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**United Nations Development Programme Iraq**

Unleashing the Potential for South South and Triangular Cooperation by Government of Iraq

**Annual Progress Report**

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| --- | --- |
| **Project Title:** | Unleashing the Potential for South South and Triangular Cooperation by Government of Iraq |
| **UNDP Project #:** | 00087255 |
| **Project Duration:** | 1 July 2013 to 31 December 2013 (to be extended) |
| **Project Resources:** | TRAC |
| **UNDP Iraq Focal Point:** | Shigeru Handa, Team Leader, Loan Management |

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| --- | --- |
| **UNDAF Outcome(s)** | UNDAF priority 2 of Inclusive, more equitable and sustainable economic growth. |
| **CP Outcome(s):** | 5. Enabling policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development |
| **Output(s):** | Strengthened institutional arrangement for the South-South Cooperation established |
| **Implementing Partner:** | PMAC, MoP, MoF, MoFA |
| **Responsible Partner:** | UNDP Iraq |
| **Project Location(s):** | Nationwide |

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# Executive summary

The evolution of the South-South cooperation and its effectiveness in development for effective implementation of development goals are globally recognized. The shift in the evolution of the South-South cooperation is also reflected in the growing volumes in South-South trade, increasing flows of South-South development assistance, the building of institutional capacities in support of South-South cooperation and a trend towards more concerted action for the effective implementation of a number of internationally agreed development goals. In light of this shift in the international cooperation landscape, including changes in development cooperation patterns, seizing potential benefits of SSC is important for Iraq. This is a new concept to the Government of Iraq (GoI) and first the project aimed at promoting its awareness of South South Cooperation and envisaged an establishment of institutional arrangement under GoI’s leadership and ownership to be engaged in this international development trend.

The project partially achieved the project output of “Strengthened institutional arrangement for the South-South Cooperation established”, while an official institutional arrangement is under development as of end of 2013. Through 2013 consultation with key counterparts with UNDP’s assistance, the key counterparts, especially Prime Minister’s Advisory Commission and Ministry of Planning, became engaged in this initiative. PMAC officially nominated the DG of International Organizations as a focal point to promote this initiative within the GoI system. GoI attended to the Global South South Expo in October 2013 in Kenya to expose itself to the South South cooperation. Good gender balanced participation was achieved. Some stocktaking exercise was also conducted to identify successful development cases in Iraq.

Through consultation with Regional Cairo Center as well as UN office for South South, the importance of establishing an institutional arrangement with clear mandate and terms of references were well acknowledged by PMAC. PMAC committed to initiating discussions among key stakeholders in the GoI through enhanced understanding on South - South and Triangular Cooperation and develop an action framework with establishment of a special working group or task force in early 2014. This is a major achievement to move this initiative forward under GoI’s ownership and a draft concept note with some action plan was at least endorsed by PMAC.

Since this was new to the GoI, the process of engaging key counterparts took longer than anticipated. Due to the limited budget of the project, most consultations were made via the visits of the Amman based Project Manager. Though the project took an approach to gradually build the awareness and consensus with key stakeholders, having a national staff in Baghdad could have more efficiently facilitated this process. Therefore, since this initiative will continue in 2014, the project should consider assigning a national staff as a focal point for UNDP.

# Context

Most recent developments in South-South cooperation (SSC), such as “horizontal cooperation[[1]](#footnote-1)” could be characterized by the change in its dynamics, as seen in the rise of new policy frameworks aimed at fostering direct cooperation among developing countries at the national, regional, interregional and global levels.

South-South cooperation is a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the Millennium Development Goals.

The shift in the evolution of the South-South cooperation is also reflected in the growing volumes in South-South trade, increasing flows of South-South development assistance, the building of institutional capacities in support of South-South cooperation and a trend towards more concerted action for the effective implementation of a number of internationally agreed development goals. Traditional cooperation has reached a point where some recipient countries have learnt sufficiently from development efforts and are now ready to transfer their knowledge, skills, experiences and resources to other countries.  In light of this shift in the international cooperation landscape, including changes in development cooperation patterns, seizing potential benefits of SSC is important for Iraq.

