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Multilateral Development Cooperation Strategy

Iceland's International Development Cooperation

Stjórnarráð Íslands
Utanríkisráðuneytið

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1. Introduction

Multilateral development cooperation plays an important role in Iceland’s international development cooperation. As outlined in Parliamentary Resolution no. 811 on Iceland’s international development cooperation 2024-2028, emphasis is placed on targeted multilateral cooperation in order to maximise the effect of Icelandic contributions and participation. Iceland plays an active role in the work of multilateral organisations and is a proponent of the values that Icelandic society is based on with a key emphasis on effectiveness and results.

This strategy defines the approach, working methods and policy priorities in Iceland’s multilateral development cooperation, and is aimed at making Iceland’s contribution value-adding and effective.

2. Guiding principles and working methods

Principle 1 – ACTIVE AND VALUE-ADDING PARTICIPATION

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

In the international arena, Iceland is an advocate of democracy, human rights, diversity, tolerance, justice and solidarity. When it comes to multilateral development cooperation, this entails ensuring that Iceland’s voice is heard and that its priorities are advanced. Iceland plays an active role in advocacy and policymaking within multilateral organisations at constituency-level and board-level, as well through bilateral consultations. Through these channels, the values that Icelandic society is based on shall be promoted and emphasis placed on organisations’ effectiveness and results. Emphasis shall be placed on those living in poverty and groups that have their rights curtailed such as women and girls, LGBTQI+ persons, persons with disabilities and other vulnerable groups. Importance will be placed on value-adding participation in terms of engaging in areas where Iceland has expertise, experience and vision that is likely to be beneficial to poorer countries.

Iceland’s engagement shall be predicated on international commitments on the implementation of development cooperation, such as the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Global Partnership for Effective Development Cooperation. Further, Iceland’s engagement shall entail cooperation in the context of the United Nations (UN) on the SDGs and related action plans and agreements, as well as participation in committee work such as the Addis Abeba Action Agenda on financing for development, the Commission on the Status of Women (CSW), the International Conference on Population and Development (ICPD) and the UN Human Rights Council.

Collaboration on development cooperation within the Organisation for Economic Co-operation and Development (OECD) is also a central component as Iceland engages actively in the OECD’s Development Assistance Committee (DAC). The DAC is a leading forum for donor countries to coordinate

on principles, working methods and effectiveness in development cooperation, and engagement in the DAC is conducive to adopting best practices as well as oversight activities and regular peer reviews.

Iceland also actively engages with the organisations and funds that it contributes to. This entails participating in policymaking and advocacy efforts as well as providing monitoring and oversight as part of the engagement.

Iceland's Permanent Missions in Geneva, New York and Rome play an important role in multilateral development cooperation. For instance, Iceland participates in working groups and executive boards of partner organisations. When Iceland has a seat on an executive board, emphasis shall be placed on advocacy efforts on focus areas of Iceland's development cooperation, as well as on leading negotiations and drafting of statements.

Nordic cooperation spans all parts of international development cooperation, both substantively and in terms of advocacy, and is very active within Iceland's priority multilateral organisation partners. Iceland also actively engages in the Nordic Plus group which includes Ireland, the Netherlands and the United Kingdom in addition to the Nordic countries. As an equal partner in these coordination groups, Iceland chairs the work of the groups on equal footing with other member countries on a regular basis. Further, Iceland cooperates comprehensively with the Nordic and Baltic countries in the World Bank where they sit in the same constituency and share a board seat, which requires a large degree of coordination.

Principle 2 – BEST PRACTICES

Engagement with multilateral organisations is professional and substantive, and in accordance with best practices

In order to allow for its successful implementation, the execution of Iceland's international development cooperation policy is founded on professional best practices. Iceland supports an efficient and transparent international system that is well placed to work towards the SDGs.

OECD-DAC recommendations and other guidance on best practices in development cooperation form the basis of professional working methods. Emphasis is placed on the predictability of contributions and to align the duration of contribution agreements with the period of Iceland's international development cooperation policy at any given time. Priority is placed on core contributions as they allow organisations to operate effectively in line with their priorities, policies and mandates. Core contributions moreover contribute to increased efficiency, better results and reduced transaction costs.

