it has three interlinked objectives to be achieved by 2030: i) Ensure universal access to modern energy services; ii) double the share of renewable energy in the global energy mix; iii) double the global rate of improvement in energy efficiency (see also box in Section 3.2.2).

Strategic Environmental Assessment (SEA) is a systematic decision support process, aiming to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and programme making (see also box in Section 3.1.1).

Theory of change (TOC) is an approach to test whether it is likely that the input provided into a development process will deliver the expected changes. A starting point is an analysis of the situation and context for the intervention. The intervention links – contribution pathway – between the input, output, outcome and impact are then described. Focus is on describing the links; what assumptions must be made to establish the link, what risks are there and can they be mitigated, what is the evidence for the link. A theory of change normally consists of a flow diagram linking input to impact similar to a results framework (e.g. LFA), and a narrative that explains the contribution story of the input.

Valuation of natural resources and ecosystem services: Economists measure the value of natural resources and ecosystem services to provide decision-makers with a more comprehensive economic picture of the benefits provided by nature. For some ecosystem services (e.g., food, timber) that are bought and sold in markets, a quantity and price can be obtained directly. For other ecosystem services that are not traded in markets, such as provisioning of scenic beauty and flood protection, economists rely on indirect methods (e.g., how much are people willing to pay to enjoy a view, what are the property damages avoided by the service provided?).

Value chain analysis examines every step a business goes through, from raw materials to processing to final consumption. The goal is to deliver maximum value for the least possible total cost. Upgrading along the value chain has been employed as a means of identifying livelihood and economic growth opportunities. Greening value chains should optimize the economic and social outcomes in an environmentally sustainable manner thus: i) ensuring sustainable use of natural resources and increasing the share of renewable and recycled resources at the input side; ii) maximizing material- and energy efficiency at each stage of the process; iii) reducing negative environmental impacts as outputs at all points of the chain.

Annex 5 – Monitoring and evaluating green growth engagements

This annex gives brief guidance on the general approach to a results-orientation, and further reference is made to the Danida AMG site and to ongoing efforts on the international arena aimed at developing green growth indicators.

Development of the Danida country programme as well as other programmes and projects requires early attention in the preparation process with partners to establishment of concrete and measurable objectives and indicators. Based upon a firm intervention logic and theory of change approach a result matrix is identified and a related monitoring and evaluation system designed.

Indicators should be selected and validated according to SMART criteria (Specific, Measurable, Attainable, Realistic and Timely). Disaggregated data should as far as possible be presented to clarify any differences between sexes and between different groups of poor people, including excluded groups. The quality criteria for Danida development cooperation are the five OECD/DACs quality criteria: relevance, effectiveness, efficiency, impact and sustainability.

A few simple guiding questions along the following lines might be useful to consider:

- What on-going country-led reporting and monitoring systems are the most relevant for green growth e.g. preparing State of the Environment Reports, poverty-environment mapping, monitoring job creation and growth, etc.
- Where are the key existing indicator gaps? (at country programme, thematic programme, development engagement levels, gender disaggregation, etc.) – and against what baselines (or proxies) are indicators established?
- What recent work was done to check if other indicator initiatives have already been undertaken in similar areas?
- Who are the key national stakeholders with whom dialogue could be intensified?
- Which reality check was made on the sustainability of M&E systems and the capacity and cost of the means of verification?
- Does the information generated by the M&E system facilitate possible evaluation?
- What information is available concerning capacity of institutions responsible for monitoring processes – do they have adequate resources to be effective and accountable and if not could they be supported?
- How are linkages ensured to MDGs - and to SDGs as they evolve?

Danida Results Framework

Reference is made to the [AMG Results Framework tool/template](#) that is intended to facilitate a uniform presentation of (country) programme Results Frameworks in Concept Notes, (Country) programme Documents and Development engagement Documents. The building

blocks for presentation of a (country) programme's Results Framework are based on the descriptions and requirements stated in the Guidelines for Country programmes. Quantitative indicators are preferred but also qualitative indicators are accepted.

As mentioned in “A Greener World for All” Denmark will place particular emphasis on strengthening existing national and global monitoring systems. Although there is no single green monitoring system, it is evident that all countries and partners have opportunities to make their monitoring and reporting systems greener and more inclusive (and linked with the emerging post-2015 development agenda and its indicators). There may also be important opportunities for Danish support to improving public access to information about the sustainability of development and involving the public in monitoring (e.g. citizen feedback on state of the environment and service delivery).

