

February 2022



# Bilateral Development Cooperation Strategy

**Publisher:**

Ministry for Foreign Affairs

February 2022

E-mail: [mfa@mfa.is](mailto:mfa@mfa.is)

<https://www.stjornarradid.is/verkefni/utanrikismal/throunarsamvinna/>

**Layout and text:**

Ministry for Foreign Affairs Iceland

©2022 Ministry for Foreign Affairs

# Table of Contents

<b>1. Introduction</b>	<b>4</b>
<b>2. Guiding Principles</b>	<b>6</b>
<b>3. Priorities and Thematic Areas</b>	<b>7</b>
3.1 Overarching and Cross-cutting Priorities	7
3.1.1 Gender Equality	8
3.1.2 Human Rights	8
3.1.3 Climate and Environment	9
3.2 Thematic Focus Areas	9
3.2.1 Basic Services and Social Infrastructure	9
3.2.2 Sustainable Use of Natural Resources	11
<b>4. Operational Modalities</b>	<b>13</b>
4.1 District Programme Approach	13
4.2 Strategic Partnerships	15
4.2.1 Collaboration with international Organizations	15
4.2.2 UNESCO-GRÓ Centre Training Programmes	16
4.2.3 Civil Society Organisations	16
4.2.4 Universities and Higher Education Institutions	16
4.2.5 Private Sector	16
4.3 Responding to Crisis	17
<b>5. Results, Accountability and Learning</b>	<b>18</b>
5.1 Results-Based Management	18
5.2 Transparency and Accountability	18
5.2.1 Risks and Safeguards	19
5.2.2 Evaluations	19
5.3 Learning and Communications of Results	19
<b>6. Partner Countries</b>	<b>20</b>

# 1. Introduction

Bilateral development cooperation is a cornerstone of Iceland's international development cooperation. Through bilateral country partnerships, Iceland participates directly in development endeavours with strong links to impact on the ground. Building on long-term partnerships, Iceland provides funding, technical assistance, and capacity building to contribute to the achievement of the sustainable development goals (SDGs). The objective of this strategy is to outline the guiding principles, thematic priorities, and implementation modalities for Iceland's bilateral development cooperation in its partner countries 2022-2025.

As outlined in the policy for international development cooperation 2019-2023<sup>1</sup>, the overall goal of Iceland's development cooperation is to reduce poverty and hunger and promote improved livelihoods, underpinned by human rights, gender equality, and the SDGs. Iceland concentrates its bilateral efforts in low-income countries (LICs) in Africa, working with national governments and district authorities, on the basis of a human rights-based approach working with both duty-bearers and rights-holders.

The bilateral partner countries are Malawi, Uganda and Sierra Leone. The main aid modality is a district level programme-based approach where resources are provided in support of district development plans and funds channelled through local systems to enhance ownership, institutional capacity and sustainability. Long-term partnerships are based on a collective pursuit of national development goals while service delivery is tailored to the local context.

Iceland considers gender equality and the empowerment of women and girls to be the basis for progress and sustainable development. In line with this, Iceland aims to be a strong partner at the national level for strategic programmes to enhance gender equality instigating transformative change. Climate and the environment will also be brought to the forefront during the timeframe of this strategy, with increased efforts to mainstream activities in district programmes and contributing to the implementation of countries' strategies and actions.

To further achieve strategic objectives, Iceland also works closely with development partners, including key international organizations, the UNESCO-GRÓ capacity building programmes and CSOs. Efforts are also made to enhance strategic cooperation between Icelandic and local CSOs, universities, and

---

<sup>1</sup> See: <https://www.government.is/library/01-Ministries/Ministry-for-Foreign-Affairs/Iceida/Publications/Parliamentary%20Resolution%20on%20Iceland%e2%80%99s%20policy%20for%20international%20development%20cooperation.pdf>

private sector actors in partner countries. Iceland strives to be a flexible partner that promotes and pilots innovative approaches and solutions to be leveraged and scaled up through collaboration with partners.

