



Poverty Reduction, Sustainable Development and Global Public Goods:
**MULTI-STAKEHOLDER PARTNERSHIPS
IN DANISH DEVELOPMENT POLICY**



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SUMMARY AND CONCLUSIONS

International multi-stakeholder partnerships (MSPs) have arisen as institutions of development cooperation because of the need to mobilize public and private actors and resources beyond official development assistance (ODA). Climate change, disaster risk reduction, state collapse, illicit capital flows, communicable diseases etc. require joint action for the provision of global public goods (GPGs). MSPs deliver four functions of international governance: services and implementation; knowledge; norms and standards; and public, private and institutional commitments.

Three dilemmas are analysed in this paper. 1) Despite the intention to engage businesses and developing country partners, MSPs are dominated by donor governments, international NGOs and organizations, and are even opposed by governments of developing countries because of their lack of democratic accountability. 2) Despite their response to global challenges and frustrations with current collaboration, MSPs have fragmented and undermined the effectiveness and legitimacy of international development cooperation. 3) Despite their promise of innovative financing and resource mobilization, most development-oriented MSPs remain dependent on ODA.

This paper explores four ways to make better use of MSPs. First, MSPs should focus on the overlap between poverty eradication, sustainable development and related global public goods, instead of trying to address all three challenges in a fragmented manner. Second, MSPs should deliver where the needs are greatest and the potential impact of ODA is highest, that is, in the sixty least developed countries (LDCs) and fragile states. Third, MSPs should use ODA catalytically, including the use of payments by results for services delivered. Fourth, MSP supporters should

offer a new narrative for international development cooperation which moves beyond nationally owned and managed poverty reduction and recognizes its interdependence with sustainable development and the provision of global public goods.

While these measures will improve the effectiveness of development cooperation, political efforts are needed to enhance its legitimacy as well. Accountability for results is needed to strengthen both the effectiveness and legitimacy of MSPs. It should be a defining principle of ODA-supported MSPs that they move beyond commitments, knowledge and norms into actual service delivery documented through tangible outcomes for poverty eradication and sustainable development on the ground.

The paper suggests six steps to make the role of MSPs in Denmark's development policy more systematic and transparent. First, Danish politicians should prioritize support to selected LDCs and fragile states. Second, Denmark should agree with the authorities of partner countries where each country faces particular challenges at the intersection of poverty, sustainability and global public goods. The third step is to identify the MSP functions (services, knowledge, norms or commitments) that are most needed to address these country- or region-specific challenges. Fourth, Denmark should screen MSPs for their outcome effectiveness and their participatory legitimacy. Fifth, Denmark's development policy should engage Danish public, private and organizational stakeholders in performance-enhancement of the selected MSPs through payment by results, professional quality assessments and political peer reviews. Finally, Danish politicians should take the lead in developing a conversation and new narrative on Danish development cooperation which recognizes the need to deal with multi-dimensional sustainable development and global public goods of direct significance for poverty eradication in the poorest countries.

MULTI-STAKEHOLDER PARTNERSHIPS

The demands on international development cooperation have increased, because of its flexibility in addressing global challenges such as climate change, natural disasters, political and institutional collapse, refugee flows, illicit financial flows, contagious diseases, and economic and social inequities – on top of the extreme poverty that still affects more than one billion people. In 2015, the world's nation states are supposed to adopt a set of multi-dimensional, universal sustainable development goals (SDGs), mobilize finance for sustainable development, poverty eradication and global public goods (GPGs), and agree on a regime to tackle climate change and find the necessary finance for this purpose. The international system of nation states and organizations that has to deliver this is institutionally complex, financially starved and politically challenged by geopolitical changes. It is not an easy task.

Into this challenging set up a diversity of targeted, international multi-stakeholder partnerships (MSPs) has developed involving actors from the public and private sectors, civil society and, occasionally, communities. Traditional distinctions in international development cooperation between bilateral and multilateral channels and between the state, business and civil society are being deliberately broken down. However, such formal and informal MSPs are not new. Their basic justification – impatience with the results of state-based development cooperation on specific issues – and hopes for greater effectiveness have been advocated at least since 2000, when the Gates Foundation launched major MSPs in the health sector jointly with selected governments and international organizations. Since then, the number and coverage of MSPs aimed at providing solutions to specific problems have both grown, but data is scarce.

For the development-oriented MSPs that are discussed in this paper, early definitions of MSPs tended to have a normative element, such as the following for the information, communication and technology sector: “MSPs are about partnerships that are greater than the sum of its parts and about creating lasting and meaningful impact at all levels of action. They are meant to promote a more holistic approach to development and better governance. [...] The following definition for multi-stakeholder partnerships in the ICT sector is proposed: Alliances between parties drawn from government, business and civil society that strategically aggregate the resources and competencies of each to resolve the key challenges of ICT as an enabler of sustainable development, and which are founded on principles of shared risk, cost and mutual benefit” (Overseas Development Institute and Foundation for Development Cooperation 2003: 2). It would seem that such normative content is not required. In this paper, MSPs are defined as involving two or more partners from the public, private and institutional sectors or civil society in joint international efforts for development. The paper therefore does not examine multi-stakeholder partnerships and initiatives in international governance that are not directed towards the promotion of development.

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Individual MSPs deliver one or more of four functions, often related to specific themes, sectors and problems to be solved jointly: services delivery and implementation; knowledge generation and dissemination; norm- and standard-setting; and government, corporate or institutional commitments for action.

MSPs fuel the institutional proliferation that has characterized international development cooperation for the last five decades. Due to vested organizational interests and consensus-oriented decision-making in the international system, new policies, programmes and organizations are added on top of existing ones, which are very rarely dismantled. This may be specific to development-oriented cooperation, whereas MSPs as part of other forms of international governance may have been driven more by new issues targeted by non-state stakeholders.

The launch of MSPs is usually based on new knowledge and innovative approaches to common problems; yet MSPs also create new challenges of effectiveness and legitimacy. MSPs are needed to create space and incentives for private businesses, foundations etc. to join international development cooperation because official development assistance (ODA) and other public interventions cannot on their own achieve the intended goals of poverty eradication, human welfare and sustainable development.

Despite the often-repeated intentions of inclusiveness, development-oriented MSPs are dominated by Northern nation states and international organizations.

In addition to challenges to their effectiveness as a consequence of under-financing and limited follow-up, MSPs face political opposition. Developing countries, through the G-77, have used UN negotiations to warn against MSPs, emphasizing that they are rarely accountable to intergovernmental or other democratic bodies. This argument is formally correct, but tricky because MSPs have often been launched because of the weaknesses of state-based international governance. Despite the often-repeated intentions of inclusiveness, development-oriented MSPs are dominated by Northern nation states and international organizations. Therefore, their purpose – to be more effective in delivery than the current multilateral and bilateral channels of international development cooperation – implies interventions in developing countries, with or without the direct participation of the authorities in those countries. This challenges the political legitimacy of MSPs.

This political reaction found its way into the Busan Principles for Effective Development Cooperation, adopted by OECD and developing country governments at the Fourth High-Level Forum on Aid Effectiveness in Busan, Korea, in December 2011. While the shared principles include “Ownership of development priorities by developing countries” and “Partnerships for development: Development depends on the participation of all actors, and recognises the diversity and complementarity of their functions”, the Busan participants also agreed to “establish common principles to prevent the proliferation of multilateral organisation and global programmes and funds” (The Busan Partnership for Effective Development Cooperation 2012).

THE DRIVERS BEHIND MSPs

Over the past fifteen years, the launch of MSPs has had at least eight drivers and justifications:

- Geopolitical changes have challenged the international system that was established after World War II, with economic institutions – including the Bretton Woods monetary system, the International Monetary Fund and the World Bank – dominated by the US and the West, and with political institutions, including the United Nations, having limited powers. New institutions and partnerships are emerging, including the New Development Bank established recently by the BRICS countries: Brazil, Russia, India, China and South Africa. Although still dominated by the North, MSPs represent both current and emerging powers.
- Gaps in the governance of global commons. The international system is built around nation states whose governments are politically accountable to their national electorates, and it is therefore not geared to govern the planet's climate, oceans, freshwater, biodiversity and other global commons that have to be kept within so-called planetary boundaries (Stockholm Resilience Centre 2014). In the past the international monetary and financial system has emerged from the financial system of the politically and economically dominant nation state – as with the US and the dollar in recent decades – whereas the governance of global commons requires new specific agreements such as the UN Convention on the Law of the Sea from 1982. Climate change (through the Intergovernmental Panel on Climate Change or IPCC and the UNFCCC) and the biodiversity crisis (through the International Union for Conservation of Nature or IUCN and UNEP) have strong international partnerships to document the scope and consequences of these problems, but these partnerships lack regulatory power and implementation capacity. Well-resourced MSPs with authority are needed to govern the global commons.
- Uncoordinated and inadequate national governance of globalization. Economic globalization relies upon global public goods and services such as stable systems for international trade and financial transactions, the mobility of labour, and control of tax evasion and illicit transactions. Similarly, the international rule of law, supported and implemented nationally, is needed to guarantee and protect human rights, including those of refugees, and to manage the spill-over effects of state collapse. Many states, notably the least developed countries (LDCs) and the fragile states, lack the competence, resources and political will to

take part in international cooperation and to deliver the required national policies and implementation structures. Therefore, stronger states join other actors in MSPs to compensate for these weaknesses and/or to enforce national adaptations to the international rule of law. This comprises everything from advocacy on greater equity, via technical assistance and policy dialogue on economic policy, to humanitarian interventions using military force.

