



GUIDELINES FOR THE DEVELOPMENT OF POLICY PAPERS FOR DENMARK'S RELATIONS WITH PRIORITY COUNTRIES

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1. Why new priority country policy papers?

The present guidelines replace the ‘Guidelines for the development of policy papers for Denmark’s relations with partner countries’ from January 2013. The guidelines aim to guide the development of Country Policy Papers for priority countries by Danish embassies and regional departments in the Ministry of Foreign Affairs. The priority country policy papers will provide a **single integrated presentation of Denmark’s policy** towards a given priority country which encompasses Denmark’s entire engagement and strategic direction in a country, i.e. foreign and security policy, development cooperation climate policy and commercial relations.

Denmark’s priority countries are diverse, and consequently, the composition of the policies with the countries must be similarly diverse. In some countries, the development cooperation will dominate the Danish policies. In other countries, the policy paper will reflect the increasing importance of commercial relations and new forms of partnerships. And in more fragile states, foreign and security policy will carry greater weight in the policy paper. Above all, the policy papers must reflect the speed and drivers of change in the priority countries, and how the Danish engagement strategically responds to this, by using **the entire palette of instruments** ranging from foreign, security, and development policy to those of commercial relations. Hence, the policy papers are an important tool for guiding implementation of economic diplomacy in the priority countries.

The policy paper must build on the most recent, relevant strategies including “The right to a better life”, The Government’s Strategy for Export Promotion and Economic Diplomacy etc. and must transform/condense relevant parts of the strategies into a **short, operational country policy paper with a clear strategic direction**.

The policy papers are Denmark’s documents and they are not negotiated with the country in question. However, the content is subject to dialogue and hearing of relevant stakeholders and partners in the priority country. The main target group of the policy papers is the Danish public (parliament, private sector, media and NGOs), and stakeholders in the priority country. The paper sets the direction for dialogue at various levels, including for Danish inputs to dialogue and joint programming with the EU, and Danish inputs to discussions concerning the priority country in other multilateral fora.

2. Structure and content

The policy paper should be **brief and concise** and not exceed 15 pages in final print and layout. The outline referred to only indicates the subject matter to be dealt with, not a mandatory title in the policy paper.

Where relevant in relation to Denmark’s development cooperation, the policy paper must reflect Denmark’s participation in joint strategies, and to the largest possible extent draw on the EU’s Joint Framework Document. Likewise, in relation to foreign- and security policy as well as trade policy

Front page: Title: Denmark – country xx: Country Policy Paper 20xx-20xx (5 years)

Maps: Map of the country on first page

1. Introduction

Brief overview of Danish interests and the rationale behind the choice of the country in question as a priority country for Denmark. Denmark's previous cooperation and relations in all areas, including results from Denmark's cooperation with the country so far

2. Denmark's partnership with country xx; overall vision and strategic direction

Overall vision for Denmark's relations with the country and strategic direction during the lifespan of the policy paper. This should also explain how coherence between Denmark's different instruments will be achieved and how such strategic coherence will lead to greater results to the benefit of the priority country and Denmark.

3. Analysis of the situation in the country; opportunities, challenges and risks

This section must summarize the Danish analysis of the situation of the country. The Danish analysis will draw on existing current international, joint and Danish research and analysis to the largest possible extent. This includes joint analyses e.g. the EU human rights strategy, the United Nations Universal Periodic Review, joint analyses of the economic development, World Bank and IMF documents etc. The section must also provide a summary of an analysis of risks, challenges and opportunities facing the country in the political, security, economic, commercial, human rights and development fields and the implications for Denmark's collaboration with the country.