In the face of the Covid-19 pandemic, low-income countries are addressing multifaceted challenges, where the poorest and the most vulnerable are hit the hardest. There is urgent need to respond to health, social and economic crisis, and to avoid a backward slide on development paths. Simultaneously, it is imperative to maintain a clear line of sight on the long-term goals of Agenda 2030 and ensure that post Covid-19 recovery builds back better and greener, contributing to more inclusive and resilient societies.

## 2. Guiding Principles

Iceland aims to optimize the use of its financial and human resources while following the principles of effective development cooperation, to achieve positive long-term outcomes in line with Agenda 2030 and Icelandic and partners' development priorities. Iceland bases its development cooperation on core values of Icelandic society: respect for democracy and human rights, diversity, and fairness. We aim to be an innovative and flexible partner.

### 1 – WE ARE AN EFFECTIVE, TRANSPARENT AND RELIABLE PARTNER

Iceland follows best international practices and seeks to be an effective, transparent and reliable bilateral partner aiming to achieve tangible results.

Bilateral collaboration relies on international practices and principles, including the Paris Declaration, Accra Agenda for Action, Busan Partnership for Effective Development Cooperation, and OECD-DAC international principles and standards for development cooperation. In its bilateral cooperation, Iceland endeavours to be a responsible and reliable partner working with partner countries and organizations toward measurable and sustainable results, as defined by the SDGs. In bilateral operations we work through long-term partnerships for sustainable outcomes and accept shared responsibility with partners for planning, implementation and results of activities. Transparency in operations and communication of results for accountability and learning is of key importance.

### 2 – WE RESPECT AND SUPPORT DEMOCRACY, HUMAN RIGHTS AND DIVERSITY, AND OUR WORK IS FAIR AND INCLUSIVE

Iceland bases its cooperation on core values of Icelandic society: respect for democracy and human rights, diversity, fairness and inclusion.

In its bilateral efforts, Iceland aims to assist low-income countries to work towards inclusive development with a strong focus on poor and marginalized communities as well as vulnerable groups. We value and support democratic processes in our work, and believe that all voices must be heard by emphasizing empowerment and meaningful participation by all.

### 3 – WE ARE AN INNOVATIVE AND FLEXIBLE PARTNER

Iceland seeks to apply innovation and strives to be a flexible donor able to respond quickly to partner country or development partner requests.

As a small but nimble donor Iceland aims to work with partners to develop innovative approaches that can be scaled up and leveraged. Iceland will use its size and flexibility as a strength to be a partner who adds real value, focusing on sectors, themes, and areas where its presence can make a difference. This is partly done through financial support, but also by working in partnership with bilateral countries and international organizations, providing technical assistance and capacity building toward innovative approaches and sustainable competence.

## 3. Priorities and Thematic Areas

The overall goal of Iceland’s development cooperation is to reduce poverty and hunger and promote general well-being, underpinned by the SDGs and the cross-cutting themes of human rights, gender equality and the environment. In bilateral cooperation, this is translated into priority thematic areas guided by two main policy objectives which run through our partnerships and operations:

### Enhancing social infrastructure and peace efforts

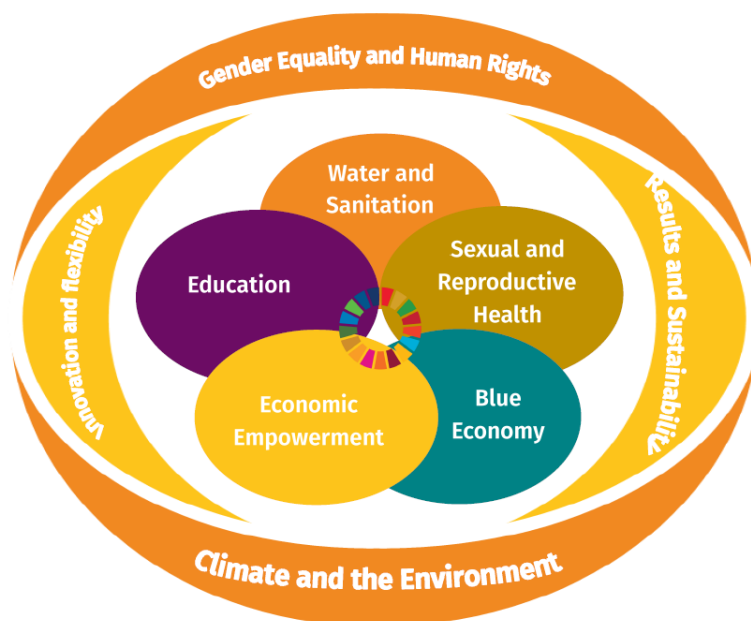
Enhance basic services and strengthen institutions to reduce poverty and inequality, improve living standards and increase opportunities for those who live in poverty and those affected by conflict.

