

**MULTILATERAL COOPERATION IN FINLAND'S DEVELOPMENT POLICY  
POLICY PAPER**

**Ministry for Foreign Affairs of Finland**

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## 1. INTRODUCTION

The policy for multilateral development cooperation of the Ministry for Foreign Affairs is grounded in the Government Programme and the Government's Development Policy Programme. The aim of the policy is to support the implementation of these programmes in practice, and to promote the coherence and effectiveness of the State administration's efforts in international cooperation. Moreover, the policy strives to strengthen cooperation between the Ministry for Foreign Affairs, other State administration actors and civil society.

In line with the Development Policy Programme, the policy paper is built on the principles of sustainable development and adheres to the concepts of the Development Policy Programme, guiding its operationalisation by means of multilateral development cooperation. It presents the key international organisations and actors with which Finland carries out cooperation and through which the intention is to direct the bulk of funding. The policy paper does not encompass all of Finland's current multilateral cooperation partners; rather, it highlights cooperation organs that the Ministry for Foreign Affairs considers pivotal for implementation of the Development Policy Programme. It is also evident that in a quickly changing global operational environment, new development challenges continue to surface that require expansion of multilateral cooperation to include new actors as well. Thus the policy paper does not rule out new cooperation partnerships.

In preparing the policy paper, use has been made of the multilateral organisation policy outlines, drawn up in the Ministry in 2006, which describe the different organisations' mandates, financial base, strengths and development challenges, cooperative relationships with other actors, as well as the priorities of Finland's activities and their possibilities to exert influence. The organisation policy outlines will be updated during 2008.

The policy for multilateral development cooperation is linked with the UN strategy of the Ministry for Foreign Affairs, supplementing it

especially with regard to the development policy activities of the UN's various operative organisations, e.g. funds and programmes, and the UN system's specialised agencies as well as international development financing institutions. Finland's development policy cooperation with the EU is left outside the scope of this policy paper, because it constitutes its own entity in implementing Finland's development policy and development cooperation.

Adoption of the policy calls for close cooperation between the Ministry for Foreign Affairs, other State administration actors and stakeholders as well as civil society. The sector ministries have a prominent role and responsibility as experts in the preparation of Finland's stands and views on development policy issues concerning their own sectors. The sector ministries also bear their own funding responsibility for Finland's membership fees to many UN specialised agencies, the Ministry for Foreign Affairs being responsible for development funding given on a voluntary basis. The participation of civil society and citizens' organisations in implementation of the policy bring added value to the formation of a national stand and to discussions in international fora, widening Finland's perspective.

## 2. MULTILATERAL COOPERATION IN FINLAND'S DEVELOPMENT POLICY

The Government Programme and the Development Policy Programme emphasise Finland's active role as a member of the international community and oblige Finland to carry its share of the global common responsibility. Multilateral cooperation is pivotal in handling these tasks, from the viewpoint of both international development policy and operative development cooperation. Multilateral cooperation with the UN system, international financing institutions and other global actors gives Finland the possibility to participate in the creation of norms guiding the international community and in the building of an operational

environment conducive to development at global, regional and country level. Multilateral cooperation enables utilisation of the nation's special know-how and expertise, by means of which Finland brings added value to international development policy and development cooperation. Globalisation has emphasised the importance of the multilateral system and the need for strengthening global governance. Furthermore, responding to the global development challenges underscored by Finland's Development Policy Programme calls for coherent action at global level in order to solve issues and development challenges important to the international community and global governance.

Finland's multilateral cooperation has two closely interrelated dimensions: policy-level and operational activities. Finland influences international development policy decision-making by participating in global negotiation processes, strategic planning of multilateral cooperation organisations as well as policy guidance.

The Government Programme defines the United Nations (UN) as Finland's most fundamental multilateral cooperation instrument. In accordance with the Government Programme, Finland is committed to continuing efforts to strengthen the UN's prestige and operational capacity and to enhance the effectiveness of the UN system. The aim of Finland's development policy is the eradication of poverty and achievement of the UN Millennium Development Goals and other objectives agreed in the United Nations, following the principles of sustainable development. In addition, the Development Policy Programme stresses that Finland supports a strong multilateral system and strives to intensify the UN's development dimension and the effectiveness of multilateral efforts. Global partnership supporting development, between industrialised and developing countries and between international and national actors, in line with the UN Millennium Development Goal 8, is essential in order to create global common responsibility and to strengthen the multilateral system.

Negotiation processes conducted under UN leadership and the various actors of the world organisation constitute the most important forum for Finland's participation in solving global development challenges. Finland

emphasises that the UN has the primary role in decisions concerning universal norms and as an international development policy forum. From the perspective of international development policy, the most important decision-making bodies within the scope of the UN system are, in particular, the UN General Assembly and its committees, the Security Council, the United Nations Economic and Social Council (ECOSOC) and its commissions, the UN specialised agencies and regional organisations. The importance of ECOSOC has increased and its mandate has expanded as a result of the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development in Johannesburg. ECOSOC commissions and subsidiary bodies important from the perspective of Finland's development policy are, among others, the Commission on Sustainable Development (CSD), the Commission on Social Development (CsocD), the UN Forest Forum (UNFF), the Commission on the Status of Women (CSW), and the Commission on Population and Development (CPD). Development policy discussions also take place in the governing bodies of operative UN organisations, with a view to development of their activities.

In addition to exertion of influence on policy within the UN system, Finland actively participates in the development of a fair and rules-based international trade and financing system, in cooperation, in particular, with international development financing institutions, the International Monetary Fund, the World Trade Organization and the Organisation for Economic Cooperation and Development, OECD. The OECD's activities are most immediately linked with Finland's development policy through the OECD's Development Assistance Committee (DAC), which is a key global body consisting of donors guiding their Official development aid (ODA) -policy, development of procedures and activities. The priorities of DAC's activities are, especially, the quality, quantity, effectiveness and harmonisation of assistance, and the related statistics. Finland's cooperation with the OECD encompasses the entire sustainable development agenda.

In addition to policy-level activity, Finland participates in multilateral cooperation at the operative level by targeting funding to support the development programmes of multilateral

organisations chosen as cooperation partners. Aside from funding, operational activities include participation in the organisations' decision-making as well as monitoring and evaluation of activities.

The UN's role is also highlighted in the operative implementation of Finland's multilateral cooperation. The United Nations, with its special and subsidiary bodies, is represented in nearly all developing countries, is a significant actor at country level and its position as a partner of developing countries and donors is acknowledged widely. The development programmes implemented by the UN cover the various dimensions of sustainable development.

The main share of Finland's financing through the UN system is allocated as general grants or core contributions to support the activities of the organisations, programmes and funds chosen as the main cooperation channels. In addition to general grants, Finland provides thematic funding, targeted in accordance with the priorities of the Development Policy Programme.

Alongside the UN system, international development financing institutions play a significant role in the implementation of Finland's development policy. International development financing institutions are the most important financier of development in the least developed countries, and their role as a supporter of economic and social development for all developing countries is indisputable. The role of financing institutions in development of the private sector in developing countries, as technical cooperation partners and as granters of credit for middle-income countries is emphasised as they strive to influence development of a division of labour in the global economy. Finland's funding through financing institutions is channelled mainly as general grants in accordance with their mandates and the priorities agreed in negotiations on additional financing, paying particular attention to the goals of the Development Policy Programme. Effort is made to strengthen and, where possible, to broaden thematic cooperation together with the various departments of the Ministry for Foreign Affairs and other ministries. In order to reinforce the operational capacity and effectiveness of multilateral organisations, the main share of funding will be channelled as general grants in

the years to come as well.

As development cooperation appropriations increase, Finland will strive to keep the shares of bilateral and multilateral cooperation more or less at the present level. The funding to be channelled through the UN system (including general funding and thematic funding) will be kept at the same relative share of multilateral funding. This can be justified in the light of both global development challenges, and the comprehensiveness and effectiveness of multilateral cooperation.

Alongside public development cooperation funding, Finland considers innovative financing mechanisms to be an important and supplementary source of funding. Innovative financing mechanisms do not reduce the need to increase development cooperation appropriations. Finland has joined the Leading Group on Solidarity Levies, a group of countries promoting innovative financing sources and mechanisms with the aim of identifying new means for increasing development funding.

### **3. TARGETING OF FUNDING IN MULTILATERAL COOPERATION**

#### **3.1. CRITERIA FOR TARGETING OF FUNDING**

The Development Policy Programme lays down the guidelines for targeting Finland's development cooperation funds. In addition, the use of funding is steered by the Government Programme, which states: "*In its development policy, Finland will increase emphasis on environmental and climate issues, crisis prevention and support for peace processes.*" Besides the guidelines steering multilateral cooperation laid down in the Government Programme and the Development Policy Programme, Finland's selection of multilateral development organisations and prioritisation are guided by the following criteria:

- Finland's previous cooperation with the organisation
- the importance and added value of the cooperating organisation in promoting sustainable development

- the effectiveness and impact of the organisation's activities

Finland's long-term partnership strengthens our possibilities to influence the organisation's decision-making, the content of its development programmes and the implementation of the programmes; it also promotes realisation of the priorities of the Development Policy Programme in the organisation's activities. The amount of funding granted by Finland also has an effect on our possibilities to exert influence, for which reason it is important that funding is concentrated on support for organisations central to the promotion of sustainable development. Continuation of cooperation with organisations mentioned in the policy does not rule out the initiating or experimenting of cooperation with new actors.

