Since the coalition government was formed after the parliamentary elections of 2006 significant reforms of the Swedish Policy for Global Development (PGD) have been introduced. Priorities within the PGD have been changed. A decision to reduce the number of development cooperation partner countries has been made. Democracy and human rights issues are more in focus. Economic growth and private sector development are emphasized more as instruments for poverty reduction, while income distribution and activities directly targeted to the poorest groups in society are less emphasized. A new strategy aiming at a more strategic allocation of the Swedish contributions to the multilateral organisations has been launched. Swedish aid shall be more results based and more effective. A range of strategies and policies even in other fields have been introduced or are in the pipeline for decision.

- What are the differences between these policies and the previous ones?
- What are the experiences so far of their implementation?
- How new are the reforms and new strategies?
- And how is that all affected by the economic and financial crisis?

This book summarizes the changes in some of the most important areas during the past years and includes an introductory chapter on the international framework.

BERTIL ODÉN is a consultant and freelance writer after working for the Swedish International Development Cooperation Agency (Sida), the Swedish Ministry for Foreign Affairs and the Nordic Africa Institute.

LENNART WOHLGEMUTH is Guest Professor at the Center for African Studies, Gothenburg University, Sweden after twelve years as the Director of the Nordic Africa Institute.
Since the coalition government was formed after the parliamentary elections of 2006 significant reforms of the Swedish Policy for Global Development (PGD) have been introduced. Priorities within the PGD have been changed. A decision to reduce the number of development cooperation partner countries has been made. Democracy and human rights issues are more in focus. Economic growth and private sector development are emphasized more as instruments for poverty reduction, while income distribution and activities directly targeted to the poorest groups in society are less emphasized. A new strategy aiming at a more strategic allocation of the Swedish contributions to the multilateral organisations has been launched. Swedish aid shall be more results based and more effective. A range of strategies and policies even in other fields have been introduced or are in the pipeline for decision.

- What are the differences between these policies and the previous ones?
- What are the experiences so far of their implementation?
- How new are the reforms and new strategies?
- And how is that all affected by the economic and financial crisis?

This book summarizes the changes in some of the most important areas during the past years and includes an introductory chapter on the international framework.

BERTIL ODÉN is a consultant and freelance writer after working for the Swedish International Development Cooperation Agency (Sida), the Swedish Ministry for Foreign Affairs and the Nordic Africa Institute.

LENNART WOHLGEMUTH is Guest Professor at the Center for African Studies, Gothenburg University, Sweden after twelve years as the Director of the Nordic Africa Institute.
Where Is Swedish Aid Heading?

Edited by
Bertil Odén and Lennart Wohlgemuth
Where Is Swedish Aid Heading?

© Bertil Odén and Lennart Wohlgemuth (Eds)

Print: GML Print on Demand AB, Stockholm 2009

ISBN: 978-9163353925
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>5</td>
</tr>
<tr>
<td>Swedish development policies 2006–2009</td>
<td>7</td>
</tr>
<tr>
<td><em>Theory and practice</em></td>
<td></td>
</tr>
<tr>
<td>LENNART WOHLMUTH</td>
<td></td>
</tr>
<tr>
<td>Trends in international development cooperation</td>
<td>11</td>
</tr>
<tr>
<td><em>Changes in the aid architecture</em></td>
<td></td>
</tr>
<tr>
<td>BERTIL ODÉN</td>
<td></td>
</tr>
<tr>
<td>Policy for Global Development</td>
<td>21</td>
</tr>
<tr>
<td><em>Implementation and changes</em></td>
<td></td>
</tr>
<tr>
<td>BERTIL ODÉN</td>
<td></td>
</tr>
<tr>
<td>Poverty – What it is and what to do about it</td>
<td>33</td>
</tr>
<tr>
<td><em>Ideas and policies in the international community and in Swedish development cooperation</em></td>
<td></td>
</tr>
<tr>
<td>DAG EHNRENFELS</td>
<td></td>
</tr>
<tr>
<td>Development cooperation with multilateral organisations</td>
<td>50</td>
</tr>
<tr>
<td><em>Implementation of a new Swedish multilateral strategy</em></td>
<td></td>
</tr>
<tr>
<td>LENNART WOHLMUTH</td>
<td></td>
</tr>
<tr>
<td>Policy documents in Swedish development cooperation</td>
<td>61</td>
</tr>
<tr>
<td><em>Roles and mandates</em></td>
<td></td>
</tr>
<tr>
<td>BERTIL ODÉN AND LENNART WOHLMUTH</td>
<td></td>
</tr>
<tr>
<td>Country and sector focusing in the Swedish bilateral development cooperation</td>
<td>68</td>
</tr>
<tr>
<td>BERTIL ODÉN</td>
<td></td>
</tr>
<tr>
<td>Swedish and EU Africa policies</td>
<td>77</td>
</tr>
<tr>
<td>LENNART WOHLMUTH AND CHRISTOPH WALLNÖFER</td>
<td></td>
</tr>
<tr>
<td>Abbreviations and acronyms</td>
<td>92</td>
</tr>
</tbody>
</table>
Preface

The Center for African Studies (CAS) at the School of Global Studies, University of Gothenburg has in recent years 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 has been integrated in the joint two-year masters programme of global studies from September 2007.

During the period to date it has been established that teaching materials with special relevance for Swedish and European development policies are not readily available to the extent required. To fill the gap we at CAS decided to produce a series of short publications called “Perspectives on….”. The idea was to publish these Perspectives on our website and if necessary to up-date them from time to time. So far 15 such Perspectives have been published and can be found on the website.

The work has now been developed further and resulted in this book on recent developments in Swedish International Development Cooperation seen from an international perspective. It contains some of the most important areas of change during the past years introduced by two chapters, one on the main features and trends in the Swedish Policy for Global Development and one on the international framework.

The selection of areas for scrutiny reflects the main policy documents and strategies published since the present coalition government was formed in 2006. This implies that other equally important and sometimes “eternal” aid issues are not covered, among them the relevance of various aid modalities, the handling of aid in corrupt environments, emergency aid, debt relief and criteria for allocation of aid between sectors.

Besides being published in hard copy the book will be available for downloading at our web site – www.globalstudies.gu.se – in order to make it accessible for as many interested students of development cooperation as possible.

As usual on occasions like this, the individual authors are responsible for their own chapters. The texts cover the development up to mid-2009.

Special thanks for invaluable assistance in the editing, producing and language checking of this book to Boel Näslund and Elaine Almén.

Lennart Wohlgemuth
Guest Professor in
African Studies
School of Global Studies
University of Gothenburg
Swedish development policies 2006–2009

Theory and practice

Lennart Wohlgemuth

Taking the international developments discussed in the next chapter into consideration we have studied the developments of the Swedish development cooperation during the years 2006-2009 seen from different angles and within different areas. The Swedish policy was outlined in 2003 in a Government white paper on Swedish Policies for Global Development (PGD) which in turn was based on an investigation by a parliamentary commission (Globkom). After some minor changes following the debates in parliament all political parties gave their support to these new policies.

In this book we have studied how the Swedish government, which took power after the parliamentary elections in 2006, has administered and further developed these policies. The implementation has been 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 new international aid architecture described below, 3) different ideological points of departure and 4) the financial and economic crisis emerging since the second half of 2008.

In the different chapters of the book we take note of the fact that a lot of work has been done in the past few years to clarify how best to implement Swedish development cooperation. We have found that most of the recent government communications, strategies and policy papers that have been developed are ambitious and in line with major international declarations, including the Millennium Declaration 2000, the Paris Declaration 2005 and its follow-up the Accra Action Plan as well as the Monterrey agreement 2002 with its follow-up the Doha Declaration 2008. Together they constitute a significant reform and more stringent framework for the Swedish objectives and principles as set out in the Policy for Global Development in 2003.

Implementation of the policy for global development

In the documents studied, the objectives have been better operationalised and the activities more clearly focused as compared with earlier documents. Efficiency and results have been prioritized in accordance with the Paris Declaration. The government’s communication to the parliament from 2008 on PGD has thus been more focused on what is to be done by whom and a greater emphasis has been put on the implementation processes. The same can be said about the strategy for multilateral development, the decision on country and sector focusing and the new decision on result based management, all from 2007. Special policies and strategies have been launched both regionally – Africa and Asia – and thematically, for example on the NGO policy. Based on these documents special guidelines are in place or under preparation in many fields, such as strategies for every partner country.

The most conspicuous drive has been the work on country and sector focusing. To channel aid into too many countries and sectors in every country has always been seen as an inefficient way to deliver aid. In order to come to grips with this problem the government put a lot of emphasis and work into preparing a good foundation for a decision to concentrate Swedish aid both to fewer countries and to fewer sectors per country. The final outcome became a compromise and was
well received. It is still too early to judge whether it will lead to the intended results.

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 2007 and the Commission report on Climate and Development Cooperation from 2009. The latter is an important part of the agenda for the Swedish Chairmanship of the EU during the second half of 2009. It emphasizes the importance of development cooperation and suggests 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.

As mentioned, questions of efficiency and results have permeated the agenda of the different documents under scrutiny. However some of the changes that have taken place also have ideological connotations. Some are more subtle and require thorough reading of the documents to distinguish them. The chapter that most clearly points to an ideological change relates to poverty reduction as objective and methodology for development cooperation. Present trends internationally and in Sweden point in the direction of a return of emphasizing growth as such 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 is presently under preparation and intended to be approved by the Swedish government late 2009 will be an important indicator of how far Swedish policy in this area has gone – whether Sweden is just following the international trend or whether this development has gone further in Sweden than in other parts of the world.

It should be noted that Swedish humanitarian assistance is guided by a government communication to the parliament from 2004 and has not been changed since then. The Swedish policy for humanitarian assistance is seen to compare well with international standards (OECD 2005 and 2009) and is guided by international law such as the Geneva Convention of 1949 and the two additional Protocols of 1977 as well as by norms and guidelines that have been developed over time. The major guideline governing humanitarian assistance is the “humanitarian imperative” - declaring that citizens and countries have the duty to assist people in need - as well as the four principles of humanity, impartiality, neutrality and independence.

We see most of the documents that have been developed to make the assistance more effective and result oriented as improvements. We wish particularly to mention the multilateral development strategy and how it emphasizes improvement of the assessments made of the different multilateral actors that receive Swedish support. Strategies are expected to be worked out for each of the actors, a clear increase in ambition. To what extent the instruments that have been developed to make the assessments will make it possible to improve both assessments and governance remains to be seen.

We also want to make special note of the joint Ministry of Foreign Affairs /Sida Action Plan on Aid Effectiveness 2009-2011 which was launched in June 2009. In the midst of the economic crisis aid effectiveness and the implementation of the Paris Declaration is being emphasized and operationalised. This is an important signal.

A significant policy change has occurred in the Swedish position on integration of the development cooperation with that of the European Commission and other EU member states. This intention was part of the PGD bill in 2003 but is more explicitly expressed in recent policy documents, both the annual budget bills and in the PGD communication to the parliament in 2008. This has important consequences both as regards how to work but also the methods used.

One of our major conclusions 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 rhetorical empty gestures. The strategy on multilateral development cooperation as well as the PGD-communication therefore risk becoming a waste of effort if more staff capacity is not
provided to implement their intentions. In reality it seems rather that less resources have been allocated to these areas in the past few years – a development which seems to be aggravated by possible severe cuts that will follow as a result of the prevailing economic crisis.

During the period of this study a new director general of Sida has been appointed with a mandate to improve the efficiency of Swedish development cooperation in general and of the aid administration in particular. This has led to a major reorganisation of Sida with the main objective to improve efficiency as well as result orientation. It is too early to draw any conclusions on whether the reorganisation actually has led to the intended improvements. So far the reorganisation like any similar ones has led to short-term losses in tempo and a certain confusion.

To summarize we find that a lot has been done in the past few years in areas which can be governed by political and administrative decisions, to both implement decisions made internationally like the Paris Declaration and to make Swedish assistance more efficient and more focused. New features have also been introduced dictated by ideology but, while important, concentrated only to a few areas. A serious problem we have observed is that not enough resources have been allocated to allow for the implementation of necessary activities to reach the many and ambitious objectives which are planned. Whether this is due to lack of political will or simply a general result of lack of resources is difficult to judge. The size of Swedish development cooperation following the adherence to the principle to allocate one per cent of BNI annually should however to our minds make it both necessary and possible to allocate sufficient capacity to an efficient implementation thereof.

Consequences of the economic crisis

Changes that follow adaptation to the international crisis that presently rules the world will no doubt affect Swedish assistance during several years to come. We have in the next chapter indicated what is known from recent studies and statistics on the effects of the crisis on the poorest nations, which also form the target group of Swedish development assistance. The present situation would no doubt require increased assistance both as regards quantity and quality. What we can expect is rather the opposite.

What we know so far is that:

- Sweden belongs to the few countries that adhere to the principle of allocating one per cent of BNI to development cooperation. With a falling BNI, of some five per cent, the amount set aside for development cooperation will automatically go down. Presently both the foreign ministry and Sida are busy planning for how this cut will be made.

- Should the aid budgets be reduced, the interest to allocate the remaining funds to areas of special interest to the donor may increase and the allocations for more risky and anonymous ventures may decrease. This might in particular affect general budget support, but also other important aspects emphasized in the Paris Declaration might be affected such as the strong emphasis on ownership. Swedish interests might to an increasing extent take priority over the partners’ interest.

- In the past few years an increasing number of special funds have been created with the purpose of giving support to special important activities particularly in the areas of health and environment. These so called vertical funds bypass many of the international agreements made and often do not take into account the importance of alignment to the partner country systems. Sweden has made some effort to include adherence to available experience for effective aid also as regards these funds but with limited results. Sweden does already today allocate considerable amounts to these funds and it seems very likely that the support to special needs through these funds will increase when resources become increasingly scarce.

- Other trends which we see and which might develop further in the coming years and which might affect the quality of aid are more growth and private sector orientation, and less prioritization of poverty alleviation and redistribution, more project orientation, more result orientation and more closely monitored
development cooperation at the cost of ownership and alignment.

Conclusions
In conclusion the immediate future is full of question marks both as regards the quantity and quality of Swedish development cooperation. The risk we see is that the negative effects rather will be larger than we can foresee today. The political will to retain the one per cent target for Swedish aid will be tested in a situation of lack of budget resources and competition with demands from many other interests. The first test comes in connection with the upcoming budget discussions in late 2009. This is also a question where the present coalition parties in the Government might have different positions. Sweden will of course also be influenced by the development in other countries and in particular the ones within EU where the trend in at least some countries is presently towards a decrease in quantity. Whether it is possible in such a situation to uphold the principles agreed internationally in the Paris Declaration and other documents on effectiveness of aid will be the next test. This will be increasingly difficult in a situation where the critique of Swedish development cooperation increases and becomes more and more ideological as has been the case in the past few years.

References


Government Communication, 2004/05:52. The Government’s Humanitarian Aid Policy, Ministry for Foreign Affairs


Odén, B. and Wohlgemuth L., 2007, Swedish Development Cooperation Policy in an International Perspective, Perspectives No. 9 Centre for African Studies, Gothenburg University


Introduction

In recent years the landscape of international development cooperation has changed. This was one of the motives behind the Swedish government bill entitled Shared Responsibility: Sweden’s Policy for Global Development, which was approved by the Swedish parliament in 2003. The further developments of this policy by the coalition government which was formed after the parliamentary elections in 2006, have also been influenced by the continuous changes of the international political economy, including the changing international balance of economic and political power. One symptom of this change in the global power balance is the increased role of the G20 where some of the main emerging economies are members.

As an introduction to the analysis of some recent trends in the implementation of the Swedish Policy for Global Development (PGD), this chapter provides a short overview of the trends and changes on the global scene of development cooperation, followed in the next chapter by a brief introductory summary of the Swedish policy trends.

There is no doubt that the OECD/DAC countries and the IFIs have taken note of the changes referred to above. The number of meetings and diagnostic documents on the changing framework is steadily increasing. (See for instance World Bank, 2008.) But the aid agencies have so far only modestly adjusted their tools and strategies.

In this context the following trends in the realm of development cooperation will be briefly highlighted:

1. The overarching international objective to eradicate or at least reduce global poverty is increasingly diversified, partly as a result of the holistic definition of poverty which allows almost any field of cooperation to be categorised as contributing to poverty reduction. The introduction of a broader range of policy objectives, formally or informally steering the development cooperation has also opened up for a still higher diversification of aid interventions.

2. Partly counteracting this trend, initial steps have been taken towards increased harmonisation and alignment of aid flows along the principles of the Paris Declaration on Aid Effectiveness 2005 and its follow up in the Accra Agenda for Action (AAA), 2008.

3. The number of players on the donor side has dramatically increased with new countries, new international organisations, new private foundations, new CSOs and lobby groups. The new players form a heterogeneous group, working with different goals, strategies and tools and creating a very difficult situation for the public institutions at the receiving end, trying to monitor and coordinate the combined resources from all these different sources.

4. The number of players on the recipient side has also increased substantially as societies have diversified, the private sector and civil society have increased their relative roles and institutions, infrastructure and technological level have gradually improved.

5. The relative size of ODA has been reduced, compared to other financial flows such as remittances from migrants, foreign direct in-
vestments, (FDIs), and commercial and semi-commercial borrowing. ODA has therefore remained the biggest external financial flow in a dwindling number of the poorest countries, mainly in Sub-Saharan Africa.

6. New financial instruments to mobilise resources, often called innovative financial instruments, have emerged.

7. Emerging interest in the huge volume of financial resources, which are lost by poor countries due to tax evasion, corruption and criminal activities linked to drugs, weapons and human trafficking.

8. The increased demand for global public goods, resulting from the globalisation processes in many areas, such as the finance sector, climate, environment, health threats, organised international crime and terrorism.

These and other developments make the still used dichotomy of a “developed” and a “developing” world (or the “North” and “South” categories) more misleading than ever. To continue using these categories becomes an obstacle to a necessary fresh thinking on global development issues and to the necessary reforms of international organisations created in the wake of World War II.

Holistic poverty definition and broader range of policy objectives

Traditionally the official overarching objective of development cooperation has been to reduce poverty in the world and improve the situation for poor people. During the latest 15 years or so the concept of poverty has widened to include all dimensions of poverty such as lack of power and influence, limited access to public services, limited freedom of choice and weak empowerment regarding human rights and democracy. Poverty is considered multidimensional and therefore poverty reduction requires holistic, cross-sector approaches and methods. Poverty also varies between different situations. Therefore a large diversity of interventions can be motivated as leading to poverty reduction. This diversifies the strategies, tools and methods used in development cooperation. It has a number of potentially positive effects, but also weakens the focus of the development cooperation agenda.

This trend is enhanced by the increasing number of policy motives which development cooperation should serve, including security, climate and environment, global health, human rights, migration and financial stability. The plethora of activities emerging out of the expanding motives for development cooperation contributes to the present situation in which almost every activity can be included as development cooperation. Many of these activities are also funded from other sources than aid budgets and the advantages or disadvantages in including them as aid are sometimes blurred. The result is a fragmented and opaque global aid industry, difficult to monitor and evaluate – for players both at the supplying and receiving end.

Increased number of aid agencies and organisations – aid fragmentation

The international development finance system is becoming more and more complex. It consists of more than 230 international organisations, funds and programmes, over 50 bilateral agencies of which 33 are OECD/DAC bilateral agencies, a rapidly growing number of emerging economies which are both receivers and providers of ODA, an increasing number of philanthropic and other foundations, private-public funds and programs and thousands of CSOs. The aid system has proliferated and the ODA distribution has been fragmented (World Bank, 2008). According to another study, one effect is that “Because overall cash transfers to the field have not significantly increased over the years, this mushrooming of development actors has implied that the average size of projects or operations financed has decreased sharply.” (Jean-Michel Severino and Olivier Ray, 2009).

The most important changes of the development cooperation landscape are the result of three categories of new or reappearing players. The first category consists of an increasing number of emerging economies and regional funds launching significant programs for investments and development cooperation in other countries in the South. Many of these countries still receive
aid from OECD/DAC countries and international organisations.

The most spectacular expansion in this field has been that of China. Resources which fall under the DAC definition of ODA are in the case of China often mixed with commercial and semi-commercial loans and with investment commitments by Chinese companies. Therefore no reliable data on the volume of China’s ODA is available. A major share of these investments – often infrastructure construction - is linked to exploration for oil, natural gas and minerals. This is connected to the Chinese outward looking strategy and should be regarded as part of an overall Chinese policy to secure energy and mineral resources needed for a continued very rapid economic growth in China. Other investments are related to manufacturing and agriculture production. The “Chinese model” does not separate ODA and other resource flows. In several cases Chinese loans will be paid back in the form of energy or minerals. Linked to this, the volume of Chinese trade has increased rapidly, in the case of Sub-Saharan Africa from 10 billion USD in 2002 to more than 100 billion in 2008. The Chinese government has committed infrastructure investments to Africa totalling 20 billion USD over the next three years and to double the level of aid between 2006 and 2009. The rapid Chinese expansion in Africa is part of its total external expansion, including Latin America and Asia.

India is following the steps of China, using a similar model. Other important emerging development, investment and trade programs are emerging from South Korea, Saudi Arabia, Brazil, Russia, and other countries. The emerging donors’ share of total international ODA has been rapidly increasing, and is today estimated to be around ten per cent.

The mode of cooperation of these “emerging donors” is similar to what was used during the colonial time in the sense that development, infrastructure, production and trade components are mixed as well as the type of financing. The cooperation is focused on material results, while “dialogue issues”, “policy conditions” in the sense used by DAC countries and IFIs are absent from the negotiations between the partners. Angola and Sudan are two often quoted cases where the governments at the receiving end have been able to avoid the conditions on transparency and human rights policy requested by International Financial Institutions and DAC aid agencies.

The second category is a number of so called vertical funds and special programs, established during recent years. They take different forms: foundations financed by private philanthropists for instance the Bill and Melinda Gates Foundation and the Open Society Institute funded by Georg Soros; funds and programs for specific purposes funded from both private and public sources such as the Global Alliance for Vaccines and Immunization (GAVI), the Global Fund to combat HIV/AIDS, malaria and tuberculosis and the Global Environment Facility (GEF). Such public-private initiatives are also initiated by private persons. One example is the Clinton Global Initiative aiming at result based activities through cooperation between the state and the private sector.

Finally there are special international or national funds for specific purposes funded by aid money, among them a number of programs and funds launched in the wake of the global financial crisis of 2007-2008 in order to mitigate its effects on poor countries.

The main idea behind these funds and foundations is to mobilise more resources for special important purposes. By focussing on a specific theme they may develop into having a strong position as a financial source of development activities within just that area. From private sources the funds are normally also additional, while in the case of public aid it is uncertain how much additional money is provided and how much is made available through reallocation within the established aid budgets.

Most funds of this kind work according to the model which dominated traditional aid in the 1960s – with their own planning, implementation and monitoring systems, seldom harmonised with other aid agencies or the relevant institutions of the recipient country. They normally provide more resources to specific activities deemed to be of special interest. And therefore they may be useful in emergency situations. But as they are seldom coordinated with other activities within
the same field they may also further disintegrate the total aid and counteract the ongoing implementation of the principles on harmonisation, coordination and alignment which were agreed upon in the Paris Declaration on Aid Effectiveness 2005 (see box).

Private foundations and private-public funds and programs are part of what is called innovative approaches of development funding, implying public funding from outside the aid budgets. Some private-public funds have not achieved the expected catalytic effects as most public funds have been provided through reallocation within existing resources and the private funding has been more limited than expected. Other innovative approaches are frontloading within existing programs or specially formed programs, or special taxes or fees on for instance air travel. The latter type of special taxes is mainly linked to the mobilisation of funds for activities aiming at reducing the negative effects of climate changes in the poorest and most vulnerable countries.

Steps towards increased aid harmonisation and alignment – the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action

The proliferation of aid agencies and the lack of coordination between them as well as the low level of ownership for the governments at the receiving end of the development cooperation have for a long time been of concern to many of the aid agencies and partner countries. Several initiatives have been taken over the years but with few tangible results. Not until the second half of the 1990s some progress was made as the issue was again raised within the OECD/DAC. This work became an important input to a summit meeting with participants from bilateral donors, international organisations and a number of receiving governments in Paris in 2005. Several civil society organisations were observers at the meeting. The meeting endorsed the Paris Declaration on Aid Effectiveness in which both donors and receivers committed themselves to increased ownership, improved harmonisation and transparency and increased alignment of aid resources into the systems of the recipient countries. A number of monitoring and follow-up measures, including indicators, were also agreed in the Declaration.

It became an important instrument in the harmonisation work. A high level meeting on the implementation of the Declaration was held in Accra, Ghana in September 2008. As a preparation a monitoring report on the implementation was published. The result of the meeting was the Accra Agenda for Action, in which both sides committed themselves to put stronger efforts into the implementation of the commitments of the Paris Declaration and to strengthen the international accountability mechanisms.

Increased aid and still stronger increase of private flows

The flow of ODA from DAC countries and international organisations (in constant 2007 US dollar) increased by almost 60 per cent between 2001 and 2005 and declined from this peak with 12 per cent from then to 2007. However during the period 2001-2007 the increase of other capital flows – remittances, FDIs and commercial long term borrowing – was much higher. As a consequence the share of ODA in the total capital flows to developing countries declined significantly.

As can be seen in table 1, remittances were estimated to be 2.5 times the aid, FDIs almost five times and long term loans (net) more than four times. It should be noted that for all capital flows except ODA a small number of countries dominate as recipients of the flows. Ten countries are estimated to have received more than half of the total remittances in 2008¹. Ten countries received more than 60 per cent of total FDI to developing countries². Top-ten receivers of long term commercial loans received more than 70 per cent of the total³.

---
² Ranked according to volume: China, Russia, Brazil, Mexico, Turkey, India, Poland, Chile, Ukraine and Thailand. Source: World Bank. Global Development Finance 2008.
THE PARIS DECLARATION ON AID EFFECTIVENESS

During the second High-Level Forum on Aid Effectiveness that was held in Paris in March 2005, development officials and ministers from ninety-one countries, twenty-six donor organizations and partner countries, as well as representatives of civil society organizations and the private sector, came together. The issues that were discussed included the lack of local ownership; increased fragmentation of aid; high transaction costs as well as parallel systems; and solutions that are not well adapted to local needs and conditions.

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 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 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. “(...)”

- **MANAGING FOR RESULTS:** donors and partner countries jointly undertake to try and manage and implement aid in a way that focuses on the desired results, and to improve evidence-based decision-making. Both parties undertake “(...)” to strengthen the capacity of developing countries and to sharpen the focus on result-based management.

- **MUTUAL ACCOUNTABILITY:** finally, both donors and partner countries agree to prioritise 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.

(Paris High Level Forum, 2005)
For 2009 this trend is estimated to continue and the total private capital inflow be reduced to one third of the level 2007. Remittances are expected to decline between 7–10 per cent, while ODA due to the time lag between commitments and actual disbursements will probably not decline until 2010.

