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# Multilateral Development Cooperation Strategy

Iceland's International Development Cooperation

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# 1. Preface

Multilateral development cooperation is a key pillar of Iceland's international development cooperation and forms an important part of Iceland's role in fulfilling its political, legal, and moral obligations as a responsible member of the international community. The UN Sustainable Development Goals (SDGs) form the basis of Iceland's multilateral development cooperation, and Iceland will work diligently in support of their advancement. Iceland is an advocate of democracy, human rights, diversity, tolerance, justice and solidarity, and the importance of safeguarding international rules-based system.

This strategy aims to further define Iceland's work in this area, outline the guidelines on which this work is based, priorities and working practices. The strategy is based on Iceland's Policy for international development cooperation 2019-2023<sup>1</sup> which was approved by Althingi in 2019, which will guide the implementation of the strategy during its period of validity.

This strategy covers all contributions that are considered multilateral development cooperation. Implementation is overseen by the Ministry for Foreign Affairs.

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<sup>1</sup>Parliamentary resolution No 26/149 on Iceland's policy for international development cooperation for 2019-2023. See: <https://www.althingi.is/altext/149/s/1424.html>

## 2. Guiding principles

### Principle 1 – ACTIVE AND VALUE-ADDED PARTICIPATION

Iceland takes an active part in multilateral development cooperation and works in a value-added manner towards the UN Sustainable Development Goals

As a donor country, Iceland participates actively in advocacy, policymaking, and oversight within multilateral institutions, through either constituencies, governing bodies, or bilateral engagements. Focus shall be given to Iceland's thematic priority areas (see below), with special attention to the needs and rights of poor and vulnerable groups. The promotion of efficiency and effectiveness of the institutions in question is also important.

Added value in multilateral development cooperation is defined in such a way that Iceland's contributions and participation are useful but may also mean that such cooperation is beneficial to Iceland. Iceland's cooperation shall also aim to increase momentum in key priority policy areas and seek to mobilise the resources, efforts, and partnerships to drive forward progress.

### Principle 2 – BEST PRACTICES

Iceland follows best practices in carrying out its multilateral development cooperation, in accordance with international standards.

Iceland follows best practices in carrying out its multilateral development cooperation, in accordance with international standards. Such practices seek to support efforts to develop an effective and transparent multilateral system that is well suited to work towards the UN Sustainable Development Goals.

Iceland's work shall be based on the recommendations of the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD-DAC), as well as other recommendations on good practices in the field of development cooperation. Emphasis shall be placed on flexibility and predictability in funding and that any partnership agreements fall within the time period of the Policy for international development. Efforts shall also be made to provide as large a part of funding to multilateral priority partners as possible in the form of core contributions.

Principle 3 – FOCUSED IMPLEMENTATION

Iceland utilises goal setting and bases its multilateral development cooperation on three pillars: thematic focus areas, priority partners and active international cooperation.

Iceland's multilateral development cooperation is based on three pillars: thematic focus areas, priority partners and active international cooperation. Significant emphasis is placed on utilising Iceland's expertise.

## 3. Strategic Focus

### 3.1 Thematic focus areas

Iceland puts human rights, gender equality, environmental, energy and climate issues, as well as ocean affairs at the forefront of its multilateral development cooperation. Efforts are being made to increase momentum in these policy areas through cooperation with international organisations, as well as through funding, joint projects, and advocacy. Particular attention is paid to utilising Icelandic value-added expertise.

#### 3.1.1 Human rights

Iceland's Policy on international development cooperation 2019-2023 is human-rights based for the first time, which reflects <sup>2</sup> Iceland's strong emphasis on human rights in overall.

Human rights therefore form an important part of Iceland's priorities in the field of development cooperation and within the institutions that Iceland works with. For example, significant focus was given to the human rights of women and the rights of LGBTQ people while Iceland held a seat on the UN Human Rights Council 2018-2019.

#### **Example of Iceland's multilateral cooperation in the field of human rights**

Human rights-related projects in the field of multilateral development cooperation include e.g. support of UNESCO's Multi-Donor Programme on Freedom of Expression and Safety of Journalists. In 17 countries in Africa, Iceland also contributes to the UNFPA-UNICEF Joint Programme on the Elimination of Female Genital Mutilation.

