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**149th legislative assembly 2018-2019
Parliamentary document 1424 — item 345
Government proposal**

Parliamentary Resolution

on Iceland's policy for international development cooperation for 2019-2023.

From the Minister of Foreign Affairs.

Parliament has resolved, pursuant to the Act on Iceland's International Development Cooperation no. 121/2008, that development cooperation for the period 2019 to 2023 should be carried out in accordance with the following policy.

Iceland shall support the vision of the United Nations (UN) Sustainable Development Goals (SDGs) to eradicate hunger and extreme poverty, to reduce inequality within and among states, to respect the human rights of all, to treat everyone as equal before the law, and for all to live in peace and security. Iceland's policy for international development cooperation shall also take into account the international conventions, including those in the field of human rights, that Iceland is a party to, has approved, or has ratified; international obligations concerning the financing of development; and the Paris Agreement on Climate Change, which together form a comprehensive framework for global development until 2030.

International development cooperation shall remain one of the pillars of Iceland's foreign policy and an important part of Iceland's National Security Policy. Internal consistency shall be sought between foreign affairs policies and development cooperation in the context of the global issues laid down in the SDGs. Iceland shall, by actively participating in development cooperation, seek to fulfil its political, legal, and ethical obligations as a responsible nation in the international community. Iceland's membership in the UN shall continue to be the main foundation for Iceland's development cooperation. It shall be acknowledged that, in order to achieve the objectives aimed for, different parties must be involved in the collaboration, such as government ministries and institutions, businesses, civil society organisations, and universities, because they all have roles to play in the process. In particular, efforts shall be made to apply Iceland's value-added expert knowledge to undertake domestic and international projects.

Iceland shall base its policy on human rights on a definition of poverty that not only includes material deprivation, but also the lack of safety, power, and control over one's own circumstances. Gender equality and the rights of children shall be in the forefront, and a special emphasis shall be placed on vulnerable groups. Thus, Iceland's development cooperation shall reflect the values of Icelandic society: respect for democracy, human rights, diversity, tolerance, justice, and solidarity. All Iceland's work shall be guided by the principles of responsibility, results, and reliability.

Contributions

The Icelandic authorities are committed to the UN target of 0.7% of gross national income (GNI) dedicated to official development assistance (ODA), as pledged by industrialised countries. The contributions of the member states of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) amounted to 0.31% of GNI on average in 2017. The Icelandic authorities shall also continue to support the UN target of contributing at least 0.2% of GNI to the least developed states. Contributions to ODA increased significantly from 2013 to 2017. In 2013, they amounted to 4.26 billion ISK, or 0.23% of GNI. In 2015, the contributions amounted to 5.26 billion ISK, which amounts to 0.24% of GNI, and in 2017 they amounted to just under 7.3 billion ISK, or 0.28% of GNI.

Great emphasis shall be placed on using the contributions effectively and on obtaining demonstrable results from Iceland's support in the fiscal plan that is based on the fiscal policy statement (cf. Articles 4 and 5 of the Public Finance Act no. 123/2015), Iceland's policy regarding contributions to international cooperation development is stated as a proportion of gross national income. Iceland shall aim to increase its contributions in the next four years to reach 0.35% of GNI in 2022.

Focus areas and objectives

Human rights, gender equality, and sustainable development shall guide Iceland's development cooperation. Icelandic authorities shall contribute to combatting extreme poverty and hunger, and working to ensure that increased prosperity of communities benefits the poorest people and increases equality. Furthermore, support to the most fragile and least developed states, as well as the promotion of peace at the international level, shall be emphasised.

Iceland's development cooperation shall focus on areas in which Iceland's expert knowledge can be applied in the fight against poverty and in reaching the SDGs. In that context, work shall be carried out to reach one overall goal and two secondary goals connected to enhancing social infrastructures and working towards peace, the protection of the earth, and sustainable use of natural resources.

The overall goal of Iceland shall be to reduce poverty and hunger and promote general well-being on the basis of human rights, gender equality, and sustainable development.

Iceland's development goals, together with its secondary goals, shall be the following:

1. Enhancing social infrastructure and peace efforts:

Enhance basic services and strengthen institutions in order to improve living standards and increase opportunities for those who live in poverty and inequality.

- a. Gender equality and empowerment of women (pursuant to SDG 5).
- b. Equitable access for all to quality education (pursuant to SDG 4).
- c. Improved basic health care and decreased maternal and neonatal mortality (pursuant to SDG 3).
- d. Improved access to clean water and sanitation (pursuant to SDG 6).
- e. Speedy recovery, increased resilience, and stronger infrastructure of societies (pursuant to SDG 16).

2. The protection of the earth and sustainable use of natural resources:

Increasing the resilience of societies and enhancing economic growth on the basis of equality and sustainable use of natural resources, in addition to taking measures against climate change.