Table 3 shows the development of ODA flows 2003-2007 in constant US$. The steep increase in volume until the peak in 2005 is evident, as is the increased flows to the Middle East, containing huge debt relief to Iraq and multi-billion dollar ODA to Iraq and Afghanistan as a consequence of the US-led wars in those countries. The table also shows that the share of the geographically allocated ODA going to Sub-Saharan Africa has not increased (the extraordinary share of Sub-Saharan Africa in 2006 is attributed to very large debt relief to Nigeria that year).

Table 3. ODA to developing countries from OECD/DAC and International Organisations, 2003–2007 (billion 2007 USD)
The net capital flow goes from poor to rich countries and tax havens

There is also a flow of financial resources from the poor countries to the rich countries, including so called tax havens. Part of this outflow is generated by the private inflows and takes the form of repatriation of profits from direct and portfolio investments and interest payments on outstanding loans. With the increased inflow of these types of capital the stock gradually increases and thereby also the volume of outflow. The East Asia economic crisis in 1997-1998 shows that the most volatile part is the short term often more speculative investments, which can change directly into an immediate strong outflow. These outflows are registered officially. The profit repatriations constitute a larger capital outflow than the aid inflow. This is also the case of the interest payments.

An even larger financial capital erosion of the South is made up of unregistered capital flows based on corruption, international criminal activities linked to trade with drugs, weapon and trafficking, and legal and illegal tax evasion, using tax havens. Recent estimates, albeit by nature uncertain, indicate that the total capital outflow from developing countries is significantly larger than the combined inflow of aid, remittances, FDIs and long term net borrowing (Eurodadt, 2008, Tax Justice Network 2009). According to the studies, the largest component of these unregistered flows emerges from the tax evasion, in which the tax havens are playing a crucial role. To reduce the illegal capital outflow is probably at least as effective an instrument to improve the potential for increased economic growth and reduced poverty in many countries as promoting increased inflows.

Some effects of the economic crisis

The global financial and economic crisis is hitting hardest against poor people in the poorest countries. UN estimates that the number of absolute poor will increase by around 100 million between 2008 and 2009, including many millions who have recently managed to leave this category, but who will now fall back in it again. FAO estimates that the number of chronically hungry or starving people has risen above one billion.

A few examples of early effects of the combined food and financial crisis taken from Swedish development partner countries in Africa:

1. Tanzania. The export price of cotton declined from 82 US cents/pound in March-July 2008 to 45 cents in February 2009. The world market price for Arabica coffee changed from 158 US$ per bag in August 2008 to 104 in December. The tourist income is estimated to decline by 18 per cent in 2009. Two planned huge investments have been postponed until an uncertain future – one aluminium smelter and one nickel mine.

2. Zambia. The world market copper price declined from almost 9000 US$ per ton in 2005-07 to 3000 in February 2009. (Since then it has recovered somewhat and was $600 by the end of July.) Copper provides 80 per cent of Zambia’s export earnings. Mopani copper mine sacked 1000 mine workers and Konkola mine 700 in 2008.

3. Mozambique. A number of planned mega projects have been postponed: an oil refinery in Nacala, a power station in Mphanda Nkua and exploration of titanium sand near Chibuto. The world market price for aluminium declined from 3000 US$ per ton in June 2008 to 1300 in March 2009 (increasing again to 1800 at the end of July).

Since 2005 a number of international promises by the rich countries to increase ODA have been made at G8 meetings and in EU-resolutions. Most of these have been reaffirmations of earlier non-fulfilled promises. Recently and in the wake of the crisis the OECD countries repeated their promises at the UN meeting on development finance in Doha in December 2008. In April 2009 this was repeated at the G20 meeting in Canada at the same time as new promises were made to provide extra money to the poorest countries in order to support their efforts to meet the effects of the economic crisis.

Ironically the ODA statistics (see table 3) show that the peak for the international aid volume
occurred in 2005, just when the G8 meeting commitments were made and since then the volume has declined in real terms. In nominal terms the volume increased to the highest level ever in 2008 and the estimates for 2009 point at a similar level. Most observers believe that a significant reduction in disbursed ODA will take place in 2010, reflecting reductions in many aid budgets in 2009.

One important effect of the international financial and economic crisis has been to restore the position of IMF after a couple of years of gradual weakening. The recommendation from the G20 summit meeting in early April 2009 to make IMF the main institution to handle the allocation of crisis programs aimed at supporting middle income and low income countries was crucial for this change. Altogether 1100 billion US$ has been committed to various programs so far.

The management of the IMF has declared that the fund now makes fewer conditions regarding the economic policy outside the core IMF areas of credit policy and exchange rate policy - when providing new loans. It seems however as if this measure is difficult to implement. In particular this is evident when it comes to the relations with the poorest countries. A certain ambiguity can be seen in the way bigger and more developed countries are dealt with compared to for instance weak African countries.

A number of international funds and programs have been launched in order to facilitate crisis management in poor countries. The World Bank introduced a Vulnerability Fund in January 2009. The financing was supposed to consist of 0.7 per cent of the recovery or crisis programs that the rich countries at that time promised. Those amounts were supposed to be channelled through a fast-track additional funding to ongoing programs supported by the World Bank, UN agencies and regional development banks to protect poor people from the effects of the crisis. However few commitments have been made to this fund and it is unclear what will happen with the initiative.

International Finance Corporation has, together with the German Development Bank, KfW, launched a facility to increase micro credit financing in poor countries and as a start they have committed 150 and 130 million US$ respectively. A number of other UN Agencies, including UNICEF have established special programs to meet the effects of the crisis within their special area of competence. Among the aid agencies in general the interest has increased for supporting protection in the form of social safety nets for the poorest groups in the cooperating countries.

Recent thematic trends in international development cooperation

Climate and environmental issues have come more into focus in the international ODA discussion due to the increased priority of these issues during recent years, enhanced by the Summit Climate Meeting in Copenhagen in December 2009. ODA interventions in this field are increasingly focused on how poor countries should adjust to the expected climate changes and how the aid agencies should support them in this endeavour.

An important and controversial issue in this context is how the poor countries’ adjustment to climate change shall be financed and through which instruments. OECD countries and the EU argue that the main funding instrument should be the funds established by the World Bank following the established methods and rules of the aid community. The countries in the South argue that the responsibility should be with the UN Global Environment Facility (GEF) or an instrument linked to GEF. This is a crucial issue to be solved by the summit meeting in Copenhagen in December 2009.

The various climate initiatives have received promises of more than 10 billion US$ altogether, but only a small part of that amount has actually been disbursed up to mid-2009.

The economic crisis also enhances an ongoing trend towards more focus on economic growth and the role of the private sector in this context within the ODA establishment. The Swedish Government will launch a policy paper on this later in 2009. The report of the Danish Africa Commission on Realising the Potential of Africa’s Youth from May 2009 and the DFID white paper Eliminating World Poverty: Building Our Common Future from July 2009 are some other
signs in this direction.

The links between development and security policy will most probably be further strengthened. Presently the security-development axis is mostly discussed in the context of Iraq, Afghanistan, Pakistan and the Middle East as well as generally in the elusive “war against terrorism”. But there are other important trends that will also enhance this axis, including heightened conflicts due to competition for water, food, minerals and energy. Large migration flows created by climate change effects will further enhance this trend. The struggle against international criminal networks based on trade with drugs, weapons and human beings is another arena. ODA may therefore increasingly be used as an instrument to meet security policy objectives.

The role of EU and the EU Commission is important for the development of the new international development architecture. Together the EU members provide 60 per cent of the combined DAC ODA. A number of important policy documents from the Commission (The European Consensus on Development and the EU Code of Conduct on Division of Labour in Development Policy from 2005 as well as EU Aid: Delivering more better and faster from 2006) show the ambition of the Commission and many member states to improve the ODA coordination and the coherence between the various EU policy areas. This ambition is in line with the principles of the Paris Declaration. Hopefully it may constitute a supporting power to the implementation of those principles, in spite of the differences between the EU states.

Summary

The dominating trends within the development cooperation realm during the next few years will therefore most probably include:

- Private financial flows in the form of FDI:s and commercial borrowing have already declined dramatically and it is difficult to predict when this trend will be reversed.
- Remittances will probably decline during 2009 and 2010 as an effect of increased unemployment but not at all as dramatically as FDI:s and commercial loans.
- The number of players in the field of development cooperation will increase while the level of harmonisation between them will deteriorate. The aid instruments and strategies of the emerging players may erode the progress towards better ownership, harmonisation and alignment of ODA achieved during recent years.
- The mode of linking aid, trade and investment used by the emerging players in the development realm may also increasingly be used by the traditional ODA players. Coherence issues will be still more important, in particular various aspects of the security-development axis.
- Economic growth and the role of the private sector will be more in focus.
- Increased focus on poverty reduction in the poorest and most crisis stricken countries on one hand, on the other increasing linking of aid, investment and loans to development packages, in line with the model of Chinese cooperation.
- Attempts to handle the situation when it becomes evident that few MDG targets will be met.
- Climate issues will be in focus and increasingly ODA policy and policies to reduce the global warming effects will be linked together.
- The division between two categories of countries – North and South or developed and developing – which is used in particular within the UN system, will become increasingly obsolete and has to be replaced with diagnostic, strategic and implementation instruments more in line with the new development cooperation landscape and the emerging global economic and political balance of power.
References


World Bank (2009). *Migration and Development Brief 8*

World Bank. *Global Development Finance 2009*

The aim of this chapter is to outline the development of the Swedish Policy for Global Development, PGD, which was launched in 2003 when the Swedish Parliament approved the Government bill **Shared Responsibility. Sweden’s Policy for Global Development** (2002/03:122). The focus of the chapter is on the implementation so far and the reforms launched in the Government communication to parliament in March, 2008.

The Government bill on policy for global development in 2003

According to the bill, the primary justification and rationale for Sweden’s policy for global development is solidarity with people in other countries. The overall objective of the PGD, which applies to all policy areas, is that of contributing to equitable and sustainable global development and to the achievement of the UN Millennium Declaration and Millennium Development Goals, MDGs. The policy is characterized by two perspectives: a rights perspective and a poor people’s perspective on development (Government Bill 2002/03:122).

The policy is targeted at poor people in developing and transition countries and includes all policy decisions that directly or indirectly affect them. The central elements of the policy consist of eight components, each one linked to a defined global challenge. In the second communication on PGD to the parliament they were grouped under four headings:

- **Fundamental values**: respect for human rights, democracy and good governance and gender equality
- **Sustainable development**: sustainable use of natural resources and protection of the environment, economic growth and social development and security
- **Conflict management and security**
- **Global public goods and security challenges**: trans-boundary issues requiring joint decisions and actions on the part of the international community (Government communication, 2005/06:204, p. 3).

A greater coherence between the different policy areas and actors, including the European Union (EU), the United Nations (UN), the international financial institutions (IFIs), other multilateral institutions and individual countries is seen as crucial to make the fight against poverty more effective. The goal is that the policy itself and its practical applications in all policy areas will help to strengthen the rights of poor people to improve their living conditions.

The concept of coherence

Coherence is a key concept in the PGD, therefore a brief conceptual digression is motivated. It should be noted that there is no universally agreed definition of policy coherence for development (OECD, 2005 p. 27). The 2001 DAC Guidelines on Poverty Reduction stated that “Policy coherence..... involves the systematic promotion of mutually reinforcing policy actions across Government departments and agencies creating synergies towards achieving the defined objectives” (ibid.). A further definition given in DAC Journal, Development Co-operation Report was: “Policy coherence means different policy communities working together in ways that result in more powerful tools for all concerned. It means looking for synergies and complementarities and filling gaps between different policy areas to meet
common and shared objectives” (OECD, 2002). Thus policy actors in one area should always take into consideration policy actors in other areas to avoid contradictory results.

It has been argued that the Millennium Development Goals are unlikely to be achieved without simultaneous progress in five areas of coherence (ECDPM/ICEI, 2006 p 19):

- **Internal coherence.** This refers to the development policy itself, which should be drawn up to achieve consistency between its goals and objectives, modalities and protocols.
- **Intra-Government coherence.** The strategic options in the policies most relevant for developing countries should be reviewed to prevent, or make up for, any decisions that go against development objectives.
- **Inter-Governmental coherence.** Policies and actions should be consistent across different OECD countries in terms of their contributions to development, to prevent one from unnecessarily interfering with or failing to reinforce the others in the same environment or countries.
- **Multilateral coherence.** Consistency should be promoted across the policies and actions of bilateral donors and multilateral organisations.
- **Donor-recipient coherence.** Countries receiving donor contributions should be encouraged to set up policies that allow them to take full advantage of the international climate to enhance their economic and social progress.

The three first are the responsibility of the donors alone, while the latter two are based on responsibility between the donor and the partner countries. The most relevant in the context of the Swedish PGD are Intra-Government coherence and to a certain extent Inter-Governmental coherence.

**Initial implementation of coherence issues**

The need for coherence between different policy areas is strongly emphasized in the bill. The reasons for this are the increasingly interwoven national, regional and global perspectives. The aim of a coherent policy is to improve the developmental effects of the total Swedish policy and to the largest possible extent avoid that policies in various areas contradict each other and thereby reduce their potential to “contribute to equitable and sustainable global development” (Government Bill 2002/03:122, p. 20). Conflicting objectives should be identified and should be the focus of well-informed and well-considered strategic choices (ibid., p. 32).

More and more national policy must address trans-boundary issues and national decisions have an international impact. It is therefore important that the coherence strive for at the national level is also reflected in Sweden’s positions at the regional and global level. One example is that both national policies and policies formulated and pursued through the EU must be coherent.

Measures to improve and monitor the coherence are suggested in the bill. One of them is annual progress reports to parliament, in which measures and results of the coherence policy are summarised for the various policy areas.

The first year of implementation focused on organising the systems to improve coherence, including trying to explain to those responsible for the various policy areas what was expected of them. One consequence of this was that the first year’s communication to parliament mainly contained information on various organisational matters (Regeringens skrivelse 2004/05:161).

The policy for global development gives all policy areas the responsibility of formulating and implementing policy in a way that utilises every opportunity of simultaneously contributing to equitable and sustainable global development. If measures, designed to fulfil the objectives of a policy area, counteract Swedish efforts to achieve equitable and sustainable global development, it is the responsibility of the policy area in question to look for alternative measures and find an acceptable solution within the framework of its usual policy preparation work. In the Government communication 2004/05:161 to parliament five policy areas were identified as being particularly important: environment, agriculture, trade, migration and security.

The government bill does not specify how government should implement the new policy. However, the parliament requested the government to clarify where the responsibility for the PGD lay, and instructed the government to estab-
lish a specific function for a strong coordination and proactive approach, including ministerial programmes to detail how the policy should be implemented, which include annual progress reports to the Parliament on the implementation of the PGD.

The Government Communication 2006

According to the 2006 Government Communication to Parliament (Communication 2005/06:204), experience from the first years of implementation indicates that the big challenge of this policy is not to handle conflicts of interests or objectives between different policy areas. The challenge is instead to identify and realise potential effects of synergy, in which actions can be designed in a way, which promotes both the objectives of the policy area in question and a just and sustainable global development. This work demands solid knowledge of development issues, about the rights perspective and about poor people’s perspective on development. According to the report, the work to implement the coherence policy is therefore to a large extent about promoting such knowledge. Most of the examples on coherence in the communication are within this win-win category.

In the communication the Swedish policy positions in international negotiations on climate, energy, chemicals, foreign trade, export subsidies, access to medical drugs etc. are used as good examples. The main argument is that Sweden’s policies in international negotiations in other political areas than development cooperation are coherent with the objectives of the Swedish policy for global development, which underpins the development cooperation policy. The list of such cases is impressive and shows that in many fields Sweden makes strong efforts to improve the international and the EU policy framework in a direction which is consistent with the PGD.

The weakest part of the report is the monitoring of achieved results. They are presented in the form of rather general statements on progress. This in turn is at least partly due to the lack of quantifiable targets in the Government Bill 2003, which makes it difficult to monitor possible progress.

A reformed PGD – the Government communication to parliament 2008

When a coalition conservative-centre Government replaced the social democratic one after the parliamentary elections in 2006, it stated that the Policy for global development would remain, but that it would be reformed in order to improve its efficiency, make it more results based and focused on fewer issues. A number of policy documents covering various dimensions of the Swedish development cooperation have since then been published. In the field of the overall PGU policy and coherence a Government communication to parliament was delivered in March 2008, entitled Global Challenges – Our Responsibility (Government Communication 2007/08:89).

The point of departure of the communication is that many of the challenges facing the world during the four years since 2003 are more apparent and urgent than ever. The need for coherence and cooperation across policy areas to deal with these common challenges has never been greater. The purpose of the communication is to lay the foundation for a more highly focused development policy aimed at strengthening the developmental effects generated in different policy areas.

It is stated in the communication that Sweden’s policy for global development and its overall objective – to contribute to the achievement of equitable and sustainable global development – remains in force. These two concepts are elaborated further as follows:

Equitable global development implies respect for human rights and democracy and is achieved through growth that results in poverty reduction. Development must be to the benefit of all. Economic growth is absolutely necessary for poverty reduction.

Sustainable global development means that resources must be used efficiently and effectively over the long term to ensure that the present generation’s needs are met without compromising the ability of future generations to meet theirs. This presupposes a far-sighted and sustained approach to the management of common resources and a socially, economically and environmentally sustainable economic process.
On coherence the communication states that “Lack of coherence across policy areas poses a risk that measures or decisions in a given sphere will counteract or nullify the Government’s poverty reduction or global development efforts and achievements in another policy area, e.g. development cooperation.” It also states that an examination of the results of Sweden’s efforts to implement its policy for global development since 2003 shows that development cooperation has evolved largely in accordance with the Swedish parliament’s decisions in this policy area. However, policy coherence implementation has been found to be deficient in some respects. The communication aims at improving this situation.

It claims to be based on the eight central components from the Government bill in 2003 (listed under the four headings on page 1). The key challenges mentioned in the Bill are threats against peace and security, against sustainable economic growth, against global environment and climate changes, the demographic changes in the rich countries and migration flows, the spread of HIV/AIDS, and lack of respect for human rights and democracy.

The communication develops and transforms these challenges and the eight components into six global challenges to be met by the Policy for Global Development: Oppression, Economic exclusion, Climate change and environmental impact, Migration flows, Infectious diseases and other health threats and Conflicts and fragile situations.

The choice of the six identified global challenges is motivated in the following way in the Communication:

1. The most fundamental of all obstacles to equitable and sustainable development is absence of freedom in the form of oppression, that is to say lack of democracy and respect for human rights.
2. Economic growth is a fundamental condition of development and thus of poverty reduction. Economic exclusion can only be reversed through market economy reforms, increased access to the international market and the emergence of a vigorous enterprise sector.
3. Armed conflict is one of the gravest threats to the welfare of present and future generations. Poverty and conflict feed on each other. Among the underlying causes of armed conflicts are the desire to gain control over natural resources, inability to sustain a viable livelihood, and adverse environmental changes. The vast majority are waged inside countries. These are often difficult to resolve and threaten regional stability, with consequences for international peace and security.

4. Climate change and environmental impact is one of the greatest challenges facing the countries of the world. Trans-boundary in character it can only be met through global cooperation. Developing countries are hardest hit. Moreover, climate change and environmental impact can seriously hinder and undermine both past and future progress towards development targets.

5. Infectious diseases and other health threats pose serious obstacles to poverty reduction and development, and can quickly undo decades of progress. Poor people are more vulnerable than others.

6. Migration flows have significant development potential for countries of destination and origin alike. Migrants not only contribute to development in countries of destination but can also send back and invest their savings in their countries of origin. Oppression, poverty and armed conflict can force people to leave their countries of origin.

Three specific focus areas have been identified for each of the six global challenges. The aim of the focus areas is partly to keep a closer watch on a number of issues and processes vital to meeting the challenges and partly to identify quantifiable objectives.

**Oppression**
- Greater freedom of expression in countries where it is restricted
- Better health and quality of life for women and men, boys and girls living in developing countries
- A reduction in organised crime and human trafficking through preventive and crime-fighting measures in countries of origin and destination.
Economic exclusion
- Better functioning local financial markets, primarily for saving and investment, in developing countries
- Increased export of agricultural products from developing countries
- A better trade and investment climate in developing countries that benefits both local business development and Swedish business interests.

Migration flows
- To enhance development effects of labour immigration to Sweden
- Increased transfer of capital, knowledge and experience by migrants in developing countries
- Durable solutions for refugees in need of protection.

Climate change and environmental impacts
- Limiting global greenhouse gas emissions and adaptation to climate change in developing countries
- Reduced use of hazardous chemicals in developing countries and improved handling of hazardous waste
- Sustainable urbanisation that will contribute to long-term development and poverty reduction.

Conflicts and fragile situations
- Establishment of a legitimate security sector under democratic control in conflict-affected and post-conflict countries and fragile situations
- To improve the situation for women in conflict and post-conflict situations
- To bridge the gap between conflict and long-term sustainable development.

Communicable diseases and other health threats
- To ensure access for poor people to sustainable health systems and essential medicines
- The establishment of effective early warning systems and the ability to rapidly implement control measures capable of operating at regional and local level
- To seek to secure, by bringing greater focus and coherence to Sweden’s commitment, that work in connection with health factors made by countries and international organisations is strengthened and in line with prevailing knowledge.

Measures for policy implementation
In the communication it is stated that the Swedish government stresses the importance of focusing on policy implementation as well as policy content. Successful implementation requires a results-oriented approach within the government, the government offices and relevant agencies, including missions abroad.

According to the communication, the PGD must serve as a guide in formulating and implementing policies in different policy areas. This, however, does not imply that the PGD focus area objectives should replace the objectives for each policy area. The balance between the various policy area interests is elaborated on later in the text.

At the international level Sweden will seek to ensure that more countries and international organisations apply a holistic approach to global development issues by promoting coherence and cooperation across policy areas.

The results-based management approach contains four parts. The first one is management, organisation and follow up. Its objective is: results-oriented initiatives focused on the six global challenges, for efficient application and continuous learning throughout the implementation process, including procedures and a work organisation that ensures coherence and cooperation across policy areas and between the government offices and relevant agencies. The government therefore intends to:
- draw up activity-specific, quantifiable objectives and outcome indicators in connection with the focus areas, and incorporate these into regular management systems and working procedures
- instruct government agencies to contribute to policy implementation
establish a global policy development forum under the direction of the MFA with a view to promoting coherence and synergies and clarifying and resolving conflicts of objectives

- conduct targeted evaluations of policy implementation as a basis for subsequent performance and outcome evaluation reports, and to provide an instrument for promoting continuous learning
- report on outcomes to parliament in 2010
- conduct a pilot project to develop a strategy for cooperation with South Africa that is not restricted to development assistance.

The second part is to strengthen knowledge and analysis in the Government Offices. The objective for this is: increased knowledge within the Government and Government offices concerning Sweden’s PGD and the impact of decisions and measures taken in different policy areas on the policy’s overriding goal. The Government intends, inter alia to:

- develop a tool for assessing impacts on Sweden’s PGD through supporting preparatory work and processes in the Government Offices
- continually assess the need for analysis as a basis for policy implementation
- support and actively contribute to the development of international policies and methods
- implement specific education and training initiatives
- follow closely relevant international policy developments through the Global Development Council (an international advisory group on globalisation issues, established by the Swedish Government).

The third part is cooperation with Swedish actors, with the objective to encourage broad civil society participation in and discussion of the implementation of the PGD. The Government therefore intends, inter alia, to:

- promote greater knowledge about the PGD and its implementation using new communication channels
- call a hearing jointly with Parliament to discuss the present communication prior to its consideration by Parliament.

The final part is the cooperation and relations with the EU, with the objective to strengthen EU work on policy coherence for development. To contribute to this, the Government intends, inter alia to:

- seek to ensure that the Commission and the member states fulfil the commitments embodied in Council conclusions and rolling programmes for EU work on policy coherence for development
- seek to ensure that decisions with a bearing on developing countries are preceded by an assessment of their impact on the ability of the countries to lift themselves out of poverty
- seek to ensure, in cooperation with like-minded countries, that ownership of and knowledge about policy coherence for development are strengthened within EU member states, the Council of Ministers, the European Parliament and the EU Commission.

Comments

The Government communication to the parliament in 2008 is the first coherent policy document on the PGD from the coalition government since it came into power in 2006, although some of the issues have been touched upon in the public debate earlier on. At this stage it is too early to comment on the implementation of the reforms suggested in the communication, but there is scope for some reflections on the differences between the bill of 2003 and the communication of 2008.

The communication contains much more detailed definitions of the concepts of equitable and sustainable development. This makes them easier to monitor.

What is lacking in the communication is an explicit reference to equitable distribution as part of equitable economic growth. What is said is instead: “Development must be to the benefit of all”. The reduction of poverty is assumed to be achieved through growth that results in poverty reduction. The explicit mentioning of redistribution of resources as one method to reduce poverty is avoided. Drafts of the annual budget for development cooperation 2008/09 referred to...
income distribution as an important element to reduce poverty, but this was excluded in the political process. This reflects an ideologically based change in the view on what generates poverty.

The challenges and most focus areas identified in the communication can be traced to the Government bill from 2003. The packaging of the challenges, however, transforms them in a way which admits that they can more clearly be recognised as global public goods. Some of them implicitly contain a potential threat that Sweden will also be negatively affected. This means that besides the overarching global development objective national self-interest to meet the challenges is also implicated to some degree. To combine the motive of improving the situation for the poor with a Swedish self-interest was suggested by the report of the Parliamentary Commission which formed the basis for the Government bill 2003. This was however not accepted by the Government at the time. The transformation of the eight components of the Government bill 2003 in the Communication 2008 can be regarded as at least a part acceptance of the dual motive suggested by the Parliamentary commission in its report 2001 (SOU 2001:96).

As is common in most international and national policy documents the communication is based on the assumption that the necessary rapid economic growth needed to reduce poverty is compatible with sustainable global development. The viability of this proposition is not discussed, but implicitly it is regarded as axiomatic. If this were not the case, then the whole mainstream development paradigm would be challenged.

Neither the Government bill of 2003 nor the Government communication of 2008 discusses explicitly three dimensions that to my mind are important for a successful promotion of coherence for development:

1. **Strong political commitment** to coherence on the part of governments with leadership and clearly defined policy objectives, priorities and criteria for assessing progress.

2. **Institutional co-ordination, through an adequate institutional architecture, transparency and flexibility**, including rapid adaptation to a changing environment, early warning of incoherence, mechanisms for dialogue and resolving disputes and an administrative culture that promotes inter-sector co-operation and systematic dialogue among different political communities.

3. **Adequate analytical capacity and effective systems for generating, transmitting and processing relevant information.** It is difficult to achieve coherence without thorough analysis of the options and resources, human and financial, involved in achieving the Government’s overall objectives.

The implementation of the PGD requires capacity, analysis capability and efficient and effective use of existing decision-making management and international advocacy systems, particularly within the EU. From the start there has been a discrepancy between the high ambitions of the PGD policy and the capacity to implement it, which the government has provided. In 2008 the number of staff working with PGD issues in the administration increased, but at the same time some of the more experienced staff moved to take on other responsibilities. A general assessment would be that the capacity is still insufficient.