### The protection of the earth and sustainable use of natural resources

Increasing the resilience of poor societies, enhancing economic growth through sustainable use of natural resources and supporting measures against climate change.

### 3.1 Overarching and Cross-Cutting Priorities

Gender equality, human rights and climate and the environment are cross-cutting and overarching priorities in all of Iceland’s development cooperation. As guiding themes, these priorities influence the programming and sectoral focus.



The context of operational and thematic priorities in Iceland’s bilateral collaboration.

### 3.1.1 Gender Equality

Iceland considers gender equality and women's empowerment, based on human rights principles, to be at the heart of development. Iceland plays an active role as a global gender equality advocate, and this is strongly reflected in our bilateral cooperation, where the focus is on three strategic areas:

1. Better health outcomes for women and girls, with a particular reference to the **promotion of sexual and reproductive health rights** and the **eradication of gender-based violence**.
2. Increased access to and better quality in **basic education**, with a focus on the girl-child, including a focus on the synergies between water and sanitation that support **education for girls**.
3. **Economic and political empowerment of women** and their active participation in all fields of society, including **peace and security** and in **environmental and climate** discussions and actions.

Iceland will work towards these priorities through specific programmes, gender mainstreaming and through collaboration with partners on initiatives to support gender equality. Iceland is a strong advocate for gender equality in partner countries, including through approaches that engage men and boys. Iceland will strengthen its collaboration with national governments and other partners to contribute to enhanced gender equality and transformative change.

### 3.1.2 Human Rights

The promotion and protection of human rights are integrated in Iceland's foreign policy. Iceland applies a human rights-based approach to its development cooperation as a foundation for well-being and prosperity. Three strategic areas for human rights are at the core of Iceland's bilateral cooperation:

1. The **rights of the most marginalized and vulnerable populations**, including marginalized and underserved communities, including LGBTI+, people with disability, and persons affected by conflict and disaster.
2. The **rights of the child**, including the rights to education, nutrition, water and health services.
3. **Democracy building and governance** including a strong civil society, freedom of speech, access to justice and the right to vote.

All of Iceland's thematic focus areas have a strong human rights focus, assisting duty bearers to provide basic services for health, education and water, fulfilling the rights of their respective rights holders. Iceland also seeks to work with like-minded development partners and grass-root and civil society organizations to advance human rights and support rights holders in its partner countries, as applicable.



### 3.1.3 Climate and Environment

Climate change, environmental degradation and biodiversity loss constitute fundamental threats to sustainable economic growth, development and poverty reduction. Livelihoods of poor and vulnerable communities are particularly affected by these threats. Iceland is strongly focused on green and blue development efforts, linking sustainable management of natural resources and ecosystems to improved livelihoods and shared well-being. Strategic focus includes:

1. **Climate mitigation, adaptation and resilience measures** integrated in programmes, to include climate smart infrastructure, sustainable energy use, and access to and use of water resources.
2. **Sustainable use of natural resources**, with a focus on healthy oceans, lakes and coasts, to include measures against coastal and marine plastic pollution as well as a focus on sustainable blue food systems.
3. **Land degradation and ecosystem restoration**, to include reducing the use of firewood and reforestation initiatives, and support to sustainable food production.

Climate action and the environment will be brought to the forefront during the timeframe of this strategy, with increased efforts to mainstream relevant activities in all programming, with a strong focus on gender equality aspects of climate change. Iceland will encourage innovation and apply circular economy and nature-based solutions. Actions will both aim to strengthen institutional mechanisms for environmental sustainability, for instance through local governments, as well as mainstreaming efforts and provide support to dedicated programme components. Iceland follows best environmental practices in partner countries. In all its infrastructure work, environmental rules and regulations are followed as applicable in each country.