- a. Increased use of geothermal energy and other renewable energy sources (pursuant to SDG 7).
- b. The protection and sustainable management of the oceans and waters (pursuant to SDG 14).
- c. Recovering land quality and limiting land degradation (pursuant to SDG 15).
- d. Increasing the resilience and adaptability of societies due to the impacts of climate change (pursuant to SDG 13).
- e. Sustainable economic growth and decent work opportunities for all (pursuant SDG 8).

I. Enhancing social infrastructure and peace efforts

Icelandic authorities shall support the improvement of social infrastructures with regards to education of children and youth, health care, water and sanitation, and increased resilience and recovery of societies, in addition to strengthening societal infrastructures. Furthermore, efforts promoting gender equality and the empowerment of women by specific measures and integration will be carried out. Emphasis shall be placed on work in the most fragile and poorest states based on the principles of democracy, stability, and peace.

Gender equality and the empowerment of women shall be both cross-cutting and specific objectives in Iceland's development cooperation. Projects conducive to gender equality, the empowerment of women, and increasing their income opportunities shall be emphasised. Additionally, measures shall be taken to combat gender-based and sexual violence. Icelandic authorities shall also support capacity building and vocational training in support of gender equality. Work will be carried out in order to enhance the capabilities and strengths of institutions, CSOs, and professionals in developing countries in order to promote gender equality. The Icelandic authorities shall also work towards incorporating gender equality to a greater extent into international trade discussions and introducing provisions on gender equality into EFTA free trade agreements.

Increased emphasis will be placed on the quality of basic education, improved access to education and reducing school dropout rates in poor societies, with a special focus on girls. Attention shall be given to children and youth, that their rights are respected and that they enjoy protection, including against violence and harmful behaviour, in order to give them the opportunity to thrive and develop their skills. Furthermore, Icelandic authorities shall emphasise quality basic health care, the health and nutrition of mothers and children, and contributing towards sexual and reproductive health and rights. Efforts shall also be made to improve hygiene practices and increase access to clean water, sanitation facilities, and hygiene education.

Icelandic authorities shall support humanitarian, development and the peace nexus, emphasising increased and predictable contributions to humanitarian programmes in line with the vision for increased efficiency and effectiveness of humanitarian assistance. Furthermore, all work undertaken by Iceland in the field of humanitarian assistance shall take into consideration international agreements on best practices in humanitarian assistance, as well as the commitments made by Iceland at the United Nations World Humanitarian Summit which was held in Istanbul in 2016. In this context, efforts shall be made to systematically strengthen

the connection between Iceland's humanitarian assistance and development cooperation, not the least to address the causes and effects of increased migration and the refugee crisis. Supporting local communities in areas suffering from emergencies and conflict, and in adjacent areas, shall be emphasised in order to increase the resilience of societies and to promote future development. Iceland's work shall be carried out in accordance with international human rights conventions and international and humanitarian law and in accordance with international criteria and principles on humanitarianism, impartiality, neutrality, and independence.

Icelandic authorities shall respect the leading role of the UN in this field and the importance of harmonising activities in the field. Projects in the field of humanitarian assistance shall target disadvantaged groups and ensure that the needs and interests of both genders will be taken into consideration.

Icelandic authorities shall reduce obstacles to trade for developing states by improving the market access of the least developed states, as increased trade can stimulate economic growth, higher income, and reduction of poverty. Promoting peace and sustainability in communities which Iceland's development cooperation targets shall also be emphasised as a prerequisite for long term development and economic advancement for all. The aim of the support shall always be to ensure peace and stability, development towards democracy (rule of law), and strong governance, including by seconded experts and participating in programmes in collaboration with multinational institutions in unstable states.

II. The protection of the earth and sustainable use of natural resources

Icelandic authorities shall promote increased resilience of societies and enhance economic growth on the basis of equality and sustainable use of natural resources, in addition to taking measures against climate change. In particular, the focus shall be on the use of geothermal and renewable energy, sustainable use of marine resources and waters, soil conservation, and measures to strengthen the actions of societies to mitigate and adapt to climate change.

Education and development of infrastructure to harness geothermal energy shall be supported in developing countries where possible. Iceland shall also, in cooperation with multilateral institutions, promote increased investments in geothermal energy and increasing knowledge and capabilities in the field of geothermal production and usage. Iceland shall also support programmes related to other renewable energy sources and emphasise opportunities that increase the access of women to electricity originating from such sources, for instance, for cooking and other tasks. Where Iceland is a party to international trade negotiations, it is presumed that it will support the states in the field of geothermal energy and fisheries as applicable.