**Motivations for the six global challenges to be met by the PGD**

In the case of the challenge of oppression it is possible to detect a certain amount of ambiguity as to the direction of causality between democracy and respect for human rights on the one hand and economic growth leading to poverty reduction or equitable and sustainable development on the other. When defining equitable global development (page 6) it seems to be based on the assumption that economic growth reduces poverty, which in turn is necessary to achieve democracy and human rights. When the sequencing between reduced poverty created by growth and improved democracy and respect for human rights is dealt with in the context of the challenge of oppression, the causality seems to be the other way around, from respect of democracy and human rights to reduction of poverty (page 13).

Regarding the challenge of economic exclusion it is possible to find an ideological fundament in the communication – the assumption that the international market and private enterprise are the key issues, leading to a strong belief in free trade
as the solution, as opposed to for instance Dani Rodrik’s thesis that macro economic fundamentals and solid institutions are more important. A second presumption is that all economic growth reduces poverty, which is a return to the trickle down assumption from the 1960s.

Conflict and fragile situations constitute a potential threat also for Sweden – this was not as explicitly expressed in the Government Bill of 2003, although the roots of this thinking can be traced back almost 50 years to the first Government Bill of Development Cooperation (1962:100).

The challenge of climate change and environmental impact is also a threat to the people living in Sweden. Together with the other industrialised countries Sweden contributes more per capita to the climate changes than poorer countries. This is an issue of moral hazard. The communication does not discuss measures to reduce the Swedish carbon dioxide emissions, etc. It focuses on how Sweden may assist the countries in the South to adjust and convince them that they should not follow our developmental steps.

Also the challenge of infectious diseases is global and there is a risk that it will affect the Swedish population. Therefore it is important to control it already when the diseases are as far from us as possible.

The text does not contain any discussion on migration as a perceived threat against Sweden. One of the three measures suggested in this context relates to support to the returning of migrants and harmonised migrant policy within EU. This will probably further restrict the Swedish asylum and migration policy towards those who are not welcomed as part of the labour force in Sweden.

Some challenges for coherence

OECD/DAC Peer Review on Sweden 2009

In the OECD/DAC Peer Review on Sweden, published in July 2009, one chapter is dedicated to policy coherence for development. One main feature is to scrutinise the implementation of the coherence between the different policy areas and one general conclusion is: “Despite the strong legislative base for policy coherence, Sweden has had mixed results in implementing its commitments” (page 33 in the report.) In some policy areas, in particular foreign trade, there has been clear progress. In other there is little progress to report.

A major obstacle for the implementation is that still indicators against which the progress can be measured are not yet defined and the capacity to implement the coherence policy is very limited. The report also notes that there are still no plans for independent evaluation or for an external autonomous body to report overall progress on policy coherence for development.

Regarding policy coherence, the report has the following recommendations:

• In co-operation with international partners Sweden should finalise, as a matter of priority, workable indicators for measuring overall progress towards its cross-government objectives and different agencies contributions to policy coherence for development.

• Sweden should assign a suitable organisation to provide independent monitoring and evaluation of Swedish policy coherence for development.

• Sweden needs to ensure that the ministry responsible for the implementation of policy coherence has sufficient capacity and tools to
co-ordinate and arbitrate between different interests.

- Sweden should continue to seek more systematic field involvement to improve understanding of the impacts of policy coherence and incoherence and ensure that field staff considers the potential contribution of other agencies, ministries and non-state actors (page 41).

A selection of coherence challenges

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 coherence areas may differ.

The far-reaching goals of the PGD are difficult to reach, and the PGD policy is therefore seen more as a political vision. The intentions of the Swedish government provide, if implemented accurately, a comprehensive framework to enhance coherence between the different policy areas. But there are still challenges left.

It is for instance important to consider how difficult it is to solve conflicts of objectives. Some degree of incoherence will always exist. The Government may be formally committed to strengthen coherence but it will face a strong challenge when the result based management system, the manual for assessing impacts and also the policy implementation targets are introduced. Then the different ministries and agencies have to show, how strong their commitment and especially their ability to work for more coherence are in reality and also if they really see the sustainable development really as a shared responsibility. Some examples are listed below:

- The export of arms is an area in which traditionally there are strong contradictions between various policy interests and Sweden is no exception. This issue is however not mentioned, neither in the Government Bill of 2003 nor in the Communication of 2008.
- Another area is when striking the balance between the Paris Agenda principle on the importance of ownership, which is strongly supported by the Swedish government, and the economic policy conditions argued by the World Bank and the IMF, which the Swedish government also supports. While the IFIs are becoming more flexible and are also aware of the importance of ownership, this contradiction still exists. Sweden has to strengthen its analytical competence to be able to take an independent position on such issues.
- A similar effect may be the result of another trend, namely to earmark a specific amount of money for identified purposes. Examples are the three billion SEK for efforts to reduce climate change, 100 million SEK in the field of trade policy and 300 million SEK directed to activities against HIV/AIDS. This exacerbates the effects of the various global initiatives to which Sweden also provides aid money. An increasing critique has been raised by researchers, partner country governments and civil society organisations against the incommensurability between these instruments and the principles on harmonisation, alignment and recipient ownership enshrined in the Paris Declaration.
- Domestic national interests behind for instance trade policy, finance policy, agriculture policy and defence policy may be politically stronger than those responsible for development policy. As a result, the development aid budget may increasingly be used to fund activities that are mainly motivated by other interests. This reversed use of the coherence concept is not intended in the PGD, but at the operational level it is important to find measures to avoid such misuse.
- Coherence may not always imply that the development perspective is permeating Sweden’s trade policy, agricultural policy, industrial policy, energy policy, etc. towards countries in the South. But a minimum requirement for a consistent implementation of a coherence policy should always be that the arguments on which the decided balance between conflicting interests are made public and transparent to all interested.
- It is plausible that on issues such as climate, chemicals, and trade liberation the national Swedish position would be more consistent with the development perspective than the joint EU position. It is inevitable that the
outcome of regional and international negotiations, including areas relevant for a just and sustainable global development, is strongly influenced by the strongest actors. This is valid at the regional as well as the global level.

- Within the trade policy, another interesting example is poor countries’ interest to protect weak domestic manufacture production compared 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 regarding the flow of short-term capital is an important global public good. The ongoing global economic crisis, triggered by the crisis in the international financial system, shows the need for significantly improved rules and regulations as well as international monitoring at a global level, as it is obvious this cannot be handled at the national level.

- A final issue is the environmental effects of “the western life style” in Sweden and globally. This is complicated, 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. Should this be part of the PGD?

The coherence analysis also becomes more complex when no common view is established for what is the most advantageous policy from the perspective of an equitable and sustainable global development. One such area is the balance between trade liberalisation and protection of weak domestic industries in poor countries. Here, leading economists do not agree on the sequencing. One school is arguing that foreign trade should be totally liberalised, while others argue that to get the macroeconomic fundamentals in place in the country is more important and will in turn generate foreign trade. According to this school the main efforts should therefore be in the field of macroeconomic fundamentals, rather than on trade liberalisation. (See for instance Rodrik 1998 and 1999.)

In recent years the PGD process has widened and the interest from other policy areas, represented by various line ministries, to be part of the budget process for development cooperation has increased. Ideally, well-functioning coherence does not only imply that the policy areas are in agreement, but also that they complement each other and contribute to competence improvement within two or more ministries. The first step in this direction is significant enhancement of the understanding of the concept by ministries other than the Ministry of Foreign Affairs and including the trade and migration parts of that ministry. Although there are signs of improvements, this is still a big challenge for the implementation.

It can be noted that at Council of ministers level at the EU, it has recently become more common that for instance ministers responsible for development cooperation are participating in joint councils with ministers of environment or ministers of defence to discuss EU policy towards the developing world in those fields.

The main challenge of the Policy for Global Development is to implement a policy in a non-ideal situation, where the conflicts between different objectives have not been fully defined. This makes it difficult to trace to what extent development concerns have been part of the basis for a specific decision and how that has influenced the outcome. This would require a clear hierarchy of objectives, something that is rare in real politics. It would also require a willingness to open all such considerations to the public.

PGD impact on development cooperation policy

The Swedish PGD policy has been in force for about five years. It has created a strong interest internationally, in particular among like-minded aid agencies, and as a concept been lauded by for instance OECD/DAC. During an initial period the government ministries and authorities tried to understand and adapt themselves to the PGD thinking and implementation processes gradually emerged. The coalition government in power since 2006 has started a transformation process, which is making some of the PGD features more clear and transparent. Some of the implications of the reforms for the Swedish development cooperation policy are gradually emerging. They are
still at an early stage but could be summarised as follows:

- A positive aspect of the increased sensitivity for the importance of coherence is the emerging of what can be called “two way coherence”. A main objective of the coherence policy is to avoid that policies in different policy areas contradict each other. But on top of that the implementation of coherence may also create complementarities and contribute to mutual competence development in both policy areas.

- The coherence element of the PGD has made the Swedish development cooperation more supply oriented, due to the increased influence by a wider range of Swedish actors from several policy areas, both at the policy and strategy producing stage and at the implementation stage. This trend has been further strengthened by the recent Government decisions to earmark specific amounts of aid money for specific issues.

- The coherence discussion has almost entirely been linked to the possibility to use the aid budget to fund activities within the responsibility area of other ministries or authorities. The issue of development perspectives influencing activities belonging to the normal international cooperation of these ministries or authorities has been less evident, so far.

- The overarching goal for the development cooperation expressed as “to contribute to an environment supportive of poor people’s own efforts to improve their quality of life” in the Government Bill 2002/03:122 has been rephrased into “The fight against poverty in its various forms not only remains the overriding goal of Swedish development cooperation but is also a central point of departure for the Government’s overall development policy” in the Government Communication 2007/08:89 (p.6).

- The PGD policy has contributed to the gradual shift of balance between the objectives that has taken place since 2006 within development cooperation. Focus on the objective to improve and strengthen human rights - in particular political and individual ones – and democracy has strengthened, while focus has weakened on poverty reduction and in particular distribution issues.

- To strengthen the developmental impact of all policy areas is ideally the outcome of improved coherence, but there is also a risk of creating a situation for the partner country which erodes the harmonisation and alignment efforts that are taking place in the spirit of the Paris Declaration, when more actors are involved on the donor side, and in particular if all of them are provided with separate earmarked funding for their own area. Present trends in the implementation of the PGD indicate that this is happening.

- One of the concerns raised several times in the 2009 OECD/DAC Peer Review on Sweden is on insufficient staff capacity to implement the PGD, including the coherence policy. This may be one of the main obstacles for the implementation of the PGD and very little seems to be done in order to improve the situation. If this is due to lack of political will or some other reason is difficult to determine.
References


Government Communication 2007/08:89 *Global Challenges – Our Responsibility. Sweden’s Policy for Global Development*


OECD/DAC (2009). *Peer Review Sweden.* OECD. Paris

Regeringens skrivelse 2004/05:161. *Sveriges politik för global utveckling*


SOU 2001:96. *En rättvisare värld utan fattigdom.* Betänkande av den parlamentariska kommittén om Sveriges politik för global utveckling
Poverty – What it is and what to do about it

Ideas and policies in the international community and in Swedish development cooperation

Dag Ehrenpreis

Development concepts in the second half of the 20th century

In early development thinking, it was widely believed that growth through investment and modernisation per se would eliminate dualism and the associated economic and social inequalities. Economic growth became the main policy objective in the new ‘developing countries’. Other economic and social objectives were thought to follow from or complement GNP growth. National development plans focusing on economic growth became the central policy instruments with GNP per capita as a measure of both development and – implicitly – of poverty.

In the 1970s, this view of GNP and development was challenged. Rising poverty and employment concerns shifted the development policy focus to equity and jobs. New strategic concepts like ‘basic needs’ (ILO) and ‘redistribution with growth’ (World Bank) were launched to promote ‘a unified approach to social and economic development’ (UNRISD). Reducing poverty and income inequality thus implied a larger role for the state and, hence, a relatively smaller one for the market.

Another ideological sea change occurred in the 1980s with increasing macroeconomic problems in developing countries – viz. oil price shocks, large fiscal and external deficits and debt crises – and new conservative leaders like Reagan and Thatcher. What emerged was the so-called Washington Consensus with often harsh ‘structural adjustment programme’ (SAP) policy conditionality imposed by the World Bank and the IMF. The state was rolled back in favour of the market. Social progress was subordinated to macroeconomic stability. Thus, poverty reduction as a policy goal faded away. Social spending was severely curtailed in many countries and poverty rose, but economic growth remained weak.

These detrimental effects of SAP conditionality soon caused increasing concern in the international development community. In 1990, both the World Bank and UNDP published substantive analytical reports indicating that the poverty issue was back at the top of the agenda. The World Bank’s annual World Development Report (WDR) extensively reviewed different poverty strategies, confirming that economic growth was not enough to enhance the wellbeing of the poor. The first UNDP Human Development Report (HDR) showed the varying degree of success in different countries in giving their populations a better life. Given the interdependence of economic growth and social development, HDR highlighted the large variations in social indicators between countries at similar levels of income and thus illustrated the crucial roles of other factors such as social services and economic structures.

Thus, poverty returned to the top of the development agenda in the 1990s as manifested at the World Summit on Social Development in Copenhagen in 1995 and in the OECD/DAC strategy Shaping the 21st Century: The Contribution of Development Cooperation. The Highly Indebted Poor Country (HIPC) initiative by the World Bank and IMF led to the adoption of Poverty Reduction Strategy (PRS) papers as the main development policy planning instrument in low-income countries.

1. Sida economist 1971-2008 i.a. as head of planning, chief economist and senior advisor on poverty reduction; worked 7 years in Africa, 4 years at OECD/DAC and 2 years at the UNDP International Poverty Centre in Brasilia.
The New Millennium: Will the renewed focus on poverty be sustained?

The year 2000 saw several indications of a sharpened focus on poverty reduction in the international community, e.g. the UN Millennium Summit, the WDR on poverty and a generalized application of PRS processes and papers in low-income countries.

The UN Millennium Development Initiative

The UN Millennium Summit of world leaders in September 2000 adopted the UN Millennium Declaration, which resolved to achieve development and poverty eradication as specified by a set of quantified and time bound goals that became known as the ‘Millennium Development Goals (MDGs)’. These goals include curbing income poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women by 2015. They include 18 component targets, each with indicators to be monitored from given data sources.

The MDGs have had a major impact as a focus for the international development community on achieving and monitoring progress towards multidimensional poverty reduction. Both the UN and the World Bank publish annual monitoring reports and their websites provide extensive MDG data. UNDP also produces country MDG reports.

The UN set up a Millennium Project in 2002 to develop a concrete global action plan for achieving the MDGs. Its independent advisory body, headed by the economist Jeffrey Sachs, in 2005 presented its final recommendations to the Secretary-General in a synthesis volume. The core recommendation was that the MDGs must be at the centre of national and international poverty reduction strategies, and these strategies must focus on tackling the practical ground-level challenges of development. For this to happen, each developing country would need to conduct rigorous ‘needs assessments’ to identify where they stand on the Goals and what interventions and resources were needed in order to get on track for 2015.

The Millennium Project found the MDGs achievable at the global level thanks to rapid progress in Eastern and Southern Asia, but many countries, especially in Africa, were far from achieving the progress needed. The Project considered development finance as the main bottleneck for the progress of these countries, and recommended a doubling of the total ODA volume to 0.54% of GDP in donor countries by 2015. While recognizing the structural and institutional capacity problems, it considered the ‘absorptive capacity problem’ as exaggerated and an excuse for donor countries lacking the political will to provide the necessary financing.

The role of civil society in the international community

The UN also launched a Millennium Campaign working with civil society and governments to support and inspire people around the world to take action in support of the MDGs. The heavy emphasis of the poverty issue in the international community at this time was strongly backed by NGO advocacy and campaigns involving celebrities, rock stars and promotional concerts as well as mass demonstrations at meetings of world leaders. A major example is the 2005 Make Poverty History campaign to increase awareness and pressure governments into taking actions (‘trade justice, debt write-off, and more/better aid’) towards relieving absolute poverty, focusing on the UK-led summits of the G8 and the EU in the summer, and on the UN General Assembly Special Summit on the MDGs in September.

The G8 summit at Gleneagles agreed to forgive US$40 billion of the debt owed by 18 HIPC countries to international financial institutions, and pledged large aid increases of US$50 billion to developing countries by 2010, of which US$25 billion to Africa, and to grant universal access to anti-HIV drugs in Africa by 2010.

The national campaign groups continue to work under the Global Call to Action Against Poverty (GCAP) coalition of trade unions, community groups, faith groups, women and youth organizations, NGOs and other campaigners working together across more than 100 national platforms. GCAP is calling for action from the world’s leaders to meet their promises to end poverty and inequality.
The World Development Report 2000/01

The World Bank celebrated the new millennium by publishing a pioneering WDR on Attacking Poverty: Opportunity, Empowerment, and Security. It was the first to use extensively a participatory methodology in a very large background study (with considerable financial and moral support from Sweden and others). This study, The Voices of the Poor, was based on the experiences of more than 60,000 poor women and men in 60 countries. The study shows that poor people are active agents in their lives, but are often powerless to influence the social and economic factors that determine their well-being.

On this basis, the WDR described the meaning of poverty in its opening paragraph as follows:

“Poor people live without fundamental freedoms of action and choice that the better-off take for granted. They often lack adequate food and shelter, education and health, deprivations that keep them from leading the kind of life that everyone values. They also face extreme vulnerability to ill health, economic dislocation, and natural disasters. And they are often exposed to ill treatment by institutions of the state and society and are powerless to influence key decisions affecting their lives. These are all dimensions of poverty.”

WDR proposed a three-pronged strategy for attacking poverty: (1) promoting opportunity, (2) facilitating empowerment, and (3) enhancing security. Here is a summary of the argument:

1. Overall economic growth is crucial for generating opportunity. So is the pattern or quality of growth. Market reforms can be central in expanding opportunities for poor people, but reforms need to reflect local institutional and structural conditions. And mechanisms need to be in place to create new opportunities and compensate the potential losers in transitions. In societies with high inequality, greater equity is particularly important for rapid progress in reducing poverty. This requires action by the state to support the build-up of human, land, and infrastructure assets that poor people own or to which they have access.

2. Access to market opportunities and to public sector services is often strongly influenced by state and social institutions, which must be responsive and accountable to poor people. Achieving access, responsibility, and accountability is intrinsically political and requires active collaboration among poor people, the middle class, and other groups in society. Active collaboration can be greatly facilitated by changes in governance that make public administration, legal institutions, and public service delivery more efficient and accountable to all citizens—and by strengthening the participation of poor people in political processes and local decision-making. Also important is removing the social and institutional barriers that result from distinctions of gender, ethnicity, and social status. Sound and responsive institutions are not only important to benefit the poor but are also fundamental to the overall growth process.

3. Reducing vulnerability—to economic shocks, natural disasters, ill health, disability, and personal violence—is an intrinsic part of enhancing well-being and encourages investment in human capital and in higher-risk, higher-return activities. This requires effective national action to manage the risk of economy-wide shocks and effective mechanisms to reduce the risks faced by poor people, including health- and weather-related risks. It also requires building the assets of poor people, diversifying household activities, and providing a range of insurance mechanisms to cope with adverse shocks—from public work to stay-in-school programmes and health insurance.

The director of the WDR, Ravi Kanbur, resigned in May 2000 shortly before the presentation of the final draft to the Executive Board. It was widely reported that the US Treasury, the major shareholder in the Bank, insisted on important changes to the report, including the proposed order of the three prongs of the strategy, namely: (i) empowerment, (ii) vulnerability/security, (iii) opportunity.

Kanbur later wrote an article in World Development on the nature of such disagreements, illustrating the ongoing battle in development thinking and among policymakers about the relative importance of economic growth, distribution,
social and anti-poverty programmes, the degree of decentralization and popular participation in policymaking— including democratic rights and empowerment—for achieving poverty reduction and development.

**Poverty Reduction Strategies**

PRS papers (PRSPs) are documents intended to describe a country’s macroeconomic, structural and social policies and programmes intended to promote growth, reduce poverty, introduce health and education reforms, and are associated with debt relief and other external financing needs. According to the World Bank and the IMF, the PRS approach is also expected to increase aid effectiveness by enhancing broad country ownership through a participatory process. Policy and programmes are assumed to be the result of a process of consultation with a broad spectrum of domestic stakeholders as a way to guarantee the sustainability of strategies, and lead to better ‘partnership’ with donors.

The PRS approach has become a centrepiece of international aid in the 2000s. Several evaluations, reviews and case studies of PRSPs have been undertaken, with mixed results. A 2005 review by the leading analyst David Booth (ODI) found an important measure of convergence on key points:

“PRSPs have been associated with some worthwhile improvements in policy processes, especially in countries that were already moving in the direction of greater results’ orientation and accountability; these improvements are modest in character even in the best cases, and still fall far short of what is really needed: namely, local generation of high-quality policy thinking around poverty-reduction goals and arrangements for ensuring the corresponding action.”

One macroeconomic PRSP review (Gottschalk 2006) found their policy frameworks lacking in the necessary flexibility to deal with external shocks and address macroeconomic volatility appropriately. Fiscal and monetary policies are too narrowly focused on reducing deficits and inflation and consequently pay too little attention to economic fluctuations arising from external shocks, which have major effects on poverty and growth.

Some studies find unintended and sometimes harmful consequences of the PRSP approach, designed according to what donors define as processes and goals. Others suggest that ‘nationally owned’ strategies, as the basis for international assistance, reflect international agency views on participation rather than local-based understanding. Even if this approach postulates participation, accountability and empowerment, PRSPs are seen by some as a new kind of external governance since aid availability depends on the political performance of the recipient government, along with the fact that the interventions of external actors often condition and distort domestic agendas.

In an interview one senior Sida official considers the lack of real ‘ownership’ and integration of the PRSPs in the national administrative and democratic processes as quite a serious problem; some countries even have separate processes and documents for the national development plan and the PRS.

In general, PRSPs may not be failures but have clearly not delivered what was intended, and the reasons include the rather simple theory of political change that was one of its conceptual underpinnings. The theory that participation alone can generate accountability and an orientation to results is inconsistent with many findings from political science research. It also seems not to be confirmed by the PRSP experience (Booth 2005).

**The DAC guidelines on poverty reduction**

The OECD/DAC Network on Poverty Reduction (POVNET), which includes all major donor countries and agencies, worked in a consultative manner from 1998 to produce guidelines on poverty reduction. In May 2001, the DAC High Level Meeting endorsed the Guidelines along with a policy statement entitled *Rising to the Global Challenge: Partnership for Reducing World Poverty* as a summary with policy conclusions from the Guidelines. Its main points are:

- Poverty is *multidimensional*, relates to various human capabilities, and is linked to environmental degradation and gender inequality.
• Reducing poverty calls for rapid and sustainable pro-poor growth. Making growth pro-poor requires equitable participation by poor men and women in generating and benefiting from growth, and reforms to reduce inequalities regarding human capabilities and access to assets.

• Reducing poverty calls for political will by all partners. It requires dedicated efforts to empower the poor by strengthening their voice and fostering democratic accountability.

• Aid must be used effectively for reducing poverty, with priority to countries with low incomes. Some targeted assistance to other countries with a large proportion of poor people may also be provided.

• Development co-operation will support goals and priorities as set out in national strategies for sustainable poverty reduction, which should be country-driven, participatory, comprehensive and results-oriented.

• Effective aid calls for improved aid co-ordination by working collaboratively, undertaking joint tasks, and combining skills and resources.

• Strong partnerships are based on dialogue, mutual trust and joint accountability. Each partner should be assessed in terms of meeting agreed commitments and achieving poverty reduction impact.

• Strengthening aid agency institutional alignment with poverty reduction, partnership and policy coherence goals, including organisational structures, management practices, and institutional cultures.

• Reducing poverty requires better coherence in government policies affecting development also in donor countries.

The Guidelines set out a functional overview poverty concepts and approaches, and develop a framework for thinking about and understanding the nature and causes of poverty:

“The adequate concept of poverty should include all the most important areas in which people of either gender are deprived and perceived as incapacitated in different societal and local contexts. It should encompass the causal links between the core dimensions of poverty and the central importance of gender and environmentally sustainable development. […] The links indicated by arrows in Figure 1 are significant. Each box represents an important dimension of poverty, which affects – and is affected by – all the others. Households may consume little and be vulnerable partly because they lack assets, often because of inadequate income, poor health and education, or because they lose their few productive assets as a result of shocks. Lack of human rights and political freedoms indicates risk of violent conflict shocks. Vulnerability and social exclusion hamper human and political capabilities, reducing incomes and assets, and so on. The fact that different dimensions of poverty are tightly interrelated, while still distinct and imperfectly correlated is a major reason for a multidimensional concept. […] Poverty, gender and environment are mutually reinforcing, complementary and cross-cutting facets of sustainable development. Mainstreaming gender is key to reducing poverty across its various dimensions, and also to improving the environment. Environmental factors influence gender relations as well as poverty outcomes.”

The DAC Guidelines further advised on which policy actions are required:

“Any strategy for the effective and sustainable reduction of poverty has to include the following policy elements, which are complementary and not in order of priority:

Figure 1. Interactive dimensions of poverty and well-being
a) Pro-poor economic growth: pace and quality.

b) Empowerment, rights and pro-poor governance.

c) Basic social services for human development.

d) Human security: reducing vulnerability and managing shocks.

e) Mainstreaming gender and enhancing gender equality.

f) Mainstreaming environmental sustainability using sustainable livelihood approaches.”

The DAC Guidelines pulled together the accumulated evidence and knowledge from academic research in both OECD and developing countries, from multilateral development agencies and from the bilateral DAC member agencies’ own experiences and observations. They laid out a common conceptual framework to help member agencies focus on poverty reduction in both their analytical and operational activities. They stressed the broadly multidimensional nature of poverty that called for multidisciplinary and multi-pronged strategies, while aligning with flexibility to the different priorities and needs among recipient countries. They put pressure on member agencies to review their organisational structure, management practices and cultures for enhanced focus on poverty reduction. And, not least, they emphasised the issue of policy coherence for development across member country government departments and agencies.

The message of the Guidelines on enhancing aid effectiveness, coordination, harmonisation and alignment with partner countries in respect of the ‘ownership’ principle, was carried forward by the DAC within its Working Party on Aid Effectiveness, resulting in the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action.

Pro-poor Growth

The OECD/DAC Guidelines was a pioneer among major policy reports from international organisations in promoting the concept of ‘pro-poor growth’, based on the understanding that economic growth patterns can have a very different impact on poverty in different contexts of inequality, e.g. in access to human, physical and financial capital and more generally to opportunities.

DAC in 2003 mandated POVNET to elaborate policy and programme recommendations for members and partners on how to make donor support to pro-poor growth more effective. POVNET focused on three areas that were neglected but needed to be recognised for their contribution to pro-poor economic growth: private sector development, agriculture and infrastructure. It also explored recent thinking on risk and vulnerability and developed a methodological framework for ex-ante poverty impact assessment.