This Guidance Note will not give detailed suggestions on green growth indicators⁹. This is however an area of concerted efforts at the international level and while there is still not a lot of operational guidance on green growth M&E and indicators on the Internet, it is worth noting that the Green Growth Knowledge Platform has developed a Scoping Paper: [“Moving towards a Common Approach on Green Growth Indicators”](#). This report marks a major effort by OECD, UNEP, World Bank and GGGI toward establishing a common basis for measuring green growth progress and outlines how strong international cooperation on testing, exploring, and refining measurement tools on green growth and green economy is essential for supporting practical implementation and assessing progress of policies.

It is also worth mentioning the OECD has a [set of green growth indicators](#) for a number of OECD and developing countries.

⁹ In the Danida AMG [indicators in different sectors](#) are still found, but these may not be up-to-date for use in new green growth engagements/add-ons.

Annex 6 – Green growth and the private sector

Engaging the private sector in partner countries and in Denmark is an important element of Denmark's development cooperation. This includes both the direct cooperation with private companies, investors and foundations and the facilitation of public-private partnerships¹⁰.

Such partnerships should contribute to fighting poverty and building an inclusive and green economy. This encompasses responsible conduct in regard to climate concerns, use of natural resources and environmental impact, human rights, workers' rights, working environment and the fight against corruption.

There is growing interest among Danish and international investors in engaging in responsible investments in emerging markets. Hence, efforts are increased to systematically mobilize private capital and innovative financing in order to strengthen development, including through the use of e.g. guarantee schemes. A new and innovative example is the Danish Climate Investment Fund (DCIF), which has been successful in attracting significant capital from institutional investors. Moreover efforts are made to engage development banks and development funds in public-private cooperation that can benefit developing countries. Developing new types of partnerships can generate new solutions and scale up funds to transform economies towards a green growth pathway.

The trend of developing new kinds of collaborative partnerships, where Official Development Assistance (ODA) acts as a catalyst also holds the potential of engaging companies in addressing development challenges by offering Trade Council services on commercial terms. Additionally, in Denmark like in several like-minded donor countries – attention is given to making sure that ODA to new emerging markets also contributes to growth and employment in Denmark. Therefore, despite the fact that the overall objective of engaging the private sector via Danida Business instruments is to eradicate poverty, and the overall objective of Trade Council interventions is to foster Danish exports and investments, they both hold the potential of contributing to inclusive green growth in a partner country while at the same time contributing to growth and employment in Denmark.

This situation has led to the increased focus on strengthening synergy between development cooperation and commercial interventions within the Ministry of Foreign Affairs. This implies that missions formerly having perceived themselves as pure “Danida” missions should consider how Danish comparative strengths can be utilized when planning new programmes (cf. the Country Policy Paper and related analyses) and how the missions must be able to respond to commercial requests from Danish companies.

¹⁰ Further directions on strengthening synergy between development cooperation and commercial interventions are under development by TC.

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Below is a brief description of the various instruments that can engage the Danish business community to promote green growth in developing countries:

- Business Opportunity Profiles

An internet-based tool that shall provide an overview of market data that will allow for comparability across markets in developing countries as well as specific business opportunities identified based on country priorities, needs and demand. Will be rolled out in Kenya as a pilot in 2014.

- Danida Business Explorer (DBE) (webpage under construction)

Danida financed support scheme to assist Danish companies in evaluating a business case and conducting a feasibility study or a market survey in a developing country with the view to entering the market either via Danida Business Partnership, commercially via TC support or via IFU or EKF. Hence, this provides initial seed-money as a catalyst for Danish companies to explore and develop market opportunities in developing countries.

Contact: The Danish Embassy in the partner country or Danida Business Partnerships dbpartnerships@um.dk

- [Danida Business Finance \(DBF\)](#)

A Danida scheme with interest free loans providing finance for large infrastructure projects in developing countries that cannot be financed on commercial terms. Projects must contribute to a green transition in developing countries based on transfer of technology and know-how from a Danish company. A Danish company must be the main contractor. This instrument can support the TC initiative on high potential projects.

Contact: dbfinance@um.dk

- [Danida Business Partnerships \(DBP\)](#)

A Danida scheme providing financial support - on a reimbursement basis- to activities during the establishment of a partnership between Danish companies and local actors – companies, organizations, NGOs. This instrument can be combined with TC Global Public Affairs (GPA) support.

Contact: dbpartnerships@um.dk

Note: Only two red lines apply when combining DBP and TC support: TC advisory services cannot be reimbursed via DBP funding and DBP support cannot be made conditional on purchase of TC advisory services.

