

Unleashing the Potential of Partnerships and Reinforcing Joint Ownership of UN Assistance to Lower Middle-Income Viet Nam

A background Paper on the UN's Role and Modalities for Cooperation in preparation to the formulation of the One Strategic Plan 2017-2021

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***Background Paper to the One Strategic Plan 2017-2021
on the UN's Role and Modalities for Cooperation¹***

1. INTRODUCTION

Viet Nam's current stage of development requires a more responsive UN: a higher demand for policy excellence, through agile and innovative services

Viet Nam has made remarkable socio-economic progress during the past four decades and had achieved most Millennium Development Goals (MDGs) by 2015. The UN's support to Viet Nam has evolved from its post-war role of offering a "window to the world," to a focus on service provision in the 1990s and 2000s that emphasized capacity development, coordination and resource mobilization. More recently, the UN's focus has adapted further. During the One Plan 2012-2016, the UN has effected a transition from technical support and strengthening public service delivery to a focus on rights and international norms-based policy advisory services, with continuing technical assistance and capacity development on the most relevant and emergent issues. Much of the UN's work today is anchored in evidence-based policy-making, which incorporates international standards and best practices that deliver high-calibre knowledge services as well as support human and institutional capacities.

Viet Nam, together with other nations, has committed to the 2030 Development Agenda and Sustainable Development Goals (SDGs). They form a comprehensive framework of related priorities centered on a higher level of ambition and scope beyond those contained in the MDGs, primarily the eradication of poverty in all its forms. In a rapidly changing world, the central development challenge for Viet Nam is to sustain its economic growth while enabling more equitable sharing of the gains. Interlinkages between society, the environment and economy are growing in importance, and the needs of a large and diverse population require that Viet Nam ensure its institutions become drivers and enablers of equitable and sustainable development. Specifically, to ensure the negative growth impacts are forestalled, people are insured against risks of disease, disaster and economic failure and the rights of people today and tomorrow to enjoy good health and a clean environment are protected. This particular nexus - a sustainable and inclusive development agenda - is where the UN can offer a distinct voice to support Viet Nam.

In consultations with a range of Government, civil society, private sector and development partners, stakeholders have called on the UN to respond with greater speed and agility to Viet

¹ This paper discusses main directions for the delivery of UN support to Viet Nam over the next five years through the One UN Strategic Plan 2017-2021. It outlines the UN's commitment to relevant, responsive and effective assistance and summarizes the approaches and modalities that underpin a more flexible and agile response and greater effectiveness and efficiency. Consultations included discussions with line ministries, Committees of the National Assembly, CEMA, VASS, Viet Nam Fatherland Front, one provincial People's Committee, civil society organizations (national and international), prominent intellectuals, private sector representatives, and development partners, including donors to the One UN, other bilateral and multilateral partners, and development banks.

Nam's rapidly changing development agenda and needs, drawing on the UN's normative responsibilities and broad technical capacity.

In response, UN agencies² collectively will offer assistance in line with the demands of the SDG agenda, further improve business effectiveness in the new environment, pursue new and innovative partnerships and resource mobilization strategies.

2. MEETING THE DEMANDS OF VIET NAM'S NEW AGENDA

SDGs: A comprehensive agenda requiring society-wide partnerships and coordinated Government action with cross-cutting UN support

The SDGs are transformative, comprehensive and ambitious - they are also universal and nationally owned. The Common Country Assessment (CCA), which provides an SDG-based appraisal, underlines the demanding challenges Viet Nam faces in delivering on this agenda. Approaches to SDGs require a clear *theory of change* that identify and establish the key drivers of change, channels for contribution and resources that support the required scaling-up and commitment. For Government, this means a step change in policy-making and planning capacities, and new ways of delivering such as partnership-oriented and multi-sectoral approaches. In order for the SDGs to be achieved, countries like Viet Nam must focus on areas for provision as well as groups and regions lagging behind, via government approaches and planning frameworks that monitor and promote achievement of development priorities.

The nature, relationship and inter-connectedness of the SDGs will influence the UN's work and underline the importance of multi-sectoral collaboration between individual UN agencies. For the UN, this means ramping up coherence across programming, ensuring human rights-based approaches to development support services in all areas of work and more cross-cutting, multi-sectoral and issues-based ways of working.

The SDGs mark a fundamental shift in development thinking, requiring partnerships - including across countries in global agendas - that are no longer primarily defined by the allocation of Official Development Assistance (ODA), but instead are increasingly issues-based and reflect national, regional and global priorities. Viet Nam's engagement with the COP21 in 2015 and resulting Paris agreement is one example, where Viet Nam has set a national target to be aggregated at the global level in multilateral negotiations. Equally at country level, a range of different partnerships involving many different stakeholders must materialize to guarantee its implementation.

The SDGs, to which Viet Nam has made a commitment through its advocacy and formal adoption, will re-cast the country's development agenda over the next 15 years requiring stronger measures to deliver equity and sustainability. These must be achieved at a time when Viet Nam's development context is changing rapidly, but the new global goals also offer benefits for a lower middle-income country (LMIC) via their comprehensive framework. UN agencies will recognize and mainstream the SDGs within all of their activities. The SDGs offer a framework where the

² UN specialized agencies, funds and programmes.

Government and UN can meet with common purpose, guiding actions, interventions and performance monitoring and evaluation.

In a lower middle-income context, the Government needs tailored development solutions that anticipate and respond to multiple transformations

The particular challenges confronting Viet Nam today in a LMIC context differ considerably from those it faced as a lower-income country. The issues are comparable to those encountered by other LMICs in their development paths. Significant challenges include:

- Despite Viet Nam's strong development performance and human development record, the unfinished MDG agenda is considerable and still requires traditional targeted support to eradicate multi-dimensional poverty and reduce major disparities.
- Given the policy priority to stimulate economic growth, the Government must carefully balance investment in future growth capacity with equal investment in the realization of rights and equity. This underscores the need for win-win solutions as well as inclusive growth models and policies.
- People's expectations for more and better quality public services will continue to increase, while Government capacity to meet expectations is unlikely to keep pace. Government needs support for regulation and implementation, focusing on enforcement of norms and standards, technical competence, management improvements, accountability and oversight.
- The complexity of the development agenda and implementation of more ambitious and interlinked SDGs pose challenges in coordination between Government agencies and in the identification and delivery of innovative solutions.
- There is a need to foster and respect the growing roles of the business sector and civil society in public life and in service delivery. Viet Nam needs reform on its own terms, towards a more enabling environment and space for people's participation. This is likely to increase public demands for transparency and accountability in resource allocation and decision-making.
- Increasing political and socio-economic international integration continue to provide great opportunities, but also imply greater exposure to risks and may fuel growing inequalities. This will pose challenges to the Government's capacity to respond quickly and to reform its institutions as required under new trade agreements and global cooperation mechanisms.
- The overall fiscal space is constrained and the development financing landscape is evolving. The rate of domestic revenue growth is insufficient to meet growing public expenditure demands. Over time, this threatens to constrain development progress. Although Viet Nam is still able to draw on concessionary finance (under IDA and IMF enhanced terms), this will progressively decline. Government must continue to explore new revenue sources and greater efficiency of public spending while managing a transition to new forms of partnership, particularly with the private sector, to finance development³.