- Externalities and unintended consequences. Both public authorities and private businesses make decisions that affect the development opportunities of others negatively, whether locally or globally. Two global problems that generate a need for international action are public subsidies for fossil fuels and intensive agriculture, which worsen the climate and food crises, and the private exploitation of natural resources, which worsens the environmental and sustainability crises. Such externalities are often the effect of individual decisions that may be rational, but that require common international efforts to prevent states or businesses from “free-wheeling” to the detriment of our common resources.
- Ineffective international cooperation. Frustration with the weak performance of current international cooperation has been a key driver behind the launch of new MSPs. As noted, this was explicit in the Bill and Melinda Gates Foundation's investments in knowledge generation and operations in the health sector, jointly with selected donors and international organizations, which were aimed at results-based payments for immunization drives. Frustration with the slow progress, and even failures, of UN negotiations on climate change has led to investments by major cities and private businesses in reduced CO₂ emissions in the building, energy and transport sectors (Natural Resource Defense Council 2014; Norden, Nordic Council of Ministers 2014). Yet, everyone agrees that, without an effective and implementable political agreement among the nation states responsible for the largest CO₂ emissions – whether or not the agreement is UN-based – the world economy will not become sustainable. The MSPs are mostly seen as implementing mechanisms and as advocates for action, not as alternatives to formal negotiations.
- Mobilization of the private sector and civil society for international development cooperation. The belief in public-private partnerships (PPPs) is the main driver behind the UN's call for new partnerships that gathered momentum after the World Summit on Sustainable Development in Johannesburg 2002. Formally, this Summit agreed on PPPs as a channel of delivery “next to” intergovernmental negotiations. The UN concept of partnership has, however, remained diffuse,

since it is all-inclusive, with no clear roles or limitations. The UN does not distinguish between local, national and international partnerships, but it emphasizes the implementation role of partnerships: "Partnerships for sustainable development have a special character; they are voluntary, multi-stakeholder initiatives specifically linked to the implementation of globally agreed commitments. [...] However, these partnerships are not a substitute for government responsibilities and commitments; they are intended to facilitate, strengthen and expedite implementation by involving those relevant stakeholders that can make a contribution to sustainable development" (United Nations 2014a).

- Knowledge as a global public good. The definition of public goods implies that they can be used by everyone without being depleted or diminished in value. However, most of the world's R&D is aimed at non-development issues and at the needs of industrial societies. R&D is commercialized, priced and owned by private businesses under the international intellectual property rights regime. As a compensating global public good, UN specialized agencies such as WHO have for decades encouraged research and knowledge dissemination with a special focus on the needs of developing countries, for example, through the tropical diseases programme. The Global Agricultural Research Partnership (formerly the Consultative Group on International Agricultural Research or CGIAR) has played a lead role in tropical agriculture, including various attempts at green revolutions. These are MSPs because of the involvement of research institutions, international organizations and private businesses. Today, the need for development-oriented knowledge GPGs is a driver for MSPs in all sectors and themes. Equitable, cost-effective access to common knowledge is a public good pursued by MSPs – and sometimes fought by the public and private owners of knowledge. The negotiations on intellectual property rights in the World Trade Organization have yet to succeed. In 2010, governments adopted the "Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity", which has equitable objectives, but lacks implementation. These attempted regimes need complementary, targeted knowledge MSPs.

- The pursuit of vested interests by international organizations. The inter-governmental system consists of organizations that are dependent on funding from the tax revenues of member states. The core budgets of international organizations specialized in trade, culture, finance, agriculture, health, etc. are often financed from the national budgets of the related, specialized government departments of trade, culture, etc. But whenever new and innovative programmes, or programmes aimed specifically at developing countries, have been established, the source of funding has typically been the ODA budgets of donor member states. This has led to competition among international organizations, including international NGOs, over funding for their own expansion into new areas of intervention. The launch of MSPs is also a way to mobilize such funding from donors and possibly to mobilize new and additional funding from the private sector. This "semi-market" nature of the non-core funding of international development cooperation has been a strong driver behind the diversification and proliferation of MSPs over the past two decades. As ODA budgets are likely to stagnate due to financial constraints in donor countries, such competition and pursuit of organizational interests is likely to intensify. Given the consensus-oriented decision-making culture in the UN and other existing international organizations, this proliferation clashes with the lack of a propensity and willingness to terminate international organizations and programmes.

AIM AND RESULTS: FOUR FUNCTIONS OF MSPs AND THEIR OVERALL PERFORMANCE

The literature distinguishes three functions and types of MSPs (Liese and Besheim 2011): 1) service provision and implementation; 2) knowledge and best practice; and 3) norm- and standard-setting. These are all directly related to the provision of global public goods and services. It seems appropriate to add a fourth function and type of MSP: 4) mobilization of public, private and institutional commitments to act. For example, new commitments by multiple stakeholders were the explicit goal of the UN Secretary General's Climate Summit in September 2014. The ambition was to obtain increased commitments by CEOs of large businesses and public and private institutional investors such as pension funds.

The generation of commitments to act is a function of international governance, whereas the action itself can be part of the first two functions of MSPs in the above list or be the responsibility of the decentralized actors themselves. Similarly, the commitments may build on the third function, that is, norms and standards set by existing MSPs. For example, the UN's Global Compact on businesses and

partnerships with the private sector is built around norms in the form of ten universal principles in the areas of human rights, labour, environment and anti-corruption. It offers a platform for businesses to sign up and adhere to these norms. With over 12,000 corporate participants and other stakeholders from over 145 countries, the Global Compact relies on published self-assessments by businesses of their performance in adhering to the ten principles (United Nations 2014b).

Table 1 presents the four functions and types of MSPs and gives some examples of development-oriented MSPs. The forest landscapes MSPs are discussed further below.

Table 1. Functions and types of multi-stakeholder partnerships

FUNCTION AND TYPE	DESCRIPTION	EXAMPLES
Service provision and implementation	Support multilateral agreements and goals; regulate the state's or other actors' behaviour	Global Fund to Fight Aids, Tuberculosis and Malaria; The GAVI Alliance
Knowledge generation and best practice	Generate, exchange and spread knowledge and expertise	Global Water Partnership; Global Partnership for Forest Landscapes Restoration
Norm- and standard-setting	Establish new rules and norms	World Commission on Dams; REDD+; Forest Stewardship Council
Political, institutional and corporate commitments	Obtain commitments to act from individual partners or by the MSPs themselves	UN Global Compact on PPPs; The UN-mediated New York Declaration on Forests; Bonn Challenge on Forest Land Restoration

Pattberg and Widerberg (2014: 11-12) have summarized multiple assessments of the performance of 340 MSPs in the field of sustainable development:

“The overall picture that emerges is rather sobering. Multi-stakeholder partnerships have, by and large, not lived up to their promise. There are certainly some that perform excellently and have had impressive impacts on their issue areas but these should be considered as anomalies. [...]

- A number of partnerships are simply not active, while approximately 40 percent have no measurable output. Of those partnerships that are active and show signs of output, only 60 percent match their output (such as research, capacity building, training or building infrastructure) with their self-reported function (e.g. service-provision, knowledge transfer or standard-setting). [...]
- At an aggregate level, partnerships do not seem to address core functions where their particular role and comparative advantage was expected to lie: to initiate new global governance norms in areas where governments fail to take action; to help implement existing intergovernmental regulations; and to increase the inclusiveness and participation in global governance by bringing in actors that have so far been marginalized. [...] (A) majority of partnerships are led by international organisations and state agencies while business actors are less prominent. [...]
- At the level of individual partnerships, the lack of organisational capacity, resources and transparency becomes evident. Only around 15 percent (of the total sample of 340) indicate a budget plan, 23 percent report on office space, only 30 percent have dedicated and identifiable staff members and just about 5 percent of all partnerships have an openly available memorandum of understanding (that would outline the precise roles and responsibilities of partners)."

||| **The extent of accountability for follow-up action and results determines whether a an MSP achieves its purpose.**

Following on from these findings, the authors suggest that formalization is a good predictor of the successful performance of MSPs. This may contradict the inclusion of “commitments” as a fourth MSP function, since commitments in themselves would not have to be formalized, whereas commitment follow-up may have to be formalized. Based on an analysis (see below) of international MSPs that are active in forest landscapes restoration for sustainable development, climate change mitigation etc., it would seem that formalization per se may not be the decisive factor. The extent of accountability for follow-up action and results determines whether a an MSP achieves its purpose. This applies especially to the international, development-oriented MSPs that are launched by ‘Northern’ stakeholders, and which are the main concern in this paper. For MSPs launched in developing countries by and with local organizations, actual change on the ground may be achieved directly rather than through formal accountability.

Lessons from decades of international development cooperation suggest that accountability is only achievable if the purpose is precise and tangible and if there is follow-up action to document results based on indicators that are SMART: specific, measurable, achievable, relevant and time-bound. This is a challenge for some of those MSPs that have evolved from within international development cooperation. It suggests that the first function of MSPs (services delivery and implementation) should be a defining feature of ODA-supported, development-oriented MSPs. It falls outside the scope of this analysis to explore whether clearer purposes, niches and accountabilities are also needed for MSPs in other dimensions of international governance.

International development cooperation: **THE NEED FOR A NEW NARRATIVE**

The original purpose of development aid (in the 1950s and 1960s) was to close gaps in the poorer countries. Developing countries lacked the capital and capacity for their economic growth to take off. The DAC definition of ODA, which has been applied since the 1960s, emphasizes “the promotion of the economic development and welfare of developing countries as its main objective” (OECD 2014a). This objective is neither achievable nor realistic for ODA on its own, especially given its ever-expanding dimensions and objectives of sustainable development and state-building, as well as the need to provide global public goods that have a direct impact on the economic development and welfare of developing countries. The goals have expanded and the demands on development actors have multiplied. Yet, the donor-driven narrative on aid and development cooperation has remained the same and may very well be confirmed as part of the new SDG agreement in 2015: development cooperation is to eradicate poverty through development interventions that are owned and managed by developing countries themselves within the broad framework of SDGs.

The ODA definition and purpose have survived for fifty years because they are broad enough to incorporate most evolving interests. The absence in the definition of the political dimensions of development – governance, equity, rights, peace, security, refugees – has been dealt with through gradual expansion of what is “DAC”-able, that is, what may be counted and reported as ODA. For understandable political reasons, there has been a strong appetite for keeping the ODA definition and purpose as it is and to add wider forms of collaboration on top.

There is discrepancy between the current, country-based, government-owned and poverty-focused ODA narrative and the reality of ever-widening objectives and institutional ownership of development cooperation. The MSPs contribute to this

discrepancy because they are dominated by Northern-based, public and private institutions and international organizations and NGOs. The current aid narrative does not fit with the dominant drivers of globalization, namely the explicit pursuit of the national interests of donor countries and the requirements of GPG provision. There is no longer a geopolitical and economic justification for “North-South” collaboration between aid donors and recipients, yet the donors still have their club in the form of the OECD Development Assistance Committee (DAC), and developing countries are still organized in the G-77 negotiating group in the UN.