Iraq has significant lessons learnt, not only during post-conflict transition since 2003, but also from sectoral experiences, such as elections, renewable energy and water, which would be beneficial for other countries. As an example, IHEC Iraq experiences contributed to development discourse in Tunisia. Iraq will also benefit learning from other countries in key issues in the region. It's time for Iraq to start coordinating with other countries through this kind of knowledge/experience sharing. While GoI intends to initiate International Cooperation, currently the international cooperation mechanism is not institutionalized within the government. This project will provide the foundations that Iraq will be engaged in the SS cooperation which contributes to enhancing trading opportunities through South-South trade for inclusive growth as well as in the future become a donor country in the development field.

In order to initiate the institutionalization of International Cooperation and be engaged in the SSC, the following are key factors;

1. Establishment of the organizational set-up;
2. Policy formulation with priorities set;
3. Archive Iraqi substantive experiences from successful cases and/or lessons learnt, which can be disseminated to other countries.

Since this is still new to Iraq, it is critical to initiate the discussions under the leadership of PMAC with relevant key stakeholders of MoP, MoF and MoFA to explore an optimal organizational set up within the GoI. Through initial consultation with RCC, the organizational arrangement to move forward is confirmed as key.

This initiative contributes to the UNDAF Outcome of priority 2, “Inclusive, more equitable and sustainable economic growth” as well as the CPAP Outcome of “5. Enabling policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development”.

In order to accomplish the objectives described above, and in line with RBM principles, the following outputs are planned for sound implementation of the project:

**Output 1: Institutional arrangement of the Government of Iraq for the South-South Cooperation established and the institutional capacity supported**

This project supported the GoI in establishing a special task force or unit within the GoI, in facilitating the internal discussions among key stakeholders within the GoI to initiate South-South and Triangular cooperation[[2]](#footnote-2) as well as provide the institutional capacity building required for implementing South-South cooperation.

* **Activity 1:** Support GoI in establishing a special task force or unit to lead the SSC mechanism within the GoI
* **Activity 2:** Facilitate internal discussions among key stakeholders in the GoI through enhanced understanding on SSC and developing an action framework to institutionalize the SSC (International cooperation) within the GoI
* **Activity 3:** Organize consultation meetings with UNDP Regional Cairo Center to enhance the capacity of the task force as well as study tours to learn from some leading countries in the SSC to materialize efforts into the systematic mechanism
* **Activity 4:** Support GoI in their exposure to the Global and Regional SSC events (one Global SSC Expo in Kenya and one Regional SSC in one of Arab States)
* **Activity 5:** Support GoI in conducting stocktaking on existing successful initiatives as well as on trends and opportunities in SSC

The project was implemented under the Inclusive Growth and Private Sector Sub-Cluster under the Economic Recovery and Poverty alleviation Pillar (ERPAP).

The Project Manager provided management and technical supports to the focal point of the GoI (PMAC), and facilitated necessary trainings to move forward with this initiative. The Project Manager closely coordinated with the RCC to have their technical inputs of how Iraq could be engaged in 2013 Regional SSC as well as the capacity development support to the taskforce once established. Some leading countries of SSC were identified and the Project Manager will coordinated with the identified country to conduct a study tour. A consultant will be hired, if required, to facilitate the consultation process within the GoI or stocktaking exercise; however, in terms of stocktaking exercise, the relevant ministries will lead this stocktaking exercise under the guidance of the taskforce to be led by PMAC.

# II. Performance review

## Progress review

### **Overall progress towards the CPD outcome and output(s)**

Through this initiative, the GoI will be able to establish policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development through South South cooperation and trade.

Under South South cooperation, there is a growing recognition that the knowledge on what works and does not work to generate growth and sustainable development can be found increasingly in developing/similar economies. More relevant solutions resulting from comparable contexts, more affordable given proximity, sometimes language commonalities, and living standards/wages, which means more can be done with less funds.

Also, it should be noted that key stakeholders are the GoI, NGOs, professional associations and private and public sector enterprises.

Under this project, the GoI recognized the importance of South South Cooperation to support the Government with key partners in achieving the rapid economic recovery, inclusive and diversified growth and private sector development.

### **Capacity development**

The GoI’s capacity was very limited since South South cooperation is still a new concept to the GoI. At the beginning of the project, GoI officials were not aware of the South South cooperation. During the project implementation, UNDP Iraq provided the overviews of the South South cooperation and facilitated the opportunity for GoI officials to attend to the South South Global Expo where they were exposed to the dynamism of the South South Cooperation.