Icelandic authorities shall contribute towards improving the livelihoods and resilience of impoverished societies that rely on fisheries by building capabilities and knowledge for fishing and fish processing. Emphasis will be placed on providing women, as much as men, with opportunities to generate income and participate in value chains by introducing healthier and safer processing methods with the aim to increase the quality and value of the products. Furthermore, Iceland shall consider how to contribute to measures against plastic pollution in the oceans.

Assistance shall be provided to limit land degradation and restore ecosystems. Such efforts will promote increased food supply, improved water extraction, and increased carbon sequestration in soil and vegetation, which will reduce the adverse effects of climate change.

Special emphasis will be on strengthening knowledge and capabilities in the field of sustainable land use and restoration ecology.

Icelandic authorities shall participate in international cooperation on climate change in accordance with the provisions of the 2015 Paris Agreement and shall strongly emphasise women's participation and gender equality in climate related projects. Actions shall be taken to address and mitigate the adverse effects of climate change.

Through their support, Icelandic authorities shall seek to create economic and decent work opportunities in partner countries, since sustainable job-creation is a prerequisite for eradication of poverty.

III. Cross-cutting issues

Human rights, gender equality, and the environment are defined as both specific and cross-cutting issues. They shall guide all of Iceland's development cooperation, as they do in other international cooperation. Attention will also be given to incorporating human rights, gender equality and environmental perspectives in project monitoring and evaluation.

Iceland shall apply a human rights-based approach in all its development cooperation with reference to international human rights standards. Analyses shall aim to explain the discriminatory practices that are the root causes of problems in the developing countries, and interventions shall aim to rectify discrimination and power imbalances that impede development. Gender equality, which is based on human rights principles, shall continue to be a priority in Iceland's development cooperation as well as a special objective/goal based on the view that gender equality and empowerment of women is the prerequisite for improvements and development, including economic advancement. It is important to duly consider gender perspectives as well as the position and rights of women in view of the national strategy on the implementation of United Nations Security Council Resolution no. 1325 on women, peace and security. This shall be taken into particular consideration in areas of armed conflict where peace building is taking place or where there is a state of emergency, for instance, following natural disasters.

Stronger focus will be placed on protecting the earth and hindering its decline. In this context, climate and environmental issues in Iceland's development cooperation will be given increased weight, such as measures to combat marine pollution and concerted efforts will be made to connect mitigation and adaptation measures to other development cooperation.

Implementation

Icelandic authorities shall direct their support towards selected partner countries and regional programmes, multilateral organisations, and civil society organisations and projects under their auspices. With the aim of improving results and efficiency, emphasis shall be put on increasing the synergies of bilateral and multilateral development cooperation and humanitarian assistance. Support of the Icelandic authorities shall be based on predictable but flexible contributions in order to make it possible to act swiftly and direct support to where the need is considered to be the most urgent and where the contributions are the most effective. Furthermore, local ownership shall be respected when reconstruction begins within countries that receive aid, laying the basis for continuing progress in the future.

Selection of development partners shall take into account Iceland's emphases in development cooperation, aiming for as much consistency as possible between the needs of the recipient and what Iceland has to offer.

I. Bilateral cooperation, focus countries and regional cooperation

In Iceland's development cooperation, the main focus shall be directed towards low income and fragile states and emphasis will be placed on the synergy and connection between humanitarian assistance and development cooperation. Provisions will be made for reaching those who live in poverty or with natural or human-caused hazard or with any type of discrimination.

Humanitarianism, respect for human rights, and impartiality shall be the basis for all of Iceland's work, placing special emphasis on vulnerable groups, including children. Accountability towards the recipients shall be a guiding principle for the work and harmonised and efficient measures for development cooperation institutions shall be supported, including through contributions to multilateral organisations and civil society organisations, seconded experts, and through increased harmonisation and synergies of programmes within Iceland's bilateral development cooperation in order to increase the effect of the support.

Work will be carried out in accordance with four-year, human rights-based collaboration agreements with Iceland's bilateral partner countries of Malawi and Uganda and continued collaboration with their respective district governments.

Iceland's focus countries are Mozambique, Palestine and Afghanistan. Support to Palestine is not limited to geographical borders but also applies to Palestinian refugees in the neighbouring countries of Jordan, Syria, and Lebanon. Support shall also be directed to states where the effects of the refugee crisis are felt the most.

The aim shall be to implement and further extend regional cooperation in collaboration with multilateral institutions, placing particular emphasis on natural resources, the environment, and gender equality. Geothermal energy projects shall continue to receive support in collaboration with the World Bank, with an emphasis on increasing opportunities and access for women in the field of renewable energy. Work will also be done to provide support in relation to the protection of the oceans and sustainable use of ocean resources in West Africa, including in Sierra Leone and Liberia. Iceland shall participate in projects related to plastic pollution in the ocean, as well as supporting small island developing states.