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While politicization – that is, the explicit political use of ODA – characterizes donor policies on development cooperation, fragmentation characterizes both the developing countries and the international partners that deliver the cooperation. Among developing countries, fragmentation is due both to economic growth and poverty reduction in many middle-income countries and emerging economies, and to increased marginalization and vulnerability to multiple crises in the LDCs and fragile states. In the international system for development cooperation, fragmentation is due to the competition for resources for policies, programmes and institutions described above. Sixty years of calls for coordination in international development cooperation have had little effect.

The official narrative for ODA and development cooperation assumes that all state-bearing elites share common goals and universal values of democracy and rule of law. Following the ending of East-West competition, the 1990s saw optimism on global convergence around human rights protection and good governance. Today, there is recognition of the existence of competing, occasionally even contradictory political values, combined with acceptance of increasing economic and social inequality both within and between countries.

Most development-oriented MSPs represent attempts to pursue the common good within the fragmented and polarized system of international collaboration. At the same time, by their constitution, MSPs tend to strengthen centrifugal forces through the selective involvement of partners, even when inclusiveness may be a stated objective. Developing countries have a point when they complain about the lack of

democratic accountability in the activities of MSPs. The most extreme expressions of this selectivity are the “coalitions of the willing” that led the wars in Afghanistan, Iraq, Libya and now Iraq and Syria – whether or not these are considered MSPs.

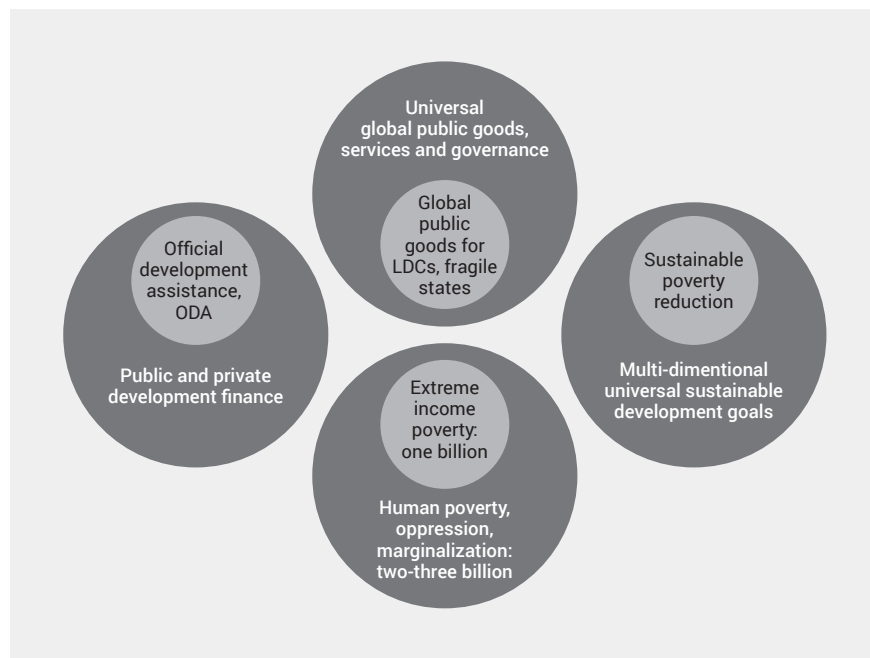
Development assistance is the most flexible tool in OECD governments’ foreign policies and international relations. ODA originates from government budgets and is controlled by donor states. Contrary to many domestic policy areas, ODA goals are so wide that ODA can be used almost everywhere for almost everything. For example, DAC’s list of eligible ODA recipients comprises almost 150 developing countries. In 2015, the world’s nation states are expected to approve a large expansion in the aims of international development cooperation through the adoption of up to seventeen SDGs. ODA will be an international policy tool for the SDGs. It has survived half a century with the same underlying purpose, slightly increasing resources and acquiring a good common knowledge base, synthesized by DAC, on what works and what does not work in development cooperation. ODA provides a strong platform for new MSPs in search of action, delivery and results, though without the legitimacy of intergovernmental agreements.

However, this requires a new narrative on ODA and development cooperation at the intersection of poverty reduction, sustainable development and global public goods. The question is whether MSPs exacerbate the diffusion of efforts in respect of these wide aims, or whether MSPs may be able to deliver more effectively precisely where these aims interact. If the latter is the case, a new narrative is needed in the dialogue among politicians of all participating states and in their dialogues with their citizens.

POVERTY REDUCTION, SUSTAINABLE DEVELOPMENT AND GLOBAL PUBLIC GOODS

MSPs aim at all today’s development-related challenges, though all too often not with well-defined SMART goals. International MSPs have the potential to target selected challenges within poverty reduction (e.g. humanitarian relief), sustainable development (e.g. freshwater conservation) or global public goods (e.g. trade facilitation), but very often MSPs address all three areas because of substantive overlaps: for example, freshwater management is needed for poverty reduction, SDGs and GPGs at the same time. Another reason is the multilateral starting-point of multi-stakeholder partnerships, which pulls them into the provision of GPGs. Figure 1 shows the scope of international development cooperation within which MSPs operate, and also four ‘inner circles’ that would enable MSPs to focus their aims and enhance their effectiveness.

Figure 1. ODA and international development cooperation for poverty reduction, sustainable development and global public goods



The four concentric circles are:

■ ODA provides an inner circle of international development cooperation that also involves other official flows, as well as investments and lending by the private sector, and the involvement of civil society and foundations in development promotion. The ODA definition is limited to official efforts, which makes it conducive to political debates and decisions regarding its aims and results. Private efforts have a different purpose, decision-making structure and accountability, but they are needed more than ever, as the aim of development cooperation incorporates SDGs and GPGs. There is increasing emphasis on exploiting the catalytic potential of ODA, for example, through risk-taking for private engagement. A weakness of the narrow ODA definition is that it excludes development efforts by civil society, except when NGOs serve as channels for and partners in ODA. For decades it has been difficult to distinguish public ODA activities and civil-society programmes from each other at the delivery level. NGOs have often become smaller versions of the bilateral and multilateral development agencies. The current modernization of the ODA concept by OECD-DAC is unlikely to address this issue, since donors and recipients prefer to retain

control and accountability respectively over ODA delivery (Roodman 2014; OECD 2014b; Barder and Klasen 2014). However, ODA will remain a strong starting point for international development cooperation with wider objectives.

- Global public goods and services are, by definition, universal, and their governance must be international. The disadvantage of LDCs and fragile states vis-à-vis GPGs is double. First, LDCs and fragile states suffer the most from adverse global phenomena such as climate change, illicit financial flows and collapsing states because they lack the resources to control, mitigate and adapt, and because these phenomena often produce spill-over effects in their regional neighbourhood. Secondly, LDCs and fragile states cannot contribute their share in the provision of GPGs simply because they lack resources. The role of development cooperation is therefore three-dimensional: 1) to minimize the impact of adverse global public phenomena on the LDCs and fragile states through, for example, climate change adaptation, communicable disease control, or the provision of ODA to compensate for expensive and volatile private capital flows; 2) to assist LDCs and fragile states in building capacity to provide their share of GPGs, for example, climate change mitigation through carbon capture in forests or land restoration; and 3) to provide GPGs of particular benefit to LDCs and fragile states, for example, transparent control of business investments in natural exploitation. The Extractive Industries Transparency Initiative (2014) is an MSP launched precisely for the latter purpose. There is wide scope for MSPs in the inner circle of GPG provision focused on LDCs and fragile states because in principle the multilateral system as a whole has to focus on GPGs for all countries, or at least all developing countries. ODA-funded MSPs can target the LDCs and fragile states and hence minimize the inequalities involved in international GPG provision.
- The SDGs to be adopted by the world's nation states at the UN in 2015 will also be universal. This will be a challenge for industrial countries that have been used to assigning responsibility for the achievement of the Millennium Development Goals (MDGs, 2000-2015) to developing countries. There is a risk that the reporting requirements for SDGs in and by industrial countries will be of the automatic and/or self-congratulatory type that has been seen in equality-related universal reporting requirements in the past. Often, the reporting by industrial countries on UN requirements has been a ritual with little effect. However, there is a huge need for support to the achievement of SDGs by governments and societies in LDCs and fragile states. The MSPs are well-placed to contribute to this because they can exchange knowledge and deliver programmes targeted at

the particular SDG challenges in the weakest countries. The wider circle of international collaboration then covers the multi-dimensional, universally applicable SDGs, and it remains to be seen what significance these will have.

- The eradication of extreme poverty remains an essential goal for international development cooperation because one billion people still face a daily struggle in this regard. Many Western leaders see this as the primary cross-cutting goal of the SDGs, recognizing that upwards of 60% of the extremely poor live in middle-income countries (MICs), including India and China. G-77 leaders have resisted this focus on the extremely poor because it would mean that there is little in it (i.e. in the UN agreement on the SDGs) for their growing middle classes, who are poor and struggling relative to many SDGs, but are also the constituencies carrying the elites in MICs. A focus on the extremely poor makes little sense either politically or as a sustainable development strategy (Pritchett 2014). MIC elites are also hesitant about international interference in the non-income-related poverty challenges in MICs – the multiple absences of freedom. For reasons of effectiveness, ODA-based international cooperation may have to prioritize between 1) the extremely poor in all developing countries; 2) selected non-income-related poverty-reduction goals, including protection, rights and empowerment; and 3) all dimensions of poverty eradication in poor countries, that is, the LDCs and fragile states. MSPs can and should lead such prioritization and targeting, since otherwise development cooperation will be ineffectively spread through too many countries, aims and target groups.

The concentric circles presented in Figure 1 can be used to formulate niches for development-oriented MSPs in general, but especially individual MSPs, based on where they can be both effective and legitimate. This requires the following analytical steps, which explore the actual and potential roles of MSPs in the links between the circles in the Figure: 1) the significance of GPGs for poverty eradication and sustainable development; 2) the strengths and weaknesses of MSPs in international development cooperation; 3) ODA and other finance for MSPs directed at different categories of developing countries; 4) MSPs as implementing mechanisms for SDGs; 5) approaches to enhancing the effectiveness and legitimacy of MSPs, including results-based finance; and 6) the need and scope for Danish support for and through MSPs.

