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Swedish Development Cooperation Policy in an International Perspective

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Preface

The Center for African Studies (CAS) at the School of Global Studies at Gothenburg University has added international development cooperation to its sphere of teaching as well as research. A masters programme ("bredd-magister") on African Studies with special emphasis on international development cooperation was launched in 2005/2006 and 2006/2007. As part of the Bologna Process the programme was integrated in the joint two-year master programme of global studies from September 2007.

Teaching materials with special relevance to Swedish and European development policies are not readily available to the extent that is required. To fill the gap we at CAS have decided to produce a series of smaller publications called "Perspectives on….". The material is mostly published in English but some material is available in Swedish. The Perspectives are available on our Website. If there is a demand we also publish a limited number of hard copies.

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1. Introduction

The first Government Bill on Swedish development cooperation was adopted by the Parliament in 1962. The main principles in this Bill, often referred to as the Swedish "bible for development cooperation", have to a large extent been retained in later policy documents. For several decades solidarity as the basic motive and poverty alleviation, support for human rights, justice and equality and ownership have constituted important parts of Swedish development cooperation – all issues deeply rooted in the Swedish society and driven by the Swedish civil society, but also strongly supported by all political parties represented in the parliament, with the exception of the conservative party during the earlier decades. Not until recently has the former basic view of what the objectives and role of Swedish development should be, been challenged by a number of critics, including the government in power.

Like all other policy areas development cooperation follows international trends and Sweden does not differ from other major donors within OECD. Fads come and fads go. Changes in the world order and the balances of the global economy have also influenced the Swedish development policy.

We will discuss here the Swedish development cooperation and its policies. We will start by drawing a background picture of the recent international developments within the area. This will be followed by a short historical presentation as we are convinced that much can be learned from the past when going into the future. Many issues of today have been discussed and tested before and by studying mistakes in the past it is possible to avoid repeating them. However, it must be emphasized that we do not have the ambition to give a full historical account, only present enough information to form a background to the present politics. Finally we discuss the present policies and implementation thereof. Again we have to stress that we are in the midst of a major global change process and will not be able to catch all the trends.

2. The international setting for aid in 2013

Changing world order

The power relationship in the world is rapidly changing, with a number of new actors on the scene. The power balance is gradually shifting from West to East and South, where the economic growth since the millennium shift has been much higher. Climate and environment changes and new communication techniques generate increased migrant flows and local conflicts. Competition for natural resources and economic and political influence between traditional and emerging great powers provide a new aid landscape, new actors and new international alliances. Threats from terrorism as well as from some of the protective measures to meet those threats reduce openness and freedom in many countries. The rapidly developing communication network including the IT revolution makes moving information to all parts of the globe possible in no time.

The world is integrating rapidly at the same time as a new wave of disintegration is developing based on nationalism, ethnicity and religious lines. Ethnic, religious and political sectarian fragmentation is threatening countries like Egypt, Iraq, Afghanistan, Syria, South-Sudan, Pakistan, Libya, Nigeria and Mali.

Global challenges such as global warming, environment disasters, pandemics, scarcity of water, food security, and others can only be handled by global governance. Efforts to create

international institutions and regulations for such purposes are often hampered by perceived and often short sighted national self interest. Enlightened global leadership is a necessity but to a large extent lacking.

The UNDP Human Development Report 2013 with the title *The Rise of the South: Human Progress in a Diverse World* (UNDP, 2013a) contains among other things a brief summary of the significant changes in the global development arena and a discussion of the consequences that may change the world power balance, including the management of the main international organisations.

According to the report the story of a resurgent South is both uplifting and in some ways misleading. The South needs the North and increasingly the North needs the South. The world is getting more connected, not less.

Developing countries have increased their share of world merchandise trade from 25% to 47% between 1980 and 2010, and their share of output from 33% to 45%. Developing regions have also strengthened their links with each other. South-South trade has increased from 8% to 26% of total world trade.

Yet USA remains – at least for some time - the largest economy in the world. If the US recovery does not come through and Europe is unable to pull itself out of its current economic and social problems, this will also affect the developing world severely. Global challenges such as climate change and stressed ecosystems require countries to cooperate even more than before. While the rise of the South is reshaping power relations in many important respects, hard-won gains in human development will be more difficult to protect if cooperation fails and difficult decisions are postponed (HDR 2013, p. 2).

The HDR 2013 report identifies three main drivers behind the transformation of the human development prospects in many countries in the South: 1) A proactive development state; 2) Tapping of global markets; and 3) Determined social policy innovation. (UNDP, 2013a, pp. 4-5).

Another overarching development over recent decades has been the dramatic reduction of fertility in developing countries and world-wide. In 1960-65 the global total fertility rate, TFR, was 5.02 and according to UN Population Division estimates it stood at 2.53 in the period 2005-10, a reduction by half in 40 years. This has been a development few would have believed would take place in a time when world population was increasing more rapidly than ever before (UN, 2013 a).

The context of today has decreased the importance of development cooperation and made it more complicated to implement, as the systems used and the dominance of bilateral approaches to cooperation make it more difficult to tackle cross-border development challenges. There are more actors on the scene in addition to the traditional bilateral and multilateral donors, such as the new emerging powers China, India and Brazil. There have also been created new foundations, the so-called vertical funds which follow their own rules and logic. Increased migration, resulting in increasing amounts of remittances is another force to reckon with, as are direct investments, which are also increasing to the poorest countries in the world.

Increased mobility of financial capital and the international division of labour in trade have also resulted in growing rates of Foreign Direct Investments (FDIs) to many developing countries. Last but not least, improvements in fiscal legislation and systems mean that developing countries themselves are today capable of mobilizing domestic resources for development.

The traditional division of countries in two categories, such as “developed” and “developing” is becoming less and less relevant and even misleading. A large part of the poor people in the world is today to be found in middle income countries, a problem which also has to be tackled. Despite having lost its empirical base and credibility, the binary distinction between ‘developed’ and ‘developing’ countries will continue to be in use for some time as international policy statements and law distinguish between the two groups. A side-effect of this is that necessary reforms of the UN system and its procedures are obstructed.

Development cooperation like other activities should relate to the specific time and context under investigation. The present era of globalization is different from the 1960s, 70s, 80s and 90s, and therefore creates a different international framework for development activities.

An important international decision during the decade from the year 2000 was the adoption of the UN Millennium Declaration and the subsequent Millennium Development Goals (MDGs), establishing concrete international goals to measure global poverty reduction in several dimensions. Another was the agenda of the Paris Declaration, focusing on improving the effectiveness of international development cooperation.

A third major concern of the international development community in the last decade was the challenge of avoiding rapid climate change and other environmental threats to sustainable development, as manifested by the Rio+20 meeting and subsequent efforts to define and agree on sustainable development goals.
In this section we briefly outline the development of the three main agendas.

The Millennium Development Goals
The UN high level meeting in New York 2000 adopted the Millennium Declaration, and subsequently the adoption of the millennium goals to be reached by 2015. The Millennium Declaration to a significant extent condensed the conclusions from a number of thematic high-level UN conferences during the 1990s. Then followed the Monterrey Conference in 2002, when financing of development was discussed and the aid donors made new pledges to increase their aid volumes. In particular the Millennium Declaration with its subsequent operative goals and indicators to monitor them had a strong impact and has been used as a measure of how the fight against poverty in the world is progressing.

The eight millennium goals are:

- to halve the share of people suffering from extreme poverty and hunger by 2015
- to achieve universal primary education by 2015
- to promote gender equality and empower women
- to reduce child mortality by two-thirds by 2015
- to reduce the maternal mortality ratio by three-quarters by 2015
- to have halted the spread of HIV/AIDS, malaria and other diseases by 2015
- to ensure environmental sustainability
- to develop a global partnership for development

In connection with the UN General Assembly in 2005 a new top-level meeting was arranged to discuss UN reforms in general and to follow up the commitments made towards the millennium goals.

Parallel with this work the UK took the initiative to develop a report giving recommendations and concrete proposals for how to reach a quicker and more sustainable development in Africa (Commission for Africa, 2005). These efforts together with a decision at the G8-meeting in Scotland 2005 and later within the EU the same year led to further commitments by donors on both debt relief and increased aid volumes. During the years up to the financial crisis of 2008, the total volume of ODA increased, albeit not with the necessary speed to reach the committed goals.

UNDP publishes an annual progress report on the MDGs. At the time of writing, the most recent one is *The Millennium Development Goals Report 2013*, which provides an optimistic but slightly ambiguous view on progress for a number of the MDGs. It states that progress can be reported in most areas, despite the impact of the global economic and financial crisis from 2008 and onwards. Several important targets have or will be met by 2015, but progress in many areas is far from sufficient. The short version of achievements is the following according to the report.

Positive achievements:

The proportion of people living in extreme poverty has been halved at the global level, five years ahead of schedule. (From 47% in 1990 to 22% in 2010.) About 700 million fewer people lived in conditions of extreme poverty 2010 than in 1990.

- Over two billion people gained access to improved sources of drinking water. (The proportion rising from 76% in 1990 to 89% in 2010. This means the drinking water target was met five years ahead of target.)
- Remarkable gains have been made in the fight against malaria and tuberculosis. (Between 2000 and 2010, the mortality rate from malaria fell by more the 25% globally. Between 1995 and 2011, a cumulative total of 51 million tuberculosis patients were successfully treated, saving 20 million lives.)
- The proportion of slum dwellers in the cities and metropolises of the developing world is declining. (Between 2000 and 2010, over 200 million slum dwellers benefitted from improved waters sources, sanitation facilities, durable housing or sufficient living space, thereby exceeding the 100 million MDG target.)
- A low debt burden and improved climate for trade are leveling the playing field for developing countries. (The debt service to export revenue ratio stood at 3.1% in 2011, down from nearly 12 % in 2000.)
- The hunger reduction target is within reach. (The proportion of undernourished people worldwide decreased from 23.2 % in 1990-92 to 14.9 % in 2010-12.)

Disappointing achievements:

- Environmental sustainability is under severe threat, demanding a new level of global cooperation. (The growth in global emissions of CO2 is accelerating, and emissions today are more than 46% higher than their 1990 level. Forests continue to be lost at an alarming rate. Overexploitation of marine fish stocks is resulting in diminished yields.)
- Big gains have been made in child survival, but more must be done to meet the goals. (Worldwide, the under-five mortality rate dropped by 41% - from 87 deaths per 1000 in 1990 to 51 in 2011.) It is encouraging to note that the rate of decline has been more rapid in the last ten years than before (UN, 2013). (Measles, one of the main killers of

infants in the developing world which in 1980 claimed 2.6 million lives per year and as late as 2000 killed over half a million children per year is now the cause of about 150,000 deaths per year. Interestingly Africa as a continent has been more successful in reducing the number of measles deaths than SE Asia (WHO, 2012).

- Maternal deaths progress is falling short. (The maternal mortality ratio declined by 47%, from 400 to 210 per 100,000 live births between 1990 and 2010. The MDG target is 75% reduction by 2015, which means down to 100 per 100,000 live births.)
- Access to antiretroviral therapy and knowledge about HIV prevention must expand. (The MDG target of universal access to antiretroviral therapy for all who need it by 2010 was missed, but is achievable by 2015.)
- Too many children are still denied their right to primary education. (Between 2000 and 2011, the number of children out of school declined by almost half, from 102 to 57 million, but the rate of progress has slowed down. It is unlikely that the goal of universal primary education by 2015 will be reached.)
- Gains in sanitation are impressive – but not good enough to reach the goal.
- There is less aid money overall, with the poorest countries most adversely affected.

More focus on reducing disparities is needed:

- Rural-urban gaps persist – access to reproductive health services and to clean drinking water are only two examples. (In 2011 only 53% of deliveries in rural areas were attended by skilled health personnel, versus 84% of them in urban areas. 83% of the population without access to an improved drinking water source live in rural communities.)
- The poorest children are most likely to be out of school. (Children from the poorest households are at least three times more likely to be out of school than children from the richest households.)
- Gender-based inequalities in decision-making power persist.

On the implementation towards targets under goal 8, covering commitments by the donor countries, the following can be noted:

- ODA flows have declined between 2010 and 2012, mainly due to the economic and financial crisis and euro zone turmoil, most sharply among the largest donors, except the UK. In 2012 the total net ODA corresponded to 0.29 % of GNP. The bilateral net ODA to the least developed countries declined more than the average in contradiction to what was targeted. At the same time aid from non-DAC countries increased. The DAC Survey suggests that this shift in aid away from the poorest countries and Africa, and towards middle-income countries will continue, with a greater share of aid being offered in the form of soft loans rather than grants.
- Average tariffs levied by developed countries continued to decline slightly for developing and least developed countries alike.
- The debt situation for poor countries was strongly improved up to 2006, due to the HIPC debt reductions and is slowly improving since then, mainly due to higher export earnings. Reduced export earnings in 2012 have caused debt service ratios to rise again in some countries.
- Mobile-cellular subscriptions have increased exceptionally and almost 40 % of the world's population is online, with Sub Saharan Africa improving but still lagging behind (UNDP, *2013b*).

In Laos which used to be one of the poorest countries in Asia but now has moved to become a lower middle-income country the under-five mortality rate has gone down from 150 per 1,000 to about 40 per 1,000 between 1990 and 2011, the maternal mortality rate from 1,600 per 100,000 live births to 450 per 100,000. In Rwanda

the under-five mortality rate has gone down from 160 to 60 per 1,000. In Ethiopia the total fertility rate, TFR, has been reduced from 7 to 4 in the same period and in Vietnam from 3.6 to 1.8. China which through its size is important for the global figures has reduced its under-five mortality rate from 50 per 1,000 to 15 in the same period (World Bank, 2013).

It should be noted that in particular the base line data from 1990 are highly uncertain and for many countries they are estimates, rather than taken from for instance household surveys. And the time lag between data collected and data published in many countries is substantial and different.

With less than two years to go to 2015, the international discussion on how to replace the MDGs beyond 2015 has started and a number of processes have already been set in motion, with the ambition that they will be merged later in the process. This is further discussed in section 6.

The Paris Declaration Agenda

Within the Development Assistance Committee (DAC) of the OECD the donors have tried to operationalize their experiences and agree on common views on what is meant by an effective assistance. In the early 90s an agenda of best practices was developed which was based on what was required for development to take off (DAC, 1992).

At the end of the 90s the question of a more effective development cooperation was again raised within DAC which first led to the Rome Declaration in 2003 and culminated in the Paris Declaration in 2005. While the Millennium Declaration has had great impact on the content of development cooperation and the operationalisation of the goal to alleviate poverty, the Paris Declaration and the agenda for an effective development cooperation which it encompasses has had great importance for the methodology of development assistance.

During the second High-Level Forum on Aid Effectiveness that was held in Paris in March 2005, development officials and ministers from 91 donor and partner countries, twenty-six donor international organisations, as well as representatives of civil society organisations and the private sector, came together.

The Paris Declaration has five key features:

- **Ownership**: This reflects the efforts made by partner countries to exercise effective leadership over their development policies and strategies, and to coordinate development activities. The Declaration commits partner countries to develop and implement their strategies through broad consultative processes and to take the lead in coordinating development aid in a dialogue with donors, while at the same time encouraging the participation of non-state actors. The Declaration calls upon donors to respect this leadership and strengthen the partner countries' capacity to exercise it.
- **Harmonisation:** Efforts to be made by donors which aim at bringing the policies and procedures that govern their support as much into accord as possible, so as to avoid imposing varying and conflicting requirements on partner countries which reduce the effectiveness of the development cooperation efforts. The Declaration emphasises the need for the harmonising, increasing transparency and improving collective effectiveness (through division of labour) of the donors' actions.
- **Alignment:** Donors seek to 'align' their support with priorities and strategies set by partner countries, rather than imposing their own priorities. This also means building up and relying on the partner countries' own mechanisms for implementing projects, rather than putting parallel systems in place. For their own part, partner countries undertake to make a greater

effort to adopt sound strategies and set sensible priorities, and to strengthen and improve their institutions.

- **Managing for results:** Donors and partner countries jointly undertake to try to manage and implement aid in a way that focuses on the desired results, and to improve evidence-based decision-making. Both parties undertake to work together on a participatory basis to strengthen the capacity of developing countries and to sharpen the focus on result-based management.
- **Mutual accountability:** Both donors and partner countries agree to prioritize mutual accountability and transparency in the use of development resources. Mutual progress towards meeting the commitments on aid effectiveness made in the Declaration will be jointly assessed with the aid of country-level mechanisms (DAC, 2005a).

A third high level meeting to follow up the implementation of the Paris Declaration was held in Accra, Ghana, 2008. The commitments of the declaration were confirmed and further elaborated on some points, regarding among other issues alignment, increased transparency in the work of the donors and the predictability of the aid flows. The participation of civil society organisations in their own right was also acknowledged. Additional ambitious and time-bound commitments were made, but in many cases not adhered to due to the start of a global financial and economic crisis several weeks after the conclusion of the meeting in Accra.

A fourth high level meeting in Busan, South Korea, took place in late 2011. As part of the preparations for this meeting an international evaluation of the achievements was published. It concluded that some progress had been made but that they were far from achieving the commitments from 2005. In general the receiving countries' progress was more significant than that of the donors. The recommendations of the evaluation suggested continued high political level commitment, the need of improvement of the mutual accountability and that the receivers had to take full responsibility for their own development and donors for their commitments.

At the Busan meeting traditional and new development stakeholders agreed to restructure development cooperation around four basic principles: 1) Ownership of development priorities by aid-receiving countries. 2) Focus on results. 3) Inclusive partnerships, which promotes mutual learning and trust. 4) Transparency and accountability to each other. Ownership, results and accountability are directly derived from the Paris principles, while inclusive partnerships and transparency were added to the development cooperation debate. The "new" emerging providers were only willing to adhere to commitments on an explicit voluntary basis (in an international declaration that was not legally binding in the first place), and it was clear that not all Southern providers would move at the same speed. The Busan forum also created a new venue to carry the aid effectiveness discussion forward, called the Global Partnership for Effective Development Cooperation, led by a steering committee made up of 18 constituency representatives *(Busan Partnership for Effective Development Co-operation, 2011)*.

Another new feature launched during the Busan meeting was that "alliances of willing stakeholders" among governments, international organisations, parliamentarians, CSOs and private sector interests could join into smaller groups in order to push specific issues further than if unanimity had been needed. Eight such building blocks were launched at the Busan meeting. The purpose was that they would lead the process on agreed issues and hopefully others would follow suit. The Post-Busan development is discussed in section x, later in the text.

The question of coherence has through the many studies mentioned above come more and more into focus. Policy coherence is however defined differently from country to country and much still remains to be done before a consensus has been reached on how to tackle the incoherence between the many policy areas of concern for the developing countries. A box, explaining the concept of coherence, is included in the section on Policy for global development later in the text.

While the common view among the donors who were most active in the process up to the Paris Declaration was that of increased emphasis on ownership, coherence and harmonization a parallel development has taken place in the past few years, which to some extent works in the opposite direction. This concerns the global funds or initiatives, emerging as an additional mechanism for the financing of development. They are financial instruments whose primary purpose is to attract, manage and distribute resources for global purposes. The missions of these global funds are often linked to one single issue or policy area such as combating HIV/AIDS. The private sector is often a financial contributor or co-funding partner, and governance arrangements may include the private sector, civil society and other stakeholders. These funds are considerable, although still only a small part of total ODA, but do influence the administrations of the recipient countries in the same way as aid in general.
Also the new actors, such as the BRICS countries, work very differently and to a certain extent counterbalance the ideas of the Paris Declaration. All in all the effects of this Declaration have become gradually subverted (see more in section 6).