Collaboration and coordination

Alignment and coordination of Iceland's contributions and efforts within multilateral development cooperation with other areas of Iceland's development cooperation is important, particularly in the context of Iceland's bilateral partner countries. Likewise, emphasis is placed on strengthening the linkages between humanitarian assistance, peace efforts and development cooperation in fragile contexts. These collaboration and coordination efforts necessitate effective cooperation and information-sharing within the Ministry for Foreign Affairs as well as in its interplay between embassies

and permanent missions to international organisations. Iceland's support for projects implemented by international organizations shall be aimed at unlocking further funding and diversifying support from other donor countries and organisations, particularly in the context of larger projects that Iceland does not have the bandwidth to support on its own.

Accountability, monitoring and results

The Ministry for Foreign Affairs administers multilateral development cooperation contributions and is responsible for their alignment with the goals and objectives of Iceland's international development cooperation policy. These activities are detailed in the annual report of the Minister for Foreign Affairs to Parliament.

Iceland employs a holistic results-based management approach and monitoring multilateral development cooperation contributions are a part of that process. The Ministry for Foreign Affairs conducts regular monitoring and evaluation of partner organisations, e.g. through independent evaluations carried out by the Multilateral Organisations Performance Assessment Network (MOPAN). Further, Iceland actively participates in the OECD DAC Peer Review process, the goal of which is to monitor the effectiveness of contributions in terms of results, to analyse how contributions are best managed, and how Iceland optimizes its value added, also considering non-financial contributions. Strong emphasis is placed on efficiency and transparency, close monitoring of projects supported by Iceland, and prolific communications and public advocacy work.

3. Focus areas

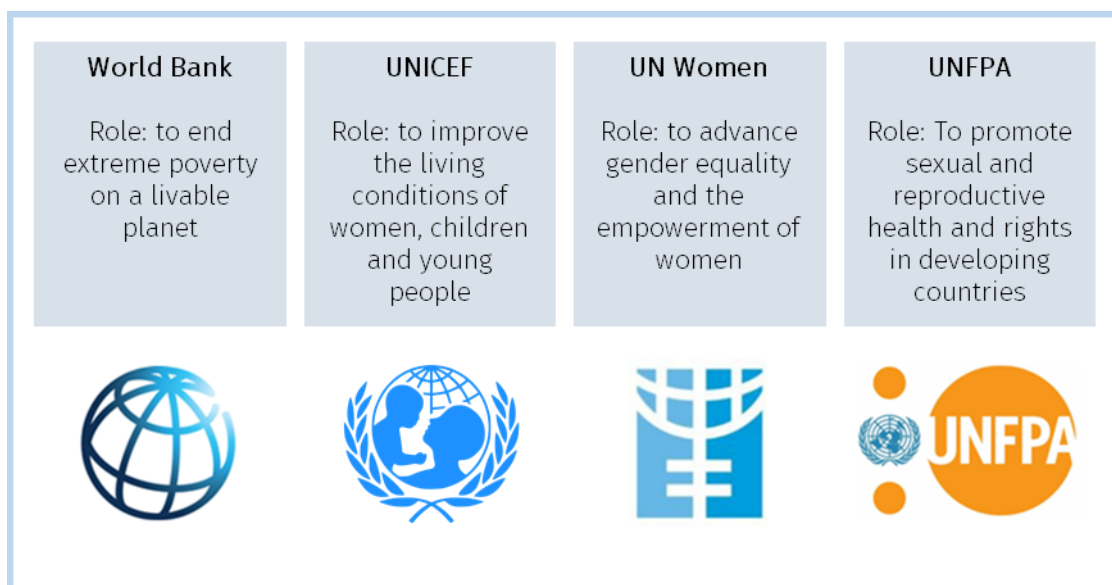
3.1 Thematic focus

Focus is placed on the thematic areas prioritised in Iceland's international development cooperation policy 2024-2028: human rights and gender equality, human capital and social infrastructure, climate affairs and natural resources, and humanitarian assistance and efforts towards stability and peace. Iceland also identifies its key multilateral partners based on these thematic focus areas. Iceland works with international organisations, through financial contributions, joint projects and advocacy efforts, to effectively achieve results. Further, Icelandic authorities aim to increase synergies between multilateral and bilateral development cooperation efforts in Iceland's bilateral partner countries. Special consideration is given to utilizing Iceland's value-adding expertise and experiences.