GLOBAL PUBLIC GOODS AND DEVELOPMENT COOPERATION

The interest in GPGs for development and the links between aid and GPGs peaked in the period 1999-2005, from the launch of the seminal work by Inge Kaul et al. (1999) to the report of the International Task Force on GPGs (2006). Then the interest faded somewhat and was taken over by work on so-called complementary efforts, such as capacity-building and policy reforms, and on global programmes, as led by the World Bank (2007). In recent years, ODA for GPGs has come back on to the international agenda because of the parallel work with the universal sustainable development goals (Kaul 2013); the realization of climate change as the fundamental global public problem; and the emergence of multi-stakeholder initiatives and partnerships dealing with GPGs, which started with health and knowledge and moved into climate change mitigation and energy transitions.

Inge Kaul took her original economics-based definition forward in 2013: “Public goods ... are goods that are non-excludable, meaning that the goods’ effects (benefits or costs) are shared by everyone. [...] Global public goods are goods, whose benefits or costs are of nearly universal reach or potentially affecting anyone anywhere” (Kaul 2013: 10). The OECD Development Centre proposed a very pragmatic definition of global PGs as “public goods and services with substantial international spill-over effects” (2004: 5-6).

Today, the OECD applies a very broad definition of GPGs, which includes issues such as food security: “Global public goods: Goods or services which are available to everybody. A public good becomes a global public good if it is quasi-universal in terms of countries (covering more than one group of countries), people (accruing to several, preferably all, population groups) and generations (extending to both current and future generations, or at least meeting the needs of the current generations without foreclosing development options for future generations). Natural global public goods include oceans/ivers, sunlight/moonlight and the atmosphere; the sustainable management of natural global public goods (e.g. climate stability) is also a global public good. Food security, peace, economic stability, protection from communicable diseases, inclusive healthcare, international communication and transport networks, access to information and knowledge are other global public goods. Most global public goods call for cross-border co-operation among different actors and as a consequence, their provision suffers from obstacles to collective action” (OECD 2014c: 422).

In a development context, the GPG areas of concern have been expanded and concretized over the past two decades:

- Preserving the environment ▶ climate change mitigation and adaptation
- Controlling communicable diseases ▶ disease prevention and strengthening of health systems
- Strengthening the international financial architecture ▶ control of illicit capital flows
- Enhancing participation in the global trading system ▶ reducing subsidies and trade barriers
- Creating and sharing knowledge for development ▶ securing access and benefit sharing
- Humanitarian aid ▶ disaster risk reduction and development
- Peace-building and stability ▶ conflict resolution, humanitarian interventions, human rights

There is widespread agreement on the reasons for the under-provision of GPGs. The International Task Force on Global Public Goods (2006: 2-3) referred to these as problems of national sovereignty, differences between the short- and long-term interests of governments, discouraging free-riding by others, and the weakest links among decentralized GPG providers. Often, the link to development and the justification for the use of ODA on GPG provision has been that it is cost-effective: “The scarcity of public resources raises the importance of investing in international public goods as the cost of lifting one person out of income poverty, for example through agricultural research and global trade expansion, is estimated to be much lower than the cost of the same impact through traditional aid to poor countries” (OECD Development Centre 2004). Unfortunately, there is little quantitative evidence to back up this statement.

In October 2014, Simon Maxwell summarized the various reports by the UN and OECD-DAC on sustainable development goals and finance as follows: “All these documents emphasise the importance of country leadership and of domestic revenue. They all acknowledge that different countries have different needs. They all

emphasise the role of the private sector. They all call for international finance to be greater in scale and better-managed. They all recognise the need for better regulation, including with regard to taxation. And finally, they all recognise the need for investment in global public goods” (Maxwell 2014).

ODA has always been used to fund GPGs of direct relevance to developing countries. According to Robin Davies (2014), the funding priorities for GPGs during 2002-2011 were: 1) sexually transmitted diseases (including HIV/AIDS), which took approximately half of bilateral and multilateral flows for GPGs; 2) civilian peace-building (mainly from bilateral funds); and 3) infectious disease control (mainly from multilateral funds). Subsequent priorities were agricultural research, forestry development and biodiversity conservation. Davies found that annual ODA to GPGs increased as follows (in USD):

- 2002-2003: 4 billion bilateral + 1 billion multilateral.
- 2010-2011: 12 billion bilateral + 3 billion multilateral.
- Bilateral complementary expenditure to GPG provision increased from 12 to 22 billion and multilaterally from 4 to 7 billion.
- The share of ODA from DAC bilateral donors increased from 4% to 8%. The share of multilateral flows increased from 5% to 15%.

Even though the funding of GPGs has been part of ODA and development cooperation for years, it has not become part of the dominant ODA narrative, which is still centred around country-owned and country-managed development.

Even though the funding of GPGs has been part of ODA and development cooperation for years, it has not become part of the dominant ODA narrative, which is still centred around country-owned and country-managed development. The OECD-DAC’s Development Cooperation Report 2014 goes far in suggesting that international development cooperation should incorporate GPGs. Without formally endorsing the proposal, the Report includes an analysis of “a target for international co-operation – such as 2% of GDP to fund global public goods, global sustainable development and welfare” (OECD 2014c: 32). The proposal is analysed in Part III of the Report on: “Development finance post-2015 and the provision of global goods” (pp. 199-245).

MSPs IN INTERNATIONAL DEVELOPMENT COOPERATION

Philipp Pattberg and Oscar Widerberg (2014) summarized the origin and role of MSPs for sustainable development as follows: “Multi-stakeholder partnerships for sustainable development are often portrayed as a vital new element of the emerging system of global sustainability governance. In policy and academic debates alike, partnerships are promoted as a solution to deadlocked intergovernmental negotiations, to ineffective development cooperation and overly bureaucratic international organisations, to self-centred state policies, corrupt elites and many other real or perceived current problems of the sustainability transition.”

||| **Although their combined effects still fall far short of needs, MSPs take action on adverse global public issues and challenges.**

UN-negotiated agreements on the SDGs, framework targets for climate change, human rights, equity, etc., are urgently needed. However, these actual and emerging agreements suffer from gaps in policy implementation in the form of a lack of enforcement or weak programme delivery. It was and is the role of multilateral organizations, such as the UN and the multilateral development banks, to close such gaps through programme delivery, norm-setting and knowledge generation and dissemination. Concern about the ineffectiveness of multilateral programmes and the need to involve other societal actors have led to the growth in MSPs, who take the lead in issues of health, climate, clean energy, food, etc. These MSPs engage governments, organizations, private businesses and institutions, civil society and foundations in formal or informal movements and multi-stakeholder partnerships for change.

Although their combined effects still fall far short of needs, MSPs take action on adverse global public issues and challenges. In some cases, ODA provides many of the funds in collaboration with national governments and international organizations; during 2008-2013, Norwegian aid provided approximately two thirds of the international REDD+ interventions for climate change mitigation through conservation of rainforests (Norad 2014). In other cases, foundations and selected donors have been in the lead, such as for vaccines and disease control through the GAVI Alliance and the Global Fund to Fight AIDS, Tuberculosis and Malaria. In yet other cases private-sector companies and organizations set the pace, as in clean energy partnerships (Norden, Nordic Council of Ministers 2014). Sometimes cities and local authorities cannot wait for the right international and national policies to be implemented, such as the C40 cities (C40 Cities Climate Leadership Group 2014) and the US states that are taking the lead on climate change and energy efficiency.

The UN Framework Convention on Climate Change (UNFCCC) has established an "International Cooperative Initiatives Database", referring to cooperative initiatives as "cooperative climate actions undertaken around the world at various levels by governments, international organizations, civil society, and business that contribute to reducing greenhouse gas emissions" (UNFCCC 2014). According to Sander Chan (2014: 11), cooperative initiatives related to climate change

- Are action-oriented (in contrast to the regulatory focus of traditional international climate politics)
- Are cooperative (in contrast to corporate social responsibility (CSR) and charities by single actors)
- Operate at multiple levels of governance, whether national or global
- Involve public and/or non-state actors beyond governments
- Address climate change as a main or a co-benefit.

Box 1 summarizes the achievements and challenges of a few climate change MSPs related to forest landscapes: The Global Partnership for Forest Landscapes Restoration (GPFLR from 2003), REDD+ (from 2007), the Bonn Challenge to Restore Degraded Forest Lands (from 2011), and the New York Declaration on Forests (from September 2014). Despite their diversity, these forest restoration MSPs confirm that:

- International MSPs are dominated by Northern governments, intergovernmental organizations and international NGOs
- Funding depends primarily on ODA in the context of international development cooperation, with limited success for innovative forms of financing such as payment for ecosystem services
- Private companies primarily commit themselves not to do harm to GPGs, rather than pursuing business opportunities in the provision of GPGs
- MSPs are still characterized by many typical ODA malaises, including a preoccupation with institution-building and a limited focus on outcome monitoring, verification and impact accountability

The following case study (Box 1) confirms the potential of MSPs in all their four functions (services, knowledge, norms, commitments), but also their evolution, with many of the weaknesses of ODA-based international development cooperation. And, of course, it confirms that, without sustainable finance the MSPs cannot deliver on their promise.

BOX 1

Forest Landscapes Restoration (FLR) and Reduced Emissions from Deforestation and Forest Degradation (REDD+): the evolution of MSPs through knowledge generation, institutional proliferation, functional expansion, innovative financing and policy dissemination

Development programmes to manage forests for biodiversity conservation, agricultural development or climate change adaptation and mitigation started decades ago with tree planting and protection through natural parks, typically funded by national governments and donor agencies. The past decade has seen a proliferation of policies, organizations, programmes and projects. While national action has continued steadily through forest planting and protection, most new initiatives have been taken with international organizations in the lead: FAO and UNEP as UN agencies; the World Bank and regional development banks; and the International Union for Conservation of Nature (IUCN) and World Resources Institute (WRI), among others.

In 2003, IUCN and WRI led the establishment of the Global Partnership for Forest Landscapes Restoration (GPFLR), which delivers the knowledge dissemination functions of an MSP, providing evidence for the economic, social and natural benefits of restoring forest landscapes. GPFLR offers principles for good FLR, that is, it has norm-setting functions. However, GPFLR has relied on traditional delivery mechanisms and funding in the form of national government and donor programmes.