The fragmentation of the international development cooperation architecture is also reflected in the multilateral actor field, for which reason it is important to analyse the significance, added value and effectiveness of the work of different actors. Finland directs its support especially to those multilateral actors whose weight and added value of activities in fostering sustainable development are widely acknowledged both in the donor community and in developing countries. In the evaluations made, Finland has utilised, among others, material on the effectiveness of multilateral organisations produced by the OECD's Development Assistance Committee, the Multilateral Organisations Performance Assessment Network (MOPAN) and the Paris Declaration on Aid Effectiveness monitoring mechanism as well as the findings of organisations' own internal assessments. Finland has actively participated in the evaluation processes of multilateral organisations.

The main cooperation partners of Finland's multilateral cooperation have been chosen on the basis of the above-mentioned criteria. The policy does not cover all of Finland's current multilateral cooperation organisations; instead, it strives to raise to the fore those bodies with which Finland will, in the first instance, continue or broaden cooperation in order to attain the goals of the Development Policy Programme. Nor does the policy contain a plan for the allocation of appropriations to the different organisations or thematic cooperation programmes, as that will be specified within the

scope of the usual preparation processes for the budget proposal and the rolling operating and financial plans.

### **3.2. MAIN COOPERATION BODIES**

As concerns cooperation in the UN, the Development Policy Programme specifies that Finland's main cooperation organisations are the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Food Programme (WFP). Other partners within the UN system that are significant with respect to the goal-setting of the Development Policy Programme include the Global Environment Facility (GEF), the United Nations Environment Programme (UNEP), the Food and Agriculture Organization of the United Nations (FAO), UNAIDS, the Joint United Nations Programme on HIV/AIDS, the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Labour Organization (ILO).

Finland targets thematic funding through the UN system, in particular, to support socially sustainable development in developing countries, to promote their sustainable use of natural resources, to strengthen their economic capacity and trade policy know-how and to further the health and well-being of their population. Together with various UN actors, Finland takes part in development work carried out in these sectors. The World Trade Organization (WTO) and the cooperation mechanisms operating within its sphere are an important forum for cooperation aiming to develop the trade capacity of developing countries.

Within the sphere of international development financing institutions, Finland's most important cooperation partners are: the World Bank Group and the African Development Bank (AfDB); the Asian Development Bank (AsDB); the Inter-American Development Bank, (IDB) and the International Fund for Agricultural Development (IFAD). These mostly grant credits, the costs of which are based on the borrowing country's economic situation and debt sustainability. The importance of financing institutions has also increased as concerns support for fragile situations and countries

recovering from conflicts. The funds of the World Bank Group and the regional development banks that offer soft-term financing (International Development Association (IDA), the African Development Fund, the Asian Development Fund, the Inter-American Development Bank, Fund for Special Operations (IDB/FSO) operate in the world's poorest countries, and so additional financing provided through them increases Finland's support to the least developed and low-income countries. The fact that the increases in funding contributions are targeted to the African Development Bank and the IDA, of whose financing more than half is directed to Africa, underscores Finland's commitment to support Africa's development efforts. Strong support to the AfDB is also an indication of support for development of Africa's own institutions.

Finland's cooperation with the World Bank is to remain broad in scope, covering both general funding for the bank and thematic cooperation. Untied general funding centres on operations of the International Development Association, which is Finland's main cooperation partner in the World Bank Group. Thematic cooperation is carried out with the entire World Bank Group and all its lender countries.

With regard to the regional development financing institutions, Finland's cooperation with the African Development Bank will also continue to be broad, covering both general funding and thematic cooperation. The central priorities for the coming funding period are development of Africa's infrastructure, promotion of good governance and fostering of regional integration, the last of which also is an important factor in economic growth in Africa.

Multilateral actors are important cooperation partners for Finland also in bilateral and regional cooperation. It is necessary to rely on multilateral actors' expertise and work input in long-term cooperation countries and especially in areas where Finland lacks its own foreign representation or where Finland otherwise has no resources to carry out bilateral development projects herself. This sort of cooperation with multilateral actors is pursued, in particular, in the Western Balkans, Eastern Europe, the South Caucasus and Central Asia, where Finland's important cooperation partners, aside from the United Nations and the global development financing institutions, include

regional multi-actors such as the Organization for Security and Co-operation in Europe (OSCE), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Regional Cooperation Council (RCC) in Southeast Europe and the Asian Development Bank. Possibilities to expand cooperation, especially in Central Asia and the Western Balkans, are being studied together with the EBRD. Multilateral development policy actors are Finland's cooperation partners also in activities targeted outside the scope of development cooperation proper, for instance, in the Northern Dimension, in neighbouring area cooperation between Finland and Russia, in civilian crisis management and in projects supporting the European Neighbourhood Policy.

The regional departments of the Ministry for Foreign Affairs strive to expand regional and thematic cooperation based on the regions' own development plans and Finland's Development Policy Programme. The possibilities for utilising Finnish expertise enhance the development of regional and thematic cooperation.

Support for the research work on developing countries done by multilateral organisations is a strategically important element in implementation of Finland's development policy. Finland grants funding primarily for research carried out at the World Institute for Development Economics Research of the United Nations University (UNU-WIDER) and the United Nations Research Institute for Social Development (UNRISD), and within the sphere of the World Bank.

#### **4. GUIDING PRINCIPLES OF MULTILATERAL COOPERATION**

In its development policy, Finland is committed to promoting the coherence, complementarity and effectiveness of development policy as means of improving the results of cooperation. In multilateral cooperation, efforts to achieve coherence, complementarity and effectiveness are reflected in both policy-level work and activities in practice.

## Coherence

Finland considers it important that the strategies, policies and programmes of multilateral cooperation organisations support jointly agreed policy goals. Multilateral organisations' mutual coordination and coherence of activities are a basic requirement for the effectiveness of the multilateral system. In accordance with the Monterrey consensus, Finland supports coherence of international financing, economic and trade systems in order to promote development. To ensure coherence, the formation of Finland's positions and the compilation of guidelines pertaining to development policy issues take place together with the sector ministries, the departments of the Ministry for Foreign Affairs and the Embassies.

Finland promotes the extensive reform process of the UN, a central goal of which is to strengthen the coherence, functional capacity and effectiveness of the UN system at headquarters and country level. As part of the UN reforms, Finland supports the so-called "Delivering as One" initiative. According to this initiative, different UN actors would, at country level, have a joint programme, a joint budget, one leader and shared premises. In cooperation with international financing institutions, Finland stresses decentralisation of the focus of operations and decision-making to country level, and the coherence of developing countries' policy guidance and field-level operations.

Development of official and unofficial EU coordination in multilateral cooperation has also strengthened the coherence of multilateral and bilateral cooperation. In cooperation with the UN organisations, EU coordination is more systematic in the UN specialized agencies than in the operational programmes. In international financing institutions, the work of the boards of governors takes place in voting groups ('constituencies') where both EU Member States and non-EU countries are represented, for which reason EU coordination, if any, may take place unofficially.

As regards the cooperation with global funds, Finland pays special attention to the anchoring of their support in developing countries' own national development plans and to the coordination of their practical implementation with other actors.

## Complementarity

Finland's multilateral cooperation, bilateral cooperation and cooperation at EU level together constitute a comprehensive and holistic development policy where the various forms of activities complement one another. Through multilateral cooperation, Finland aims at influencing development policy and development cooperation globally, regionally and at country level. Thematic and regional priorities of cooperation are determined in line with the development needs of the cooperation country/region and the mandate of the cooperating organisation. The cooperation carried out makes use of Finland's special know-how and expertise, by means of which Finland can bring added value to international development cooperation at the level of both policy steering and operative activities.

Cooperation with multilateral organisations complements Finland's bilateral cooperation at country level as well, where the departure point is partner countries' own development plans, common aid strategies and Finland's own country-specific plans. Effort is made to increase the interaction of multilateral and bilateral cooperation and new partnerships in order to further the priorities of Finland's development policy and enhance effectiveness.

## Effectiveness

Finland's most significant channels of influence in multilateral organisations are participation in the work of governing bodies, other decision-making and the work of various organs, the work by Finnish experts in the organisations, and field-level cooperation.

In the United Nations, Finland acts independently and also as part of the European Union. In addition, the other Nordic countries also form an important reference group for cooperation within the UN. Finland takes part in the executive board work of those UN development programmes and UN funds it supports according to the agreed rotation arrangements, both as a member and as an observer. Exertion of influence focuses especially on programmes and funds where Finnish funding is at a substantial level. Finland exerts influence on the decision-making of UN specialised agencies at general conferences and in executive boards in accordance with rotation arrangements.



Finland's most important channel of influence in international financing institutions is the board of governors, in which Finland participates as a member of its voting group. The boards of financing institutions are responsible for decision-making pertaining to their administration, operational policy, sector-specific and country-specific development strategies, and individual projects. In these voting groups the other Nordic countries constitute Finland's primary reference group. Alongside exertion of influence on voting groups, Finland considers the unofficial EU-level cooperation to be important, especially with regard to wide-ranging development funding issues, such as efforts to solve the debt problems of developing countries.