In 2007, DAC published the report Promoting Pro-poor Growth: Key Policy Messages. It does not define the key concept ‘pro-poor growth’, because the POVNET members were unable to agree on one. Here is how the problem is described in the report:

“When may growth be termed pro-poor? There are different views on this issue. For some, what matters is whether the incomes of the poor are rising relative to the incomes of the non-poor and hence inequality is falling. The merit of this perspective is that it focuses attention on whether the poor are benefiting more or less proportionately from growth and whether inequality, a key determinant of the extent to which growth reduces poverty, is increasing or falling. For others, what matters most is the absolute rate at which the incomes of the poor are rising. For example, are the incomes of the poor rising fast enough to reduce the number of people living below the international poverty line.”

The report includes a DAC Policy Statement on Pro-poor Growth, highlighting the need for empowerment:

“Empowering the poor is essential for bringing about the policies and investments needed to promote pro-poor growth and address the multiple dimensions of poverty. To achieve this, the state and its policy making processes need to be open, transparent and accountable to the interests of the poor. Policies and
resources need to help expand the economic activities of the poor.”

The DAC statement broke new ground in referring to domestic politics in partner countries:

“Effective pro-poor growth strategies need policy and institutional change for which the state, in all its dimensions, is made more accountable to the interests of the poor. [...] Pro-poor reform is likely to require changes to the current political settlement among the diverse interests of different segments of society. This entails a better understanding of the political economy, power relations and drivers of change, and supporting formal, transparent decision making, strengthening the demand for pro-poor change and building capacity of the state to respond to demand.”

This is a sensitive issue given DAC’s principles of alignment with partner government priorities and respect for national policy ownership. Donor agency officials committed to poverty reduction are often squeezed between sceptical public opinions at home and a lack of commitment in partner governments. The report squirms around this dilemma:

“In promoting the pro-poor growth agenda, donors should focus on assisting partner countries to develop and implement nationally owned poverty reduction strategies suited to the local context through processes that strengthen the social contract in favour of pro-poor growth. [...] Support for these policy processes should form the basis of policy dialogue between donors and partner country governments. The outcomes of the policy making process and the policy dialogue should, in turn, be reflected in donors’ country assistance strategies and the design of programmes, helping to make them better aligned and more relevant to country-led processes.”

POVNET continues to work on pro-poor growth. In 2007-08, POVNET focused on disseminating its policy guidance on promoting pro-poor growth as well as developing new guidance on (i) employment and labour markets, and (ii) social protection and empowerment. In May 2009, the DAC High-Level Meeting endorsed the guidance developed by POVNET in these two areas. The guidance notes as well as policy statements and background materials are to be published in the autumn of 2009.

In 2009-10, POVNET is working on ‘Implementing and validating POVNET policy guidance on pro-poor growth’ and ‘Empowering poor women and men to participate in and benefit from growth’. The former issue has arisen because of a perceived need to encourage greater awareness, debate, take-up and implementation of the POVNET messages on pro-poor growth among its constituent members, the bilateral aid agencies. This need is in itself an indication that the poverty focus and commitment of agencies is less evident than a few years ago, and that aid policy priorities may be shifting.

The World Bank in 2005 published a joint donor (with France, Germany and UK) and academic research study of the extent and nature of pro-poor growth in 14 developing countries, the ‘Operationalizing Pro-Poor Growth’ (OPPG) research programme. Also this group failed to reach a consensus on whether a relative or absolute definition is more valid. However, in a comparative research project it is vital to use identical concepts and definitions; it was decided to use an absolute measure developed by World Bank researchers, the rate of pro-poor growth (RPPG), defined as the mean growth rate in the consumption of households subsisting below the poverty line.

This concept focuses on measuring to what extent they are pro-poor, thus by-passing the definition issue, including the oft-quoted case that the relative definition would favour an outcome characterised by, for instance, average income growth of 2 percent where the income of poor households grew by 3 percent over an outcome where average growth was 6 percent and the incomes of poor households grew by 4 percent.

Comparing RPPG with changes in average consumption for the whole population provides a more precise measure of the impact of growth on the well-being of the poor and non-poor. Cord (2007) in a diagram (see below) shows that of 8 selected comparable countries, the RPPG is positive for all countries except Indonesia, but less
than the average growth rate in mean consumption, except Brazil. Thus, inequality between the poor and the non-poor rose on average among these countries, while absolute poverty fell in 7 of the 8 countries.

The UNDP International Poverty Centre (IPC) in Brasilia was established in 2004 as a global knowledge and research centre. It developed another measure, the Poverty Equivalent Growth Rate (PEGR), defined as the growth rate that would result in the same level of poverty reduction as the actual growth rate if inequality had remained unchanged. In an IPC Working Paper, Son and Kakwani (2006) presented global estimates of pro-poor growth on the basis of cross-country analysis of 237 growth spells in 80 low- and middle-income developing countries during the period 1984-2001, spanning two successive household surveys for a given country. Of all the 237 growth spells under observation, 106 spells (44.7 percent) had a negative growth rate of per capita consumption. For the other 131 growth spells with positive per capita growth, this was pro-poor only in 55 cases (23.2 percent) and anti-poor in 76 cases (32.1 percent). These findings suggest that global growth processes have not been pro-poor, as defined by IPC, in even one quarter of the cases.

The ‘Pro-poor growth’ concept seems to have gone out of fashion after the OPPG project, perhaps due to the lacking consensus on a definition.

The World Bank has been using vaguer concepts like ‘shared growth’ or ‘broad-based growth’ in recognition of differences in growth patterns and in their impact on poverty. A 2009 ‘Knowledge Brief’ on the World Bank/PREM website clarifies these related concepts with a reference to the 2008 report from the Commission on Growth and Development, and states that the preferred term is ‘inclusive growth’:

“Defining Inclusive Growth

Rapid and sustained poverty reduction requires inclusive growth that allows people to contribute to and benefit from economic growth. Rapid pace of growth is unquestionably necessary for substantial poverty reduction, but for this growth to be sustainable in the long run, it should be broad-based across sectors, and inclusive of the large part of the country’s labor force. [...]

Inclusive growth refers both to the pace and pattern of growth, which are considered interlinked, and therefore in need of being addressed together. The idea that both the pace and pattern of growth are critical for achieving a high, sustainable growth record, as well as poverty reduction, is consistent with the findings in the Growth Report: Strategies for Sustained Growth and Inclusive Development (Commission on Growth and Development, 2008). The commission notes that inclusiveness – a concept that encompasses equity, equality of opportunity, and protection in market and employment transitions – is an essential ingredient of any successful growth strategy. Here we emphasize the idea of equality of opportunity in terms of access to markets, resources, and unbiased regulatory environment for businesses and individuals. The Commission [...] considers systematic inequality of opportunity ‘toxic’ as it will derail the growth process through political channels or conflict.

The inclusive growth approach takes a longer term perspective as the focus is on productive employment rather than on direct income redistribution, as a means of increasing incomes
UNDP uses the term ‘inclusive growth’ to place emphasis on the importance of reducing inequality. The Deputy Administrator of UNDP in a speech in 2007 stated:

“UNDP recognises the challenge of inequality both between and within countries. Therefore we emphasise the concept of ‘inclusive growth’ to place particular attention on those that are being left farthest behind in a world of expanding affluence but exploding inequality. Inclusive growth also means ensuring that countries take ownership in directing their course of development, taking into account the fair distribution of productive capacity and ensuring everyone has equal access to basic social services, men and women alike.”

The UNDP strategic plan for 2008-2011 includes the following text:

“Poverty reduction is at the centre of the United Nations work in development. As stated before, while economic growth is essential to human progress, it is not sufficient for achieving the MDGs. UNDP will support countries in accelerating inclusive growth to ensure equitable broad-based human development.”

In 2008, UNDP and IPC’s host, the Government of Brazil agreed to drop the word ‘poverty’ from IPC’s name, which became ‘The International Policy Centre for Inclusive Growth, IPC-IG’. The mandate of IPC IG was broadened to cover new areas, such as institutional and technological innovation, agriculture development and industrial policies. It remains to be seen whether this is a sign of a fading international poverty focus or a more comprehensive and effective policy approach to poverty reduction.

The UK Department for International Development, DFID, was a strong promoter of poverty reduction and pro-poor growth in the 1990s, including acting as initiator and leader of POVNET in the DAC. It has since withdrawn from its lead role in these areas and seems to have dropped the ‘pro-poor growth’ concept in favour of ‘economic growth’ and ‘inclusive growth’.

In a White Paper from DFID in July 2009, the Government reaffirms its commitment to eliminating world poverty despite a weakening support for this commitment, as indicated in the Prime Minister’s foreword: “Some argue that in these difficult times the rich world should turn our backs on the Millennium Development Goals and retreat from the promises we have made to the poor. But I believe that amidst these challenges of globalisation we must not lose sight of our vision of a world freed from poverty.”

The UK pledges to keep its promises of increased aid, not only because it is morally right, but “also because our prosperity, security and health are increasingly inseparable from events far beyond our borders.”

The UK places economic growth at the heart of its approach to sustained poverty reduction: “Growth provides countries and individuals with a ladder out of poverty.” Previous concerns with pro-poor patterns of growth are toned down in favour of an emphasis on ‘green growth’.

NGO response to the new White Paper has been cautiously optimistic. However, there is some concern that its focus on security and justice in fragile states will come at the expense of social and economic development and health and education services.

The World Financial and Economic Crisis

Since mid-2008, the world has been confronting the worst financial and economic crisis since the Great Depression, beginning in the world’s major financial centres. It has spread throughout the global economy, causing severe social, political and economic impacts including rapid increases in unemployment, poverty and hunger.

The G 20 in April 2009 agreed to make available an additional $1.1 trillion aimed at revitalizing the world economy. A major part of these funds will be available for use by emerging markets and developing countries. Of these resources, $50 billion was targeted specifically to low-income countries. In contrast, an estimated $ 8.4 trillion had already been committed for bailing out banks, an amount which Oxfam has claimed would be sufficient to end extreme poverty worldwide for 50 years (Naudé 2009).
Swedish development cooperation

The primary aim of Sweden’s development cooperation has ever since its inception in 1962 been to raise the standard of living of poor people. Multilateral cooperation has always been an important part of it. There is a strong Swedish tradition of supporting and closely interacting with international trends in development policy thinking.

The Swedish Government actively supported the UN Millennium Declaration and the MDGs, and the WDR 2000/01 including direct support to its preparatory Voices of the Poor study. It also supported the DAC Poverty Guidelines and the continued work of POVNET in several ways.

A new Government policy

On the eve of the new millennium, the Government established a development policy committee, Globkom, which in 2002 proposed a new Policy for Global Development (PGD). Its report picks up several of the key ideas from the WDR 2000/01 and the DAC Guidelines, adapting them to Sweden’s political context. Globkom defined poverty as multidimensional and, like WDR, focused on opportunities, power and security as the key issues. It also emphasised human rights, democracy and gender equality as well as overall policy coherence and global public goods as important elements in the new policy.

Globkom noted that Sweden had not taken sufficient account of poverty in its choice of partner countries and recommended an unambiguous preference for low-income countries, and those with extensive poverty, which pursue a policy aimed at sustainable poverty reduction.

The new policy was finalised in 2003, when Parliament approved a comprehensive policy for global development (PGD) with a common objective for all policy areas. The main theme of the PGD is policy coherence and the overriding goal is: “Equitable and sustainable global development”.

The focus of the PGD is on poor people and poor countries. It features two perspectives that permeate all parts of the policy: (i) a rights perspective based on international human rights conventions, and (ii) the perspectives of the poor. The content of the policy is formulated with respect to eight central thematic areas and component elements, including human rights, democracy, gender equality, economic growth, and social development and security.

The PGD goal for Sweden’s development cooperation became: “to contribute to an environment supportive of poor people’s own efforts to improve their quality of life”.

The purpose of this formulation is to identify poor women, men, girls and boys as active subjects and agents of change, rather than as passive objects, and to clarify the role of aid. Development cooperation supports and complements the efforts made by poor people and countries themselves to overcome poverty. It is one instrument among many others within the framework of global development policies, and its goals comprise a part of the new overriding goal.

In order to emphasize that poverty reduction is the main objective of development cooperation, the Government considered a single poverty-oriented goal to be a more effective policy instrument than the previous division into several sub-goals that were assumed to jointly promote poverty reduction.

Sweden’s country strategies were highlighted as a suitable tool for analysing and responding to the particular situation in each partner country with respect to the new goals, perspectives and component elements in the new policy for development cooperation.

Policy development in Sida

During the Globkom process, Sida initiated its own policy review with respect to poverty reduction. The report Perspectives on Poverty (PoP) was published in 2002, after the Globkom report but before the Government Bill.

PoP stated that Sida actively promotes the MDGs and the DAC Guidelines for Poverty Reduction and also uses Swedish policy documents such as The Rights of the Poor. PoP emphasised empowerment up front:

“A [...] key objective in development work is to enhance the freedom of choice of poor women and men by supporting their empowerment. This objective can only be accomplished through the active participation and represen-
tation of poor people in processes of political, social and economic change and by ensuring that they reap the benefits of their efforts.”

PoP highlighted the importance of well-grounded poverty analysis:

“For partner countries as well as development organisations the analysis of poverty is crucial for planning, programming, budget decisions, public debate – and for the design of an intervention. Causes and expressions of poverty often differ between men and women, age categories, ethnic groups and other categories of people.”

PoP affirmed that poverty analysis should be based on an understanding of certain basic characteristics of poverty; namely that poverty is multidimensional, complex, context-specific, relative and dynamic. This understanding called for a holistic, well-integrated approach, and for securing good analytical capacity in the field, which also required a work organisation corresponding to this need.

It made clear that poverty analysis is mainly the responsibility of the partner government, which requires resources to undertake analyses, draw relevant policy conclusions, identify policy options and assume ownership of the policies derived from these. Access to data is important for universities, civil society organisations and policy think-tanks. Sida’s responsibility was to support partners in these tasks; and also, to assess the validity and reliability of existing studies and analyses as a basis for its Country Strategy Processes (CSPs). Within these CSPs, Sida had to analyse each intervention in a poverty perspective.

After launching PoP, Sida undertook an intense training programme in order to disseminate it to all managers, who were obliged to participate in workshops and other activities—at HQ and in partner country capitals—for the better part of a year during 2003-2004. After that, Sida’s Senior Advisor post as a central promoter/coordi- nator of poverty reduction policy and methodology was abolished in a decision that may be seen as an indicator that management considered the policy development and training phase completed and shifted the priority to implementation.

In 2005, Sida published a policy document named Goals, perspectives and central components elements: Complement to Perspectives on Poverty, the purpose of which was to amend PoP in the light of the new Policy for Global Development (PGD). In order to facilitate the implementation of these policy guidance documents, there was a need for more hands-on methodological guidance on how poverty analysis may be undertaken. Two Methods Documents were produced: Country Level Analysis for Poverty Reduction and – for poverty analysis at the intervention level – a revised version of the manual Sida at work.

Sida also developed a model for poverty analyses at the country level, Integrated Economic Analysis for Pro-Poor Growth (IEA), presented in a Methods Document in 2006. The method was applied in several country studies, viz. Albania, Bolivia, Cambodia, Kenya, Mali, Moldova, Tajikistan and Uganda. The IEA may bring new insights into economic growth analysis by combining existing studies and highlighting the importance of the links between employment issues and the business environment in a poverty-focused economic analysis.

Sida has not yet undertaken any overall evaluation of the poverty focus of its activities. Two relevant evaluations have in recent years been planned but not executed, partly due to staff shortages:

(i) A 2004 work plan for an evaluation of ‘Views on Pro-Poor Growth at Sida’ was to assess Sida staff views on pro-poor growth and employment opportunities in the light of theories and evidence from current research, and to map out the nature and perception of the staff’s practical work with pro-poor growth and employment; (ii) a 2007 proposal for an evaluation entitled ‘Increased poverty focus in Sida’s work’. The evaluation plan for 2009-11 includes an indicative proposal for an evaluation called ‘The poorest of the poor’ aiming to find out to what extent development cooperation benefits the very poorest, and whether current development trends are sufficiently inclusive of the poorest people. This evaluation may be developed into an international joint evaluation.
The new government in 2006 declared that the PGD would remain valid, while increased emphasis would be placed on effective implementation and results. The objective of Swedish aid got a slightly simplified formulation: “to create conditions that will enable poor people to improve their lives”. Development assistance “still focuses on combating poverty”. The Government has chosen three special priority areas as “particularly important for equitable and sustainable development”: (i) democracy and human rights, (ii) gender equality and the role of women in development, and (iii) climate and environment.

In a 2008 Government Communication, *Sweden’s Policy for Global Development*, six global challenges are identified as key to achieving the goal of equitable and sustainable global development, and in which Sweden can make an effective contribution: Oppression, Economic exclusion, Climate change and environmental impact, Migration flows, Communicable diseases and other health threats, and Conflicts and fragile situations. Like the six pre-PGD goals, these six challenges may be seen as jointly addressing the overall goal and are thus relevant in different ways for the conditions affecting poor people’s lives.

Economic growth is emphasised under the *Economic exclusion* heading:

“Economic growth is a fundamental condition of development and thus of poverty reduction. Economic exclusion, to which a substantial proportion of the world’s population continues to be subjected, can only be reversed through market economy reforms, increased access to the international market and the emergence of a vigorous enterprise sector. […]”

In the Government’s view, an economic climate that favours pro-development investment and free trade, and which enhances the capacity of developing countries to reap the benefits, is one of the most effective instruments available in the pursuit of equitable and sustainable global development.”

Thus, PDG now emphasises economic growth based on international trade and investments, market reforms and private sector development. The argument is made that growth in general is good for poor countries and there are no qualifications about its pattern or distribution or other indications of an understanding that growth may be more or less pro-poor: “One fundamental and central aspect of poverty is a lack of resources, and greater resources are created by economic growth. A modern policy for global development must therefore aim to contribute to economic growth.” (MFA website, http://www.sweden.gov.se/sb/d/3102/a/18434, updated 21 January 2009).

The Government’s view of the role of growth for poverty reduction is also clearly stated in its formal Regulation Letter to Sida for 2009. Sida is directed to report back how its activities have been amended in response to the Government’s stated fundamental condition for poverty reduction through creating the conditions in poor countries for increased economic growth through the private sector, trade and investment. In particular, Sida is to report on its support to trade-related activities.

The Government has announced its intention to communicate a new policy document on growth issues in both bilateral and multilateral development cooperation. Sida was instructed in May 2008 to prepare documentation for this growth policy and submitted this material in September 2008. The Government communication on this growth policy has been postponed several times and was, as of August 2009, expected to be published in September 2009.

Meanwhile, Sida published a popularised version of the documentary material submitted to Government, entitled *Pro-poor growth*. It sums up the current literature and reports from the Commission on Growth and Development, the World Bank, UNU-WIDER and DAC/PVNET, largely reflecting the measured views on pro-poor growth cited above, including “qualitative aspects of growth from a distributive, social justice and sustainability perspective”. […] “Experience shows that the effectiveness with which a certain level of growth achieves a reduction of poverty in its different forms varies sharply between countries and over time.”

It further highlights the need for an integrated and holistic approach where people who live in poverty are seen as economic actors. Sida finds
that exploring growth opportunities requires not only trade, market and enterprise development but also increased investments in human resources in terms of e.g. education and health, strengthening the rights of the poor and reducing gender inequality as a major impediment to economic growth.

**Bilateral cooperation**

The Government began in 2007 to reduce the number of countries receiving Swedish development assistance in order to make aid more effective, aiming to halve the number of partner countries from 67 to 33 within a few years. As noted in the 2009 DAC Peer Review of Sweden, “Focusing on sub-Saharan Africa and post-conflict countries will help increase the proportion of Swedish ODA which goes to poorer countries and therefore better align allocations with the Policy for Global Development’s overarching goal of poverty reduction.” However, the DAC also comments that Swedish aid to Europe as a region is double the DAC average and that “these countries are not amongst the poorest, nor is Swedish aid directly focused on helping the poorest groups in these countries.”

The responses to the global economic crisis and the reduction of the aid budget as a result of negative GNI growth, and the re-allocations within the reduced budget frame, indicate a priority for those poorer countries and groups that have been most severely affected by the crisis, as suggested by the DAC Peer Review. On the other hand, some of the reallocations may conflict with DAC recommendations on aid effectiveness as summarized in ‘the Paris agenda’, viz. drastic cut-backs for countries and programmes less directly linked to these priorities. The budget to be presented in September 2009 will reveal how this balance is to be struck.

The poverty reduction strategies (PRSs) of partner countries form the basis for Sweden’s development cooperation. Sweden encourages the formation of a Joint Assistance Strategy (JAS) based on the PRS in a partner country; in countries where the host government and donors have agreed on a JAS, this serves as the basis for Sweden as well as the other partners. The JAS processes, including poverty analyses, have in general progressed further in a few African partner countries, where ODA is relatively more important, than elsewhere and the government and main aid agencies are committed to harmonisation and alignment.

Sweden has co-operation strategies over 3-4 years for most of Sweden’s priority countries, though for fragile and post-conflict countries it is often for a shorter period. The DAC review encouraged Sweden to develop strategies covering five years for its long-term co-operation partners and to work towards increasing the predictability of the projects and programmes.

These country strategies are based on critical assessments of the PRS documents and processes, according to senior officials. The PRS processes have to some extent been supported by Sweden and other donors through analytical consultancies and capacity building, although it is unclear how much. What seems clear, however, is that poverty and inequality analysis and concerns have been downgraded in practice in favour of the three special priority areas that the new government established in 2006. For instance, the Uganda strategy for the first time does not include specific poverty reduction objectives other than a general reference to the overriding PGD goal, but instead focuses on democratic objectives.

**Summary and conclusions**

This review shows how the poverty concept and approaches to poverty reduction have evolved in the international development community and in Swedish development policy. In the early days of national development planning and international cooperation, economic growth and modernisation was both the end and the means and poverty was assumed to gradually diminish. When GDP growth proved insufficient for poverty reduction and social development, ideas and policies turned to redistribution and social provision for basic needs in the 1970s and, after the ‘lost decade’ of the 1980s, to a human development and capability approach around 1990.

In the 1990s, there was a growing interest in poverty issues and related concepts, causes and contexts. Participatory poverty assessments were increasingly undertaken and the voices of the
poor were heard. Concepts like sustainable livelihoods, empowerment and multidimensionality came to the fore. Development and aid agencies elaborated analytical policy documents using more complex poverty concepts, and low-income countries were obliged by the debt crisis to produce poverty reduction strategies. Increasing emphasis was placed on the pattern and distribution of growth. There was more attention given to the role of poor women and men themselves to rise out of poverty, to create the conditions to make this possible and to remove the obstacles in their way. In the new millennium there were renewed efforts to mobilise massive financial resources for the fight against multidimensional poverty and for achieving progress towards the MDGs.

By the middle of the first decade of the 21st century, there were some indications of a weakening in the unusually strong focus on poverty during the preceding 10 years or so, and a tendency to focus more on broader development issues like inclusive growth, gender equality and sustainable development, and in particular on governance and climate change. Recently, the global financial and economic crisis may have strengthened this tendency, although significant efforts are being made to safeguard development finance for poor countries.

The international focus on poverty and the MDGs may have to transform into something else as 2015 approaches and most of its targets are not being met for most regions and countries, although perhaps at the global level. The need to continue international efforts to reduce poverty will remain in the interest of global peace, stability and health, as indicated by the UK White Paper.

Sweden’s development thinking and policies have supported and closely followed those of the multilateral agencies. However, the recent emphasis on unqualified economic growth indicates that the present government is regressing towards the simplistic pre-1970s trickle-down view that growth brings poverty reduction – period. The implication would be that the goal of Sweden’s development cooperation can be reached by promoting a higher pace of GDP growth regardless of its pattern and inclusiveness or the distribution of national income.

Other aspects of a multidimensional view of poverty reduction remain, however, e.g. empowerment through democratic reforms, conflict prevention and resolution, gender equality, migration and health programmes. These remain important areas in Sweden’s international development policies.

The present Government’s view of growth and poverty seems to ignore much of what has been learnt since the 1960s by experience and research. It may be contrasted with the more refined and balanced views of the main actors in the international development community. For instance, the World Bank states on its web page for *Growth analytics*:

“There is widespread agreement that economic growth is a necessary and crucial condition for poverty reduction, as well as evidence that the pattern of growth—how growth is generated and distributed—is critical for accelerating poverty reduction. Inclusive growth is growth in which economic actors from all parts of the income distribution increase their well-being by contributing and benefitting from the growth process. While there is broad agreement on the basic policies that are important for growth and inclusive growth, the need for strong country specific diagnostics has been underscored as critical for prioritizing and shaping these policies to fit country needs.”

The Independent Evaluation Group of the World Bank in its *Annual Review of Development Effectiveness 2006: Getting Results* summarised what effective poverty reduction requires:

“The ‘results agenda’ adopted by the World Bank and other donors aims to ensure that development assistance yields sustainable poverty reduction. Effective poverty reduction results from three main factors: sustained and inclusive growth, effective service delivery to the poor, and capable public sector institutions that are accountable to stakeholders for the results they achieve.”

The forthcoming Government growth policy statement on the basis of Sida’s material may dispel the doubts about Sweden’s understanding of how to effectively promote inclusive, pro-poor
The planned Sida evaluation on reaching ‘the poorest of the poor’ should help clarify how Swedish aid has performed in its efforts to achieve effective poverty reduction.

Endnotes/References, per section:

i) Sources

Emmerij, L.: *Turning Points in Development Thinking and Practice*


ii) Sources


OECD, Promoting Pro-Poor Growth: Policy Guidance for Donors, Paris 2007 http://www.oecd.org/document/29/0,3343,fr_2649_34621_38206045_1_1_1_1,00.html

Odén, B.: Biståndets idéhistoria, Studentlitteratur 2006

OPPG Research Programme: Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries, World Bank 2005


Statement by Mr. Ad Melkert, UN Under Secretary-General and Associate Administrator of the United Nations Development Programme on the occasion of the 15th Session of the High-level Committee on South-South Cooperation, 1 June 2007, United Nations, New York


UN Millennium Project, “Investing in Development: A Practical Plan to Achieve the Millennium Development Goals.” http://www.unmillenniumproject.org/


iii) Sources

Country Level Analysis for Poverty Reduction, Sida 2005

Globkom: A new Swedish policy for global development, SOU 2001:96


Government/MFA website http://www.sweden.gov.se/sb/d/3102/a/18434

Goals, perspectives and central components elements: Complement to Perspectives on Poverty, Sida 2005

Integrated Economic Analysis for Pro-Poor Growth, Sida 2006

OECD/DAC Peer Review of Sweden, Paris 2009

*Perspectives on Poverty*, Sida 2002

*Pro-poor growth*, Sida 2009

*Regleringsbrev för budgetåret 2009 avseende Styrelsen för internationellt utvecklingssamarbete*, Government decision UF2008/14589/USTYR

Sida website http://www.sida.se/evaluations/upcoming Start pageAbout SidaSida’s departmentsEvaluation Evaluations


*The rights of the poor* (Gov. report 1996/97:169)
Development cooperation with multilateral organisations

Implementation of a new Swedish multilateral strategy

Lennart Wohlgemuth

Background

The number of multilateral development institutions has grown considerably over the past three decades. Contributions to multilateral organisations have increased six-fold from the early 1970s to 2005, reaching more than 25 billion dollars.