³ Importantly, the February 2016 ODA Strategic Framework notes: "In order to accelerate the development process and to achieve targets set in the SEDS 2011-2020 and to avoid the middle-income trap, Viet Nam has had a policy to mobilize both domestic and international resources, especially from society, from private sector and with a focus on external resources (FDI, ODA and concessional loans, overseas remittances) for development."

The nature of the UN-Government relationship is changing

These new challenges, arising out of the LMIC status and SDG agenda, drive the Government's priorities and shape demands for UN support. In this context, UN agencies must be fully responsive to country changes and transformations, pursue greater alignment with national development priorities and take account of the country's broader regional and global aspirations. This means development cooperation changing towards more demand-driven advisory assistance and technically integrated support, deliverable with a short lead-time and together with a variety of Vietnamese actors - public, independent and private sectors - as clients and partners rather than aid recipients.

The changing nature of this relationship has also been triggered by changes in the global ODA environment. In the past, the UN has been a major provider of ODA grant funds and Viet Nam has also been a net beneficiary from knowledge transfer. In the context of sharply reducing grant-funded ODA that Viet Nam is now experiencing⁴, the Government will need to increase its mobilization of domestic and other sources to meet growing needs for technical assistance, capacity development and policy advisory support.

Most LMICs experience similar patterns of change. Over time, the UN-Government relationship will evolve towards a situation where the Government increasingly cost shares or finances the UN's work, and articulates expectations of support within a strategic partnership framework. This implies a transition process, unique to each country, in which the partners jointly define such terms and requirements.

The Viet Nam ODA Strategic Framework 2016-2020 also anticipates such a gradual shift⁵. Moreover, UN delivery modalities as a provider of services needs to accommodate new approaches, such as promoting South-South cooperation and best practice approaches of other LMICs, and by facilitating exchange and disseminating Viet Nam's knowledge and capacities. Equally, the UN must continue to support policy dialogue, offering rights-based advocacy and solutions and make the case for new understanding and knowledge based on international norms.

While the UN is not the only development partner in Viet Nam with the capability to assist the Government, it has a particular role to play to help Viet Nam fully embrace policies and multi-stakeholder partnerships for the realization of human rights, inclusion and equity. This will be underpinned by international norms and standards that leverage the contributions of all stakeholders towards achievement of Viet Nam's development agenda and the SDGs. The clear fit with inclusive development approaches enables UN agencies to make an attractive offer of support to Viet Nam. The UN's presence and ways of working alongside Government as a trusted partner can facilitate and enable continuing socio-economic reforms.

⁴ The Strategic Framework on "Direction to attract, manage and use ODA and concessional loans for the period 2016-2020, approved by the Prime Minister as per the Decision 251/QĐ-TTg on 17th February 2016.

⁵ Ibid, p. 24: "UN agencies together with the Government of Viet Nam is the process of positioning the role of the United Nations in Viet Nam so as to focus to support Viet Nam as a provider of policy advocacy for development rather than as a donor via more flexible modalities and closer cooperation with Vietnamese agencies to mobilize additional resources to respond to growing demands in the context of the UN's limited budget."

3. UN ROLES AND COMPARATIVE ADVANTAGES

The United Nations is an international organization made up of 193 member states. The mission and work of the UNs are guided by the purposes and principles in the UN Charter, whose unique powers offers clarity of purpose and instills upon the UN's unique merits as a development partner. The UN is able to draw upon collective global wisdom without favour towards political ideology or external priorities. This impartiality is the UN's chief comparative advantage. It is a starting point for all UN development efforts and it allows the UN to promote progress towards realizing the common good without precondition or bias.

Impartial and unbiased - the UN offers objective development policy options drawing on collective global knowledge

The freedom from bias and fundamental commitment to the interests of Vietnamese people as well as the focus on evidence-based advice has earned the UN a high level of trust and recognition among country partners. As one stakeholder noted: “(The) UN is perceived to be representing common agreed ethical standards, as opposed to political interests”⁶. This foundation enables Viet Nam to work with the UN to learn from its peers as an equal member of the community of nations, all of whom recognize that none of its members have achieved full aspirations rooted in international norms.

While the One Strategic Plan 2017-2021 advances, the UN and its partners will benefit from revisiting the UN's unique resources that, if properly leveraged, will allow Viet Nam to respond more proactively to the changing country context. These advantages include:

- The UN's work is *impartial and unbiased* and works to serve member states “without fear or favour,” though not neutral in relation to values. Its interventions, support, advice and advocacy has a normative base built upon the international human rights framework and global goals and treaties, with a focus on those to which Viet Nam is a party.
- The UN's *long and trusted relationship with the Government* allows for joint engagement in improving Viet Nam's institutional capacity and governance, addressing important and “sensitive” issues, and forging innovation and partnerships.
- The UN's *objective and evidence-based policy research* and cutting edge technical assistance has been and will remain a key component of its partnership with Viet Nam. The UN's impartiality enhances effectiveness in advisory roles and in sifting through an abundance of existing policy guidance, to identify and articulate options relevant for Viet Nam's particular goals and priorities.
- The UN's *convening power* allows it to harness multi-stakeholder partnerships to support the achievement of SDGs and national development goals. The UN brings together voices of people often unheard and whose inputs are essential for a full and complete understanding of development challenges and solutions.

⁶ Citation from the One Plan review.