Finland influences the operational policy and funding of international development financing institutions also by actively participating in their replenishment negotiations, held at three to four year intervals. The Ministry for Foreign Affairs prepares separate negotiation mandates for negotiation processes.

In addition, Finland's bilateral thematic cooperation, including co-financed projects, and partnership funds (Trust Funds) with various organisations provide a channel for influencing their activities.

At country level, Finland participates in cooperation with multilateral organisations mostly through the foreign missions network. At country level foreign missions are responsible for development policy dialogue and for coordination of development cooperation; they also monitor and report on the activities of various donors, including multilateral organisations. Foreign missions also influence decision-making in multilateral organisations by taking part in the formation of Finland's stands and the compilation of management board guidelines. The shift towards programme cooperation has meant that exertion of influence through multilateral organisations is emphasised also in bilateral cooperation. Country-level cooperation in the implementation of sector programmes provides the possibility to influence the decisions of multilateral actors or to highlight Finnish special expertise.

Participation plans concerning the direction of cooperation with long-term cooperation countries and at regional level steer Finland's bilateral cooperation with the country or region

in question, which is implemented through various instruments. Support channelled through multilateral actors plays an important role in this. We support multilateral actors by providing technical assistance, thus utilising Finnish know-how. By means of good expert input, we can influence the targeting of the actor's funding and the actor's way of operating. In some instances, the organisation or international financing institution may be best suited to implement and administer our support, and in such cases Finland can directly influence the content of cooperation in the local steering group.

In the OECD, Finland takes part in multilateral efforts to determine practices for implementing development policy and to promote aid effectiveness. From the perspective of policy coherence, development policy cuts across all sectors covered by the OECD. In recent years, in the OECD Finland has invested especially in themes of horizontality and development policy coherence, e.g. by funding the work of a Finnish expert in order to promote these themes.

### **Cross-cutting themes**

Improving the status and rights of women and girls, strengthening gender and social equality, reinforcing the position and equal participation of easily marginalised or otherwise vulnerable groups (children, people with disability, indigenous peoples and ethnic minorities), and combating HIV/AIDS are cross-cutting themes of Finland's development policy. These goals also steer multilateral cooperation. Cooperation with multilateral organisations supports and strengthens Finland's bilateral activities at country level.

## **5. SUSTAINABLE DEVELOPMENT IN MULTILATERAL COOPERATION**

Multilateral organisations promote the different dimensions of sustainable development in an extensive and often cross-cutting manner. The policy paper presents Finland's main multilateral cooperative partners, following the Development Policy Programme's division into development that is sustainable economically, socially and ecologically. Finland's cooperation with the various organisations is here discussed primarily in terms of the main function of each

organisation and the targets of Finland's support.

## 5.1. ECONOMICALLY SUSTAINABLE DEVELOPMENT

Economic growth is a necessary but, as such, insufficient prerequisite for the eradication of poverty. As stated in the Development Policy Programme, a positive economic development that supports poor population groups is the most efficient way to eradicate poverty in developing countries. Economic growth can be advanced by promoting participation in international trade and integration into the global economy, and by strengthening the national operating environment. Utilisation of new technology in economic development, especially information technology, provides support for the economic growth in developing countries.

Multilateral organisations play a central role in economic policy guidance in developing countries and in supporting the implementation of their national development plans, and thereby they make a significant contribution to poverty reduction and promotion of economically sustainable and socially fair and equitable development.

### ***Priorities in the promotion of economically sustainable development within multilateral cooperation:***

- strengthening of the multilateral trade system and promotion of international economic cooperation on an ecologically sustainable basis
- integration of developing countries, especially the least developed countries, into the world economy and supporting an investment environment in developing countries that fosters sustainable development
- cooperation in environmental technology and promotion of transfer of environmental technology
- mainstreaming of trade policy as part of the national development and poverty reduction strategies
- strengthening the negotiating capacity of developing countries in multilateral negotiations
- ensuring the debt sustainability of

- developing countries
- utilisation of knowledge, innovations and information technology; development of information economy
- promotion of a broad-based economic growth interlinked with equitable distribution of income

***For the purpose of achieving the above goals, Finland cooperates, in particular, with the following UN organisations and international financing institutions:***

### 5.1.1. Cooperation with the United Nations system

#### **UNDP**

The United Nations Development Programme (UNDP) supports developing countries' economic development and their integration into the world economy, mainly through policy guidance and capacity strengthening at the country level, in particular. The UNDP fosters a comprehensive horizontal approach where the economic, employment and social policies cooperate to eradicate poverty and marginalisation. The UNDP strives to ensure that the objectives pertaining to poverty reduction and economically sustainable development are taken into consideration better in the bilateral and multilateral trade negotiations of developing countries. The UNDP focuses mainly on the poorest developing countries and African countries, but it is paying increasing attention to middle-income countries. Finland will continue to support the UNDP operations.

#### **UNCTAD**

The main task of the UN Conference on Trade and Development (UNCTAD) is to integrate developing countries into the global economy. Within the UN system, UNCTAD plays a comprehensive role through its inter-governmental negotiation mechanism, research activities and technical assistance programmes pertaining to trade and related development issues. While the technical assistance provided by UNCTAD is limited, its research activities are widely appreciated (see, e.g. the World Investment Report and the Trade and Development Report). UNCTAD has significant expertise concerning the WTO activities and negotiation processes, and it provides

developing countries with technical assistance in these aspects as well.

Finland cooperates with UNCTAD, providing voluntary support particularly targeted to its Least-Developed Countries (LDC) programmes. Finland also provides financial support for internal reform of UNCTAD, and for its research activities and entrepreneurship programmes.

### **ITC**

The main objective of the International Trade Centre (ITC) is to strengthen the trade capacity of developing countries. The ITC also supports local private-sector projects in developing countries that strive to improve their preconditions for import and export trade in a sustainable manner. It promotes South–South trade, develops expert and education networks in relation to, for example, WTO agreements, supports women’s entrepreneurship, and drafts sector-specific and company-specific action and communication strategies to support small and medium-sized enterprises.

Finland’s general grant support to the organisation is valuable in order to assure quality in project preparation, especially in view of the fact that many other countries have tied their assistance to specific projects in a limited number of countries. Finland strives to earmark its project support to be used for the benefit of the least developed countries.

### **UNIDO**

The main task of the United Nations Industrial Development Organization (UNIDO) is to support development of the private sector and to promote sustainable economic growth in developing countries and transition-economy countries. In addition to setting norms and standards, UNIDO is active in the field of technical cooperation. Its programmes focus on three broad themes: reduction of poverty through productive operations; building of trade capacity; and energy and environmental issues. Working together with the UNDP, UNIDO has channelled its operations to country level through thematic programmes.

Finland supports UNIDO’s activities through membership fees and voluntary funding. The thematic programmes of UNIDO are well in line with Finland’s Development Policy Programme 2007 and, consequently, the opportunities to increase the voluntary funding in the coming

years are being investigated.

### **5.1.2. Cooperation with international development financing institutions**

Creating a favourable climate for investments, employment and sustainable economic growth in developing countries is one of the operational cornerstones of the World Bank and the African, Asian and Latin American regional development financing institutions. They support economic development by means of policy guidance, advocacy and financing based on research and experience. In addition to funding through credits, the development financing institutions have in recent years increased their grants to the poorest and most vulnerable countries. The financing institutions play a significant role in advancing systems that support public-sector mobilization of financing, budgeting of income and expenditure, both within the central administration and at regional and local levels. They are also actively involved in the promotion of trade and economic integration, in the capacity of both financiers and advisors in country-specific or regional projects.

The key operative areas of the international financing institutions comprise infrastructure development, including energy, water, traffic and social sector infrastructures; investments in production in a way that focuses on small and medium-sized industry; and agricultural production, especially in the poorest, agriculture-intensive countries.

Finland will continue to cooperate with the World Bank and the African, Asian and Latin American development financing institutions. Finland considers it important that these institutions target their operations to development segments where they have a clear comparative advantage and where they complement the activities of other donors and other providers of assistance.

Finland focuses on the following thematic priorities in its cooperation with the World Bank and the regional development financing institutions:

- Reduction of obstacles to trade, strengthening of trade capacity, and regional economic integration. The weight of the African Development Bank

- is increasing through its involvement in the EU Africa Strategic Partnership. The Asian Development Bank plays an essential role in regional integration and ASEM cooperation. The Inter-American Development Bank is a significant actor in integration issues involving Latin America and in the development of regional trade systems.
- In terms of ensuring the energy supply in the poorest countries, it is essential to support the implementation of the Clean Energy Investment Framework (CEIF), launched jointly by the international development institutions, as well as to continue cooperation involving thematic funds. Sustainable utilisation of forests is a growing field of cooperation. Together with the Asian Development Bank, Finland will continue its long-term cooperation concerning the use of renewable energy sources.
  - Development of private-sector operations and cooperation with the public sector, focusing on activities aimed at developing a conducive operating environment, developing especially national systems, such as working life standards, training and education, social welfare and health care, and compliance with the principles of good governance. Developing the private sector is essential, particularly in the operations of the Asian and Latin American Development Banks and the World Bank's International Finance Corporation (IFC). Finland supports the activities of the IFC also through geographically and thematically targeted trust funds. Additionally, Finland supports partnerships related to information economy and the utilisation of information and communication technology.
  - In order to ensure developing countries' debt sustainability, Finland supports debt relief initiatives [the Highly Indebted Poor Countries (HIPC) and the Multilateral Debt Relief Initiative (MDRI)], promotes measures to ensure debt sustainability, and supports development of the debt management capacity in developing countries.