Iceland's priority partners in multilateral development cooperation within the UN system also apply a human rights-oriented approach, e.g. the United Nations Population Fund (UNFPA)<sup>3</sup> and the United Nations Children's Fund (UNICEF)<sup>4</sup> and Iceland's core thus support this work.

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<sup>2</sup> E. human rights-based. A human rights-oriented approach in development cooperation is based on the view that violations, restrictions and disrespect for human rights are a root cause of other problems, e.g. inequality, poverty or corruption, and not their consequences. It is therefore difficult to solve the multifaceted problems that afflict developing countries before their citizens enjoy universal human rights, and in fact it can be argued that human rights are a fundamental precondition for solving these challenges permanently. The most comprehensive approach to the problems of developing countries is therefore to make human rights a prerequisite and the main goal of all development cooperation.

<sup>3</sup> See <https://www.unfpa.org/human-rights-based-approach>

<sup>4</sup> See <https://www.unicef.org/policyanalysis/rights/>

### 3.1.2 Gender equality

Gender equality and the empowerment of women<sup>5</sup> are cornerstones of Iceland's development cooperation and humanitarian assistance, defined as both cross-cutting and a stand-alone priorities. Iceland is a strong advocate for gender equality in international fora and emphasises respect for women's rights and elimination of all gender-based discrimination in that regard.

Iceland has identified five main focus areas to accelerate progress toward gender equality through international development cooperation:

1. The abolition of gender-based violence. Iceland leads an international action coalition on this issue.
2. Improve the health of women and girls, including improved access to sexual health and reproductive services.
3. Increase access to and improve the quality of basic education, with a special focus on girls.
4. The economic and political empowerment of women, which includes the promotion of active participation of women in all areas of society, including on issues of peace and security, trade, and the environment.
5. Engaging men and boys to work for gender equality.

#### **Example of Iceland's multilateral development cooperation for gender equality**

Since 2015, Iceland has supported Oasis centres developed by UN Women to respond to the urgent needs of Syrian refugee women and girls in camp settings in Jordan. The Oasis model has evolved over the years and is now a centre for building women's resilience and empowerment through access to multi-sectoral services. UN Women operates the centres in both the Za'atari camp and Azraq camp.

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<sup>5</sup>See the Gender Equality Policy in Iceland's International Development Cooperation programme.



### 3.1.3 Climate, energy, and the environment

The Icelandic government has set itself ambitious goals in the fields of climate and environment. For years, there has been a strong emphasis on clean energy and climate resilience in international development cooperation. Iceland's policy takes into account the international conventions to which Iceland has acceded, e.g. the Paris Agreement and the United Nations Convention on Biological Diversity, based on the UN's Sustainable Development Goals.

#### **Example of Iceland's multilateral cooperation on the environment and climate**

An example of Iceland's work in the multilateral sphere was in September 2021 when the UN hosted the High-level Dialogue on Energy where Iceland took on a role as a Global Theme Champion for one of five themes discussed during the dialogue - **Enabling SDGs through inclusive, just energy transition**. The role of the Global Theme Champions was to showcase leadership at the ministerial level to spearhead advocacy efforts. A significant outcome of the HLDE were the 150 energy compacts that were submitted, where Iceland submitted its own energy compact and was a party to two other compacts, one on gender and another on 24/7 carbon free electricity.

Iceland has increased its contributions to climate-related projects in development cooperation, especially in the field of sustainable energy, and thus worked systematically to increase the share of renewable energy in the global energy mix. Emphasis is also placed on the role of land reclamation and sustainable land use in the fight against climate change. In addition, there is an emphasis on energy transition in the Blue Economy, which is an important step towards achieving carbon neutrality and increasing the sustainability of the ocean.

Iceland has also placed special emphasis on the integration of gender perspectives into climate and environmental issues and takes an active part in advocacy work to ensure that provisions that promote gender mainstreaming are incorporated into international agreements on climate and environmental issues. The Icelandic government has also made efforts to support specific measures to strengthen the position of women in the energy sector.