The above shall not exclude the commencement of partnerships and programmes for the benefit of other states or changes to cooperation with partner countries, focus countries, a country in regional cooperation, or other parties in relation to projects. Analyses of potential new partner countries, focus countries, and regional cooperation shall be emphasised, with the possibility of forming new partnerships and launching new projects within the policy period.

II. Cooperation with multilateral institutions

Emphasis will be placed on the work of four multilateral institutions: The World Bank, the United Nations Children's Fund (UNICEF), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and the United Nations Population Fund (UNFPA). Furthermore, there will be close collaboration on the protection of the earth and sustainable use of natural resources with the Food and Agriculture Organisation of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD). There shall be continued emphasis on training individuals and strengthening institutional capacity in developing countries in cooperation with the Gender Equality Studies and Training Programme, the Geothermal Training Programme, the Land Restoration Training Programme, and the Fisheries Training Programme in Iceland. Efforts shall be made to increase the synergies of the four training programmes and to integrate their work into Iceland's wider development cooperation efforts. There shall be support and collaboration with key UN

institutions in the field of humanitarian assistance and emergency response, such as the Central Emergency Response Fund (CERF), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the World Food Programme (WFP), and the Office of the UN High Commissioner for Refugees (UNHCR). Furthermore, there will be cooperation with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Health Organisation (WHO), and the International Committee of the Red Cross (ICRC). Human rights programmes and reconstruction programmes conducive to democracy, peace, and stability shall be supported through expert knowledge or with contributions to multilateral organisations, where applicable.

The contribution of Icelandic authorities to multilateral development cooperation shall continue to be based on contractual core contributions in accordance with best practices, as such contributions enable institutions to organise their operations in accordance with their policies and objectives. Support shall also be provided in the form of earmarked contributions that are either subject to conditions related to support for a specific issue or state, as well as through the fieldwork of seconded experts. The above does not exclude cooperation with other institutions.

Iceland shall actively participate in the policy making of multilateral organisations, through constituencies, governing boards, or bilateral partnerships. Such platforms shall be used to advocate for the values held by Icelandic society, in addition to emphasising the efficiency and effectiveness of the institutions. Groups who live in poverty and lack access to their rights shall be given attention, for instance, LGBTQI people, people with disabilities, and other vulnerable groups.

III. Other partners

Mutual responsibility and partnership in order to further the SDGs shall guide the cooperation of different parties in order to achieve set objectives. Cooperation will be undertaken with parties from various sectors, including government ministries and institutions, universities, the private sector, and civil society organisations. Partners shall be selected based on projects and best practices, while consistently maintaining transparency. Strong emphasis shall be placed on consultation, cooperation, and coherence between policy areas.

Civil society organisations

Continued contributions shall be made to projects implemented by civil society organisations (CSOs) in the field of development cooperation and humanitarian assistance. Work will be carried out in accordance with the policy objectives and procedures for cooperation with Icelandic CSOs, and support for local CSOs in partner countries and focus countries will also be considered. Support for CSOs shall be based on promoting an independent, powerful, and diverse civil society that fights against poverty in all its different forms in the developing countries. The support also aims to support civil society in safeguarding democracy and the human rights of impoverished and marginalised populations. CSO projects, as all other projects supported by Icelandic authorities, shall be guided by respect for human rights, gender equality, and sustainability.

The private sector

Icelandic private sector agents and institutions shall be encouraged to take social responsibility and support sustainable development in developing countries in accordance

with the SDGs, for instance, by income and employment generating investments and projects that increase prosperity and help people to break the bonds of poverty. It shall also be kept in mind that funding development projects can lead to increased investment by other states, institutions, or private actors. This is in accordance with the outcome of the Third International Conference on Financing for Development, where calls were made for increased participation from private sector actors in funding projects related to sustainable development.

Efforts shall be made to use Iceland's value-adding expert knowledge in projects within multilateral organisations, as Icelandic companies and institutions possess varied expert knowledge that could be used for economic development in low income states. International obligations, including in the field of human rights, the environment, and employment, shall always be respected in carrying out those projects, just as they are in other projects.

Public relations and communication efforts

Icelandic authorities shall emphasise the dissemination of information, promotion and education about the Global Goals and international development cooperation. The objective shall be to increase the understanding of the global challenges at hand, increase transparency, efficiency and awareness of this field among the general public. New ideas and methods of awareness raising shall be emphasised. Different approaches shall be used to reach the public, including through interactive data platforms, social media and cooperation with educational institutions, the media, civil society organisations, universities and national bureaus of international institutions. The results of development cooperation and humanitarian assistance shall be made public through appropriate coverage that is based on respect for people and vulnerable groups.