- Promotion of economic growth linked with equitable distribution of income, by ensuring that the policy guidance of the international financing institutions and their operative activities support an economic growth that advances broad-based equality and facilitates the improvement of the living conditions of poor population groups.

### **5.1.3. Cooperation with other multilateral actors**

#### **WTO**

Trade plays an essential role in sustainable development, as has been manifested in the operations of the World Trade Organization (WTO) in recent years. The majority of the WTO member states are developing countries, and WTO issues concern developing countries in a cross-cutting manner. A global trust fund, the Doha Development Agenda Global Trust Fund (DDA GTF), was established to fulfil the commitments related to technical assistance, made by the WTO ministerial meeting in Doha in 2001. Together with the UNCTAD programmes, the WTO technical assistance programmes provide versatile support to developing countries, especially the least developed countries, as they strive to strengthen their preconditions for participating in the current Doha Round of negotiations.

Finland will continue to cooperate with the WTO, the specific aims being to contribute to enhancement of the institutional and human competence in developing countries in the field of trade policy, to integrating trade policy and poverty reduction strategies so as to advance employment and well-being in developing countries, and to strengthen their capacity for negotiating in multilateral negotiations. Finland's support to the DDA GTF is significant both politically and in terms of trade policy. The support will be targeted to the least developed countries.

In accordance with the UN's principle of coherence, and in order to promote ecologically sustainable development, Finland supports the granting of observer status in the WTO Committee on Trade and the Environment (CTE) to the UN Environmental Programme (UNEP) and relevant international environmental conventions.

**IF**

The international Integrated Framework (IF) initiative aims, as part of the implementation of national poverty reduction strategies, to support the realisation of projects pertaining to the development of trade in the least developed countries. The IF is not a funding instrument *per se*, but rather a coordination process for the funding of national projects supporting the prerequisites for trade that are deemed to be of the highest priority.

Finland will continue to support implementation of the IF, and also of the Enhanced Integrated Framework, since the IF is a concrete element of the Aid for Trade initiative launched by the WTO. Additionally, the IF is targeted in its entirety to the least developed countries; this is important for Finland as our country strives to fulfil its international pledge to raise its support to these countries to 0.2 per cent of the GNP.

**IFAD**

Finland supports the International Fund for Agricultural Development (IFAD), and considers its input to the promotion of economic development among the rural poor to be significant. Finland emphasises the pilot nature of the IFAD and deems it important that the IFAD develops its cooperation with other actors, such as the World Bank and the Food and Agricultural Organization of the United Nations (FAO), for the purpose of verifying the outcome of the various programmes. Finland strives to increase its support to the IFAD.

**Nordic partnerships**

Together with the other Nordic countries, Finland continues to support the Nordic Development Fund (NDF) during the course of the projects that are currently underway. Finland also supports the operations of small and medium-sized private-sector enterprises in Africa through the share capital of the joint NORSAD fund of the Southern African Development Community (SADC) countries and the Nordic countries.

**5.2. SOCIALLY SUSTAINABLE DEVELOPMENT**

Social development is an integral element of sustainable development. Finland's Development Policy Programme emphasises social stability as the basic prerequisite for the eradication of poverty and ecologically

sustainable development in developing countries. Peace and security, good governance that is democratic and well-functioning, respect for human rights, social and educational development that advances social integration, and anti-corruption activities serve as guarantees of social stability. All these are supported by Finland through multilateral cooperation.

***Priorities of multilateral cooperation in order to promote socially sustainable development:***

- promotion of human rights, democracy and good governance
- promotion of a safe and secure environment
- strengthening of health care systems and resolution of global health problems
- promotion of training and education, multicultural interaction and media development
- promotion of social justice, decent work and equality, especially improvement of the status and empowering the participation of women, girls and easily marginalised groups
- strengthening of conflict prevention and crisis management, and peacebuilding
- strengthening of women's role and decision-making power in conflict prevention, conflict resolution and peacebuilding, and increasing women's safety and security (Security Council Resolution 1325)
- support for development of the global knowledge and information society
- support for development of the rule of law and anti-corruption activities
- prevention of the spread of drugs and crime
- support for fragile states.

***For the purpose of achieving the priorities it has set, Finland cooperates, in particular, with the following UN organisations and international financing institutions:***

**5.2.1. Cooperation with the UN system**

Strengthening conflict prevention and crisis

## management, and peacebuilding

Finland's Development Policy Programme emphasises a holistic approach to development and security, and enhanced security in the broad sense of the concept. Particular attention is paid to societies suffering or recovering from violent crises, as well as to crisis prevention. Monitoring of human rights situations, strengthening of social structures that promote human rights, and support for the activities of those defending human rights are issues important to Finland.

Finland supports the UN's role as a central actor in international crisis management. Finland considers it essential that the crisis management efforts carried out by regional organisations lend support to the UN. Finland also advocates intensified mutual cooperation and coordination between the UN and regional organisations in the field of crisis management, in order for multilateralism to be effective.

Finland will continue, both at national and international level, to promote the application of a holistic approach in conflict areas. This encompasses close civilian and military coordination as well as the link between security and development. Finland gives special attention to development of the Security Sector Reform (SSR) and the Disarmament, Demobilisation and Reintegration (DDR) of ex-combatants, and pursues to promote intensified coordination between the various actors. Similarly, Finland pays particular attention to women's position in conflicts and crisis management, and through practical measures promotes full implementation of the Security Council's Resolution 1325 in all conflict and crisis areas.

### **UN Peacebuilding Commission and Peacebuilding Fund**

The United Nations Peacebuilding Commission (PBC) is an advisory body whose task is to assist countries with regard to sustainable peacebuilding and development in a post-conflict situation. The commission started its work in June 2006. Country-specific peacebuilding activities are supported by the United Nations Peacebuilding Fund (PBF). The first target countries are Burundi, Sierra Leone and Guinea-Bissau.

Finland supports consolidation of the UN

peacebuilding activities, emphasising clarification of the separate yet complementary roles of PBC and PBF. Finland stresses that the various support forms must complement one another at all stages from conflict prevention through crisis management to peacebuilding and development cooperation. Finland strives to influence the integration of efforts to develop the rule of law, gender and social equality, environmental safety and security, and environmental diplomacy into peacebuilding activities.

Finland gives financial support to the Peacebuilding Support Office (PBSO) and the PBF, both operating at UN Headquarters in New York. Finland has been actively involved in the creation of the UN peacebuilding operations, and through the chairmanship of the PBF Advisory Group, Finland has excellent opportunities to influence further development of these activities. Finland provides funding for seminars aiming to introduce catalytic tools for peacebuilding through the PBF projects. In the future, it will also be necessary to discuss the role of international security fora and structures, including the UN Security Council and the PBC, in the promotion of environmental safety and security. It is essential to recognise that environmental risks constitute major security challenges, and to move the connection between climate and security higher up on the international security agenda. Finland has provided funds to recruit an environmental and security specialist for the PBSO through UNEP.

### Democracy, good governance and respect for human rights

#### **UNDP**

Democracy and good governance, including human rights, as well as crisis prevention and support to peace processes are among the priorities of the United Nations Development Programme (UNDP). UNDP supports countries in their efforts to establish democracy by strengthening their election procedures, legislative systems and public administration, and by developing their capacity to provide basic services for those who need them most. Additionally, UNDP supports the development of national action plans for human rights activities, implementation of rights-based programmes and development of human rights institutions. Finland supports UNDP's basic functions, good governance being one priority.

Anti-corruption activities are central objectives in promoting social development and the rule of law in developing countries. Supporting the implementation of the United Nations Convention Against Corruption (UNCAC) is vital in the work against corruption. Finland is involved in developing a mechanism for evaluating implementation of the Convention, and aims to ensure funding for this work once the Helsinki Process comes to an end.

Finland cooperates with the United Nations Office on Drugs and Crime (UNODC), the aim being to prevent the spread of drugs and crime, including corruption and human trafficking. Finland makes a significant contribution to the UNODC anti-drug operations in Afghanistan, Central Asia and South-West Russia. Finland is also considering longer-term support for UNODC operations preventing crime, including corruption and human trafficking.

### **OHCHR**

The mission of the Office of the UN High Commissioner for Human Rights (OHCHR) is to promote the implementation of human rights the world over. The objective is specifically to develop countries' national capacity to implement human rights in accordance with international norms. The OHCHR also plays a special role in mainstreaming human rights in all UN activities.

Finland emphatically supports the activities of the UN High Commissioner for Human Rights and her Office. The High Commissioner strives to direct activities from the setting of norms and standards more towards their implementation, and to invest in the rule of law and impunity issues; priorities which Finland shares. Finland considers it important that both the High Commissioner and the Office retain their independence.

Finland has excellent experiences of supporting the agency's field work in Nepal, Afghanistan and Colombia. This cooperation has given Finland an opportunity to complement her bilateral cooperation and to strengthen development of the rule of law.