During consultations with the Government, bilateral development partners and civil society, valuable suggestions emerged on how the UN can leverage these advantages to better serve the needs of Viet Nam under the One Strategic Plan. Many ideas centered on the UN's ability to create an ever more enabling environment for development, that allows central policy-making to be connected with empowering people at grassroots level, working more with youth, social entrepreneurship and the private sector as well as promote knowledge sharing and adaptation of development solutions from other countries, including through South-South and Triangular Cooperation. Other recommendations noted the UN's valuable role in supporting coherence and alignment in policies, helping Government make more effective use of domestic resources (including ODA) and expand Viet Nam's resources, such as through taxation and global funds, fostering independent national think tanks, research bodies and innovation hubs and connecting partners to cutting edge thinking and technologies.

These recommendations all recognize the UN's advantage in supporting Viet Nam to accelerate global integration while improving the quality of life for all its residents. In addition, the UN plays a key role in fostering the adoption of norms and standards important for the development of a modern market economy, international integration and more resilient human development systems. The UN's development and dissemination of data and statistics, in areas as diverse as population, education, agriculture, gender, living standards and poverty and environmental quality, contributes a wealth of vital knowledge and data for effective social development policies.

The UN helps develop clear and practical solutions for realizing the SDGs

The UN Common Country Assessment recognizes the complexity and comprehensiveness of the SDGs requires concerted efforts by Government agencies at all levels to *reduce fragmentation* as well as identify and address *system-wide bottlenecks*⁷. The SDGs also demand comprehensive responses that draw on the strength of multiple stakeholders within a coherent framework that is also open and encouraging of new ideas. The UN can help Viet Nam establish clear and practical solutions for progress towards the SDGs in the following ways:

- *Support greater coherence in development cooperation across sectors and stakeholders.* The UN can support the Government to engage in effective dialogues that contribute to consensus building on the national SDG agenda and fosters shared commitment.
- *Apply complementary UN mandates to address multi-faceted development challenges,* leveraging its expertise, knowledge and skills under common advocacy messages and integrated solutions.
- *Help the emergence of inclusive governance processes* buttressed by strong data management and monitoring mechanisms to support Viet Nam to effectively implement complex agendas and foster collective national progress monitoring on achievement of development goals.
- *Foster the emergence of innovative stakeholder partnerships,* particularly with civil society and the private sector, bringing new approaches and development solutions to scale.

⁷ As described in the CCA Report.

The co-location of UN agencies in the Green One UN House in Ha Noi offers a unique platform for multi-disciplinary technical assistance and advice to national partners in Viet Nam, and offers a *one-stop shop* for partnership connections, knowledge networks and expertise of resident and non-resident UN agencies.

Strong demand for a robust UN normative voice on human rights, equity and citizen-centered reforms that leave no one behind

The UN's normative framework puts human rights up front, especially through its formal grounding in international and inter-governmental conventions, treaties and agreements. This means the UN advocates for results-oriented approaches to reducing inequalities and disparities of income and wealth, access to opportunities and services and between different geographic regions, ethnicities, genders, sexual orientations and generations. A human rights-based approach is one which prioritizes the most vulnerable and disadvantaged at risk of being left behind as the country experiences socio-economic progress. The UN's integrated programming actively promotes equity via non-discrimination, the empowerment of women and minorities, and a cultural, gender and child rights responsive approach.

During consultations, stakeholders underscored the need for the UN in Viet Nam to take a stronger coordination role and a more robust normative stance on priority human rights issues. This is particularly related to civil and political rights to support the realization of Viet Nam's international commitments and the human rights chapter of the 2013 Constitution. The UN's fundamental role is to promote and encourage respect for human rights and fundamental freedoms and advocate for a human rights-based approach to ensure more equitable development. The UN is ready to further reinforce its support to the Government in reporting the implementation of conventions, norms, and other international obligations to which Viet Nam is committed to.

4. PUTTING PARTNERSHIPS AT THE CENTRE OF DEVELOPMENT

The importance of partnerships in development is far from a new idea or concept. Multi-stakeholder partnership compacts played an important role in the MDG agenda and contributed to their achievement in Viet Nam. Yet, in the face of multiple transitions and a shift in the mix of stakeholders needed to deliver on country goals, it is increasingly apparent that success depends on the effective participation of all actors. Development partnerships draw on the diversity and complementarity in the functions of each partner, which must be optimally deployed for greater results. (The absence of effective partnership approaches with multiple partners results in uncoordinated risks and conflicting efforts, wasted resources and ineffectual outcomes.)

This section discusses the importance of a partnership approach to Viet Nam's development as a backdrop to a more focused analysis of the particular partnerships the UN and Government should explore to deliver the ambitious UN One Strategic Plan. The main purpose is not to describe the specific partnerships that Viet Nam should nurture in support of its development goals. Instead, it should identify the types of partnerships to make the UN's contribution more effective or what it can leverage to contribute to Viet Nam's achievement of these goals.

Partnerships are fundamental to fostering collective action and transformational development impacts

Working through partnership approaches will become even more central to the successful delivery of development outcomes as well as being hardwired within the SDGs under Goal 17. Partnerships offer an avenue to pursue common interests among like-minded actors and for the Government, through its active leadership and coordination, to nurture collective action-forming partnerships internally and externally that are essential to:

- Build stronger ownership among stakeholders with different interests
- Identify new and innovative approaches, bring fresh ideas and new ways of working
- Harness a common focus on results or around one particular result
- Pool funds to deliver substantial resources via the right funding mix
- Improve oversight, monitoring and strengthen accountability.

The UN can support Government to harness a variety of partnerships for system-wide and sector-level development progress in Viet Nam. This means establishing common approaches, generating innovative and inclusive delivery arrangements and modalities as well as expanding and diversifying the range of partner actors to meet demands and respond to opportunities.

A look at cooperation between the Government and UN through a partnership lens: accelerating development towards the full eradication of poverty

The One Strategic Plan 2017-2021 represents a sea change for the Viet Nam-UN relationship. It will fully recognize Viet Nam's LMIC status, be shaped by SDGs and emerging development objectives, and respond to its rapidly changing development context. The Government is developing human resources and capacities to serve a modern welfare state where poverty is eradicated and social exclusion and vulnerability are systematically addressed. Going forward, the UN will be a partner, rather than a donor, during Viet Nam's development journey. It will offer required country support within its areas of comparative strength and development mandate, moving beyond traditional development assistance. This is an important distinction, as UN agencies will progressively re-orient themselves to respond to requests for assistance and delivery of development services on demand, where appropriate, with Government co-financing.