## 3.2 Thematic Focus Areas

In support of the objective *to enhance basic services and strengthen institutions to improve living standards and increase opportunities for those who live in poverty and reduce inequality*, Iceland focuses on selected sectors and approaches, guided by a rights-based approach.

### 3.2.1 Basic Services and Social Infrastructure

To a large extent, Iceland's bilateral support is delivered in partnership with local authorities at the sub-national level who have the duty to deliver basic services, such as water and sanitation, basic health and education. Through these partnerships Iceland provides financial and technical support across sectors which enables local authorities to better serve their citizens while at the same time strengthening their capacity, thereby making sustainability of investments and operations more likely.

Specific sector support may differ between countries and districts, based on national development plans and local priorities, with water and sanitation, sexual and reproductive health, basic education, and economic empowerment as priority themes.

### **Sexual and Reproductive Health**

Provision of and access to sexual and reproductive health is a priority as it saves lives, leads to improvement in education, economic productivity and labour force participation as well as strengthens women's agency in our partner countries.

Iceland focuses on life-saving perinatal services for women and girls, family planning services, and prevention and services for gender-based violence for women and men. Special challenges which risk lives and the well-being of women and girls, including obstetric fistula, early marriages, and teenage pregnancies, are targeted through integrated interventions to empower women and girls.

### **Water and Sanitation**

Access to clean water and sanitation is a basic human right and essential to the realization of all human rights. The provision of water is a challenge in Iceland's partner countries and improved access constitutes a major improvement in livelihood for all individuals and particularly for women and girls who often have to carry water over long distances. Increased access to water is therefore contributing to gender equality and well-being of children, including girl's education.

Clean water also reduces the prevalence of communicable diseases, contributes to better health and better learning outcomes. Support for better sanitation practices and related investments also contribute to the same outcomes. Clean water and sanitation are also particularly important in fish landing areas, as it affects food safety.

### **Education**

Iceland is committed to preserve and uphold the right to education as a core human right and a key driver of development, giving special attention to the ones furthest behind by working in rural and marginalized communities. Emphasis is on a holistic approach to promote equitable access and improve learning outcomes, which includes improved facilities, training of teachers and teaching materials, provision of water and sanitation facilities, nutritious school meals, as well as capacity building of district authorities to provide and manage education services.

Gender equality guides all efforts and includes promoting the access of girls to education and advancing girls' sexual and reproductive health through the education system. Reaching children in early childhood is extremely important

for their future development, notably their progress in school. Early childhood development will be an emphasis in education in dialogue with partner countries.

### **Economic Empowerment and Job Creation**

Unemployment among young people and women's lack of economic opportunities and decent jobs is a major challenge, and an obstacle, to development. Iceland emphasizes that jobs and a strong local private sector is crucial to realizing the SDGs. For instance, in fishing communities, the diversification of economic opportunities remains critical.

Iceland will continue to explore opportunities to support youth employment and women's economic empowerment, for instance, through entrepreneurship training and support to small and medium sized enterprises, with a focus on green and blue jobs. Often this may be done in collaboration with local authorities in partner districts.

### **3.2.2 Sustainable Use of Natural Resources**

Sustainable use of natural resources, on land and in water, is a priority for Iceland in global advocacy and in bilateral cooperation. The importance of sustainable management of renewable natural resources is acknowledged as an important foundation for sustained, inclusive and green growth. The principle of sustainable use of natural resources is highlighted in all areas of our bilateral cooperation, with a key focus on the blue economy. In this area, Iceland has significant knowledge and experience and builds on comparative advantages to share experience with other countries through technical assistance and capacity building.

### **Fisheries and the Blue Economy**

Icelandic development cooperation has since its origin revolved around fisheries in different ways, partly through support to fisheries management, processing and marketing, and partly through support for better livelihoods in fishing communities. Iceland will continue to place strong emphasis on this sector and will frame this work under the concept of the blue economy and SDG 14, applying a holistic and integrated approach for the sustainable use of marine resources, protecting marine, coastal and lake ecosystems, while sustaining livelihoods and creating jobs and value for economic growth. Iceland realizes the opportunities that healthy oceans and lakes, and sustainable use of its resources can provide for improved livelihoods and poverty reduction and aims to further this work in bilateral collaboration in coming years.