The following topics should be covered:

1. Brief analysis of the country's development challenges including poverty profile, trends in equality/inequality and inclusiveness of development patterns, the national policy framework/development/poverty reduction strategy and the effectiveness of the implementation of national policies and strategies. Risks, challenges and opportunities in development cooperation with the country.
2. Political economy analysis, including drivers of change in the priority country. Drivers of change could be political, institutional (including shifts in donor cooperation), economic (for example foreign direct investment or remittances) or discovery of or exploitation of natural resources, impact of climate change etc.
3. Brief identification of the main macroeconomic opportunities and challenges facing the country and government responses. Development in key macro-economic indicators (GDP, GDP per capita, real economic growth rates, own revenues/tax trends/structure, composition of economy/main economic drivers, trade etc.), level of and development in foreign direct investments and in other international financial transfers, the importance of donor funding to government expenses, the composition of the donor group etc. - past, present and future as relevant.
4. Policies in key areas such as growth and employment, social development etc. ,
5. A human rights assessment is a presentation of the economic, social, cultural, civil and political human rights in the country. The analysis draws on existing analytical, documentation e.g. the UN Universal Periodic Review and reports by the UN Special

Procedures, identifying gaps and key challenges in realising the human rights the country itself has committed to internationally and regionally. The four core principles of the Danish human rights-based approach - non-discrimination, participation, transparency and accountability – are the elements that can improve the human rights situation in the country and narrow the identified gaps between the country’s international and regional human rights commitments and the actual human right situation in the country. Furthermore, the human rights analysis identifies rights-holders and duty-bearers and their capacities to claim and respect human rights. And how Denmark can support partners in addressing rights issues¹. The HRBA and the four core principles are to be applied to all aid engagements. And thematically, HRBA is relevant to each of the four strategic priority areas of the strategy for Denmark’s Development Cooperation, i.e. Human Rights and Democracy; Green Growth; Social Progress; and Stability and Protection.

6. An assessment of the gender equality situation in the country with respect to women’s and men’s rights, access to resources and political influence².
7. Considerations about peace and security, democracy and the electoral process, the rule of law, governance, corruption, and the public administration at central and local level.
8. Considerations about natural resources management, state of the environment and climate related challenges. The right to land, water, energy, innovative climate friendly technologies and finance.
9. Capacity of the public sector for policy making, enforcement and service delivery, public sector reforms. The role, strengths and capacity of the private sector and civil society.
10. The dynamics of the partnership and overall achievements in country ownership, alignment, accountability, reform in key areas and delivery of development results. The development partner landscape and the possibilities for joint programming. As relevant, the role of new development actors and how to engage meaningfully with these.
11. The potential for cooperation with the priority country in international forums based on shared values regarding international political, human rights and security issues.
12. The framework for trade relation between Denmark and the priority country – most likely as framed by EUs trade relations with the given country and potential for improvements and or better use of this framework.
13. Business opportunities and economic diplomacy, risks and challenges for the partnership, including brief mapping of areas where synergy between development assistance and trade is possible and where there is potential for increased commercial engagement, trade and investments.

These analyses are not meant to be separate papers but elements to be covered to provide a sufficiently solid foundation for the comprehensive Danish engagement with a priority country.

¹Please refer to “A Human Rights-based Approach to Denmark’s Development Cooperation: Guidance and Inspiration for Policy Dialogue and Programming”.

² Please refer to ”Strategic Framework for Gender Equality, Rights and Diveristy in Danish Development Cooperation”.

The different elements should be covered with a different degree of depth depending on the respective importance of these in the particular contexts.

4. Strategic objectives and key areas to be addressed in Danish-XX cooperation

In light of the above analysis – the policy paper then concludes and identifies the 3-4 main Danish strategic objectives for the cooperation with country xx and presents these in this section. The choice of the strategic objectives will reflect Denmark’s entire engagement in the country, i.e. foreign and security policy, development cooperation, and commercial relations and will set the strategic direction for the cooperation with the priority country for the entire Ministry.

For communication purposes this work to define ‘the story’ about the Danish engagement in country xx is central. The objectives of the partnership and planned results should be outlined clearly.