3.2 Key multilateral partners

In line with the thematic focus areas of Iceland's international development cooperation, special emphasis is placed on partnerships with four priority multilateral partners: United Nations Children's Fund (UNICEF), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), United Nations Population Fund (UNFPA), and the World Bank.¹

¹ Additionally, Iceland has priority multilateral partners in humanitarian assistance: UN Office for the Coordination of Humanitarian Affairs (OCHA), Central Emergency Response Fund (CERF), the UN High Commissioner for Refugees (UNHCR), and the World Food Programme (WFP). Further details can be found in Iceland's humanitarian assistance strategy.

Figure 1: Iceland's priority multilateral partners

Iceland's support to priority multilateral partner organisations is grounded in multi-year framework agreements specifying core contributions in line with international best practices. Such contributions enable partners to better plan their operations and to quickly respond to evolving contexts. Iceland also provides funding towards programmes and projects that align well with Iceland's thematic focus areas. Iceland strives to be an active member of executive boards and constituencies of the four organisations.

The effectiveness of Iceland's development cooperation efforts depends on having a clear set of priorities. Iceland's key multilateral partners are selected based on their role and synergies with Iceland's focus areas, the results and scope of the organisations, as well as Iceland's experience of working with each organisation.

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 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.

UNICEF's work and mandate aligns well with Iceland's priorities in terms of gender equality and human rights, particularly in relation to maternal and child protection, improved access to water, sanitation and hygiene, and in ensuring access to basic education for all children.

Iceland's cooperation with UNICEF strengthens focus on education, health and nutrition of children and youth

Iceland's focus on education, health and nutrition of children and youth is well encapsulated in a diverse and comprehensive way through the cooperation with UNICEF. A significant increase in Iceland's core contribution to UNICEF in 2023, combined with a new framework agreement, strengthens the work of the organisation globally and ensures that Iceland's thematic focus areas are advanced in an effective way that meets the needs of children and youth. In the latest MOPAN evaluation of UNICEF from 2021, the organisation received high marks and is described as efficient and well-run, and receives special praise for cross-cutting work on gender equality which aligns particularly well with Iceland's priorities.

In addition to core contributions, Iceland works with UNICEF on specific focus areas and funds Junior Professional Officer (JPO) positions. The biggest joint projects between Iceland and UNICEF are in the field of water, sanitation and hygiene (WASH) in Iceland's bilateral partner countries. In Sierra Leone, a comprehensive project on improving living conditions in coastal communities was initiated in 2023, while in Northern Uganda, a nexus project in support of refugees and host communities focusing on WASH in schools and health clinics is ongoing. In addition to these projects, Iceland supports the UNICEF Gender Thematic Fund which focuses on adolescent girls' access to STEM education in conflict areas.

3.2.2 UN Women

UN Women is the only UN organization solely dedicated to gender equality and the empowerment of women. UN Women has a triple mandate, encompassing normative support, UN system coordination and operational activities in the field.

Since its inception, Iceland has been a strong supporter of UN Women in line with the priority given to gender equality and women's empowerment in Iceland's international development cooperation. As gender equality is a prerequisite for progress towards all SDGs, it can be said that UN Women's work is conducive to all SDGs.

The work of UN Women reflects Iceland's emphasis on human rights and gender equality

In recent years, Iceland's core contribution to UN Women has increased significantly, putting Iceland in the top three of UN Women's largest donor countries per capita. Further, Iceland is among UN Women's top 25 donors in absolute terms. UN Women is a fairly young organisation, having been established in 2010. It has a triple mandate; firstly, it plays a normative role in supporting the advancement of gender equality in international organisations, secondly, it plays a coordinating role actions related to gender equality in the UN system, and, thirdly, it carries out operational activities in the field. The last MOPAN evaluation of UN Women from 2018 states that the organisation has progressed significantly since its inception. The organisation has a strong strategic vision on the advancement of gender equality which aligns with the SDGs as well as Iceland's priorities in international development cooperation.

In addition to core contributions, Iceland supports a variety of specific UN Women projects and finances JPO positions. Iceland supports UN Women projects in the field in Afghanistan, Ukraine and Malawi. Also, Iceland supports UN Women's Eid-bi-Eid project which focuses on the economic empowerment of Syrian women refugees in refugee camps in Jordan. Iceland is a co-leader of the Action Coalition on Gender-Based Violence within UN Women's Generation Equality Forum, and has put forward 23 commitments in that regard as part of its work under the programme. Iceland also supports the UN Women Leaders Network which focuses on women's political empowerment and providing support to women leaders, particularly from developing countries..