In 2007, a UN Climate Change Conference adopted a Bali Road Map and Action Plan, which was meant to lead up to the adoption of new climate change regulations at the UNFCCC summit in Copenhagen 2009. The Bali outcome included the launch of REDD+ as an innovative approach to reducing CO₂ emissions and enhance the carbon stock in developing countries. While it was meant as an intermediary effort until a global regime could be established at the Copenhagen summit, the fate of REDD+ summarizes well the challenges of MSPs that are meant to provide GPGs for development:

- REDD+ became highly dependent on ODA from one donor country, Norway. As no significant new finance became available after Copenhagen, the REDD+ dependence on ODA in general, and Norwegian ODA in particular, continued.
- REDD+ introduced innovative strategies based on payment for ecosystem services (PES), i.e. performance-based payments related to emissions reductions. PES has been seen as a magic bullet for nature conservation, but has so far been successful mainly in the freshwater sector, where downstream users (for agriculture or human consumption) have paid upstream providers for water conservation and supply.

- Despite large investments by Norway, including USD 1 billion to Brazil and Indonesia respectively, the recent evaluation of Norway's International and Climate and Forest Initiative (NICFI) concluded that the upfront promises of funding supported a political momentum in the countries, rather than provide financial incentives to REDD actors.
- The NICFI evaluation also found the perseverance of some critical malaises of ODA: excessive and fragmented funding of new institutions and capacity-building in countries and organizations where the likelihood of future PES funding for REDD+ delivery on the ground is very limited.
- The multi-stakeholder REDD+ community scored a political victory when in December 2013 the UNFCCC established a detailed regime for REDD+ as an international climate change measure. Procedures and criteria have been established, but the question of funding remains unresolved.

The broader FLR community responded actively to the failings of the UNFCCC in Copenhagen. In 2011, the Government of Germany, IUCN and other stakeholders established the Bonn Challenge to restore 150 million hectares of degraded forest lands by 2020. Several donor and developing country governments and international civil society and intergovernmental organizations have joined in to commit themselves to concrete restoration measures. Since it builds upon the GPFLR's knowledge and norms, the Bonn Challenge is a commitment MSP aimed at the delivery of services.

In August-September 2014, two initiatives provided both support and challenges to the FLR community: the Global Commission on the Economy and Climate released its report *Better Growth, Better Climate: The New Climate Economy*, which calls for restoration of 350 million hectares of degraded forest landscapes by 2030; and at the UN Climate Summit, 32 national governments, 20 subnational governments, 40 companies, 16 groups of Indigenous Peoples, and 51 NGOs and civil-society organizations signed the New York Declaration on Forests, which supports the Bonn Challenge and raises the restoration target to the 350 million hectares proposed by the New Climate Economy report.

These developments constitute successes for the many MSPs engaged in FLR, which has seen international regulation through UNFCCC, innovative funding through PES and REDD+, and multi-stakeholder commitments through the New York Declaration on Forests. One risk for the Bonn Challenge is that many stakeholders limit themselves to commit to the non-committal UN Declaration, which has no follow-up. Furthermore, the Bonn Challenge itself cannot document its application of the FLR principles and its delivery focus, unless the partners agree on outcome indicators that can be used to monitor, verify and communicate results.

The EU Commissioner for International Cooperation and Development, Neven Mimica, who took office in late 2014, has prioritized LDCs and MSPs, particularly in the field of agriculture, food security and nutrition: "Partnerships will be a key element in the EU's strategy to address global hunger and malnutrition in the coming years. 'The multipartnership, multistakeholder approach is what is needed because we can't pretend that we are capable, we know and we can manage to do everything alone in terms of financing [and] managing the projects,' Mimica said. These partnerships usually include official development agencies from EU member states, UN agencies and NGOs, but the Commissioner wants to include other stakeholders as well. 'We have to depart from the traditional concept of ODA as the only input we can give to developing countries,' Mimica explained. Here's where international financial institutions have a crucial role to play. The Commission sees the sector as a partner 'in co-financing or in blending facilities' to offer concessional loans and increase leverage. ... As for the private sector, Mimica said the Commission wants to engage it as an implementer and investor, but asserted he does not support large corporations participating in nutrition projects where their participation could do more harm than good, citing land grabs as an example. Rather, the focus should be on boosting the access to market for smallholder farmers, as well as small and medium-sized agricultural enterprises." The MSPs proposed by the Commissioner aim to link ODA providers, development banks, local businesses and community organizations.

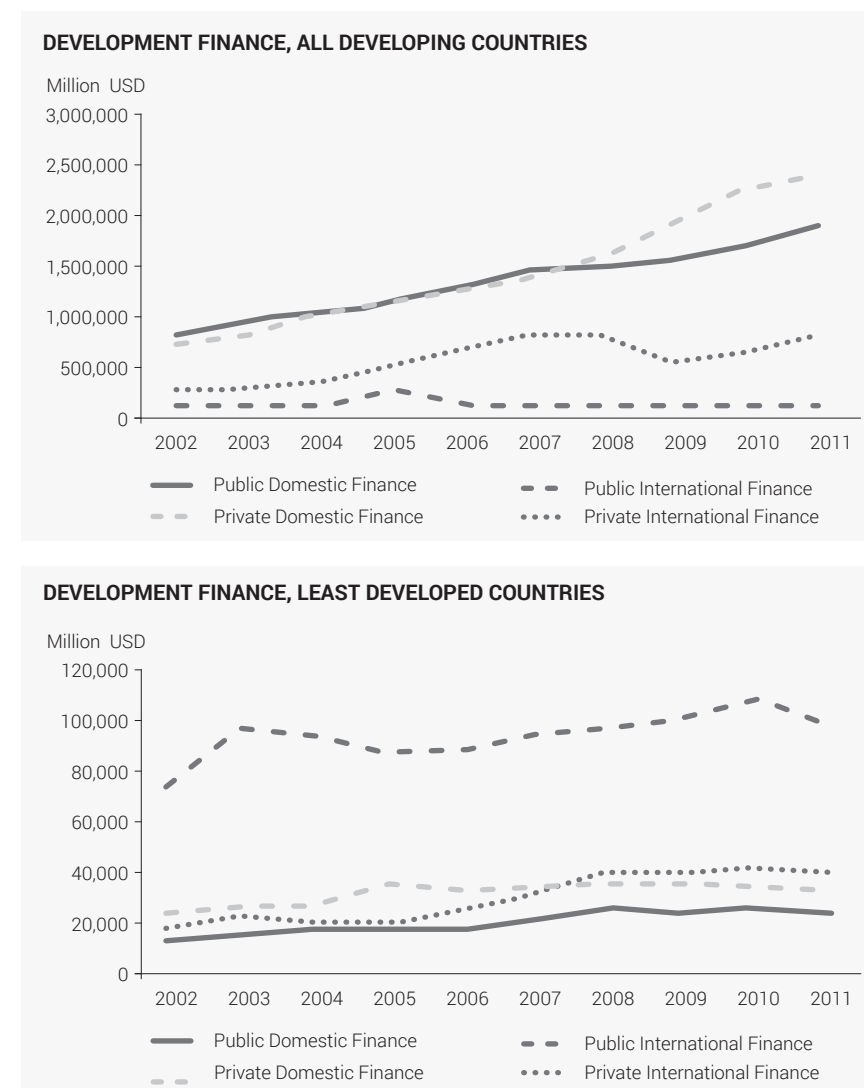
DEVELOPMENT FINANCE FOR POVERTY REDUCTION, SUSTAINABLE DEVELOPMENT AND GPGs

Development-oriented, international MSPs are, by definition, engaged in a mixture of poverty reduction, the promotion of sustainable development and the provision of global public goods. Securing adequate finance is a challenge for development in general and for MSPs in particular. As part of international negotiations on the post-2015 development agenda, 2015 will see summits in Addis Ababa in July (on development financing), in New York in September (on SDGs) and in Paris in December (on climate change). In preparation, the Intergovernmental Committee of Experts on Sustainable Development Financing (2014) has agreed on a solid approach, which will also set the framework for MSPs.

The Committee of Experts describes the difference between 48 least developed countries (LDCs) (of which 34 are in Sub-Saharan Africa) and all developing countries with respect to four sources of development finance: public and private, domestic and international. Figure 2 shows how domestic development finance – both public and private – has become the most important source over the past decade for developing

countries as a whole. Since the global financial crisis of 2008, domestic private development finance is the most important source for developing countries as a group. Looking only at the 48 LDCs, public international finance is by far the largest source. This also explains why international MSPs that are dominated by international organizations remain heavily dependent on international public finance, notably ODA.

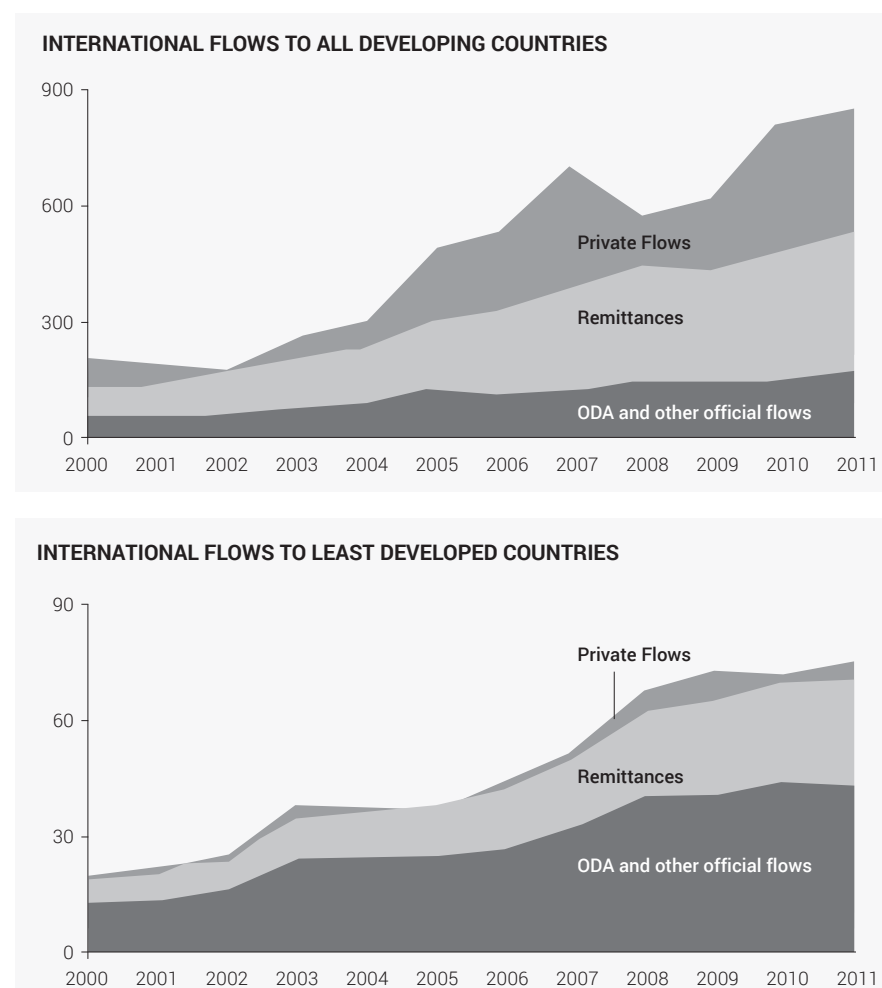
Figure 2. Development finance in developing countries and least developed countries



Source: "Report of the UN Intergovernmental Committee of Experts on Sustainable Development Financing, Final Draft", 8 August 2014, based on OECD and World Bank data.