According to DAC aid contributions qualify as multilateral assistance 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 voluntary contributions from bilateral donors to a multilateral agency, supplementary to their core contributions.

Multilateral aid is channelled through a large number of institutions. The principal categories are:

- *United Nations agencies* including secretariat functions, some 20 Funds and Programmes and the Special Agencies.


- *The European Union*

  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. (For more see Carlsson, 2007)

Sweden and multilateral development cooperation

Multilateralism has always been of extreme importance for a relatively small country like Sweden. This is the case in many policy areas but not least in development cooperation. Thus since the creation of the United Nations, Sweden has emphasized the importance of multilateral development assistance. Although continuity is a central characteristic of Sweden’s participation in multilateral affairs, there have been certain changes in emphasis over time in response to changes in the world economy and to the problems in developing countries. While poverty reduction has always remained the underlying objective, considerations and priorities have changed over time, for example, the role of the international organisations as financial intermediaries in crisis situations, as vehicles for the coordination of aid and other financial resources and as instruments for dialogue.

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 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 all the 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 ever since (with some annual variations). 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 in particular in the field of humanitarian assistance (multi-bi assistance).

The justifications for Sweden’s participation in multilateral development cooperation are summarized below. However, it can be emphasized that all the policy documents which deal with multilateral development cooperation have pointed to Sweden’s foreign policy interest in supporting and strengthening the UN as the central body for promoting peace and security in the world as the most prominent argument in favour of multilateral development cooperation. It is vital to Sweden’s interest, as a relatively small state, that international interchange and cooperation be conducted in orderly forms. The UN system forms the basis of an international social system founded on peace, law and justice. Although the realization of such a goal is still far away, the UN system is regarded as a framework for consultations and cooperation among the nations of the world.

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

• Global problems require global solutions in particular for a small country such as Sweden. Swedish policy has therefore ever since the Second World War emphasised its support for the UN and multilateral institutions. Large contributions to these institutions are an important part of this general effort.
• The multilateral institutions have been seen to be better equipped to deliver more efficient support to certain special areas. In countries of conflict and in fragile states this becomes the only way of operation.
• 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 against multilateral assistance are:

- It is more difficult to reach the Swedish development cooperation objectives when the assistance is channelled via the multilateral organisations.
- 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’ requirements and in particular those of the World Bank Group, on the recipient in the form of policy conditionality sometimes go far beyond what Sweden would see as right.
- The effects on the Swedish balance of payments are higher when it comes to multilateral assistance.

The Millennium Development Goals (MDGs) of 2000 established a common international agenda for development cooperation. The MDGs not only involve an international view of what needs to be done to eradicate extreme poverty in the world, but also how it should be done. Arising from the international conferences in Monterrey in 2002 and in Johannesburg the same year, and from the high level meeting in Paris in 2005, there are now specific tasks and areas of responsibility for recipient countries and donors alike. Similarly, the Swedish Policy for Global Development, which was endorsed by parliament in December 2003, emphasizes the importance of the support for multilateral development cooperation (Government communication 2002/03:122). It also stresses that the UN plays a leading political role in the global efforts to achieve the MDGs. This means that there is a national Swedish agenda as well as an international agenda for development cooperation.

The table below shows that total Swedish multilateral contributions have increased steadily over the years, at current prices in Swedish kronor. However at the same time the multilateral share of total Swedish aid has kept rather steady since the 1970s. The Swedish multilateral share is somewhat above the average of member countries of the OECD Development Assistance Committee (DAC).

Table 1. Total Swedish multilateral contributions in million US dollars.

![Graph showing total Swedish multilateral contributions over time.]

Source DAC.

Sweden and multi-bilateral development cooperation

Sida has a long history with multi-bilateral development assistance. In 2007 it was estimated that, together with the multilateral assistance through the MFA, contributions to multilateral organisations would be approximately 50% of the total Swedish Official Development Assistance (ODA).

Multi-bilateral development assistance can be explained as bilateral voluntary contributions to a multilateral organization or thematic trust fund, which is earmarked for specific purposes.

Sida generally uses multi-bilateral assistance to implement the bilateral country strategies. The country strategies are the Swedish government’s most important policy instrument for development cooperation with individual countries. They are jointly prepared by the MFA and Sida. Once the government has adopted a country strategy, this is given specific form through Sida issuing its own mandates for the preparation of new initiatives. Sida specifies how Sweden views cooperation with the country in question and
Development cooperation with multilateral organisations

it also specifies the goals and focus of Swedish development cooperation with that country.

Sida views multi-bilateral development assistance as an effective and practical means of implementing country strategies. For instance, the country strategy may say that Sweden should work with children’s rights. Sweden may choose to use UNICEF as an implementing partner because this strategy involves children’s rights. The reasons for adopting a multi-bilateral implementing instrument in this case may include the following:

1. Sweden does not have a sufficient presence or administrative capacity in the recipient country, but a UN fund, programme or specialized agency’s capacity and work modalities may be considered adequate.
2. A UN fund, programme or specialized agency has comparative advantage in that field.
3. A UN fund, programme or specialized agency may have a special expertise, which is superior to Swedish expertise in that case.
4. Need for a coordinated approach which is particularly important with regard to humanitarian assistance.

The table below shows the steady increase over the past years in multi-bilateral development assistance.

Table 2. Total Swedish multi-bilateral aid in million SEK

![Graph showing the steady increase in multi-bilateral aid in million SEK]

Source: Sida’s annual reports 2002-2006.

Organisation and management of Swedish development cooperation

The Swedish Parliament ultimately makes the decisions on the aims, principles and budget for Swedish international development cooperation. Within the Parliament, the foreign affairs standing committee is responsible for issues regarding development cooperation, including the budget. The finance standing committee is involved in certain questions that deal with international financial institutions (OECD 2005).

The Ministry for Foreign Affairs (MFA) is broadly responsible for national policies for development cooperation, coordination among Swedish official actors and policies (together with the Ministry of Finance) related to the UN, the EC, the international financial institutions and humanitarian action, which together represent about 37 per cent of Sweden’s ODA (ibid). The MFA is a large and complex ministry, led by the three ministers responsible for foreign affairs, international trade and development cooperation. The development cooperation element of the ministry is composed of three departments – one for multilateral development cooperation, one for development cooperation policy and one for development cooperation budget and management (Utrikesutskottet, 2005). An important feature of the MFA is its responsibility for the embassies, delegations and consulates around the world, many of which deal with development cooperation programmes.

The Swedish International Development Cooperation Agency (Sida) has functioned as Sweden’s primary bilateral implementation Agency since 1965. Sida is headed by a director-general. It is organized as a matrix structure composed of the three pillars policy, operations and administration. Sida administers the multi-bi assistance and has an important role in bringing in the practical experience on how the multilateral assistance works in the field.

The Ministry of Finance (MOF) maintains Sweden’s primary contact with the international financial institutions. There is a special division for International Financial Institutions that works with the World Bank and IMF, in close collaboration with the MFA and Sweden’s Central Bank (ibid). In addition, the MOF deals
with the European Bank for Reconstruction and Development, and is responsible for debt issues and budget support activities (in cooperation with Sida and the MFA).

The MFA usually represents Sweden in the multilateral development organisations, particularly the funds and programmes (UNDP, UNFPA, UNICEF etc). In the case of the specialised agencies of the UN, however, it is the sectoral ministry that has the main responsibility. For example the Ministry for Social Affairs is responsible for the WHO. However, also in these cases, the MFA has the overall responsibility for development policies, including the coordination of the Swedish views in the different organisations. However, there are instances where other ministries are responsible for coordinating the Swedish views. This is, for example, the case in relation to Sweden’s involvement with the United Nations Environment Programme (UNEP), where the environment and public ministries coordinate Swedish positions. In the World Bank the representation is shared between the MOF and MFA and in IMF the MOF and the Central Bank represent Sweden, although the MFA is usually also involved.

The United Nation System
Sweden has high expectations of the role of the UN in the area of economic and social development. In Sweden’s view, the UN is essential for the establishment and implementation of global norms, goals and objectives for the livelihoods of people and the behaviour of their institutions (ibid).

Sweden participates actively in the meetings of the executive boards of the funds and programmes and engages in an ongoing dialogue with the UN headquarters and at the country level. The Ministry for Foreign Affairs appoints delegations that represent Sweden on the executive boards of the different multilateral organisations (ibid). The main task of these delegations is to make sure that Swedish views on important matters are presented to the boards in order to influence the policies and priorities of the various UN organisations. They must also report back to the MFA on policy developments in the UN so that they can be considered in developing Swedish positions. Sida also participates in the Swedish delegations to executive board meetings. Sida is responsible for commenting on operational and substantive issues, for example sector policies, country programmes, methodological issues and evaluation reports.

A number of Swedish citizens have worked or are working, for the UN funds, programmes and the specialised agencies. They contribute expertise at the same time as they learn and get insight into how the UN institutions function. When they return to Sweden this knowledge may be rather useful.

Sweden has in the past years sharpened its view on that the UN funds, programmes and agencies must strengthen their coordination at all levels in order to make optimal use of available resources. All UN bodies must actively promote and participate in the coordination mechanisms, subscribing instruments such as the CCA and UNDAF, as a means to develop one coordinated UN country programme.

The World Bank Group
The daily work of the World Bank Group is led by the Executive Board of Directors, whose representatives are organised in constituencies. Sweden is included in a Nordic-Baltic constituency which is represented by one director on the Executive Board. The Nordic countries hold the responsibility for the coordination within the Nordic and Baltic countries on a rotating basis. The Executive Director is nominated by the country that at the time has the responsibility for the coordination and is appointed jointly by all of the countries of the constituency.

The regional development banks
Sweden was a founding member of the Asian Development Bank (AsDB) in 1966. It did not join the Inter-American Development Bank (IDB) until 1976. Sweden’s greatest commitment has been to the African Development Bank (ADB)—joining its fund in 1972—because Swedish bilateral aid has been concentrated on Africa.

Swedish membership in the regional development banks gives Sweden potential influence in important regional economic and financial issues of importance not only for developing countries but also for Sweden. The development banks are considered to be instruments within the
framework of Sweden’s general relationship with developing countries (Carlsson, 2007).

Sweden holds a seat as Executive Director of the African Bank (jointly with the other Nordic countries, India and Switzerland) for three of every 15 years, while in the Asian Bank it is Alternate Executive Director for two years of every 12 years (ibid). Canada holds the AsDB Executive Director post in Sweden’s constituency or voting group, which includes Canada, the Netherlands, Ireland and the Nordic countries (ibid). France and Spain hold the IDB Executive Director post in Sweden’s constituency or voting group, which also includes Austria and the Nordic countries.

Sweden’s attempts to exert an influence on the policies and programmes of the regional development banks mainly through engagement in the executive boards of the banks, and in negotiations on the replenishment of the funds for lending to poorer countries. Poverty reduction has been the central goal for Sweden in all development banks and funds. Sweden has also proposed increasing the focus on issues such as aid effectiveness and the alignment and harmonization of donors’ procedures.

Through Sweden’s membership in the development banks Swedish companies are entitled to participate in the procurement of supplies of goods and services financed by the banks.

**Review of the Swedish multilateral support**

Swedish support to the multilateral system has only been seriously investigated in one 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 (Odén and Wohlgemuth, 2007).

As of late 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. A number of internal studies in recent years have confirmed these deficiencies in the management of multilateral aid such as the follow-up of multilateral development cooperation presented by the Committee of Foreign Affairs (2005/6: RFR6) and the report “Sveriges internationella utvecklingssamarbete” (Swedish Agency for Public Management (2005:31) reiterated in an internal report within the MFA (Swedish Ministry for Foreign Affairs, 2006). These studies point to the need to improve strategic action, achieve better results orientation, develop reporting and evaluation functions and clarify the division of roles between different actors in the Swedish system. Internal reforms in that direction are under implementation (see below).

**Strategy for multilateral development cooperation**

In April 2007 the Government, in line with Sweden’s Policy for Global Development (PGD), and after considerable preparatory work, adopted the Strategy for multilateral development cooperation. This strategy is aimed to serve as a guide to how Sweden can act more coherently and strategically and is supposed to function as normative guidance for government departments and public authorities that collaborate with the UN system or the international financial institutions, or participate in the development work of the EU. The strategy is general and comprehensive and does not relate to any individual organisation.

The strategy proposes that relevance and effectiveness should be the main criteria in assessing and deciding on support to all multilateral channels. Relevance is defined as the compatibility of the activities with Swedish development goals and the role of the organization in the international multilateral architecture. Effectiveness is whether the organization contributes to the relevant goals set and whether the activities are organized so as to lead to results and employ aid recourses effectively (Regeringen, 2007). Some of the suggestions are (Government Communication, 2007):
• Sweden should strive for an enhanced influence in the most important organisations at board level, and particularly in terms of their reform agendas.

• Sweden should be restrictive with earmarked contributions. In principle, non-earmarked contributions and long-term financing are recommended.

• Contributions to vertical funds should be given only in particular cases and multi/bilateral support should be given only within the context of the country programmers of the organisations concerned or to areas of activity prioritized by Sweden, including humanitarian assistance.

• The strategy places great emphasis on strategic governance, influence and evaluation and makes proposals on EU cooperation, the UN and the IFIs. Work of the formal governing bodies must be supplemented by work earlier on in the decision-making process, with more informal contacts, more alliance building and better coordination among Swedish actors. Follow up and evaluation of multilateral action and channels should also be promoted.

• A review should be carried out of the roles, relations and procedures of the Ministry for Foreign Affairs and the Swedish International Development Cooperation Agency (Sida) with the objective of reaching extended coordination between the actors in the Swedish system. Increased cooperation with the Swedish society as a whole is called for in order for these actors to take a greater active interest in the work of the multilateral organisations.

• A strategic perspective and coordinated approach must be taken to the recruitment of staff to multilateral bodies. Transparency and neutrality in procurement and recruitment systems is called for.

• The strategy has been developed as a first step toward clearer and more result-oriented Swedish work and involvement in multilateral development cooperation. A review of the strategy will be carried out in 2010.

The multilateral strategy is the reply by the government to the massive criticism that had been raised in studies and evaluations referred to above pointing at misgivings in how well and systematically MFA had implemented its work towards the multilateral organisations and in particular the UN Funds and Programmes. The strategy as such forms a good platform for how to deal with those questions. However the proof of whether the situation really has improved comes first with the implementation of the strategy. There is no doubt that the Ministry has taken the strategy and its main objectives very seriously. A special project has been created to oversee the implementation and in the day-to-day work reference is continuously made to the strategy. More emphasis is placed on questions of relevance and effectiveness and less on content. However very much is still left to be done in order to be able to say that the intention and objective of the strategy really has been reached.

Organizing the implementation
A first draft of the strategy was finalized in September 2006. To take the draft through the Government machinery for final approval and for implementation of the strategy a special three-year project was designed and commenced. The project was manned by two persons, later increased to three. Since the Strategy was approved in April 2007 the main tasks of the project have
been to develop methods for improving the relevance and effectiveness of the multilateral assistance, through developing a model for assessing multilateral assistance, developing a format for specific organisational strategies and working out improved forms for distribution of work between MFA and Sida. As of January 2009 all three tasks are well under way. The assessment model has now left the pilot phase and will be implemented, the format for organizational strategies has been developed and will in 2009 be tried out on three organisations and the study on the working relationship with Sida will be finalized shortly.

**A new model for assessment of relevance and effectiveness**

In 2007 a new model for assessing relevance and effectiveness (both internal and external) of multilateral organisations was introduced on a pilot basis. The assessment format was then revised and assessments in accordance with the new format were launched in 2008. In 2008 23 multilateral organisations were assessed from the World Bank Group, regional banks, and UN special agencies, Funds and Programmes and the European Commission. The model has been developed with the objective to make systematic analyses of the organisations in question. The assessments are important to build a more structured knowledge base about the organisations Sweden works with. As such they constitute an important background for policy dialogue and for deciding on the level of support. Conclusions from the assessments will also feed into the development of specific strategies for each organization, and thereby provide guidance on how to influence the organizations. The assessment is categorized in three major groups: relevance, internal effectiveness and external effectiveness. The assessments are based on reporting from the respective organization such as audit reports and evaluations. In addition, assessments or evaluations made by others have been taken into consideration. Swedish embassies, delegations and other Swedish authorities such as Sida have also played an important role.

The results of the assessments made have already been used to a certain extent in the dialogue with the organisations in question and in the final decisions on support to the organisations. The judgments made on for example the Asian Development Bank and IFAD were used in deciding on the strategy for Swedish views in the pledging meetings. As regards UNDP the relevance criteria, especially on human rights, have been brought up and in general the issue of the availability for donors of the internal audits of the organisations has come into focus due to difficulties in making the assessments required by the model.

In early 2009 the assessments of the 23 organisations undertaken in 2008 were made public, and a statement was made by the Government that these were now going to be used more extensively in the dialogue with the organisations and in the decision making on future support.

The Swedish Agency for Development Evaluation (SADEV) analysed in a report (SADEV, 2008) the pilot assessments made in 2007 as regards how certain questions were dealt with, in particular with reference to auditing. MFA itself states in a report to EUF that they cannot assess whether the internal audits are reliable and effective and also that they cannot assess the external revisions. As regards the World Bank and two more International Financial Institutions they conclude that the internal audits have been reliable and effective. As regards the external audits two cases have been found to be functioning well. For the remaining 22 organisations, all of them within the UN family, half of the MFA staff responsible for the assessments have not been able to study the internal audits of the organisations or have judged the internal audit ineffective and unreliable.

The SADEV study concludes that MFA is on the right track but many questions still remain before the model can be said to be efficient. It raises in particular the following questions. 1) There is still need to obtain much more information from the multilaterals. At present basic documentation is missing such as reports from the internal audit in many organisations which are needed to make good assessments; 2) Questions related to risks for corruption should be developed further; 3) The criteria need to be developed further as regards the assessments of whether the organisations should obtain promised support or not. This requires development of risk analyses including identification of risk, assessments of
risks and proposals for actions that are required; 4) Competence of staff of MFA and others who are responsible for implementing the assessments must be improved. Some of these considerations were taken into account when the model was refined and again tried out in 2008.

In 2009 (the second half) Sweden will act as chair for EU and most of the efforts of MFA will concentrate on this endeavour. The number of assessments in 2009 will therefore be very limited, focusing on a very few of special importance. In that process further emphasis will be placed on developing methods for improving assessment of external efficiency which is felt to be the area least well developed and covered so far. This will be done acknowledging the challenges of attributing results in terms of development effectiveness to particular actors.

Parallel with the efforts of developing the model, collaboration on developing a tool for assessing internal efficiency of the multilateral organization is going on within the network Multilateral Organisations Performance Assessment Network (MOPAN). This is a collaborative effort between today 15 donor countries that jointly develops and makes assessments of agency effectiveness of the multilaterals. Methods have been developed since 2003. Three organizations are annually, on a rolling basis, assessed according to the methodology. Discussions have been taken up (by among others Sweden) to also expand this project to developing methods for assessing external efficiency.

**Strategies for multilateral organisations**

One of the criticisms raised on the implementation of Swedish multilateral assistance has been on the lack of well developed organizational strategies for each organization supported by Sweden. As a consequence of the multilateral strategy this question has been high on the agenda. Towards the end of 2008 a format for such strategies, partly built on similar efforts in the past, had been developed. This will now be tried out in 2009 on two organisations, the World Bank Group and UNDP. Thereafter the format will again be assessed and changed accordingly and from there on implemented with some three strategies a year on a rolling basis.

**Preparation of the support to and work on the Boards of multilateral organisations**

Improving the knowledge base is only part of the agenda. What is more important is how this information is used in preparing for support to the organisations and in the work of influencing the organisations as part of the work on boards and other governing organs. The multilateral strategy makes clear that the preparation of support should be made meticulously. Information should be sought from the field and be Sida’s responsibility. The preparation of support follows the normal budget procedures of Sweden with a government budget, discussions and approval in Parliament and a final decision on the support in the annual budget decision by the government (regleringbrevet). The preparation is based on estimates of funds required by each organization made in their budget proposals to their respective boards. Each organization prepares their budget based on assessments of expected needs but also on expected contributions from donor countries based on discussions held with each of them. Based on these budgets, on the assessment made of the organization and with help of the assessment model described above including political priorities and other considerations such as burden sharing in relation to other donors, funds available in the total budget and need for special efforts, each unit makes a final assessment on the amount to be allocated to each organization.

For some of the larger organisations special processes have developed for fund raising. Most well known is the IDA replenishment which takes place every three years and incorporates a major negotiation process. MFA has over the years developed a special methodology in handling these large processes also allowing for bringing up important issues at the negotiation table. Every member country in an organization can during the negotiations take up issues they find appropriate. As for Sweden these questions must comply with the Policy for Global Development (PGD) and others prioritized by the government, which also include, in addition to a number of important sector issues, result based management and demand for accountability.

The most important organs when it comes to decisions on prioritization and how funds
are to be spent by the multilateral organisations are the Boards of each respective organisation. Funds should only be used within the specific organisation’s mandate and in accordance with the rules and priorities set by their Boards. The multilateral strategy therefore emphasizes the importance of Sweden taking active part of the work on the Boards with an effort to influence policies and priorities.

Sweden is not a member of all Boards of the multilateral organisations supported but is in some cases allowed to participate as an observer with the right to speak. It is therefore important to build alliances with other like-minded member countries. An active board membership includes having regular contacts with other board members, and in particular with the group of members who have been chosen to prepare for the upcoming board meeting, with representatives of the respective organisations on all possible levels, and other donor countries. MFA is expected in this to work for Swedish priorities, ideas and development cooperation policies being taken into account. For this to be possible MFA need to be acquainted in detail with developments within the organisations. The assessment model discussed above is designed to give as much of this information as possible and that the organisation strategies based on this information give the framework for how to engage most effectively with each of the organisations.

Conclusions

Sweden has like most other major funders relied heavily on the general trust which has existed towards the multilateral system and in particular the UN organisations ever since their creation after the end of the second world war. Many organisations however did not live up this trust. A number of studies and evaluations done during the 1990s pointed at decreasing relevance och efficiency in the operations within a number of organisations. To start with the problems were tackled through projects trying to reform the organisations such as the Nordic project on multilateral organisations in the first part of the 1990s. Towards the end of the 1990s pressure was raised for more direct interventions and pressure on the multilaterals to improve efficiency. Joint initiatives such as MOPAN described above were worked out and the major funders worked out their own systems for measuring effectiveness and developing strategies for how to work with the organizations.

In Sweden this work culminated in the development of a strategy on Multilateral Development Cooperation in 2007, asking for major changes in dealing with multilateral development cooperation. A special project was started to oversee the implementation of the strategy and a call for developing organizational strategies was made. The multilateral strategy is well formulated and does not ask for more than what is appropriate for a large supporter of the multilateral organisations. It does not infringe on the sovereignty of the organisations, but only deals with legitimate questions on relevance and effectiveness of the organisations.

The implementation of the strategy is now in its third year. Very much has been done so far but much still remains to be done. Some major obstacles for implementation of the good intentions were mentioned above when discussing the new assessment model which has been introduced. The major internal limitation is however lack of capacity in MFA to implement the project. Mainly quantitatively but also to a certain extent qualitatively the staff are not sufficient to take on the challenges which the multilateral strategy raises. The political will, will as so often be tested by the preparedness to meet the demands for qualified staff to implement the good intentions.
References


OECD, 2005. Peer Review of Swedish Development Cooperation, DAC/OECD, Paris


Swedish Ministry for Foreign Affairs. Förarbete till strategi för multilateral utvecklingssamarbete, 2006

Utrikesutskottet, utredningstjänsten, 2006. Utrikesutskottets uppföljning av det multilateral utvecklingsarbetet, Rapporter från riksdagen 2005/06: RFR6 Rapport
Introduction
The aim of this paper is to summarize the various layers of policy documents guiding the Swedish developing cooperation and in particular the reforms currently taking place in order to enhance clarity and rationalise the hierarchy of policy guiding documents in this field.

The OECD 2005 peer review of Swedish development cooperation noted “that the unprioritised “forest” of policies represented a challenge to management and implementation in the field (OECD, 2005). In the recent OECD 2009 peer review it is noted that the plethora of sectoral and thematic policies and guidance continues to represent a weakness of the present system (OECD, 2009). According to the review there were still over 100 policies, strategies and guidelines in operation and a further 17 under discussion. The hierarchy and linkages between them often appear unclear. “It is evident that much of the sorting through and prioritization suggested in the previous peer review has yet to occur.”

While the 2009 peer review acknowledges the reforms under way it still emphasizes the need “to overhaul the framework to clarify and where necessary rationalize the policy hierarchy and to ensure appropriate prioritization and alignment with the PGD. Sweden should exercise caution before adding to its existing policy and strategy library.” The review also warns that Sweden also should avoid producing excessive additional guidelines and guidance documents.

Development policies – a tool for managing development cooperation
Swedish international development cooperation has been guided by policies, strategies and guidelines for as long as it has been operational. The terminology has varied over time and the responsible party has been different often resulting in considerable overlapping – resulting in the “forest of policies” referred to in the DAC peer review. Sida has done most of the work, often without proper instruction by the MFA or Government. In recent years efforts have been intensified to improve the result-based management within the Swedish public sector in general, and in the area of development cooperation in particular.

New guidelines for how policies and strategies should be used as management tools were developed. A document was worked out within the Ministry of Finance1 that emphasized that MFA should take a clearer role in policy steering within international development cooperation in Sweden. Based on that document MFA has now developed rules on how this should work, collected in three documents.2 According to them there are four levels of policy-guiding documents (see box):

---
1 “Strukturuppslaget av 28 februari 2006”.
---
**Definition of policy guiding documents**

<table>
<thead>
<tr>
<th>FORMAT AND DEFINITIONS</th>
<th>EXAMPLES OF EXISTING DOCUMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy</strong></td>
<td></td>
</tr>
<tr>
<td>Long-term basic principles that on a macro-level indicate the views of the government within a specific area. A policy is normative and shall, whenever relevant be integrated in the implementation of the Swedish development cooperation in its entirety. A policy should normally be approved by a Cabinet decision.</td>
<td></td>
</tr>
<tr>
<td>• Swedish policy for global development, PGD</td>
<td></td>
</tr>
<tr>
<td>• Government’s policy for humanitarian aid</td>
<td></td>
</tr>
<tr>
<td>• Swedish international policy for sexual and reproductive health</td>
<td></td>
</tr>
<tr>
<td><strong>Guideline</strong></td>
<td></td>
</tr>
<tr>
<td>In principle a methodological guiding document containing concrete instructions. Guidelines should normally be approved by a Cabinet decision.</td>
<td></td>
</tr>
<tr>
<td>• Guideline for development cooperation strategies</td>
<td></td>
</tr>
<tr>
<td>• Guideline for aid for trade</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>A long-term basic document that indicates the views of the government within a limited area of operation and is limited in volume and time. A strategy within the area of development cooperation indicates goals and sub-goals for the area. A strategy should normally be approved by a Cabinet decision.</td>
<td></td>
</tr>
<tr>
<td>• Development cooperation strategies</td>
<td></td>
</tr>
<tr>
<td>• Strategies for organizations</td>
<td></td>
</tr>
<tr>
<td>• Strategies for global programs</td>
<td></td>
</tr>
<tr>
<td><strong>Plan of action</strong></td>
<td></td>
</tr>
<tr>
<td>Anticipated series of activities, supposed to lead to the fulfillment of the goals of a strategy. A plan of action includes who is responsible and a time plan.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Unit for development policies, MFA.