Rio+20 – commitment to sustainability
On the eve of the Climate Summit Meeting in Copenhagen 2009, climate and environment issues moved higher up also on the international development agenda. The results at the Copenhagen meeting were meager, one of the few being the decision to create an adjustment fund with board majority for countries from the South. This fund has gradually started its activities, but so far on a modest scale.

After the next climate top meeting in Durban in 2010 the international community focused on the Rio+20, or formally the UN Conference on Sustainable Development meeting in June 2012. The concept of sustainable development had been launched earlier on and was at the centre stage during the discussions as well as in the outcome document from the conference. Sustainable development has to integrate economic, social and environmental aspects.
One important decision at the conference was to launch a climate fund to finance adjustment efforts in the global South and a commitment by the countries in the North to reach a funding level of 100 billion USD by 2020. Another key outcome was the commitment made to set up an inter-governmental working group to formulate proposals for Sustainable Development Goals, in close coordination with discussions on a post-2015 framework that could refresh or replace the MDGs.

The ongoing post-2015 processes will be discussed in section 6.

Financial flows
In recent years development assistance has become less important compared to other financial flows. This is not due to a reduction of the total ODA volume. Instead other flows such as foreign direct investment, remittances and domestic resources have increased significantly. Table 2.1 below contains data from 2011, showing that globally the inflow of FDIs to low and

middle income countries was almost five times that of ODA, while total remittances to the same countries corresponded to 2.5 times ODA. For Sub-Saharan Africa, ODA up to a few years after the millennium shift was the dominating financial flow. Since then both FDIs and remittances have increased significantly and the former was in 2011 almost of the same size as ODA. In this case, as in all others it should be pointed out that the countries receiving major FDI and remittances flows are not the same as those receiving large amounts of ODA.

Table 2.1. ODA, remittances and FDI inflows to the South 2011 (billion USD)

Region	ODA	Remittances	FDI	Est. illicit capital outflows 2010
Sub-Saharan Africa	46	31	41	42
Middle East/North Africa	15	39	15	82
South Asia	17	98	36	523
East Asia	5	85	275	
Latin America	12	59	158	106
Europe and Central Asia	8	42	118	30
Geographically unallocated	33			
Total	**136**	**355**	**644**	**783**

Sources: *International Debt Statistics 2013*, OECD/DAC *Development Cooperation Report 2012* and Kar, D. and S. Freitas (2012*) Illicit Financial Flows From Developing countries: 2001-2010*.

The capital inflows of which three categories are included in table 2.1 are counteracted by illicit capital outflows, consisting of tax evasion by large international firms using the possibilities to take out their profits in countries with the lowest tax rates, instead of in those countries where the production actually has taken place. This is estimated to constitute by far the largest part of the total. Another important category is capital generated by illegal trade with for instance arms, toxic waste, minerals, timber and human trafficking. A third is capital generated from large scale corruption.

There are various ways of calculating these flows, which of course are not accounted for openly in international statistics. The data used in the table above are the lowest estimate. As can be seen the illicit outflows correspond to 5-6 times the aid inflow, double the remittance inflow and are larger than the FDI inflow. In the case of Africa it is estimated to be more or less on a par with both aid and FDI inflows. A very modest conclusion from these figures is that without these outflows the financial potential to further improve the situation in many countries would be much higher.

For DAC donor countries the increased South-South economic cooperation - whether in the form of ODA or not – significantly changes the framework of their development cooperation with partner countries in the South. Many of the large fast growing middle income countries provide financial resources, of which a smaller part is on ODA terms. It should be noted that this goes far beyond the often mentioned examples of China, India and Brazil. New South-South development partnerships have increased and provide an important alternative for many of the traditional recipients of ODA from DAC, UN agencies and the World Bank group. In recent years the lending of China Development Bank and China Export Import Bank to developing countries exceeded that of the World Bank (BBC News 110118).

In specific sectors, such as HIV/AIDS, malaria and various epidemic diseases and research support, large philanthropic and hybrid funds play a role significantly larger than ODA from

DAC countries. Since the millennium shift many of the low income countries have also been able to mobilize larger government revenues from domestic sources. This means that the aid dependence has been reduced in many countries. For instance from 50 to 30 % of the budget expenditure in Tanzania and from 30 to 5 % in the case of Zambia. The challenge now is for many of these countries to turn this numerical change into actual reduced reliance on foreign inputs for their development, e.g. in the case of Zambia and Tanzania key infrastructure investments are provided by emerging powers. Such projects often suffer from similar challenges as the 'traditional' development cooperation projects, notably the neglect of sustainability of the cooperation.

The Human Development Report 2013 formulates the situation like this: "New development partnerships, fashioned on 'win-win' for all parties, have supported development efforts and opened opportunities for bilateral trade and investment exchanges, sustaining the rise of the South. In this process, international regimes are realigning, and international organisations are reorienting to the shifts in global economic power due to the rise of the South." Just like the developed/developing distinction the North and South distinction however also needs to be problematized. South-South co-operation based on a mix of finance-trade- technical support is often presented as a "win-win" concept, but is not transparent and is difficult to analyse.

By mid-2013 clear tendencies were recorded towards a slow-down of the economic growth of the large emerging countries. This will reduce the global economic growth further, which will affect both high income, middle income and low income countries negatively.

Philanthropic foundations, public/private partnerships and innovative financing
Besides the emerging economies a new generation of philanthropic and specialised foundations and international initiatives has entered the development finance scene. Examples of philanthropic funds are the Melinda and Bill Gates Foundation, the Bill, Hillary and Chelsey Clinton Foundation, the Open Society Institute and Soros Foundations Network. Through its size the Gates Foundation stands in a class by itself with almost 40 billion USD in its endowment.

Public/private partnerships often formed as quasi-international organisations are also emerging. The most important of these are the Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund) and the GAVI Alliance which aims to help developing countries to immunize their children with old and newly developed vaccines. Both of these are multi-billion dollar per year enterprises.

These foundations and funds mobilise significant additional financial resources outside the tax-financed development aid budgets, although they have similar problems with the gap between commitments and pledges on the one hand and actually disbursed resources on the other. They also mobilise commitment and circulate relevant information on important specific development issues among influential citizens in the industrialised world. Their modalities and methods are often similar to those used by the aid agencies in the 1960s, with special internal structures for planning, a special project budget, separate monitoring and evaluation. Thus, often there is a gap between the modalities argued for in the Paris Declaration and the ones used by the funds and foundations, although the latter with improved experience are more open for the Paris agenda principles.

The foundations fit well into the thinking behind the UN *Global Compact* which was launched by the then secretary general Kofi Annan in 2000 and was based on cooperation

between the private sector, states, international organisations and civil society organisations. They are also in line with the thinking on sponsorship and the type of public-private partnership that is much stronger in the USA than in Europe.

The more prominent philanthropic foundations are large scale. The counterpoint in the field of philanthropy contains of course individual schemes but also those emerging small scale modalities for development financing such as micro-charity organisations. Examples: US based *Global giving*, Kenya-based *Give directly* and micro-lending *Kiva* (ODI, 2012).

The concept of collecting "global revenues" to fund specific purposes related to global challenges as – at least initially - a complement to international government funding is increasingly discussed, although the implementation of potential schemes of this kind can be expected to take time. A few "global tax schemes" have been presented, such as tax on flight fuel, which is partly under implementation in a selection of countries, carbon taxes and tax on certain international capital transactions and limitations on the use of off shore finance centres. Such schemes could potentially mobilise large amounts, but political and mental obstacles will most probably delay their implementation substantially.

Other innovative financing mechanisms are the Advance Market Commitments (AMCs) whereby a guaranteed amount is legally committed to pay for the purchase of a product which is left for the commercial sector to develop. The first AMC has committed to buying a predetermined number of doses at a predetermined price for a vaccine against pneumococcal disease backed up by donor commitments in the order of 1.3 billion USD.

Yet another financing mechanism is the International Finance Facility for Immunization (IFFI). It is based on commitments from donors, among them Sweden, to provide funding over an extended period of time, 15-20 years. Against these commitments a system has been developed to issue bonds on the international finance markets in order to provide money for immunization up-front, "front-loading". In this way over three billion dollars have been raised in the last few years and been put to use for immunization through the GAVI Alliance.

The huge "green climate fund", which was decided upon in principle at the Rio+20 high level meeting in 2012, is another instrument which is supposed to be funded by a combination of government and private sector contributions, with the amount gradually increasing to 100 billion USD per year from 2020. The headquarters for this fund is under construction in Seoul, Republic of Korea. This scheme will be a test case on how serious the main world powers are when it comes to meeting the challenge of climate change.

3. Swedish development cooperation - policy and practice

3.1 Aid in practice: quantity, quality, concentration and ownership

As in most other countries, Sweden's aid policies have constantly been debated, reviewed and changed. The major government bill, which has governed Swedish aid policies since it was approved by parliament in 1962 (Government Bill, 1962:100) was built on a Government Review digging deep into the prerequisites for aid. Over the years, a number of major investigations have resulted in new government papers and in implementations of new policy directives. The latest, (Globkom, 2001), led to the *Policy for Global Development* approved by the Swedish Parliament in 2003 (Government Bill 2002/03:122). Overall, there have been surprisingly few changes in objectives and directives. Solidarity has always been the major underlying aid motive, the respect for partners' sovereignty a primary feature and poverty reduction the main objective.

The basic objective of Swedish aid was established in the Government Bill 1962:100: to raise the living standard of the poor. This has never been seriously challenged (DAC, 2000) but rather strengthened (Globkom, 2001). The main motivations for aid are moral duty and international solidarity, even though geopolitical concerns are also mentioned (particularly in Government Bill 1977/78:135). It is important that Sweden has always emphasised that foreign aid can be an assistance for the realisation of the recipients' own development vision; aid cannot and should not be used to 'sell' the Swedish model. Over the years up to 1996 six sub-objectives were adopted, the fulfilment of which was to contribute to the realisation of the overall objective of poverty reduction (Danielsson and Wohlgemuth, 2005).

While the overriding political motives and objectives have been only marginally changed, there have been major shifts in actual implementations of policies – mainly with regard to the donor-recipient relationship. We will discuss these under different headings below.

The volume of aid

The question of the volume of Swedish development cooperation has since the 60s been high on the agenda. In 1968 the parliament decided to commit one per cent of GNI in the annual budget for development assistance and this target was reached in the mid-1970s. The Swedish development cooperation is supposed to meet two volume targets. The national one per cent target, meaning that at least one per cent of the projected GNI should be budgeted for in the budget for the following year (this is thus a *commitment target*) and the international 0.7 per cent target, which implies that the *actual disbursements* a certain year should exceed 0.7 per cent of GNI.

Sweden met the 0.7 per cent target in 1975 and has since then never gone below that level, although in 1999 it just touched it. The highest level was reached in 2009, when DAC registered that the Swedish disbursements reached 1.12 per cent of BNI. This can be compared with the average reached within DAC during the 1970s and 1980s of some 0.35 percent which went down to between 0.20 and 0.25 in the 90s and in the early 2000s, increasing to 0.31 percent in 2011 and again declining to 0.29 percent in 2012. Besides Sweden, also Denmark, Norway, Luxemburg and the Netherlands have for many years registered an ODA volume above 0.7 percent.

Choice of partner countries – concentration and expansion

From the Government Bill 1962:100 and thereafter all policy documents have emphasized the importance of concentrating the Swedish development cooperation to as few countries as possible. But up to 2007 practice has gone in the opposite direction.

The original reason for this was the dramatic increase in the volume of aid following the decision on the one per cent target. Other reasons have been added over time such as the support to the liberation movements, which led to the former Portuguese colonies after independence becoming major recipients of Swedish aid. The same was the case for Zimbabwe and Namibia when they became independent and South Africa after the apartheid system came to an end. The Swedish cooperation with Vietnam, Laos and Cambodia has a similar background.

Furthermore a number of countries were added under what at that time was called broader cooperation with middle-income countries. Later a great number of countries requiring substantial amounts of humanitarian assistance added to the number and finally the breakdown of the Soviet Union added new countries to the list. Since then changes in the world order have generated new significant receivers of Swedish aid, such as Afghanistan, (which was the third biggest 2012), South Sudan (7^{th} biggest), Iraq (13^{th} biggest) and more modestly Libya, Tunisia and Myanmar.

Since the middle of the 1990s the total number of countries receiving assistance through Sida has been between 100 and 120. Of these Sweden had long-term cooperation agreements with some 40 countries (according to the annual report from Sida the countries assisted in 2004 were 121 of which 66 received more than SEK 15 million). This has since early days been criticized within the aid administration as well as by external observers. In DAC´s Peer Reviews both in 2000 and 2005 Sweden was criticized for spreading its development cooperation in too many countries.

The new government launched a concentration programme in August 2007, under the name of country focus, with the aim to reduce the number of cooperating countries (Ministry for Foreign Affairs, 2007). Country focus is to be viewed as one of several measures being undertaken to increase effectiveness, efficiency and quality in Swedish development cooperation with the ultimate aim to enhance poverty reduction.

The intention of the country focus approach was that bilateral development cooperation should become concentrated to 33 “regular partner states” compared with 67 before. Of these 33 countries 12 (of which 9 are in Africa) were countries with which Sweden conducted long-term development cooperation, 12 were countries in conflict and /or post-conflict situations with which Sweden conducted development cooperation and 9 countries in Eastern Europe with which Sweden conducted reform cooperation as part of the EU overall programme.

For countries which were to be phased out new measures were contemplated and a new term was established namely “selective cooperation”. Humanitarian aid, multilateral aid, support to Swedish non-governmental organisations via the frame organisations and independent research cooperation were not to be affected by the country focus approach (ibid).

Since then the development cooperation has been gradually phased out with more than 20 countries, and transformed into other forms of cooperation with a few others. But foreign policy and other motives have also opened up for development cooperation with a number of new countries, for instance in the wake of the so called Arab spring and also with Myanmar.

Together with the introduction of a new type of results based strategy for long term bilateral cooperation to be implemented from 2013 and onwards, it has been indicated from the development cooperation minister that the number of countries which will be eligible for long

term bilateral cooperation will be further reduced.

The choice of partner countries in development consists of – after foreign policy, commercial or security concerns have been taken into account – a balance between the need for aid and the requirement for aid efficiency. The paradox of aid has always been that the countries that need aid most are the ones that can use it least effectively. These countries might have worsened their situation by bad governance and bad economic policies and aid might rather add to the problems than take the country out of them. Other countries in great need might have gone through natural or man-made disasters which have increased the need for additional resources.

A third category is countries which have made the necessary reforms but have not the required funds to implement them. Here aid can help them out of the problem in an effective way. A fourth category is countries, in which the presence of a donor might influence the reforming of the economy in the right direction. The problem is to make the right assessment of the stage at which a country is situated at the specific point in time and to withdraw at the right time.

Quality of development cooperation – sector concentration and aid modalities
Swedish development cooperation is engaged in almost all sectors of the society. Sweden started out in a few areas of great specialization but has year-by-year added new areas to its portfolio. Certain areas are more in the limelight at certain periods of time and new pet ideas are coming and going year by year. This becomes clear from looking at the statistics showing that some areas are more important during certain periods and less during other. For instance, agriculture and infrastructure which were priority areas during the 60s and 70s were until recently considered of lower priority, etc. (see table 4.2).

The question of concentrating the aid portfolio in one country to only a few sectors for the sake of both efficiency and effectiveness has, albeit with little effect, all through the history of development cooperation been high on the agenda and is again an important feature in the implementation of the harmonization objective of the Paris Declaration. A joint aid strategy would no doubt lead to the donor countries concentrating on fewer sectors or areas, in addition to the budget support.

Vocational training and family planning were the first areas of cooperation in the history of Swedish bilateral development cooperation. With the gradual expansion of the Swedish aid programme a number of areas were added, such as integrated rural development, infrastructure and capacity building in the public sector. Then further areas were added, such as primary education, research, industrial development, support to civil society organisations, support to liberation movements and debt relief for the least developed countries.

During the 1980s Sweden followed the international trend and backed up the macro-economic conditions that became linked to debt relief and continued flow of recourses from most donors. The previous focus on rural development was reduced as well as that on infrastructure.
During the 1990s Sweden continued to follow the trends within the “international donor community”. Among the new areas added to the old ones were governance, public institution building, democracy and human rights issues, gender issues and conflict solution and prevention.

After the millennium shift support to social sector development as part of the poverty reduction programmes of the partner countries returned to the centre of development cooperation, while democracy, governance, real debt relief in the form of the HIPC scheme, support to the private sector and urban development also were increasing.
In summary: The number of areas of cooperation has been high all through but the priority between them has shifted over the years (see more under thematic priorities below).

At the beginning of this century it was strongly felt that the proliferation of areas for cooperation had increased too much and many donors' programmes became therefore more and more dispersed. This also included Sweden. The Tanzanian government for example asked Sweden to concentrate on 4-5 sectors instead of the 14, which Sweden engaged with during 2004. In recent years the Swedish government has made significant efforts to reduce the number of aid supported sectors or policy areas in the main cooperating countries. Although the implementation of this policy has been uneven it is possible to trace such a trend in the Swedish aid statistics. In the OECD/DAC peer reviews on Sweden the importance of this issue has been emphasized.

The question of political interference in the aid process has been raised from time to time in Sweden, particularly when it comes to prioritising certain pet ideas and sectors. However, political interest and engagement in aid policies is essential for the policies to be properly grounded in the society and for policies to be in coherence with other government policies and objectives. It becomes cumbersome only when it happens too often and with too detailed instructions, or if lobby groups get a too strong influence on policies (Danielsson and Wohlgemuth, 2005).

The question of aid modalities can be seen as part of the qualitative aspects of aid. Also here we find a significant development having taken place over the years. Swedish aid was originally designed in the form of specific projects administered by Swedish experts and controlled by the Swedish aid agency in Stockholm. From there it developed over programme aid to sector support, basket funding, import support, balance of payment support to general budget support. From around 2008 the popularity of general budget support has declined among the donors, while it still is the favoured modality among partner country governments. (For a further discussion on this development see Odén, 2006.) In the box below a few of the most common modalities are briefly defined.

Aid modalities
Project aid. Aid as support to individual or a group of projects, for instance building a health clinic or establishing a training course for nurses. Aid projects often include a special administration and budget handled outside the regular budget system.

Programme aid. Support to a more comprehensive programme, for instance primary health care at national or sub-national level. Could be funded by an individual donor or a number of donors pooling their resources into a "basket", from which the partner agency may draw resources. This is called *basket funding*.

Sector programme support. Aid to support a sector, such as primary education. Either through the government budget or in the form of a basket fund with pooled resources from several donor agencies.

Programme Based Approaches. A broader definition called Programme Based Approaches, PBAs or Sector Wide Approach, it sees Programme Aid as an external financing modality in

support of nationally owned and driven plans in which donors are actively engaged through harmonization, dialogue and broader forms of financing than the traditional earmarking to individual projects.

General budget support. Support to the national budget, channelled through the national budget structures. Normally linked to a national poverty reduction programme, agreed between the partner country government and a number of donors.

Technical Assistance (TA) in the form of donor financed individual experts has been the dominant form of capacity development. It originally rested on the assumption that transfer of knowledge is a key to development. In policy, if not in practice this view is giving way to a different and more complex understanding of what it takes to strengthen the capacity of individuals, organisations and systems i.e for Public Financial Management or Education in partner countries. The basic idea is the same as for the Paris Declaration as a whole. Capacity "grows from within" and has to involve changes at the individual, organizational and societal levels" (DAC, 2006). Change processes have to be owned by the partner government or organization. It can be promoted but not driven by experts from outside.

