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Civil Society Organization Cooperation Strategy

Iceland's International Development Cooperation

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1. Preface

The primary goal of Iceland's policy in development cooperation 2019-2023¹ is to reduce poverty and hunger and promote general well-being on the basis of human rights, gender equality and sustainable development. The policy defines civil society organizations (CSOs) as important partners in the field of development cooperation and humanitarian assistance.

Work will be carried out in accordance with this strategy and procedures for cooperation with Icelandic civil society organizations, as well as considering support for civil society organizations² in the field in partner countries and countries of emphasis.³

Collaboration between the authorities and CSOs in the field of development cooperation and humanitarian assistance has a long history and projects have become much more varied in recent years. These strategic guidelines emphasise continued diversity and innovation in CSOs' projects, where applicable, as well as to build on the foundation of the good cooperation and projects that have been carried out before.

1 Hereinafter „development cooperation policy“.

2 This includes both local civil society actors and international civil society actors.

3 These guidelines are based on “Strategic guidelines for cooperation with Icelandic civil society actors in development cooperation and humanitarian assistance 2015 - 2019”. Account is taken of observations made in an audit of the above mentioned guidelines carried out in 2019/20. Closer cooperation with civil society actors in partner countries can be seen in the national programmes in question.

2. Guiding principles

The purpose of these strategic guidelines on the cooperation between the public authorities and CSOs is to create an environment and conditions that will make it easier for organisations to act in the field of international development cooperation and humanitarian assistance. It is assumed that civil society can be an addition and hold both the public authorities and the private sector accountable and therefore it has an important role to play in a democratic society. In some cases, CSOs also help Icelandic authorities to act in the field of international development cooperation and humanitarian assistance where access is difficult or very limited.

The nature of CSOs' projects is various. Development cooperation projects usually require support for at least several years if they are to be successful. In the case of humanitarian assistance there is a need for fast responses and the time for preparing projects can be limited. The humanitarian assistance-development cooperation nexus shall also be kept in mind with the aim of reconstructing societies. Therefore, the Ministry for Foreign Affairs envisions various ways of partnership with CSOs and implementations.

The strategic guidelines are also intended to further transparency and efficiency in the handling of official contributions. They make the aims and content of the government's policy in cooperation with CSOs known, placing partners on an equal footing with regard to opportunities for participation and to hold authorities accountable.

The focal point of Iceland's policy in the field of development cooperation is to combat poverty on the basis of sustainable development and the building of human resources. Human rights, gender equality, children's rights, climate and environmental issues, peace and security are also important issues. These main features appear in the development cooperation policy adopted by Althingi in May 2019. Iceland applies human rights centred aid modalities which means that all projects and measures in bilateral development cooperation should align with human rights principles and be based on

Civil society organizations

A diverse flora of organisations and alliances on various issues, ideals and concerns, the participants of which are driven by their own motivations, which stand outside the formal power structure and are not meant to create profit for their owners. Civil society organizations have an important role to play in holding public authorities and the private sector accountable, as well as safeguarding various rights.

Civil society

A platform where people come together for discussions and activities at the interface of the formal system of state authority, market and family. The civil space consists of both physical and digital dimensions where the citizens can safely use their rights of association, expression and the right to peaceful assembly in accordance with their human rights.

careful analysis of human rights situations, effects of intervention and other applicable factors.⁴

According to the government's development cooperation policy, support for CSOs shall be based on promoting independent, powerful, and diverse civil society in the developing countries, that fights against poverty in all its different manifestations. The support also aims to strengthen civil society in safeguarding democracy and the human rights of impoverished and marginalised populations. Care should also always be taken to keep gender equality and environmental sustainability as guiding principles.

The policy also states that emphasis will be placed on dissemination of information, knowledge and education about the Sustainable Development Goals and international development cooperation. The objective is to increase the understanding of the global challenges at hand, increase transparency and efficiency and increase awareness of this subject among the general population. CSOs play an important role therein.