- The Danish Climate Investment Fund (DCIF)

A public-private partnership between the Danish government, institutional investors and the [Investment Fund for Developing Countries \(IFU\)](#) wherein IFU¹¹ is the fund manager. The main objective of the DCIF is to mobilize private and public capital for investments with a positive climate impact in developing countries. The Fund is expected to assist Danish companies in gaining access to new countries and markets on the OECD-DAC list, either directly or as suppliers to larger climate projects.

Contact: grv@um.dk

- [TC Global Growth solutions](#)

Provides consultancy services regarding partner search, market surveys, etc. on a commercial basis for a fee.

- [TC Focus Denmark](#)

Denmark's official English-language magazine aiming to provide information on Denmark with an emphasis on business and investment and Danish strongholds. The first issue in 2014 has a focus on green pioneers and a special edition on [Energy Efficiency](#) is particularly relevant in a green growth perspective.

- [TC Global Public Affairs \(GPA\) solutions](#)

Provides political-commercial advisory services at a fee on political risk management, stakeholder management, relations building and dialogue with public authorities.

- [Global Green Growth Forum \(3GF\)](#)

3GF provides an international platform, including a yearly event in Copenhagen, for showcasing sustainable business solutions and innovative green growth partnerships between a variety of public and private actors (PPPs). Contact: 3gf@um.dk

- [House of Green](#)

House of Green is an interactive showroom and visitors' centre located at Industriens Hus in the heart of Copenhagen. House of Green uses a combination of guided storytelling and self-exploration to showcase Danish integrated solutions and scenarios across the landscape of energy, water, climate, resources and the environment.

¹¹ IFU is an independent government-owned fund offering advisory services and coinvesting with Danish companies in developing countries.

Annex 7 - Tools and resources

How is this Guidance Note complemented by other forms of guidance and resources?

This Guidance Note should be used together with other AMG tools, information on MFA/Danida green growth websites, an e-bite for online learning, a catalogue of green growth cases, etc. Also, more effective peer-to-peer exchanges and networking among staff at the Danish missions abroad and the Home Service will be increasingly important as a supplement to this Note - and this is facilitated by communication technology such as Lync, video conferences, possible webinars, etc. MFA/Danida seminars on green growth issues held in 2013 have produced useful reference material and the flying squad missions from early 2014 also provide advice and assistance to missions abroad. A lot of material is available from multilateral development agencies and other development partners, and it is important to be selective. In the following, a limited number of links and references are given.

Where do I get more information on Danida green growth engagements, tools, and experience?

- The Danida [Green Growth internet site](#).
- Aid Management Guidelines [Green Growth](#).
- [Catalogue on green growth cases and interventions](#).
- e-bite "[Introduction to Green Growth](#)".
- [Danida Research Portal](#) gives an overview of research projects funded by Danida.
- The [Danida transparency site](#) ¹²gives easy access to recent documents submitted to the Danida Programme Committee, the internal and external Grant Committees, and the Council for Development Policy. It may be useful to see how others have addressed green growth issues for example in the [strategic questions](#) raised in the Concept Notes and in [the Climate Change and Green Growth Screening Notes presented in annex](#) to the Concept Note. The [Chairman's summary](#) of meeting conclusions will reflect the Danida position on key issues discussed.
- More detailed information could be found in the engagement documents and other documentation in the Danida Project Database ([PDB](#)) for those who have access to it. In line with Danida's commitment to transparent development cooperation, Denmark is working toward full implementation of the [common standard for reporting development cooperation](#) by 2015. Meanwhile, external access to information on objectives, results and the status of Danish development assistance can be found on Danida's [Programme and Project Orientation](#) (PPO). The PPO is however only available in Danish and the latest overview is from 2012. Green growth is not a separate category here; the database is organized by country/sector and where relevant by organisation.

¹² Be aware that it is possible to [sign up for notifications](#) about news on these websites.

- Information about Danida evaluations can be found on the [Evaluation Department's website](#).
- (only for users with Intranet access): Outcome Report from the Danida Seminar [Green Growth in Practice](#) held during 24-26 September 2013.

Which are the most relevant of the many web-resources and guidance/learning opportunities from other development partners?

There is a lot of material on green growth and green economy. Links are given below to a few selected sites that are considered the most relevant for Danida staff working on bilateral programmes.