In practice technical assistance includes a number of activities that are supposed to develop human resources improvement in the level of skills, knowledge, technical know-how and productive aptitudes of the population in a developing country for the purpose of improving development outcomes. This form of assistance includes the provision of policy advice; the implementation of projects; and the building of institutional and human resource capacities through training or on-the-job counterpart skills transfer. It also encompasses material and equipment supply as well as consultancies, study visits, seminars and various forms of linkages. TA can be either short-, medium- or long-term and could originate from both national and external sources.

TA is an important component in the aid-package but has been severely criticised as permanent skills development does not take place in many cases due to a host of factors and it does not come cheap (Berg, 1993 and Danielson et al., 2002). TA should be fully integrated in the country's own national development programmes, work-plans and budgets and thus be demand-driven and responsive to the institutional and human resource capacity needs of the country and not as so often supply-driven and imposed as a price for financial assistance.

Thematic priorities

During the past years Swedish Government has consistently emphasized that Swedish development cooperation should concentrate efforts on democracy and human rights, gender equality and climate change. This was clearly stated in the decision on special thematic priorities presented by the government in 2008. In the very recent past, private sector engagement has come more and more into focus (see more in a following section). Support to these areas and in particular to democratic development has therefore increased considerably.

As regards gender issues Sweden has all along been rather alone in emphasizing the importance of considering the gender issue as an important part of sustainable development. In its work for gender issues Sweden has chosen a multi-method approach, giving direct support to specific projects that should empower women such as women's rights issues, supporting areas which are important for women such as reproductive health, sanitation, availability of water and food security. Most importantly has however been what falls under the name of mainstreaming, namely to take up the gender issue in all projects and programmes supported and maintaining a high-level dialogue to increase awareness of the

importance of the gender issue. To emphasis the importance of this area special examples are given in a separate box below.

Democracy and human rights as well as climate and environment have been other thematic priorities in Swedish development cooperation for along time. By 2011 the share of what is registered as democracy and human rights by Sida had increased to 28 per cent of total Sida allocations. Support to climate issues received during the three year period 2010-12 one extra billion SEK, but that allocation was not prolonged in 2013.

Support to democracy and human rights include a wide variety of activities, also including improvement of relevant governmental institutions and other public authorities. Three priority areas within this field are defined in the Government communication to the parliament in 2008: 1) Civil and political rights, including freedom of expression and free media and personal security. 2) The institutional procedures of democracy and the rule of law, with the central government responsibility for human rights compliance as a guiding principle. Combating corruption and ensuring establishment of an effectively functioning judiciary are further priorities. 3) The actors in the democratisation process, including a vigorous, democratic civil society which can defend and deepen democracy in the partner countries.

The main aim of the support to issues related to climate change and environment is to contribute to the adjustment of the poorest countries to the ongoing effects of changed climate, including increasing people's resilience to the effects of the climate change and an environmentally sustainable development. This includes among other things investments in the areas of health, sanitation, functioning ecosystems, soil and sustainable agriculture and access to water. Another part of this support is contribution to global ess to mitigate the climate changes and support adjustment efforts, in particular in the poorest countries.

Gender and reproductive health

Sweden has been in the forefront regarding reproductive health issues since the start of official development cooperation and it has continued to provide support in this area, today increasingly through civil society organisations such as IPPF and multilateral channels such as UNFPA and WHO.

The terminology has developed from family planning and population issues to reproductive health which also includes maternal health and today Sexual and Reproductive Health and Rights, SRHR. Sweden has been and remains a strong proponent in particular for the "sexual" and the "rights" aspects. The SRH concept is today widely accepted, not least because of the HIV/AIDS epidemic. However, the sexual rights aspects are not recognized by conservative groups and patriarchal societies.

The rights aspect also includes the rights of LGBT, lesbian, gay, bisexual and transsexual persons. Those rights are strongly resisted by many developing as well as industrialized countries. They are also opposed by influential and religious groups including the Catholic Church. Sweden has therefore an essential future role in advocating for the rights of LGBT persons, together with other progressive countries.

Sexuality education which is essential for improving reproductive health also provides an obvious and strong connection to preventing HIV/AIDS. Effective action against HIV/AIDS needs a stronger emphasis on sexual education especially for adolescents and young people.

A basic issue is to provide access for all women and couples to modern methods of contraception. Great progress has been made. However, renewed efforts to ensure access to contraception are now required. SIDA was once the largest buyer of contraceptives in the world as part of its family planning assistance. Today new modalities are required and international collaboration to reduce the

unmet need for contraception is still needed. In addition the HIV/AIDS epidemic has led to a renewed emphasis on the importance of use of condoms.

Sweden has also been a pioneer in promoting equality between men and women not only with regard to SRHR. Gradually the focus has shifted from being a women's issue to challenging the traditional roles and responsibilities of men and boys. One of the most difficult issues to deal with in this regard is gender-based violence. Action against gender-based violence (often termed Violence against Women) is an important pillar in efforts to achieve gender equality. During the last decade it has become increasingly important to discover and act against sexual violence or rape against women in war and conflict situations.

Another threat for women in some parts of the world is female genital mutilation, an area where international actors to some extent are powerless except to support indigenous groups and organisations that work to change deeply ingrained cultural attitudes. Sweden tried to raise this issue already in the 1950s but it has only in the last decades become of broader concern pointing at the importance of having a long-term focus.

As described earlier in this paper the reduction of maternal mortality to reach the MDG goals is still distant. Ensuring safe delivery and the utilization of skilled birth attendants, such as trained midwives, still leaves much to be desired. But this is less of a political issue in comparison with access to safe abortion services which is fiercely resisted by many governments and traditional and religious groups. Sweden with its relatively positive history of promoting the rights of women has a clear role in advocating for safe abortion and supporting access to such services wherever legal.

As indicated above sexual and reproductive health and rights is not only a women's issue. Much more attention is needed to promote new roles and attitudes for boys and men in order to achieve both gender equality and sexual and reproductive health and rights for both women and men.

Ownership and Partnership

Like many donors Sweden turned from strict donor-driven project aid in the 1960s to a recipient orientation in the early 1970s, when country programming was introduced, then turned to a period of donor domination during the 1980s, with structural adjustments and conditionality at the centre of interest. After a major exercise to investigate the donors' and recipients' different roles in the late 1990s, partnership and ownership were introduced (Wohlgemuth, 1997). These shifts were partly indigenous to Sweden and in part following international trends. It is interesting to note the long-term circular reappearance of implementation of policies – i.e. donorship versus ownership.

After the Paris Declaration in 2005 Sweden was one of the DAC countries that took seriously the principles of harmonisation among the donors, ownership by the recipients of the aid funded activities and the partnership between the actors involved. That continued up to the Busan high level meeting on aid effectiveness in 2011. This meeting changed the focus to accountability and the results agenda, a direction which had already been noticeable in the Swedish aid policy before the meeting. Since then those two issues have moved to the fore both internationally and in the Swedish aid. The most recent developments of Swedish aid policy is summarised under the sub-heading "The Paris Agenda post-Busan" in section 6.

Also as to modes of aid, changes have been prevalent and seemingly extensive. Sweden went from donor driven project aid in the 1960s with a large technical assistance component and Swedish project coordinators on the project site having a final say on both large and small issues, to the present day sector support and budget aid which intends to be fully integrated in

the recipient economy. Aid went from using detailed directives on project level to the present day conditionality including issues such as macroeconomic policies as well as policies regarding democracy and human rights. Policies have also swung from domination to dialogue (Havnevik and Arkadie, 1996).

The present day partnership relationship between donor and recipient has made dialogue the hub of development cooperation. Several studies on partnership have discussed conditions and models for true dialogue (Kayizzi-Mugerwa et al., 1998, Kifle et al., 1998, Government Bill, 1997/98:122). In Sweden, partnership was established in the Government White Paper on Swedish Africa Policy, approved by parliament in 1998 (Government Bill 1997/98:122) and the Government Bill in 2003 (Government Bill, 2002/03:122).

The aid administration has in studies and evaluations repeatedly confirmed that sustainable results of aid interventions can only be reached if interventions – either on macro (political) level or micro (project) level – are owned and run by the beneficiaries. We will here refer to three studies that have been of great importance for Swedish and Nordic development cooperation.

The first is a major Nordic evaluation of the effectiveness of technical assistance within 55 projects in the three African countries Kenya, Tanzania and Zambia (SIDA, 1989, DANIDA et al., 1988). It comes to the conclusion that while the short-term project aims had in most cases been fulfilled sustainability i.e. the results that remain after the donor has ended its support and left the scene was in most cases non-existent. The second is a major three-volume historical review over the Norwegian development cooperation (Simonsen et. al., 2003). It comes repeatedly to the conclusions that the recipient has to have increased responsibility over its own development efforts including the resources from the donors and explains why this obvious conclusion again and again is breached due to different factors. The third is the extensive evaluation commissioned by Sida in 2002 on ownership of Sida projects and Programmes in East Africa (Sida, 2002a) that confirms most of the conclusions made in the earlier studies as follows:

> With regard to projects, Sida has a mixed record of involving beneficiaries in the cycle of selection, design, implementation and monitoring outcomes. .....
>
> Perhaps the most fundamental mistake is to presume that recipient ownership can arise from a process that is initially donor-driven. ... there are circumstances in which more development assistance, especially more in the absence of implementation capacity, can make matters worse. ...
>
> 1) If it is not recipient-owned the funds are likely to be used ineffectively, while consuming scarce national resources for administration;
>
> 2) Fungibility can result in reducing the government's incentive to raise domestic resources for development, or provide an incentive to divert national resources for development;
>
> 3) By fostering aid dependency, in which macroeconomic stability becomes derivative from large aid flows (Sida, 2002a).

In spite of the findings in these and other studies again and again, aid implementers have breached this golden rule of ownership. The reasons are manifold. Partly, it can be blamed on internal donor procedures, such as the pressure to disburse as much aid money as possible and internal methods tending to be very donor-centric, like the use of "logical frameworks" and reporting requirements. Other reasons are more individualised. Every actor in the field wishes to see results within their contract period and can therefore only with difficulty await

responses from the beneficiaries, which sometimes take a very long time if they are to be properly based among all relevant stakeholders.

These reasons were dealt with in detail in the SIDA investigation, “Rollutredningen”, in the late 1980s and a special programme to overcome these deficiencies was developed (Sida, 1987). The issue was revisited in the second half of the 1990s in reports delivered in connection with the Partnership study referred to above. In the study, ‘Ownership of Sida projects and programmes in East Africa’ (Sida, 2002a) and later in all documentation related to the Paris Declaration, most of the conclusions are re-confirmations of results from the earlier studies by giving recommendations on how to deal with ownership in development assistance, starting from the proposal that ‘all projects and programmes should include a discussion of their ownership implications when they are proposed’.

3.2 Partner Driven Cooperation

Partner Driven Cooperation (PDC) in various forms has been an integrated part of aid for a long time. In the 1970s the term Broader Cooperation was launched and a special aid organization called BITS (The Board for Investment and Technical Support) was created to manage this kind of aid.

In 2007 the Government enacted a policy on PDC (UD, 2007a). The purpose of the policy was to clarify the goals and principles and the general orientation which should characterize PDC. PDC is defined as ”contributions that stimulate cooperation between primarily Swedish actors and actors in low- and middle-income countries building on mutual interests and explicit division of responsibilities between the actors with the potential to generate self-sustained relations in the longer term” (*Ibid*., p.2).

The goal of PDC is to ”stimulate and strengthen the emergence of self-sustainable relations of mutual interest between Swedish actors and actors in low- and middle-income countries with the purpose of contributing to the goal for international development cooperation or the goal for reform cooperation in Eastern Europe” (*Ibid*., p.2). The thought is to stimulate cooperation between primarily Swedish actors and actors in low- and middle-income countries within different sectors. The cooperation shall be characterized by mutual interests and explicit division of responsibilities between the parties and have the potential to become self-sustainable in the longer term. Sida’s effort should, therefore, be catalytic and limited in time. The policy further specifies that cooperation shall be in the interest of the cooperation country and Sweden. International Training Programmes (ITPs) and Contract Financed Technical Support (KTS) credits and guarantees are the most commonly used methods for PDC.

In some cases Sida has only acted as a facilitator bringing the partners together who have continued cooperation without Sida support. PDC can be conducted with all categories of countries, but the intention is that it should constitute the majority of the ”selective cooperation” (country category 5), i.e., countries where traditional aid is being phased out, but where PDC is desirable during a period of transition until relations between the actors have become self-sustained. The aspiration is that PDC shall be a ”win-win-win” strategy where actors in both Sweden and the cooperation country as well as poor people shall stand to gain from the partnership. PDC requires cost-sharing by the actors both from Sweden and the recipient country.

The seven focus countries of category 5 are Vietnam, China, Indonesia, India, South Africa, Namibia and Botswana. Even though the majority of PDC is conducted in cooperation with

these countries, it is being used with other country categories as well. As all these five countries will be faced out as of the end of 2013 it is unclear how PDC will be implemented in the future.

There are different kinds of Swedish actors, *inter alia*, businesses, government authorities, CSOs, universities, and municipalities. The partnership shall be demand-driven and the request for support shall, in theory, originate from an actor in a partner country. In practice, though, it occurs that two parties find each other and jointly approach Sida. A partnership contract shall be entered into by the two parties and both parties are expected to take part of the costs involved. The project is planned, designed and implemented by the two parties. The contract entered with Sida concerns only the financing of the project. When support from Sida ceases at the end of the contract period, the thought is that the partnership shall continue or otherwise have paved the way for other partnerships in the concerned area.

Municipalities have played an important part in Swedish development cooperation since the very inception of the latter. Today cooperation between Swedish municipalities and their counterparts in cooperating countries is coordinated by the Swedish International Centre for Local Democracy (ICLD). Actors can apply to the ICLD for a planning grant, to meet, explore cooperation opportunities and plan projects. Cooperation with other Swedish authorities is, however, organized differently. Also, civil society organisations have long played an important part in work with PDCs. One question that has stirred up some debate is whether or not Sida should be allowed to favour Swedish actors in procurement.

3.3 Private Sector Cooperation

Involvement of the private sector as an important actor for poverty reduction in development cooperation has gained increasing recognition since the early 2000s. This was, *inter alia*, demonstrated in the outcome document of the High Level Forum in Busan where the importance of the private sector to poverty alleviation through its role in ”advancing innovation, creating wealth, income and jobs [and] mobilising domestic resources” (HLF-4, 2011:10) was acknowledged.

There are many aspects to the role and potential of private sector involvement in development. One of the main aspects concerns the extent to which the private sector is a driver of development, whether it is the driving force or just one contributing factor among many. Another important aspect is how the private sector should engage with development (With what actors? At what level/s?) and how an enabling environment for private sector participation in development is created. Additional challenges are ways in which donors can ensure adherence to rules and ethical standards and the role of development cooperation in advancing business’s contribution to development (Billing *et al*, 2012:i).

In terms of poverty reduction, focus on the private sector raises the need for ”greater efforts to address the needs and maximise the contribution of the many informal enterprises, family-run farms and self- employed men and women that conduct business in developing countries” (Billing *et al*, 2012:1). A role for development cooperation in this regard is to ”assist in bringing about systemic change that alters the incentives for the private sector and by encouraging the public sector to foster a more conducive enabling environment for business” (Billing *et al*, 2012:2).

In addition to market and private sector development, cooperation with private sector actors as change agents is another important aspect of private sector development, e.g., through so called Public-Private Partnerships (PPPs). These are ”based on the private sector’s financial resources, knowledge, problem-solving capacity, a drive for profit-making and expansions of markets combined with the public agencies’ ability to change outdated and restrictive legislations, and develop essential market institutions” (Billing *et al*, 2012:3). The ambition of PPPs is to collaborate with private partners aiming for ”social and environmental impact, and whose work harmonizes with the bilateral donor countries’ developmental goals” (*Ibid.*).

Sweden and Private Sector Development Cooperation
Swedish development cooperation with the private sector dates back to the 1960s. Needless to say, the content of private sector cooperation has changed substantially since. Initially, the state was seen as the main development agent focusing, above all, on industrial and agricultural development. Swedish development assistance was at the time divided into four different categories: trade-related, commercial, technical and financial aid (Billing *et al*, 2012:13). In the 1980s and 1990s the focus shifted toward the market and the state’s role turned into creating enabling environments. Looking at the trends of recent years, a more inclusive approach can be identified.

Swedish private sector development cooperation is managed mainly by Swedfund and Sida. Swedfund, a state-owned equity fund, is tasked with helping Sweden and Swedish companies assist in industrial development. Partly by having a proactive role in informing Swedish companies about business opportunities in developing countries, partly by providing funds at initial stages of investments.

Sida deals mainly with support to market development and the Business for Development (B4D) programme. The former focuses on creating conditions for involving the poor in growth processes with parallel efforts aiming to strengthening the pre-conditions for the development of markets and entrepreneurship. Doing so, Sida focuses its efforts on four areas: (i) Private sector development; (ii) Trade policy and regulation; (iii) Financial systems development; and (iv) Employment and labour markets.

B4D, on the other hand, provides:

> ”a framework for and an approach to collaboration with private sector actors. It recognizes the development potential that lies within the business sector in their role as actors when developing inclusive business models, as well as dialogue partners [...] This means collaborating with companies that take into consideration long-term economic, social and environmental sustainability.” (Billing *et al*, 2012:26-27)

The idea behind B4D is to ”make things happen that would not otherwise occur by sharing costs and lowering risks” (Sida, 2013a). The B4D toolkit includes, *inter alia*:

- **Corporate sustainability and CSR:** CSR is a tool for socially, ecologically and economically sustainable development and a prerequisite for collaboration through Sida’s B4D programme.
  Challenge funds: Through inviting companies to compete for funding, challenge funds aim to encourage business innovation that facilitates development. One such example is Sida’s Innovations against Poverty programme. Expected results include ”access to more affordable essential products and services for people living in poverty…” (Billing *et al*, 2012:30).

- **Public private development partnerships[1]:** Sida's support is supposed to be additional in relation to a business venture, focusing mainly on adding value for poor people. The financial support shall never be directed to individual businesses, but is rather distributed to a local partner, e.g., a national authority, a ministry or a trust fund with ownership of the project at hand." (Billing *et al*, 2012:31).
- **Drivers of change:** Similar to the way that Sida gives support to Swedish CSOs, support can be given to business organisations. Cost sharing is the leading principle.
- **Innovative finance:** Sida aims to reduce the risks of loans and ventures for businesses with development ambitions through allowing such companies to apply for guarantees (*Ibid*.).
- **Communication, dialogue and evaluation:** Through outreaching activities such as seminars, workshops, forums *et cetera*, Sida engages with private sector actors – both domestically and internationally – to learn from and make use of their competence and experiences. (*Ibid*.).

An interesting example of a Sida B4D-collaboration is the the Better Cotton Initiative. A project where "World Wide Fund for Nature and international voluntary organisations work in collaboration with major companies such as Adidas, H&M, Gap and IKEA . The aim is to modernize large-scale cotton cultivation, reducing the negative health and environmental impact and making cultivation more profitable. Sida provides financial support, commercial operators being responsible for the greater part of the budget" (Sida 2013b:4).

3.4 Humanitarian Assistance

International humanitarian assistance is based on the Geneva Conventions of 1949, their Additional Protocols and other instruments of international humanitarian law, refugee law, human rights, legal instruments relating to natural disasters, and accepted international practice in this area. Every state has primary responsibility for meeting humanitarian needs that arise within its borders. In the event that the central government or other institutions of a country are unwilling or unable to meet this responsibility external organisations and states that have the necessary capacity have a duty, in accordance with international law and established practice in international humanitarian aid operations, to provide support for action to meet these needs, if possible with the consent of the state in which the needs exist. This duty is often called the "humanitarian imperative".

Humanitarian assistance is guided by the humanitarian principles of humanity, impartiality, neutrality and independence.