Figure 3 breaks down the international flows to all developing countries and LDCs respectively. International remittances provide the “new”, large, stable source of funds for all developing countries, as well as for LDCs. However, remittances are – and should be – outside the realm of MSPs, with some possible exceptions provided by wealthy individuals, who may launch targeted MSPs for their countries of origin. The most significant characteristics of international development finance are the volatility of private flows to all developing countries and the continued significance of ODA and other official flows to LDCs, as seen in Figure 3.

Figure 3. Financing flows to developing countries and least developed countries, in billions of USD



Source: “Report of the UN Intergovernmental Committee of Experts on Sustainable Development Financing, Final Draft”, 8 August 2014, based on OECD DAC Stats, World Bank Migration and Remittances Data.

Figures 2 and 3 show the much greater role of “ODA and other official flows” in LDCs. The Report notes: “ODA continues to provide essential financial and technical cooperation to many developing countries, including least developed countries and many African countries, landlocked developing countries, small island developing states, and countries affected by conflict. In most countries with government spending of less than PPP\$ 500 (purchasing power parity) per person per year, ODA accounts for an average of more than two-thirds of international resource flows, and about one-third of government revenues. About 40 per cent of ODA currently benefits LDCs. However, ODA to LDCs, particularly in sub-Saharan Africa, has fallen in recent years, and according to preliminary results from donor surveys this trend is likely to persist” (2014: # 50).

To establish where ODA-supported MSPs can make the greatest difference, a further step has to be taken to identify where extreme poverty is concentrated and ODA is significant. DAC has examined where does ODA matter most?, covering five groups of developing countries (cf. Table 2). The discrepancy is clear between the financial significance of ODA and the number of poor people in different country categories. With 10-13 USD per capita of ODA allocated annually to MICs, ODA cannot achieve multiple objectives for the 57% of the world's extremely poor who live and survive in MICs.

Table 2. The location of the poor and the significance of ODA by developing country category

DEVELOPING COUNTRY GROUPS	SHARE OF WORLD'S EXTREMELY POOR	ANNUAL ODA RECEIPT PER CAPITA	ODA SHARE OF EXTERNAL FLOWS	ODA "SHARE" OF DOMESTIC TAX REVENUE
33 fragile LDCs	24%	USD 51	70%	43%
15 non-fragile LDCs	6%	USD 79	75%	59%
16 other fragile countries	13%	USD 30	27%	13%
22 mainly lower income MICs	35%	USD 13	18%	5%
60 mainly upper MICs	22%	USD 10	6%	0.8%
Total of 146 ODA-eligible countries	100%			

Source: OECD Development Assistance Committee: “The where” of development finance: towards better targeting of concessional finance, DCD/DAC(2013)29.

The search for a manageable and relevant subset of developing countries on which to focus ODA in general and development-oriented MSPs in particular must consider that, at one end, although some sixty least developed countries and fragile states are those most in need of ODA, no existing development organization or donor focuses exclusively on this group. The World Bank has the most elaborate, practical target group for its heavily subsidized IDA credits, consisting of 77 countries. India has just graduated from this group, but for the next three years it will remain eligible to receive IDA credits. Including India, the 78 IDA-eligible countries comprise 2.8 billion people, of whom 1.8 billion live on less than USD 2 a day. At the other extreme, OECD-DAC's list of developing countries eligible to receive ODA includes nearly 150 countries. This allows and facilitates a very thin spread of ODA allocations, which is not effective.

Many donors, including Denmark, distinguish between three groups of developing countries: 1) LDCs and fragile states; 2) "classic" developing countries, with weak capacities and much poverty, and with an elite reasonably committed to the broad development of their country; and 3) emerging economies that are politically important, commercially interesting and significant for global public goods provision. One challenge for Western donors is that the governments of the "classic" aid recipients now benefit from having alternative development partners, notably China, and that they are acquiring sufficient political self-confidence to decline the Western value-based development paradigm of good governance, rights-based inclusive growth and sustainable development. For example, the many bilateral dialogues and country-specific projects on human rights have not led to any consensus in UN platforms on political, economic and social rights. For ODA and MSPs to be effective under these changed circumstances of poverty eradication, sustainable development and global public goods, their aims and methodologies will have to be reconsidered.

MSPs FOR SUSTAINABLE DEVELOPMENT

For Denmark's development policy, the reliance on and support for MSPs will depend on how they can contribute to the upwards of seventeen sustainable development goals to be adopted at the UN in 2015. Table 3 assesses the relevance of MSPs to the critical governance needs of SDGs. It links:

- The major problems and challenges that justify the launch of MSPs – filling governance gaps, catalysing national action, strengthening current programmes, involving new actors, etc.

- The four functions of MSPs – services, knowledge, norms and commitments.
- The seventeen draft SDGs that are being negotiated at the UN in 2014 and the first half of 2015.

Table 3. The relevance of MSPs to critical governance needs for 17 draft SDGs

PROBLEMS/ FUNCTIONS	SERVICE MSPs	KNOWLEDGE MSPs	NORM-SETTING MSPs	COMMITMENT MSPs
Filling gaps in the governance of global commons	14. Oceans/marine 15. Ecosystems	14. Oceans/marine	6. Water	13. Climate change
Catalysing national governance of globalization	4. Education 17. Partnerships		5. Gender equality 16. Inclusion & justice	8. Growth & jobs 16. Inclusion & justice
Managing externalities from bad practices		11. Cities	2. Food/agriculture 12. Sustain prod&con	1. End all poverty 10. Reduce inequality
Filling gaps during the wait for negotiated regulations	13. Climate change			11. Cities
Circumventing or strengthening current programs	1. End all poverty 3. Health/well-being			4. Education 5. Gender equality
Involving sectors, especially private, in PPPs	2. Food/agriculture 7. Energy	6. Water 12. Sustain prod&con 15. Ecosystems	3. Health/well-being 8. Growth and jobs	7. Energy 9. Resilience/innovation
Achieving economies of scale in GPGs		10. Reduce inequality	9. Resilience/innovation	17. Partnerships

Note: Each of the 17 draft SDGs is included twice in the table, and only once under each type of MSP

Table 3 explores the potential contribution of international MSPs as a particular form of international governance to the achievement of the seventeen draft SDGs. Each SDG is placed only twice in the table; there is always some possible connection, but filling out all cells would make the table useless. Furthermore, the individual SDG is linked to two different MSP functions – to explore how MSPs may contribute both norms and services, for example. Among the suggestions on the roles of MSPs, both actual and potential, that emerge from Table 3 are the following:

- The two rows that are filled with MSP actions on SDGs relate, not surprisingly, to the involvement of societal actors, including private businesses, in social and productive efforts, and gap-filling in the governance of global commons.
- The row with the fewest entries reflects gap-filling in the wait for internationally negotiated regulations. This row is related particularly to climate change (draft SDG No 13), which is crucial for the achievement of all seventeen draft SDGs.
- In terms of MSP types and functions, that is, the columns in Table 3, most SDGs could be supported by commitment MSPs, followed by service delivery MSPs. This fits with the action-oriented characteristic of MSPs as platforms for institutional commitments and related services.
- Draft SDGs such as “end all poverty”, “gender equality”, “inclusion and justice” and “reduce inequality” could be placed in all cells of the table, depending on the purpose and approach of individual MSPs. Although they are cross-cutting goals, they are rarely sufficiently precise for the creation of an MSP. Most international MSPs grew out of sectoral or thematic concerns such as international health and climate change.

Overall, the 34 goals (i.e. 17 draft SDGs each listed twice) fill out Table 3 well. This shows the potential contribution of MSPs to the achievement of the upcoming SDGs.

ENHANCING THE EFFECTIVENESS AND LEGITIMACY OF MSPs

MSPs can be effective in programme services and delivery because they can be better targeted than multilateral programmes that have to be universally accessible and can mobilize precisely the relevant stakeholders for the issue at hand. But MSPs can also be ineffective because they overlap with the activities of permanent organizations, whether national or international, and because their resource mobilization tends to lag behind their goal- and norm-setting, producing a risk of more talk, less action.

These features were found, in part, with the MSPs engaged in forest landscape restoration (cf. Box 1). The GPFLR was effective in knowledge-generation and norm-setting in the form of best practice principles for forest land restoration, but lacked the financial resources for delivery. The Bonn Challenge and the New York Declaration on Forests benefit from SMART targets – restoration of 150 million or 350 million hectares of degraded forest landscapes by 2020 and 2030, respectively – but they lack clear follow-up and documentation of precisely what counts under these commitments.

As with all development cooperation, the desire of MSPs to assess impact most often gives way to assessments of outputs or at best outcomes, due to the lack of data and of counterfactual evidence. The Global Alliance for Vaccines and Immunization (now the GAVI Alliance) set clear outcome targets on increases in the number of immunized children. The 2004 report *Evaluation of GAVI Immunization Services Support Funding* found that 23 out of 33 countries demonstrated an increase in the number of children immunized with DTP3 (diphtheria-tetanus-pertussis). Government funding for immunization had increased, as had the total funding for immunization. However, given the limited data, there was no attempt to attribute these changes to GAVI funding – these were merely observed changes (Chee et al. 2007).

As with all development cooperation, the desire of MSPs to assess impact most often gives way to assessments of outputs or at best outcomes.