Green Growth Knowledge Platform (GGKP)

Established in January 2012 by the Global Green Growth Institute (GGGI), the Organisation for Economic Co-operation and Development (OECD), the United Nations Environment Programme (UNEP), and the World Bank the GGKP is now a global network of international organizations and experts that identifies and addresses major knowledge gaps in green growth theory and practice. GGKP offers policy guidance, good practices, tools, and data to practitioners and policy makers. Information can be accessed by [sector](#) (11): Agriculture, Water, Forestry, Fisheries, Biodiversity, Tourism, Energy, Manufacturing, Waste, Buildings, and Transport. Information can also be accessed by [theme](#) (16): Cities, Gender, Investment, Risk & Resilience, Climate Change, Government Procurement, Jobs, Standards & Regulations, Development, Indicators and Measurement, Market Mechanisms, Technology & Innovation, Fiscal Instruments, Institutions & Governance, Poverty & Equity, and Trade & Supply Chains. A clickable [Green Growth Map](#) provides easy access to country-specific data, resources, policies and projects. Through dedicated [news](#) and [events](#) pages, the GGKP also provides updates on recently released green growth research, tools and data as well as on upcoming green growth events.

World Bank

The Bank's 2012 landmark publication "[Inclusive Green Growth](#): The Pathway to Sustainable Development" makes the key economic arguments and argues the case for early action to prevent countries from locking into growth patterns that may not be sustainable in the future. It focuses on input, efficiency, stimulus, and innovation effects and also contains an analytical framework and a step-by-step guide toward crafting a green growth strategy.

The Bank's Energy Sector Management Assistance Program ([ESMAP](#)) has a wide range of knowledge products on low-carbon development access to energy, energy efficiency and renewable energy. Denmark is one of the main contributors to ESMAP.

Climate Innovation Centers - The [Climate Technology Program](#) (CTP) is housed at infoDev

a global technology and entrepreneurship program in the World Bank Group. The CTP supports the private sector in developing countries - targeting SMEs and entrepreneurs - to innovate novel technologies and business models to address local climate challenges. The CTP's flagship initiative is the development and implementation of country-level Climate Innovation Centers (CICs). The CICs are designed as locally owned and run institutions that provide a suite of services and venture financing that address the specific needs of local climate innovators and companies. Denmark supports the development of CICs in for example [Kenya](#) and

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[Ghana](#)

UNDP resources developed with partners

A few examples: [G20 Toolkit of Policy Options to Support Inclusive Green Growth](#) and

[Green Jobs for Women and Youth- What Can Local Governments Do?](#)

UNEP Green Economy Initiative

Contains toolkits and guidebooks, including the very comprehensive [Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication](#) that may be useful for making a case for specific green growth engagements. It also comprises [A Synthesis for Policy Makers](#)

Useful material is found in the documentation of [Inter-regional Technical Workshop on Tools and Measures to Inform Inclusive Green Economy Policies- Nairobi July 2-4, 2013](#)

OECD toolkits and guidebooks

The [Tools for Delivering on Green Growth](#) includes an interesting diagnostic framework for identifying key constraints to greening growth.

European Union

Read more about Denmark's priorities concerning the [EU as a driver of green sustainable growth and development](#).

For the EU countries themselves [Europe 2020](#) is the EU's growth strategy for the coming decade.

UNIDO

[Green Industry Policies for Supporting Green Industry](#) comprises a policy framework for the greening of industries. [Green Growth - From Labour to Resource Productivity](#) contains best practice examples, initiatives, and policy options.

UNEP/ILO/UNIDO/UNITAR's [PAGE initiative](#):

ILO

Several publications on [green and decent jobs](#).

DCED – the Donor Committee for Enterprise Development

A working group on Green Growth under the DCED has since 2010 been active in sharing knowledge and raising awareness on the private sector's contribution to green growth, as well as green issues related to the business enabling environment. DCED has a [green growth guidance site](#).

Natural Capital Accounting

Wealth Accounting and the Valuation of Ecosystem Services ([Waves](#)). The Economics of Ecosystems and Biodiversity ([TEEB](#)).

[International Institute for Environment and Development \(IIED\)](#)

IIED is an important international development and environment policy research organisation, among others focusing on green economy issues and inclusiveness.

[The Green Economy Coalition \(GEC\)](#)

A diverse network of NGOs, research institutes, UN organizations, business to trade unions, GEC sees itself as the world's largest multi-stakeholder network working on green economy. GEC focuses on understanding symptoms and systemic causes of the challenges; sharing experiences and policy practices; and influencing key decision makers. GEC has five interrelated action areas: measuring what matters; influencing financial systems; greening high impact sectors; investing in people and managing natural capital.