As part of the identification of the strategic objectives, the section will in short form describe how Denmark will address and focus on specific aspects within the 4 priorities in Denmark’s strategy for development cooperation (The right to a better life). This will also include identification of the priority country’s growth potential, and how Denmark can play an important role as catalyst for a sustainable and inclusive growth process – through development cooperation and/or on commercial terms.

The chosen objectives guide the structure of the paper. For each of the main objectives, the instruments ranging from foreign, security, and development policy to those of commercial relations that will lead to the fulfillment of the objectives are identified as are the key indicators to measure progress in achieving the strategic objectives. Hence, the main idea is to structure the paper in accordance with the overarching strategic policy objectives that Denmark wants to achieve in its cooperation with the country and the instruments to reach these objectives. The strategy for achieving the 3-4 main Danish strategic objectives should be clearly spelled out and presented in such details that monitoring of progress is possible.

- For each of the 3-4 main strategic objectives, opportunities and challenges for Denmark’s involvement in pursuing the objective with success are discussed. Within each of the key areas of cooperation, the policy paper should identify which line of action will be taken in order to reach the objective. The relevant national drivers of change and how Denmark will respond to these should be presented³. The Country Policy Paper will stress the choices made in relation to which instruments from the entire Danish palette of instruments will be brought into play in order to reach the objective. This should include clarification of which relevant multilateral instruments (both within the EU and other multilateral organizations) will be used to pursue Danish policy objectives, and how Denmark will promote its positions in these fora vis-a-vis the priority country.
- Reference to how monitoring and evaluation of progress in achieving the objectives should be dealt with. For the development cooperation this will be further detailed in the country programme or other development programmes.

³ HRBA is crucial in this respect as human rights not just is a part of our own core values, they are also a powerful driver of change, exactly because they are based on international and regional commitments that we share with our partners, just like respect for human rights serve as a powerful means of redistribution of power and resources. Thus, the areas of cooperation should be chosen because they are relevant in order to improve the human rights situation in the country.

The Country Policy Paper will set the strategic direction for the entire Danish engagement with the priority country. As an important subset of the entire engagement, the Country Policy Paper will set the strategic direction for all parts of Danish development cooperation (programmes, trust funds, climate envelope, research, civil society, cultural cooperation, Danida Business instruments etc.) with the priority country. For the development cooperation, the corresponding Country Programme Document will take the Country Policy Paper as its starting point, including strategic objectives and including decisions made in regard to coherence and synergies between development cooperation and other Danish instruments. The Country Programme Document will further detail and operationalize the Danish development cooperation with the priority country by determining how and with whom and with what level of funding the objectives will be pursued. The Country Policy Paper and the Country Programme Document will be complementary and corresponding documents for the development cooperation with the country.

3. When to prepare or update a policy paper

Country Policy Papers have to be prepared for all of Denmark's priority countries, apart from priority countries where Danish support is being phased out and Afghanistan where a different process exists. For other countries, the development of policy papers is optional. In these cases, the present guidelines should as far as possible be followed in order to ensure a uniform format and presentation of Denmark's relations with the countries we work in. For those priority countries where a country strategy for development cooperation already exists, Country Policy Papers will replace these, once the country strategy expires. If new priority countries are chosen, the development of a policy paper is mandatory.

A policy paper should have a duration of five years. In exceptional circumstances the duration may be shorter, namely where foreign and security policy and commercial **priorities** are assessed to be changing at a much more rapid pace making five year planning unrealistic. In contexts likely to change over a five year period, e.g. fragile contexts, the possibility of updating policy papers where changes are not fundamental should also be remembered.

Policy papers can be updated when important developments in relations so require. If this changes the fundamental basis, aims and goals of the policy, the process for developing and approving new policy papers should be followed. When changes are not major it will be decided on a case-by-case basis by the Under-Secretary for Africa, Asia, Americas and The Middle East whether it will be sufficient to present the changes for approval to the Ministry's management and as necessary one or more ministers. Any major adjustments to the policy adopted should also be discussed, as relevant, during High-Level Consultations between Denmark and the priority country concerned.