The 2007 evaluation found that GAVI had increased total funding for routine immunization and that GAVI funding had a significant positive effect on DTP3 coverage rates from 2001-2005. GAVI tied funding to increases in DTP3 immunization numbers – that is, it was one of the first and most systematic forms of payments-by-results. In 2013, GAVI published a *Mid-term Review Report: Delivering Together on the 2011-2015 Strategy*, which found that GAVI was on track to meet the 2015 targets for its mission “to save children’s lives and protect people’s health by increasing access to immunisation in poor countries.” The GAVI mission indicators relate to the under-five mortality rate, the number of future deaths averted and number of additional children fully immunised. The progress is more mixed with respect to the goal to “accelerate the uptake and use of underused and new vaccines by strengthening country decision-making and introduction”, and there is least progress on the goal to “contribute to strengthening the capacity of integrated health systems to deliver immunisation” (GAVI Alliance 2013).

The health sector MSPs are undoubtedly the most successful from the point of view of their effectiveness, although there has been much debate about the creation of perverse incentives and the limited concern for the development of health systems, as is confirmed by the mid-term review. The question about legitimacy is tricky: some argue that GAVI is legitimate precisely because of the outputs and outcomes delivered, while others have criticized the lack of involvement and transparency in decision-making by GAVI (Chinedu and Beswick 2009).

MSPs are characterized as having both more and less legitimacy than the intergovernmental organizations of the UN system. On the one hand, MSPs lack the political authority of interacting nation states, which makes the decisions of the latter enforceable and legitimate. On the other hand, MSPs derive their legitimacy precisely from the participation of the key societal stakeholders for the issue at hand, for example, the public, private and community actors engaged in land use and land use change.

Keohane (2011) suggests using three concepts of legitimacy from liberal democracy – accountability, inclusiveness and transparency – but notes that the expected standards must be lower for international MSPs than for national political structures. Such lower standards should not be necessary for inclusiveness and transparency, but accountability is difficult because of the lack of any formal authority and the enforcement of compliance in a non-hierarchical network structure: “In a traditional state-driven multilateral agreement, states are to be held accountable for their actions by their citizens. In networked governance, authority and thus accountability is spread across the members of the network without any clear point of reference.”

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Pattberg and Widerberg (2014: 19) conclude that “the verdict has been quite harsh on partnerships to date and data show how countries from the northern hemisphere, along with large international organisations, are overrepresented, whereas poorer southern countries, CSOs and private stakeholders are underrepresented.”

The legitimacy of MSPs can be enhanced through the delivery of outcomes. An MSP that delivers can achieve the support of providers and recipients and therefore

become legitimate. This is mostly relevant to MSPs with services and implementation functions, although the delivery of knowledge and norms could also be outcome-based. Over the past two decades, international development cooperation has experimented with performance-based incentives to enhance both effectiveness and accountability for development efforts, and hence the overall legitimacy of interventions. Scholars from the Center for Global Development have offered “12 Principles for Payment by Results (PbR) in the Real World” (Barder et al. 2014). These are significant for service-oriented MSPs because a move towards outcome-based programmes could overcome many challenges of effectiveness and legitimacy. According to Barder et al., the advantages of payment by results are that it:

- Enhances the autonomy of both implementers and recipients
- Instils a performance measure close to the underlying objective
- Reduces “gaming” and perverse incentives and recognizes political economy
- Forces transparency in risks and accountability for results
- Encourages a concern about verified results and not just financial incentives
- Places a “reality check” on intangible objectives and co-benefits
- Increases autonomy and risk-willingness even in fragile contexts
- Moves costs from input monitoring to results verification
- Can support people’s intrinsic motivations or provide incentives to implementers
- Invests long-term through performance-based contracts, possibly via intermediaries
- Pursues outcomes, but may include desirable process requirements such as participation
- Offers multiple PbR types, from cost reimbursement and cash-on-delivery to prizes or rewards.

Payment by results has also been criticized for the perverse incentives it may create and the critical issues of political economy and empowerment that it may ignore. However, MSPs need payment by results to enhance their accountability and hence their effectiveness and legitimacy. Payment by results is an aid delivery modality which requires significant financial, institutional and professional investments by the donor agencies and their partners, particularly in LDCs and fragile states. Under REDD+, Norway promised USD 1 billion for emission cuts to both Brazil and Indonesia. However, one cannot hand over such amounts to the Ministry of Finance or the national development bank of LDCs and fragile states – even in Indonesia as an MIC it is a challenge for Norway. It would take much political capital and professional homework on the part of the donors to engage in the “local autonomy and experimentation” in fragile situations called for by Barder and colleagues. Still, this is the way forward, because MSPs that engage in micro-management throughout the project and programme cycles (contrary to payment by results) have proved less effective.

MSPs IN DANISH DEVELOPMENT COOPERATION

Denmark’s net ODA disbursements (at 2012 prices and exchange rates) were relatively stable over the decade 2004-2013, with a low of USD 2.551 billion in 2004, a high of USD 2.871 billion in 2010 and provisional data for 2013 of USD 2.795 billion (OECD 2014c: Table A.7). Danish development cooperation has seen a long-term decline in the share of ODA going into multilateral channels. Historically, Danish ODA was meant to be divided equally between bilateral and multilateral aid, which became increasingly difficult because of expanding political and institutional demands on bilateral aid. In 2012, Denmark’s ODA allocations to multilateral organisations amounted to USD 771 million, which was 32 % of Danish ODA in 2012.

It is not clear how much Danish aid goes to international MSPs, since some of the support to the World Bank Group (115 million), regional development banks (52 million), UN agencies (289 million) and the EU (241 million) went to MSPs together with the category “other multilateral” (74 million), which includes GAVI and the Global Fund to Fight AIDS, Tuberculosis and Malaria (OECD 2014c: Table A.8). Furthermore, Danish support to MSPs may also have been recorded as bilateral ODA, for example, through allocations to climate change.

The Danish aid budget has both a poverty-oriented framework and a global framework. The Government’s 2015 budget proposition presented these frameworks as follows (translated from Danish):

“To enhance transparency in the use of aid and to maintain a focus on poverty-oriented development assistance, aid is divided into a poverty-oriented framework and a global framework. The interventions under both frameworks aim at the overall

goals for Denmark's development cooperation: to fight poverty and to promote human rights, democracy, sustainable development, and peace and stability. The framework for poverty-oriented development assistance focuses on the poorest countries and comprises the great majority of development assistance, DKK 12,624 million in 2015. The global framework comprises among other things: 1) support for stabilisation, recovery and capacity-building in conflict areas; 2) climate and environmental assistance with no direct focus on the poorest countries; and 3) support for democratic change and economic reforms, especially in the Middle East and North Africa. The global framework constitutes DKK 4,166 million in 2015, which includes both activities recorded as development assistance and activities not recorded as development assistance. Under development assistance (ODA), DKK 3,471 million fall under the global framework in 2015. The distinction between the two frameworks is aimed only at generating an overview of the use of development assistance" (Danish Ministry of Finance 2014). The amounts were changed during subsequent negotiations in Parliament, but they reflect relative sizes.

The non-ODA components of the global framework (DKK 695 million in the original budget bill) relate primarily to UN peace-building operations and government contributions to international organisations. For the present analysis of MSPs at the intersection of poverty reduction, sustainable development and global public goods, the two frameworks:

- Confirm political awareness of the links between poverty, sustainability and GPGs and the need to move beyond ODA into broader international development cooperation.
- Correctly set one overall purpose for the three allocations: ODA focused on the poorer countries, ODA focused on the provision of GPGs for developing countries, and non-ODA focused on the provision of GPGs. This fits well with the analytical framework presented in this paper.
- Make full use of the OECD's liberal rules for what is DAC-able, i.e. what can be reported as ODA and can therefore provide a flexible financing framework for GPGs and MSPs of interest to Denmark as well.
- Do not update the aid narrative for the poorest countries so that it explicitly includes support for poverty eradication, sustainable development and GPGs in and for the poorest countries.

The proposition promises "to bring the private sector and other relevant Danish actors into play so that Danish competence, experience and knowledge can contribute to solving global and local challenges." This is a leitmotiv in current Danish development policy, as seen in the following two MSPs established for green growth and climate investments.

The Global Green Growth Forum (3GF) convenes governments, businesses, investors and international organisations to act together for inclusive green growth. "Partnerships between public and private actors are the cornerstone of 3GF's work as they are considered key enablers to accelerate the transition to an inclusive green economy. Such collaborations aim at developing and promoting solutions that shift behaviour in a significant way, i.e. changing the game or the rules across borders and sectors" (Danish Ministry of Foreign Affairs 2014a). 3GF was initiated by the Danish Government in 2011 in collaboration with the Republic of Korea and Mexico. In 2012 China, Kenya and Qatar joined the partnership, and in 2014 Ethiopia become the seventh partner. Other partners of 3GF include ABB, Alstom, Bidco Group, Kenya Private Sector Alliance, East African Business Council, Danfoss, Hyundai Motors, McKinsey & Company, Novozymes, Samsung, Siemens, Vestas, OECD, the International Energy Agency (IEA), UN Global Compact, International Finance Corporation (IFC), Climate Policy Initiative, Global Green Growth Institute, Inter-American Development Bank and World Resources Institute.

3GF is an international MSP offering all four functions of MSPs: services and implementation, knowledge, norm-setting and commitments, though only with indirect support for services and implementation. Thus, "3GF Offers Partners and Stakeholders

- The opportunity to explore green business ventures and political opportunities in a direct, informal interchange with key political and economic leaders and experts committed to the agenda of inclusive green growth.
- The opportunity to get involved in emerging and existing partnerships with a potential to bring scale and speed to a green transformation of industries, sectors and markets.
- Cutting edge knowledge development and inspiration from peers on how to develop and promote public-private cooperation for inclusive green growth.
- A clearer understanding on how a transition to a resource efficient and green economy can spur new economic growth and jobs.

- An annual high-level summit for key leaders and decision-makers to meet and discuss, promote and show-case green growth solutions" (Danish Ministry of Foreign Affairs 2014a).

The focus on business partnerships and political opportunities presents 3GF with difficulties related to follow-up: the business-oriented partnerships should be translated into investments in new technology and R&D and operational programmes that should be tangible and documentable on the ground. 3GF has developed an elaborate understanding of the 3GF Partnership Approach, which is aimed at "Creating transformation through scalability and tipping points" (Danish Ministry of Foreign Affairs 2014b). Partnerships are developed within the areas of energy, finance, water, food, the circular economy, procurement, trade, deforestation, textiles, transport and cities. With numerous participants from large corporations, governments and international organisations, concrete activities are discussed and launched, but clear evidence related to results on the ground has so far been difficult to establish. The same applies to the political opportunities sought by 3GF, which have been promoted through new member governments. The seven governments have shown political commitment, but it is difficult to document follow-up that is specific to 3GF and hence different from other green growth initiatives taken in the international system or by the countries themselves.