To ensure the future of a sustainable blue economy, serious actions are required in dealing with the impact of climate change and pollution in oceans and lakes, which represent major threats coastal and marine systems, and thereby a risk to livelihoods of millions of people.

In its work on the blue economy Iceland will seek to apply innovative and climate smart solutions, aiming to bring value to partner countries and organizations such as by providing support to efforts addressing marine and lake plastic pollution. Economic empowerment of women in fishing communities will be a particular focus as well as efforts to engage the private sector in this work.

Bilateral and multilateral efforts on this thematic area are closely intertwined, a holistic approach is required in partnership with stakeholders at the local, regional and global level.

## 4. Operational Modalities

The collaboration and interventions in partner countries are based on the countries' own development strategies, including national and district development plans. Local ownership is emphasized, both as a principle and to ensure sustainability. The strategic priorities for Iceland's cooperation with the respective partner countries are the result of a dialogue and follow the principles of mutual accountability, working in partnership, harmonization and focus on results. Iceland will apply a human rights-based approach in its dialogue and programming with partner countries, with a notable emphasis on vulnerable and marginalized groups, including children.

The main implementation modality of Iceland's bilateral cooperation will continue to be the district programme approach, which provides results-based financing with the aim to strengthen the capacity of local governments to provide basic services to people. Iceland also works closely with national governments and relevant line ministries as applicable in effective and sustainable implementation of programmes. Towards this end, particular emphasis will be placed on collaboration for gender equality at the national scale.

Iceland uses country systems as the default approach for cooperation with its bilateral partner countries, following accepted good international practice, including the Paris, Accra and Busan agreements. The aim is, whenever feasible, to use country systems for management of funds, including financial management, financial reporting, progress reporting and procurement. Funds are to a large extent disbursed on a results-basis directly to district governments based on their work plans, progress and budgets. The use of country systems has already shown good results in building capacity in districts where Iceland provides support.

When appropriate or necessary Iceland will work with intermediary organizations, such as UN organizations, CSOs or private sector, as partners or contractors for the implementation of specific activities.

Iceland participates in development partners' forums and coordination mechanisms. Such participation serves multiple purposes, such as strengthening cooperation opportunities and synergies, harmonisation, enhanced understanding of risks, while also providing insights and learning.

### 4.1 District Programme Approach

As a small development partner, Iceland has found it practical and effective to focus much of its interactions on the second tier of government in its partner countries, working with regional/district authorities in support of decentralized provision of basic services, such as water and sanitation, health and education.

In line with the emphasis on fisheries in Icelandic development policy, all selected districts have fisheries and fish processing as an important livelihood.

In each partner country, a decentralization policy is already in place, with an emphasis on service delivery at the second-tier level, which ensures that the selected approach is in line with national policies in partner countries.

Iceland has applied a district-based approach to its cooperation with Malawi and Uganda, with good results, for more than a decade. In 2006, Iceland started district development cooperation with Kalangala district in Uganda based on previous development project cooperation. This was the start of a district approach, focusing on support through district governments to improve livelihoods and provide basic services. In 2012, a formal district cooperation programme was started in Mangochi district in Malawi, building on previous project-based development cooperation.

The district approach is in line with the key principles of the Busan Partnership for Effective Development Co-operation.

- **Harmonization and alignment with national government efforts:** The partnerships are based on demand from national governments and agreements are made with the applicable central ministries. Line ministries provide thematic guidance when required and Icelandic contributions to district programmes is reflected in national budgets.
- **Ownership and alignment with local priorities:** The programmes closely follow district development plans and operational national policies and strategies; activities are “on plan, on budget”. District authorities remain the key implementing agents.
- **Integration of support across sectors:** In close cooperation with district authorities, efforts are made to integrate support across relevant sectors and ensure that support reaches the poorest and most vulnerable people.
- **Use of district/public financial management and results systems:** Funds are to a large extent disbursed directly to district governments based on their work plans and budgets. District systems are used for management of funds, including for financial management, financial reporting, progress reporting and procurement. To manage risks, the programme includes strengthening of capacity of district authorities, and regular financial and progress reporting are a condition for release of funds. Internal audits, in addition to mandatory external audits, and a no-objection to tenders are further risk control measures.

