



Strategic Sector Cooperation

Job creation and inclusive economic growth are key to achieving the UN Sustainable Development Goals (SDGs). Enabling framework conditions for private investments and public-private partnerships are important to facilitate this process.

In Denmark, policies and regulation are developed in close dialogue with the private sector and civil society and often involve partnerships based on trust, flexibility and mutual respect for the contribution of the different stakeholders. This approach has provided a conducive framework for advanced solutions in many sectors – such as energy, education, environment, health, and food production.

The Danish Government believes that the experience and competencies of Danish public authorities can contribute positively to achieving the SDGs. In January 2015, the initiative “Strategic Sector Cooperation – Danish Authorities in International Cooperation” was launched to provide funding for partnerships between Danish public authorities and their counterparts in strategically important developing countries and growth economies.

The Strategic Sector Cooperation initiative entails two closely linked elements:

1. Strategic sector cooperation (SSC) projects between Danish authorities and partner authorities addressing sector challenges identified by the partner authority and within areas where Denmark has relevant experience and expertise to offer.
2. Posting of sector counsellors with strong sector expertise to Danish embassies with SSC projects. They are responsible for coordinating the SSC projects locally and for promoting wider strategic sector partnerships.

The initiative has a triple purpose of promoting sustainable development in the partner country, contributing to stronger bilateral relations, and opening doors for the Danish private sector by engaging it in delivering solutions to the SDG challenges in partner countries.

The Danish Ministry of Foreign Affairs (MFA) contributes with its long-term experience with development cooperation, diplomatic network, strong knowledge of country contexts and knowledge of Danish companies and trade and investment promotion. Through the Strategic Sector Cooperation Secretariat, the MFA is

overall responsible for the progress, activities and results of the Facility. Strategic Sector Cooperation operates within the framework of the Danish strategy for development aid and humanitarian assistance, “The World 2030” (2017), and within the Danish Government’s new Strategy for Economic Diplomacy (2018). The Strategic Sector Cooperation has thus become a more permanent feature of Danish development assistance and Foreign Policy. In both strategies, Strategic Sector Cooperation is prioritized as an initiative that promotes sustainable growth and development by improving framework conditions in growth economies while simultaneously creating a platform for an increased commercial presence of Danish business.

Current status

The first objective of the initiative is to contribute to **inclusive, sustainable growth and development** in partner countries by supporting conducive framework conditions for the fulfilment of the SDGs. Based on hands-on experience in establishing framework conditions that promote sustainable growth, Danish authorities contribute with sector expertise on policy development, planning, regulations, standards, and enforcement.

In Bangladesh, a SSC project thus aims to strengthen the Bangladeshi labour inspectorate in order to improve occupational health and safety in the country’s textile industry, which exports garments to countries all over the world, including Denmark. In addition to benefiting workers in Bangladesh, the project also benefits the Danish fashion and textile companies that rely on sustainable and responsible production facilities. Another example is South Africa that has been affected by climate change. Water scarcity is hampering economic development and there are only limited possibilities for increasing surface water abstraction. Based on comprehensive experience and expertise in this area, Denmark provides technical assistance and advisory services.

The second objective of the initiative is to strengthen and expand **relations between Denmark and partner countries** through strategic partnerships within a given sector. In all partner countries, strong relations have been built between Danish and local authorities. This provides a strong foundation, not just for future SSC projects, but also for general political dialogue and stronger bilateral relations.

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Annual Report 2017

17 PARTNERSHIPS
FOR THE GOALS



SUSTAINABLE
DEVELOPMENT
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In China, the City of Beijing reached out to the Danish capital Copenhagen for a long-term collaboration to help tackle sustainability challenges. The City of Copenhagen is leading in urban management of traffic congestion, air pollution, water scarcity, heavy rain and flooding, which are focus areas for Beijing and the Chinese government. This cooperation is expected to further strengthen relations with the Chinese authorities. Stronger bilateral relations, in turn, is likely to facilitate policy dialogue and commercial relations.

The third objective of the initiative is to **engage the Danish private sector in delivering solutions to the SDG challenges** in partner countries. In order to facilitate the engagement of Danish companies, sector counsellors share networks and sector insights on market potentials, investment needs and business opportunities with colleagues in the Danish Trade Council, business organisations and companies.

There are clear signs that the SCC projects can and will create new long-term opportunities for commercial cooperation and export of Danish technology. Many study tours have displayed Danish solutions through company visits and workshop presentations. In Brazil, the creation of a digital innovation centre in close cooperation with MindLab provides an excellent platform for presentation of Danish knowhow and technology. Moreover, in South Africa, the 'Danish partnership for Resource and water efficient Industrial food Production' (DRIP) provides a unique structure to bring together technological partners, governmental stakeholders, advisors and water-intensive companies. The adoption of this approach can greatly benefit both South Africa and Danish export of water technology.

Partner countries have highlighted the great flexibility of the SSC initiative. The Danish authorities' ability to draw on experience relevant to local challenges and their ability to understand barriers and challenges that affect development of for example regulative or policy issues in a sector is greatly appreciated. Partners have expressed that this flexibility and attitude is unique and a key motivational factor for their willingness to engage, initiate, and invest their resources in SSC projects with Denmark. Shortly after ratifying the Paris Climate Agreement, the Indian Government thus expressed a wish to enter into cooperation with Denmark in order to further its ambitions to move towards a higher share of renewable energy. Denmark's experience with renewable energy, energy efficiency and holistic energy

planning was considered valuable for India's transition to renewable energy. Therefore, a SSC project between India and Denmark was initiated in November 2017.

Mutual learning, gradual development and refinement of approaches and administrative procedures have characterized the first years of the SSC-facility. The cooperation between the involved line ministries, Danish embassies and the Secretariat in the MFA has gradually led to a common understanding of the purpose and requirements for development projects. Based on this process, the administrative [guidelines](#) were revised at the end of 2017.

Danida Fellowship scholarships and research cooperation

In 2017, two new instruments were added to the toolbox to complement the strategic sector cooperation projects: Danida Fellowship scholarships and research cooperation. These instruments have already now generated interests from partners and they are expected to pave the way for even deeper and stronger strategic sector partnerships.

Facts and figures

29 SSC projects involving 9 different Danish authorities have been launched in 14 different countries. This includes an enlargement of 8 new projects that were approved in 2017. DKK 68 million are assigned to SSC projects annually. 25 sector counsellors have been posted to facilitate and support the activities, including 8 new sector counsellors. Consequently, 2017 was a year of full-scale implementation in most countries.

Main Events in 2017	
Inter-ministerial working group	Meetings on regular basis
Input on the Facility to the Finance Bill 2018	Spring 2017
Sector counsellor seminar in Copenhagen	June 2017
Meeting between business organisations, ministries, sector counsellors etc.	June 2017
Inter-Ministerial Session at Annual Ambassador's Meeting with line ministries	August 2017