### 3.1.4 Ocean affairs

Ocean affairs are important to Iceland in all aspects. Consequently, this is strongly reflected in Iceland's international cooperation, where international development cooperation is also important. Iceland has expertise in number of ocean relevant fields to share with both developed and developing countries. Specifically, Iceland has been focused on advocating for sustainable fisheries in all multilateral fora, providing capacity building for developing countries and generally promote sustainable ocean affairs in all international cooperation.

Iceland's advocacy work on ocean affairs on the international stage is based on SDG 14 and the sustainable use of resources. Iceland emphasises the importance of a scientific approach to fisheries management and the potential

that lies in the full utilisation of raw materials and innovation in the value chain. Emphasis is also placed on finding solutions to marine and coastal pollution, on the fight against illegal fishing, and on the effects of climate change on the ocean. Iceland also emphasises training and the development of knowledge in developing countries as a basic precondition for progress.

The development cooperation policy emphasises the sustainable use of marine resources and the development of social infrastructure in fishing communities. A principle in Iceland's development cooperation in the field of the Blue Economy is to promote the improved living conditions of the inhabitants of fishing communities in developing countries on the basis of human rights, equality and freedom.

#### **Example of Iceland's multilateral cooperation on ocean affairs**

The emphasis on ocean affairs in international cooperation is well illustrated in the cooperation between Iceland and the World Bank, which now places increased emphasis on cooperation based on a holistic approach in developing the Blue Economy. There are four main aspects to this collaboration: support for the World Bank's new ProBlue fund, funding for a fisheries specialists, access to Icelandic consultants through a list of technical advisers in the field of fisheries, and bilateral cooperation with the World Bank's fisheries projects. Ocean pollution is high on the agenda and is an issue that Iceland has also emphasised.

### **3.2 Priority Partners**

Iceland's Policy for international development cooperation identifies four priority partners in multilateral development cooperation: the United Nations Children's Fund (UNICEF), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA) and the World Bank.<sup>6</sup>

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<sup>6</sup>In addition, Iceland has designated the following institutions of emphasis in the field of humanitarian assistance: the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations Emergency Fund (CERF), the United Nations High Commissioner for Refugees (UNHCR), and the United Nations World Food Program (WFP). For more information, see the Humanitarian Assistance Policy in Iceland's International Development Cooperation programme.

<b>World Bank</b>	<b>UNICEF</b>	<b>UN Women</b>	<b>UNFPA</b>
Role: To promote social and economic development in developing countries	Role: To improve the circumstances of women, children and young people	Role: To promote gender equality and the empowerment of women	Role: To promote sexual and reproductive health and reproductive rights in developing countries
			

**Figure 1 Iceland's priority partners in multilateral development cooperation**

The Icelandic government's support for priority partners consists mainly of core contributions based on framework agreements, in accordance with best international practices. Such contributions are unrestricted in terms of their use and thereby provide the institutions the flexibility to allocate funds where they are most needed. Support is also provided to specific projects and programmes that are in line with Iceland's priorities.

### 3.2.1 UNICEF

The United Nations Children's Fund (UNICEF) is mandated by the UN to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential. The United Nations Convention on the Rights of the Child is the foundation of the agency's work which reaches 190 countries and territories, both in developing countries and through the activities of national committees. UNICEF works in several areas to benefit children, including education, child survival, social policy, child protection and inclusion, as well as reaching children in emergencies.

UNICEF's role supports Iceland's policy priorities in development cooperation. This includes equitable access for all to quality education, improved basic health care and improved access to clean water and sanitation. UNICEF works towards the achievement of the fourth SDG to ensure education for all, the third SDG to improve health and well-being, and the sixth SDG to ensure access to clean water and sanitation.

### 3.2.2 UN Women

The United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) is the UN organization dedicated to gender equality and the empowerment of women. UN Women works to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential. UN Women has a triple mandate, encompassing normative support, UN system coordination and operational activities.