During 2017-2021, the most important focus for the UN will be to help advance policies and partnerships to activate national progress on SDGs. This could include, *inter alia*, offering development support services to improve the effectiveness of public provisioning and projects, assisting the Government with strategies for improved management of ODA and public investment as well as brokering international partnerships, such as South-South cooperation. These approaches will allow Viet Nam to apply peer experiences to accelerate its development and share its knowledge with others.

The Government is challenged to ensure all available sources of finance work collectively to deliver development outcomes. Government can enable development partners, including the UN, to unlock and pool resources from international and domestic sources. Some national and sector-

specific policies and regulations will need to be re-visited to deliver significant future development dividends.

Partnership with local government: The UN will continue working at sub-national government level and aim to further deepen strategic partnerships with selected provincial governments to strengthen the targeting of beneficiaries within an unfinished MDG agenda and improve the effectiveness of UN assistance. Partnerships in major cities can offer the UN a hub to expand innovative collaboration for development with the corporate sector, civil society and academia in other urban areas.

Business is emerging as a force for development and innovation in public service - an enabling legal framework will help to leverage its full potential

While the domestic private sector in Viet Nam is relatively under developed, state-owned enterprises and foreign-owned entities together form an important part of the Vietnamese economy operating on commercial terms, here referred to as the “business sector”. Recently, business sector entities have engaged with UN agencies and other development partners on corporate social responsibility (CSR) and Viet Nam Chamber of Commerce and Industry, chambers of commerce, and other partners have demonstrated active interest in contributing and advancing the SDGs. However, the business sector offers considerably more potential for partnerships that must be cultivated and incentivized.

The key is to move beyond CSR, with the business sector becoming a full partner in SDG implementation, harnessing its ability to deliver innovative solutions, committing financial resources and providing opportunities for all. The UN, through its technical skills and partnership management capacities, intends to leverage the business sector to complement the UN’s normative, technical assistance, policy advisory and convening roles. While the legal framework in Viet Nam for use of private sector finance in development is not in place, the UN is willing to support the Government to build an enabling framework for the business sector to contribute domestic resources for development. In addition, UN agencies have existing frameworks for applying private sector funds (where executed through programmes), and can facilitate private sector participation in development through UN projects.

The Government has expressed its intent to increase the share of financing from other sources, including the private sector (foreign and domestic), through public-private partnerships (PPPs). In addition to identifying and exploring opportunities, studies from other countries have shown the UN can play an important role in promoting robust accountability standards and monitoring for PPPs, facilitating knowledge-transfer - including at inter-regional level through South-South and Triangular Cooperation as well as build the capacity of small- and medium-sized enterprises to participate in PPPs.

Fully embracing civil society organization participation improves development outcomes and makes people genuine partners

Engaging Civil Society Organizations' (CSOs)⁸ participation in development is essential, especially in LMICs, where people's higher aspirations must be reflected in policies and programmes. CSOs can also play an important role in implementation, scaling up and monitoring to ensure more responsive service delivery. While all UN agencies, supported by resolutions endorsed in the UN General Assembly, operate with strong mandates to cooperate with CSOs, progress in Viet Nam has been limited as a result of restrictive national policies. Yet, CSOs have demonstrated their effectiveness in supporting Government-led activities in a vast range of development sectors and at national and local levels. Government partners across the board frequently praise the effectiveness of CSOs and their contributions.

Stakeholder consultations strongly underscored that the UN has a critical role to play in fostering further cooperation with CSOs in the following areas and ways:

- CSOs help organize people's participation and expression of their *voice* to help national development efforts draw on such *social capital* to enhance development effectiveness
- CSOs identify opportunities to engage people in project implementation, planning and monitoring
- At national and local levels, CSOs help seek accountability from duty bearers for achievement of development goals and realization of international commitments
- CSOs increase prospects for attainment of higher levels of equity, particularly in engagement with youth and women
- When CSOs participate in public policy dialogues, they can articulate people's interests in a way that helps validate the relevance of policies, laws and other instruments. They help consolidate lessons learnt to inform policy and improve dissemination of policy, which can be particularly helpful for Government efforts to localize SDGs
- Many CSOs have strong capacities for implementation that should be drawn on to increase the effectiveness of public service delivery, offering more tailored and responsive services. This is particularly relevant in non-mainstream communities, such as ethnic and other minority groups.

In view of the many critical roles that CSOs can play in development and the particular mandate and expectations from the UN to facilitate this, it is vital the UN bring about greater and more significant partnerships that include CSOs. This is why the current One Plan includes an outcome for UN assistance to develop CSO capacity. The emergence of laws that enable easier formation of CSOs will be particularly important for expanding opportunities for social innovation. Examples of this include:

⁸ 'Civil society organizations' is a term that, although not having an official definition in Viet Nam, is used here to refer to associations that are not organs of the State. It encompasses mass organizations, international NGOs, community-based organizations, not for profit (social entrepreneurship) companies, academic institutions and organizations formed under decrees that define scientific and research organizations.

- *Partnerships with the national academic/research community* beyond UN funding and commissioning research that forges more equal and joint policy research, which can be internalized by Government and help stimulate national development debate and discourse
- *Partnerships with media* to build knowledge and understanding amongst journalists and editors with a view to strengthen the quality of reporting on development issues
- *Internet and social media* (in rural areas/radio) to help disseminate knowledge and information through less formal media channels and enhance citizen's access to information on critical issues such as disaster risk prevention, maternal and child health, education and governance. Partnerships with online media outlets can increase people's awareness of their rights, allow for greater interactivity and direct dialogue between the Government and its stakeholders.

International development partners: identify regional and bilateral economic interests that advance a socio-economic development agenda

A large number of foreign missions in Viet Nam, who earlier offered development assistance to Viet Nam, have phased out bilateral assistance programmes after Viet Nam became a LMIC. Yet, embassies of traditional donor countries continue to offer active assistance, in some cases for social development, and others on cooperation in economic, trade, and science/innovation sectors.⁹ Many embassies, including emerging partners from the global South, act as bridges to knowledge, capital and business in their countries and offer strong opportunities for prosperous bilateral ties with Viet Nam. Other countries, notably East Asian countries Japan and Korea, are investing substantially in economic ties and offering grant and loan financing to stimulate further economic development in Viet Nam.