• **Humanity** refers to alleviating suffering wherever it is found.
• **Impartiality** refers to the implementation of humanitarian action solely on the basis of need, without discrimination on the grounds of other factors such as sex, ethnic affiliation, religion or political views.
• **Neutrality** means that humanitarian action and those who implement and support it must not favour any side in an armed conflict or political dispute where such action is carried out.
• **Independence** means autonomy in relation to the non-humanitarian objectives that donors, recipients or other parties may have with regard to crises where humanitarian action is being implemented (MFA, 2010a, in Billing, 2010).

Humanitarian needs and the response to them is complex and varied and not without confusion. It involves a plethora of actors, international and national, large and small,

[1] To avoid Sida's efforts within the B4D framework being mixed up with the more extensive PPPs focused on infrastructure, PPP efforts within B4D are referred to as Public Private Development Partnerships.

organisations with complex global mandates and organisations that serve a community or a neighbourhood. There are actions undertaken by militaries and governments and those by families and individuals. There is preparedness for events, immediate response to them, the provision of basic needs and the first elements of recovery. There is also a continual blurring of lines between humanitarian aid, investments in disaster preparedness, recovery programming, and long-term development spending (GHA, 2010, in Billing, 2010).

The international system consists in particular of the UN, the Red Cross and Red Crescent Movement, and international CSOs. The UN has a central and unique role in directing and coordinating international humanitarian aid. The International Red Cross and Red Crescent movement has a special status. This applies especially to the International Committee of the Red Cross (ICRC) and its task assigned to the organisation by the Geneva Conventions with regard to humanitarian aid and protection and to the monitoring of compliance with international humanitarian law (MFA, 2010, in Billing, 2010).

The European Union is, through the European Commission and its member states, the largest official donor of humanitarian aid. The Humanitarian Aid Department of the European Commission (ECHO) was established in 1992 and has the mandate to provide emergency assistance and relief to the victims of natural disasters or armed conflict outside the European Union (EC, 2010, in Billing, 2010). Since 2010, civil protection has been included in ECHO's mandate which means that in addition to financial support, the member states participate with both material support and personnel in certain humanitarian crises (MFA, 2010a, in Billing, 2010).

In the case of an armed conflict the main beneficiary group is the civilian population, but it may also include members of armed forces who are no longer engaged in hostilities, such as wounded and sick soldiers. The beneficiary group in the case of natural disasters and other disaster situations is the affected population (MFA, 2010a). From the recipient perspective, humanitarian aid is what is supplied by organisations on the ground. First among delivering agencies are often local organisations like churches, local CSOs and governments, and National Red Cross and Red Crescent Societies, followed later by UN agencies and international CSOs. Many agencies may act as recipient, donor and implementer of aid, often at the same time and during the same crisis (GHA, 2010, in Billing, 2010).

Humanitarian aid differs from long-term development cooperation mainly in two ways. Firstly, its principles and approach are to a large extent enshrined in international law. Secondly, the object of humanitarian aid is to alleviate acute suffering, while reducing poverty is the overall aim of development assistance. In principle, humanitarian assistance should be discontinued when the immediate needs of an affected population have been met (MFA, 2010a, in Billing, 2010).

It is important that humanitarian assistance is given at an early stage, in connection with the recovery after a crisis, to help create a situation where long-term sustainable development can take place. In an international donor context, this period, is known as a *transition phase*. This refers not only to the transition challenges that the country is going through, but also the challenges that donors face regarding the choice of financing mechanisms to meet the challenges associated with the so called early recovery (MFA, 2010a and b in Billing, 2010).

Swedish humanitarian assistance is based on the Policy for Sweden's Humanitarian Aid from 2010, and is reinforced by the Policy on Security and Development in Swedish Development

Cooperation from 2010. The Policy for Sweden's Humanitarian Aid defines the government's overall goal for Swedish humanitarian assistance and specifies the point of departure, basic principles and focus, which guides the design and implementation of humanitarian relief. The policy applies to bilateral and multilateral humanitarian assistance, and humanitarian efforts undertaken by Sida, the Swedish Civil Contingencies Agency and other relevant authorities.

The overarching goal of Sweden's humanitarian aid is to save lives, alleviate suffering and maintain human dignity for the benefit of people in need who are, or are at risk of becoming, affected by armed conflicts, natural disasters or other disaster situations. In order to reach this goal the assistance is focused on three main areas: effective and efficient humanitarian assistance, the international humanitarian system, and the interaction with development assistance actors (Billing, 2010).

A basic principle when implementing humanitarian assistance is that it should be based on the principle of "do no harm" (Andersson, 1999, in Billing, 2010). Not doing more harm than good calls for moral considerations but also that the humanitarian activities are locally embedded and the use of local capacity. Many actors today are talking about "mainstreaming" conflict prevention in all their cooperation programmes. Others have developed "codes of conduct" to mitigate possible problems (Wohlgemuth, 2006).

The underlying principles in all humanitarian aid mean that organisations must base their operations on the needs and wishes of the local community and use local capacity. However, it can often be difficult to find the local capacity needed. In some cases, the local capacity that originally was there has been undermined and disappeared in the shadow of an intensive international relief operation (Juma & Suhrke, 2002, in Billing, 2010). Capacity building activities that do not take advantage of local structures and values are destined to fail (Wohlgemuth, 2006).

The principles of impartiality, neutrality and independence are not always easy to implement in the field. Although humanitarian aid operations in conflict areas are supposed to be carried out by CSOs, there are political decisions that affect their capacity to perform their work. In other disaster situations, governments can be the ones leading humanitarian operations, adding another political aspect to the situation. Donor governments are moved by public opinion and humanitarian assistance tends to be greater in disaster situations that the national public feels more empathy with – the so-called CNN effect.

One example of this is the enormous amount of assistance that was allocated to Thailand after the Tsunami compared to the assistance that is given to the Democratic Republic of the Congo and other parts of Africa. An important problem is that humanitarian assistance, despite good intentions and meticulous operational planning, risks exacerbating conflicts between individuals or population groups. In conflict areas, armed groups may attempt to take advantage of the situation in order to strengthen their positions thus turning humanitarian assistance into yet another resource to be fought over or into a political bargaining chip (Odén & Wohlgemuth, 2007).

The existence of a large body of international humanitarian law and human rights law is another important part of the moral landscape in which relief agencies make their decisions. Despite its ratification by a majority of states, humanitarian and human rights law is distinguished by failure of application both locally and internationally. More often than not, relief agencies will therefore find themselves making decisions in a legal vacuum.

3.5 Policy for global development

The Swedish international development policy was renewed in early 2000 leading to the Swedish Policy for Global Development (PGD) of 2003. Solidarity was again confirmed as the major underlying motive for aid but after a debate on whether also to include enlightened self-interest. The new emphasis of PDG is on coherence and coordination. PGD states that "the outlook on development needs to be broadened and a new framework needs to be created for a more coherent policy". Development is not dependent on one single factor but rather a number of factors interacting in a positive way (Government Bill, 2002/03:122: 17). This implies that all political areas implemented in Sweden by the different departments and ministries should be coordinated to take development into account. According to this scenario development cooperation just makes up one of many relationships between Sweden and the countries in the third world.

Policy coherence

The concept of policy coherence for development (PCD) expresses the aim to exploit positive synergies and spillovers and to minimize negative spillovers across public policies to foster development (OECD, 2012). This stems from the premise that **successful poverty reduction requires mutually supportive policies** across a wide range of areas. Not only Official Development Assistance, but also non-development policies of OECD countries (e.g. agriculture, trade, investment, science) can have an impact on developing countries.

The OECD has identified **3 key buildings blocks for PCD** (OECD, 2009):
- Political commitment with clear policy statements on PCD and measures that translate commitment into plans for action;
- Policy coordination mechanisms that can resolve conflicts or inconsistencies between policies;
- Monitoring, analysis and reporting systems to collect and analyze evidence about the impacts of policies and reporting to parliament and the public.

Recent comparative analysis shows that the third building block, the **knowledge factor, is still by far the least developed aspect of PCD systems in OECD countries** (Galeazzi et al., 2013).

It has been suggested to strengthen impact monitoring, particularly focusing on specific policy areas, such as migration, illicit financial flows or food security, rather than trying to assess the impact on 'development' more broadly. It was also noted that more dialogue on PCD with stakeholders in developing countries is needed to help improve understanding of policy linkages between countries to inform policy-making and facilitate the design of developing countries' response strategies to address impact of incoherencies (OECD, 2013).

The overriding objective for PGD is *to contribute to an equitable and sustainable development* (Government Bill, 2002/03:122: 19). This applies to all policy areas of the government and contributes to fulfilling the UN Millennium declaration and the Millennium Development Objectives. The PGD objective should in turn be impregnated by and take as its starting point two important perspectives:

- the rights perspective on development
- the perspective of the poor on development.

The rights perspective includes human rights and democracy and the importance of gender equality, children's rights and work against discrimination.

The perspective of the poor takes its point of departure from the fact that development cannot be created from outside but must be built from inside. The poor should be seen as active subjects and their ability to influence and define is emphasized (Prop. 2002/03:122: 20-22). The objective and perspectives give a strong focus on poverty reduction where poverty is viewed as holistic, dynamic, multi-dimensional and context-specific. It also stresses the individuals, their individual and collective rights, their own views and experiences of being "poor". This also includes strengthening democracy and increased participation in decision-making.

PGD identified eight central elements as essential building blocks in abolishing poverty in a society and which together with the two perspectives are supposed to act as guides for the practical implementation of the policy. These eight central elements are:

- Respect for human rights
- Democracy and good governance
- Gender equality
- Sustainable use of natural resources and protection of the environment
- Economic growth
- Social progress and security
- Conflict management and security
- Global public goods (Government Bill, 2002/03:122: 23-30).

The emphasis on coherence made in the PGD follows the recommendation in the Maastricht Treaty of the EU from 1992 but is unique in the sense of Sweden being the first country that formally has introduced the concept of implementing one development-focused policy for all policy-areas. An important aspect of the policy is the requirement of identifying the goal conflicts within and between the different policy areas and to deal with them in a transparent and clear way. The Swedish government should also strive to make coherence more acceptable on the EU level as well as on the international and multilateral level.

Development cooperation is one of the policy areas within the policy for global development. The specific objective of development cooperation is to "help to create conditions that will enable poor people to improve their quality of life" (Government Bill, 2002/03:122: 59). The countries´ own strategies and priorities for poverty alleviation should guide all international support (Government Bill, 2002/03:122: 61). Ownership of and responsibility for the development process by the partnership country is crucial (Government Bill, 2002/03: 122: 58).

Since 2006 the PGD policy has been reformed, more specific goals have been formulated and attempts to improve implementation have been made. In the field of the overall PGD policy and coherence a Government communication to the parliament was provided in 2008, entitled *Global Challenges – Our Responsibility*. Its point of departure was that many of the challenges facing the world during the four years since 2003 were changing and more urgent than ever. To make the PGD more effective it should be focused on six of the global changes: Oppression, Economic exclusion, Climate change and environmental impact, Migration flows, Infectious diseases and other health threats and Conflicts and fragile situations. For each of them three focus areas were identified.

According to the communication, the PGD must serve as a guide in formulating and implementing policies in the different policy areas. The importance of coherence between actions in those areas is emphasized. The results-based management approach contains four

parts in the field of PGD. The first one is management, organization and follow up, the second is to strengthen knowledge and analysis in the Government offices, the third is cooperation with Swedish actors and the final one is cooperation and relations with the EU.

The Government communication on the implementation of the PGD 2012 contained a new important feature, as it for the first time discussed a number of conflicts between interests of different policy areas, among them illicit flows of capital from poor countries to tax havens, and the effects on poor countries in the form of less state income. Globally, the outflow of capital is estimated to be 6-10 times the total inflow of aid.

Another issue discussed is the possible effects of the Economic Partnership Agreements (EPAs) which during a number of years have been negotiated between the EU and the African and Caribbean countries (ACP) and where the EU requires trade and investment liberalization measures by the ACPs in order to accept continued development cooperation. Other examples are the EU fishery policy and agricultural policy including high subsidies to their own farmers and restrictions on food imports. Still another issue discussed is the interest conflict between production of food versus biofuels. The most obvious interest conflict is between Swedish arms exports to repressive regimes and development.

Recent global changes have made the PGD perspective and in particular the coherence policy part of it still more urgent to improve and develop further. Among the global challenges strengthening the need for coherent Swedish development policy can be mentioned to mitigate the climate changes and support poor countries` efforts to adapt to the effects of those changes, to mitigate global environmental challenges such as depletion of the fish populations, pollution of air and water, soil erosion and global food security, secure access to clean water, the reduction of the subsoil water level, international financial stability, including mitigation against tax evasion and closing down of tax havens, continued fight against HIV/AIDS, malaria and other global health threats, including security against new pandemic threats. Energy security is another global challenge, including increased development of renewable energy, environmental effects of large scale mining projects, including the threats from the new fracking technology to exploit oil and gas.

All these and other transborder challenges require further global or regional cooperation including several policy areas for many of them. For Sweden this boils down to further strengthening of the PGD and its coherence policy perspective. However, in spite of the Swedish government communication on the PGD in 2012 already mentioned, it seems as if the political energy behind the PGD has gradually evaporated during the last few years. To a certain extent the coherence perspective has been turned “upside down”, in the sense that other Swedish policy interests than global development attempt to get extra funding from the development cooperation budget.

3.6. Selected features of Swedish policy for development cooperation

The coalition government, that took power after the parliamentary elections in 2006, had a strong ambition to make major changes in how to administer and further develop the prevailing policies. The implementation was affected by a number of issues, including 1) actions already under way before the new government took over with the objective to implement the PGD, 2) consideration of the emerging new international aid architecture, 3) different ideological points of departure and 4) the financial and economic crisis emerging since the second half of 2008.

In the reform documents, the objectives have been more clearly defined and the activities more focused as compared with earlier documents. Efficiency and results have been prioritized in accordance with the Paris Declaration. The government's communications to the parliament from 2008, 2010 and 2012 on PGD have been more focused on what is to be done by whom and a greater emphasis has been put on the implementation processes.

The strategy for multilateral development was launched in 2007, but its implementation has so far been weak, due both to lack of staff capacity at the MFA and weak management. The MFA instructed Sida in 2012 to take over the financial management of the multilateral Development Cooperation.

Within the development cooperation field special policies and strategies have been launched both regionally – Africa and Asia – and thematically, for example on sector focusing and on a new policy for civil society organisations. The most conspicuous drive has been the work on country and sector focusing (See above under 3.1).

Other documents that have been developed and widely distributed relate to Swedish policies with regard to certain important thematic areas such as the communication to the parliament on Democracy and Human Rights from 2008. A Commission report on Climate and Development Cooperation, entitled *Closing the Gaps*, was launched in 2009. It was an important part of the agenda for the Swedish Chairmanship of the EU during the second half of 2009. It emphasized the importance of development cooperation and suggested how it can become an important tool to stop warming of the atmosphere as well as to limit the effects of the warming that is currently taking place. An extra allocation over three years in order to contribute to the international efforts to mitigate the effects of global warming was introduced in 2010. After the Rio+20 high level meeting it seems as if climate issues have been less prioritized by the government, and that is also the case in the development cooperation field.

Most of the documents that have been developed to make the assistance more effective and result oriented can be seen as improvements. The number of new policy documents has however been too large and the Government has been criticized by the OECD/DAC in peer reviews on Swedish development cooperation (OECD/DAC 2005 and 2009). A new peer review is expected by late 2013.

A critical report by the Swedish Agency for Public Management on the model for results based management used for development cooperation was published in 2011. One of the main conclusions was that there were too many, too vague and too uncoordinated policy documents, which significantly weakened the scope for government management of the Swedish aid activities.

As a response to these reports, the Swedish government started a process in order to change the guidelines for bilateral development cooperation strategies and clarify and coordinate priorities between various policies managing the development cooperation. However, this process has been delayed and by July 2013 the relevant document (called "the platform") is still "work in progress". One main area of change relates to poverty reduction as the objective and methodology for development cooperation. Present trends internationally and in Sweden point in the direction of a return to emphasizing economic growth as the major means for development in developing countries. Redistribution and special activities for poverty alleviation are being downgraded, compared with the thinking of the 1990s and the first years

of the new millennium. The policy for growth in development cooperation that was published 2010 was an important indicator of how far Swedish policy in this area has reached.

One major conclusion from the study of the different policy areas is that the very high ambitions are not met by sufficient resources to allow for the implementation thereof. In the Peer Review on Sweden carried out by OECD/DAC in 2009 this is noted several times. Without necessary resources the policy documents become empty rhetorical gestures. The strategy on multilateral development cooperation as well as the PGD-communications therefore risks becoming a waste of effort if more implementation capacity is not added. In July 2013 the Government commissioned a study from The Swedish Agency for Public Management on working procedures, organization and management of the PGD policy. Its report is expected to be ready during spring 2014.

4. **Organisation and content of Swedish development co-operation**

The rapid increase of development cooperation is the single most influential factor on the content of the same. More than anything this was the case during the period 2000-2006, when the one-percent-target again was reached. Aiming to realize this ambition regarding the quantity of development cooperation, all principles of concentrating aid to a smaller number of countries and sectors were abandoned. From 2006 and onwards efforts have been made to focus cooperation to fewer countries and sectors.
Tables 4.1-4.4 provide an overview of the distribution of development cooperation by thematical and geographical areas over recent years.

Table 4.1. : Swedish Aid, 1996-2011. USD, million (current prices) and %

	1996	1999	2001	2003	2005	2009	2010	2011
Total	**2,001**	**1,632**	**1,667**	**2,400**	**3,362**	**4,548**	**4,533**	**5,603**
			Disbursing authority					
Bilateral[a]	70	70	72	74	67	66	64	65
by which								
Sida[b]	88	88	82	75	83	77	TBD	TBD
MFA[b, e]	12	10	13	15	14	19	TBD	TBD
Other[b]	0	2	1	10	3	4	TBD	TBD
Multilateral[a]	30	30	28	26	33	34	36	35
by which								
Sida[c]	0	0	28	0	0	0	TBD	TBD
MFA[c,e]	100	100	72	99	99	100	TBD	TBD
Other[c]	0	0	0	1	1	0	TBD	TBD
			Multilateral aid per recipient (% of total multilateral aid)					
UN System	44	46	59	37	42	38	41	35
WBG incl. IMF[d]	74	22	0	0	26	22	18	19
Reg. dev. banks[c]	20	13	10	21	9	13	2	12
EU	17	19	24	20	18	19	24	19
Other	7	1	3	22	5	8	15	15
			Bilateral aid per continent (% of total bilateral aid)					
Africa	35	32	29	39	30	30	30	37
Asia	26	18	20	18	18	17	17	15
Latin America	10	14	12	8	8	6	6	4
Europe	6	8	7	6	6	6	6	6
Not country specific	23	28	32	29	38	40	41	38

Source: Sida and OECD/DAC.

Comments: WBG is the World Bank Group. ”Other bilateral” includes debt relief from the Export Credit Guarantee Ordinance (especially 2003). Other authorities include the Nordic Africa Institute, the Swedish Institute, the Folke Bernadotte Academy, Ministry of the Environment, SSM, MSB, SADEV and the Swedish National Audit Office. [a] Percentage of total aid.
[b] Percentage of bilateral aid, including support to specific projects executed by regional development banks.
[c] Percentage of multilateral aid.
[d] The Swedish contribution to IDA in terms of debt relief is unevenly distributed over the years.
[e] The Ministry of Foreign Affairs.