[Poverty Environment Partnership \(PEP\)](#)

PEP has published an important joint paper "[Building an Inclusive Green Economy for All](#)" (March 2013) that is a joint undertaking of some 26 development agencies.

[Green Growth Best Practice \(GGBP\)](#)

A global network of practitioners and policy makers that identifies and shares best practices of green growth planning and implementation from around the world.

[United Nations Framework Convention on Climate Change](#)

[The Intergovernmental Panel on Climate Change](#)

Nexus

Supported by the German Government, EU, WWF and others, the water, energy and food security nexus [online platform](#) provides guidance on the nexus approach and contains updates on nexus initiatives and events.

E-learning, webinars, etc.

The World Bank e-Institute has numerous offers for online [learning on green growth](#).

ESCAP, the Asian Institute of Technology (AIT) and the Regional Resource Centre for Asia and the Pacific offer interactive [Online e-learning Facility for Green Growth Capacity Development](#) in Asia Pacific Region.

UNEP has a [Green Economy Webinar Series](#).

How is the Post 2015 framework likely to address green growth?

Please read more about the post 2015 agenda and progress toward a set of [Sustainable Development Goals](#).

Annex 8 – Indicative Scope of Work/Tasks to be included in TOR for External Consultants¹³

This annex lists tasks that could be considered when preparing TOR for external consultants employed to support background analyses for the preparation of Country Policy Paper and for Country Programme Identification and Formulation. Detailed and specific TOR need to be prepared taking into consideration the specific context and nature of the assignment towards a full Programme Proposal.

The following tasks are indicative. In particular Sections 3.1, 3.2 and 3.3 include key guiding questions to be considered when preparing detailed TOR for external consultants.

Regardless of when external consultants are employed to support in the preparation process it is important that they have familiarised themselves with a number of key documents, such as:

- The present Green Growth Guidance Note
- [Strategic Framework for Natural Resources, Energy and Climate Change](#) (NEC)
- [Strategic Framework for Growth and Employment](#) (GE)
- E-bite [“Introduction to Green Growth”](#)
- Key reference documents from the links provided in Annex 6 (private sector and business opportunities) and Annex 7 (Tools and Resources)

Country Policy Paper

Building on the guiding questions under Section 3.1 the Consultant will, among others:

- Contribute to the 13 required background analyses with regard to green growth opportunities (ref. Annex 2).
- Provide inputs to synthesising the analyses with a view to identifying green growth strategic objectives and mainstreaming potentials for the Country Policy.
- Identify the specific entry points for dialogue with national and local authorities, private sector and NGOs on green growth initiatives.
- Identify opportunities for synergy with other Danida instruments (Business, Trade, Humanitarian, Climate Envelope, etc.) and other relevant donor supported green growth initiatives (bilateral and multilateral).

¹³ For appraisals and reviews suggestions for tasks related to green growth are provided in Sections in 3.2.3 and 3.2.4, respectively.

Country Programme Identification/Concept Note

Building on the guiding questions under Section 3.2.1 the Consultant will, among others:

- Identify and assess ongoing national green growth initiatives, including support from other development partners, lessons learned, risks and challenges.
- Identify and document specific inclusive green growth opportunities and national partners in selected thematic areas guided by the strategic objectives of the Country Policy Paper (see also Annex 3).
- Assess the mandates and level of capacity (financial, human and technical) of key partner institutions in the public and private sectors and in civil society to plan, coordinate and implement green growth initiatives.
- Provide inputs to the Climate Change and Green Growth Screening Note and the HRBA/Gender Screening Note.
- Assess and document private sector experiences, preparedness and incentives to engage in green growth initiatives.
- Assess and document the experiences of civil society organisations and NGOs in promoting inclusive green growth and identify their potential roles in the programme.
- Assess level of technologies and research relative to potential starting points for green growth initiatives.
- Assess appropriateness and relevance of international (hereunder Danish) experiences and knowhow on technologies, regulatory frameworks, enabling environment and financing mechanisms.
- Assess opportunities for collaboration with international/Danish networks or platforms for research and innovation, learning and knowledge sharing on inclusive green growth.
- Based on the above, assess overall feasibility of identified entry points and opportunities for green growth initiatives

Formulation of country programme, thematic programmes, and development engagements

The guiding questions under Section 3.2.2 (and the outcome of the above-cited identification) provide the background for the mission to define the specific tasks of the Consultant. The following topics may often be included:

- Results framework and indicators, including specific and achievable green growth outputs and outcomes in particular development engagements.
- Risk management framework (Danida Template for Risk Assessment).

- Specific capacity development needs including possible TA.

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