International financial institutions and development banks remain with an active presence, although lending is gradually shifting to less concessional terms. The general reduction in ODA grant funding has drained loan investment from softer capacity development areas, while financing to incorporate socio-economic advancement alongside commercial priorities is critical for Viet Nam's progress towards the SDGs. The UN can play an important role in helping the Government bridge this transition in donor assistance at sector level, for example through potential of augmented South-South cooperation. Through partnerships with lending institutions, the UN has opportunities to enhance its development impacts and net contribution of large-scale financing to boost social and sustainable development objectives, for example by ensuring inclusion of the most vulnerable populations and strengthening climate and disaster resilience of infrastructure investment.

The UN will continue to coordinate with other development partners in support of the national agenda and this offers opportunities to strategically leverage each other's work and avoid overlaps that have sometimes limited the full potential of investment. There is ample scope for joint policy research and policy coherence. The UN will also work to expand multi-partner dialogues on jointly defined development agendas, including SDGs and human rights, and explore opportunities for flexible and innovative partnerships based on development issues beyond projects and funding.

⁹ One example is the United Kingdom, which retains a strong embassy presence, strong bilateral ties and substantial financing contributions to Viet Nam. While the Department for International Development office will close in 2016, the United Kingdom continues to provide substantial assistance, including bilateral financing as well as specialized development grants to select sectors.

Examples of current areas of allied donor-UN action include the UN's successful leadership/co-leadership of joint donor and donor-government working groups, such as the ones encompassing Climate Change, Disaster Risk Mitigation, Ethnic Minority Poverty Reduction, Health and Social Protection.

South-South cooperation: using Viet Nam's ambitious development commitments and global networks to share its experience

The UN's global presence in close to 180 countries, its knowledge networks of expertise at the global and regional levels among the 16 UN agencies operating in Viet Nam and its dynamic support to other multilateral organizations such as ASEAN (Association of Southeast Asian Nations), offer unique capacity to help Viet Nam take advantage of South-South and triangular cooperation to share, adapt and create better development solutions to meet new challenges.

In addition to areas of ongoing assistance, whereby the UN has enabled linkages with partner institutes and governments on a wide range of topics, the UN's new strategic One Plan cycle will offer opportunities for learning and sharing experiences. This includes enabling other countries in the global South to learn from Viet Nam's development successes as well as support Viet Nam to strengthen international integration and learn from other countries experiencing similar transitions. These activities will focus on areas affected by Viet Nam's accession to a number of new free trade agreements, the Government's future roles *vis-a-vis* development assistance, Viet Nam's engagement on global issues and reinforcement of bilateral or regional partnerships that help advance development and security.

5. RESOURCES

'Partnership' suggests gradual transition to a different approach in financing UN assistance

As countries reach LMIC status, they are increasingly expected to self-fund their development activities. In Viet Nam's case, in the new cycle UN agencies will operate with significantly smaller core resources.¹⁰ A majority of bilateral partners who have traditionally funded UN agency projects and the One Plan Fund (OPF)¹¹ have also made their "exit" or reduced contributions to the UN's work. The impact of this was recorded by the One Plan Steering Committee¹², which noted the underfunding of some detailed project outlines (DPOs), projects and outcomes.

The Government plays a critical role in implementation and governance of UN assistance, not least as an implementing partner for many projects. The implications of the funding transformation, also

¹⁰ This is in part as a result of global funding allocation criteria, established under respective UN agency governing structures, taking effect. There are also other contributing factors, such as the global trend in reduced contributions for untied aid.

¹¹ The One Plan Fund is a multi-partner trust fund (MPTF), whereby donors contribute funds to UN agencies in Viet Nam to implement the One Plans including the One Plan 2012-2016. Funds are not earmarked by agency, but in some cases have been earmarked to a particular One Plan outcome.

¹² Joint UN-Government of Viet Nam oversight mechanism for implementation of the One Plan 2012-2016.

noting the transition that has already taken place in other LMICs, is that where the UN offers value-adding services, the Government may over time move to co-finance or fully fund these activities. Already today, there are many examples in Viet Nam where the Government provides substantial parallel financing to UN-led or UN-implemented activities, and where support is delivered on a service basis. In other countries (particularly higher middle-income ones) governments and the UN have entered into a new era of cooperation, built around a framework for assistance fully premised on government co-financing.

Consequently, the Government and the UN jointly make efforts in identifying and mobilizing resources that enable the progress of initiatives where Government sees a critical role for the UN. Such a transition does not - and cannot¹³ - materialize overnight, but will require continuous and progressive work to jointly define the particular areas where greater domestic resource mobilization is logical, practical and incrementally feasible.

Viet Nam's new ODA environment prompts re-thinking of UN source mobilization tools and partnership approaches

In recent years, the policies of traditional bilateral development partners at a global level have drastically changed. The aid coordination discourse has shifted to aid effectiveness, with a focus on measurement of results against the cost of delivering those results. This has generally translated into a greater focus on earmarking funds for specific purposes, and to justifications based on value for money.

In this environment, while UN projects remain attractive prospects for funding, non-earmarked and pooled ODA has drastically declined. The OPF, which has demonstrated considerable and continuing value in promoting coherent and catalytic UN actions, will not alone suffice as a tool to mobilize non-core resources for UN projects.

However, in addition to opportunities of *private sector partnerships*, new global and thematic sources of funding have emerged. Private *philanthropic initiatives* have gained ground and amassed funding potential for niche initiatives and *vertical funds* offer considerable promise for target countries. Viet Nam, for example, has gained from the Global Environment Facility (GEF), Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and stands to benefit from the Green Climate Fund.

What these new initiatives have in common is they require a different way of working, greater effort and more strategic engagement by Viet Nam and the UN to mobilize resources, for example in terms of establishing and capacitating dedicated institutions to transparently oversee, manage, and report on the use of vertical funds. In many cases, project formulation requires mainstreaming partnership objectives, suggesting more iterative approaches that include the intended partner[s] from the beginning.

The UN will continue to support national capacity development to ensure successful management of global funds as well as the capacity to engage with new financing instruments that address SDG

¹³ Due to present constraints in legislation and Government operating guidelines.

priorities, such as the Green Climate Fund and the Global Financing Facility focused on funding investments in Reproductive, Maternal, Newborn and Adolescent Health (RMNCAH).

Examining new and innovative financing¹⁴ opportunities in resource mobilization for the One Strategic Plan

The main objective of a resource mobilization strategy for the new One Strategic Plan will be to help address issues of strategic importance to Viet Nam that resonate with the UN's comparative advantage and defined roles and position. It should incorporate various traditional and non-traditional sources of financing, build on opportunities to transition from the UN as a provider of ODA towards partnership financing modalities, including (incrementally) Government-UN cost sharing as well as new and innovative financing instruments.