Swedish aid is distributed by Sida and the Ministry of Foreign Affairs (MFA). Multilateral aid, which is largely administered by the MFA, traditionally constitutes about 30% of the total aid budget. From 2011 the financial management of multilateral aid has been transferred to Sida. The majority goes to the United Nations while the World Bank Group receives roughly a third. The latter, though, is difficult to tell from Table 4.1, as it mainly concerns debt certificates which are issued and redeemed beyond Swedish control.

Further, Sida administers considerable amounts of disaster relief to UN organisations managing distribution and procurement as well as to UN organisations like the World Bank for more specific projects, investigations and research. Geographically the majority of bilateral aid goes to Sub-Saharan Africa; mostly to southern and eastern Africa. In Asia aid is concentrated to the poorest countries in South Asia, in Latin America to the countries in Central America and Bolivia. The majority of Swedish aid, thus, goes to the poorest countries. In addition, Sida is, since the merger of a number of development cooperation agencies in 1995, also active to a lesser extent in a large number of middle income countries. Sida had never before been active in as many countries as when the Swedish Government in 2007 attempted to concentrate Swedish aid to a fewer number of countries (see below). Because aid which does not relate to a specific country (e.g., humanitarian aid and aid through CSOs) is included in the statistics this does not give an accurate picture of the aid over which the MFA decides also operationally.

A number of points which do not emerge from the tables are:

- Support to the liberation movements in Africa and South East Asia in the 1970s and 1980s is not covered here, but should not be forgotten, with regards to their very important contribution to Swedish foreign and aid policy over a long period of time and their impact on the selection of countries with which Sweden in many cases still conducts development cooperation.
- The humanitarian aid has increased substantially over the years. Initially it was limited to support to a small number of natural disasters during the 1960s. Today it encompasses disaster prevention, aid of different kinds during disasters and aid to move from a disaster to peace, so called transition. This kind of aid amounted to 3.1 billion SEK in 2012 and went to a wide range of countries around the world. It also engages many new actors, i.e., the military and the police and has, therefore, made the separation between aid and security policy increasingly difficult.
- Sweden was the first donor country to support family planning (today under the name of sexual and reproductive health) and to raise issues relating to sex education. This started already in the 1950s, long before any other country even dared to mention these issues. This support later turned out to be crucial as the US because of domestic political considerations opted out from such areas of support (in particular during Republican administrations). Sweden was able to partly fill the gaps when the US withdrew its support to organisations such as the International Planned Parenthood Federation, IPPF, and the UN Population Fund, UNFPA.
- Aid to civil society and its organisations remains an important part of Swedish aid policy. The majority of the means are channeled through large, Swedish “umbrella organisations”, which respectively organize a number of separate organisations. A large part is also channeled directly to local civil society organisations in the recipient countries, some of it through newly created multi-donor mechanisms. The civil society organisations are also important actors within humanitarian aid.
- Swedish support to researchers and research institutions in poor countries, has an almost unique focus in that its main aim is to build domestic research capacity rather than focusing on specific research projects or programmes.

For a number of years NGOs have criticized the Government for assigning certain expense areas to the aid budget. Above all, this concerns three areas: debt relief; migration costs for fugitives from poor countries during their first year in Sweden; and overhead costs for the MFA. However, in all three cases this is compatible with the definition of aid as provided by the OECD/DAC. The extent of debt relief varies a lot between the years depending on the year when an agreement enters into force and so the extent of this expense area varies. In

2013 this cost will be zero, but this will not be permanent. Migration costs depend on the number of fugitives during any given year. These costs were doubled between 2006 and 2008. In 2013 it is estimated to increase to 5.2 billion SEK, which corresponds to more than 13 per cent of the budget frame for this year. In total these three expense areas have accounted for 10-15 per cent of the total aid budget over the last couple of years.
As can be seen from table 4.1, in spite of the intense debate about the African countries being the poorest and most vulnerable, no real long-term increase of the share of Swedish bilateral aid going to these countries can be identified.

Table 4.2: Bilateral aid per sector (acc. to DAC definitions), 1988/89-2011 (%)

	1988/89	1993/94	1999	2005	2009	2010	2011
Social	21	32	35	36	33	39	36
Economy, infrastructure	18	13	9	6	7	5	6
Production	15	13	4	5	5	6	5
Programme aid	16	5	5	7	5	4	4
Humanitarian aid[a]	15	23	24	18	23	13	13
Other[b]	14	6	17	28	27	TBD	TBD

Source: Sida and OECD/DAC.
Comments: Classification by the OECD/DAC definitions.
[a] Includes some migration costs (2.34 million SEK 2009).
[b] Incudes, inter alia, overhead costs and support to NGOs and un-earmarked.

Table 4-3 : Geographical distribution of ODA (Number of countries)

	1990/91	1994/95	2001	2006	2009	2010	2011
Africa	36	44	41	46	47	43	45
Asia[a]	21	29	27	27	33	33	33
Latin America	19	27	21	22	20	19	18
Europe	1	14	14	16	11	11	10
Total	77	114	103	111	111	106	106

Source: Sida and OECD/DAC.
Comments: 1990 and 1995 encompasses ODA from all the agencies which merged to Sida, i.e. SIDA, SADEV, SAREC, BITS and SWEDCORP.
[a] Includes the Middle East.

Table 4.4 : The Top 10 largest recipients of Swedish bilateral aid (% of total ODA)

1990		2000		2005		2009		2011	
Tanzania	10.8	Tanzania	5.1	Tanzania	3.9	Mozambique	3.0	DRC	4.3
Mozambique	9.9	Mozambique	3.7	Mozambique	3.3	Tanzania	3.2	Tanzania	2.2
India	4.3	Honduras	3.4	Ethiopia	2.7	Afghanistan	2.7	Afghanistan	2.1
Vietnam	3.9	Vietnam	3.0	Afghanistan	2.2	PAA[a]	2.2	Mozambique	1.9
Ethiopia	3.5	Yugoslavia	2.7	Uganda	2.0	Kenya	2.2	Sudan	1.5
Angola	2.8	Nicaragua	2.7	Nicaragua	1.8	DRC	2.0	Kenya	1.4
Zambia	2.7	PAA[a]	2.6	Bosnia	1.8	Sudan	1.8	PAA[a]	1.1
Zimbabwe	2.6	South Africa	2.6	PAA[a]	1.7	Uganda	1.7	Somalia	1.1
China	2.3	Bangladesh	2.6	Serbia&Mon	1.6	Bangladesh	1.5	Liberia	0.9
Nicaragua	2.3	Bosnia	1.9	Sri Lanka	1.6	Ethiopia	1.5	Ucraine	0.7
Top 10 as % of total bilateral aid	45.1		30.3		22.6		22.3		17.3

Source: Sida and OECD/DAC.
Comments: Data for 1990 and 1995 include disbursements from SIDA, BITS, SWEDCORP and SWEDFUND.
[a] Palestinian Administrative Areas.

As is the case with all other countries, Swedish aid has been organized and re-organized on a number of occasions over the years. When aid has been seen to be failing to deliver the expected results (e.g., poverty reduction) the resulting frustration has been focused more on the administrative machinery than on the content of aid and partner dialogue. However, until the end of 2008 Swedish aid was relatively spared from re-organisations, if compared to other

countries. This has however changed drastically over the last few years. Never before has Sida experienced such organizational convulsions as during these years.

Following a volatile beginning of Swedish aid SIDA was created in 1965. Bilateral aid was managed by SIDA, while the MFA retained, and still retains, responsibility for multilateral aid. However, a fragmentation of bilateral aid administration was initiated in the 1970s and continued until 1995 when all bilateral aid was centralized to the new agency ”Sida”. Nonetheless, a number of smaller re-organisations have ensued, in particular the organization of the overseas offices which are now entirely aligned to the MFA and increasingly decentralized to the ”field”, i.e., the embassies or consulates of the concerned countries. Aid and its organization has always encountered problems and will continue doing so in the future. Nonetheless, any kind of correlation between increased ability to solve arising issues and the effectiveness of aid on the one hand, and the re-organization of aid on the other hand is still to be identified (Danielsson and Wohlgemuth, 2005).

The current organization of aid through Sida
The goal of Swedish development co-operation is to contribute to the creation of preconditions for poor people to improve their living conditions (Government Bill 2002/3:122). Most of the Swedish effort towards this goal is managed by the Swedish International Development Cooperation Agency (Sida). In turn, Sida’s efforts are channeled through two main processes: (i) The strategy process; and (ii) The contribution management process. With detailed guidelines and descriptions these processes are well documented by the Ministry of Foreign Affairs and Sida.

The strategy process lays down the framework for Swedish development co-operation with a country/ region specifying, *inter alia*, the Swedish Government’s political priorities in relation to existing challenges; strategic goals to be achieved; and strategic follow-up arrangements. The contribution management process provides the guidelines for the process by which Sida contributions (i.e. projects, programmes, basket funds, sector support and budget support) are planned and appraised, agreed and monitored and followed up.

The Strategy Process
The strategy process, recently re-named the *Results strategy process*, is currently being re-designed to better correspond to the Swedish Government’s increased results focus. The new process was implemented from 2012 and officially adopted by the Government in July 2013 and used for a few partner countries as pilot cases even before that. It revolves around three major process steps:

i. **Instruction:** The Swedish Ministry of Foreign Affairs initiates the process by issuing an instruction, containing guidance on Swedish priorities, to Sida and the concerned Embassy/ies;
ii. **Results Proposal:** Sida and the concerned Embassy/ies jointly prepare and submit a *Results Proposal*, containing identified developmental challenges, suggested priorities, goals and means of following up on the results of Swedish development co-operation, to the MFA; and
iii. **Results Strategy:** Upon receiving the Results Proposal, the MFA, with point of departure in the Results Proposal, formulates and finalizes the Results Strategy.

Judging by the experiences so far, there are, at least, two major challenges with the process given its current design and execution. First, and most obvious, is the incorporation of the partner country in the process. While the strategy process is a process for constructing a framework for Swedish priorities, the disregarding of concerned partner countries might end

up putting the sustainability of future, achieved results at risk by potentially having an adverse impact on ownership. In other words, including partner countries in the strategy process to harmonize priorities ought to be a natural part of the results agenda to facilitate the sustainability of results. Sida and the Embassies are working on this trying to keep up the dialogue with the partner countries. The instruction issued by MFA should for example be preceded by a country paper prepared by the Embassy in question which might be produced after a dialogue with the different actors in the partner state.

The second challenge is to allow for sufficient room for maneuver in the implementation of the strategy. To strike the right balance between long-term planning and flexibility, it is pivotal that goals are not formulated too close to the contribution level. The goals and priorities that are made have to be precise enough to be attainable and provide the desired steering, but flexible enough to allow for both organizational learning and re-prioritization as changes occur.

The Contribution Management Process
The Contribution management process is divided into four stages:

i. **Plan Appraisal:** Sida assesses and decides whether an appraisal of the intervention can be initiated, if so an appraisal plan is prepared;
ii. **Appraise and agree:** The intervention is appraised and the potential Swedish contribution is planned and decided on;
iii. **Performance Monitoring:** The progress of the implementation of the intervention is followed up in terms of results and risks, to provide a foundation for results and evidence based management; and
iv. **Contribution Completion:** The results and lessons learned from the intervention are analysed and documented (Sida, 2012:3).

Sida's role in the contribution management process is to "assess and support the partner's capacity for planning, implementing, monitoring and evaluating, while the operational management is carried out by the partner who should have full ownership of the development intervention" (Sida, 2012:1). One of the primary tools for Sida to engage and support the partner is dialogue. Focus of the dialogue should be on "the expected results during the different stages of the intervention, incorporating the principles for effective aid" (Sida, 2012:2). One such principle which is important to stress during steps i & ii is the involvement of the partner to harmonize intentions and, thus, facilitate ownership.

Looking beyond the mere construction of performance indicators as part of the steering mechanism for results based management; the keys to success in step iii very much lie in flexibility and a contextualized understanding of drivers of change. The evaluation of Swedish development co-operation with Sri Lanka provides an illustrative example. Due to limited analyses and, hence, limited understanding of the drivers of change which were at play in the period leading up to the civil war, Sweden was unable to adapt its priorities to the changing circumstances in which the co-operation was being carried out. As a consequence, the evaluators argue, Swedish development co-operation effectiveness and efficiency decreased (McGillivray et al., 2012:21). Understanding the drivers of change and being flexible is, thus, of paramount importance to effective and efficient development co-operation.

Step iv is key for any learning organization. Identifying results and lessons provides the foundation for learning from both mistakes and successes. The key, then, becomes the very

identification of results and lessons, which serves to underline the importance of evaluation, not only to step iv but to the previous three steps as well as. To enhance the quality of evaluation, OECD/DAC has identified five criteria for ”Evaluation of Development Assistance”:

i. **Relevance:** ”The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor”;
ii. **Effectiveness:** ”A measure of the extent to which an aid activity attains its objectives”;
iii. **Efficiency:** ” Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs”;
iv. **Impact:** ”The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended”; and
v. **Sustainability:** ”Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn” (OECD DAC, 2013).

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Evaluation of Swedish development cooperation is carried out on two levels, by Sida and a new independent committee for evaluation of Swedish international aid, substituting the recently dismantled agency Sadev. Evaluation on the committee level covers all of Swedish aid, whereas evaluation carried out by Sida only covers the latter’s contributions. Within Sida evaluation is organized around two different kinds of evaluations, Strategic Evaluations and Decentralised Evaluations. Strategic Evaluations are part of Sida’s Strategic Evaluation Plan, decided by the Director General and managed by Sida’s Unit for Monitoring and Evaluation. Decentralised evaluations are usually less extensive in scope than Strategic Evaluations and are managed by the Programme Officer concerned.

After criticism the Swedish government in 2012 decided to close down SADEV, the Evaluation Authority launched in 2006, mainly due to the variable quality of its reports and bad management. Instead an Expert Group for Evaluation and Analysis of Sweden’s International Development Cooperation was formed by the Government in early 2013. The ten Committee members were appointed in March 2013 and a first seminar took place in May 2013 aiming at a discussion on the future work of the Expert Group. The group will commission its first studies in autumn 2013 and the first reports are expected to be finalized by mid-2014.

5. Actors in development: bilateral, multilateral, EU and CSOs

The donor community consists of a great number and variety of actors. The majority of the traditional bilateral donors are members of the Development Assistance Committee (DAC)— the principal body through which the OECD deals with issues related to development cooperation. DAC was created during the 1960s by the donors to help them jointly define the rules of the game. Other major actors are the multilateral organisations including the United Nations organisations, the Bretton Woods institutions and the European Union (EU is treated here as a separate organization according to the Swedish practice). In addition to bilateral and multilateral donors, important contributions are made by non-governmental stakeholders, private foundations, regional development banks and so-called non-DAC bilateral donors. As stated above a number of new actors have entered the scene in the past ten years which present new opportunities to developing countries, yet also raise questions about the respective roles and added value of each as well as risks of duplication and fragmentation. We will briefly discuss the Swedish policy towards some of these actors.

5.1 Development cooperation with multilateral organisations

It should be noted that development cooperation is but a small part of the many tasks assigned to the multilateral organisations. However, the growth in the number of multilateral development institutions engaging in development cooperation over the past three decades provides some evidence of the continued demand for what the multilateral organisations offer, as does the fact that donors continue to see merit in directing a substantial proportion of their aid budgets to support the work of multilateral organisations. Contributions to multilateral organisations have increased six-fold from the early 1970s to 2005, reaching more than 25 billion dollars. As total development cooperation also has increased over the same time the share of multilateral assistance has stayed ever since the end of the 1970s at around one third.

According to DAC aid contributions qualify as multilateral assistance only if:

- They are made to an international institution whose members are governments and who conduct all or a significant part of their activities in favour of developing (or transition) countries.
- Those contributions are pooled with other amounts received so that they lose their identity and become an integral part of the institution's financial assets.
- The pooled contributions are disbursed at the institution's discretion (Carlsson, 2007).

Any ODA that does not fulfil these criteria is classified as bilateral assistance. This includes multi-bilateral (multi-bi) assistance which implies, non-core/earmarked contributions from bilateral donors to a multilateral agency´s specific thematic or country-regional-global programme, supplementary to their core contributions. Multilateral aid is channelled through a large number of institutions. The principal categories are:

- **United Nations agencies** including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), World Food Programme (WFP), and United Nations High Commissioner for Refugees (UNHCR).
- **International Financial Institutions:** the World Bank Group and the four regional development banks.
- **European Union**: EU is treated separately in the Swedish budget and is therefore also here treated as such , despite being a unique institution in its own right and not corresponding to all criteria defined by the DAC for multilateral development

cooperation.[2] The main difference is that EU Member States are much more involved in governance and decision-making.

The multilateral institutions and framework of multilateral development cooperation have their roots in the planning for a new economic, social and peaceful order which took place during the last phase of World War II. It has developed extensively over the years and a number of new institutions and programmes with the aim of dealing specifically with development cooperation have been created (Carlsson, 2007).

The structure of the United Nations is a legacy of the environment created after the Second World War. To take into account the contextual changes that have taken place over the years several reform programmes have been initiated throughout the UN's history. Since the late 1960s more than fifty proposals for UN reform have been put forward, originating from both within and outside the UN system. Some of these have played a part in changing the system, while others have stimulated dialogue and influenced international public opinion without being formally adopted and implemented. Member states, renowned experts and diplomats generated most of the early reform proposals. Only two sets of proposals in the 1990s came from the UN itself.

Most of the reforms have targeted the developmental role of the UN system - its proliferation of bodies, inadequate coordination between the UN proper and the specialised agencies, lack of focus and inadequate impact. Remedies proposed to overcome these shortcomings mainly took the form of improvements in institutional arrangements and management issues rather than of programmatic reforms.

Discussions on UN reform have been significantly influenced by the political, economic and social priorities among member states — and these have changed over time. The reform agenda of the UN has evolved through different phases, but it can be seen that there is a common element in all the proposals, in particular:

- The governance of the UN system;
- The balance between the normative and the operational role of the UN;
- The perceived proliferation of UN bodies and their lack of coordination; and
- The cost-efficiency and effectiveness of the UN's development functions.

The point of departure for the Swedish development cooperation at the time when the bilateral assistance was almost non-existent in the 1950s was that multilateral assistance should make up the backbone of development cooperation and bilateral assistance only act as a small complement. The assumed reasons for this were both the limited Swedish experience in the field of development cooperation and that the UN had the required resources by tapping into the expertise of all countries in the world to make, in particular, technical cooperation effective.

At the time of the government bill of 1962, 80 per cent of the Swedish support was channelled through the multilateral system. This share decreased until it reached 30 per cent in the middle of the 1970s and has stayed at that level. In addition to that another 10-20 per cent is channelled to the multilateral system by Sida in the form of support of specific projects or programmes undertaken by multilateral organisations among other areas in the field of

[22] Other EU Member States such as the Netherlands and the UK also formulate policies as regards the EU under the heading of multilateral development assistance.

humanitarian assistance. In 2012 more than 50 per cent of Swedish development cooperation was thus channeled through the multilateral system.

Among the reasons for Sweden putting such a high priority on multilateral assistance are:

- Swedish policy has ever since the Second World War emphasised its support to the UN and multilateral institutions. Large contributions to these institutions are an important part of this general effort. The idea is also that high-level support from Sweden might also engage other countries to contribute.
- The multilateral institutions are better equipped to deliver more efficient support to certain special areas.
- Large contributions increase the possibility to influence the direction and efficiency of the institutions.
- The influence of the developing countries is larger in multilateral assistance in relation to bilateral and within the multilateral group larger with regard to the UN organisations than the World Bank Group.