Policies provide answers to the question “what to do” and strategies on “how to do it”. For bilateral and regional cooperation strategies there are detailed guidelines approved by the government. Sida is in most cases responsible for preparing the basis for a strategy, which then is revised and completed by the MFA, in cooperation with relevant other ministries. Each strategy is approved by the Cabinet. Also for thematic policies MFA can instruct Sida to prepare the underlying material.

The procedure to prepare the new generation of policy guiding documents can be exemplified by the activities during 2008. Six policies were then under preparation within MFA. For three of them Sida was asked to provide drafts. Two of the policies were being prepared within MFA itself and one by a joint MFA-Sida working group. Based on these drafts the policies were then discussed internally within the ministries and with outside expertise, as well as internationally. MFA has during the last few years also consulted with a group of external experts, called the “Development Policy Council”. Finally the policies which are supposed to apply for a maximum of five years are approved by the cabinet. The process is time consuming, particularly when it comes to the final political assessments and approval. Of the six policies prepared during 2008, only one was finalized during that year.

In addition, the Government sometimes decides to also present a specific topic considered to be of high importance to the parliament. This is done in a separate white paper (government communication). Formally the status of such a paper is not the same as that of a policy paper approved by the cabinet, but for practical purposes it guides the implementation within the area under scrutiny in a similar way. Informally the white papers to the parliament usually have a great impact, as they become widely publicized and discussed. This was particularly the case with the communication on democracy and human rights presented to the parliament in September, 2008 (Regeringskansliet 2008a).
Policy documents in Swedish development cooperation

As discussed above, strategies are developed for all categories of recipient countries and regions. Thematic strategies do exist but are not very common. Two areas where thematic strategies are presently under development are for development research and the civil society. Other areas relate to humanitarian assistance, information and global programs.

A plan for the development of new policies has been worked out by the MFA. It covers the period 2008-2011, and will be updated annually. The present plan of April 2009 contains eleven policies, of which two are approved - those on HIV/AIDS and on Civil society. The table shows when the policy documents are expected to be approved. It should be mentioned that up till now the trend is that the preparation of the policies takes longer than planned.

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Time for approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV and Aids</td>
<td>November 2008</td>
</tr>
<tr>
<td>Civil society</td>
<td>April 2009</td>
</tr>
<tr>
<td>Democracy and human rights</td>
<td>Second half 2009</td>
</tr>
<tr>
<td>Economic growth</td>
<td>Second half 2009</td>
</tr>
<tr>
<td>Trade related cooperation</td>
<td>Second half 2009</td>
</tr>
<tr>
<td>Research cooperation</td>
<td>End 2009/early 2010</td>
</tr>
<tr>
<td>Security and development</td>
<td>End 2009/Early 2010</td>
</tr>
<tr>
<td>Environment and climate</td>
<td>First half 2010</td>
</tr>
<tr>
<td>Gender equality and development</td>
<td>First half 2010</td>
</tr>
<tr>
<td>Migration and development</td>
<td>First half 2010</td>
</tr>
<tr>
<td>Social sectors (health and education)</td>
<td>2011</td>
</tr>
</tbody>
</table>

Source: Policy development plan, approved by MFA 2009-09-15

The unit responsible for developing the policies at MFA is the Department for development policy. This responsibility covers everything from defining the areas for which policies are required to the actual developing thereof and the follow up. Capacity for this work has recently been strengthened. However the department is supposed to do many other things and MFA only recently took over the responsibility for developing policies. Therefore the experience of the new system so far is limited. Finally the task to follow up the implementation of the policies is a new activity and requires new routines to be established.

If the level of ambition set by the political leadership is to be fulfilled additional resources will be required. Sida’s role is still central in spite of the fact that both responsibilities and capacity
have been moved to the MFA. Sida will participate in the development of the policies also in the future and bring in its experience both from its specific thematic knowledge and its experiences from the field.

As examples of policy-guiding documents a brief presentation of the recent government communication to the parliament on democracy and human rights in development cooperation and of the policy on HIV/AIDS will follow.

Freedom from repression – the Government Communication to the Parliament on aid to promote democracy

The present Swedish government has strengthened the focus on democracy and human rights in the development cooperation. Within the realm of human rights the emphasis on the individual and political rights has become stronger. In the budget bill for 2008 (Prop. 2007/08:1 utgiftsområde 7) three thematic priorities within the Swedish development cooperation were established for the period up to 2010, of which democracy and human rights was one. This policy area is also strongly emphasized in the annual budget bills.

The government communication to the Swedish parliament (26 September 2008) can be looked upon as a further step in that direction and a specification of how to implement this policy. The government confirms the focusing of the development cooperation to support and strengthen democracy in three areas: 1) the civil and political rights; 2) the institutions and procedures of democracy and the rule of law; and 3) the actors of democratisation.

This implies that issues such as protection of the freedom of speech and support to independent media and internet, the right to vote and participation in the political process as well as the freedom to meet and to form and work in independent associations are emphasized.

The level of ambition is also increased when it comes to support for the actors involved in the democratisation process, such as political parties, human rights advocating organisations, the civil society, opinion leaders and actors within the cultural sphere.

How the support to the three priority areas should be implemented is reflected more specifically in the following list of actions from the communication document:

**Civil and political rights**
- Further emphasis on freedom of speech in order to strengthen people’s power to influence their life situation.
- Priority for efforts to promote and defend free and independent media.
- Defence of freedom to meet and freedom of association.
- Continuously pointing out of violations of and restrictions to freedom of speech at both national and EU level.
- Reactions against violations of religious freedom.

**Institutions and procedures of democracy and rule of law**
- Strategic choice of cooperation partners in order to achieve changes in norms, standards, values and ideas.
- Enhanced support to election processes, party system, parliament and improved effectiveness of public administration.
- Support to elections and election monitoring.
- Support to construction and strengthening of judiciary, strengthening the respect for human rights by the state.
- Promoting emerging party systems, including support to parliamentary work, freedom of speech and a more pluralistic legislation.
- Continuing to point out lack of respect for the freedom of speech, meeting and association, bilaterally and in the context of EU and ILO.

**The actors of democratisation**
- Promote a vibrant and democratic civil society
- Emphasize the importance of civil democratic movements aiming at political reforms and stimulate the cooperation between civil society and political parties.
• Strengthen democratic political parties.
• Give special support to defenders of human rights.
• Promote the participation of women in politics and the implementation of their rights.

The modes of support mentioned in this communication were also included in the previous government communication on democracy and human rights in development cooperation. Other methods included were structuring and reforming the justice system and the financial management, activities and institutions to strengthen women’s rights and participation, and to reduce corruption. The policy emphasis thus has moved, while the instruments in the aid toolbox remain more or less the same.

The communication discusses more openly than the previous one what potential is open for support also in countries where the regime are hostile to such activities. The communication argues that states have to accept the whole Human Rights package and should not be allowed to select among their international law commitments, which is exactly what many are doing today.

The problems of the praxis of development cooperation to support democracy remains: What difference between the ideal and reality should be accepted for development cooperation at the government to government level? Shall the same measurement be used for all sorts of human rights?

The sections on EU, the UN organisations and the World Bank are concerned with the policy in the realms of democracy and human rights, but not with the democracy within the organisations themselves.

On the basis of the communication a government policy is under preparation. Sida provided the MFA with a draft in early May and the policy paper is expected to be adopted by the government in “early autumn” 2009.

The right to a future – Policy for Sweden’s international work with HIV and AIDS

The overarching objective for the policy is to reduce the exposure to HIV and AIDS and to improve the possibilities of a valuable life for the groups of affected people. The points of departure are the application of the rights perspective and improved respect for human rights and gender equality.

According to the policy Sweden shall therefore promote:
• That the demand for improved respect for human rights and increased gender equality shall permeate all activities to prevent HIV.
• The HIV-prevention shall be rights-based and applied to the needs of the target group, irrespective of HIV-status.
• The people who meet a higher risk of being HIV infected should be made visible and given increased possibilities to improve their life situation.
• That reproductive health and rights, with attached service, is secured for women and men, girls and boys.
• That young people are given access to relevant sexual education and youth friendly service, including information on SRHR, sexually transmitted infections and HIV prevention.
• That medical and socioeconomic research on prevention of HIV is strengthened.

In the countries hardest hit by HIV and AIDS all levels of society are affected and the long range effects are serious. Therefore Sweden shall promote:
• That the demand for improved respect for human rights and increased equality permeates the work to reduce the long range effects of the epidemic. This mainly implies to make visible and handle women’s, children’s and youth’s specially exposed situation, but also to involve men in activities aiming at improved equality.
• That HIV and AIDS become part of the broad preventive health activities and thereby also the affected countries’ collective development efforts. International support in the field of HIV and AIDS shall be adjusted to and support national priorities, plans and programs.
• That national systems are strengthened, including health, education and domestic institution building. This implies among other things within the health system promoting the
integration of sexual and reproductive health service with preventive activities and care of HIV and AIDS. It also implies to promote the objective of education for all so that both girls and boys receive basic school education.

• That social safety net systems, including social insurance systems, are developed and strengthened.

• That research efforts are enhanced on the long term effects of HIV and AIDS and the potential to reduce them.

The policy shall be in force for the time being but no longer than to 2015.

Concluding remarks

We have noted that serious efforts are being made to tackle the critical point made in the 2005 DAC review dealing with the “forest” of policies, strategies and guidelines which are supposed to guide Swedish Development Cooperation to make them more focused and to enhance clarity and rationalise the hierarchy of policy guiding documents in this field. As is stated in the 2009 DAC Review, much still remains to be done. The implementation is taking longer than planned, partly because of the complexities of the problems to be sorted out and partly because of lacking capacity both as regards quantity and quality, to implement the very ambitious programs to be undertaken.

A number of quotes from the DAC peer review show the concern that lack of implementation capacity will derail the high ambitions behind the reforms.

• Sweden should take care to protect overall human resource levels, particularly in the MFA and the field, and allocate resources and skills appropriately to implement Sweden’s objectives and commitments. For example, increased engagement in conflict affected countries and more strategic engagement with multilateral organizations require appropriate staff levels and skills sets.

• Sweden intends to increase its use of programmatic approaches but cannot assume that this will allow it to reduce staffing levels in the near future. Indeed, it is likely to require both time and training to implement effectively. Similarly, improving harmonization and increasing dialogue in-country is time consuming and needs to be better reflected in Sweden’s resourcing of, and support to, its country teams. Furthermore, though Sweden is reducing the number of sectors in which it works at country level, at the global level Sweden will continue to operate in, and therefore need expertise across, a broad range of sectors. For all these reasons this is not an appropriate time to make staff cuts; in fact Sweden should strengthen staffing levels in some key areas.

• Sweden should ensure that there are enough experts and trained staff to allow Sweden to lead the international community in following up the International Commission on Climate Change and Development report.

• Sweden needs to simplify and consolidate assessment tools and guidance on environment and climate change in order to help mainstreaming.

The gap between ambitions and commitments expressed by the Swedish government and the capacity to implement them can be treated from two sides: improved capacity and reduction of ambitions and commitments. One way of doing the latter would be to reduce the number of commitments and make them less far reaching. One example: If the Sida regulations say that environmental impact assessments (EIAs) are mandatory for all projects, it is not very surprising that only seven of 89 projects include full fledged EIAs and that projects where the environmental aspects are deemed of marginal importance do not include such assessments.
References

*Proposition 2007/08:1* (Government budget bill 2007/08, International development cooperation), Ministry for Foreign Affairs

Regeringskansliet (2008a). *Frihet från förtryck. Skrivelse om Sveriges demokratibistånd.* (Freedom from repression. Government communication on aid to promote democracy.) Ministry for Foreign Affairs


The aim of this chapter is to summarize, monitor and briefly assess the decision of the Government of Sweden in 2007 to focus the bilateral Swedish development assistance to fewer cooperation partners and within each cooperating country to reduce the number of cooperation sectors or areas. This reform is according to the Government to be viewed as one of several measures to increase “effectiveness, efficiency and quality in Swedish development cooperation” (Ministry for Foreign Affairs Memo).

According to the memo, this is in line with the strong Swedish support to the principles of the Paris Declaration on Aid Effectiveness. To implement those, and in particular the one on harmonization, is partly a matter of limiting each donor’s cooperation to fewer cooperating partner countries and to fewer sectors or policy areas in these countries.

Brief historical background

Concentration on a few cooperating countries in order to increase the effectiveness of the Swedish development cooperation has been a principle since the 1960’s, but the implementation has not been very successful. The 1970’s saw an increase from seven to around 20 main cooperating bilateral partners. This should mainly be seen against the background of a very rapid expansion of the total volume of the Swedish aid, in order to reach the one per cent target in 1975, as had been decided by the Swedish parliament in 1968. During this expansion period the share of the bilateral aid also increased to about 70 per cent, which since then has remained the approximate level.

The division of SIDA in the late 1970’s into a number of different authorities, of which some were designed to work with middle income countries, made it possible to increase the number of cooperating countries significantly in the 1980’s. Due to humanitarian or conflict emergencies Sweden over the years also started short term cooperation with new countries in Africa, Asia and Latin America. A number of these interventions developed into long-term cooperation.

The end of the cold war and the collapse of the Soviet Union created a number of new countries in Eastern Europe and Central Asia. They were labelled transition economies and became a new category of cooperating partners for Swedish aid. The main aim in these cases was to support a transition of former Soviet republics into market economies and multiparty political systems. Sweden thereby took part in a common effort by most EU member states.

In 1995 SIDA was reorganised and most of the separate aid financed authorities created in the late 1970’s were again merged within one authority. The name of the new agency became Swedish International Development Cooperation Agency, abbreviated Sida. Due to the processes mentioned above it had around 120 countries as cooperating partners, almost half of them with long-term so called country programmes as frameworks of the cooperation. This meant a tripling since the mid 1970’s of the number of long-term cooperating partners as well as of the total number of recipients of Swedish aid.

Another symptom of this diversification was that during the period 1988-2005, the per centage of total Swedish bilateral aid that went to the 20 largest cooperating partners fell from 90 to 45 per cent (Sida Annual Reports).
As a consequence of the spread of the Swedish bilateral aid to more countries, Sweden’s position as a major donor in a number of countries was eroded. One example was Tanzania, where Sweden up to the early 1990’s was one of the two biggest bilateral donors. In 2007 Sweden was the seventh largest bilateral donor in a growing group of countries. Another impact of the differentiation was that Swedish priorities became weaker in the policy dialogue between aid agencies and aid receiving governments (Government budget bill 2007/08, development cooperation, p. 60).

Since the end of the 1990’s Sida in its annual appropriations has suggested to the government that the number of cooperating countries should be reduced in order to improve effectiveness and pointed out that the quality of the development cooperation was at risk with too diversified country and sector portfolios. The Parliamentary Committee on Swedish Global Development Policy in its report A More Equitable World without Poverty (2002) suggested a radical reduction of the number of cooperating countries with which the cooperation is based on long-term strategies to “not more than twenty”. The report also suggested a number of criteria for the selection of those countries, mainly low income countries in which the government’s policy was for sustainable poverty reduction and with a visible ongoing process towards democracy, gender equality and a viable policy towards respect for human rights. Other modes of more selective cooperation were suggested for countries which did not fulfil these criteria.

The DAC Peer Reviews of the Swedish development cooperation policy in 2000 and 2005 also expressed concern regarding the large number of Swedish cooperation countries.

The focus decision 2007

The demand for concentration from those involved in bilateral development cooperation thus had been strong when the Government decision was launched. The country focus approach is aimed at contributing to better quality and effectiveness at various levels, i.a. by facilitating a rationalisation of the Swedish aid management and an improvement of the division of labour between donors. It also aims at improving the scope for the partner country to rationalise incoming aid management.

To prepare for the reduction of the number of long-term cooperating countries, the Swedish government carried out an analysis of the countries with which Sweden’s aid operations were considered staff intensive and of sufficient volume. The main criteria for this assessment included poverty indicators and developmental needs, the development policy of the countries, the degree of democracy and respect for human rights, Swedish comparative advantages and know-how compared to other donors. Finally Sweden’s overall links to the countries were taken into consideration.

The total number of cooperating countries listed in Sida’s annual report for 2006 was 120, of which 67 were selected to be included in the focus process. The rest were considered either to have too small or too temporary programmes to be included. In a number of them there is no or negligible cooperation at the government level, as the aid is channelled through civil society or multilateral organisations, including humanitarian aid.

The expected overall outcome of the country focus process will be increased development cooperation involvement in Sub-Saharan Africa and Eastern Europe and reduced involvement in Latin America and Asia. The involvement in the Middle East will be retained. When it comes to policy areas, peace and security, and democracy and human rights will receive stronger attention. The 67 countries were divided in six categories:

1. Countries with which Sweden will conduct long-term development cooperation (12).
   Asia: Bangladesh, Cambodia.
   Latin America: Bolivia.

2. Countries in conflict and/or post-conflict situations with which Sweden will conduct development cooperation (12).
   Africa: Burundi, DR Kongo, Liberia, Sierra Leone, Somalia, Sudan.
   Asia: Afghanistan, East Timor.
Latin America: Colombia, Guatemala.

3. **Countries in Eastern Europe with which Sweden will conduct reform cooperation (9).**
   - Albania, Bosnia-Herzegovina, Georgia, Kosovo, Macedonia, Moldavia, Serbia, Turkey, Ukraine.

4. **Countries in which Sweden will conduct alternative measures to promote democracy and human rights (4).**
   - Burma, Cuba, Belarus, Zimbabwe.

5. **Countries to be phased out in which Sweden will conduct selective cooperation (7).**
   - Africa: Botswana, Namibia, South Africa.
   - Asia: India, Indonesia, China, Vietnam.

6. **Countries to be phased out in which relations will be promoted in ways other than via bilateral development cooperation (23).**
   - Africa: Angola, Côte d’Ivoire, Malawi, Nigeria.
   - Asia: The Philippines, Laos, Mongolia, Pakistan, Sri Lanka, Thailand.
   - Latin America: Chile, El Salvador, Haiti, Honduras, Nicaragua, Peru.
   - Europe: Armenia, Azerbaijan, Kyrgyzstan, Montenegro, Tajikistan, Russia.
   - The Middle East: Lebanon.

**The first steps of the country focus implementation**

As part of the decision to concentrate the number of long-term bilateral cooperation partner countries the guidelines for country strategies were reformed. New guidelines for the country strategies had been decided by the Swedish government in April 2005. An overview of those was carried out by the new government in 2007, resulting in an amendment to the guidelines in September 2007, which in turn was updated in June 2008.

A country strategy is in these documents defined as a long-term basic document that indicates the views of the government within a limited area of operation and is limited in volume and time. It should indicate goals and sub-goals for the area. The strategy should normally be approved by a decision in the Cabinet. The assignment to develop a strategy is prepared by the country desk in the Ministry for Foreign Affairs and Sida is thereafter usually via a Cabinet decision commissioned to prepare a first draft thereof. For countries where the Swedish Embassy is staffed by development cooperation officers Sida will usually ask the embassy to do the basic work of the draft. After Sida has presented its draft to the MFA, a consultation process with other ministries and agencies is started after which the final document is prepared in the ministry for a final cabinet decision.

After the focus decision in 2007 intense work started within the Ministry for Foreign Affairs, Sida and relevant other government offices in order to produce new cooperation strategies for the different categories of cooperation countries, including strategies for the out-phasing of development cooperation in most of the countries in that category.

The strategy process has been time-consuming. Some of the reasons for this are: 1) Sida’s draft strategy is seldom entirely accepted by the MFA. 2) The MFA and the line ministries often have different opinions. 3) The capacity of both Sida and the MFA is limited. 4) Sida’s reorganisation has during the second half of 2007 and all through 2008 limited its capacity.

At the end of 2008 new strategies for five of the twelve long-term cooperation countries had been approved by the Government, and during the first half of 2009 another three strategies were approved. Of the twelve countries in the conflict/post-conflict category new strategies were approved for half of them by June 2009. Of the nine “reform cooperation” countries in East Europe, new strategies were in force for five.

The table shows how many strategies for the various cooperation country categories have been approved as of June 2009. As can be seen, slightly less than 60 per cent of the strategies are approved and under implementation, while for the rest the cooperation is based on prolonged previous strategies or ad hoc solutions.
Table 1. Country strategies and phasing out plans to 2010 and beyond (June 2009)

<table>
<thead>
<tr>
<th>Category of countries (total no. of countries)</th>
<th>Number approved</th>
<th>Under preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term cooperation (12)</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Conflict, post-conflict (12)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Eastern Europe (9)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Democracy and HR (4)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Selective cooperation (7)</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Phase out countries (23)</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>38</strong></td>
<td><strong>29</strong></td>
</tr>
</tbody>
</table>

Source: MFA

The sector focus guidelines
The concentration of the Swedish development assistance to fewer cooperating countries is aimed at improving the effectiveness of the aid. The same main aim is behind a similar process to reduce the number of sectors for cooperation in the countries. Therefore work to provide guidelines for such a process was initiated by the MFA in 2007.

One result is a working paper (2009), entitled *Internal guidelines for sector focusing*. According to the guidelines the draft cooperation strategy that is provided by Sida for each cooperation country should include at the most three cooperation sectors. This is in accordance with the *EU Code of Conduct on Complementarity and Division of Labour in Development Policy* (2007).

In addition to three sectors Sweden may also provide aid as general budget support, support to the civil society and humanitarian aid. If the strategy suggests general budget support and three sectors, the argument for this should be strong and the total volume should be high. Strategies for countries with a lower total annual aid volume than 100 million SEK should include only one or two sectors.

The decided thematic priorities of democracy/human rights, gender equality and environment sustainability and climate adjustment may be integrated into the sectors that are included in the strategy. They may also be considered as separate sectors if direct support is given in that area. This means that even if there is no explicit cooperation in these three areas, the perspectives shall be taken into consideration as part of the sectors selected – so called mainstreaming.

The working paper also outlines details regarding how certain topics, including research support, aid for trade, democracy, human rights and conflict, peace and security in conflict and post-conflict countries should be dealt with. Sector budget support should be regarded as one sector. Support to a cross-sector development programme, such as a reconstruction fund or integrated rural development programme should be regarded as one sector.

According to the guidelines there may be cases in conflict and post-conflict countries when the maximum of three cooperation sectors may be exceeded. These should however be exceptions and the reasons for the exceptions should be explained.

The guidelines also indicate how to proceed in order to include activities outside three sectors, namely to establish a special fund from which minor projects or activities outside those sectors could be financed.

There is also a general exception from the main rule of a maximum of three sectors for the countries where the Swedish development cooperation should be transformed into so called selective cooperation. Such countries are for instance South Africa, Namibia, Botswana, Vietnam and China.

Should the definition of a sector differ between Sweden and the cooperating country the point of departure of the strategy work should be the sectors as defined by the cooperating partner.

The first steps of sector focus implementation
Stepping out of an ongoing cooperation too quickly may endanger the results already achieved in the cooperation. It has to be a gradual process. It is therefore natural that the reduction of the number of cooperation sectors is mainly carried out as part of the preparation of strategies for a new cooperation period, rather than during an already agreed ongoing period.

As most Swedish cooperation programmes contain more sectors than three, one important feature of recent strategies has been to phase out a number of ongoing activities and to restructure
a number of activities to make them harmonise with the selected sector pattern.

A consultancy report, commissioned by Sida, compared the average number of cooperation sectors in 30 new strategies (from 2008), of which 10 were approved by the Government and the others in various stages of preparation, with 45 older strategies. On average the number of cooperation sectors had dropped from 5.0 to 4.1. The strongest contraction of the number of sectors was registered in Asia – from 5.6 to 3.3.

Moving from the realm of strategies to that of actual cooperation, the number of individual supported activities seems to have been reduced in recent years. According to Sida’s Annual Report for 2008 the number of total registered activities Sida is involved in has been reduced from 5,294 in 2006 to 4,514 in 2008 – a reduction of 15 per cent in two years. The number of started new activities was reduced from 1,309 to 1,017 – a reduction of 22 per cent. The average amount per activity has increased from 13.3 to 15.7 million SEK. The length of the average agreement period has however been slightly reduced, which is not intended in the guidelines.

The total number of cooperating ODA countries included in Sida’s annual report 2008 was 112, compared with 111 in 2006. If we exclude the countries that receive only humanitarian aid – which it is not possible to plan for in advance – the figures are 106 and 105 respectively.

According to Sida’s statistics the number of cooperation sectors – excluding humanitarian assistance and support to the civil society organisations – has been reduced in 43 ODA countries. In 73 countries it is unchanged and in two it has increased.

Of the twelve countries in the long-term cooperation category the number was unchanged between 2006 and 2008 in seven countries and had been reduced by one in five, and in 2008 the average number of cooperating sectors was 6.5. Figures for all country categories are found in table 2.

### Two country cases

Let us take the Swedish cooperation strategy with Mozambique as an example – one of the countries in which the volume of the Swedish aid programme is largest and most diversified.

According to the strategy, the cooperation programme should focus on three main sectors: democratic governance, agriculture and energy. Furthermore the longstanding support to domestic research will continue. Support to strengthen civil society organisations will be given in order to supplement the support to the public sector. The general three thematic priorities: democracy and human rights, environment and climate and gender equality and the role of women in the development should be observed when areas of cooperation are selected. Support to the efforts to reduce HIV/AIDS should be integrated in the programme. Part of the support should continue to be allocated to the Niassa province in the northern part of the country and reflect the Swedish support as a whole.

This implies that the present cooperation in three sectors should be finalised: higher education, culture, roads/transport as well as the support to the national HIV/AIDS council should be phased out, together with a number of projects within the sector of democratic governance.

### Table 2. Changes in the number of cooperation sectors 2006-2008

<table>
<thead>
<tr>
<th>Category of countries (total number of countries)</th>
<th>Unchanged no. of sectors</th>
<th>Reduced no. of sectors</th>
<th>Increased no. of sectors</th>
<th>Average no. of sectors in 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term cooperation (12)</td>
<td>7</td>
<td>5</td>
<td>-</td>
<td>6.5</td>
</tr>
<tr>
<td>Conflict, post conflict (12)</td>
<td>9</td>
<td>3</td>
<td>-</td>
<td>5.0</td>
</tr>
<tr>
<td>Eastern Europe (9)</td>
<td>4</td>
<td>5</td>
<td>-</td>
<td>6.0</td>
</tr>
<tr>
<td>Democracy and HR (4)</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>5.0</td>
</tr>
<tr>
<td>Selective cooperation (7)</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>6.0</td>
</tr>
<tr>
<td>Phase out (23)</td>
<td>10</td>
<td>12</td>
<td>1</td>
<td>4.0</td>
</tr>
<tr>
<td>TOTAL (67)</td>
<td>37</td>
<td>29</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Sida annual reports 2006 and 2008.
The process to gradually phase out project support and replace it with various forms of programme support will continue. Credits instead of grants may be considered in particular for support to the energy sector.