The GoI acknowledged its necessity to develop policy tools to promote the South South cooperation. The Prime Minister’s Advisory Commission has committed to take an initiative in this regard by formulating a taskforce to coordinate with Ministry of Planning (MoP), Ministry of Foreign Affairs (MoFA), Ministry of Finance (MoF) and Ministry of Trade (MoT) to agree on the way forward of Iraq’s engagement in the international development issues and to arrange the official institutional set up within the GoI. This was a significant step toward institutionalizing the South South cooperation in the GoI.

### **Impact on direct and indirect beneficiaries**

The project identified PMAC as the primary beneficiary together with MoP, MoF and MoT and provided the necessary induction to PMAC. The project managed to reach the right beneficiary and PMAC has nominated its focal point for this initiative, which demonstrated a satisfaction of the beneficiary.

## Implementation strategy review

### **Participatory/consultative processes**

The project approach was participative by involving key stakeholders from the beginning to understand the South South cooperation concept. PMAC is now taking a lead of institutionalizing the South South cooperation in the GoI with close consultation with key GoI ministries of MoP, MoFA, MoF and MoT. However, in 2013, the project could not achieve the wider consultation meeting beyond these key GoI ministries. This was only a matter of time and PMAC committed to holding a consultation meeting in January 2014 and the invitation was already prepared for this purpose by end of 2013 to share the common understanding of South South cooperation and discuss the priorities, schedule of activities.

### Quality of partnerships

Since this project is at the preliminary stage to promote the South South cooperation, while the project did involve key GoI ministries, the project was envisaged to start small to avoid endless discussion to set up the institutional arrangement. The project was targeting the limited partnerships as the beginning and then to widen its partnership. In 2014, as mentioned in the above, the wider participation will be secured to move forward.

### National ownership

At the beginning of the project, PMAC was not so clear about the way forward. However, during intensive discussions and sharing the effectiveness of South South cooperation, PMAC started taking a lead on promoting the South South cooperation by assigning the DG of International Organization of PMAC as the focal point. At the end of 2013, PMAC requested UNDP to continuously support, but under its national ownership. UNDP shifted its role to advocate the importance of South South cooperation to the supporter of GoI’s initiative.

### **Sustainability**

Since PMAC officially nominated its focal point to take this initiative of South South cooperation, the sustainability is in place. DG of International Organization, she started to organize the GoI internal meetings to institutionalize the South South cooperation. In 2014, PMAC is envisaged to establish an official working group to be endorsed by Prime Minister and the Council of Ministers. Then, the initial official structure will be established to sustain this initiative.

## Management effectiveness review

### Quality of monitoring

Since this is a new initiative, the project acknowledged that monitoring was limited. However, in close collaboration with RCC as well as UN office for South South, the project reviewed the progress of this initiative and received the solid advises to put the priority to set up the institutional arrangement. Throughout the year, the focus remained in this regard.

### Timely delivery of outputs

The project supported GoI in exposing to the Global South South cooperation event in Kenya in October 2013. However, due to the shift of the Regional South South Cooperation Event from December 2013 to February 2014, the participation in Regional event was postponed. Also, due to the delay of establishing the official working group, which should be achieved in early 2014, the study tours were also shifted to 2014. However, as emphasized above, the recognition of the importance of South South cooperation was fully achieved in the GoI so that PMAC started taking the lead of this initiative.

### Resources allocation

No issue in particular was observed.

### Cost-effective use of inputs

Promoting a new concept within the GoI required intensive consultation process and long discussions. It could be considered that the project could have achieved more (official establishment of a working group) with the available resources by pushing the GoI to move faster, but since this should be led under the GoI ownership, the project took a gradual approach to advocate the importance of South South cooperation.

# III. Project results summary

The project partially achieved its output of the project. The main output of “Strengthening institutional arrangement for the South South cooperation established” was not fully achieved. However, the importance of setting up the institutional arrangement was fully acknowledged and PMAC has already agreed to take an action and committed to hold a wider consultation meeting to propose its institutional arrangement to the Prime Minister as well as the Council of Ministers. As a new initiative, this should be considered as an achievement.