Selection of partner districts is based on several factors, including poverty rates, human development status and donor presence. Districts and/or communities where fisheries are an important livelihood, and a way of life, are prioritized as focus areas as they are often among those most underserved and marginalized. The process of selection is further based on a dialogue with the

national and prospective district governments, taking into account development priorities.

Iceland considers important that partnerships with district authorities are established for longer term with a view to achieve tangible results, strengthen institutional capacity and thus ensure sustainability. As a general principle the length of district programmes may extend between 10-20 years, including an exit strategy implemented over a period of 3-5 years prior to full exit.

## **4.2 Strategic Partnerships**

Through the implementation of this strategy Iceland aims to further integrate strategic partnerships in its bilateral cooperation. This may include working with international organizations, local and Icelandic CSOs, universities and academia, the UNESCO-GRO training programmes, and the private sector. An important role for such partnerships will be to identify and implement potential innovations.

### **4.2.1 Collaboration with International Organizations**

In its bilateral partner countries Iceland works with key international organizations, including UN agencies and the World Bank. Such multi-bi cooperation further strengthens synergies with Iceland's work in its thematic focus areas and provides important learning and feedback for our work. This work will be carried out in strong collaboration and coordination with relevant government entities to strengthen capacity and ensure sustainability in the process.

Priority will be given to collaboration with organizations which have strong country presence working in areas relating to Iceland's key thematic priorities and in line with Iceland's multilateral development cooperation strategy. Such partnerships can be approached through different modalities of collaboration, depending on the country priorities, context, and partners' strengths. Four main approaches are envisaged:

- Work in partnership with existing programmes of UN agencies, but facilitate and fund programmes in specific districts or areas in line with Iceland's emphasis in the respective country.
- Work with UN agencies as implementing partners for particular programmes in close collaboration with Iceland's local partners.
- Building on Iceland's strength as a small and flexible donor, work to assist organizations to foster innovations and pilot activities or processes in line with the priorities of both parties.
- Secondments and JPOs in the partner countries aligned with Iceland's key thematic focus areas.

With this collaboration, Iceland aims to increase the synergies between its work in bilateral and multilateral development cooperation and link its advocacy work with tangible results in the field.

#### 4.2.2 UNESCO-GRÓ Centre Training Programmes

The training institutions of GRÓ Centre for Capacity Development, Sustainability and Societal Change, which operate under the auspices of UNESCO, are an important and distinct element in Icelandic development cooperation. Six-month residential training programmes in fisheries, gender equality, geothermal energy and land restoration are at the core of their operations. This is supplemented by shorter, in-country capacity training activities.

In recent years, cooperation between the GRÓ programmes and core bilateral development cooperation has increased, notably in geothermal energy and in fisheries. Going forward, emphasis will be placed on further collaboration and synergies between the GRÓ programmes and country and regional development programmes. GRÓ programmes can play an important specialist role in capacity building, training and piloting of specific solutions in partner countries and regional programmes and contribute to institutional capacity building in partner countries.

#### 4.2.3 Civil Society Organisations

Cooperation with civil society and civil society organizations (CSOs) plays a key role in development cooperation providing valuable linkages to the grass root allowing for a contribution to an independent, strong and diverse civil society in low-income countries. Modalities for working with CSOs in partner countries will depend on the context in each country with a focus on partnerships that build capacity to fight poverty and promote and safeguard human rights. Opportunities to create linkages for cooperation between Icelandic, international and local CSOs will also be sought in a strategic way, supplementing efforts, and enhancing synergies where applicable.

#### 4.2.4 Universities and Higher Education Institutions

Opportunities will be sought to build collaborative relationships between higher education institutions in Iceland and partner countries. This will primarily focus on strengthening institutional and research capacity of local institutions, with special emphasis on key thematic areas where Iceland has a comparative advantage. Knowledge sharing and capacity exchange among students and researchers across different disciplinary contexts, which can produce knowledge of high quality and relevance, will also be encouraged as applicable. Opportunities to pilot innovative approaches for producing new knowledge, teaching, applying new technologies and solutions will also be explored.

