



NEW PARTNERSHIPS IN DEVELOPMENT COOPERATION INITIATIVE *Information Note*

This note summarizes the information on the *New Partnerships in Development Cooperation* – a new regional initiative that UNDP launched in Europe and CIS in 2012, building on the success of the Emerging Donors Initiative (2004-2011).

Context

The global development assistance landscape is changing. While traditional donors are showing signs of financial retrenchment, many countries that only recently were net aid recipients are now becoming influential development actors themselves, while new innovative financing mechanisms alongside with private philanthropy are on the rise. These changes reflect a broader trend towards an increasingly multi-polar world, reflecting the needs and aspiration of a broad spectrum of Middle-Income Countries. A clear sign of this trend, the recent High Level Forum on Aid Effectiveness in Busan and its outcome document “Global Partnership for Effective Development Cooperation” recognize there are no ready blueprints for development cooperation and a lot of scope for mutual learning exists; that the world needs to move “beyond aid” and that South-South, triangular and other horizontal cooperation forms focused on knowledge are as important as aid; and that civil society and private sector have a significant role to play.

How UNDP positions itself to influence the key actors and leverage itself in the emerging new multilateral development architecture will determine the organization’s future relevance and role. Since 2009, UNDP has been changing its partnering and programming modalities and building new partnerships with an initial set of eight pilot countries (China, Brazil, Turkey, Russia, India, South Africa, Saudi Arabia, and Bahrain). A key feature of this change agenda is to rebalance the traditional North-South paradigm, which to date has dominated and significantly influenced UNDP’s policies, programmes and operations. Most importantly, UNDP aims to enhance South-South Cooperation and cooperation with emerging powers to accelerate progress on the MDGs and other internationally agreed development goals, to complement ongoing strong partnership with traditional donors that constitute the basis of UNDP’s funding.

The development assistance landscape in Europe and the CIS is changing too, with several new players emerging in the past few years. Countries, such as the new EU Member States¹, Russia and Turkey now assert themselves as new or “(re-)emerging“ donors, many institutionalizing their increasing Official Development Assistance (ODA)². Several resource rich middle-income countries (Azerbaijan, Kazakhstan) in the region also have donor ambitions. In response, UNDP has since 2003 been undertaking efforts around support to Emerging Donors and since 2009 actively supporting the partnerships with Turkey and Russia.

The Emerging Donors Initiative (2003-2011)

UNDP in Europe and CIS has been supporting the emerging donors since late 1990s. In 2003, UNDP’s Regional Centre in Bratislava launched the Emerging Donors Initiative (EDI) that, in close coordination with national authorities, enabled emerging donors to leverage their ODA resources in partnership with UNDP, with one another, and with traditional donors. The basic premise of EDI is that emerging donors can play a growing and very particular role in development cooperation. As former recipient countries that have successfully navigated the transition process, emerging donors are in a unique position to provide expert

¹ Slovakia, Hungary, Czech Republic, Poland, Lithuania, Latvia, Bulgaria, Romania, Slovenia, Cyprus, and Croatia [membership expected in 2013]

² For example, Russia’s ODA has increased substantially to USD 472m in 2010 from USD 210m in 2007 and USD50m in 2004. According to OECD/DAC, net ODA disbursements in 2010 were as following: Poland: USD377m, Czech Republic: USD227 m, Hungary: USD 114 m, Romania: USD 114 m.

knowledge to their partner countries and development community more broadly on a wide range of issues from parliamentary systems to privatization to utilization of waste and sustainable development strategies.

To support this role of the emerging donors, UNDP has helped strengthen national capacities for development cooperation, prepare development cooperation frameworks, and establish ODA delivery mechanisms in the Czech Republic, Slovakia, Hungary and Latvia, and recently in Lithuania, Slovenia, Romania and Croatia. Close collaboration has been established with Turkey's International Cooperation Agency, with Russia's Rossotrudnichestvo. Globally, UNDP has worked or is working to support Brazil's ABC, Korea's KOICA, South Africa's SADPA and the Thai International Cooperation Agency.

In order to promote national expertise and to establish transparent and programmatically sound ODA delivery mechanisms, UNDP through its Bratislava Regional Centre has signed trust fund agreements with the Czech Republic, Slovakia and Hungary. These trust funds are important delivery mechanism for ODA as well as capacity building instruments, and in addition, they can promote trilateral cooperation between traditional and emerging donors on the one hand, and recipient countries on the other. The new areas of capacity building have recently been independent evaluations of the Czech and Slovak ODA projects and promotion of programme approach (e.g. formulation of the Slovak ODA strategy paper for Afghanistan).

The total amount of mobilized resources for this initiative from different donors exceeds 25 million USD during the period 2004 – 2011. Details on the specific country initiatives are available in Box 1 below.

Box 1. Key elements of the Emerging Donors Initiative

Czech Trust Fund

This trust fund has been in operation since 2000. During 2000-2003 through this trust fund UNDP helped the Czech government to deliver more than 1 million USD in Czech ODA. Since 2004, the Czech government has been raising its annual Trust Fund allocations that is fully programmed by UNDP RC Bratislava in close cooperation with the COs and regional programme RBEC-wide. The main focus areas are e.g. HIV/AIDS prevention and control, environmental clean-ups, energy efficiency and Kyoto protocol and good governance in terms of administrative and fiscal decentralization, local development and ombudsman institution.

Hungarian Trust Fund

It helps Hungary fulfil its development cooperation goals by supporting the delivery of Hungarian ODA to priority recipient countries, with special attention to Serbia and Montenegro, and Bosnia-Herzegovina. It focuses on formulating and selecting development cooperation projects that are implemented by Hungarian institutions in cooperation with UNDP; and on recruiting Hungarian experts, NGOs, companies and institutions to be involved in UNDP national and regional programmes and projects.