As to the indicators,

* Engagement in global/regional SS Expo: Engagement in Global SS Expo was achieved, but due to the postponement of the Regional SS, the engagement in Regional SS was not achieved.
* Terms of References for Official institutional set up within the GoI: Not achieved
* Action Plan for SSC initiative: Though an official institutional arrangement was not established in 2013, a draft concept note with brief action plan was adopted by PMAC. Therefore, it was partially achieved.
* Gender balanced participation as key members: PMAC nominated a focal point of this initiative (DG of International Organizations, female). Also, two participants to Global SS Expo from Ministry of Planning and Ministry of Environment were female officials. This is a good indication of gender balanced participation in this initiative.
* **Activity 1:** Support GoI in establishing a special task force or unit or working group to lead the SSC mechanism within the GoI

This was not achieved as mentioned above. However, based on continuous discussions with PMAC in Baghdad through missions from Amman based project manager, PMAC has committed to complete this early next year. The project promoted the gender balanced participation and the focal point of PMAC for this initiative is assigned to a female DG of International Organizations.

* **Activity 2:** Facilitate internal discussions among key stakeholders in the GoI through enhanced understanding on SSC and developing an action framework to institutionalize the SSC (International cooperation) within the GoI

Intensive discussions among key stakeholders in the GoI were conducted and understanding on SSC was enhanced among key stakeholders.

* **Activity 3:** Organize consultation meetings with UNDP Regional Cairo Center to enhance the capacity of the task force as well as study tours to learn from some leading countries in the SSC to materialize efforts into the systematic mechanism

Regular consultation with RCC was made by the project manager to enhance the capacity of the focal point of PMAC for this initiative. However, due to the delay of the working group, the study tours were not conducted and shifted to 2014.

* **Activity 4:** Support GoI in their exposure to the Global and Regional SSC events (one Global SSC Expo in Kenya and one Regional SSC in one of Arab States)

Achieved. PMAC, Ministry of Planning as well as Ministry of Environment registered themselves to attend to the Global SSC event in Kenya. The reason of Ministry of Environment’s participation was the Global SSC’s focus was on the Environment issue. Only PMAC could not attend due to unexpected reason. The Regional SSC in Qatar was shifted to 2014.

* **Activity 5:** Support GoI in conducting stocktaking on existing successful initiatives as well as on trends and opportunities in SSC

During the discussion with PMAC and MoP, it was recognized the monitoring mechanism on ODA loan projects, under PMAC’s initiative can be a good entry to promote South South cooperation. UNDP conducted a mission to Tunisia in July 2013 in order to assess a feasibility of developing a South South Cooperation concrete case where the mission observed a different government set up in the monitoring mechanism and its recommendation was the centralized oversight to follow progress and challenges and make recommendations rather than monitoring mechanism would better be in place. The consultation is still on-going. PMAC/UNDP discussed how to promote this mechanism and it was agreed to hold a knowledge sharing workshop to share the monitoring mechanism among loan assistance recipient countries to explore any South South cooperation possibility. The GoI with UNDP support will continue to identify any successful initiatives.

# V. Implementation challenges

## Project risks and actions

As a new initiative, there was a continuous risk that the GoI might have reversed its position toward the South South cooperation, especially this requires the high level of GoI’s political leadership.

Since the project foresaw this as a risk, together with the project key counterparts, the project took a gradual approach by starting from small and tried to have the strong support from the technical level by having full understanding on the importance of the South South cooperation. With this approach, this risk has been mitigated and the project reached a stage that key counterparts were fully equipped to promote this initiative to the political level.

## Project issues and actions

The project anticipated a prolonged discussion among the key stakeholders to reach an agreement to proceed with the establishment of an official working group. Though the good progress was observed that key stakeholders agreed to promote the South South initiative in the GoI system, the discussion took long and the time required to official establish a working group had to be extended to complete within the 2013. Since this initiative required close coordination among the GoI key counterparts, convening the meeting was even a challenge.

Once an official working group is established, it is envisaged to have a regular meeting to overcome this coordination challenge.

Also, due to the limited budget, the project could not assign a national staff in Baghdad to hold the continuous consultation with the key counterparts and the consultation was made mainly by the mission of the Amman based project manager. Since the commitment of GoI is confirmed through 2013 consultation, the project should assign the national staff as a focal point of this initiative. Even part time basis national staff can play a key role in following up the GoI’s commitment.

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# V. Lessons learnt and next steps

## Lessons learnt

At the beginning of the project, there was a concern that this is too early for Iraq to initiate the South South cooperation, especially establish an institutional arrangement. It did take long time, a whole year, to actually reach a common understanding and agree to move forward. At the initial stage, without project continuous and consistent support, this agreement may not have been materialized.