Some of the arguments presented in Swedish policy debates against multilateral assistance are:

- It is more difficult to reach the Swedish development cooperation objectives when the assistance is channelled via the multilateral organisations. Because of this reason the amount of earmarked, non-core funding increased over time.
- The multilateral assistance is with some few exceptions administratively more inefficient and more costly than the Swedish bilateral assistance.
- The Swedish assistance can be better aligned with the recipients´ own planning.
- Some of the multilaterals` and in particular the ones of the World Bank Group's, requirements on the recipient in the form of policy conditionality sometimes go far beyond what Sweden would see as right.

Swedish support to the multilateral system was for the first time seriously investigated in a Government Study in the early 1990s (SOU, 1991:48). The major finding of that study was that multilateral assistance overall was not less efficient than bilateral. The committee did not however make any comparison between the Swedish bilateral assistance and the multilateral assistance, although it did point at two major issues in favour of bilateral assistance namely a) it is easier to control and influence the efficiency of the bilateral assistance and b) it is easier to direct the bilateral assistance towards specific objectives as we do not have to share the decision making with other countries.

In the past ten years the question of the efficiency of the multilateral assistance has again come to the fore. DAC in its report on Swedish Assistance 2005 (DAC, 2005) noted that Sweden did not control its assistance through the multilateral organisations sufficiently well and asked for a strategy on the Swedish multilateral assistance which it found to be lacking. This reflected the consensus view at the time on how bilateral aid to multilateral organisations should be steered and managed.

In March 2007 such a strategy was approved by the government and a new system for measuring the efficiency of that assistance started to be implemented. However, there were never enough resources set aside to allow this to work as intended. Up to recently the Ministry has been fully responsible for the core support to multilateral organisations. As of late the

ministry jointly with Sida is taking a new initiative to implement the Swedish multilateral strategy. Sida is now also responsible for disbursement and follow up of the core support to the multilateral agencies. There is also increasing collaboration between a number of DAC member states in following up on the effective use of resources by the multilateral agencies.

5.2 Development cooperation with and within the European Union

The EU and its member countries together constitute a major player in the field of development cooperation. In 2012 EU (28 member states and the Commission itself) provided 60 percent of total ODA. The Commission alone accounts for 10 per cent compared to Sweden` 2.7 per cent.

In the past two decades the EU has increasingly taken seriously the task of becoming a large actor within the sphere of development cooperation. While the Rome Treaty of 1957 first defined a basis for European development cooperation (at that time towards its 'Overseas Countries and Territories'), the Maastricht Treaty of 1992 defined a legal basis for EU development policy and particularly emphasised the three Cs (Coherence, Co-ordination and Complementarity) to reach the best possible results (Lundquist and Odén, 2007:5-6). These concepts were linked to discussions on EU integration in this policy area, given earlier discussion about the possibility of shifting responsibilities for development cooperation to Brussels altogether.

In late 2005 *The European Consensus on Development* was approved by all members of the EU, i.e. the UK Presidency for the Member States, the President of the Commission and the President of the European Parliament. This document defines common values, principles, objectives and means governing the development cooperation of the Commission as well as the member states and remains the most prominent and authoritative political statement on EU development cooperation. As was confirmed in Article 208 of the Lisbon Treaty that entered into force in December 2009, the objectives for development cooperation through the EU are first and foremost to reduce poverty.

Whereas the Treaty does not define what it means with poverty and its reduction, the European Consensus provides the EU's interpretations of these concepts. The European Consensus presented a multidimensional definition of poverty, with much focus on sustainable development, and further prioritised poverty reduction with a focus on the promotion of the Millennium Goals. The term sustainable development includes the implementation of good governance, human rights as well as political, social and environmental aspects (EU, 2006:12). Ownership is furthermore high on the agenda (EU 2006:12), and has been a key feature of the EU's development cooperation process with the countries in Africa, the Caribbean and the Pacific (ACP). Five years before the Paris Declaration on Aid Effectiveness was adopted, the EU-ACP Cotonou Partnership Agreement defined the principle of co-management in this regard.

Besides updating its legal basis, the Lisbon Treaty also changed the institutional architecture for EU development cooperation. First of all, a new European External Action Service (EEAS) was created, which deals with the EU's foreign and security policy and is outside the Commission, while being staffed for one third by Commission officials, another one third by Council Secretariat officials, and for the last one third by Member State government officials. The EEAS also includes the EU's Delegations in third countries. Secondly, whereas before the Commission had a separate Directorate General (DG) for Development which dealt with overall policy making and a DG Europe Aid tasked with implementation, these were merged in June 2011 into one DG for Development and Cooperation (DEVCO). The EEAS and

DEVCO work together in the formulation of the 'programming' of the EU's development cooperation (i.e. setting priority areas and defining resource allocations) while DEVCO sets overall development policy and deals with implementation through the EU Delegations.

In its proposals for reaching the Millennium Goals the EU has set up a timetable for increased aid with the objective to collectively provide 0.7 percent of the EU's Gross National Income as ODA by 2015: coherence with other policy areas is emphasised (EU, 2006: 25). The member states of the EU also approved an Africa Strategy in late 2005 (EU, 2006a), which was replaced by a joint EU Africa Strategy in 2007 (EU Africa 2007). This new strategy aims at giving a composed and coherent European answer to the challenges which are meeting Africa today with special reference to the *European Consensus on Development*. Burning issues include the reform of the European Common Agriculture Policy and the trade agreements with the ACP-countries which are being negotiated since more than a decade. Following the start of the economic and financial crisis in 2008, which has led to periods of economic recession and political instability in many Member States, the negotiations of an EU budget for the period 2014-2020 resulted in a relatively strong cut of the development budget compared to other components of the EU budget.

Sweden became a member of the European Union (EU) in 1995, almost forty years after the Rome Treaty was signed. In 2011 around eight percent of the annual Swedish aid budget was channelled to the aid budget of the Commission. This has in turn led to requests for Swedish involvement in the Commission's decision-making process which puts a heavy burden on its aid administration. Because of Sweden's long tradition as a major donor, other member states in general and aid administrators within the EU in particular felt that Sweden had a lot of experience to share. Sweden has become active in pursuing a number of areas within the aid business such as poverty reduction, gender equality, environment, democratic development and human rights. Efforts are being made both within the Commission itself and by the member states to come to grips with these problems. So far the Swedish government continues to believe that it can influence the EU to improve its aid through its active participation in the decision processes as well as other interventions such as detaching Swedish civil servants to the Commission in support of particular functions and areas.

The 2005 European Consensus on Development contains all the important principles of how to coherently build development cooperation and until today remains the most authoritative political statement on EU development policy. In May 2012, the European Consensus was confirmed by a statement adopted by the European ministers for development based on a Commission proposal for an 'Agenda for Change' in European Development Cooperation. Through the Agenda for Change the EU looks for an increased mutual engagement with partner countries, including mutual responsibility for results. Dialogue in the field including coordination with other donors should decide how EU should act. More efficient collaboration with the multilateral system was also prioritised. While it is binding for the Commission, it is hoped that it will also influence individual member states' development cooperation policies, leading to more conformed policies. Actual progress in improving the collective effectiveness of the development cooperation activities of the EU and its Member States has however remained limited.

Also when it comes to the more practical implementation of development cooperation, ambitions within the EU have been to harmonise practices of the members, which is also linked to in particular the Commission`s desire to promote further Europeanization in this field. A Guideline for Operational Co-ordination in the field was developed and published in 2001. The aim was to harmonise procedures and develop cooperation between the member

states, particularly when it came to country strategies and the overall development dialogue with the recipient. Although there has been very little cooperation within individual aid projects and programmes in the field, there has been a marked change in the overall development dialogue. Today, EU member states consult each other, both at the headquarters and in partner countries, about important political questions, and often they also act in a united manner. The cooperation has also led to improved availability of information from the other member states.

For the recipients, the most positive result has been that they can deal with many donors at the same time. This could, however, also be a negative aspect if the donors' unity gives the recipient less freedom to act independently and could cause obstacles to ownership (Danielsson and Wohlgemuth, 2005). The adoption of a voluntary EU Code of Conduct for Coordination and Division of Labour in 2007, as well as the ongoing attention to promoting joint programming between the EU and its Member States in the preparation of the 11th European Development Fund (2014-2020), show that in essence not much has changed. This indicates that improving the collective effectiveness of European development cooperation is not a technical problem, but is rather part of a larger political process of European integration.

In summary, Sweden's membership of the EU has led to some changes within its development cooperation both regarding policy and the day to day work particularly in the field. Whether it has led to major changes in Sweden's national aid practices, which in many cases have been a forerunner to other EU member states' practices, is, however, doubtful.

5.3 Development cooperation with and through CSOs

There has been a dramatic expansion in the size, scope, and capacity of civil society around the globe over the past decade, aided by the process of globalisation but also by the availability of ODA. The roles of civil society are highly diverse, complex and controversial and civil society is seen as one of the solutions to social, economic and political problems and the expansion of democratic governance and economic integration. Civil society has many actors, or institutions. Most of these, but far from all, fall under the category of civil society organisations (CSOs).

CSOs in the North, up until recently mostly called NGOs[3], have become significant players in global development assistance and important actors for delivery of social services and implementation of other development programmes. They are often seen as an important complement to government action, especially in regions where government presence is weak such as in post-conflict situations (WB, 2011, in Billing, 2011). The Northern CSOs usually collaborate with sister CSOs in partner countries, and some Northern CSOs are part of international networks with a presence in many donor countries. Today, a lot of official government funding is channelled through CSOs in donor countries with the objective to strengthen civil society in developing countries. There has however been a shift in focus from donor CSOs to local CSOs in the partner countries, but the majority of funding is still controlled by CSOs in the North. In practice, funding to strengthen civil society is implemented in different ways, through the multilateral system, as well as support to bilateral and regional programmes, and through CSOs in both donor and recipient countries (Billing, 2011).

Swedish development cooperation has evolved and grown out of missionary and voluntary

[3] While there are key debates on the differences between CSOs and NGOs, in development policy the terms are most often used interchangeably.

organisations' work and their contacts with developing countries. These CSOs or so called "popular movements" such as political organisations, churches, trade unions, solidarity and interest groups have all had a part in shaping the Swedish society and the development cooperation policy of today.

Sweden, together with Norway and the Netherlands, belongs to the group of countries that has given a relatively large percentage of its total development funding to or through CSOs during the history of development cooperation. The funding to CSOs increased during the 1990s. The comparative advantages were believed to be:

• It is easier for CSOs to reach out on a local level.
• They have better knowledge about development in a local context and they can therefore contribute with more accurate "grass root level" information.
• They are more flexible and faster in disaster situations.
• They can work in countries whose development policy is not coherent with Swedish policy and where the governments therefore cannot cooperate (Odén &Wohlgemuth, 2006).

Swedish CSOs consist of a wide range of associations with different ideological views but with a shared interest for development issues and solidarity work. Smaller organisations are often based on a certain project or area. Other organisations are gathered around a global issue such as debt relief or the environment. Some organisations work to influence normative issues, for example human rights issues. Still other organisations work with direct support together with a cooperating organisation towards especially vulnerable target groups, in for example health care and education, and many organisations combine these two. The organisations work from different ideological perspectives and religious values. In the smaller non-profit organisations where cooperation is around a concrete project, the engagement and solidarity work is locally bound. More and more immigrants are starting their own organisations for global development cooperation. Many organisations cooperate with governments or local authorities, and many CSOs also cooperate with the UN and its different agencies.

Several organisations have a specific focus such as children, women, health, human rights, democracy, and environment. Other organisations might not be obvious in global development cooperation, such as the Swedish Sports Confederation. They work with knowledge exchange to build up sports organisations in East and Central Europe and in Africa.

Swedish CSOs and CSOs all over the world increasingly cooperate across geographical and institutional boundaries to strengthen and improve the impact of their work. Equalising power relations is both the nature and goal of advocacy and CSO activities can be seen as having an advocacy aspect. However, every CSO also brings its own package of values and norms which they often promote also outside the scope of development cooperation (Onsander, 2007, in Billing, 2011).

The Swedish government's policy for support to civil society within Swedish development cooperation was adopted in April 2009. The overall objective for support to, and cooperation with, civil society is:

'A vibrant and pluralistic civil society in developing countries that contributes effectively, using a rights-based approach, to reducing poverty in all its dimensions.'

The policy is a normative framework for all Swedish support to and cooperation with civil society organisations. The starting point for the policy is that the concept of civil society is complex, that a vibrant civil society is a prerequisite for the realisation of the overall goal for Swedish development cooperation, and that CSOs have a specific potential to contribute to democratisation and increased respect for Human Rights. According to the policy, Sweden shall support representative, legitimate and independent civil society actors in developing countries that, through the roles as *collective voices* and *organisers of services*, contribute to poverty reduction. Many organisations act as both collective voices and organisers of services.

Swedish CSOs play an important role as 'development agents' supporting development through sister organisations and local networks in partner countries, and are the original type of CSO support. The essential role of Swedish CSOs is to facilitate and support the development activities performed by people and organisations in developing countries. The Swedish organisations that receive funding from the CSO appropriation grant have local contractual partners in developing countries, or with international CSOs.

Today there is a Sida funding model based on frame organisations. The first framework agreements were with Swedish trade unions (LO/TCO) and the Swedish Cooperative Centre in 1977. The reason was to facilitate the administration of support to Swedish CSOs, both for Sida and the CSOs, in the light of the increase in appropriations. The idea with the framework agreements is not to implement Sida projects and programmes, but for the organisations, in cooperation with partner organisations in the South and East, to design their own projects and programmes using their experience and knowledge.

The Swedish framework-CSOs receive contributions from Sida to their own priorities, i.e. the support is not directed by Sida geographically or thematically and is not affected by Swedish government country focus or thematic priorities. The prerequisite is that they work in line with the official Swedish development cooperation overriding goals and values.

Sweden also channels grants directly to Swedish, international and local CSOs (guided by bilateral, regional and thematic cooperation strategies and their appropriation) as part of the support within the cooperation strategies. This support has increased and obtained a higher priority in recent years and CSOs are seen as actors and implementers of the strategies.

The underlying assumption of supporting CSOs is that a well-functioning civil society in the South is a prerequisite for developing democracy and increased respect for human rights, and that Northern CSOs can help in strengthening civil society in developing countries through cooperation with Southern sister organisations. This underlying assumption raises questions regarding CSOs' legitimacy and representativeness. Are local CSOs really a part of local civil society, and can these movements be classified as representative or not and to whom, if anyone, are they are accountable (Billing, 2011)? It should however be noted that CSOs in several countries are strictly controlled by their governments that may accept their service delivery activities, in a strict sense, but tend to look with suspicion on any other aspects of civil society development.

By definition, CSOs are separate and independent from the state, implying autonomy. The question is whether this independence is being threatened by the large support received from the Swedish government through Sida. Swedish CSOs and Sida have had a close relationship and have been cooperating for more than 50 years. It might seem contradictory that

organisations receiving funds from Sida are independent of Sida and that the projects funded are their own at the same time as they have to conform to Sida's conditions to get financial support. However, the Swedish CSO support is supposed to support the efforts of the CSOs to strengthen civil society in the receiving countries (Onsander, 2007, in Billing, 2011).

Another issue that Sida has to take into consideration is that CSOs are based on different ideologies and beliefs. CSOs related to churches have a goal to spread their faith, cooperative organisations to advocate cooperative practices etc. The variety of the CSOs' different profiles is the starting point for the CSO appropriation and is considered to contribute to pluralistic civil societies. But even though it is clear from the rules and regulations that Swedish development cooperation funding should never support any activities which would imply pursuance of their own objectives, it must be recognized that for many of the CSOs spreading their ideology is important and often the raison d'être for the organisations to start with (Billing, 2011).

6. Current international frameworks for Swedish development cooperation policy

Since the millennium shift a number of important international processes have strongly influenced most of the players involved in developing cooperation both at the delivering and the receiving end. They have significantly influenced perceptions within the international aid community, including that of Sweden. These processes, together constitute an important part of the international framework for the Swedish development cooperation in recent years. We have summarized three of the most important ones in this section, which shall be regarded as an introduction to the next one on topical and long-standing issues related to the current Swedish aid policy debate.

Two of the issues to be discussed in this section are where the Paris Agenda is heading after the high-level Busan meeting, and the MDG and post-2015 discourse. The background of these two processes is presented in section 2 on the international setting for aid in 2013.

The third issue contains some comments on the result agenda. The issue of how to improve the information and analysis of what aid-supported activities actually achieve has emerged in the past few years as a dominant topic in the international development cooperation discourse. This is partly an effect of the introduction of the New Public Management (NPM) thinking introduced in the OECD countries since the 1980s, and partly an attempt to improve the public support for development cooperation in the OECD countries. This has increased the demand for monitoring and evaluations providing quantitative data on the effects of aid and an increased interest among the aid agencies to construct reporting systems that will make it possible to report specifically on the results of its own interventions.

The Paris Agenda post-Busan

The international high level meeting in Busan, South Korea, in late 2011 was the last one in the international process linked to the Paris Declaration on aid effectiveness from 2005. The main commitments made in the declaration from the Busan meeting were:

1) A broadening of the number of stakeholders included in the process, most importantly the emerging, large middle income countries, new foundations and a number of private sector actors.
2) Eight voluntary building blocks[4], formed by willing partners with the aim of sharing best practices and successful examples in interest areas of common interest.
3) Acknowledgement of the private sector's important role in the development process.
4) Mandate for a new Global Partnership for Effective Development Cooperation. The governance of that partnership should be the responsibility of a steering committee to be formed later – an agreement was reached at a meeting in June 2012. Thereby the implementation and monitoring process was moved from the DAC secretariat to the new steering committee.
5) In Busan the stakeholders agreed that the development cooperation should be structured around four basic principles: ownership of development priorities; focus on results; inclusive partnerships; and transparency and accountability to each other.

Following a half year of discussions in the Post-Busan Interim Group, the DAC's Working Party on Aid Effectiveness was phased out and replaced by the Global Partnership for Effective Development Cooperation in June 2012. The international focus has since then moved from the Busan issues into the various international initiatives aimed at what should

[4] The list of building blocks includes : Conflict and fragility; South-South cooperation, The Private sector, Climate finance, Transparency, Effective institutions, Results and mutual accountability, Managing diversity and Reducing fragmentation.

replace the millennium development goals after 2015. Already in the run-up towards Busan the energy in the OECD for international discussions on aid effectiveness was waning, which could be seen in the long time it took for the EU to adopt its joint negotiation position and the limited influence this had. It was also linked to the strong engagement of the EU in the run-up to the Accra Forum in 2008, where the EU had a strong influence on its wording but (similar to most other signatories) proved unable to step up its game as committed to (Keijzer and Fejerskov, 2013).

This new Partnership has a lighter structure and a smaller secretariat, while having fewer meetings which the work of the aforementioned 'building blocks' feed into. As a result, in many OECD countries the process has significantly lost prominence. Many development ministries have for instance reduced or phased out their dedicated aid effectiveness units, which however does not mean that on the ground no further efforts towards improving aid effectiveness are made. In addition the emerging countries have not engaged with the new structures and have sent signals that a more fundamental redesign of the international structure for cooperation would be needed before they would engage fully, something which their recent engagement however would not seem to guarantee. This trend may continue and the document from the Busan High Level Meeting seems to become less and less influential. What remains is the strong emphasis on results, transparency and on other actors in development cooperation than the receiving governments. The period of ownership as an overriding principle in development cooperation seems again to have come to an end and this international trend in the donor community is also influencing the Swedish thinking.

What will replace the Millennium Goals after 2015?
The Millennium declaration comes to an end by 2015 and a number of processes have started to find a continuation with a time perspective up to 2030. It started with a UN System Task Team on the Post-2015 UN Development Agenda. The Task Team consists of senior experts from more than 50 UN organisations. Its aim is to support the UN system preparations. Its first report was published in June 2011 and entitled *Realizing the Future We Want for All*. It recommends that the new goals should build on the strengths of the MDGs, apply to all countries, and be based on the fundamental principles of human rights, equity and sustainability.