Slovak Trust Fund

This is the largest of the three countries' trust funds, financed by almost 14 million USD during 2003 -2011 period. This trust fund is the centrepiece of UNDP multilateral partnership with Slovakia in the area of official development assistance (ODA). The trust fund takes the form of a regional project which is executed and implemented directly by the UNDP's Bratislava Regional Centre (BRC). Strategic guidance and project approval are provided by the Slovakia's Ministry of Foreign Affairs working through the Trust Fund Steering Committee. The Trust Fund makes full use of the BRC's administrative and financial capacities, through the work of the Administrative and Contracting Unit (ACU)—a joint venture between UNDP and the Slovak MFA that is housed in the BRC. New, innovative forms of development cooperation partnership between UNDP and the Slovak government started in 2007, once the Slovak ODA agency was established and assumed the administration of the Slovak bilateral ODA projects. The aim is to promote the Slovak transition experience and technical expertise in development cooperation activities.

East-East and Triangular Cooperation

East-East and Triangular Cooperation has been supported in RBEC since 2004 as part of EDI, and through efforts of individual country and project offices, most notably:

- *In Slovakia* – we have used the assistance package from the Slovak Ministry of Finance to establish the Public Finance Management Programme that has benefitted, through direct ministry-to-ministry knowledge exchanges and twinning, several countries, including Serbia, Montenegro and Moldova.
- *In Poland* – the UNDP Project Office is realizing a 'knowledge in – knowledge out' approach. 'Knowledge in' refers to projects implemented in Poland that benefit from UNDP's global knowledge networks and tap on experience gained from similar interventions in other countries. 'Knowledge – out' refers to the transfer of knowledge generated from projects in Poland to recipient countries in the region and beyond. 'Knowledge out' is also enriched by Poland's broader transition experience. The two flows – 'in' and 'out' – reinforce one another. Today, recipients of this knowledge include Georgia, Kyrgyzstan, Ukraine, Iraq and India, as well as Egypt, Myanmar and Afghanistan.
- *In Romania*, in addition to supporting the government with ODA capacity building, we are facilitating horizontal and triangular cooperation between Romania and Moldova, Georgia and Serbia.

- *In Croatia*, emerging as a hub for EU-related knowledge by the neighbouring countries in the Western Balkans.

Partnerships with Russia and Turkey

With *Russia*, UNDP entered a new stage of cooperation on 1 January 2011, with the closure of the UNDP Country Office in Moscow. Today UNDP considers Russia as a new strategic partner, similar to other BRICS countries, and a potentially important donor of development assistance. In 2010-11, the content and the format of the new partnership have begun to take shape. First, UNDP for the first time received funding from Russia for its programmes on the ground: in Kyrgyzstan (2010, \$1 mil as part of a \$ 5 million post-conflict reconstruction grant to UN in Kyrgyzstan); and in Belarus (2010, \$245,000 WTO accession preparations grant to UNDP Belarus). Second, we have started to engage on global development issues, including Russia's agenda for BRICS cooperation, focused on sustainable development; Russia's leadership on MDG6, etc. Finally, UNDP and Russia have started discussing a longer term prospect of concluding a partnership agreement and potential in Russia increasing its contribution to UNDP core resources.

With *Turkey*, UNDP is cooperating at the regional and global level, based on the Partnership Framework Agreement signed in March 2011. The following areas of cooperation are articulated in the agreement: 1) engagement in multilateral platforms on issues of regional/global significance; 2) achievement of the MDGs, Disaster Risk Reduction and support to Least Developed Countries; 3) private Sector engagement; 4) south-South, triangular and other forms of cooperation. Since March 2011, through consultations in Ankara and New York, UNDP and Turkey have agreed on several concrete initiatives in each of these areas, including preparations for the Rio+20 summit; assistance to LDCs; and on private sector engagement. Other potential areas include assistance to Somalia, women's empowerment, disaster risk reduction; ODA assistance and triangular cooperation; all these are areas which Turkey has specifically identified as priorities and which also strongly align with UNDP's priorities. The launch in May 2011 of UNDP's global Istanbul International Centre for Private Sector in Development co-financed by Turkey represents one of the first concrete results.

New Partnerships Initiative – starting in 2012

In this context and building on the strength of our existing partnerships, UNDP has decided to transform the Emerging Donor Initiative into a broader regional initiative *New Partnerships in Development Cooperation*. This initiative will be UNDP's global corporate experiment and a testing ground for a new generation of south-south cooperation and for UNDP's approach to working in Middle Income Countries.

Approach wise, the Initiative treats partnerships as a tool helping solve complex problems. The specific new feature of this approach is that UNDP will seek to create networks of partners, around specific issues, as a deliberate means to foster development cooperation, and to manage its highly complex nature. Such network partnerships will focus on knowledge, and should position UNDP as a substantive partner of choice in the area of sustainable development. Such positioning is crucial for ensuring quality of our support to programme countries and for long-term prospects of our funding base.

In this vein, the Initiative will reach out to partners beyond Europe and the CIS, connecting a broader set of players, including non-traditional donors and south-south providers outside of the region, such as South Korea, Malaysia, Singapore, the Arab Providers as well as China and India, many of them relevant partners for Central Asia. In addition, it will look to build a wide network of partnerships with private foundations, Islamic financial institutions, international NGOs and universities. The initiative's particular focus will be on facilitating horizontal knowledge and experience exchanges and on promoting innovative solutions to development problems through partnering with those who generate them or can help scale them up.

The main elements of the initiative will include: a) Engagement with Russia and Turkey as donors and global partners; b) Promoting east-east and triangular cooperation and innovation; c) Supporting innovative models and delivery mechanisms in ODA, including capacity building and awareness raising.

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