There are numerous innovative financing mechanisms options. These should be examined by UN agencies and respective partner institutions with reference to suitability for the particular development objective, noting the tool must be fit for purpose. For example, Social Impact Bonds¹⁵ and Development Impact Bonds is an experimental approach intended to generate large-scale solutions with regards to impact investing and social enterprises. They require either government or private sector underwriting and present opportunities to take successful programmes to scale through new investment models and financial market approaches. The UN can assist the Government in promoting and establishing the partnerships required for such an initiative¹⁶, especially for direct relevance to SDGs. There are examples of established capital market development programmes to increase opportunities for impact investment in Viet Nam.

Philanthropy, crowdfunding, and micro-lending¹⁷ have all changed the way global citizenry and global investment communities operate and highlights the opportunity for the UN in Viet Nam to link viable initiatives to national SDG priorities and investors, through existing global or Viet Nam-based mechanisms. Crowdfunding responds to identify target groups, supports enterprise development of the poor and can take development initiatives to scale. Micro-lending

¹⁴ According to the OECD, "Innovative financing involves non-traditional collaboration, public-private partnerships, and catalytic mechanisms that 1) support fund raising by tapping new sources and engaging investors beyond the financial dimension of transaction, as partners and stakeholders in development or; 2) delivering financial solutions to development problems on the ground".

¹⁵ Social impact bonds are a financing tool, whereby investors pay for development results to be achieved in advance. The payment is made against a predefined particular outcome (e.g. a lower rate of criminals who reoffend) rather than the cost of providing the services required to attain it (e.g. prison services). Bonds are typically underwritten by a government or private entity. Social impact bonds allow the trial of new services to address complex social problems without having to focus on how the services are delivered. It is a performance-based funding mechanism which enables social enterprises to bid for and manage projects. According to https://data.gov.uk/sib_knowledge_box/ the UK Government today has 32 such bonds in operation.

¹⁶ The UN Social Impact Fund (UNSIF) is UNSIF was established in 2015 as a partnership between UNEP, UNDP, UNFPA and UNCDF, and selected public, civic and private sector investors. It is a development financing platform that combines traditional development grants with private CSR, equity and debt with a goal to create and scale sustainable returns.

¹⁷ "Crowdfunding" is a term covering a range of practices focused on raising smaller sums of money from a variety of sources to contribute to a specific initiative. Crowdfunding generally takes two forms: 1) Fundraising where multiple contributors make a donation to a proposed activity or initiative with no expectation of having those funds returned and 2) Micro-lending where financial contributions are attracted from multiple sources to a specific initiative forging an agreement for return of lent funds over a period of time. In both cases the UN tends to play the role of identifying the initiative and leading advocacy efforts.

opportunities promote equity and connect lenders to low-income borrowers, and operate with similar parameters as social entrepreneurship.

The approach to resource mobilization under the One Strategic Plan should centre on the development objective(s) and analysis of financing options. The UN and Government should jointly examine the available opportunities for domestic and international resource mobilization that fall within the respective agency mandates to identify priority modalities for exploration. UN agencies will work to engage private sector partners and seek entry points with philanthropic institutions. Exploring new financing may also require amendments to legislation. The UN and Government may consider establishing a joint working arrangement to analyse and recommend the removal of any barriers (legal and otherwise) to expand financing options.

6. MODALITIES FOR UN ASSISTANCE

To meet increasing expectations regarding UN support to Viet Nam, the UN must continue to enhance effectiveness and efficiency in delivery of assistance. This has been a common theme in internal and external consultations and a key lesson of international experience from other LMICs. This requires measures to improve internal performance as well as adopting new modalities for engagement with counterparts.

Government and UN have a shared interest to maximize the effectiveness, speed and agility of UN assistance at country level

Traditional resources for development assistance and particularly for technical assistance and capacity development support in Viet Nam as a LMIC are steady declining.¹⁸ At the same time, while the complexity of development is increasing, there is a greater need for demand-driven, short-lead time, technical assistance, increasingly centered on particular issues that require prompt and focused responses.

In this environment, the Government and UN have a shared interest to ensure the latter's effectiveness to enhance the delivery of services and for the UN to facilitate the country's access and absorption of more diverse sources of financing. Developing new forms of assistance and allowing for greater flexibility in formulation and engaging a diverse set implementing partners - project-focused assistance and issues-based support in smaller, non-project interventions - is imperative. This section discusses a number of areas where the UN and Government can work together to further enhance the overall performance of UN assistance. It builds on consultations with implementing partners and non-government stakeholders, and findings from the One Plan review and Delivering as One audit finalized in 2016.

Cooperation should allow for more flexible implementation approaches and greater diversity of implementing partners

¹⁸ "Traditional resources for development assistance" here refers to ODA grant funding for TA purposes. From a wider perspective, overall opportunities for financing development are growing and will continue to grow steadily with continuing increases in foreign direct investment, commercial loans, and domestic resources, including Government revenues and borrowing.

Fundamental underlying principles for the One Plan are national ownership and leadership, which also refer to Government accountability for the realization of products and outputs from UN assistance towards national development results. Consultations made clear that maximizing the effectiveness and efficiency of UN assistance requires a greater variety of *implementation modalities*.

National implementation tends to be effective for high priority matters with specific Government partners. Other modalities, such as UN direct implementation (notably UN-procured direct technical assistance) and/or *NGO implementation*, have merit for harnessing a wider variety of financing sources and addressing needs through more innovative approaches as well as accelerating broader objectives. Indeed, direct technical assistance has proven to be effective and responsive to Government requests for policy advice, especially in addressing emerging issues.

Direct Implementation by UN agencies can be more strategically utilized by Government and UN where the added value of establishing a national implementation mechanism is limited, where a UN agency is better placed to deliver a product or service and in some other cases, e.g. where more than one Government entity is involved. This modality reduces transaction costs, such as in policy research and assistance involving provision of international expertise and experiences with limited funding. It can also be a suitable tool to draw more easily on cross thematic/multi-disciplinary UN agencies' expertise or services and increase responsiveness to demand-driven requests that evolve progressively over time.

The One Plan review and stakeholder consultations underlined the need for greater openness in the to potential contributions of CSOs in *NGO implementation*, given the unique roles and experiences they can offer.¹⁹ The UN and Government should work together to determine the most appropriate modality and suitable partners to implement activities in a timely manner.