The strategy also opens up for future humanitarian or reconstruction support should new natural disasters occur – something which historically has been the case in Mozambique.

The main arguments behind the choice of cooperation sectors and phasing out of others are not explicitly accounted for in the document. The sectors selected for continued cooperation are those with the largest shares of the ongoing cooperation.

From the strategy it seems as if the final result of the focus process will be seven long-term cooperation sectors: democratic governance, agriculture, energy, budget support, research cooperation, support to the civil society and integrated development in the Niassa province.

The structure of the strategy for Zambia is similar to that for Mozambique. The three sectors decided for continued support are health, agriculture and energy. Budget support for the implementation of Zambia’s strategy for poverty reduction will also be part of the strategy. This support to the public sector will be supplemented with support aimed at strengthening of the civil society. Ongoing cooperation in other sectors – urban development, development of the private/financial sector and democratic governance through the public sector - will be phased out during the strategy period.

The strategy is linked to the common donor strategy for their cooperation with Zambia (Joint Assistance Strategy for Zambia, JASZ), “which thereby forms an integrated part of the Swedish cooperation strategy” (Cooperation strategy for Zambia 2008-2011, page 2).

The three general thematic priorities of the Swedish development cooperation – equity and women’s role in development, democracy and human rights and environment and climate shall, according to the strategy, have an impact on the cooperation. (This is a formulation common to all strategies.)

In the health sector the specific Swedish goal is: “Improved health situation for poor women, men, girls and boys in the framework of an effective and decentralised health system, based on the rights perspective and keeping equity issues into consideration together with reduced dispersion of HIV/AIDS.”

In the agriculture sector the specific Swedish goal is: “That the poverty focused and growth induced agriculture policy in the Fifth National Development Plan is implemented and increasingly is adjusted to the changing climate, leading to increased and sustainable production, increased productivity and improved competition within agriculture. This in order to secure access to food, generate income, create jobs and reduce poverty.”

The specific goal for the energy sector is: “Increased supply of energy, taking into account environment and climate, in particular for the rural and semi-urban population, in a well regulated domestic and regional market.”

The specific goal for the support to the civil society is: “A lively, democratic and pluralistic civil society which promotes transparency, accountability, participatory and non-discrimination.”

The main method to be used for the three sectors where Sweden will phase out its support is to find other donor agencies prepared to take over the responsibility.

The strategy envisages a significant increase of the aid volume, from 345 million SEK in 2008 to 600 million in 2011. It is however also prepared for a situation when the conditions for Swedish cooperation deteriorate, and mentions the possibility that in such a case the envisaged volume may be reconsidered.

Sweden is the delegated active partner with the Netherlands in the field of health and with Norway in the field of agriculture. In both cases this is envisaged to continue, which means that Sweden will handle altogether about 150 million SEK extra on behalf of those countries.

As in the case of Mozambique the sectors that will be phased out together take only a small share of the total aid allocation – in the case of Zambia the three sectors to be phased out together received 11 per cent of the total Swedish bilateral aid to Zambia in 2007.
Joint assistance strategies

Zambia is one of the few partner countries in which the harmonisation has reached the stage of a Joint Assistance Strategy, agreed between the Government of Zambia and a number of its major donors. This means that the planning, monitoring and evaluation of the cooperation is a process not only between Zambia and Sweden but between Zambia and all the agencies that have accepted the JASZ as the basis for their cooperation. In the Swedish strategy it is stated that the JASZ is an integrated part of the Swedish strategy. However, according to the regulations for the Swedish country strategies it is not possible to use it as the Swedish strategy. Such a strategy has to be the result of a domestic Swedish process.

The better harmonised cooperation with Zambia reduces the scope for individual donor agencies supporting the JASZ to apply too many of the special national features of their respective aid policies. Thus it will be interesting to see the impact of the Swedish thematic priorities playing an important role in the Swedish strategy when the monitoring and evaluation of the JASZ is carried out in the future.

A joint strategy as in the case of Zambia has a number of important advantages regarding harmonisation and scope for alignment with the budget system of the partner country. It is however not compatible with an evidence based aid evaluation system, in which the specific Swedish impact is measured, as at best it will be possible to monitor and assess the impact of all the JASZ supporters in the various cooperation areas.

Assessments

Due to the principle of increased donor coordination and alignment to the partner country’s policy and budgetary system a larger part of the discussion on Swedish priority issues takes place in the framework of coordination meetings among the donors in the capitals of the partner countries. During these meetings the Swedish representatives have to argue their cases in a grouping in which all interested donors participate. Sometimes this is a tougher task than convincing the partner country of the importance of Swedish priorities. A recent SADEV study (SADEV, 2009) on Sweden’s readiness to influence the Economic Commission’s and the EU member states’ action in development cooperation at the field level shows that the Swedish strategic thinking and instruments for this purpose are weak.

The PGD perspective is restricted to comments on the aid policy by the Swedish line ministries. The overall PGD perspective, in the sense of balancing the objectives of the various policy areas, is weak. The only strategy so far, which is explicitly supposed to be based on the “full” PGD-perspective is that for cooperation with South Africa, which in June 2009 is still under preparation.

One effect of the updated guidelines is that the country strategies are less transparent to the partner countries and there is a strong risk that the level of ownership is reduced. Various Swedish priorities will prevail, both within the development cooperation policy field and from other policy areas. The various separate interests are also difficult to reconcile with the harmonising of the Swedish and other aid donors’ policy. These effects are constraints to the implementation of the Paris Declaration. Neither are they compatible with the principle of demand driven aid.

In this context it should be noted that the budget support modality is linked to reforms and strengthening of the official financial management institutions of the country receiving this form of aid. The group of donors providing this form of aid agrees with the receiving government on schedule, benchmarks and indicators of such reforms. This also implies an agreed monitoring system.

A recent trend is to earmark a specific amount of the aid budget for special purposes, for instance environment, climate, trade policy and HIV/AIDS. While this on the Swedish (or any other donor’s) domestic policy arena is a highly visible way to show concern for important and/or trendy issues in the aid community, it complicates the implementation of the necessary concentration of the number of cooperation sectors that is a key factor of the focus policy.

It also reduces the Swedish flexibility in the donor harmonisation process in the individual cooperating countries, as well as the efforts to align Swedish aid within the cooperating partner’s
budget. Earmarking of funding – be it through the establishment of international vertical funds or within individual donor aid budgets – is difficult to combine with the principles of the Paris Declaration. It may however contribute to a reallocation of aid funding along with specific policy priorities. Earmarking also tends to favour issues that are popular in the so called aid community, reacting to short term trends rather than long-term development perspectives.

Impact on partner country ownership

The new guidelines for the Swedish country strategies are to the point and in accordance with the recommendations in the Paris Declaration. However, they may also reduce the transparency and the level of influence for the partner country. These effects may emerge out of three factors. 1) The large number of inherent Swedish objectives at various levels. 2) The way the process is organised. As opposed to previous models there is little scope for the partner country to comment on draft strategies. The only point of time mentioned in the guidelines is initially at the dialogue level. 3) Various Swedish interests beyond development cooperation will have a stronger say in the strategy process and thereby possibly influence the content of the strategy.

A few partner countries – Tanzania, Uganda, Mozambique and Zambia – are in the frontline as regards ownership and harmonisation between donors. In these cases a Joint Assistance Strategy, JAS, has been worked out, accepted by the partner country government and a number of donor agencies as an agreed common strategy. The aid agencies that are supporters of the implementation of the Paris Declaration hope that it will be possible to introduce the JAS concept in as many countries as possible. This requires a sufficient level of political will, competence and capacity in the partner country as well as among the donors.

Concluding remarks

The aim of country and sector focussing of the Swedish bilateral development cooperation is highly commendable, and has a potential to increase the effectiveness of the Swedish development cooperation. To fulfil the rather ambitious targets set up by the government will take time – something which the government as well as observers have been aware of. The prerequisites in the form of new country strategies and guidelines have taken longer than envisaged, partly due to lack of sufficient capacity for the task in both the MFA and Sida.

When the strategies are in place, the phasing out of total country programmes as well as sectors in those countries where the number of main sectors should be reduced from eight or nine at present to three or perhaps four or five in countries eligible for budget support and other “extras” will be time-consuming due both to various practical obstacles but also due to a general reluctance among those involved in the present activities not only at the receiving end by also on the Swedish side of the cooperation. History shows that the phasing out process may become difficult, particularly in cases of long-standing cooperation.

The phasing out process also depends on the ability to find other donors that are prepared to take over the activity that is left by Sweden. A number of swap opportunities may emerge when those other donors are also in the process of focussing their cooperation programmes and therefore interested in such an exchange. In principle this process should be owned by the government of the recipient country, but with some exceptions there is little evidence that this actor is normally strongly involved.

The strategy process seems to be less inclusive towards the cooperating partner, compared with the previous system, while due to the established coherence policy it is more including than previously towards other policy interests in Sweden. One main challenge for the new system is thus to secure the ownership of the cooperating partner.
References

EU (2007). *EU Code of Conduct on Complementarity and Division of Labour in Development Policy*

Government budget bill 2007/08, International development cooperation. (Prop 2007/08:1)

Government budget bill 2008/09, International development cooperation. (Prop 2008/09:1)

MFA Memo (2007). *Focused bilateral development cooperation.* (27 August)


SIDA Annual Report, 1988

Sida Annual Report, 2005

Sida Annual Report, 2006

Sida Annual Report, 2008
Swedish and EU Africa policies

Lennart Wohlgemuth and Christoph Wallnöfer

Swedish Africa policy 1998

*Preparation of a new Swedish policy*

Up to 1996 Sweden had no explicit policy governing its different relations with Africa. Implicitly however the cornerstone for Swedish Africa Policy in the 1970s, 1980s and the 1990s have in addition to efforts to strengthen trade relations and the aid support to development, been dominated by the strong efforts to support the liberation struggles particularly in Southern Africa and to combat apartheid in South Africa. This was expressed in country and regional strategies. With the goal fulfilled new directions had to be sought. In October 1996, the Swedish government gave a working group in the Ministry for Foreign Affairs an assignment to draw up proposals for “a new Swedish policy towards Africa”. The expectation was that the report would serve as a basis for a new, more grounded and relevant Swedish Africa policy, which would represent a departure from previous efforts at cooperation.

The Swedish government’s decision to revisit the Africa policy was based on two major underlying factors. Firstly, up until the formal end of apartheid in South Africa, a central feature of Sweden’s Africa policy had been its strong commitment to the liberation of the continent from colonisation and institutionalised racism. The liberation of South Africa was, from this point of view, both a success for Sweden’s consistent and principled stand against white minority rule and colonial domination as well as the end of an era in its policy towards Africa. A pressing need for the country to develop a new basis for its relations with Africa emerged, given the formal end of colonial rule and apartheid on the continent.

The second important background consideration was based on the fact that the period from the late 1980s to the end of the 1990s witnessed growing concerns as to the effectiveness, broadly defined, of development cooperation between the countries of the North and South. This concern has covered a wide range of areas from the conceptualisation of development cooperation to its content and practice. At the root of the increasing critique of the methods of cooperation was the widely shared view that it had, to a certain extent, failed to deliver meaningful and sustainable development. Indeed, what seemed to be the case was that as the scope and volume of development cooperation increased, its effectiveness tended to decline. Problems, such as increasing aid dependence in the recipient countries, the failure of cooperation to foster the development of relevant local technical skills, the tendency towards the almost total erosion of local initiative, and the reality of aid flows tending to reinforce local power relations obstructive of democratic accountability, were just a few of the concerns that emerged in critique of the history and practice of development cooperation (Havnevik & van Arkadie, 1996). Increasing dissatisfaction in the donor countries with the poor results of several decades of cooperation was matched by an equally deeply felt sense of frustration in the recipient countries. The time for a thorough re-evaluation of the entire basis of development cooperation had clearly come, a task made more urgent by the lacklustre performance of the struc-

---

1. Christoph Wallnöfer is studying at the University of Innsbruck in Austria the Diplomastudies in Business Administration and Political Science. He spent one year in at Gothenburg University, where he evolved interest in developmental politics and for development cooperation. At the moment he is writing his diploma thesis about Development Cooperation of the EU.
tural adjustment programmes of the 1980s and 1990s (Kayizzi-Mugerwa et al., 1998).

Based on two conferences attended by a great number of African scholars and practitioners, as well as on substantial and comprehensive consultations among relevant and interested parties in Sweden the working group published a report in August 1997 (MFA, 1997), which in turn was worked into a Government white paper, discussed and approved by Parliament in June 1998 (MFA, 1997/98). The result was summarised by the working group as being that the overall objective of Sweden’s Africa policy should be “to support processes of change under African control that involve sustainable improvements in welfare for the majority of citizens and consolidation of their democratic influence”. To that they added two supplementary objectives closely linked to the main one: “to strengthen the long-term contacts between Sweden and African nations and societies” and “to promote a strong African role in the international community” (MFA, 1997).

The objectives contained both a qualitative aspect based on value judgements and a more practical side requiring a number of concrete actions. It all turned around the concept of partnership as was summed up by Mats Karlsson, the former State Secretary for Development Cooperation in the Ministry for Foreign Affairs of Sweden, who led the work on the Swedish African policy in the mid 1990’s.

“Donor governments may well be serious in accepting much of the above reasoning around partnership, but the real proof of their intent is whether they can handle coherence in their own policies. That is why the issues of global governance, and in particular global economic governance, are crucial. Stronger political dialogue and leadership, better coherence of policies, the adequate and sustained financing of the emerging global public sector’s institutions and operations are intrinsically linked to workable partnerships. If these new partnership ideas fail to catch on and fuel virtuous circles, it may well be not just because the Africans are not up to it, as will be presumed by so many in the North, but because the political courage in that very North is lacking” (Karlsson, 1998).

Follow-up of the policy
A follow-up of the policy came less than five years after the originally policy was launched. The reason for that was that so much happened in the years after the launch that had to be taken into consideration. Such activities included among others the agreement between 189 heads of states in the UN on the Millennium Declaration including the millennium goals. The Declaration which to a large extent relates to Africa makes clear that global development requires a holistic view as well as commitments to peace, security, poverty alleviation, health, human rights and democracy. The follow-up report to the Parliament (Government Comm., 2002:36) made an assessment of the achievements so far and took that as well as the Millennium Declaration as the basis for the direction of Swedish development cooperation in the the future..

A few years later the parliament requested the Government to present a new follow-up on the policy. In January 2007 the new government that recently had taken up office constituted a small group within the Ministry for Foreign Affairs with the task of preparing a background document for a new policy. With the help of the Nordic Africa Institute and a number of consultations with NGOs, the business community as well as the academic community such a background document was finalized by October 2007. Based on that material and several seminars in Africa and in Sweden a final proposal was ready and presented to the Parliament by March 2008.

Sweden’s Africa policy 2008
The Swedish government presented its new Africa strategy “Sweden and Africa - a policy to address common challenges and opportunities” on 12 March 2008. Sweden’s new Africa policy is based on the positive changes Africa has experienced during the past decade and on developments in Africa’s relations with the rest of the world, including Sweden. It was also based on the Joint Africa-EU Strategy which had been finalised in late 2007 (see below). The focus of the strategy is on the sub-Saharan African countries (Govt Comm 2007/08:67, p. 1).

The basic premise of Sweden’s Africa policy is
Africa’s responsibility for its own development. Sweden’s role and the role of other donors is to support and encourage the adoption of that responsibility. The strategy is underlined by the positive changes, such as improving economic, social and political conditions in many African countries and the still existing widespread challenges such as poverty, oppression and conflicts as obstacles for sustainable development. The new strategy also reflects strongly the closeness of the EU Africa policies and Sweden’s Africa policy. The Joint Africa-EU strategy and Sweden’s global development policy are central for Sweden’s Africa strategy (Govt Comm 2007/08:67, p. 1f). The aim of the strategy is to support peace, security, democracy and development. Sweden’s policies should always benefit both Swedish and global interests. Free trade policy is a cornerstone of the foreign and trade policies. (ibid, p.21) Trade distorting subsidies, including export subsidies in the EU are obstacles for Africa’s development. Sweden is engaged in promoting free trade agreements and on the EU level pro-development EPA agreements (ibid, p.31). Security policy, aid policy and trade policies are seen as integral and mutually reinforcing. The Government’s three thematic priorities in its development cooperation programme – democracy and human rights, environment and climate and the promotion of gender equality and the role of women in development are all reflected in the new African policy. (ibid, 64) The aims of the Swedish cooperation with Africa are (Govt Comm 2007/08:67, p. 62f):

1. to support African countries and citizens in their pursuit of peace, democracy and respect for human rights, and of economically, socially and environmentally sustainable development
2. to help Africa play a full and active part in global political and economic cooperation on common challenges
3. to broaden the contact interface between Sweden and Africa and promote both Swedish and African interests.

Aid is seen as only one part of Government’s commitment to peace, global development and poverty reduction. The political commitment and also that of private actors are important. A close dialogue on all levels, including bilateral and multilateral political dialogue between governments, political parties and parliaments, society, business community, NGOs, researcher community and cultural sector is essential (ibid, p. 24). Democracy, human rights and the rule of law are basic principles and criteria for Swedish development cooperation with African countries (ibid, p. 43).

The donors have to work for clearer division of roles between donors, especially inside the EU. To guarantee more efficient aid Sweden will target fewer countries and sectors in which Sweden enjoys a comparative advantage compared with other donors. One important objective of Sweden’s development aid policy is therefore the coordination of its efforts with those of other donors in accordance with the Paris Declaration on Aid Effectiveness with a clear role of ownership on the recipient side (ibid, p. 23).

The principle of shared responsibility is important for the relations between Sweden and Africa. Sweden has a supportive role inside Africa and on an international level the responsibility for Sweden and other developed countries is to provide fair conditions, especially in trade. The principal responsibility for growth and development inside this setting lies with the African countries themselves (ibid, p. 29).

The Swedish Africa policy is framed and implemented in accordance with the UN Convention on Climate Change, the UN Development Goals and the EU Africa policy (Govt Comm. 2007/08:67, p. 23). These international frameworks, especially the EU policy, are not only guidelines, but are also being evolved in processes where Sweden is involved. Sweden has therefore the possibility to bring its own points onto the agenda. This is strengthened by informal alliances, such as the “like-minded countries” which together try to promote shared principles in the field of development cooperation.

**Developing partnership in an international context**

Partnership between Sweden and Africa cannot only be seen in a bilateral context. All parties
concerned are part of a larger international context, which has in the era of globalisation become increasingly important over the years. The UN plays a crucial role in African affairs and as a consequence of Sweden’s distinct multilateral profile – in common with the other Nordic countries – the UN has in the past and will in the future play an important role in the relations between Sweden and Africa. This relationship will therefore also in the future go via helping and enhancing confidence in the UN and its purposes and activities. One way of doing so is to help place on the UN agenda issues of African interest.

The European Union is an important partner in many policy areas between Europe and Africa. Europe is Africa’s neighbour continent and the biggest trading partner. The share of the fifteen members of the DAC that are also EU members accounted for 57% of total net ODA. A large share of that assistance goes to Africa and especially to SSA. The relationship between the European Union and Africa is a complex one. Trade, aid, migration and security issues are some of the main policy areas in that relationship. The colonial past is still influencing the relationship between Europe and Africa. The agreements and treaties between EU and African states reflect the colonial history. The key agreement for the relationship between Europe and the ACP-countries (Africa, the Pacific and the Caribbean) is the Cotonou Partnership agreement. This agreement followed the Yaoundé and the Lomé Conventions, which had determined Europe’s relations with some of the former colonies and define different aspects of the relationship between the European Union and the ACP countries. The relationships with Northern Africa are regulated in the Euro-Mediterranean Partnership and also with South Africa exists a complementary agreement.

Swedish membership in the EU opens up for major opportunities to act together with other European countries. It allows Sweden to influence policies more than before by giving Sweden a possibility to contribute actively to the debate within EU on future relations with the countries of Africa. The Swedish Government has repeatedly stressed this fact and made reference in a number of documents to issues which should be high on the Swedish agenda for inclusion in the political guidelines of the EU (Govt Com. 2002/03:122, Govt. Com. 2007/08:89). Many issues, such as e.g. greater coherence between different policy areas, become much more efficient when they are implemented by EU rather than on bilateral basis. However it also limits to a large extent Sweden’s possibilities to act bilaterally on African issues. EU thus sets rules in many areas, such as on trade and agricultural policy.

The new Africa-EU strategic partnership follows on from the 2005 EU Strategy for Africa, with its objective of more coherent and effective aid from the EU and from individual member countries. Its purpose was to give the EU, as a whole, a comprehensive, integrated and long-term framework for its relations with the African continent.

The EU-Africa summit, held in December 2007 in Lisbon, cemented the new Africa-EU strategic partnership.

The Joint Africa-EU Strategy provides an overarching long-term framework for Africa-EU relations, while its first action plan specifies concrete proposals for 2008-2010, structured along 8 Africa-EU strategic partnerships.

Together with the political Lisbon Declaration, the action plan defines the framework for the Africa-EU strategic partnership, designed to guide EU-Africa dialogue and cooperation in the coming few years, in line with the principles of African ownership, co-management and co-responsibility.

One of the main objectives of the EU relations with Africa is to promote the achievement of the UN Millennium Development Goals (MDGs) in Africa. This objective is strengthened and complemented by the specific objectives pursued within the Cotonou Agreement, the Trade Development and Cooperation Agreement (TDCA), the Euro-Mediterranean partnership, and the European neighbourhood policy, including the support to political reform and economic modernisation.

It is in this light that we must take note of the work within the European Union and not least the EU Commission to develop a common policy within EU, and later jointly with the African Union (AU), relating to the Commission’s and the member states’ relations with Africa. The Strategy is a result of the so called Cairo proc-
Swedish and EU Africa policies

The summit in Cairo 2000 was the starting point for a new intensive dialogue between EU and Africa. A new plan with the following focus was evolved: (1) regional integration in Africa; (2) integration of Africa in the world economy; (3) promoting human rights, democratic principles and good governance; (4) peace building, conflict prevention, management and resolution; (5) sustainable development, poverty eradication, health, environment, food security, trafficking and culture.

The work on this plan was intensified during the period of UK chairmanship of the EU Council during the second half of 2005 following the initiatives taken by the UK at that period of time culminating in the African Commission Report in mid 2005. The EU Commission did most of the work but the initiative was in the end taken over by the European Council under the leadership of UK. Sweden had however a large influence in the process and the outcome did correspond to a major extent to the earlier Swedish policy. The “EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa’s development” was approved by the member states in December 2005 (EU 2005). The key priorities were those stipulated at the Cairo summit, in addition to issues like the fight against terrorism and migration. Coordination and complementarities between EU and member states and coherence between policy areas were important points (ECDPM, 2006).

The EU Strategy for Africa, 2005, expresses a need to address Africa as one entity and that Europe’s relationship with Africa was to be governed by the basic principles of equality, ownership and partnership. The principal objective of the EU strategy was to promote the achievement of the Millennium Development Goals (MDGs) in Africa and the purpose for action was to work in ‘partnership’ with African nations (EU Commission, 2005). EU’s partnership with the ACP (Africa-Caribbean-Pacific) countries is, as stated above, a comprehensive 20-year global agreement: the Cotonou Agreement. The Agreement is based on 5 “interdependent pillars” namely (i) enhanced political dimension through deepened political dialogue (ii) increased participation by promoting the involvement of the civil society and non-governmental actors (iii) strengthened focus on poverty reduction through development cooperation strategies (iv) improved financial cooperation through coherence and better coordination of financial assistance and finally (v) new economic and trade partnerships that will provide a new framework for cooperation in trade and pursue trade liberalisation. The EU strategy relates to these points and emphasises that the success of a partnership between Europe and Africa depends on its ability “to cement the bonds between the two continents beyond formal political and economic interaction” (EU Commission, 2005).

A joint African-EU strategy

Immediately upon the finalization of the EU-Africa strategy criticism was raised on the lack of African ownership of the strategy and that it had come into being after very little consultation with Africa itself. The voices were many and quite vocal particularly from the European NGO-community. A process was therefore started under the leadership of Germany during the period of German chairmanship of the EU to prepare for a joint European-African strategy. Being the counterpart of the EU, the AU agreed to represent Africa. The process was started and compared with many similar processes it became quite inclusive. Texts were sent for discussion to a rather large group of organisations and a web site was opened by ECDPM on behalf of EU and AU for information and discussion. The question of ownership of the final product can of course still be discussed in both continents and in particular in Africa.

In December 2007 the Joint African-EU strategy was decided upon at the second Africa-EU Summit that took place in Lisbon. The joint strategy is a long-term framework and will be implemented through short-term Action Plans and enhanced political dialogue. The Joint Strategy is quite an impressive effort in itself bringing together 80 countries in Europe and in Africa in an overall forward looking framework. It focuses on a stronger collaboration between on the one hand EU and its member states and AU, the regional actors in Africa and its member states on the other. The AU as an intergovernmental organisation with 53 members is an important factor in the relations between EU and Africa. The AU was founded in 2002 as successor to the

— 81 —
The Organisation of African Unity (OAU) and has become a recognised voice for the continent, an important premise to strengthen the influence of Africa on an international level.

The new Joint Strategy provides an overarching long-term framework for Africa-EU relations that will be implemented through short term action plans. The aim of this strategy is to strengthen the political partnership and enhance cooperation on all levels. The interdependence between Africa and Europe, a strengthened political dialogue, ownership, joint responsibility, respect for human rights, democratic values, the rule of law, the right to development and the commitment to enhance coherence and effectiveness are the principles of the agreement (Africa-EU Strategy 2007, p. 2). Main objectives are: (1) reinforce and elevate the Africa-EU political partnership; (2) strengthen and promote peace, security, democratic governance and human rights, fundamental freedoms, gender equality, sustainable economic development, ensure that the MDGs are met; (3) jointly promote and sustain a system of effective multilateralism, to address global challenges and common concerns; (4) facilitate and promote a broad-based and wide ranging people-centred partnership, such as empowering non-state actors like civil society groups (Africa-EU Strategy 2007, p.2-3).

The strategic priorities in the long term relationship are (Africa-EU Strategy 2007):

1. Peace and security: Promoting a safer world:
The focus is on the promotion of peace, security and Stability in Africa and Europe. Europe and Africa recognise the importance of African ownership to promote peace on the African continent. The AU and its African Peace and Security Architecture are supported to strengthen even more the capacities of the AU in conflict prevention, conflict management, conflict resolution and long-term peace building. Also the role of civil society and especially of women should be promoted. Another major point is the Common and Global Peace and Security Challenges, which refer to issues such as trans-national organised crime, international terrorism, mercenary activities, human and drugs trafficking, illicit trade in natural resources but also illicit proliferation and accumulation and trafficking of small arms and light weapons. The exchange of information, law enforcement and institutional capacity building are the main vehicle to fulfil this point (ibid., p. 4f).