Efficiency and results

Active participation through the OECD/DAC shall continue to be an important part of Iceland's activities and DAC's periodic peer reviews of Iceland's development cooperation shall be taken into consideration. Systematic work shall be carried out in order to achieve the best possible results and to achieve set objectives. Iceland shall actively participate in international cooperation on efficiency and results in development cooperation and humanitarian assistance. Results-based monitoring and evaluation of the implementation of Iceland's development cooperation shall be in accordance with best practices and international standards.

Results, efficiency, quality, and professionalism shall be key factors when allocating funds to development cooperation and its impact on the situations of men and women shall be accounted for. Evaluations and assessments carried out by external parties shall be an important part in the assessment of the implementation, efficiency, and results.

The implementation of this parliamentary resolution shall be evaluated at the end of its period of validity in order to assess the results obtained.

Commentary to this Parliamentary resolution

Introduction

Pursuant to Paragraph 1 of Article 5 of Act no. 121/2008 on Iceland's International Development Cooperation with subsequent amendments, the Minister for Foreign Affairs shall, every five years, submit a proposal for a parliamentary resolution to Parliament concerning the government's policy on Iceland's international development cooperation for a five-year period.

In 2015, the UN set the historic Sustainable Development Goals (SDGs). Iceland was an active participant in the negotiations, their implementation and enforcement. The outcome of the negotiations were 17 goals with 169 targets covering a wide area of sustainable development concerning social, economic, and environmental issues. The goals are ambitious and apply to all UN member states domestically and in international cooperation. They form a framework for the operations of the UN until 2030 and are intended to eliminate poverty in the world, tackle global environmental challenges, and contribute towards equal social opportunities. The SDGs shape Iceland's work in the field of development cooperation and humanitarian assistance. With its contribution, Iceland is participating in efforts to achieve these goals before 2030. Iceland is concentrating especially on ten SDGs, and Iceland's development cooperation targets correspond to them.

Iceland's policy for international development cooperation 2019-2023 is similar to the parliamentary resolution on the international development cooperation strategy 2013-2016 with respect to future goals, emphasis, and implementation. It also reflects the changes that have occurred in international development cooperation in recent years, in particular by the adoption of the SDGs, the Paris Agreement on Climate Change, the conclusion of the Third International Conference on Financing for Development that was held in Addis Ababa in 2015 (the Addis Ababa Action Agenda), and the outcome of the Second High Level Meeting of Global Partnership for Effective Development Co-operation in Nairobi in 2016, and the World Humanitarian Summit that was held in Istanbul in 2016. The policy is also based on proposals contained in the OECD/DAC's peer review of Iceland's development cooperation in 2017 and the report by the steering group for Iceland's future foreign service from September 2017. The expected results of Iceland's work receive additional weight, and therefore, an overview of Iceland's actions and projects is submitted in an Action Plan for 2019-2020 (cf. Appendix I of this parliamentary resolution) and pursuant to Article 5 of Act no. 121/2008. An account is made therein of the implementation of the Action Plan for 2019-2020 and of the expected results and measures that align with the emphasis of the Icelandic authorities on results-based management.

It should be noted that the Action Plan for 2019-2020 is quite thorough but not exhaustive. It contains an overview of work carried out in Iceland's partner countries, of support to institutions of emphasis, and of humanitarian assistance. Objectives and approaches relating to special emphases in the work are also laid down in the Action Plan for 2019-2020. Pursuant to the provision of Paragraph 2 of Article 5 of the Act, the proposal has been submitted to the OECD/DAC, and its remarks are contained in accompanying document II. A draft of the parliamentary resolution proposal was also made available through the online consultative portal of the government of Iceland, with two-weeks' notice for submitting comments. Three parties submitted comments, which were taken into consideration in the final draft of the policy as much as possible.

A report on the implementation of the Strategy for Iceland's International Development Cooperation for 2013 is contained in accompanying document III. The report contains a comprehensive overview of Iceland's entire development cooperation in 2013-2016, including how funds to development cooperation have been allocated and how the government's strategy has been implemented. Furthermore, the state of individual projects and the results obtained are discussed. During these years, work has been diligently carried out in order to achieve the goals of the strategy. Varied policy-making work has been carried out in conjunction with development projects in Iceland's partner countries along with support for the projects of multinational institutions and CSOs. Good working practices are a guiding principle in Iceland's development cooperation and are in line with international standards and best practices. As discussed in the report, Iceland's development cooperation is effective and leads to increased prosperity and improvements in low income societies.