Flexibility could be greatly enhanced by reducing the requirement for formal re-approval of project changes during implementation. This includes, for example, the ability to change implementing partners, to re-focus activities as part of adaptive Government-UN planning, change the project duration or total budget, and funding sources (subject to thresholds).

Greater use of non-project modalities and improved use of project modality can contribute to flexibility and effectiveness

ODA regulations in Viet Nam allow for project and non-project modalities in delivery of UN assistance. However, there is widespread perception among partners that project modality is the preferred modality or even compulsory (there are also examples where a project modality is a requirement of donors) and non-project modalities would be limited to funding ad-hoc activities such as studies, surveys and workshops. There is a need for better recognition and application of

¹⁹ ODA regulations do not recognize the resources that NGOs bring to development projects through their own core or non-core resources in development projects. This is an example of how the contours of “donors” and “partners” and “implementers”, while defined in legal terms, in reality overlap.

flexibility within existing ODA regulations, especially greater use of a non-project modality, which involves fewer requirements for appraisal and approval, and thus is easier to manage.

During consultations for this options paper, a range of stakeholders identified the non-project modality as more suitable and effective, particularly for UN policy advisory, research and advocacy support. Importantly, the non-project modality allows the flexibility needed for the UN to provide timely responses, especially in addressing emerging issues and meeting urgent requests for assistance.

In cases where project modality with national implementation is the best option, there are several recommendations and opportunities provided by the revised ODA decree²⁰, to further improve delivery effectiveness:

- *Further simplifying and reducing lead times of project appraisal and approval*,²¹ as well as ensuring the consistent application by Government agencies will enable Viet Nam to better seize funding opportunities. The revised ODA decree suggests some important simplifications, such as the decision on Investment Policy for Assistance below US\$2 million be directly taken by heads of line ministry agencies. Also the process and procedure for decisions on technical assistance projects (the category in which most UN projects fall) and non-project assistance, to be undertaken by line agencies in the form of a investment policy proposal instead of the current DPO - with opportunity to design a simpler and shorter mandatory format.
- *Reducing the number of small projects by limiting the application of project modality* based on key criteria for cost-effectiveness: e.g. when a project is a necessary action to address complex development issues or requires comprehensive, cross-thematic and coordinated support.
- *Promoting shared ownership of results and stronger issue-based cooperation by strengthening the accountability of co-implementing partners*²² to national implementing partners for results under their responsibility, while allowing for direct fund transfers from the UN to co-implementing partners to speed up implementation.
- *Rationalizing the use of project management units (PMUs) and limiting their role to projects in areas of core Government priority that require considerable additional operational capacity to implement.* This would be made possible, as also proposed in the revised ODA decree, by relying more on the core capacity of implementing partners in national implementing partners project management, using alternative options such as direct TA projects (direct implementation by UN and NGOs), enabling one PMU to manage several projects and national partners to mobilize domestic resources to finance project management costs as well as allied

²⁰ Decree on Management and Utilization of Official Development Assistance and Concessional Loans of Donors, (Decree 38/2013/ND-CP dated April 23, 2013, replaced by Decree 16/2016/ND-CP dated 16 March 2016) .

²¹ There is a concern among UN organizations and other development partners over the length and complexity of the DPO appraisal and approval process, with some citing a lack of clarity. For many partners, given the variety of modalities and timelines involved, the expectation of any panacea, such as having only one DPO for the entire One Plan, may not be realistic or practical. Rather, the UN agencies propose that Government undertake further analysis of existing business processes to reduce the number of steps, commit to a lead time for each step, and simplify and harmonize project appraisal, approval and revisions during the implementation. This is particularly relevant for activities that fall under an already agreed programme framework, such as the One Plan/One Strategic Plan.

²² Terms defined in the Harmonized Programme and Project Management Guidelines (HPPMG), joint guidelines to harmonize the regulations and management procedures in implementation of UN projects and programmes, approved by Prime Minister in document No. 443/TTg-QHQT dated March 16, 2010.

activities, such as workshops and study tours. There are several reasons why these actions are relevant, in particular:

- There is evidence that the establishment of PMUs often causes delays and creates bottlenecks in the institutionalization of project results, compared to utilizing the core capacities of implementing partners
- Reduction of the number of PMUs and costs as well as expand Government counterpart funding²³ offers an important opportunity to steer scant UN financial resources to delivering value-adding technical assistance and policy advisory services.

One of the main challenges for the effective implementation of the ODA decree and its circulars is the widely varying interpretation and application of current ODA regulations. The current confusion is evidenced by the different interpretations and applications of, for example, project and non-project modalities, DPO and project document formats, the number of DPOs needed to implement a programme of cooperation and requirements for establishment or non-establishment of PMUs. The Government is encouraged to invite continuous dialogue to develop ODA regulations and a consultative approach to develop implementation circulars for the decree. In addition, making the text of the ODA decree and circulars more accessible would support consistency and reduce transaction costs. Fully exploring the flexibility awarded by the ODA decree would also be helped by UN agencies and national partners gaining a better understanding of the regulations through means such as workshops, an informal handbook, and appointing a central focal point for queries/clarifications.

More learning and adaptive implementation, supported by stronger joint results monitoring and participatory governance mechanisms, will help deliver results

The One Plan review articulated key recommendations that speak to the overall effectiveness of the UN agencies' joint engagement, specifically:

- The UN invest *more effort in improving internal UN coherence and cross-sectoral responses*, including new strategic forms of joint programming, so complementarities and synergies are more clearly understood and achieved.
- Interventions must be underpinned by *shared understandings of a clear underlying joint theory of change*. This will set out how UN agencies and the partnerships they leverage contribute, deliver outcomes and inform monitoring of progress.
- *More thematic and issue-based assistance is needed*, to draw on the diverse expertise of UN agencies in tackling Viet Nam's most complex and pressing development challenges and help the country overcome fragmentation of issues across Government mandates.
- An *adequate participatory governance structure* for the One Plan is provided, which is fit for purpose with joint Government-UN accountability to ensure effectiveness and efficiency of UN contributions to national development results.

²³ The revised Decree 38/2013/ND-CP dated April 23, 2013, replaced by Decree 16/2016/ND-CP dated 16 March 2016, offers a broader range of types of costs that can be covered by Government counterpart funding.