2. Governance and human rights: Upholding our values and principles: The promotion of democratic governance and human rights are main features of the Africa-EU dialogue and partnership. The concepts of human rights, children’s rights, gender equality, democratic principles, the rule of law, local governance, and the management of natural resources, the transparent and accountable management, and fight against corruption are some of the main points. Weaknesses in this area should be addressed in a dialogue to find common understanding and agreeing. Another important issue is the cooperation between Africa and the EU on democratic governance. Also in this field the role of the AU and its instruments, the African Peer Review Mechanism (APRM) is supported. African ownership of program design and implementation with strategically and political EU-level involvement is the ideal type of cooperation (ibid., p. 7f).

3. Trade and regional integration: Raising potential and using opportunities: Key issues are the improvement of economic governance and the investment climate, the development of domestic markets and regional integration, improving the productive capacities and diversification of the economy. These are all important prerequisites for economic strength, integration into the global market and less dependency on aid. The private sector development supported by foreign investments, the development and strengthening of physical infrastructure networks related services and the trade integration on both South-South and North-South levels are seen as crucial factors. The responsibility lies on one hand on the African countries to provide macroeconomic stability and to promote regulating institutions and laws that are essential for a functioning market economy. Also the cooperation of the private sector is seen as essential. The EU and Africa will work together to make trade rules
and regimes more coherent and harmonised. Improving African standards, diminution of non-tariff barriers to trade and especially the reduction of trade distorting subsidies are seen as essential to promote market access for African goods to international markets. It is stated that the Economic Partnership Agreements between EU and African States (EPA) process has to be supportive for Africa’s regional and continental integration (ibid., p. 9f).

4. Key development issues: Accelerating progress towards the MDGs: The main challenge for the EU’s development cooperation policy is to support Africa’s efforts to achieve the MDGs. The EU reaffirms its target to individually achieve 0.51 % ODA/GNI by 2010 for those member states that joined the EU before 2002, an intermediate step towards the UN target of 0.7 % by 2015. The Paris Declaration of Aid Efficiency, the limitation of conditionality towards result-oriented aid and the enhancement of policy coherence are seen as central to optimise the effects of development co-operation.

The Joint Strategy also provides a framework for the institutional architecture and implementation of the strategies. The partnership is built on a large number of institutional and non-institutional actors in Africa and the EU at regional, national and local level. The AU and the EU play the main roles. The responsibility is shared between the actors. Regular Africa-EU Summits, meetings between the heads of the states and governments, are provided for. The dialogue and the partnership are institutionalised between different political actors. Every three years a new Action Plan with priority actions is to be implemented.

The first Action Plan covers the period from 2008 – 2010 and was signed together with the joint Strategy at the Africa-EU Summit in Lisbon in December 2007. Consisting of 8 partnerships, the Action Plan is the main operational agenda for Africa-EU cooperation until the next Summit, which will be held in Africa in 2010.

The 8 Africa-EU partnerships agreed upon by the two parties are on:

- Peace and Security
- Democratic Governance and Human Rights
- Trade and Regional Integration
- The Millennium Development Goals
- Energy
- Climate Change
- Migration, Mobility and Employment
- Science, Information Society and Space

It was agreed in Lisbon that in order to make the collaboration implementable and to show visible progress the European Commission, the Secretariat of the Council and the African Union Commission (AUC) would each year submit a progress report on the implementation of the Joint Strategy and the Action Plan. The EU Commission thus presented its first Communication to the Council and the European Parliament “One year after Lisbon: The Africa-EU partnership at work” in October 2008. This report points at the work done so far and what has so far not been done. It stresses the importance of addressing Africa as less of a “development issue” and more going beyond development. It further stresses that the partnership should increasingly involve a wider spectrum of non-traditional actors from civil society, the private sector and academia (EC, 2008).

In November 2008 the Ministerial Troika Meeting between Africa and EU took place in Addis Ababa and a joint progress report was agreed. Most important however are increased commitments outside the EU and AU Commissions themselves both in Europe but even more so in Africa. What is now immediately required if the process is going to proceed is appointments on both sides of representatives in the working groups of all the eight partnerships as well as ensuring other actors such as parliaments and civil society get involved. Finally to implement these strategies both sides, the AU and the EU, have to provide and secure appropriate funding. Existing financial instruments such as the European Development fund (EDF), the Development Cooperation Instrument (DCI), the European Neighbourhood Policy Instruments (ENPIs) and other financial sources like those of the European Investment Bank are used for this purpose. Whenever possible the African financial instruments and AU member states should also make their contribution (Africa-EU Strategy 2007, p. 19f).
However the problems to overcome in order to reach the objectives of the agreements are immense. Most of the objectives are long-term in nature and require humility and severance. Many other more short-term or medium-term objectives have also to be fulfilled, be it security threats, fight against terrorism, global warming, migration etc.

A case in point is the EPA negotiations. EU and most of their member states used strong pressures rather than dialogue in coming to an agreement on the new EPAs, a process which has been criticized for lacking ownership and to a certain extent having negative effects on the development of APC countries (Bilal, 2006, Labour Resource, 2008, Goodison, 2009 and Bilal and Stevens, 2009).

Comparing EU and Swedish Africa policies

*Marching in step: Sweden – EU*

Comparing the new Swedish Africa policy with the Joint Africa-EU Strategy we can find many similarities. Sweden’s new Africa policy refers in the central areas to the Joint Africa-EU Strategy. The Swedish Africa Policy underscores African ownership, mutuality and enhancing Africa as an actor on the global arena. Sweden and the EU share many underlying values such as partnership, equality, coherence, efficiency and shared responsibility. Also on a thematic level the similarities are many: awareness of interdependency, achieving the MDGs, enhancing dialogue on all levels and increasing Africa’s ownership in conflict management and conflict prevention. Other similarities can be found in the engagement for enhancing the role of women, promotion of democracy, sustainable environmental development, health care, education, migration. Also the economic strategies towards Africa are similar: ensure that EPA process promotes development, regional integration strengthens Africa’s capacities, combat corruption, promote agriculture sector, reduce protectionism and promote energy partnership.

These similarities are self-evident. Sweden as part of the European Union is also subjected to the EU policies in some of the policy areas. On the other hand EU is a platform for Sweden to promote its own policies. Another reason why both strategies are so similar is because both Sweden and the EU committed themselves to work in line with international agreements such as the MDGs and the Paris Declaration. The moment of truth comes when the central platforms are implemented in specific countries, in particular in the framework of a Joint Assistance Strategy (JAS).

Differences between the two strategies do however also exist. The first and major one is of course the fact that the new EU strategy is a joint strategy that was developed together with delegates from both sides, Africa and EU. That leads to the assumption that Africa, or rather the AU, has adopted a degree of ownership in negotiating and agreeing on the principles. Another important difference is that the Swedish Africa strategy is focused mainly on SSA, in contrast to the Joint Strategy that is focused on Africa as a whole.

Other differences can be found in the strength of the focus on different issues. The Swedish strategy stresses Sweden’s role in pressuring for more coherence and fair trade in the European trade policy, especially in eliminating export subsidies. Sweden is one of the EU member states that have no big advantages from the agrarian policy of the EU and calls for free trade. Sweden as one of the “like-minded” states has a leading position compared with other member states when it comes to free and fair trade, human rights, democracy, ownership and also policy coherence. The commitments made on the EU level are important, but often do not find their way down to the member states and are often put into practice with less political commitment. The decision making process in the EU is more complicated than in Sweden, more and diverging interests have to be taken into account. That is why we have to look carefully at the implementation of both strategies.

*Strengths, challenges and weaknesses*

The new Africa strategies have their strengths and weaknesses and especially have to face the challenging tasks of an adequate implementation. “Setting goals for development policy is a much easier task than agreeing on the actual means of achieving them” (NAI 2007, p.1). The
positive side is that there has been a rethinking of the donor-recipient relationship. The developing countries’ perspective is today central as compared to the 1980s and 1990s. Especially the international framework is clearer and the political commitment seems stronger. The enhanced dialogue between donors and recipients is a precondition for a better understanding and joint solutions. The Joint Strategy between Africa and the EU is the first of its kind. Africa has become a more equal partner in dialogue especially through the new or stronger intergovernmental and regional actors such as the AU and NEPAD. Many countries are however less influenced by this new trend. One reason could be the growing engagements of new actors on the continent, such as China, Brazil and India that give countries the possibility to choose and pressure the traditional partners such as Europe to rethink their relations with Africa. Another reason is the reluctance of a number of big bilateral donors such as the USA and Japan to follow the principles of the Paris Declaration.

Today all the donors agree on principles such as coherence, partnership and ownership and commit themselves to work toward the MDGs and the Paris Declaration of Aid Efficiency. But political commitment is not enough. The comprehensive policies cover a wide range of good intentions and wide reaching goals, but what counts is the implementation of these policies. There are still many obstacles in implementing the policies.

Lack of coherence?
More coherence between different policies is one of the important goals in both the Joint EU African Strategy and the Swedish African policy. Coherence policy means “taking account of the needs and interests of developing countries in the evolution of the global economy. It involves the systematic promotion of mutually reinforcing policy actions across government departments and agencies creating synergies towards achieving the agreed objectives. Policy incoherencies are actions that reduce growth prospects in developing countries and undermine aid policies” (OECD 2003, p 2). The principle of coherence is not a new one; it was already included in the Maastricht Treaty in 1992 as one of the three Cs: coordination, complementarity and coherence (ECDPM/ICEI 2006, p. 8).

To achieve sustainable development it is important to achieve coherence at all levels. Five different coherence areas can be distinguished (see page 22 above).

To promote policy coherence there are three specific mechanisms (Odén and Lundquist 2007, p.3): (1) strong political commitment; (2) institutional coordination, through an adequate institutional architecture, transparency and flexibility; (3) adequate analytical capacity and effective systems for generating, transmitting and processing relevant information.

EU policy coherence
In the European Union the political commitment for a better coherence has been growing in recent years. These commitments were confirmed at the highest political level in the European Consensus on Development, signed in December 2005 by the Presidents of the European Council, the Parliament and the Commission. The EU agreed to apply the Policy Coherence for Development approach in 12 policy areas to accelerate the progress towards the UN’s millennium development goals. The aim of the concept of Policy Coherence for Development (PCD) is to build synergies between policies and development objectives. The PCD provides mechanisms for the promotion of policy coherence mentioned above (EC 2007, 25f).

The “EU Report on Policy Coherence for Development 2007 /PCD)” clarifies that the EU is still at an early stage of PCD development and that the capacity is often lacking and awareness amongst non-development departments remains low. Main obstacles are the conflicting political priorities amongst policies and the different interests amongst Member States as well as amongst developing countries. Awareness and knowledge remain insufficient. The involvement of actors beyond the development community is still limited, both within the institutions and within civil society and the private sector (ibid, 12f).

The PCD was not only created to promote coherence between EU policies, but also to enhance coordination in the member states. The
commitments and actions differ a lot between the different member states. There are countries without PCD coordination mechanisms altogether, countries with a PCD coordination mechanism across government and countries, such as Sweden, that have adopted a ‘whole of government’ approach to policy coherence for development (ibid, 27f).

Referring to the different areas of coherence it can be said that the internal coherence is at a good level. The departments for development are aware of the importance of coherence. The intergovernmental coherence between the different policy areas is as mentioned before improving but still on an unsatisfactory level. The EU, as an intergovernmental organisation, has also an important role in promoting intergovernmental coherence and multilateral coherence. But when we look at the priority fields for coherence of different multilateral and bilateral actors we can see that the priorities still differ between international, regional and national levels. The EU is also aware of the importance of the donor-recipient coherence. The impact of the South is still lacking. In the EU, Swedish and DAC policies the South is taken into account, but the real impact is low (Odén and Lundquist 2007, p.20). After the inclusion of PCD in the new Joint EU-Africa Strategy, involvement of the recipient countries is getting stronger. A PCD section is now included in a large majority (four out of five) of CSPs, especially related to trade (EC 2007, 42).

Swedish policy coherence

Jointly with the presentation of the new Swedish Africa Strategy in March 2008 a follow up report on the Swedish policy for Global Development was presented (Govt. Com. 2007/08:89). The two reports both presented to the parliament, and fully endorsed after a very positive debate, overlap and refer to each other and should therefore be seen together.

Sweden is one of the few countries with a “whole government” approach. The recent follow-up paper of the policy of global development announces a new departure in Sweden’s policy for global development. It includes concrete measures in which coherence and cooperation can strengthen Sweden’s overall contribution to eq-uitable and sustainable global development. The main purpose of the communication is “to lay the groundwork for a highly focused development policy aimed at strengthening the developmental affects generated by different policy areas” (Gov. Com. 2007/08:89, p. 6). Yet the PGD has so far failed to live up to expectations. Implementation of the coherence policy has been found to be deficient in some respects, especially due to the lack of political ownership of the policy, poor understanding of what it involves in practice and the absence of strategies for policy implementation (ibid, p.9). The new communication shows that the government is aware of the importance but also of the difficulties and challenges that are linked to the implementation.

The new communication also responds to the criticism in the performance and outcome reports. To ensure clearer and coherent management and scope for performance follow-up, objectives have been drawn up for 18 focus areas and the government is also developing policy implementation targets in areas such as task areas and the government is aware of the importance of the donor-recipient coherence. The impact of the South is still lacking. In the EU, Swedish and DAC policies the South is taken into account, but the real impact is low (Odén and Lundquist 2007, p.20). After the inclusion of PCD in the new Joint EU-Africa Strategy, involvement of the recipient countries is getting stronger. A PCD section is now included in a large majority (four out of five) of CSPs, especially related to trade (EC 2007, 42).

A successful outcome requires close cooperation and coherence across policy areas. In each of the 18 focus areas objectives are defined and the government states what the intentions are to contribute to the achievement of the objectives (ibid, p.51).

The stronger focus on the policy implementation is commendable. The objectives in each of the 18 focus areas should help to create the necessary conditions for shared responsibility and coherent action with regard to the policy implementation. “Their aim is to give greater impetus to focused, concrete implementation of Sweden’s policy coherence policy” (ibid, p. 52). To ensure the successful implementation of the PGD a results-oriented approach within the Government, the government offices and relevant agencies is needed. The policy mentions specific tools for making a policy impact assessment, such as consultant groups and underlines the importance of broadening the knowledge about PGD in every policy area. In addition political ownership is seen as crucial to achieve a more effective policy
Also the cooperation with other actors, especially the EU is important.

The “implementation of the policy for global development is the collective responsibility of the Swedish Government. Each policy area is responsible for its contribution to the policy’s overall goal of contributing to equitable and sustainable global development” (ibid, 53). The policy of global development must serve as a guide in formulating and implementing different policy areas (ibid).

The recent follow-up provides implementation objectives in four different areas (Government Com. 2007/08:89, p.53f): (1) Management, organization and follow up; (2) Knowledge and analysis in Government offices; (3) Cooperation with Swedish actors; (4) The EU. The intentions of the Swedish government provide, if implemented accurately, a comprehensive framework to enhance coherence between the different policy areas. But there are still many challenges left. First the intentions have to be put into effect. The result based management system, a manual for assessing impacts and also the policy implementation targets are still under development. It is also important to consider how difficult it is to solve conflicts of objectives (ibid).

Some degree of incoherence will always exist. In the follow up the government has again committed itself to strengthen coherence but it will face the biggest challenge when the result based management system, the manual for assessing impacts and also the policy implementation targets are introduced. Then the different ministries and agencies have to show, how strong the commitment to, and especially the ability to work for, more coherence is in reality and also if they really see the sustainable development as a shared responsibility.

The new Swedish Africa policy follows the recommendations from the Policy for Global Development and stresses the importance of other policy areas as much as development cooperation.

**Donor conditionality, recipients ownership and partnership**

Both new Africa strategies express a strong commitment towards ownership, as a key principle for sustainable development policies and a commitment towards the Paris Declaration of Aid Efficiency. The declaration defines ownership as partner countries exercising “effective leadership over their development policies, and strategies and co-ordinated development actions” (Paris Declaration 2005, p. 3). Ownership is needed for sustainable development, but there are difficulties in the realisation of ownership that have to be taken into account. One is the effect of conditionality on the ownership. There are three main types of conditionality (OECD, 2007, p. 2f):

1. **Policy-based conditionality:** is the most heavily criticised form of conditionality. The number of explicit economic policy conditions in aid agreements has declined in recent years, but other conditions such as protection of human rights and good governance took over their place.

2. **Process based conditionality:** is considered more legitimate, but there is considerable doubt about its effectiveness. Some argue that it leads to a box-ticking approach to participation.

3. **Performance based conditionality:** tying the disbursement of aid to the achievement of results or outcomes. Recipient countries have a high degree of freedom in choosing policies and process. It is important to look at the surrounding factors under which the recipient countries achieved the results.

One reason why countries, even those with a low level of aid dependence, accept the strong influence of the donor is the knowledge imbalance (ibid, p. 5). Another important question is to what extent non-state actors are engaged in the drafting, implementation and monitoring of policies.

**Partnership and ownership in Sweden’s Africa strategy of 1998**

In Sweden the concepts of ownership and partnership were central in the first African strategy of 1998. The aim of the policy was to develop a closer co-operation, on more equal terms. A partnership on the basis of shared values and mutual trust is seen as the right way to enhance
equality in the relationship with Africa, even if the inequalities in the aid relationship cannot be eliminated all at once. The dimension of the partnership includes all sectors and all levels of actors. The methods of the partnership are (Govt. Com. 1997/98:122, p.82f): 1) African leadership and ownership; 2) improved local backing and participation; 3) improved coordination, preferably under the recipient countries’ own management; 4) well-developed sectoral and budget support; 5) simplified procedures such as reporting systems; 6) contractual clarity and transparency; 7) increased coherence between different areas of policy; 8) management by objectives instead of conditionality; 9) extraordinary dept-relief inputs for certain countries.

Even if the partnership is designed to enhance equality in the relationship between donor and recipient, it is never a partnership without conditionality. Conditions are imposed to safeguard stability, development, and effective utilisation of resources. It is important that donor countries support knowledge transfer and institutional building of the recipient countries, because ownership is seen as crucial for sustainable development (ibid, p.85).

Ownership and partnership in the new Africa strategies
The concept of the genuine partnership, described in the old Swedish Africa policy of 1998, is today a main principle in the new Swedish Africa Strategy and a similar concept can also be found in the Joint-Strategy. Since 1998 a lot has changed and many of the principles postulated in the first Swedish Africa strategy are today agreed upon by the international community on an international basis (i.e. MDGs and Paris Declaration). Both new Africa policies make commitments to strengthen ownership and equality in the partnership.

Power relations in development cooperation are often in favour of donor countries: inequality in financial power, political power and different access to information characterise the aid relationship. Donors and recipient countries have to be aware of the asymmetry in the donor-recipient relationship. All three types of conditionality discussed above are present to some extent in most of the aid relationships. If the conditionality is too strong it reinforces a traditional asymmetric relationship. Also weaker national accountability often results in donors’ attempts to tighten the requirements on control mechanisms or disengage from countries with insufficient conditions, even if such countries need more help not less. (Lopes 2003, p.49).

Both the EU and Sweden are aware of this asymmetry in the power relations between donor and recipient. That is why both commit themselves to promote the principle of a genuine partnership. Partnership should be a stronger and redefined partnership. The aim of the Joint Strategy is to strengthen the political partnership and in-depth cooperation on all areas. Shared values were defined after an intensive political dialogue. And both sides accept the shared responsibility. The goal is “to built a new strategic political partnership for the future, overcoming the traditional donor recipient relationship and building on common values and goals in our pursuit of peace and stability, democracy, rule of law, progress and development” (Africa-EU Strategy 2007, p.1).

“Sweden’s development aid policy, coordinated with those of other donors in accordance with the Paris Declaration on Aid Effectiveness, is implemented with a clear emphasis on African ownership” (Govt Comm. 2007/08:67, p. 23). The aim of the new Africa Strategy is to support Africa’s efforts in capacity building in different areas and support Africa’s efforts towards self-determination. The intense dialogue on all levels and shared responsibility are central in Sweden’s development cooperation (ibid, 23f). Also the Joint Africa Strategy states that Africa and EU will try to strengthen their cooperation in the implementation of the Paris Declaration on aid effectiveness. A strengthened dialogue, joint responsibility and ownership are crucial for the partnership (Africa-EU Strategy 2007, p.12).

The basic principles, such as democracy, human rights, rule of law, gender equality and environmental issues are also criteria for Swedish development cooperation in Africa and key components of Swedish security policy, trade policy and political dialogue with each country (Govt Comm. 2007/08:67, p.43). We can find
corresponding principles in the Joint-Strategy.

There are on the one hand the strong commitments from Sweden and the EU towards ownership, but on the other conditionalities of different kinds do still prevail in the development cooperation relationship. Key in both policies is the emphasis on joint or shared values as a common ground for all types of dialogue, interaction and cooperation. Any deviation from these joint values could of course affect the partnership. A strong dialogue, can help to overcome the gap between these different ways of how to relate to each other. Both strategies have a focus on the supporting role of developed countries. Developing and developed countries have a shared responsibility, but the primary responsibility for development lies in the developing countries (Govt Comm. 2007/08:67, p. 2). “Africa’s effort and leadership to create conducive conditions for sustainable social and economic development and the effective implementation of partner-supported development programs” is fully supported (Africa-EU Strategy 2007, p.3).

Development cooperation without some basic conditionality cannot exist and the manner in which a dialogue is carried out and the kind of partnership determine if there is a negative impact on the recipient’s country ownership. If a recipient country cannot guarantee that basic principles are being adhered to, donors cannot enter or have to leave bilateral development cooperation relations. In that case, the Swedish government and also the EU can apply alternative measures, especially through international and local NGOs. Shared values, especially the respect for human rights are a prerequisite for a genuine partnership, therefore they can be seen also as conditionality. But if a consensus is reached in a dialogue between genuine partners we can also speak of shared values, as long as it goes beyond the rhetorical level. Shared values, shared responsibility and conditions agreed by both parties can strengthen not only the partnership but also the ownership of the recipient country. It is the kind of partnership and the kind of dialogue that determines if conditions have a negative impact on ownership.

Another challenge is that a government could own the development program to a high degree, but on a local level the ownership can still be weak (Edgren 2003, p.29). Civil society organisations play a central role in the process towards the realisation of “ownership”. The Paris Declaration has its focus on intergovernmental relationships and “ownership” at a national level, not on a “democratic ownership” on a more local level, with strong involvement of the civil society (OECD, 2007, p.4-7). The Joint Strategy is a strategy between two intergovernmental organisations. Even if they commit themselves to strengthen the partnership and dialogue, the question arises how strong the commitments are at the country or local level.

Conclusion

The new Africa strategies of the EU and Sweden provide comprehensive frameworks to deal with the challenges in Africa. The main principles and issues are almost identical in both strategies and are reflecting the agreements made in recent years by the international community such as the MDGs and the Paris Declaration. It is important to see the two strategies together and to make the most of the synergy effects between them. Many challenges are still not overcome. There is still a lack of coherence between different policy areas and also the question of ownership still leaves a lot of unresolved issues.

Most important is now how the two strategies are implemented in practice. Firstly and most importantly is to broaden the participation on both sides from the intergovernmental and governmental levels to a larger group of actors in both continents. The ownership particularly in Africa is still very weak. Secondly the partnerships agreed upon in the Joint Strategy now have to be discussed in working groups between the appropriate representatives of AU and EU so that when the follow up comes in 2010 some concrete proposals for action are ready to be implemented. All this requires political will and interest in the process, something which still seems to be a very rare commodity. However, the mere fact that Africa and the EU now have a structure for dialogue and cooperation, as well as permanent representation from the AU in Brussels and from the EU in Addis Ababa is clearly a new development and
an expression of sincere intentions.

Concern regarding lack of focus can be raised towards the Swedish Africa strategy. It may however provide a clearer picture of the direction of the future Swedish PGU policy and in particular indicate to the African cooperating partners on what issues they have to prepare themselves in order to constructively dialogue with Sweden and its representatives.

The Joint Africa-EU strategy gives hope that the donor-recipient relationship is turning to a more equal partnership with a change of the power relations. But as stated above, at the same time as the Lisbon Summit was in session, the EU and most of their member states used strong pressures rather than dialogue in coming to an agreement on the new EPAs, a process which has been criticized for lacking ownership and to a certain extent having negative effects on the development of APC countries (Bilal, 2006, Labour Resource & Research Institute 2008 and Goodison 2009). Also the slow response to the commitments for new funding by the EU member states is a disturbing factor. The process however also points to a positive point: we can observe that African countries are today less willing to subordinate themselves under the policy of the developed world. This can also be interpreted as a change in power relations, even if it is only a small one. At the same time, it also has to be noted that the African commitment to shared values as stipulated in the joint strategy and, even more importantly, in charters and principles that the African countries have agreed upon within the framework of the AU, SADC, ECOWAS, EAC etc continues to be seriously violated.

Africa today is far from reaching the MDGs. But both strategies, if they are implemented carefully could make a difference in the development of the continent. It is important that coherences are strengthened by trade distorting subsidies being abolished and that the capacities of the developing countries are strengthened in order that they can assume their responsibility for their own development.

References
Bilal, S., 2006. EPAs: Fostering regional integration? ECDPM
ECDPM, 2006. The EU-Africa Partnership in Historical Perspective, Maastricht


Abbreviations and acronyms

AAA Accra Agenda for Action
ACP Africa-Caribbean-Pacific
AIDS Acquired Immunodeficiency Syndrome
CSO Civil Society Organisation
DAC Development Assistance Committee of OECD
EPA Economic Partnership Agreements
EU European Union
G-8 (20) The group of the eight (twenty) most powerful countries in the world
GCAP Global Call to Action Against Poverty
GNP Gross National Product, the value of all goods and services produced by all national production factors.
HDR Human Development Report, annual analytical report from UNDP
HIPC Highly Indebted Poor Country
HIV Human Immunodeficiency Virus
IFI International Financial Institution
ILO International Labour Organisation
IPC International Poverty Centre, from 2008 renamed as IPC-IG
IPCPGC International Policy Centre for Inclusive Growth
IMF International Monetary Fund
MDGs UN Millennium Development Goals
MFA (Swedish) Ministry for Foreign Affairs
NGO Non-Governmental Organisation
NEPAD New Partnership for Africa’s Development
OAU Organization of African Unity
ODA Official Development Assistance, as defined by DAC
OECD Organisation for Economic Co-operation and Development
OECD/DAC Development Assistance Committee of the OECD
OPPG Operationalizing Pro-Poor Growth, a joint donor agency research programme
PCD Policy Coherence for Development
POVNET The DAC Network on Poverty Reduction
PEGR Poverty Equivalent Growth Rate
PGD Sweden’s Policy for Global Development
PRS(P) Poverty Reduction Strategy (Paper)
RPPG Rate of Pro-Poor Growth
SADEV Swedish Agency for Development Evaluation
SAP Structural Adjustment Programme
SIDA Swedish International Development Cooperation Agency
TDCA Trade, Development and Cooperation Agreement
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN</td>
<td>The United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNRISD</td>
<td>United Nations Research Institute for Social Development</td>
</tr>
<tr>
<td>WDR</td>
<td>World Development Report, annual analytical report from the World Bank</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>