Joint negotiations carried out annually by Finland and six other funding states represent a special channel of influence vis-à-vis the OHCHR.

Strengthening justice, social equality, and the

position especially of women and girls and easily marginalised groups

Promotion of equality is closely connected with poverty reduction and the UN's Millennium Development Goals. The rights of women and girls, and the improvement of their status, as well as strengthening of gender and social equality are cross-cutting themes in Finland's development policy.

The activities of **UNICEF**, the United Nations Children's Fund, are based on the UN Convention on the Rights of the Child. UNICEF has enhanced its capacity in child protection issues. Child protection issues and achievement of the Millennium Development Goals are clearly interlinked, and the promotion of education, health and equality is considered a priority. In addition to preventive measures, protecting children from violence, discrimination and abuse is part of sustainable development.

**UNIFEM**, the United Nations Development Fund for Women, is a central player as regards gender equality issues, both within the UN and in relation to individual governments. It works to promote gender equality and women's rights, among others, in agriculture, food production, education, health care, and in relation to security and environmental issues. Mainstreaming equality issues in, for example, economic structures and decision-making is a key to achieving the Millennium Development Goals. Governed by UNIFEM, the Trust Fund to End Violence Against Women acts globally to support measures that aim to eliminate violence against women, in particular.

Finland provides support for both **UNICEF** and **UNIFEM** in the form of general grants that are targeted as core contributions to the organisations' activities as a whole. Finland works actively to reinforce UNIFEM's status within the UN.

### **ILO**

The central goals of the International Labour Organization (ILO) are poverty eradication, social justice, equality and employment. The organisation's work is characterised by tripartite cooperation. In operative terms, the primary task of ILO is to act as a developer of working life standards, international labour legislation and labour market systems. This work is essential both for stable social development and for the development of sustainable

economic conditions in developing countries. ILO also strives to advance the goals of freedom of speech and association, which are necessary for the realisation of democracy and good governance principles. Promotion of equality, or improving the position of children and women and minority groups, is a major cross-cutting theme in all ILO operations.

Decent work, improved opportunities for earnings and developing the social security system are key factors in order to achieve the goals of the fair and sustainable humanity policy prescribed in the new Development Policy Programme. Finland has supported ILO's efforts to promote opportunities for decent work through both bilateral and multilateral cooperation. These efforts will continue in the years to come as part of the target countries' own poverty reduction strategies and as part of international cooperation.

The Finnish Ministry of Employment and the Economy is responsible for the membership fees payable to ILO, and the Ministry for Foreign Affairs for the funding allocated to the development programmes of this specialised agency.

#### Strengthening the health care systems and resolving global health problems

##### **WHO, UNAIDS, UNFPA, UNICEF**

With regard to multilateral cooperation for the promotion of social development in developing countries, the **World Health Organization** (WHO) is the core actor. According to its Charter, WHO provides leadership in setting norms and standards for other global players, such as the **Joint United Nations Programme on HIV/AIDS** (UNAIDS), the **United Nations Population Fund** (UNFPA), the **United Nations Children's Fund** (UNICEF) and the **Global Fund**. Finland supports WHO's activities as a global norm-setting organisation and a global health policy forum and actor. WHO's normative and technical cooperation supporting developing countries is ever more important as the global economy is integrating, and new initiatives and funding systems are increasingly launched in the health sector. WHO has a strong role in steering health policies in developing countries, and its operating programmes and strategies are thematically anchored to national development priorities.

The Ministry of Social Affairs and Health pays Finland's membership fee to WHO, but Finland aims to increase its share of development funding to WHO through the administrative sector of the Ministry for Foreign Affairs while preparing to follow more intensively the work of the Executive Board. The UN Millennium Development Goals play a central role in these activities. Three of these Goals pertain directly to health and health services, and the other four are related to the major determinants of health. However, it is important to remember that the global health mandate of WHO extends far beyond the UN Millennium Development Goals, and includes broad normative work and technical support. Health is a prerequisite for all economic activities that developing countries are encouraged to initiate in order to eliminate poverty traps.

A specific problem in development cooperation within the health sector is HIV/AIDS. Finland supports, in particular, the activities of the **United Nations Joint Programme on HIV/AIDS** (UNAIDS), an important coordination programme that sets international operating policies with regard to HIV/AIDS. Of various multilateral organisations, UNAIDS has, ever since its establishment, been the most important international channel for Finland's funding for HIV/AIDS efforts. Finland's Development Policy Programme views the HIV epidemic as a cross-cutting theme that extends beyond the health sector and poses a long-term challenge for development in general. Finland supports UNAIDS and emphasises the mutual cooperation and harmonisation of activities between UNAIDS and other actors, especially the Global Fund. Finland also stresses implementation of the HIV prevention strategy, approved in 2005, and the globally essential role of UNAIDS as the convener of AIDS policy dialogue forums. Finland considers it important that UNAIDS retain this role, as the number of new HIV/AIDS players and major financiers is increasing.

With regards to the **United Nations Population Fund** (UNFPA), Finland supports, in particular, activities promoting the sexual and reproductive health and rights of women and girls, as well as dissemination of related information among adolescents. In practice, this means the availability of birth control, educational programmes and action programmes to eliminate female genital



mutilation and prevent the spread of HIV/AIDS. Finland also lends strong support to mutual cooperation of UNFPA, WHO and UNICEF in these issues. Broad cooperation in the health and education sectors contributes to the generation of conditions that will facilitate sustainable population policies.

**UNICEF** has a special role as the expert and monitoring agency of the UN Convention of the Rights of Child. UNICEF's activities are steered by children's rights both in the development sector and in humanitarian crises. UNICEF carries out work related to the health and well-being of mothers and children at country level, in particular. As regards both UNFPA and UNICEF, it is important that they are encouraged to cooperate and organise themselves as part of the system-wide UN reform.

Eight health organisations have initiated a joint programme entitled the International Health Partnership (IHP). This programme, supported also by Finland, signifies an important step forward in efforts to unite the objectives and operations of private (Gates Foundation, IFFI, Global Fund) and public development funding (WHO, UNAIDS, UNICEF, UNFPA, World Bank).

#### Promotion of training and education, multicultural interaction, and media development

The **United Nations Educational, Scientific and Cultural Organization** (UNESCO) holds a key position in achieving the UN Millennium Development Goals and identifying the development challenges and strategies supporting development within its own mandate. The current international situation and the need for intercultural dialogue have further increased the weight of the UNESCO mandate.

The focal points of Finland's activities support the primary priorities of the UNESCO programme within the five main sectors: Education for All, water resources and ecosystems, the ethical dimensions of science and technology, promotion of inter-cultural dialogue and cultural diversity, freedom of expression and access to information, as well as media development. Finland's support is primarily allocated 1) to capacity strengthening as part of the Education for All process, to

teacher training and to adult literacy programme, 2) to the development of educational planning in developing countries, and 3) to the support of the international information society development.

The Ministry of Education is in charge of the implementation of UNESCO policies in Finland, and it cooperates closely with the Ministry for Foreign Affairs, especially in horizontal issues involving the UN or other foreign policy aspects and in administrative matters. The Ministry of Education is responsible for the payment of Finland's annual membership fee to UNESCO. The Ministry for Foreign Affairs is responsible for the voluntary development cooperation funding provided to the UNESCO programmes.

**UNICEF** focuses not only on health issues but also on the promotion of basic education and equality, as well as on the protection of children against violence, discrimination and abuse. Guaranteeing education for all is an essential part of social development. By investing in children and especially in the education of girls, it is possible to prevent the vicious circle of impoverishment and to reverse its trend. Educating women will also enhance the next generation's opportunities to receive education. Guaranteeing basic education for all children, including girls, is one of the goals laid down in the UN's Millennium Declaration, and it also supports the achievement of the other Millennium Development Goals.

#### Supporting the global knowledge and information society development

##### **IGF**

The Internet Governance Forum (IGF) is the most visible and concrete outcome of the UN World Summit on the Information Society (WSIS; Geneva 2003 and Tunis 2005). The IGF aims to draw attention to problems associated with Internet governance, and to create a favourable forum for dialogue between the major actors in the branch. One of its specific objectives is to build up Internet governance competence in developing countries.

Finland supports to work of the IGF because, for its part, it contributes to strengthening of the information society in developing countries and promotes socially and economically sustainable development.

#### **The Global Alliance for ICT and**

**Development** (GAID) was founded in spring 2006 as a multi-actor component for monitoring the UN World Summit on the Information Society. Promotion of the implementation of the African broadband network is one of the GAID's flagships.

Finland has so far (2006-2008) been the largest single financier of GAID and intends to continue supporting it. For its part, GAID assists developing countries in devising a knowledge society strategy that suits their specific circumstances.

### **5.2.2. Cooperation with international development financing institutions**

Securing resources, development opportunities and participation for poor people constitute the second cornerstone of the poverty reduction strategy of the World Bank and the regional development financing institutions.

Strengthening good governance in economic and public administration, developing the judicial system, and taking action against corruption are central elements in this work. The World Bank emphasises the interlinks between poverty and health, conducts broad research in the social sector, including surveys on the financing options for health care service systems in developing countries, and provides funding for the development of social infrastructure.