Iceland has supported UN Women since its establishment and is among its top donors. This is in line with Iceland's strong focus on gender equality and the

empowerment of women and girls, emphasised in Iceland's policy for international development cooperation 2019–2023. UN Women works towards the achievement of the fifth SDG, which is the achievement of gender equality. However, gender equality is a prerequisite for sustainable development and progress on that front may therefore be linked to the advancement of all the SDGs.

### **3.2.3 UNFPA**

The United Nations Population Fund (UNFPA) is the UN sexual and reproductive health agency and works for the realization of reproductive rights for all. UNFPA supports access to a wide range of sexual and reproductive health services, including voluntary family planning, maternal health care, and is a lead UN agency in working to respond to and reduce gender-based violence, including harmful practises and sexual violence. UNFPA supports programmes worldwide in humanitarian, peace, and development settings.

UNFPA's work compliments the overall goal in Iceland's international development cooperation strategy 2019-2023, which is to reduce poverty and hunger and promote general well-being on the basis of human rights, gender equality, and sustainable development. UNFPA works towards the advancement of the third SDG on improving health and well-being, and the fifth SDG on gender equality.

### **3.2.4 The World Bank**

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. In line with the Policy for international development cooperation, most of Iceland's contributions are directed to the International Development Association (IDA), the part of the World Bank that helps the world's poorest countries. IDA aims to reduce poverty by providing zero to low-interest loans and grants for programs that boost economic growth, reduce inequalities, and improve people's living conditions.

Iceland has also supported the work of the World Bank on four focus areas – green energy, the blue economy, gender equality and human rights – with contributions to Trust Funds and the secondment of experts.

## **3.3 Geographic focus areas**

In general, efforts are made to provide the largest possible part of Iceland's contributions to multilateral development cooperation in the form of core contributions to priority partners, in line with best international practices. It is then up to the relevant institutions to direct contributions in accordance with priorities and needs. All priority partners have been selected based on Iceland's areas of focus in development cooperation.

The part of Iceland's multilateral development cooperation that is not provided in the form of core contributions is directed at low-income and fragile countries, with priority been given to countries in Sub-Saharan Africa as well as low-income countries in the Middle East.

### **3.4 Other partners and modes of cooperation**

In addition to cooperation with priority partners, Iceland also works with other international development partners, based on specific work areas and priorities.

Iceland further provides expertise by providing technical advice and support through seconded experts to international organisations in the short or long term. This way, an attempt is made to maximise Iceland's added value in international development cooperation.

## 4. Working practices

Iceland strives to conduct its development cooperation in a professional manner based on best-practices, including as outlined in the United Nations Funding Compact.

### 4.1 Emphasis on international cooperation

Iceland emphasises active participation in international collaboration on development cooperation. This includes inter alia active involvement in development-related issues in the UN General Assembly and its 2<sup>nd</sup> Committee, in the UN Commission on the Status of Women, the UN Commission on Population and Development, and the UN Human Rights Council, as well as at the OECD. Icelandic engagement takes into account international commitments, including the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, the Addis Ababa Action Agenda and the Busan Partnership for Effective Development Co-operation.

Iceland shall also seek to actively engage within the governing bodies of those institutions and funds to which it makes financial contributions, as these have an important oversight and policy setting role to play. This involves both taking on leading roles as well as membership on boards. The Permanent Missions in Geneva, New York and Rome have an important role to play in this regard. Iceland aims to sit on the steering committee of the Executive Board of UN Women in 2022, the UNICEF Board in 2024 and the UNDP/UNFPA Board in 2027. During the term of Board membership, Iceland will strive to take on a leading role on areas of specific interest. Iceland also takes an active part in the work of the OECD Development Assistance Committee (DAC), of which Iceland has been a member since 2013.

Cooperation between the Nordic countries extends to all areas of international development cooperation and is a very valuable source of knowledge, exchange of information and coordination for Iceland. Iceland also continues to take an active part in the Nordic Plus group, which is made up of the Nordic countries, the United Kingdom, the Netherlands and Ireland. The chairing of the group rotates on a yearly basis<sup>7</sup>.