Iceland has supported the Recommendation of the Development Assistance Committee (OECD-DAC) from 6 July 2021 on Enabling Civil Society in Development Cooperation and Humanitarian Assistance.⁵ The draft includes among other things the recognition that:

- CSOs are independent development and humanitarian actors in their own right as well as development cooperation and humanitarian assistance providers implementing partners,
- *CSOs, in their diversity, are critical contributors to the implementation of the Sustainable Development Goals, the pledge to leave no one behind, inclusive sustainable development, effective humanitarian assistance, peace building and protecting and strengthening democracy,*
- *civil society's ability to exercise the rights to freedom of peaceful assembly, association, and expression, in-person and online, is in jeopardy in many places and closing of civic space is part of a broader concern of diminishing respect for human rights, democracy, and international humanitarian law,*

⁴ See further: https://www.stjornarradid.is/library/03-Verkefni/Utanrikismal/Throunarsamvinna/Stefnurit/STJ_UTN_mannrettindaskyrsla_loka%c3%batg%c3%a1fa.pdf

⁵ „Draft DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance“. See: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021>

- *effectiveness, transparency and accountability of civil society actors enables civil society to maximise its contribution, can bolster perceptions of civil society's legitimacy and, in turn, provide a counterweight to inappropriate civic space restrictions..*

Furthermore Iceland has committed itself to:

- avoid causing negative impacts in its development cooperation on CSOs and civic space in partner countries and territories of emphasis.

Iceland's guiding principles in the field can be summarized as follows:

Guiding principles for cooperation with Icelandic civil society organizations in development cooperation and humanitarian assistance

Partnerships with capable and active CSOs that contribute to Iceland's implementation of its policy in the field and to the achievement of the Sustainable Development Goals and improved standards of living in developing countries.

Emphasis is placed on good and transparent partnerships governed by clear rules accessible to all parties.

3. Emphases

The primary goal of Iceland's strategic guidelines in development cooperation 2019-2023⁶ is to reduce poverty (SDG no. 1) and hunger (SDG no. 2) and promote general well-being based on human rights, gender equality and sustainable development. Partnership with CSOs shall be guided by Iceland's development cooperation policy and the UN Sustainable Development Goals.

The aims of Iceland's development cooperation policy are the following:

The construction of social infrastructure and peace efforts:

Enhancement of basic services and strengthening of institutions in order to improve living standards and increase opportunities for those who live in poverty and inequality (cf. SDGs no. 3, 4, 5, 6 and 16).

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 (cf. SDGs no. 7, 8, 13, 14 and 15).

3.1 Development cooperation

Partnership with CSOs is based on the above-mentioned goals and can include various modalities and varying methods as the intention is not to force every civil society organization into the same mould. Within the framework of the above-mentioned goals an emphasis is placed on the creation of income, capacity building and advocacy in societies where projects are carried out together with Iceland's cross-cutting points of emphasis on human rights, equality and environmental sustainability in all partnerships with CSOs.

The authorities in each country bear the responsibility of providing their citizens with necessary basic services, such as education, healthcare and social services, and to ensure access to water and other vital necessities. In places where the authorities are incapable of discharging this task CSOs may have to provide and support basic services, not least in unstable states or in places in a state of emergency. Services to citizens shall always, as far as possible, be in keeping with the plans of the local authorities or those of other accountable parties, as long as they do not encourage human rights violations.

3.2 Humanitarian assistance

Humanitarian assistance serves the purpose of protecting ordinary citizens when emergencies strike, whether due to natural or man-made disasters. The

⁶ Hereinafter „development cooperation policy“.

aim is to save lives, reduce suffering, protect civilians and their rights, ensure necessities, and facilitate people's return to a normal way of life.

In emergencies, CSOs are often the first responders due to their closeness to those in distress and therefore support for such organizations, and their international networks, is very important for saving human lives. Rapid response and predictability of contributions are emphasised.⁷ In order to ensure the capacity of CSOs to respond rapidly and well to emergencies it is important that they have long-term support to build up and strengthen their capacities.

3.3 Education and information activities

Official contributions for development cooperation and humanitarian assistance are financed through taxation. The Icelandic public, which also forms the local civil society, has a right to be given detailed and clear information on where the contributions are going, on what basis and what the results are. Part of the vision presented by these strategic guidelines is for the public to be well-informed and able to give Iceland's development cooperation both support and supervision and present their ideas and thus take part in showing the way forward. The results of development cooperation shall be made public through appropriate coverage based on respect for people.