#### 4.2.5 Private Sector

Strong emphasis is placed on the role of the private sector in contributing to growth, job creation and financing in Iceland's development policy. Approaches to augment bilateral work with stronger private sector focus will be explored, either through collaboration with Icelandic companies, through dedicated competitive funding mechanisms, as well as integrating green job creation for



women and youth as core focus, entrepreneurship training and related activities in the bilateral programmes where it may be applicable.

In key focus areas where Iceland is considered to have a comparative advantage, notably fisheries, energy (geothermal and hydro), gender and land restoration, Iceland will continue to offer the use of value-added expertise through its Technical Assistance (TA) programme. This support may be deployed small scale on a strategic basis to assist partner countries to develop larger projects and in collaboration with international organizations such as the World Bank and UN agencies.

### **4.3 Responding to Crisis**

Covid-19 has demonstrated the vulnerability of societies and systems and how quickly hard-won development gains can be reversed. Climate related disasters and forced displacements of people and food insecurity further continue to pose a threat to global and national stability. Unexpected crisis can arise in partner countries and Iceland will seek to be a reliable partner to contribute to crisis response efforts, through flexible mechanisms that allow for quick response. This will be done in alignment with national government efforts, with a focus on partner districts, and in collaboration and through calls from international organizations, and CSOs as may be applicable and effective. This work will be closely aligned with Iceland's international humanitarian efforts.

It has become increasingly evident that the global fight against poverty requires combined actions to strengthen the nexus between emergency and longer-term development, particularly in conflict-affected states, and to assist fragile countries in the transition towards peace and stability. Attention will be paid to opportunities for partnerships and work where development support can be deployed in situations of humanitarian and peace contexts, the triple nexus.

## 5. Results, Accountability and Learning

Bilateral development cooperation is planned and implemented within the general strategic context provided by Iceland's policy for international development cooperation, this strategy and bilateral partner country development plans. Iceland's approach relies on lessons derived from assessments of bilateral work, independent evaluations of results and OECD DAC's reviews. Iceland remains committed to continue reinforcing rectitude while also learning from its mistakes and shortcomings. Transparency, mutual accountability and results-based management are fundamental for Iceland's bilateral development cooperation. Underlying principles rely on strong accountability mechanisms, including up-to-date monitoring and independent evaluations for learning and accountability purposes. Further strategic direction on this is set forth in the following section but the general operational context, including the planning and delivery of bilateral development cooperation is further outlined in MFA's operational procedures.

### 5.1 Results-Based Management

Iceland is committed to pursue tangible development results in the implementation of all development activities. The methodology, procedures, and project management shall be results-oriented, and all operations based on well defined, costed and results-focused plans that are explicitly designed for relevance, coherence, effectiveness, efficiency, impact and sustainability.

Accepted project management methods are relied upon for project/programme implementation components within the programme-based approach.

Performance indicators are laid out in project documents to monitor progress made toward the achievement of expected results. Indicators are linked to the SDGs to the extent possible as well as the results frameworks of the respective partner country. Iceland will rely on local monitoring systems where possible and support its partners to effectively carry out monitoring efforts. All bilateral efforts will be subject to strong monitoring efforts and external evaluations, with the purpose of enhancing accountability, learning and knowledge sharing, as well as to effectively communicate results.

### 5.2 Transparency and Accountability

Transparency and mutual accountability among all partners are integral to Iceland's bilateral work. Efforts to ensure transparency and mutual accountability include identifying risks, applying safeguards and conducting evaluations.

### 5.2.1 Risks and Safeguards

Iceland acknowledges that risk is an inevitable part of development cooperation, and a certain level of risk will need to be accepted in order to achieve longer-term results. Risk will be analysed, assessed, and addressed on an ongoing basis, as well during planning phases. Fiduciary safeguards shall be in place for minimizing corruption risks, and mitigating measures and preventive actions put in place. Conventional risks include contextual risks, such as weak infrastructures, unstable political environments, conflicts, fluctuations in currency exchange rates, poverty related risks and lack of qualified human resources. Iceland will seek to assign qualified personnel in all bilateral teams with sufficient knowledge and skills for maintaining professional standards and managing risks. Iceland's bilateral staff shall adhere to MFA's code of conduct.