The policy differs somewhat from previous policies with respect to structure and presentation. In order to guarantee coherence, a reference has been made to the government's five-year fiscal plan on Iceland's contribution to development cooperation. In the fiscal plan, which is based on financial policy (cf. Articles 4 and 5 of the Public Finance Act no. 123/2015), Iceland's policy with regard to the percentage of gross national income used for contributions to international development cooperation is disclosed, with contributions expected to increase to 0.35% of GNI by 2022. The Icelandic authorities support the UN objective of high-income countries committing 0.7% of their GNI to development cooperation. However, the contributions of the OECD/DAC member states were 0.31% of GNI on average in 2017. Iceland will continue, as before, to allocate at least 0.2% of its GNI to the least developed states, which is in accordance with UN guidelines.

New emphases

Soil conservation has become a special field of emphasis within the development goal of sustainable use of natural resources, in addition to climate and environmental issues which were previously only cross-cutting issues. A new sub-goal is presented that aims for sustainable economic growth and decent work opportunities for all. Additionally, gender equality has become a separate sub-goal under the development goal of building up social infrastructures, instead of only being a specific and horizontal issue. In the previous strategy, considerable emphasis was placed on human rights, which are now considered to be specific and cross-cutting issues, since, according to the Universal Declaration of Human Rights, human rights are the prerequisites of freedom, justice, and democracy. Human rights are also given considerable emphasis in Iceland's advocacy work within the international arena, which is reflected, *inter alia*, in Iceland's election to the United Nations Human Rights Council. The strategy takes notice of international agreements that Iceland has ratified in the field of human rights and conforms to Iceland's foreign policy for human rights. These changes in emphasis are in line with the emphases of our neighbouring countries, since Finland and Denmark, for instance, base their policy on human rights based development cooperation, just like Iceland shall for the duration of this parliamentary resolution. This entails that human rights will be taken into account when the development cooperation policy and projects related thereto are created, implemented, and evaluated. Iceland's reconstruction work and peace building in states where armed conflict has occurred has also been integrated into the discussion on the build-up of infrastructure, which is in accordance with the OECD/DAC procedures for categorisation of projects.

Iceland's participation in development cooperation is carried out through civil institutions, i.e., development cooperation and humanitarian institutions, for instance, UN bodies. The members of the Iceland Crisis Response Unit, which is funded by contributions to development cooperation, are civil employees. They work under the aegis of multilateral organisations, and their work is related to reconstruction, rebuilding, and improved governance.

Commercial matters receive more attention than in the previous policies, and Iceland's development cooperation policy and trade policy are now integrated for the first time in order to promote sustainable development for the benefit of the least developed states. Such integration is in accordance with policy coherence for development, where the authorities shall take account of development objectives in any policies that are likely to affect developing countries. Great emphasis is placed on Iceland making an effort to promote gender equality through EFTA and the WTO in connection with free trade agreements, as well as stressing the economic empowerment of women in business by supporting the International Trade Centre's (ITC) She Trades Programme. Simultaneously, efforts must be made to support the states in question in the field of geothermal energy and fisheries in the context of free-trade negotiations in which Iceland participates, as applicable. Furthermore, a greater emphasis is placed on cooperation with employers in order to increase their investments within developing countries and to promote the expert knowledge possessed by Icelanders, in particular in the field of geothermal energy and sustainable use of marine resources.

Bilateral cooperation, focus countries and regional cooperation

Malawi and Uganda are Iceland's bilateral partner countries. Iceland has a presence in those two countries and supports the development of social infrastructure by supporting certain district authorities. The primary goal is to reduce poverty in districts receiving support, improve the livelihoods of the inhabitants in general and promote respect for human rights, working in accordance with the principles of human rights based development cooperation. A strong emphasis is placed on working in accordance with development and reconstruction plans, both locally and at the national level. Regional plans are localised by nature, thereby enhancing the development impact more than programs at the national level. Cooperation and coherence with international bodies and other development partners is being sought in order to gain cumulative effects.

Cooperation with Mozambique has changed since the bilateral partnership came to an end at the end of 2017. From the beginning of 2018, development cooperation with Mozambique has only been supported with contributions through multilateral organisations and other partners. The status of Mozambique has, therefore, changed from a bilateral partner country to a focus country. That decision was made following thorough analytical work carried out in 2014-2016, taking into consideration the volume of development cooperation with the country, the number of contributing states, the importance of Iceland's development contribution, and governance factors.

Countries that are considered focus countries are states that receive significant and defined support from Iceland in order to carry out their development policies. Iceland does not maintain a presence in the countries but supports societal reconstruction via multilateral organisations and CSOs. Such support is discussed in country strategies, is made for the long term, and can consist of seconded experts, financial support for multilateral organisations in the state in question, and support for local CSOs. In addition, such support can consist of bilateral political consultation and advocacy in international fora.