The eight Nordic and Baltic countries form a constituency within the World Bank and share one board seat. According to the constituency's current rotation schedule, the Nordic countries take turns appointing Executive Directors to the Bank's board. Iceland is the smallest member state of the Bank that regularly appoints an Executive Director, most recently in 2019-2021, during which time

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<sup>7</sup>The countries take turns leading the group for one year and Iceland will lead in 2023-2024.

the Ministry for Foreign Affairs lead the coordination of the constituency's policies and positions.

As regards support individual projects or programmes in multilateral development cooperation, related expenditures shall be taken into account in financial plans. In addition, it shall be ensured that human resources and the necessary expertise are available and that there is active coordination within the Ministry for Foreign Affairs and other ministries as needed.

## 4.2 Cooperation and coordination

Iceland's contribution to development cooperation shall be coordinated with other development efforts and work towards the 10 out of the 17 United Nations SDGs that are specifically set out in Iceland's policy for international development cooperation 2019-2023.<sup>8</sup>

Iceland's policy on international development cooperation emphasises the strengthening of the link between humanitarian action and development cooperation and booster resilience of communities in the face of conflict and disaster. Ensuring coherence and synergies between Iceland's multilateral and bilateral development cooperation is likewise important. This calls for increased cooperation, coordination, and information sharing within the Ministry for Foreign Affairs, as well as with embassies and permanent missions.

Development cooperation is an integral part of Iceland's foreign policy. Policy coherence<sup>9</sup> must be promoted, which is in line with the UN SDGs that are based on the approach that the economic, social, and environmental dimensions of sustainable development all form a part of an integral whole. Iceland's work in this field shall be based on the framework that DAC has set out for policy coherence.

## 4.3 Accountability, monitoring, and results

The Ministry for Foreign Affairs oversees contributions to multilateral development cooperation and is responsible for ensuring that this work is in accordance with Iceland's goals and objectives. The activities are accounted for in the Minister's annual report to Althingi.

Iceland shall apply holistic performance management<sup>10</sup> and monitoring of contributions to multilateral development cooperation as a part of that

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<sup>8</sup>The Sustainable Development Goals that Iceland is working towards in its development cooperation are goals 3, 4, 5, 6, 7, 8, 13, 14, 15 and 16.

<sup>9</sup>Policy coherence, see: <http://www.oecd.org/gov/pcsd/>. Policy coordination means that the Icelandic government's policy on development cooperation is in line with other policies and goals set by the government to prevent goals and implementation from being contradictory, but also maximising the synergies of all government work in accordance with SDG target 17.14.

<sup>10</sup>Performance management is a method that focuses on performance/results and evaluates the results of output, outcomes and impact of actions. A policy and clear objectives, organised methodology, systematic surveying and follow-up measures are the main elements used for result-based management.

process.<sup>11</sup> The organisations are monitored by the Multilateral Organisation Performance Assessment Network (MOPAN) that carries out independent audits of their performance. Reports by MOPAN as well as reports and audits of individual projects and institutions are reviewed and assessed by the Ministry for Foreign Affairs. Iceland also participates in peer reviews by OECD-DAC. The aim is to monitor the results achieved as well as to systematically analyse how the total contributions are best managed, how to maximise added value and enhance synergies with Iceland's non-financial contributions.

A strong emphasis is placed on efficiency and transparency, to closely monitor the results of the projects that Iceland supports and to carry out robust outreach and communication activities. Results must be carefully defined, but a prerequisite is to clearly state the objectives that Iceland sets itself in multilateral development cooperation. This should be in line with the basic vision set out in this strategy, to enable legislators and other stakeholders to understand what Iceland is achieving through its work and to exercise active controls for the efforts carried out within international development cooperation.

Evaluations are the primary tools used by Iceland to assess results and generate learnings from international development cooperation efforts. Evaluation work is based on evaluation policy and relies on evaluation principles in accordance with OECD DAC criteria and quality standards. Iceland will also strive to participate in evaluation reference groups and be actively engaged in international evaluations of multilateral programmes that Iceland funds.

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<sup>11</sup>The performance evaluation of UN agencies is based primarily on the work of the Multilateral Organization Performance Assessment Network (MOPAN, see: <http://www.mopanonline.org/>), a network of donor countries that regularly conducts independent audits of the work of international organisations.