Fragile states and fragile situations are a new and increasing operational segment for international development financing institutions. They were a central priority in the IDA, AfDF and AsDF negotiations on additional financing which were concluded in 2007. Given the fluctuating nature of such situations, Finland emphasises the importance of cooperation at the policy and operative levels, where the value added and complementary aspects provided by each actor are fundamental, especially in country-level activities. Finland supports the special mechanisms established for financing in fragile situations. The financing institutions should develop their cooperation with the UN system, for instance, within activities of the Peacebuilding Commission and Peacebuilding Fund.

In dialogue with the World Bank, Finland

stresses the importance of improving the participation and possibilities of the poorest developing countries, especially African countries, to exert influence in the administrative bodies of the Bank. Through the World Bank fund, Finland supports the development of parliamentary activities and the capacities of parliamentary representatives.

Human rights do not fall within the mandate of the international financing institutions, but activities to promote human rights are a part of the institutions' operations. Together with other Nordic countries, Finland sets up a Human Rights Fund in the World Bank that aims to strengthen the human rights perspective in operations of the Bank and its member states. The idea is, through the fund, to integrate human rights issues in the Bank's policies and analyses, with due consideration to the commitments of developing countries, and to enhance the Bank's knowledge of human rights.

### **5.2.3. Cooperation with other multilateral actors**

The **Global Fund to Fight AIDS, Tuberculosis and Malaria** (GFATM) is a joint financing instrument of the public and private sectors that supports especially the least developed countries in implementing their programmes against HIV/AIDS, tuberculosis and malaria. Finland has contributed to the Global Fund since 2006, and is prepared to continue this funding for the time being. The Global Fund is an important network, and its cooperation with the central UN actors, namely WHO and UNAIDS, has developed favourably in recent years. In addition to HIV/AIDS-related work, the Global Fund carries out highly important work to prevent tuberculosis and malaria.

## **5.3. ECOLOGICALLY SUSTAINABLE DEVELOPMENT**

Environmentally sustainable development is an essential pillar of sustainable development. Development policy should aim to ensure that all development in the world is ecologically sustainable. Thus, it is necessary to pursue ecologically sustainable production and consumption behaviours in both industrialised and developing countries. Depletion of natural

resources and damage to the environment, for their part, also cause conflicts and hamper their resolution.

In its development policy, Finland places even stronger emphasis than before on climate and environmental issues, which are also increasingly stressed in multilateral cooperation. Finland supports the poorest and most vulnerable countries in securing their energy supply and promotes their adaptation to the consequences of the climate change.

Particular attention is paid to equality, with the aim of enhancing the position of women in international climate policies. Finland invests especially in strengthening environmental know-how in developing countries and reinforcing their capacity to implement the principal environmental conventions. In the coming years, Finland will provide targeted support especially to ensure the outcome of negotiations on a new climate convention.

***Priorities of multilateral cooperation in order to promote ecologically sustainable development:***

- achievement of a global convention in order to control climate change, and development of international climate financing
- development of food security, agriculture and food production in an ecologically sustainable way
- preservation and sustainable use of biodiversity, and promotion of sustainable forestry
- prevention of desertification
- strengthening international environmental governance; establishment of a United Nations Environment Organisation (UNEO) by reinforcing UNEP
- strengthening the role of international security fora and structures, including the UN Security Council and the Peacebuilding Commission (PBC), in promoting environmental safety and security
- promotion of the mutual coordination and operational coherence of various UN organisations and programmes in terms of environmental and climate change issues

- strengthening the United Nations Commission on Sustainable Development (CSD) in order to advance implementation of the Rio Declaration on Environment and Development
- strengthening the Clean Development Mechanism (CDM)
- strengthening of international environmental financing, with the Global Environmental Facility (GEF) as a priority
- mainstreaming the gender and equality perspective in environmental and climate change issues.

***For the purpose of achieving the priorities it has set, Finland cooperates, in particular, with the following members of the UN-system and international financing institutions:***

### **5.3.1. Cooperation with the United Nations system**

#### **FAO**

Development of agriculture and food production, food security, and improvement of human nutrition are core issues of the mandate of the **United Nations Food and Agriculture Organisation (FAO)**. FAO plays an essential role in implementation of the UN Millennium Declaration and its Development Goals, as well as in the implementation of the action programme of the World Summit on Sustainable Development (WSSD, 2002). FAO's operations are also steered by the targets set by the World Food Summit (1996) and the conventions on biodiversity and desertification. FAO is a significant global-level actor as an organisation dealing comprehensively with technical, economic and political rural and agricultural issues. Sustainable development is a cross-cutting principle in all FAO operations.

As regards the Development Policy Programme of the Finnish Government, the most essential priorities of FAO operations include international forest policy issues, norms and standards related to agricultural and food policies (including land use issues and fishing), and the development of agricultural market systems and participation possibilities (such as cooperatives). These sectors are given weight in the intensifying cooperation with FAO to take

place during the current Government term; this will be reflected in increased funding provided by Finland. The cooperation takes account of topics related to climate change and bioenergy; these are central in terms of both food security and sustainable development. The existing cooperation with FAO in the field of forestry will be strengthened, the aim being to respond to topical challenges and threats, such as deforestation and climate change. The Ministry of Agriculture and Forestry is responsible for the payment of Finland's membership fee to FAO, whereas voluntary development cooperation funding to specific FAO programmes is the responsibility of the Ministry for Foreign Affairs.

## UNEP

The United Nations Environment Programme (UNEP) is the leading UN programme on environmental issues. It is, among other things, a significant actor in facilitating negotiations on new international conventions on environmental issues and in supporting the implementation of existing conventions. An important task of UNEP is to produce scientific knowledge on environmental issues to support political decision-making, and to advance ecologically sustainable development within the UN system.

Finland strives to strengthen UNEP's mandate, position and effectiveness as the leader in international environmental issues. The intention is to convert UNEP into a UN specialised agency, the **United Nations Environment Organization** (UNEO). This process is part of the strengthening of the International Environmental Governance and of the overall reform of the UN system. The UNEP funding is based on voluntary donations. For a long time, Finland has been one of UNEP's major financiers in relative terms, and supporting UNEP can be seen as the flagship of Finland's international cooperation on environmental issues. The Ministry of Environment is primarily responsible for Finland's UNEP policy. The Ministry for Foreign Affairs is responsible for the annual funding to UNEP and any voluntary financing provided by Finland.

In UNEP operations, Finland stresses, in particular, promotion of the implementation of international environmental conventions in developing countries and strengthening the synergies of international environmental conventions as part of UN-level efforts to

develop international environmental governance. Finland also emphasises environment and security, including post-conflict activities related to the environment. The UNEP Environment and Security (ENVSEC) and post-conflict activities are an increasingly strong element in international efforts to promote stable and sustainable development and to prevent conflicts in crisis-prone areas. Finland has had a visible role as the developer and financier of this work, and intends to continue in the future. Finland supports the UNEP ENVSEC operations, e.g. through project funding.

Moreover, Finland considers it important that UNEP draft a climate strategy based on international climate change conventions. More effective handling of problems related to climate change within the UN system also calls for optimal utilisation of UNEP's resources.

Support for ecologically sustainable development is also included in the activities of, among others, the **UN Development Programme** (UNDP) and the **World Meteorological Organisation** (WMO). In the environmental sector, UNDP cooperates with UNEP, which *per se* has no country-level presence in developing countries. Finland stresses the importance of intensifying cooperation between, and clarifying the roles of, UNEP and UNDP, especially in their efforts aiming to improve preparedness in developing countries.

## UN Framework Convention on Climate Change (UNFCCC)

The **UN Framework Convention on Climate Change** (UNFCCC) and the Kyoto Protocol are the central instruments in terms of global climate policies. Finland is actively engaged in international negotiations to increase and enhance the impact of climate policies. The primary goal is to establish, within the UN, a global climate convention for the time after 2012. Topical issues in the negotiation process are the participation of all countries in efforts to reduce greenhouse gas emissions, and issues related, e.g. to the transfer of technology, adaptation to climate change and deforestation. Of the various thematic topics supporting international negotiations, Finland considers the theme of 'climate change and women' particularly significant, and brings this theme to the fore in various contexts.

The UN Climate Change Conference held in Bali, Indonesia in December 2007 approved the Bali Action Plan to launch global negotiations on developing an international climate convention system. The intention is to complete these negotiations at the climate change conference to be held in Copenhagen, Denmark, in 2009. The main elements of the climate convention system after 2012 are mitigation of climate change, adaptation to climate change, development and transfer of technology, and funding. The Bali Action Plan also mentions developing countries' efforts to mitigate climate change. Finland contributes to the Readiness Fund of the Forestry Carbon Partnership Facility managed by the World Bank. The Readiness Fund was established in Bali, and it aims to support the UNFCCC process by producing information on the role of forest resources, by strengthening the capacities of developing countries in the forestry sector, and by piloting on forest resource utilisation in emission trading as part of climate change prevention.

Finland considers the flexibility mechanisms of the Kyoto Protocol to be an important part of the new convention system after 2012. In Finland's view, the Clean Development Mechanism (CDM), in particular, should be developed and strengthened to obtain an effective climate political instrument advancing the participation of developing countries and the development of a global emission trading system.