The Rio+20 meeting of June 2012 on sustainable development focused on two main themes: how to build a green economy to achieve sustainable development and lift people out of poverty; and how to improve international coordination for sustainable development. It was agreed to negotiate Sustainable Development Goals, for which an Inter-governmental Working Group began negotiating in 2013, and which is supposed to be closely aligned to the post-2015 process. The climate perspective of development has not been very high on the agenda since then. As an example funding commitments to the recently launched Green Climate Fund have had a very slow start.

According to the report, five shifts will make the fifteen-year period 2015-2030 different from the MDG period ending 2015: 1) the feasibility of ending extreme poverty in all its forms; 2) a drastically higher human impact on the physical Earth; 3) rapid technological change; 4) increasing inequality; and 5) a growing diffusion and complexity of governance. This means that today's problems will expand dangerously without an urgent and radical change of course. The world needs to move away from the business-as-usual trajectory towards a sustainable development path. This should be based on four related normative concepts: a) the

right to development for every country, b) human rights and social inclusion, c) convergence of living standards across countries, and d) shared responsibilities and opportunities.

The next step was the High-Level Panel of Eminent Persons, appointed by the UN Secretary General, whose report was delivered at the end of May 2013. The Panel identifies five big transformative shifts as the priorities for a forward-looking sustainable agenda based on the Rio+20 principles in order to achieve global sustainable development, integrating economic social and environmental aspects and recognizing thir intra-linkages.

1. *Leave no one behind.* The new agenda must tackle the causes of poverty, exclusion and inequality. A focus on the poorest and most marginalized, a disproportionate number of whom are women, follows directly from the principles agreed to in the Millennium Declaration and the Rio+20 outcome document.
2. *Put sustainable development at the core.* The Panel is convinced that national and local governments, businesses and individuals must transform the way they generate and consume energy, travel, and transport goods, use water and grow food. Especially in developed countries, incentives and new mind-sets can spark massive investments in moving towards a green economy. In developing countries too, the benefits of investing in sustainable development are high, especially if they get access to new technologies.
3. *Transform economies for jobs and inclusive growth*. This requires four priorities. The first must be to create opportunities for good and decent jobs and secure livelihoods. The second is to strive to add value and raise productivity. The third is for countries to put in place a stable environment that enables business to flourish. And the fourth is to usher in new ways to support sustainable consumption and production.
4. *Build peace and effective, open and accountable institutions.* Freedom from conflict and violence is the most fundamental human entitlement, and the essential foundation for building peaceful and prosperous societies. Capable and responsive states need to build effective and accountable public institutions. Transparence and accountability are also powerful tools for preventing the theft and waste of scarce natural resources.
5. *Forge a new partnership.* To bring in a new sense of global partnership into national and international politics is perhaps the most important transformative shift. This partnership should capture, and will depend on, a spirit of mutual respect and mutual benefit. (UN, 2013)

In its report the Panel recommends that a limited number of goals and targets be adopted in the post-2015 development agenda, and that each should be SMART: specific, measurable, attainable, relevant and time-bound. A set of twelve illustrative goals with subsequent target indictors for monitoring purposes are included in the report as examples of how goals might be framed. They are:

1. End poverty.
2. Empower girls and women and achieve gender equality.
3. Provide quality education and lifelong learning.
4. Ensure healthy lives.
5. Ensure food security and good nutrition.
6. Achieve universal access to water and sanitation.
7. Secure sustainable energy.
8. Create jobs, sustainable livelihoods and equitable growth.
9. Manage natural resource assets sustainably.
10. Ensure good governance and effective institutions.
11. Ensure stable and peaceful societies.
12. Create a global enabling environment and catalyze long-term finance.

Interestingly, although the report stresses the illustrative nature of the goals, the reactions to the report from international actors seem to indicate that this was seen by most stakeholders as a first draft proposal. The reality is that the UN Secretary General and his office only have the

summer of 2013 to prepare their proposal for the goals and will thus likely rely significantly on the content of the report, while nonetheless still making important choices themselves. A number of critical points on the Panel report have been voiced by among others international CSOs and think-tanks. One example: Oxfam says that "The Panel has failed to recognize the growing consensus that high levels of inequality are both morally repugnant and damaging for growth and stability. Without targeted effort to reduce inequality, social and economic progress will be undermined."

The Rio+20 summit meeting in June 2012 resolved to finish the job of ending extreme poverty and hunger as a matter of urgency. It also endeavoured to place poverty reduction within the broader context of sustainable development. The UN Sustainable Development Solutions Network (SDSN) was launched to mobilize global scientific and technological knowledge on the challenges of sustainable development, including the design and implementation of the post-2015 global sustainable development agenda. The Leadership Council of the SDSN launched a report for the UN Secretary-General in June 2013, entitled *An Action Agenda for Sustainable Development.*

According to the report, a shared framework for sustainable development must mobilize the world around a limited number of priorities and associated goals – probably not more than ten. The report identifies the following interconnected priority challenges:

1) End extreme poverty including hunger.
2) Achieve development within planetary boundaries.
3) Ensure effective learning for all children and youth for life and livelihood.
4) Achieve gender equality, social inclusion, and human rights for all.
5) Achieve health and well-being at all ages.
6) Improve agriculture and raise rural prosperity.
7) Empower inclusive, productive and resilient cities.
8) Curb human-induced climate change and ensure sustainable energy.
9) Secure ecosystem services and biodiversity, and ensure good management of water and other natural resources.
10) Transform governance for sustainable development.

As in the report from the UN Secretary-General's high level panel of eminent persons, this report contains three targets needed to implement and monitor the progress towards reaching each one of the ten objectives.

Under the responsibility of the Special Advisor to the UN Secretary General on post-2015, the High Level Panel Report will be presented to the UN General Assembly Meeting in September 2013.

The report of the High Level Panel, and the work on post-2015 sustainable development emerging from the Rio+20 meeting, including the SDSN report *An Action Agenda for Sustainable Development*, and reports from the Global Compact Office and the UN System Task Team on the Post-2015 United Nations Development Agenda will continue to be processed within the UN General Assembly Open Working Group on sustainable development goals, consisting of 30 UN member states, from all geographical regions. This means that the recommendations from the Panel will be scrutinized in a political environment where *realpolitik* will rule and where the overall aim to a much larger extent will be the traditional nationally defined national interests. It is therefore difficult to foresee the outcome

of the Open Working Group process. It is expected to produce a report to the UN General Assembly's meeting in September 2014.

The results agenda – result based management
The interest in the effectiveness of aid i.e. what can be achieved with the help of aid, has since its early days been a preoccupation of those who are responsible for the aid policies and those who administer the development cooperation. Already in the first Swedish Government Bill concerned with Development cooperation this was clearly stated (Gov. Bill 1962).

Therefore from its start a number of methods for monitoring and evaluations have been developed and introduced by Sida with mixed success. Guidelines for how to deal with methodology as regards development cooperation have been developed and a special unit for evaluating projects and programmes was created already at the beginning of the 1970s. Issues that have been confronted during the implementation of the various evaluation initiatives are among others what results that are delivered, whose result (the one of the recipients or of the donor), the level of quantification, the quality of the analyses made and most importantly how to reach the policy makers with the findings and conclusions of the reporting.

During recent years focus has even more been on providing measurable results of the Swedish aid. This is an issue which is increasingly being emphasized by politicians responsible for development cooperation. It also follows a larger trend towards 'value for money' in the donor community, in particular in the UK, which was also emphasized in Busan. The theoretical basis is the New Public Management thinking that since the 1980s has been guiding work in the public sector. The aim is to improve the effectiveness of development cooperation and be able to show visible results – to justify the spending on aid to taxpayers in the donor country. Other aims are to use results in order to manage aid agencies and to manage complexity.

Nobody is against improved results in development cooperation and reviews and evaluations indicate that results management (Vähämäki et al, 2011) has in many cases led to improved policy coherence and planning, in particular in larger partner-led programmes. Some studies also indicate that national monitoring systems in the partner countries as well have improved project outcome ratings. At the same time others warn that the capacity of developing countries' national statistical bureaus is often not sufficient to really trust the figures they produce, and which are used in relation to donor interventions to determine rates of success and value for money (Jerven, 2013).

Results based management has also a number of problematic features, such as difficulties to aggregate data, measure outcome and impact in a short term perspective, asked for in the system, selecting appropriate indicators to measure relevant outcomes and to attribute results to the specific aid funding, when a number of other parameters can be assumed to have strong impact. Results based management has often been introduced as an add-on to other management policies and tools making the systems overly complicated. Often it is used for control rather than for learning and more importantly it is seen be so by the recipients. Although designed as technical approaches, the recipients thus tend to see these approaches as political signals that donors are losing trust in the cooperation and seek to micro-manage it.

The issue of showing results has sometimes become the main issue in the cooperation dialogue, and has often resulted in unrealistic expectations about effectiveness on the part of politicians (and related disappointment in relation to what was achieved). That would not be a

problem if it had been simple to agree on how results should be measured and in which fields/levels. Probably most difficult is the time perspective. Impact cannot be measured as a short term issue, at the same time as the donor policy makers want to show measurable results as rapidly as possible. As regards more complex processes such as democratic development, gender equality, human rights, governance etc, it is even more difficult to measure. To single out the specific attribution of the Swedish aid funding in a programme or project may also be difficult. However, when it is difficult to quantify the results there are also qualitative methods to be used.

In order to find a formula which takes care of all these problems aid agencies try to develop often complicated systems. As a result the governments receiving the aid-funded resources have to handle a number of un-coordinated very complicated monitoring models.

A note on indicators

In recent years the demand for measurable outcomes has increased in response to the introduction of result-based management systems. For this purpose indicators have become a dominant tool. Although the use of indicators is important, it is not without problems and recently a number of studies have pointed at the risks involved and concluded that the concept has to be used with caution ('Use and abuse of governance indicators', C. Arndt and G. Oman, OECD Development Center, 2006).

Importance of context. Like most development tools, indicators function best when they are developed in a specific context. For a country implementing plans, strategies, annual plans or budgets it is important to develop measures of outcomes to draw conclusions on how to improve performance. In many countries this is done in collaboration or in consultation with the local donor community, and has also as its objective the satisfaction of donor demands. Indicators with the objective to cover and follow developments for a number of countries or worldwide are much more difficult to construct and might miss important questions specific for each country. Experience from measuring the results of structural adjustment during the 1980s and 1990s has shown that blueprints seldom work.

Limitations in statistics. To produce good and reliable statistics is difficult everywhere and even more so to produce statistics that can be compared with other countries in a satisfactory manner. For development countries, the quality of statistics is even more deficient and only useful for indicating trends rather than giving a definitive picture. The quality of national statistics (in Africa in particular) deteriorated with the overall crises in the 1980s and has improved slowly since (Jerven, 2013). International statistics mostly build on national statistics, for instance UNESCO's statistics on education. The World Bank occasionally produces some work on their own, but the quality of their statistics is still questionable due to the lack of good collection machinery in the countries covered.

Quantitative versus qualitative data. If good and reliable statistics are available, it is rather easy to develop indicators measuring outcomes quantitatively. However, this is only half of the story. It is as important to discuss whether objectives of a qualitative nature have been fulfilled. This is however much more difficult, and even more context specific than quantitative data.

Simulation Models. Education simulation models for example in the education field have in the last few years become an important tool to support the national education planning processes in developing countries. A number of donor agencies have joined together in a network on education simulation models including UNDP, UNICEF, the World Bank, the Academy for Educational Development, UNESCO, IIEP and the FTI-secretariat (Borges and Wohlgemuth, 2009).

7. Topical and long-standing development cooperation issues

In this section a number of issues related to the ongoing international processes and the Swedish development cooperation policy are raised.

7.1 New and old modalities

Although the Paris Declaration does not exclude any aid modality it is evident that budget support and sector wide approaches, together with more disciplined alignment of aid flows into the partner countries´ budget systems are in line with the aims of the Declaration. In the use of these different 'modalities' for aid, efforts are also made to promote harmonisation between the aid agencies.

The thinking on which the Paris Declaration is based emerged after the middle of the 1990s from various insights in the development community. One was the introduction of poverty reduction strategies as a condition for the HIPC-countries, another was the increased emphasis on "ownership" as a prerequisite for sustainable reforms and development cooperation.

Budget support is supposed to open up for improved ownership by the government of the partner country and this is also normally the case as long as the cooperation is running smoothly. When problems arise in the cooperation, the vulnerability of the partner country to non-disbursement from the donors is higher than for instance in the case of project support, both due to the normally larger amounts of the budget support and the fact that non-disbursement directly affects the budget liquidity. Other factors than those included in the budget support agreement may also force the donor government to freeze disbursements, among them political scandals or corruption cases which are publicised in the donor country media, creating a popular opinion to "stop aid" to the country concerned. Even the vulnerability to delays of committed budget support disbursements due to bureaucratic snags on the donor side may increase with a larger share of budget support and the overall negative implications also in this case are stronger, than in the case of project support. The unpredictability of budget support is thus the main negative aspect, while its alignment and respect for domestic budget priorities are the main positive ones.

One aim of the budget support is to reduce the transaction costs, but experiences so far are ambiguous on this point. What certainly is happening is that transaction costs on the recipient side are moving from line ministries to the central authorities such as the Ministries of Finance and Planning as well as the Central Bank. On the donor side a lot of efforts are required to implement the intended harmonisation of processes and conditions linked to the budget support. At least during an initial stage this generates significant transaction costs for the donor agencies. It also strongly relates to 'perceptions': all types of aid are fungible and can be considered as support to particular regimes. The fact that budget support goes via the state's own treasury however makes it seen as a more direct form of (political) support.

One effect of budget support cooperation is that the budget process becomes more transparent to the donors, and provides a potential for them to influence it at an early stage. This is of importance to the ownership of the domestic budget process and may erode the influence of the national democratic institutions, in particular the role of the parliament in cases where the parliamentary opposition is weak. A major international evaluation of general budget support was published in 2006 (IDD and Associates, 2006).

In spite of the intense international debate and the recommendations in the Paris Declaration and other international documents, the share of general budget support in the total Swedish bilateral development cooperation has only increased from 4.4 % in 2001 to 5.5 % in 2006 and then again declined to 4.7 % in 2012. It should however be noted that the total Swedish bilateral aid during this period almost doubled and therefore the budget support in nominal terms increased considerably. The number of countries receiving Swedish budget support declined from eight in 2006 to three (Burkina Faso, Mozambique and Tanzania) in 2012.

One main prerequisite for general budget support is that the donor is convinced that the political will of the partner country government to implement a realistic poverty reduction policy is strong enough and that the capacity to implement it is sufficient. This normally implies a long period of previous cooperation during which sufficient mutual trust between the partners has developed.

Sector programme support and other basket funding modalities have increased rapidly in recent years. In the case of Sweden the share of this modality during recent years has been in the range of 8-9 percent. This provides an increased potential for improved local ownership, as the authorities of the partner country can handle the pooled resources of several donors and those resources are distributed through the domestic administrative systems. One important experience from basket funding and sector programme support is that they are unlikely to function if the donors insist on micromanaging. (For examples of this from Tanzania, see Odén and Tinnes, 2003, pp. 17-22.)

Beyond these modalities, the share of emergency support constituted 16-18 percent, or 2.8-3.1 billion SEK per year, during the years 2010 to 2012. To complete the picture, about 1.5 billion SEK from the Sida budget is used for what are labelled global programmes, the project support modality through various channels including technical assistance, emergency support and support through NGOs still dominates the Swedish bilateral development cooperation. According to Sida statistics, the number of individual projects/programmes supported by Sida has declined from 5,309 in 2006 to 3,155 in 2012 and the average amount per project/programme has increased from 12.7 to 23.9 million SEK during the same period.

7.2 How to create a genuine partnership

In recent years, there has been increasing interest in the interaction between the different parties in an aid relationship – actually, it has become the most important parameter in the rapidly increasing research on development aid, be it on aid effectiveness, aid dependency, partnership or on learning in development cooperation.

> Aid is a relationship between two parties – a donor and a recipient. The effectiveness of development cooperation therefore depends largely on the quality of this relationship. It is a complex relationship characterized by huge differences in the terms and conditions by which the parties collaborate with each other (Carlsson and Wohlgemuth, 2000).

As has been discussed above all new international initiatives of late such as Poverty Reduction Strategy Papers, the United Nations Development Assistance Framework, the African Commission Report and in particular the Paris Declaration have all highlighted the importance of *ownership* by the recipient country of the development process and *partnership* as the co-operating mode of operation. This implies fundamental changes in aid relationships, where dialogue is considered the key tool (Olsson and Wohlgemuth, 2003). And the

initiatives have to come from the recipient; ownership cannot be implemented by decree by others.

Harmonization between the donors is a case in point. The need for improved coordination between aid donors has been emphasized since almost the beginning of development cooperation. A number of international initiatives have been launched, starting with the Jackson Report in 1970. Very little was achieved up till the end of the 1990s, but since then some promising trends can be noted. The main international document to which aid donors increasingly refer is the Paris Declaration from 2005. In a number of partner countries the insight on the part of major donors, even the IFIs, at that time had emerged that it was difficult to achieve sustainable development cooperation without strong ownership.

Improved harmonising, together with more decentralised decision making in a number of aid agencies including the World Bank, has increased the potential for reduced transaction costs. However, a more comprehensive harmonisation among the DAC countries is hampered by the attitude of a number of major bilateral donors. They have all signed the Paris Declaration, but their aid policy and systems are strongly based on bilateral agreements and the project modality. These countries together provide more than half of the total bilateral aid. As most of the new actors, such as China, India and private foundations, also use the same principles in their cooperation, their appearance reduces the share of the total aid designed along the Paris Agenda principles.

Capacity development is a key area for creating a sustainable future for the recipient countries. Both theory and practice have revived the question of capacity or institution building. Recent research on democracy and development puts an increasing emphasis on institutions as building blocks for democracy and the recent post-2015 HLP report highlights that effective institutions should be seen as both a means and an end for development. The practice of the new actors and in particular China, prioritizing investments before building capacities and knowledge in the partner countries, adds to the importance of that area.

The essence of development cooperation is to assist in creation of local capacities to run the countries own development also after the donors have left. Here the question of ownership becomes most important. Capacity building has been done in different ways over time under different names such as transfer of knowledge, competence development, institutional building and capacity building. The support has been provided basically in three ways:

- Technical assistance, i.e. individual experts work within the target organization and by example and training, transfer knowledge and skills needed for the institution to progress;
- Setting up training institutes in which people from target institutions are provided with basic and advanced training.
- Scholarships and other forms of student subsidies that are provided to developing country students and post-graduates.
- Cooperation between the target institutions and a homologous, but more advanced institution in another country, so-called institutional cooperation or twinning (Johnston, 1993).

The difficulty to actually implement ownership and partnership and to uphold a real dialogue has also been discussed above. All the ingredients have been put forward and all the agreements made in for example the Millennium Declaration and the Paris Declaration. History is full of examples of the fact that without ownership no sustainable development will take place. So it is now a case of implementing all the good intentions and the knowledge that have been collected. The question is whether the international community is ever going to

learn how. The development in the past years and the discussions before and after Busan strengthen this point of view.

7.3 Who represents the owner?

A major part of the bilateral aid takes the form of government to government cooperation. The recipient is thus with some major exceptions the internationally accepted government of the country in question. This is according to international law and the principle of sovereignty - and also the only practical possibility. It is also important that the donor neither de jure nor in practice takes over the responsibility of governing the country from the more or less legitimately elected governments in the recipient countries (a lesson which also applies to the way in which the EU seeks to deal with the economic problems experienced by some of its member states). The question of taking on the responsibility for what happens in a country is one of the basic pillars for building democracy and too often a less legitimate government prefers to blame the donors such as the World Bank or IMF when difficult decisions have to be made.