4. What are the steps in the process?

While the drafting of the policy paper will normally be initiated by the Danish Embassy in the priority country, regional departments maintain overall responsibility for the process of finalizing the policy papers. The different steps in the process after the analyses and first draft are outlined below:

- a. **Preparatory consultations with the priority country**

Before the drafting of a policy paper general consultations with the country, if relevant during High-Level Consultations, as well as with other donors will be held to identify the strategic focus areas.

In priority countries where joint country or assistance strategies for development cooperation are underway, the Embassy may need a mandate to take part in the negotiations. In such cases, the Embassy will prepare a brief draft mandate⁴. The EU Joint Framework Document should also serve as an important input where such a document is in place. It will be decided on a case by case basis from which level in the Ministry approval will have to be sought and whether political approval (from ministers and as relevant the Parliamentary Foreign Affairs Committee) is needed. This will depend on the extent to which the joint strategy can be expected to result in major changes to the existing focus of Denmark's development collaboration with the priority country in question.

b. Programme Committee including public consultation and MFA Management

In close cooperation with the regional department, the Danish mission drafts the paper. After the regional department has quality assured the draft, it will be used for public consultation, presentation to the Programme Committee and presentation to the MFA Management (KLF).

For the Programme Committee and the public hearing, the draft it is sent to KVA by the Danish Mission prior to the presentation to the Programme Committee. KVA is secretariat to the Committee and uploads the draft to UM.DK for public consultation and forwards consultation responses to the regional department. Please, see Guidelines for Presentations to the Programme Committee.

Based on the same material used for the public hearing, the Danish Mission and regional department present the draft for the Programme Committee. At the meeting, the received responses from the public consultation will be taken into consideration and inform the further formulation of the policy paper. The Programme Committee will invite all key stakeholders in the MFA to the discussion to ensure broad based input to the further work.

Also based on the same material, the regional department is responsible for putting a presentation of the draft policy paper at the agenda of the Ministry's corporate management (KLF). The Embassy will present the draft paper at the meeting and the Embassy and department will both participate in the discussion,

c. Presentation of draft to the Ministers

Once the Danish Mission and the regional department have incorporated the Programme Committee's and Management's recommendations into the draft, the regional department submits the draft to the Minister for Foreign Affairs and the Minister for Trade and Development Cooperation for approval. The presentation to the ministers should include a summary of the responses from the public consultation and a short overview of how these have or have not been incorporated into the draft policy paper.

d. Presentation to the Policy Council for Development Cooperation and to the Parliamentary Foreign Affairs Committee

⁴Including proposed thematic and sector focus, use of aid modalities, division of labour with other development partners, etc., as well as how these proposed priorities relate to priority country priorities. The mandate should include a process action plan for concluding the joint strategy.

On the basis of the presentation to the Ministers, the Danish Mission and the regional department edit the draft. The short summary of the responses from the public hearing and of how these are reflected in the draft policy paper is attached. The Danish Mission is responsible for putting the country policy paper on the agenda for the Policy Council and the department will put the item at the agenda of the meeting in the Parliamentary Foreign Affairs Committee. When the draft is presented to the Policy Council for Development Cooperation, the Danish Mission will participate in the meeting via video link. In advance of the meeting, the draft is made public through UM.DK by UGS that is secretariat to the Council.

For the meeting the Foreign Affairs Committee, the regional department is responsible for forwarding the material to the Secretariat for the Corporate Management (dirsek) which is in charge of forwarding documents to the Parliamentary Foreign Affairs Committee. The Minister for Development Cooperation will present the paper for the committee and have a discussion on the basis of this. The regional department will normally participate in the meeting.

It is important that the paper is still in a draft stage where suggestions from the council and the committee can be included in the final paper.

e. **Final policy paper for approval by ministers and distribution of final paper**

The Mission and the regional department finalizes the paper based on the consultations and submits the policy paper for final approval by the Minister for Foreign Affairs and the Minister for Trade and Development Cooperation with a plan for communicating the paper to the public. The presentation also includes letters to the policy council and the foreign affairs committee that will be attached when the final paper is forwarded to these bodies. The presentation to the Ministers should include explanation of how the paper has been changed since it was last presented to the Ministers.