#### **Global Environment Facility (GEF)**

The purpose of the **Global Environment Facility** (GEF) is to serve as the financing instrument for multilateral environmental conventions. At the same time, it aims to support sustainable development in the target countries at national level. The work is firmly anchored in Goal 7 of the UN Millennium Declaration, i.e., to ensure environmental sustainability. The GEF activities encompass six focal areas: climate change; biodiversity; ozone depletion; international waters; persistent organic pollutants; and land degradation. GEF also draws attention to capacity building in the target countries.

GEF is the main instrument for Finland's multilateral environmental funding. Finland supports GEF through funding and policy

guidance. The next negotiation round on GEF funding will start in 2008, and Finland will work actively to secure substantial additional funding.

On an annual basis, Finland supports the two Special Climate Funds of the UNFCCC that are governed by GEF and that work to support adaptation processes in the poorest and most vulnerable countries. GEF and the Special Climate Funds together constitute the UNFCCC financing mechanism, and the level of their funding is directly correlated with the results of the climate negotiation process; consequently, they will continue to be top priorities in Finland's climate funding in the future.

#### **UN Commission on Sustainable Development (CSD)**

The **United Nations Commission on Sustainable Development** (CSD) is a high-level forum for sustainable development, established to follow-up and promote implementation of the Action Plan issued at the Rio Conference on Environment and Development, known as Agenda 21, and the Johannesburg Summit Action Plan.

Finland considers it important to reinforce the significance of the UN Commission on Sustainable Development. Finland works in line with this goal within both the UN and the European Union, and also strives to see that the CSD Work Programme, which extends up to 2017, would be carried out even better. This would promote both sustainable development and the achievement of the UN Millennium Development Goals. The visibility and effectiveness of the CSD should be enhanced by focusing on themes and action models that bring added value to the global environmental cooperation. The themes of the CSD Work Programme are in agreement with the outlines of Finland's Development Policy Programme. In its work for the CSD, Finland presents national activities and best practices for the promotion of sustainable development. Promotion of the framework programme on sustainable consumption and production is an especially important priority for Finland.

#### **UN Forum on Forests, UN Convention to Combat Desertification and the UN Convention on Biological Diversity**

The **United Nations Forum on Forests**

(UNFF) was established in 2000 to serve as an inter-governmental policy forum within the UN system. An extensive Collaborative Partnership, with several international organisations as members, was created to support the UNFF activities.

In 2007, the Forum adopted the Non-Legally Binding Instrument on All Types of Forests (NLBI) which sets out a broad framework for the forest policies of UN member states and for the measures to which the countries are committed in order to achieve global forest management targets. It also sets political obligations for international cooperation. NLBI outlines how forest-related development targets, and how the importance of forests in achieving international development targets, are integrated into development programmes at various levels and by means of various actors. Finland is committed to applying the NLBI in all of its development cooperation, and to promoting its implementation through its inclusion in the development programmes funded by Finland. At the same time, Finland supports pursuits to establish a legally binding instrument on forest management.

The **United Nations Convention to Combat Desertification (UNCCD)** aims at preventing desertification and soil degradation through community-centred strategies that take into account not only ecological, biological and physical, but also social, cultural and economic factors. Country-specific and regional programmes are used to integrate the tools of sustainable management of natural resources, improvement of the soil production capacity, and environmental protection for poverty reduction purposes.

In 2008, the Conference of the Parties to the UNCCD approved a 10-Year Strategic Plan (2008-2018) to intensify the implementation of the Convention, the vision being to establish global partnership to prevent desertification, to reduce damages resulting from aridness and to reduce poverty in an ecologically sustainable way. The strategy also aims to strengthen the synergies between the components of the Rio Convention on Climate Change, Biodiversity and Desertification for the purpose of resolving environmental problems so as to gain optimal benefit and to avoid overlapping activities.

The European Union has been a central player in reforming implementation of the UNCCD,

and is a significant financier of the UNCCD. Finland attempts to intensify implementation of the UNCCD by means of multilateral efforts and through bilateral, regional and NGO development cooperation.

The principal goals of the **United Nations Convention on Biological Diversity (UNCBD)** are, in compliance with the principles of sustainable development, to protect biological diversity, to promote sustainable utilisation of resources, and to ensure fair and equitable sharing of the benefits from the use of genetic resources. The Cartagena Protocol on Biosafety also falls within the Convention. The Convention and Protocol emphasise the liability of industrialised countries to support developing countries in implementing commitments related to the Convention.

Finland is committed to the conclusions issued by the European Council in 2007 which stress the urgency of actions to promote the achievement of the goals set for biodiversity and the need for effective implementation of the UNCBD. Implementation of the UNCBD makes it possible, for example, to strengthen the capacity of the parties to the Convention to adapt to climate change, and to minimise the threatening environmental changes affecting, in particular, food production in the arid areas in developing countries and the poor population groups of those areas.

### 5.3.2. Cooperation with international development financing institutions

The integration of development targets and the challenges related to environmental and climate issues drive the international development financing institutions to reform their operating strategies. Finland supports efforts to raise ecologically sustainable development to serve as the third cornerstone, along with economic growth and participation opportunities of poor people, in the poverty reduction strategies of development financing institutions. It is essential to ensure that the funding decisions of different financing institutions support sustainable development in a coherent manner.

According to Finland it is important to show additionality so that funding for operations related to climate change leads to an increase in development financing. This was clearly manifested in the IDA and AfDF negotiations on

additional financing, concluded in 2007, where the development demands were assessed, while paying attention to the challenges of climate change. The negotiations resulted in an increase in the total volume of the funding granted by the donor community, including Finland, to the financing institutions.

Additionally, Finland supports financing facilities that the international financing institutions currently employ (or plan to employ) for the purpose of supporting emissions trading and its preconditions. Through cooperation with the international financing institutions, Finland contributes to improvement of the coordination of environmental financing.

Finland supports the coordinated action plans of the World Bank and regional development financing institutions that aim at promoting clean energy production, prevention of climate change and adaptation to climate changes. By means of the Clean Energy Investment Framework (CEIF) and a variety of financing instruments provided by the international financing institutions, it is possible to accomplish the above elements and emphases in various country groups, taking into consideration their income level and geographical position. The international financing institutions, especially the World Bank, are strongly committed to supporting the climate convention negotiations under the leadership of the United Nations. The institutions will provide all the negotiating parties with information acquired through their research, methodological development and country-specific projects. The implementation of international environmental conventions is also supported through the financing institutions. In accordance with the Bali Road Map, this financing shall be substantial, trackable and subject to reporting under the UN Climate Convention.

Finland participates in the policy guidance of the World Bank, and allocates financing through the International Development Association (IDA) and the partnership funds supporting ecologically sustainable development. Finland supports the World Bank's role as the coordinator of funding on the basis of the Bank's potential to exert influence and its sound empirical background.

Since IDA funding is principally targeted to low-income countries, it is particularly suitable for the purpose of integrating climate change

related efforts with activities aiming at poverty reduction and development in general. In this regard, the IDA focuses on adaptation. The aim is to integrate adaptation into national Poverty Reduction Strategy Papers (PRSP) and thereby to include adaptation in all operations in a cross-cutting manner. In terms of operative activities, the IDA plays a role especially in the funding and implementation of infrastructure investments in poor countries, with due consideration to the climate proofing of each initiative. As regards mitigating climate change, efforts concentrate on the management of natural resources, utilisation of renewable energy sources, development of sustainable forestry and prevention of deforestation.

Mitigation is most productive in middle- income countries where, for example, utilisation of new technologies to improve the energy efficiency is being funded by the World Bank's IBRD and by private-sector IFC funding. Private-sector investments are necessary for the resolution of problems caused by climate change. For example, constructing a sustainable energy infrastructure in developing countries calls for major investments where public funding can only have the role of a catalyst.

Finland is actively involved in jointly financed projects and trust fund cooperation. The most important of these channels are the World Bank's trust fund for Environmentally and Socially Sustainable Development (ESSD), which is jointly funded by Finland and Norway, and the Forest Carbon Protection Fund (FCPC). Finland also provides funding for recruiting experts and specialists to serve the international financing institutions, for example, in the Forest Law Enforcement and Governance (FLEG) programme of the World Bank.

Finland supports the activities of the Asian Development Bank, especially its efforts to promote energy efficiency and utilisation of renewable energy sources, e.g. through a partnership fund and emissions trading. Energy issues and adaptation to climate change are focal areas in the African Development Bank, as is the climate proofing of projects financed by AfDB. In the partnership fund, the weight is being transferred to the management of natural resources, the aim being to focus especially on forest and water issues. To influence the activities of the Latin American Development

Bank, support is given to the mainstreaming of its energy and climate programme through both governing board work and the partnership fund.

### **5.3.3. Other multilateral players**

#### **Consultative Group on International Agricultural Research (CGIAR)**

Finland contributes to ecologically sustainable development and the mitigation of climate change by supporting the activities of the Consultative Group on International Agricultural Research (CGIAR). Finland exerts influence in the network through its annual general and other meetings, and provides a limited number of its research institutions with financing and expertise, as well as supports them through collaboration with researchers in Finnish research institutions.