The project maintained close coordination with the key counterparts with specific evidences of why this initiative was important. Also, the project facilitated the GoI’s participation in the Global Event where they could see the actual dynamism of this South South cooperation.

The study tours were postponed due to the delay of an establishment of a working group. However, to promote this initiative among key stakeholders, the project could have organized one short study tour in neighbouring countries to enhance their awareness and commitment to create core individual groups to promote this initiative.

## Recommendations

It is recommended to continue the efforts to promote South South cooperation initiatives within the GoI and to make sure that the GoI set up an institutional arrangement since the reasonable recognition on the importance of South South was achieved.

A new initiative always takes time, but it is important to continue UNDP’s efforts to support GoI move forward and ensure the wider participation to extend this initiative.

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# VI. Financial Section

*[Note: All financial data presented in this report are provisional. From* UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December will be submitted every year no later than 30 June of the following year.]

## Table 1: Funding Overview

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Donor** | **Commitment**  **(Currency of the Agreement)** | **Received**  **(Currency of the Agreement)** | **Received (USD)** | **UNORE** | **Balance  (Currency of the Agreement)** |
| **Trac** | USD 50,000 | 50,000 | 50,000 |  |  |
|  |  |  |  |  | - |
| **Total** |  |  | **50,000** |  |  |

The table on funding overview will cover funding since inception of the project, and will include only those contributions for which legal basis i.e. agreement/ letters exchange, exist. Column 1: will include the name of the donor, with a new adjacent cell created for every different agreement signed with the same donor. Column 2, commitment, will include the amount of the commitment as stated in the agreement in the same currency as in the agreement. Column 3: shows the amount of the money received against every commitment. If the currency in the agreement is denominated in USD, this slot can be left blank. Column 4: provides for the US equivalent of the received amount of the local currency, with Column 5: providing the United Nations Operational Rate of Exchange at the date of the receipt of funds. Column 6: provides for the balance of the contribution expected to be received from the donor. This is arrived at through subtraction of total received amount from the commitments.

## Table 2: Expenditure Status (by activity)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Activity** | **Budget**  **(A)** | **Donor** | **Cumulative Expenditure Status at [Date,i.e. end of preceding year]** | | **Expenditure in Reporting Year** | | **Yearly Total Expenditure**  **(F=D+E)** | **Total Expenditure**  **(G=B+C+F)** | **Budget**  **Balance**  **(H=A-G)** | **Delivery**  **Rate**  **(% I =G/A)** |
| Commitment  (B) | -Expenses + full asset cost  (C) | Commitment  (D) | Expenses + full asset cost  (E) |
| **Activity 1** | 50,000 |  | 0 | 0 | 0 | 49,035.91 | 49,035.91 | 49,035.91 | 964.09 | 98 |
| **GMS** |  |  |  |  |  |  |  |  |  |  |
| **Total** | 50,000 |  |  |  |  | 49,035.91 | 49,035.91 | 49,035.91 | 964.09 | 98 |

## With regards, to GMS, projects should reflect only ATLAS records as GMS is expected to be posted on time this year. Columns 1, 2 and 3 which respectively indicate activity, budget and donor of the project reflect the planned budget as in the AWP. Column 4/5, which indicates Expenditure Status at date of closure of the last reporting phase, will show commitments and disbursement up to that point. It is advised to use the IPSAS project resource management reports - fund resource overview; project resource overview; project budget balance; project transaction detail. This section has been re-aligned with these reports to make the reporting meaningful and easy. Commitments are the written contractual obligations which the project has signed out, while disbursements indicate the amount of money which was actually paid for the obligations. In UNDP corporate terms: OPEN REPORTED COMMITMENTS as at the reporting period ARE UNRECEIPTED POs ONLY. Columns 6/7 similarly indicate commitments and disbursements, however only for the reporting quarter. Column 8, Quarterly expenditure, will sum up the commitments and disbursements in the reporting quarter. Column 9, on total expenditures will add the quarter expenditure (column 8) to the expenditure status at the end of the last reporting quarter (columns 4/5). Column 10, the Balance, is arrived at through subtracting, total expenditure (column 9), from the budget (column 2). Finally the last column, Column 11, delivery, will be expressed in percentage terms, and is calculated by dividing total expenditure (column 9) by the budget (column2).