Timeline for preparation of country policy papers

Time line	Activity	Documentation	Responsible
Month 0	Preparatory deliberations with the priority country and drafting the paper		Embassy
Month 1	Public consultation for the paper for country policy paper - min. three weeks prior presentation to the Programme Committee. Presentation of draft policy paper to the Programme Committee	Draft paper incl. Process action plan, cover page with strategic questions. Presentation at meeting of resume of responses during public consultation and proposal of how/whether these responses will be incorporated.	Embassy forwards the draft for the Programme Committee to KVA. Regional department responsible to place the item at KLF's agenda and forward draft paper.
	Presentation of synopsis to the management of MFA (koncernledelsesforum)		
Month 2	Presentation of draft to Ministers	The Ministers approve the draft prior to it being forwarded to UPR and URU including resume of responses during public hearing	Regional department in cooperation with the Embassy

Time line	Activity	Documentation	Responsible
		and proposals of how/whether these have been incorporated.	
Month 3	Presentation to the Policy Council for Development Cooperation	Edited draft Resume of responses during public consultation and proposal of how/whether these have been incorporated.	Embassy responsible to put the item at UPR's agenda. Embassy and regional department will both participate in the meeting (Embassy via video link)
	Presentation of the synopsis to the Parliamentary Foreign Affairs Committee	Same draft as the one used for UPR.	Regional department in cooperation with Embassy. Regional department will participate in the meeting
Month 4	Finalising the policy paper	Final draft	Embassy in cooperation with regional department
	Presentation to stakeholders in priority country	Final draft	Embassy
Month 5	Final policy paper for approval by ministers. Final paper forwarded to UPR and URU	Final draft	Regional department in cooperation with the Embassy
	Lay out and publishing to be coordinated with PDK	Final policy paper	Regional department

5. Language

A Danish version of the paper is necessary when the paper is presented to the Parliamentary Foreign Affairs Committee. It is the decision of the Embassy if the paper is drafted in Danish from the start and the later translated (whole document or a summary) into the local working language or if the paper is drafted in English and then translated before it will be forwarded to the Parliamentary Foreign Affairs Committee. The final policy paper should be available in Danish and English and in the working language of the priority country concerned.

6. Communicating priority country policies and results

The regional department and the Danish mission will together draw up a plan for communicating with the public on the main story and results from Denmark's partnership with xx country. The communication plan could define target groups and communication channels and pin down messages and stories about the various activities and (expected) results of the efforts contained in the Country Policy Paper.

The final Country Policy Paper will be published as an electronic paper in layout based on Danida's design guide and can be changed when major developments make this necessary.

The regional department sends the electronic version of the final policy paper to UGS and KVA (for publication on the AMG website) as well as all other relevant departments in the Ministry and

ensures its publication on the Ministry's homepage. The regional department will coordinate lay out and publishing of document with PKP. The Embassy will publish the policy at its homepage and otherwise distribute it locally in the priority country.

7. How do we monitor and evaluate progress?

The progress in achieving the strategic objectives outlined in the Country Policy Paper will be discussed on a yearly basis between the Head of Embassy in the priority country and the Management in Copenhagen, including representatives from the relevant areas of the Ministry. In addition to the annual strategic dialogue between Embassy and Management in Copenhagen, the Country Policy Paper priorities will also form the basis for the ongoing dialogue during High-Level Consultations with the priority country or other relevant forum.

Evaluations of development cooperation in priority countries will take place according to the rolling evaluation plans of the Evaluation Department of the Ministry of Foreign Affairs. Embassies are expected to take an active role in identification of possible evaluation topics for inclusion in the overall evaluation plan and thereby contribute to learning and documentation of results.