Having attended the annual high-level forum in 2012-2014, the author of this paper finds that at its best 3GF raises intellectual awareness and encourages new partnerships for green growth. However, follow-up is uncertain. As is the case for all MSPs, accountability for action must be sought both to demonstrate the added value of 3GF partnerships and to put pressure on the multi-stakeholders for MSP effectiveness and legitimacy.

One innovative, international MSP for sustainable development is The Danish Climate Investment Fund (KIF), launched by the Government in 2013 "to promote climate investments in developing countries and emerging markets, thereby contributing to reducing global warming and promoting the transfer of Danish climate technology" (IFU Investment Fund for Developing Countries 2014). KIF is managed by IFU. The invested capital of DKK 1.2 billion consists of Danish ODA (DKK 275 million), IFU funds (DKK 250 million) and funds from institutional investors, notably pension funds (at the time of writing DKK 675 million). KIF offers risk capital and advice for commercially viable climate investments or climate-related projects in developing countries and emerging markets in the following areas: renewable energy projects, e.g. wind, solar or hydro; suppliers to renewable energy projects;

energy-efficient projects, reducing greenhouse gas emissions; alternative energy projects, e.g. using waste as input; transport projects; energy saving material and equipment; and projects aimed at adapting to climate change.

The strength of KIF is the involvement of institutional investors and the use of ODA to help reduce risks for private investors. The intended catalytic multiplier factor – ODA of DKK 250 million for a fund of DKK 1.2-1.4 billion for minority investments in projects with a targeted value of DKK 8-9 billion – is a good case of potential multi-stakeholder benefits. The weakness in the context of the present paper is that KIF aims at the nearly 150 developing and emerging countries that are DAC-able, that is, where the use of ODA is permitted by OECD-DAC. In fact, KIF can invest in more developing and emerging countries than its managing organisation, IFU. This does not fit well with the need for a new ODA narrative focused on the LDCs and fragile states.

MSPs IN A NEW NARRATIVE AND PRACTICE FOR DANISH DEVELOPMENT COOPERATION

Denmark's development policy is open to the enhanced, conscious use of MSPs to mobilize stakeholders for interventions at the intersection of poverty eradication, sustainable development and the provision of global public goods and services. Normally, one would say "strategic use of MSPs", but Danish and international development cooperation is overwrought with "strategies", and pragmatic, conscious use may be more in line with Danish development practice. To make full use of MSPs specifically for interventions that combine poverty eradication, sustainable development and the provision of global public goods, Danish development policy-makers should go through six steps:

Denmark's development policy is open to the enhanced, conscious use of MSPs to mobilize stakeholders for interventions at the intersection of poverty eradication, sustainable development and the provision of global public goods and services.

First, Danish politicians should set priorities regarding support for selected LDCs and fragile states. If it is to deliver effectively at the intersection of poverty, sustainability and GPGs, global ODA – and even more so Danish ODA – should focus on selected LDCs and fragile states, where ODA is financially significant and

where development agencies, including Danish embassies, have a useful political and institutional presence. The 21 "priority countries" for Denmark's development cooperation (Danish Ministry of Foreign Affairs 2014c) fall into the following categories established by OECD-DAC (2013; Steensen 2014; Steensen et al. 2014):

- 11 countries are fragile LDCs (Afghanistan, Bangladesh, Burkina Faso, Ethiopia, Mali, Myanmar, Nepal, Niger, Somalia, South Sudan and Uganda)
- 2 countries are non-fragile LDCs (Mozambique and Tanzania)
- 3 countries are other fragile (Kenya, Pakistan and Zimbabwe)
- 3 countries are mainly lower middle-income countries (Bolivia, Ghana and Vietnam)
- 1 country belongs to the mainly upper middle-income countries category (Indonesia)
- 1 country is outside the categories (Palestine)

Overall, this list fits well with the proposed focus on LDCs and fragile countries, with the exception of Indonesia, which should have the necessary resources itself, and where the size of Danish ODA is insignificant. Obviously, there are other Danish development policy priorities than the links between poverty eradication, sustainable development and GPG provision. MSPs could have two different roles in this context:

- Denmark could work with MSPs to achieve large-scale interventions in selected LDCs and fragile states. 21 priority countries stretch the intellectual, financial and political resources of a small donor such as Denmark. Working with like-minded stakeholders in MSPs can enhance effectiveness and impact.
- Denmark could rely on bilateral interventions in the LDCs and fragile states where it has the strongest political and institutional presence, and then rely on related MSPs in the other priority countries.

It is critical to start by setting out political priorities for country partners and thematic goals, and only then exploring the scope for MSPs. If and when Denmark lets the institutional interests of existing MSPs be the starting point, there are real risks that supply-driven, vested interests set the agenda. Also in the case of public-private

partnerships (PPPs), which are currently favoured by all donor and international development agencies because of the potential for the additional mobilization of resources, it is essential to maintain a starting point in political goals before engaging with MSPs or PPPs.

The international MSPs dealing with forest landscape restoration, discussed above (Box 1), have lived up to this sequence – substance before institutions – but now need more self-discipline and a focus on smart delivery and outcome accountability in order to move beyond knowledge, norms and commitments. It is not institutionalization per se that they need, but clearer delivery targets, as well as outcome documentation and reporting for the sake of accountability.

It is critical to start by setting out political priorities for country partners and thematic goals, and only then exploring the scope for MSPs.

The same challenge is faced by the Danish-initiated 3GF. The PPPs of the 3GF may become the end rather than the means if accountability for tangible MSP outcomes is not improved. The Danish Climate Investment Fund started with the institutional desire to engage institutional investors and public resources in joint investments; only then did it start to look for climate change projects. However, its accountability can be established through a growing project portfolio. Its objective fits with the GPG of climate change mitigation, but its geographical portfolio will fall outside the focus on LDCs and fragile states discussed here, simply because the eligible countries include almost a hundred developing countries with growing economies that are neither LDCs nor fragile. Cost-effective climate change mitigation –, for example, through renewable energy transformation – is much easier to achieve in middle-income countries than in LDCs and fragile states simply because of the size of the MIC economies. MSPs may well play an important role in climate change mitigation in MICs, but such MSPs should not depend on ODA finance.

The second step is to identify, with the authorities of the selected LDCs and fragile states, where they face particular challenges at the intersection of poverty, sustainability and GPGs. Some of this would be self-evident for Denmark's "priority countries", for example:

- Afghanistan, Myanmar, Somalia, South Sudan: stabilisation, peace and security, including food security
- Mozambique, Tanzania: climate-resistant agriculture, food and nutrition security, sustainable health
- Kenya, Pakistan, Zimbabwe: good governance, human rights, disaster risk reduction, security
- Bolivia, Ghana, Vietnam: climate change mitigation, adaptation, sustainable land use, access to finance

Third, one should identify the MSP functions (services, knowledge, norms, commitments) that are needed most to address the challenges. The link with the universal SDGs and GPGs suggests that filling these needs can and should benefit from MSPs that draw experience from the rest of the world. Still, the individual partner country will require a particular mixture of these MSP governance functions.

Fourth, organizational screening is needed of current and potential international MSPs operating with the prioritized issues and/or in the priority countries. Table 3 above is a tool for such screening, since it combines MSP functions with SDGs and GPG challenges. The questions to be answered would include the following. For the selected issue and related SDG, what current MSPs provide the required functions with effectiveness and legitimacy? Can these MSPs be strengthened to deliver more services to the country or region or to engage more stakeholders and resources in their operations? How can additional Danish engagement in the MSPs strengthen their relevant delivery? Is there a need and scope to launch new MSPs to solve the prioritized problems?

The fifth step should review the performance of current MSPs to find ways to enhance their effectiveness and legitimacy. For service delivery MSPs that rely in part on ODA funding, this should be done through the systematic application of the payment by results incentives and approach to greater accountability for outcomes delivered. For the other types of MSPs (knowledge, norms, commitments), professional quality assessments and political peer reviews are needed. However, the Danish aid administration should not engage in micro-management, since MSPs need arm's-length supervision, if possible with performance-based payments by results.

Finally, an updated narrative for Danish development cooperation is needed both to guide the MSP selection process and to enable Danish and partner politicians to engage and explain the purpose of and approach to development cooperation. Based on Figure 1 above, the main elements of the new ODA narrative are:

- ODA and international development cooperation aimed at poverty eradication, sustainable development goals and the provision of development-oriented global public goods and services for the poorest and most vulnerable countries.
- ODA as a flexible political tool for partnerships, but since it is “only” an inner circle of development cooperation, ODA needs to mobilize multi-stakeholder partnerships for larger and wider impact.
- ODA-supported partnerships should focus on LDCs and fragile states because this is where the needs are greatest, the dependence on ODA the highest, and ODA itself has the best potential impact.

The MSPs to be supported by Denmark should relate to the four “inner circles” of Figure 1: ODA for sustainable poverty reduction among the extremely poor who live in selected LDCs and fragile states. From this core of development cooperation, full political justification should be given whenever Danish development policy moves into one or more of the “outer circles” of Figure 1. This is clearly justifiable when supporting broader sustainable development in the LDCs and fragile states because it is difficult to reach the poorest of the poor in these countries without green growth, good governance, job creation, etc. Another move into the broader circles would be the support of particular human rights and social protection measures across developing countries, that is, outside the LDCs and fragile states. However, accountability and effectiveness requirements should limit the support for MSPs in these richer developing countries.

With this core purpose of Denmark's participation in international cooperation, Danish politicians can engage constructively with their domestic constituencies, their peers in developing countries and their partners in international development cooperation. Such engagement is essential to ensure both the effectiveness and the legitimacy of development cooperation that relies significantly on MSPs. Contrary to today's situation, MSPs should live up to the aim of having developing country partners as active stakeholders in ODA-supported MSPs. This would entail progress from today's preoccupation with “formal ownership” by developing countries to joint efforts to address challenges at the intersection of poverty,

sustainability and GPGs. It may be considered a defining principle for ODA-supported MSPs that they move beyond commitments, knowledge and norms into actual service delivery documented through tangible outcomes for poverty eradication and sustainable development.

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