## Table 3: Expenditure Status (by donor)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Donor** | **Budget** | **Activity** | **Expenditure Status at [Date]** | | | **Expenditure in Reporting Year** | | **Yearly Expenditure** | **Total Expenditure** | **Balance** | **Delivery** |
| Commitment | Disbursement | | Commitment | Disbursement |
|  |  |  |  | |  |  |  |  |  |  |  |
| **GMS** |  |  |  | |  |  |  |  |  |  |  |
| **Total** |  |  |  | |  |  |  |  |  |  |  |

The explanation under this section is similar to the above section, however here the difference is that on this table expenditure is categorized as per source of funding/donor.

**Annexes 1**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EXPECTED OUTPUTS**  *And baseline, associated indicators and annual targets* | **PLANNED ACTIVITIES**  *List activity results and associated actions* | **TIMEFRAME** | | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET** | | |
| Q1 | Q2 | Q3 | Q4 | Funding Source | Budget Description | Amount |
| **Output 1:** Strengthened institutional arrangement for the South-South Cooperation established  Baseline:   * No official institutional arrangement exist in the GoI up * No action framework for SSC/International cooperation   Indicators:   * Engagement in global/regional SS Expo * Terms of References for Official institutional set up within the GoI * Action Plan for SSC initiative * Gender balanced participation as key members   Targets:   * Participation of 2 global/regional SS related events * ToR of institutional arrangement developed * Draft Action Plan for SSC developed | 1-1. Activity Result: Institutional arrangement of the GoI for the SSC established and the institutional capacity supported   * **Activity 1:** Support GoI in establishing a special task force or unit to lead the SSC initiative; * **Activity 2:** Facilitate internal ddiscussions among key stakeholders, based on gender inclusiveness criteria, and developing an action framework to institutionalize the SSC * **Activity 3:** Organize consultation meetings with UNDP Regional Cairo Centre as well as study tours to learn from some leading countries in the SSC * **Activity 4:** Support GoI in exposing to the Global and Regional SSC events (one Global SSC Expo in Kenya and one Regional SSC (main thematic agenda are youth and women employment, water and energy) in one of Arab States) by ensuring gender balanced participation * **Activity 5:** Support GoI for stocktaking on existing successful initiatives |  | X  X | X  X  X | X  X  X  X  X | UNDP Iraq | TRAC | International Consultants or Contractual Services – Individual  Travel  Training (study tour)  Contractual Services – Companies (translation etc)  Equipment and Furniture  Supplies  Miscellaneous Expenses  (Management cost, if required, will be covered by other projects since this initiative is conducted by existing program manager and its team) | 10,000  5,000  30,000  3,000  1,000  500  500 |
| TOTAL |  |  |  |  |  |  |  |  | US$ 50,000 |

**Annex 2**

**Draft Concept Note**

**To Support / Facilitate Internal Consultations within the Government of Iraq**

**On Iraq’s Potential Growing Leadership Role in South-South and Triangular Cooperation**

**5 November, 2013**

1. **Definitions**
   1. South-South Cooperation is a broad framework and process where two or more developing countries share knowledge, skills, resources and technical know-how to meet their development goals through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector.
   2. Triangular cooperation involves Southern-driven partnerships between two or more developing countries supported by a developed country(ies)/or multilateral organization(s) to implement development cooperation programmes and projects. Southern providers of development cooperation may require the financial and technical support, and expertise of multilateral and/or developed-country partners as a catalyst in the course of assisting other developing countries. Developed countries have increasingly expressed strong support for this approach to development and a willingness to share their experience and lessons learned as long as the triangular cooperation process is led and owned by Southern actors in order to achieve development results.
2. **Trends in linkage to foreign policy and economic development goals and objectives**

*Growing influence of South-South cooperation*

2.1. South-South cooperation has grown in relevance in the last decade and has been the subject for discussion at a number of major United Nations conferences and other conferences, such as those of the Group of 77 and the Group of 20. This surge in interest is due largely to the increasing economic power of the South. According to data available, from 1990 to 2008, world trade increased almost fourfold, but South-South trade multiplied more than 10 times. By 2010, Southern countries accounted for 37 per cent of global trade, with South-South flows making up about half of this total. The Human Development Report 2013 recognizes “the rise of the South”. These results are due in part to the fact that Southern countries are taking charge of their development situation, identifying problems and finding and/or adapting Southern solutions.