Iceland is committed to applying a zero tolerance policy towards acts of sexual exploitation, abuse, and harassment (SEAH). Applicable standards and guidelines on protection from SEAH apply in all bilateral cooperation.

### 5.2.2 Evaluations

As for other spheres of work, evaluations are regarded as a critical tool for learning, informed decision making and enhanced accountability in bilateral development cooperation. Iceland follows its evaluation policy and applies OECD-DAC principles and standards for evaluation of its development cooperation. All bilateral efforts will be subject to strong monitoring efforts and external evaluations, with the purpose of enhancing accountability, learning and knowledge sharing, as well as to effectively communicate results. Evaluations are an integrated part of the project cycle in bilateral work and scheduled bilateral evaluations are set forth in annual evaluation plans. External evaluations shall be at minimum conducted at mid-term and at the end of the project cycle. Such evaluations shall be laid out in project documents. The Results and Evaluation Unit of the MFA has the mandate to conduct evaluations and may conduct other evaluations, whether thematic, impact evaluations, financial audits or other types at its discretion.

## 5.3 Learning and Communications of Results

All bilateral operations shall be conducted with maximum transparency. Emphasis will be placed on providing relevant authorities, our own staff, and the general public in Iceland and in partner countries with all relevant information about programme activities for accountability and learning purposes. Bilateral development cooperation provides opportunities for making development partnerships and results visible to the Icelandic public, which is crucial for building broad support for development cooperation. Therefore, effective communication of results is crucial. Emphasis is also placed on internal organizational learning and sharing of lessons learned between the different countries.

## 6. Partner Countries

According to Iceland's development cooperation policy the main focus of bilateral cooperation shall be directed towards the poorest countries. Iceland will continue to focus its bilateral support and partnerships on a limited number of partner countries, all of which are low-income countries with significant poverty and resource restraints. The selection of partner countries is based on an assessment of synergies between country needs and Iceland's ability to provide high quality support that produces results, in line with its development priorities.

Bilateral support, with active partnerships and in-country presence, will focus on three countries: Malawi, Uganda and Sierra Leone. Malawi and Uganda are long-standing partner countries, Icelandic development cooperation started in Malawi in 1989 and in Uganda in the year 2000. In this bilateral strategy Sierra Leone is emerging as a new partner country following detailed analysis of potential partner countries and previous bilateral collaboration with Sierra Leone under the umbrella of a regional programme for fisheries and the blue economy in West Africa.

The strategic outlines for cooperation in each of the partner countries will be detailed in the respective country partnership strategy. The priorities for each country are based on an alignment between the overall objectives of Iceland's development policy as reflected in this bilateral development cooperation strategy and a dialogue with partner countries on main priorities and modalities. They provide a rationale and articulation of the framework within which Icelandic development cooperation will take in each partner country within the time- period.

While specific thematic focus areas are outlined in this strategy, the emphasis on each one may differ between the respective partner countries, as a result of dialogue with governments and districts on the key priorities. The overarching and cross-cutting priorities of gender equality, human rights and climate and the environment will be prominent in all country strategies.

**Key statistics for partner countries** (Sources World Bank, UNDP Human Development Report 2020, Ibrahim Index of African Governance).

	Malawi	Uganda	Sierra Leone
Population (million)	18.6	44.3	7.8
Human Development Index ranking	174/189	159/189	182/189
Gross national income (GNI) ATLAS, (PPP)	380 (1.035)	780 (2.130)	540 (1.594)
Population living below income poverty line (\$1.90)	69.2%	41.7%	43.0%
Life Expectancy (years)	64.3	63.4	54.7
Mean years of schooling	4.7	6.2	3.7
Maternal Mortality per 100,000 live births	349	375	717
Infant mortality rates per 1,000 live births	31	33	81
Gender inequality index ranking	142	131	155
Net ODA (% of GNI)	18.8	6.1	13.3
Ibrahim Index of African Governance	23/54 (51.5/100)	22/54 (51.8/100)	24/54 (51/100)