The principle is thus clear - the practice however more difficult. On the one hand the question can be raised whether the central authorities really represent the poor. Many countries have a decision-making system that is heavily centralised and top-down. This results in a system where the beneficiaries are not participating in decisions that relate to them irrespective of if they are donor financed or not. In such cases ownership on government level will not guarantee that the projects will become successful as the people involved might not be interested. Secondly who should the donor listen to - the finance minister, the line ministers, the private sector, the civil society, members of the opposition to judge what the "owners" really want? This question has become increasingly important when groups representing all these different groups including the donors have been set up to discuss important questions regarding the development of the country in question. It becomes even more acute in so-called 'fragile states', where the state representatives are far from being 'representative' of the people on whose behalf they claim to govern. The answers are far from simple and have to be seen contextually country by country.

7.4 To operationalise the multidimensional concept of poverty

The poverty concept as it is expressed in the PGD documents is quite complex. To be able to use it in the everyday aid activities the aid staff have to make it operative. This process started in Sida even before the PGD bill was endorsed by the Swedish parliament, and a document entitled *Perspectives on Poverty* was published in 2002, in which the various dimensions of poverty are discussed.

"Poverty is understood to be a condition where people are deprived of the freedom to decide over their own lives and shape their future. Lack of power and choice and lack of material resources form the essence of poverty. Given that poverty is dynamic, multidimensional and context specific a holistic analytical approach is advocated" (Sida 2002).

The Sida document regards poverty as situation specific, varying across time and areas. Poverty has several dimensions: social, economic, political and environmental. Armed conflicts aggravate poverty and, in turn, poverty increases the risk of conflicts.
Activities to reduce poverty can be launched at three different levels:

1) General activities that aim at structural changes to reduce poverty, for instance supporting democracy and good governance, macroeconomic stability, rule of law, transparency and fighting corruption.

2) Indirect activities aimed at large groups in the society, in which poor people are an important part. Examples are sectors like rural development, health, education and support to small firms.
3) Activities aimed directly at specific categories of poor people, for instance social protection and refugee programmes, support to local service organisations, labour intensive projects and income generating activities. Other categories are the aged, disabled, ethnic minorities, poor women and trafficking victims.

With poverty reduction as the overarching aim of development cooperation the issue of how to balance the general, indirect and direct activities becomes crucial. Is it more effective to provide poor people with resources directly and thereby provide them with the choice of how to use them or should public institutions' and governments' national programmes be supported?

In recent years, direct cash transfer programmes to specific groups have been tried in some countries, including poor African countries, along the lines of social welfare programmes in industrialised countries. The results are promising; evaluations found that community-based targeting can be combined with other targeting methods to be both affordable and effective in reaching poor populations in Africa[5].

The most visible categories of aid activities for poverty reduction are those aimed directly at specific categories of poor people, while the effectiveness of general activities is highly dependent on a clear pro-poor policy on the part of the partner country government. Most Millennium Development Goals are linked to indirect activities of this categorisation.

When the multidimensional poverty concept is made operational, Swedish aid risks creating a situation similar to that before the PGD became the leading policy guidance, viz. that almost any type of aid can be motivated as poverty reduction. To avoid this trap, every aid intervention should be justified by a credible log-frame analysis indicating how poor people would benefit, directly or indirectly; this includes budget and programme support to poverty reduction strategies.

The ultimate responsibility for national policies, including poverty reduction, lies with the government of the partner country. If the poverty concept used by Sweden in its development cooperation is different from that used by the partner country government, it may also create a demand for different monitoring and evaluation than is used in the partner country, which is contrary to the Paris Declaration principles.

7.5 Inequality and poverty reduction

As discussed in section 2, the international process of formulating the post-2015 MDGs has intensified in 2013. In the debate, there is growing consensus on the need for eradicating rather than just reducing poverty, and that reducing inequality has become a central issue in this regard. Even the IMF in 2013 argued that inequality is bad for growth, and the World Economic Forum's survey placed 'severe economic disparity' at the top of a list of global risks for the decade ahead.

The already mentioned report by the UN-commissioned high-level panel of eminent persons on the post-2015 development agenda stated in a specific section on inequality:

[5] See *The Impact of Cash Transfer Programmes in sub-Saharan Africa. Evidence from two generations of evaluations.* http://www.naiforum.org/2012/06/the-impact-of-cash-transfer-programmes-in-sub-saharan-africa

"Our illustrative framework tackles inequality of opportunity head on, across all goals. When everyone, irrespective of household income, gender, location, ethnicity, age, or disability, has access to health nutrition, education, and other vital services, many of the worst effects of inequality will be over. Other aspects of inequality more relevant to social inclusion, such as security of tenure and access to justice, are also addressed as explicit targets.

[…]the Panel believes that truly inclusive, broad-based growth, which benefits the very poorest, is essential to end extreme poverty. We propose targets that deliberately build in efforts to tackle inequality and which can only be met with a specific focus on the most excluded and vulnerable groups. For example, we believe that many targets should be monitored using data broken down by income quintiles and other groups. Targets will only be considered achieved if they are met for all relevant income and social groups."

Nevertheless, the Report was criticized by some advocacy groups for not proposing a specific inequality goal.

Why this new focus on inequality? The following is an extract from the EU/UNDP 2013 Kapuściński lecture by Kevin Watkins, Director of the Overseas Development Institute ODI:

"Amartya Sen has defined human development as a process of expanding the freedom that people enjoy and the real choices they are able to make. Not all inequality is a constraint on freedom. But the extreme inequalities of wealth and of opportunity in evidence across so many countries are barriers to human development and poverty reduction."

These inequalities limit social mobility. They restrict choice and increase the weight of circumstances – parental poverty, gender, ethnicity and location – in determining what people are able to achieve. And they have limited progress towards the Millennium Development Goals (MDGs).

Failure to mitigate extreme inequalities and to redress the power relationships that perpetuate those inequalities will compromise our ability to rise to the great moral challenges of our day – challenges like the eradication of hunger and extreme poverty, avoidable child mortality, illiteracy and climate change.

With the dialogue on the post-2015 MDGs gathering pace, the case for putting inequality at the heart of the agenda can be made. The case rests on two foundations.

First, the extreme inequalities that characterize so many countries are increasingly seen as unacceptable. They represent a source of social injustice, an affront to the shared values and principles that underpin the MDGs, and a violation of basic human rights. They are intrinsically wrong.

Second, failure to prioritise inequality will act as a brake on progress toward vital post-MDG goals. We could be the generation that eradicates extreme poverty and the worst forms of absolute deprivation in areas such as child and maternal mortality. But if the eradication of extreme poverty and deprivation is the goal, then greater equity is a condition for achieving that goal. That is why we need intermediate equity targets as stepping-stones to the post-2015 goals.

The post-2015 MDG dialogue provides a unique window of opportunity for governments, civil society and aid agencies to come together to address one of the great development challenges of our day – the stark disparities in opportunity that destroy so much human potential.

It also provides an opportunity for the High-Level Group established by the UN Secretary General to guide the framing of the post-2015 goals to tap into the energy, drive and ambition of civil society groups, social movements and wider constituencies working for a more equitable world."

7.6. Swedish aid of today - from demand driven to supply driven.
Since the 1970's Swedish development cooperation has to a large extent been provided as long term support with external complementary resources for government development policies and public sector programmes, emphasising institutional reforms (Government Bill 1977/78:135). The modalities have shifted over the decades but this backbone of the cooperation has generated mutual trust between the partners and provided a climate for an open dialogue on various policy issues, also outside the projects and programmes included in the development cooperation. The topics for the macro dialogue focussed on economic policy and structural adjustment during the 1980s, on governance, democracy and human rights issues during the 1990s and on poverty reduction and governance during the first decade of the new millennium (Odén, 2006).

As has been shown above the reforms of the Swedish development cooperation in recent years have been influenced by international trends as well as shifting views on the concept of development and the role of external resources in this context within the political leadership in Sweden.

A change in the perception of the role of Swedish aid has been evident in recent years. The basic element of trust between two sovereign states seems to have weakened as indicated by increasing demands for control measures. Development cooperation is today more than before regarded as Swedish activities in foreign countries with weak governance capacities and high corruption risks. Hence the increased emphasis on reporting results at various levels and on traceability of Swedish aid funds in minute detail to make sure that they are used as agreed.

The new results agenda, as described above, is a major feature of this new attitude. The more skeptical attitude towards partnership with governments has also meant that aid is channeled increasingly through non-governmental actors, in particular the private business sector in the partner countries. Thus, Swedish development cooperation seems to have become more supply-driven and less demand-driven; the influence of the receiving partner has been reduced while Swedish views and ideas on what is most suitable for the receiver are on the increase (Government Decision, 2013-07-11, Development Today 2012-04-11).

7.7. Coherence in practice
Coherence should in principle imply that policies in all policy areas are contributing to equitable and sustainable global development. At the operational level this raises two questions. One is the definition of "equitable and sustainable global development" in the specific situation of a policy decision. The other is what should be the minimum acceptable contribution to sustainable development or if freedom from obstruction should suffice.

Another issue is if a policy for global development is always best implemented within an assumed framework of coherence or if in certain cases it is better to accept that the national interest in a specific case is not coherent with the PGD and provide the arguments for that.

One significant feature of the Swedish PGD is that each policy area should identify its own contribution to equitable and global development. The aim is that through coordination and coherent action, synergies between policy areas should be optimally utilised and conflicts between objectives in different policy areas should be handled in an open manner. The advantage of this principle is widely acknowledged, and Sweden has received praise in many international forums for making it a main feature of its PGD. When the Swedish parliament approved the PGD in 2003 it also approved a policy that goes beyond the development cooperation and thereby it took a step from rhetoric to policy. The next phase is to go from policy to action. Some gradual steps have been taken on this road, including biannual reports from the various government offices on their progress in this field. These reports are summarised every other year in a government communication to the parliament. The latest is from 2012.

The 2012 communication focuses on one of the six global challenges that were defined in the communication, namely economic exclusion. Its general assessment of the implementation of the coherence policy for development is that it has been most successful in the shaping and implementation of the policy. Regarding coordination and cooperation there is scope for further improvement in order to create synergies and minimize lack of coherence. When it comes to knowledge and analysis the assessment is rather positive.

In accordance with its own definition of the global challenge of economic exclusion, the communication covers three so called focus areas: Financial markets, trade with agricultural products, Swedish trade and investments. The communication briefly presents the government's actions within the EU, international monitoring and the ongoing discussions and actions regarding the international framework for capital flows and local financial markets. This includes a description of the government's positions regarding activities to reduce illicit capital flows from poor countries and international companies' use of offshore centres to avoid taxes in countries with higher tax levels, where their production is taking place.

A significant part of the trade issues relates to the Swedish EU-policy in the field of trade policy, including the EPA-negotiations, the EU agriculture and fishing policy. Here there are also important conflicts of interest between the development perspective and national and regional Swedish agriculture and fishing interests, which are briefly elaborated on in the communication. The use of land for production of food or bioenergy is another such area, including the balance between large scale and small scale agriculture.

The relations between Swedish development cooperation objectives and its trade and investment objectives are also discussed in the communication, including that of export promotion, including weapon export control.

This is the first time the Swedish government explicitly discusses a number of conflicting points where the development interests are in real or potential conflict with interests of other policy areas. The inclusion of this theme in the communication is an important step forward in the government's information on its GDP implementation. A number of Swedish CSOs have argued that the steps forward are too few and too slow. They have followed up the

government communications on the GDP with a document called *Barometer*, in which they assess the Government policy in various policy areas. The 2012 Barometer included analyses in the areas of security and weapon exports, tax evasion from poor countries and tax havens, migration issues, trade policy and climate. For every area a number of recommendations for improved Swedish policy are suggested (Concord, et al. *Barometer 2012. Organisationer mäter trycket på Sveriges politik för global utveckling*).

Depending on one's own set of values, and in the absence of a common view on the hierarchy of objectives, the priority between various areas of coherence may differ. Some of the policy areas where the most complicated conflicting interests seem to exist in the Swedish context are:

- The Swedish arms trade. How strong restrictions on the Swedish arms export are needed in order to define them as coherent with support to a just and sustainable global development? What are the implications of the acceptance of the EU code of conduct?
- To what extent, if any, and in that case according to which criteria, shall the budget for development cooperation finance Swedish peace keeping military forces?
- Which criteria should be used to finance debt relief and which methods should be used when financing debt relief from the budget for development cooperation? Also in other policy areas, such as foreign trade, migration and agriculture there may be differing opinions on which measures and instruments most effectively fulfil the development policy objectives, and therefore to what extent the budget for development cooperation should finance them. In practice this issue is highly pertinent for the Swedish embassies in countries with a large Swedish development cooperation programme, which are also responsible for instance for the promotion of exports of Swedish goods and services. How should for example the balance between support to human rights and democracy and to export promotion be struck in countries with a bad record in the former category?
- In the field of migration, conflicting interests may emerge between the implementation of domestic migration and development cooperation policies and principles for implementation.
- How shall responsible investments by Swedish companies in countries with weak legislation and law enforcement institutions be secured.
- How to monitor and regulate tax rules in order to reduce the possibilities for international companies to avoid paying taxes in the country of production and how to reduce the scope for using offshore financial centres in order to avoid such taxation.
- Within the trade policy, another interesting example is poor countries´ interest to protect weak domestic manufacturing production as opposed to the EU conditions within the EPA that import protection should be eliminated. If various schools of economic theory have different opinions on the effect of free trade, how should such a case be treated?
- Internationally decided and respected regulations for the flow of short-term capital constitute an important Global Public Good. The volatility effects of unregulated flows of short-term capital were for example shown during the 1997-98 South East Asian financial crisis.
- Finally, what are sometimes called the environmental effects of the western life style. This is a complicated issue, as the concept may cover almost everything. The negative environmental effects may be restricted in specific areas, where the effects are extra evident or spectacular. To what extent should such measures take the form of legislation, economic incentives, promotion of individual or public behaviour, etc.? A

large part of these issues has to be treated at the global or regional (EU) level, and Sweden is active in many of the on-going international negotiations. Even more may however also be done at the national level. This issue has many aspects, including the environmental effects of reduced poverty in accordance with the objectives of the policy for global development, as supported by the Swedish development cooperation policy.

The main challenge of the coherence policy is to implement it when the conflicts between objectives of different policy areas have not been fully defined. This makes it difficult to trace the extent to which development concerns have been part of the basis for a specific decision and how that has influenced the outcome. And this in turn would require a clear hierarchy of objectives, something that is rare in real politics. It would also require a willingness to open up all such considerations to the public, a feature which is even more rarely found.

The increasing global challenges, discussed in section 2 makes the importance of coherence between the policy areas and the principles behind the Swedish Policy for Global Development still more urgent to develop and implement in the most effective way possible. It will probably also lead to a continuation of the on-going trend in Swedish development cooperation policy towards stronger support of global or international programmes and initiatives. It is important that these efforts will be focussed on a limited number of programmes/initiatives in order to strengthen the Swedish impact in a few key areas, rather than Sweden being a junior partner in all areas, just because they happen to be trends within the international development community. A more strategic selection will make it possible to provide stronger sustainable effects.

8. Concluding remarks

Global challenges as regards climate change and the environment, population pressure, new health hazards, availability of food, water and energy, migration and common security are becoming more and more urgent. They require holistic responses with coherent policies and increased collaboration between different political sectors within Sweden, EU and internationally, taking into consideration the new international order and power relations. It is within this context that development cooperation has to operate and stay relevant in the coming years.

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The discussion above points out that the present Swedish development cooperation policies as they are expressed in the PGD have a broad mandate and are intended to tackle very complicated and complex issues. The ambitions are high and well considered. To succeed, however, the good ideas have to be implemented and the policies must be better and deeper rooted in the Swedish society. The administration of the PGD has to be improved and much more work has to be done in order to influence EU's policies as well as those of the international organisations where many of the policies influencing Sweden are approved and managed. There is in other words a need to 'globalise' the implementation of the policy.

As regards the practical handling of development cooperation a battery of measures to increase effectiveness, efficiency and quality in Swedish development cooperation have been decided upon. New guidelines and policies have been developed as regards how PGD should be implemented, concentration of development cooperation to countries as well as sectors, a strategy on how to increase effectiveness of the multilateral assistance, introduction of a result agenda, etc. all with the objective to improve effectiveness of the delivery of development assistance and produce good and measurable results. All these good intentions do however not meet the same interest when resources are being distributed. Unless more staff resources are devoted to the implementation of PGD and all the reforms as regards development cooperation, the reform measures risk being futile.

As mentioned previously in the text on the post-Busan situation and the change of basic view on Swedish aid, some of the recent policy changes have transformed the role of Swedish Development Cooperation, compared to earlier periods, in line with developments in most other OECD-countries. From being looked upon as mainly support to activities in partner countries it is now regarded increasingly as Swedish activities in foreign countries.

Mutual trust has turned to a more critical attitude toward partnership country governments and increasingly channeled through non-governmental actors in the partner countries.
The influence of the receiving partner is thereby being reduced and Swedish views and ideas on what is most suitable and giving the best results for the receiver are replacing them and eroding the ownership of the receiver. The history of development cooperation shows that this also erodes the sustainability of any such cooperation.

The measures discussed above like most of the questions which have been raised in the text will have to confront the contradiction that is inherent in all development cooperation. At a general level one has to defend and prioritize the recipients´ ownership of their own development in order to reach long-term and sustainable results. At the same time it is necessary to engage in areas of high priority for Sweden such as gender equality, democratic development, environmental issues and poverty alleviation and simultaneously be able to show results to the general public in Sweden. This is a difficult balancing act and requires a

lot of delicacy in handling. We have shown that development cooperation is a very complicated activity which requires good analytical abilities and thoughtfulness and also good skills in the actual implementation.

If development cooperation as we know it today is going to survive in the very difficult and challenging global world the most important question is whether development cooperation can deliver international solutions to global challenges, combined with stable resource allocations, also to the most vulnerable.

Abbreviations

ACP	Africa, the Caribbean and the Pacific
AMC	Advance Market Commitment
B4D	Business for Development
BITS	Board for Investment and Technical Support
BRICS	Brazil, Russia, India, China, South Africa
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee, OECD
DEVCO	Development and Cooperation (EC)
DG	Directorate General (EC)
EC	European Commission
ECHO	Humanitarian Aid Department of the European Commission
EEAS	European External Action Service
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FTI	Fast-Track Initiative
GAVI	Global Alliance for Vaccines and Immunization
GNI	Gross National Income
HDR	Human Development Report
HIPC	Heavily Indebted Poor Countries
ICLD	Swedish International Centre for Local Democracy
ICRC	International Committee of the Red Cross
IFFY	International Finance Facility for Immunization
IFI	International Financial Institution
IIEP	International Institute for Educational Planning
IMF	International Monetary Fund
IPPF	International Planned Parenthood Foundation
ITP	International Training Programme
KTS	Contract Financed Technical Support
MFA	Ministry for Foreign Affairs
MDG	Millennium Development Goal
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PBA	Programme Based Approach
PCD	Policy coherence for development
PDC	Partner Driven Cooperation
PGD	Policy for Global Development
PPP	Public-Private Partnership
SADEV	Swedish Agency for Development Evaluation
SDSN	Sustainable Development Solutions Network (UN)
SEK	Swedish Krona
SIDA	Swedish International Development Authority
Sida	Swedish International Development Co-operation Agency
TA	Technical assistance
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WHO	World Health Organization

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