*Going beyond traditional South-South cooperation*

2.2. Evidence from actual experience shows that in addition to the sharing of knowledge and experience, South-South cooperation increasingly involves collective actions by multiple countries at the global and regional levels in the pursuit of mutually beneficial development, as seen in the building of economically vibrant regional communities, joint initiatives to address cross-border issues and a collective voice to enhance the Southern countries bargaining power in multilateral negotiations. It is this energy that participating countries can harness as equal players and leaders in South-South and triangular cooperation.

1. **Guiding Principles**

3.1. The effectiveness of South-South Cooperation as a mode of cooperation can be explained by the fact that countries face different geographical, demographical, environmental and political problems. Solutions that have succeeded in countries with similar demographics are most likely to be successful in comparable contexts. Knowledge, expertise, knowhow, and solutions unique to the south are usually found within the Global South. All countries, irrespective to the level of development, have effective solutions to offer. The Nairobi outcome document[[3]](#footnote-3) identifies the following policy and operational principles of South-South and Triangular Cooperation:

(a) Normative principles

* Respect for national sovereignty and ownership (no interference in domestic affairs)
* Partnership among equals
* Non-conditionality
* Mutual benefit

(b) Operational principles

* Mutual accountability and transparency
* Development effectiveness
* Coordination of evidence- and results-based initiatives
* Multi-stakeholder approach.

3.2. In line with the principles of national sovereignty and ownership, developing countries themselves initiate, organize and manage South-South cooperation activities. Financing and programme inputs are likewise the primary responsibility of developing countries. In doing so, the developed countries and the United Nations agencies play promotional and catalytic roles, and do not take the lead in executing South-South operational activities, which remain solely the domain of developing countries themselves.

1. **Institutional arrangements for national-level coordination** (examples):

4.1. National-level coordination is critical to bring together national players interested in sharing knowledge and expertise with partners abroad, both on the supply and the recipient side. In many cases, this coordination takes place among central government institutions. However, sometimes such coordination could be decentralized to sectoral institutions or even enjoy support from a country’s private sector.

4.2. Final decision on the selection on the best institutional model should be a process that would combine the stock-taking of the existing capacities and needs of different players in the country, resources available, as well as existing channels of communication. It is then to be linked to the national priorities in South-South and Triangular Cooperation that could be summarized in a national policy document on South - South and Triangular Cooperation.

4.3. Cross-agency, within the government

Indonesia leads the way with its [Coordinating Team](http://www.ssc-indonesia.org/) shared by the Ministries of Finance, Foreign Affairs and Development Planning ([BAPPENAS](http://www.bappenas.go.id/)), as well as the State Secretariat.

4.4. Ministry of Foreign Affairs or Ministry of International Cooperation, in the government

Some countries are using national coordination agencies hosted at Ministries of Foreign Affairs, such as for example the Brazilian Cooperation Agency ([ABC](http://www.abc.gov.br/)) and the Mexican International Agency for Development Cooperation ([AMEXCID](http://amexcid.gob.mx/)), as an autonomous body. The cooperation work of ABC with other countries is advanced through the network of the Brazilian Embassies.

4.5. Sectoral, in the government

There are also examples of long-standing sector experiences, reflected for example in the Brazilian Agricultural Research Corporation ([EMBRAPA](http://www.embrapa.br/english/)) which maintains a growing number of offices in partner countries.

4.6. Centralized, public-private partnership

Apart from these government institutions, the Singapore Cooperation Enterprise ([SCE](http://www.sce.gov.sg/)), a public-private company, pioneers an innovative approach to joining efforts among public sector and business partners.

1. **Proposed National SS and T Cooperation and Coordination Taskforce for Iraq**
   1. National Taskforce South-South and Triangular Cooperation and Coordination (NTSSTCC) shall be established and be hosted by PMAC. This shall be seen as a first generic and non-obliging step to identifying the most appropriate coordination model. The NTSSTCC shall stimulate coordination and allows testing various approaches without going into the full-fledged institutionalization effort before deciding on the best approach. The NTSSTCC could be co-hosted by the Ministry of Foreign Affairs, the Ministry of Planning and/or Ministry of Finance of Iraq.
   2. In general, the NTSSTCC could be seen as a time- and cost-effective mechanism in achieving the targets of establishing and finalizing a national strategy for South-South and Triangular Cooperation, enhancing awareness of South - South and Triangular Cooperation, addressing any upcoming relevant policy issues and reporting on such regular coordination meetings that would include policy recommendations on further advancing South-South and Triangular Cooperation that could be used as a credible source of ongoing policy advice;
   3. Proposed Actions
2. Initiate discussions among key stakeholders in the GoI through enhanced understanding on South - South and Triangular Cooperation and develop an action framework with establishment of a special task force (from November, 2013):