3.4 Focus areas

Partnerships in the field of development cooperation shall be implemented in low-income countries and middle income countries as well as in upper middle income Small Islands Development States (SIDS) listed by OECD/DAC as recipients of international development assistance.⁸ Special emphasis is placed on projects in Iceland's bilateral partner countries and their vicinity, together with specified emphasis according to the development cooperation policy.⁹

3.5 Target groups

The main target group for the support is civil society in low-income countries, especially those who are poor or marginalised. By emphasising support for such groups, the Icelandic authorities wish to reach out to those who suffer from low incomes, natural or man-made threats, and discrimination based on gender, age, disability, nationality, origin, sexual orientation and religion or who are under threat for other reasons. Vulnerable groups, including children, should be a special concern, and that development is meant for everyone.

⁷ Cf. Iceland's humanitarian assistance policy.

⁸ A list of eligible partner countries can be found on www.utn.is/felagasamtok

⁹ See Iceland's development cooperation policy 2019-2023.

4. Working practices

4.1 Objective

The principal aims of partnership with CSOs in development cooperation and humanitarian assistance is derived from Iceland's development cooperation policy and are the following:

More vital and diverse civil society in developing countries that combats poverty in its different forms. Stronger civil society that advocates for democracy and human rights for the poor and those who are marginalised

The primary goals of the development cooperation policy are intertwined and interdependent and civil society in each location plays an important role in supporting them. During the period emphasis is placed on the creation of income, capacity building and advocacy together with Iceland's cross-cutting points of emphasis on human rights, equality and environmental sustainability.

A specific operational goal during the period in the award of grants is:

Increased variety and innovation in development cooperation and humanitarian assistance provided by civil society actors in developing countries.

Partnerships with CSOs are based on the UN Sustainable Development Goals and Iceland's issues of emphasis (see chapter 3) and can entail various modalities and varying methods. These strategic guidelines emphasise continued diversity and innovation in CSOs' projects, where applicable, as well as to build on the foundation of the good cooperation and projects that have been carried out before. Therefore, a special emphasis will be placed on promoting leadership and innovation by CSOs in identifying and adapting new approaches to address challenges for development and humanitarian assistance, for instance with cooperation and co-financing of projects with various parties. This aligns with OECD-DAC focal points.

4.2 Actions

A strong emphasis is placed on good and transparent partnerships between the Ministry for Foreign Affairs and CSOs in development cooperation and humanitarian assistance.

A yearly platform for consultation with CSOs is open to organisations¹⁰ that are interested in cooperating with the Ministry in the field of development

¹⁰ See eligibility in rules no. 1035/2020 for the Ministry for Foreign Affairs on grants for civil society organisations and private sector companies participating in development cooperation.

cooperation. Discussions are carried out regularly in the development cooperation committee that is composed of representatives of CSOs and has an advisory role for long term decision-making on Iceland's international development cooperation and monitors its implementation.

In order to reach a group of CSOs as diverse as possible in Iceland and in partner countries the cooperation of the Ministry for Foreign Affairs is based on various different methods taking into account the size and type of projects and the experience and capacity of the organizations. Co-financing arrangements in the form of grants (and a counter contribution) is available for development cooperation projects, humanitarian assistance and domestic educational and promotional campaigns.

An emphasis is placed on clear rules for participation that are in conformity with Icelandic laws and regulations. The applicable rules on grants¹¹ and rules of procedure are always accessible at the MFA homepage¹².

The grants to CSOs shall conform with government policy on contributions to international development cooperation, in keeping with Article 6 of Act No. 121/2008 on International Development Cooperation, the provisions of Article 42 of the Public Finance Act No. 123/2015, Regulation No. 642/2018 on Grants from Ministers, and the UN Sustainable Development Goals. The Minister for Foreign Affairs allocates grants after receiving the results of an evaluation conducted by a group of three specialists. Evaluation groups are appointed by the Minister. The evaluation groups submit a proposal to the Minister regarding allocations and the disposal of funds for projects.