Annex 1: Key data⁵

<u>Key economic data</u>		<u>Unit</u>	<u>Source *</u>
Area		km ²	(WDR)
Population		Million	(WDR)
GDP		USD	(WDR)
Annual economic growth (GDP) (year)		%	(WDR)
GNI per capita (year)		USD	(WDR)
Growth in GNI per capita (year)		%	(UGS)
Ease of doing business (year)		Rank	(DB)
Economic sectors (share of GDP):			(WDR)
	Agriculture	%	
	Industry	%	
	Manufacturing	%	
	Services	%	
	Other sectors	%	
Government expense (%of GDP)		%	WDR
Tax revenue (excluding grants, % of GDP)		%	WDR
Development assistance per capita (year)		USD	(WDR)
Net official development assistance (%of GNI)		%	(WDR)
Debt service (ratio to exports - TDS/XGS) (year)			(WDF)
<u>Key social data</u>		<u>Unit</u>	<u>Source</u>
Population growth (annual average) (year)		%	(UGS)
Life expectancy (year)		Years	(WDR)
Infant mortality (number of deaths per 1000 births during the first year) (year)**		...	(WDR)
Access to clean drinking water (percentage without access) (year)**		%	(HDR)
Access to health facilities (percentage without access)(year)		%	(HDR)
Number of doctors (per 100,000 inhabitants) (year)		...	(HDR)
People btw. 15-49 years living with hiv (year)**		%	(UNAIDS)
Adult literacy rate (year)		%	(HDR)
Primary education (percentage of children of school age) (year)**		%	(WDR)
Girls in primary education (percentage of girls of school age)(year)**		%	(HDR)
Social sectors (percentage of public expenditure) (year)		%	(WDR)
Military expenditure (percentage of GDP)		%	(WDR)
Distribution of income (percentage of national income)**			(WDR)
	Richest 10% of population	%	
	Poorest 10 % of population	%	
<u>Key environmental data</u>		<u>Unit</u>	<u>Source</u>
Ratio of area protected to maintain biological diversity to surface area		%	CBD/IUCN*
Carbon dioxide emissions per capacity and consumption of ozone-depleting CFCs (ODP tons)		ODP tons	UNFCCC*
<u>Key Human Rights data</u>		<u>Unit</u>	<u>Source</u>
Ratification with main international human rights instruments (12 in total)		No.	OHCHR
Compliance with main international human rights instruments		No.	OHCHR

⁵ Where possible, the data should be provided as disaggregated on proportion of men/women

(12 in total) - Reports compiled in connection to the UN Universal Periodic Review - The official UN indicators for the coming Post 2015 Agenda		OHCHR
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- * (WDR): World Development Report, World Bank, most recent version.
 (DB): Doing Business Report, World Bank, most recent version
 (HDR): Human Development Report, UNDP, most recent version.
 (WDF): World Development Finance, World Bank, most recent version.
 (UNAIDS): Report on the global AIDS epidemic, UNAIDS, most recent version
 (CBD/IUCN) Reporting to be found at <http://www.cbd.int/protected/overview/> or <http://www.protectedplanet.net/>
- UNFCCC The CO2 emissions are reported to UNFCCC, data available at home page http://unfccc.int/ghg_data/ghg_data_unfccc/items/4146.php
- (UGS): *Landeindkomstgrænsetits* (Memorandum on the annual revision of per capita income limits for countries receiving Danish development assistance), available on MFA Intranet at http://intranet/Redskaber/udvpol_redskaber/Beslutningsprocessen/O1/R6/Sider/default.aspx
- ** Where relevant, this indicator can be substituted with a related MDG indicator/target based on the national MDG statistics.

Annex 2: Overview of Denmark's development cooperation with XX country divided by sectors/thematic areas.

Annex 3: Overview of Progress towards the MDGs in XX country⁶

⁶ These indicators will be reported on until 2015. The post-2015 dialogue and result hereof will feed into development of a possible new format for global monitoring.