Regional cooperation is discussed in the parliamentary resolution and reference is made to projects in several countries being carried out in cooperation with multilateral organisations. This aid modality has served well in the cooperation between Iceland, the Nordic Development Fund and the World Bank in connection with the use of geothermal energy in East Africa. Therefore, the aim is to further use the opportunities offered by this modality to support fisheries in West Africa in cooperation with the World Bank. Furthermore, efforts will be made to increase the use of renewable energy sources and increase the participation of women, for instance, in cooperation with the UN Environment. The implementation of other projects in West Africa, including Sierra Leone and Liberia, will be carried out, as well as support for small island states and projects related to marine plastic pollution. Analyses will also be carried out for new partner countries, focus countries and regional cooperation with the possibility of forming new partnerships or projects for the duration of the policy. The policy will, therefore, provide leeway for changes to partnerships or for forming new partnerships. The selection of partners and partner countries is based on professional and objective analysis, where an attempt is made to identify ways in which contributions allocated to development cooperation can be used as efficiently as possible. Country strategies are made for a three-year term, and according to the procedures for development cooperation and the report on the future of the Icelandic foreign service, an emphasis will be placed on plans and contracts always being made within the timeframe of the cooperation development policy.

Multilateral cooperation

The United Nations Population Fund (UNFPA) is a new organisation of emphasis for Iceland, since the organisation's operations correspond very well with Iceland's emphasis on gender equality, health care, and advancing sexual and reproductive health and rights. Iceland has supported UNFPA for a number of years and has, in recent years, increased its contributions to this body in light of the importance of the policy area and its correlation to Iceland's emphases. Iceland continues its cooperation with international organisations in Rome, FAO, IFAD, and WFP. One employee of the development cooperation programme is a permanent delegate in Rome and is engaged in cooperation which is intended to increase in the coming years, in particular in the areas where Iceland has expert knowledge, such as in soil conservation and fisheries. A cooperative agreement with the World Health Organization (WHO) on Iceland's participation in its response units has been signed as well. This is in line with Iceland's focus on health care and the increased weight of integrating humanitarian aid and development cooperation.

The Ministry's intention to support the International Committee of the Red Cross and its emergency fund is stipulated in a declaration of cooperation with the Icelandic Red Cross. The Committee holds an important role for the coordination of humanitarian aid and is a new partner institution for Iceland. The Office of the United Nations High Commissioner for Refugees (UNHCR) is added as an institution of emphasis in the field of humanitarian aid. It was founded following the Second World War in order to assist the millions of Europeans who fled or lost their homes during the war. The UNHCR continues to play a key role in responding to the profound refugee crisis facing the world, including in relation to the effects of the armed conflict in Syria and the growing number of refugees in Africa (South Sudan, the Central African Republic, Somalia, Burundi, etc.) due to armed conflicts and the effects of climate change. The number of refugees in the world has increased by more than 50% in only five years, and it is estimated that currently there are more than 60 million displaced persons in the world. It is clear that the refugee crisis is among the biggest challenges facing the

international community in the coming years, and the UNHCR has an important role to play. It provides leadership in the reception of and assistance to refugees in the field. The Icelandic authorities have made a contribution to tackle such challenges and have allocated significant funds to the UNHCR in the past two years. There is also formal cooperation with the UNHCR in relation to receiving refugees in Iceland.

Operational flexibility

Iceland's support is based on flexible contributions in order for adjustments to be possible to direct support to institutions and/or projects as necessary. This is important because of the international community's emphasis on integration between development cooperation and humanitarian assistance which is essential for responding to situations in fragile states, conflict states, and where there is a long-term crisis, not least in the context of responding to the world's growing refugee crisis. Flexibility in the allocation of funds was also considered among Iceland's most important strengths in OECD/DAC's last peer review, and it is important to maintain it in order for Iceland's aid to be as useful as possible.

Synergies between humanitarian aid and development cooperation

Low income and fragile states will be a special focal point and emphasis will be placed on promoting synergies between humanitarian assistance and development cooperation, as noted in the discussion about bilateral partner countries, focus countries, and regional cooperation. Support will, therefore, particularly be provided to low income and fragile states through Iceland's development cooperation. These factors often go hand in hand, i.e., a fragile state is generally a low income state and vice versa, although there are exceptions. In general, development cooperation is meant to be a contribution by the wealthier states of the world to support the poorer states with the purpose of improving the living standards of their poorest citizens. States are ranked into groups according to certain indicators, and the states that are in the group titled *low income countries* are considered poor. The simplest indicator is the UN income survey, setting a threshold of 1.9 USD a day for each inhabitant. Those below that threshold are considered to live in extreme poverty. With respect to fragility, OECD/DAC publishes a yearly list of the states that have been defined as unstable. Weaknesses and risk factors that can destabilize a state are analysed. The assessment is mainly based on the following factors: a) violence, b) legitimacy (everyone is equal before the law and other administrative decisions), c) efficiency and responsibility of institutions, d) economic foundations, and e) the capacity to adapt to social, economic, and natural shocks and disasters.