- *Improved implementation coordination and joint governance mechanisms* for (i) stronger results-based management, (ii) clearer accountability for results against concrete benchmarks and (iii) better *mechanisms for planning, monitoring and reporting*.

Shared responsibility for results implies a mechanism at implementation oversight level, whereby UN agencies and the Government can hold each other accountable for progress and respective contributions to realize results. In accordance with global principles, UN agencies operate Joint Programming Groups (JPGs), which aim to ensure programming coherence at outcome level. In Viet Nam, JPGs in their current form are effective in fostering coherence in policy advocacy among UN agencies. However joint UN-Government interaction, especially at implementation level, remains largely through bilateral relationships. This leaves a major gap to be addressed going forward. More functional and operational joint coordination at implementation level is essential to manage risks and opportunities at programme level. In addition, this would enable agencies to leverage each other's relationships, as recommended in the One Plan review, and ensure that more up-to-date information can feed into making management and programming decisions.

Innovation and new forms for delivering services contribute to more nimble and effective UN assistance and improved overall ODA effectiveness

Consultations for this paper have suggested that UN organizations should strive towards lighter administration, be more flexible and nimble with operational procedures, and explore better forms of doing business. This also includes the identification and implementation of innovative solutions for programme implementation, financial management and monitoring specific to Viet Nam's context.

For the UN, development innovation²⁴ is about finding new ways, new partnerships and new technologies to reduce costs and improve the effectiveness of development assistance, thinking deliberately about existing vulnerabilities and unmet needs and finding new approaches or stimulating others to experiment to find new solutions. One example is through the use of "big data"²⁵ for mapping development problems and progress in resolving them. Promoting innovation means trying new solutions and testing multiple solutions - to find the one that works best. Technology has many uses²⁶, but innovating in development does not necessitate the use of technology.

Innovation in development assistance can include the UN implementing components of Government programmes with a view to enhancing overall performance. This could include

²⁴ For more examples of how UN agencies support innovation, see for example:

<http://www.unicef.org/innovation/>

<http://www.asia-pacific.undp.org/content/rbap/en/home/ourwork/development-impact/innovation.html>

<http://www.unfpa.org/innovation>

<https://www.fundsforngos.org/latest-funds-for-ngos/ilos-call-innovation-grants/>

²⁵ The UN Global Pulse Lab (based *inter alia* in Jakarta) works to bring together government experts, UN agencies, academia and the private sector to pioneer new methods and frameworks for using big data to support development goals. Pulse Labs help establish and mainstream global best practices of how new sources of digital data and emerging technologies may be used to help policy-makers understand, in real time, what is happening to vulnerable populations. A list of Global Pulse projects: <http://www.unglobalpulse.org/projects>

²⁶ For a UN innovation activity supported in Viet Nam, see e.g. the Hackathon for Social Good: <http://www.vn.undp.org/content/vietnam/en/home/ourwork/democraticgovernance/successstories/harnessing-technology-for-social-good.html>

modalities whereby the UN helps accelerate the delivery of State budget-funded and ODA-funded projects and/or their components, where development effectiveness gains of such UN services exist.

Shifting the forms of UN assistance over time also means the UN will cease to carry out certain activities. During the next One Plan cycle, UN agencies' collective ambition is to stop supporting: (i) smaller *ad hoc* project activities not connected to a greater issue or thematic programmes, (ii) pilots not backed up by commitments and feasible conditions for scaling-up and (iii) activities where the UN's knowledge or norm-based added value is not significant.

The UN to invest in its core capacities and draw on global pools of specialized expertise and knowledge

The UN's policy focus during the 2012-2016 One Plan enabled UN agencies to enhance and mobilize specialized knowledge and skills to meet Viet Nam's new and emerging demands. The UN needs to continue to build and retain a technically strong staff corps to deliver on growing expectations, replicate international norms and standards, build knowledge and ensure knowledge transfers to national counterparts, expand national technical networks and engage highly specialized expert competencies.

During 2017-2021, the UN will focus on enhancing its technical competencies and skills base to promote Government partnerships that increase coordination and collaboration between national stakeholders in adapting and adopting the 2030 agenda and SDGs. A key capacity is building and brokering policy-relevant knowledge and information. This suggests the UN should continue to invest in knowledge and information, and communication capacities that underpin the identification of best practices and effective sharing of development solutions. This matches well with the UN's role as a facilitator of South-South cooperation.

To support the provision of policy advice, the UN will build strong policy advisory capacity and relevant technical expertise for delivery to Government agencies to address issues and challenges faced. Maximum use will be made of the diverse expertise and knowledge of different UN agencies to address multi-faceted development challenges and comprehensive solutions. This will be done through development and operationalization of mechanisms that bring together cross-disciplinary expertise, knowledge and skills, evidence-based policy research and technical assistance.

7. CONCLUSION

A phased transition of the UN-Viet Nam partnership for greater impact and development effectiveness

The One Strategic Plan 2017-2021 presents an opportunity to deepen and reshape the partnership between the UN and the Government of Viet Nam to reflect new challenges and realities. Through novel and innovative arrangements, the UN can support Government to achieve the SDGs by 2030, end all forms of poverty, eliminate exclusion and inequity as well as secure environmental sustainability.

This paper has summarized the challenges Viet Nam is facing in making the necessary transition to accelerate progress on its development journey. The route to this success lies in an inclusive approach that enables all people to enjoy the benefits of the country's growth and progress, based on equity and promoting access to emerging opportunities for the most vulnerable. The UN is uniquely positioned as a partner to support the right policy mix to deliver these outcomes.

In this new stage of development, the UN's development assistance to Viet Nam requires continued capacity development and advocacy to address the SDG-defined agenda. To help Viet Nam accelerate change, the UN must harness its own resources to focus on pivotal development issues, adopt truly innovative approaches to mobilize resources and more efficient delivery as well as creatively use partnerships to deliver meaningful impacts. With active Government participation, there are greater prospects for such changes, contributing to strengthened quality of development cooperation and a stable transition to more sustainable sources of financing for Viet Nam's development agenda.

Undertaking these changes also involves considerable challenges. The UN and Government of Viet Nam must work actively together to progressively make good on the aims proposed in this paper, by agreeing to key targets and establishing a phased and incremental plan of action for the 2017-2021 programme cycle, followed by the mainstreaming of such actions in the implementation and operational instruments of the One Strategic Plan. Deepening cooperation this way offers the promise of hard work and shared learning - and ultimately, greater development effectiveness.