3.2.3 UNFPA

UNFPA's role is to promote sexual and reproductive health and rights (SRHR), provide access to maternal healthcare, and to work for the realisation of reproductive rights for all. Another aspect of UNFPA's work is to increase awareness of the economic, social and environmental consequences of population increases and to support developing countries with data gathering and processing to improve policy-making and planning. UNFPA also plays an important role in providing GBV services, particularly in conflict areas.

Iceland's support for UNFPA contributes to the overarching goal of Iceland's international development cooperation which pertains to ensuring general welfare on the basis of human rights and gender equality. UNFPA particularly work towards the advancement of SDG3 on improved health and well-being, as well as SDG5 on gender equality.

UNFPA's work aligns well with Iceland's emphasis on human rights and gender equality, including SRHR and ending gender-based and sexual violence

UNFPA has comprehensive operations in over 150 countries and its efforts in the field, often in extremely difficult contexts, and their focus on SRHR aligns well with Iceland's emphasis on human rights and gender equality, both in relation to development cooperation as well as humanitarian assistance. The organisation is known for its impactful work in the field and according to the latest MOPAN evaluation from 2018, UNFPA is a very well-run organisation. Further, UNFPA is responsible for implementing the International Conference on Population and Development (ICPD) programme of action and the 1994 Cairo Declaration on Population and Development, which will undergo a comprehensive review in 2024 in relation to its 30 year anniversary.

Iceland's core contribution to UNFPA has increased significantly since the first framework agreement was signed in 2021, contributing to the advancement of Iceland's emphasis on SRHR globally. In addition to core contributions, Iceland has supported UNFPA's operations in Ukraine, Afghanistan, Yemen and Syria. Also, a new joint project is underway in Malawi aimed at the eradication of obstetric fistula and which builds on a similar joint project in Sierra Leone. Moreover, Iceland has supported the UNFPA-UNICEF Joint Programme on the Elimination of Female Genital Mutilation (FGM) for several years, most recently extending its support in 2022 for another three-year period.

3.2.4 World Bank

The World Bank is among the largest and most influential international organisations in the field of development cooperation and its work spans all the SDGs. The World Bank's main goal is to end extreme poverty, boost shared prosperity for the world's poorest on a livable planet. The World Bank is the biggest provider of climate finance to developing countries and has set a goal of having 45% of its financing dedicated to climate-related projects by 2025. All new projects supported by the bank are aligned with the Paris Agreement.

Iceland's emphasis on human rights, gender equality and the sustainable use of natural resources is reflected in its partnership with the World Bank

Iceland's emphasis on human rights, gender equality and the sustainable use of natural resources is well reflected in its partnership with the World Bank as Iceland contributes to four of the Bank's multi-donor trust funds: the Blue Economy Program (ProBlue) which is focused on ocean affairs and the sustainable use of resources based on the holistic approach of the blue economy; the Energy Sector Management Program (ESMAP) which works on climate action and support for energy transition in developing countries; the Human Rights, Inclusion and Empowerment Trust fund (HRIE) which works on increasing capacity and knowledge on human rights within the Bank and supports the implementation of human rights projects; and the Umbrella Facility for Gender Equality (UFGE) which works on policy-making for gender equality and the coordination of gender equality throughout the Bank's operations. Iceland has also funded positions for experts on these issues at the Bank.

Membership and participation in the work of the World Bank is a key part of Iceland's multilateral development cooperation as the organisation's role aligns well with the overarching goal of Iceland's

international development cooperation to end extreme poverty, respect human rights and improve living standards, as well as the cross-cutting goals on human rights and gender equality, and climate and the environment.

In alignment with Iceland's emphasis on supporting the world's poorest countries, the largest share of Iceland's contributions is contributed to the International Development Association (IDA), the World Bank's lending arm for low-income countries. IDA supports the poorest countries through grants, concessional financing and guarantees in addition to providing them with technical assistance.

3.3 Other partners and modalities of cooperation

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

Iceland also supports key partners through the provision of short-term experts who provide technical advice into projects, thereby contributing to maximise Iceland's added value in international development cooperation.