Organisations that operate in the field of humanitarian assistance can apply for grants for individual projects in that field.

Organisations that carry out development cooperation projects can apply for grants for individual projects and parts of projects, such as climate related components of a project carried out in partnership with more partners. Grants can be allocated for up to four years if certain conditions are met.

Subject to strict conditions and financial due diligence, organizations are given the option to apply for a framework agreement applicable for up to four years. In the framework agreement a common order of priority and integration with other operations of the Ministry in the field of development cooperation and humanitarian assistance are emphasised, as well as disclosure requirements. Such an approach is based on shared goals, mutual trust, integrity and active

¹¹ Rules No 1035/2020 for the Ministry for Foreign Affairs on grants for civil society organisations and private sector companies participating in development cooperation.

¹² www.utn.is/felagasamtok

communication. Mutual responsibility is a cornerstone component as well. The priorities of the organizations, progress and plans of institutional development will also be discussed.

Grants for promotion and dissemination of information are given to projects in Iceland for one year at a time according to special rules of procedure. Diverse dissemination of information is emphasised and projects relating to progress made in development cooperation and humanitarian assistance. Furthermore, the organizations are encouraged to share their know-how and experience among themselves and other parties in development cooperation.

Working procedures and practices relating to partnerships are set out further in the rules of procedure for different modes of cooperation.¹³

4.3 Risk

Official support for CSOs entails various risks, with both external and internal risk factors. A systematic appraisal of proposals and a strong monitoring system are the keys to managing risk.

Most of the Icelandic CSOs are small or are part of a bigger international network. The work is often distributed through a chain of organizations, both international and local. This can create a risk as regards transparency and accountability. This must especially be considered when making a risk assessment, i.e. who controls the various links in the chain and how accountability is divided, both as regards finances and results.

Organizations can lack capacity and professional knowledge about the subject of their work. Therefore, the organizations must especially consider developing their skills, choose their partners carefully and build solid social networks. Coursework and other support in capacity building form a part of the support provided to strengthen organizations and promote diversity and professional work.

It must be kept in mind that the interactions between CSOs and foreign authorities, in particular in mutual partner countries, can be sensitive and difficult, e.g. when they criticise the authorities or support the struggle for the rights of groups that those in power do not approve of. This can potentially spoil the relationship between Iceland and those countries. This applies particularly to CSOs involved in advocacy work.

4.4 Accountability, monitoring and review

An efficient and responsible use of Icelandic tax money is a requirement for all those who allocate official funds for development cooperation and

¹³ www.utn.is/felagasamtok

humanitarian assistance. Support is only available to those CSOs that are committed to, and follow through with, an efficient use of funds and are result-oriented. The key to success is a solid knowledge of the subject matter in question and of the context of the work, durable organization and good, equality-based collaboration with parties in the field.

The Ministry for Foreign Affairs supervises the state's contributions that are earmarked for support for CSOs in the field of development cooperation and is responsible for ensuring that the allocation of subsidies is in keeping with current operating procedures. The Ministry is also responsible for ensuring that support for CSOs is compatible with the emphases and objectives of Iceland's policies, and monitors their compliance. The Minister's annual report to Althingi contains accounts of the progress towards these strategic targets.

The person accountable for the subsidy for each organization is responsible for monitoring those projects that have received subsidies and ensure that annual reports on progress and results are made and delivered to the Ministry, along with an evaluation of the added value from the participation of the organization in question.

Those CSOs seeking framework agreements must first undergo an audit. If they are granted such an agreement, they must deliver a testimony of results by regular reports to the Ministry and are also expected to hold consultation meetings with the Ministry two to three times a year to discuss the objectives and emphases of the agreement.

The Ministry reserves the right to independently monitor subsidised projects. It can request information and consultations, make field visits and have the results of the organization's subsidised projects reviewed and assessed. Audits are among Iceland's main instruments for monitoring and learning in development cooperation and are based on Iceland's audit policy and OECD-DAC guidelines. The Ministry's guiding principle in the discharge of its monitoring function is a solid and honest collaboration with CSOs that is based on transparency and shared accountability by all parties.