* GoI, under the leadership of PMAC, shall establish the NTSSTCC with MoFA, MoF, MoP, Ministry of Trade and CoMSec as members;
* UNDP Iraq prepares a detailed concept note for this South - South and Triangular Cooperation initiative to be reviewed by the NTSSTCC and relevant ministries;
* UNDP Iraq holds a special meeting in Cairo to understand more about the South - South and Triangular Cooperation and to obtain overview of existing practical approaches, methods and tools relevant to mainstreaming South - South and Triangular Cooperation;
* facilitation of brainstorming among key stakeholders in Iraq to discuss the vision and current challenges and opportunities for Iraq

1. Learn from some leading countries in the South - South and Triangular Cooperation through study tours to materialize efforts into the systematic mechanism through participation in the Global SSC Expo to exchange substantive experiences from other countries:

* Some countries successfully mainstreamed and are leading South - South Cooperation, such as Brazil and Indonesia. Palestine case at Nairobi SS presentation contains also good lessons learnt. It would be beneficial to learn more about how they managed to institutionalize their efforts and to overcome the challenges they faced.
* Engage in Regional South-South Cooperation and exchange views with other Arab states through participating the Regional Expo in Qatar (February 2014)
* Engage in substantive discussions in the Global South - South and Triangular Cooperation Expo in Kenya

1. Institutionalize the International Cooperation mechanism / SSC within the GoI (2014)
   * Concerted efforts among key stakeholders to institutionalize the South - South and Triangular Cooperation and Coordination mechanism (establishment of office, staffing, capacity development etc)
2. In parallel, once the special task force is established, reviewing and archiving the Iraqi experiences shall be initiated.
3. **Building a case based on one (several) concrete technical assistance initiatives**
   1. While the proposed intervention is intended to offer a holistic approach to further strengthening the positions from which Iraq addresses the South-South and Triangular Cooperation agenda in pursuing its national (as well as regionally-shared) development priorities, it is important to build the case based on a number of concrete substantive areas.
   2. It is therefore recommended that from the onset a narrow (one to three) set of substantive areas/practices shall be selected where Iraq can initially position itself as provider of financial and technical assistance. Thus, the initial work at the NTSSTCC shall primarily aim at identifying the best institutional mechanism for coordination of Iraq’s financial and technical assistance. The NTSSTCC shall also focus on identifying concrete opportunities and resources to test/pilot positioning Iraq as a provider of financial and technical assistance in these proposed one - three substantive areas/practices identified based on the strengths that Iraq has in terms of financial resources and national expertise generated over the years.
   3. These could then be turned into concrete pilot South-South Cooperation initiatives involving Iraqi national and sub-national institutions, academia, civil society and private sector aimed at fostering intra- and cross-regional cooperation and integration in the substantive priority area(s)/practice(s) identified.

End

*List of sources used:*

1. *Framework of operational guidelines on United Nations support to South-South and triangular cooperation, High-level Committee on South-South Cooperation, Seventeenth session, New York, 22-25 May 2012 [SSC/17/3]*
2. *Resolution adopted by the United Nations General Assembly on the Nairobi outcome document on SSC [A/RES/64/222]*
3. *Unleashing the Potential for South-South and Triangular Cooperation in the Arab States Region, Regional Umbrella Initiative, UNOSSC/RBAS-RCC, 2013*
4. *Proceedings of the Bali High-Level Meeting on Knowledge Hubs, held on 10-12 July 2012 [http://countryledknowledgehubs.info]*

1. A broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, sub-regional or interregional basis. [↑](#footnote-ref-1)
2. Triangular cooperation involves two or more developing countries in collaboration with a third party, typically a developed country government or organization, contributing to the exchanges with its own knowledge and resources. [↑](#footnote-ref-2)
3. The Nairobi conference in December 2009 highlighted the growing political and economic ties within the developing world as countries of the global South assumed leading roles in handling global issues ranging from economic recovery to food security and climate change. The Outcome document was adopted by General Assembly on 21 December 2009. [↑](#footnote-ref-3)