

Evaluation of Iceland's mechanisms for private sector collaboration

NIRAS

Short summary of findings

1. Introduction

This evaluation report assesses MFA's support to and collaboration with the private sector under the *Policy for International Development Cooperation for 2019-2023*. Its purpose is to feed into the future development of private sector collaboration. Undertaken between May and November 2022, the evaluation's scope encompasses the support granted to Icelandic private sector companies through three financing facilities since 2019, with special focus dedicated to the role and management of the facilities themselves. The evaluation process was designed, conducted, and reported to meet the needs of the intended user — MFA Iceland.

2. Private sector collaboration results

With total commitments of ISK 324 million over four years, the Sustainable Development Goals Partnership Fund has funded 24 development projects aiming to support the Sustainable Development Goals. It has involved 23 Icelandic private sector companies and projects in 16 countries. These projects represent a wide range of sectors with fisheries being the largest single sector with almost a third of the projects (five) - we have defined one sector as "sustainable management" which is larger but broad. One projects focuses specifically on women and is defined as a gender project. The average grant size has been a little over 13.5 million ISK which is a little less than half of what the de minimis rule allows; likely due to the small grants window (with a cap of 2,000,000 ISK) being embedded in the Fund.

Development Seeds (Próunarfræ) has financed two projects since its inception in 2021, in Congo, Gambia, and Uganda.

The Technical Assistance Program has financed at least 56 assignments in the period 2020-2021, where Icelandic experts have done work in at least nine different countries plus several "global" projects, at a total cost of 105,908,456 ISK.

The narrow scope in terms of time, target group, and geography naturally limits the scale of outcomes that can be expected. Nevertheless, if assessed as an effort contributing to the SDGs using the private sector as a channel and additional resource for development cooperation resources, the private sector portfolio represents a respectable one.

3. The future strategic framework for private sector collaboration

Going forward, MFA can enhance its strategic approach, its tools, and implementation approach to better engage, leverage, and support the Icelandic private sector to implement development projects supporting the SDGs in ODA countries. This remains well in line with Iceland's *Policy for International Development Cooperation for 2019-2023*, which specifically states that "it is important to increase the leverage of public development cooperation with participation from private sector actors." This report provides recommendations for improvement regarding *inter alia* governance, management, administration, and the operations of the financing facilities, Business Iceland's role, handling the de minimis rule, Nordic cooperation, and IFI collaboration.