#### **International Tropical Timber Organization (ITTO)**

The International Tropical Timber Organization (ITTO) is responsible for implementation of the International Tropical Timber Agreement (ITTA), one of the conventions on basic commodities negotiated within the framework of UNCTAD. The parties to the ITTA include all major tropical timber producers and consumers, and its aim is to promote the trade and processing of tropical timber that has been produced in a sustainable manner. Negotiations to update the agreement were concluded in early 2006. During the negotiations, the agreement goals emphasised were poverty reduction, promotion of good governance and prevention of illegal logging. Finland is considering the possibilities for broadening its support of ITTO through the new thematic programme mechanism developed during the agreement negotiations.



## 6. HUMANITARIAN AID

Humanitarian aid appropriations are included in the development cooperation budget reserved for assisting developing countries; however, these activities do not actually count as long-term development cooperation with selected partner countries. The starting points for humanitarian aid are determined in international humanitarian law, international human rights conventions and international refugee law. Aid is granted in compliance with the principles of humanity, equality, neutrality and independence, and on the basis of needs assessments. The principles Finland follows in granting humanitarian aid are included both in the Humanitarian Aid Policy completed by the Ministry for Foreign Affairs in 2007 and in the European Union's Declaration on Humanitarian Aid, also completed in 2007. The latter contains a shared vision and guideline for the humanitarian aid activities of both individual Member States and the Union.

### ***For the purposes of implementing humanitarian aid, Finland:***

- emphasises the leading role of the United Nations as the global coordinator of humanitarian aid, thereby supporting the UN Office for the Coordination of Humanitarian Affairs (OCHA) in this task
- channels the majority of Finland's humanitarian aid through the UN system
- actively supports the process to reform the UN humanitarian aid system
- supports the Hyogo Framework for Action, an international strategy for disaster reduction led by the UN, and the International Strategy for Disaster Risk Reduction (ISDR), a secretariat under the OCHA and focusing on implementation of the Framework for Action

Funding for humanitarian aid is targeted in relation to needs and is allocated on the basis of needs assessments, of which the UN Consolidated Appeal Process (CAP) is the most important.

The United Nations **Central Emergency Response Fund** (CERF) was established as part of the reform process for UN humanitarian aid. Through CERF, it has been possible to

improve the predictability of funding for humanitarian aid and to respond in a more flexible way to acute crises, and to underfinanced operations and sectors. Specifying sector responsibilities in accordance with the cluster model has been one of the measures aimed at making the provision of aid and relief more effective. For each main sector of humanitarian aid — such as food, health, water supply, camp administration etc. — a specific UN organisation has been appointed which is then responsible for the division of tasks and coordination of aid in cases of humanitarian crises within the sector.

Climate change has increased proneness to floods, aridity and other natural catastrophes, and thus has meant increased humanitarian needs and appeals. Finland emphasises the development of disaster prevention, early warning and disaster preparedness, by means of which the impacts of natural disasters and human vulnerability can be restricted.

Recovery and reconstruction after a disaster are a challenge that calls not only for humanitarian aid but also for structural measures and development cooperation. Finland strives to improve the integration of humanitarian aid and development cooperation. The objective is that the transition from humanitarian aid to early recovery, reconstruction and development is financed and carried out as seamlessly as possible. Finland's humanitarian aid is based on the holistic idea of a relief-to-development continuum, and Finland strives to promote this approach in international fora, as well. Humanitarian mine action, which Finland also supports, facilitates development and is in line with the continuum approach.

### ***Humanitarian aid provided by Finland is principally channelled through the following organisations:***

#### **UNHCR**

The **United Nations High Commissioner for Refugees** (UNHCR) has a unique mandate to protect and assist refugees in crises and emergencies, and to coordinate international aid to refugees. The central humanitarian mission of the UNHCR within the UN system is also reflected by the organisation's cluster leadership in three sectors; namely, protection of people, administration of camps and

provision of emergency shelter. The UNHCR also supports refugees' voluntary repatriation, local or regional integration and resettlement. As regards matters of refugee protection, UNHCR provides authorities with extensive counselling and education, and is also involved in developing the legislation concerning refugee issues.

### **UNRWA**

The **United Nations Relief and Works Agency for Palestine Refugees in the Near East** (UNRWA) aims to respond to the needs of 4.4 million Palestinian refugees in Jordan, Lebanon and Syria, on the West Bank and in Gaza. One-third of the refugees live in the 58 refugee camps maintained by the UNRWA. The organisation is also a significant employer: the majority of the UNRWA staff, or approximately 28,000 people are themselves Palestinian refugees. The UNRWA Commissioner-General reports to the UN General Assembly.

### **UNICEF**

The **United Nations Children's Fund** (UNICEF) focuses on promoting children's rights and well-being. At the same time, the organisation is also a significant provider of emergency aid. The UNICEF has the cluster responsibility for the water and sanitation as well as nutrition sectors. The organisation's responsibilities cover, among other things, supply of clean water and toilets, emergency vaccinations, assessment of the nutritional situation, distribution of vitamins and other supplements, therapeutic nutrition, and children's protection and education in emergency situations.

### **UNFPA**

The **United Nations Population Fund** (UNFPA) is one of the operative UN development organisations that has carried out important work in humanitarian crises, to an ever increasing extent. Supporting women's position in family policy issues, in particular, is a central element in the organisation's humanitarian activities. In cooperation with several civil society organisations, the UNFPA provides natural disaster victims and refugees with contraceptives, obstetric instruments and supplies, as well as with reproductive health services and education on HIV/AIDS. Increased sexual violence among people receiving

humanitarian aid, such as female refugees, will mean increasing importance for the UNFPA's role in this respect, too.

### **WFP**

The **World Food Programme** (WFP) is responsible for UN food assistance. It is a significant player in the field of humanitarian aid, and is at its strongest especially in crisis and disaster situations. As regards humanitarian aid efforts, the WFP – apart from food assistance – has cluster responsibility for logistics and data communications connections, and also for management of the United Nations Joint Logistic Centers (UNJLC), if necessary. As the activities of the WFP are - in accordance with its mandate - increasingly focusing on humanitarian aid, it is reasonable that, in the future, Finland will provide all of its general assistance in the form of cash appropriation.

### **WHO**

The **World Health Organization** (WHO) carries out humanitarian activities through its Health Action in Crises (HAC) programmes. In crises, activities focus on the improvement of the availability of basic health care for civilians in the weakest position. WHO has in recent years invested in diversifying its humanitarian aid programmes and increasing its field presence.

In addition to the above-mentioned UN organisations and programmes, the **International Committee of the Red Cross** (ICRC) and the **International Federation of Red Cross and Red Crescent Societies** (IFRC) are important channels for humanitarian aid provided by Finland. The ICRC supports people in need of relief assistance during conflicts, while the IFRC provides emergency aid to the victims of natural disasters. Finland supports the activities of these organisations either directly through humanitarian relief appeals or through the Finnish Red Cross. The greatest advantage of the international Red Cross and Red Crescent movement is that it can always work through a national Red Cross or Red Crescent association.

## **7. COMMUNICATION AND DEVELOPMENT EDUCATION**

Multilateral cooperation and its special features are highlighted in all communication of the

Ministry as an integral part of the Finnish development policy. To this end, Finland cooperates closely with the international partnership organisations; the input of the UNDP, UNFPA and the World Bank, in particular, is significant for the purpose of analysing global development and communicating it to citizens.

Individuals also spread information about global development; for example, a visiting expert on multilateral cooperation or a goodwill ambassador from a particular organisation has potential for communicative impact. Good cooperation between the Ministry and the UNDP office in Finland is essential in utilisation of public relations and educational opportunities in connection with the visits of international guests.

The Ministry for Foreign Affairs, on an annual basis, awards government grants and/or operational support to Finnish civil society organisations for the purposes of communication and global education. A good number of civil society organisations whose activities focus on themes of multilateral assistance fall within the scope of this funding. They include, for example, the UN Association of Finland, UNICEF Finland, UNIFEM Finland, and the Finnish Refugee Council. They raise discussion on important issues or perspectives in Finland, and are even able to reach target groups that are not responsive to communication from the authorities.

## **8. MONITORING OF IMPLEMENTATION**

Finland's multilateral cooperation is implemented as part of the Development Policy Programme, with the various departments and foreign missions of the Ministry for Foreign Affairs, state administration, and the civil society working together in cooperation. Constant monitoring of activities makes it possible to ensure that set goals are achieved in compliance with agreed principles. No separate mechanism will be created for the purpose of monitoring implementation of the multilateral cooperation policy; instead, its implementation is followed up by means of the regular planning, monitoring and assessment systems of the state government and foreign affairs administration. The most important tools include the operating and financial plans, annual plans, annual reports to the Finnish

Parliament and separate evaluations. The material produced by the multilateral cooperation actors and by independent evaluation surveys will also be utilised in monitoring and assessing multilateral cooperation.

The Finnish Parliament plays a central role in the monitoring and assessment of multilateral cooperation. The Ministry for Foreign Affairs informs the Parliament when preparing for Finland's participation in the annual meetings of the principal multilateral organisations and in other major international conferences, and also informs the Parliament of the results achieved in such meetings and conferences. Moreover, the Ministry for Foreign Affairs, through the Government, reports annually to the Parliament on the implementation of Finland's development policy and development cooperation, including the accomplishments of and the development challenges facing the multilateral cooperation. The Development Policy Committee also plays a significant role in planning multilateral cooperation, and in monitoring and assessing its implementation.