The principal reason for development cooperation with fragile states is that they often lag behind in terms of living standards and human rights. They are less likely than other states to succeed and pose a threat to peace domestically, in neighbouring countries, and in the world. In 2016, 56 countries were listed by OECD/DAC as fragile states. Among those listed are Malawi and Uganda, which are both bilateral partner countries of Iceland, and Afghanistan, Palestine, and Mozambique, which are focus countries. Iceland also works with low income countries in its regional cooperation, including with Sierra Leone and Liberia in West Africa and Ethiopia, Djibouti and Tanzania in East Africa. In addition, the bulk of Iceland's humanitarian assistance, or 80%, goes to fragile states.

Synergies between humanitarian assistance and development cooperation increase the overall effect, exceeding the combined effects of the individual components. The international community now emphasises development cooperation and humanitarian assistance no longer being considered two separate categories, while underscoring that humanitarian aid is mainly

provided to meet immediate needs. Reoccurring or prolonged armed conflicts and crises have made new approaches necessary in this context. At the World Humanitarian Summit in Istanbul in May 2016, the international community and the contributing states were urged to systematically promote synergies between actions for peace, development cooperation, and humanitarian assistance, which would enable actions to address challenges in those fields and plan crisis prevention measures. The Icelandic authorities have decided to adhere to these principles.

Diverse partners

Cooperation with different parties in order to achieve the UN Global Goals shall be strongly emphasised. Among partners are CSOs, which are defined by the Icelandic Directorate of Internal Revenue as structured organisations that operate for non-profit purposes. Contributions will be allocated to Icelandic CSOs and local CSOs in bilateral partner countries, including allocations via Iceland's embassies. Furthermore, the importance of urging economic agents to shoulder social responsibility and participate in the task facing the international community of achieving the SDGs and the objectives of the Paris Agreement is discussed. Iceland will, for instance, work towards sustainable economic growth and employment opportunities in low income countries, with an emphasis on cooperation with different parties in this context, including private sector partners and CSOs. It is important to increase the leverage of public development cooperation with participation from private sector actors, which could, for instance, multiply allocations to development cooperation through direct investments. It must be stated that this does not mean that funds earmarked for development will be spent on business development or for overseas expansion of business enterprises. Emphasis will be placed on adding value through Icelandic expert knowledge that can be used in development activities and on making it available through work carried out by the Icelandic authorities. Iceland's commitments to the OECD/DAC shall be used as a basis for private sector partnerships. Furthermore, emphasis is placed on public relations efforts and outreach, focusing on the SDGs and new promotional strategies, for instance using interactive data platforms and social media. Information about the results of the work will be made known to the public with the aim of increasing transparency and public awareness of the issue.

Results-based management

Finally, efficiency and results are covered, which continue to be central to all development cooperation. Efficient and responsible use of the funds allocated to development cooperation and humanitarian aid is required. Results-based management based on performance and outcomes shall be used for implementation and impartial and transparent assessment of outcomes. Policy, clear goal setting, refined methodologies, systematic monitoring, and follow-up measures are the primary foundations for results-based management. Dissemination of information to all beneficiaries and stakeholders is also an important component of the process. In order to make progress, the aim is to introduce a holistic results-based management system over the duration of the parliamentary resolution. In bilateral development cooperation in partner countries, the projects are regularly monitored by designated employees. The progress is monitored in order to be responsive and to take corrective measures as applicable in accordance with plans. External evaluations assess the project performance and project impact. Evaluation of core and earmarked contributions to multilateral institutions is also based on monitoring progress and results together with active cooperation with the institutions. Their work is regularly assessed by independent evaluators. International

cooperation in which Iceland participates includes international cooperation for efficient development cooperation (GPEDC) through OECD/DAC and the Nordic Plus states, which include the Nordic Region, the United Kingdom, the Netherlands and Ireland. Such cooperation is based on international commitments, including the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Busan Partnership for Effective Development Co-operation.

Abbreviations:

CERF	United Nations Central Emergency Relief Fund
DAC	Development Assistance Committee
ESMAP	Energy Sector Management Assistance Programme
FAO	Food and Agriculture Organization
GPEDC	Global Partnership for Effective Development Cooperation
UNU	United Nations University
ICRC	International Committee of the Red Cross
IFAD	International Fund for Agricultural Development
LDCF	Least Developed Countries Fund
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Cooperation and Development
PROBLUE	Global Programme on Fisheries
SDGs	UN Global Goals for Sustainable Development
SEforAll	Sustainable Energy for All
UN	United Nations
UFGE	Umbrella Facility for Gender Equality
UN Environment	The United Nations Environment Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	The United Nations Relief and Works Agency for Palestine Refugees in the Near East
GINI	Gross national income
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization