Peer Review

MAIN ISSUES FOR THE REVIEW OF THE DEVELOPMENT CO-OPERATION POLICIES AND PROGRAMMES OF SWITZERLAND

(Note by the Secretariat)

This addendum to the main report [DCD/DAC/AR(2000)2/19] has been drawn up in consultation with the Delegations of FRANCE and THE NETHERLANDS, which have been designated as examiners and will be used as a basis for discussion at the meeting of the review of SWITZERLAND, scheduled for 17 October 2000.

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MAIN QUESTIONS FOR THE REVIEW OF THE DEVELOPMENT CO-OPERATION POLICIES AND PROGRAMMES OF SWITZERLAND

I. The overall framework for development assistance policy

a) The volume of official development assistance (ODA)

Switzerland does not subscribe to the United Nations target of 0.7% of gross national product (GNP), but has set itself an ODA target of 0.4% of GNP, which it is not however close to achieving at the present rate of ODA growth. What follow-up is to be given to the recent Parliamentary motion that the 0.4% target should be reached by 2011, which would mean an increase in ODA of Swiss franc (CHF) 80 million per year? Do the Swiss authorities think that this target could be attained sooner, especially given today’s very favourable economic climate? (see paragraphs 29-31 of the Secretariat’s draft report).

b) The dual nature of the system

A number of measures have been taken since the last review in order to strengthen co-ordination between the two main agencies responsible for assistance in Switzerland, namely the Swiss Agency for Development and Co-operation (SDC) and the Secretariat of State for the Economy (seco). What progress has been made? Is a real joint operational strategy possible and is it one of the objectives being sought after? In particular, can greater consistency between the two organisations be envisaged with regard to geographical priorities and implementation of the instruments? (see paragraphs 3-6).

c) Poverty alleviation

The SDC has made a horizontal analysis of all its activities relating to poverty alleviation, and has adopted a social development policy. How far advanced is the plan of action for implementing this new policy? What progress has been made with the analysis of poverty and targeting the most disadvantaged population groups? To what extent are Switzerland’s activities contributing towards achievement of international development objectives? Should these latter not be incorporated more explicitly into the Swiss programme? What is Switzerland intending to do to increase the share of its resources devoted to basic social services? (see paragraphs 7-10 and 40).
d) **Selectivity**

Does the Swiss Delegation agree with the report’s conclusions that a larger proportion of bilateral ODA should be allocated to the 17 southern priority countries? Given the size of the Swiss programme, would it not be better to reduce the number of countries on the priority list? Should Switzerland not adopt a more systematic approach when organising the cessation of co-operation with countries from which it has decided to withdraw and when terminating projects which have a tendency to perpetuate themselves? Should the principles set out in the Act of 1976 not prompt the Seco to focus its action more on the poorest countries? (see paragraphs 11-15 and 34-37).

**II. Context: policy coherence and public support**

a) **North-South Guidelines**

Using the *North-South Guidelines*, Switzerland’s approach to ensuring the coherence of the various policies impacting on the development of recipient countries has been excellent. What conclusions could Switzerland share with the Members of the Development Assistance Committee (DAC)? What room for manoeuvre do the Swiss authorities responsible for development co-operation have in overcoming resistance and obstacles in those areas where problems still exist?

Policy consistency involves making difficult political choices between national interests and the interests of the developing countries. Could the Swiss Delegation tell the DAC what means might be employed in order better to serve the developing countries’ interests and take conflicting objectives more fully into account? (see paragraphs 80-86 and 103).

b) **Consultative Commission on International Development and Co-operation**

Does this Commission really play its full role in backing up Switzerland’s international co-operation policy? What is its real impact? Could its role as government adviser be stepped up in order to raise awareness in both Parliament and amongst the population, especially as regards policy coherence? (see paragraphs 21-22).

c) **Information policy and raising public awareness of development issues**

The Swiss authorities are well equipped to inform the public and raise public awareness. How do they intend to continue their action in this sphere? Has the creation of the Education and Development Foundation helped to improve education about development in Swiss schools? (see paragraphs 26-28).
III. The implementation of assistance

1. Approaches and instruments

a) Gender equality

Cross-cutting themes have been incorporated in Switzerland’s development co-operation programme. Normally, the gender-equality dimension is taken into account in every department. Experience shows that results have varied from one unit to another. What ways are envisaged of ensuring that gender equality is taken into account in a more homogeneous and systematic manner throughout the system? (see paragraphs 53-54 and 129)

b) Humanitarian aid

In 1999, Switzerland devoted considerable resources to reconstruction in the Balkans. How would Switzerland assess its efforts in that region? How does it envisage the transition, in the next few years, from a crisis-management situation to one of longer-term reconstruction? What sort of experience does it have in this field? (see paragraphs 47-49 and 76-79).

c) Debt reduction

Switzerland has been playing an innovative role in debt reduction since the early 1990s, in particular thanks to the creation of counterpart funds in the different recipient countries? Could the Swiss authorities inform the DAC of the preliminary results of the assessment of these activities that is currently in progress? Why have non-governmental organisations (NGOs) and the private sector at local level been less involved in the process than initially planned, especially as regards the management of these funds? In the context of the multilateralisation of its support for debt reduction, what possibilities does Switzerland see for continued action in this field, and what might the limitations be? (see paragraphs 58-67)

d) Support for the private sector

Switzerland has recently added to its range of instruments for providing support to the private sector, notably with the creation in 1999 of the Swiss Development Finance Corporation (SDFC). What are the initial results of the Corporation’s activities, after one year in operation? How is it possible to ensure that development concerns take pride of place in management decisions? Is there not a danger that the poorest countries will continue to be sidelined? (see paragraphs 70-75)

2. Organisational details

a) Decentralisation

Swiss aid co-ordination offices enjoy considerable autonomy, particularly where drawing up country programmes is concerned. What stage has been reached with the decentralisation process implemented in the past few years? Would the logical follow-up not be to increase the co-ordination offices’ capacity to commit funds? (see paragraphs 110-112 and 127)
b) The role of the executants

Some projects are implemented by research bureaux or NGOs, called “régisseurs”, which are usually selected by the SDC. Would not greater transparency, achieved by means of invitations to tender with which partner institutions would be associated, result in improved appropriation by recipient countries and greater effectiveness in that there would be a transfer of know-how? What actual control do the executants exert? More generally, to what extent does the SDC encourage appropriation by recipients and seek to make them more responsible for the execution of bilateral aid projects? (see paragraphs 172-177)

c) Sectoral approaches

Budgetary aid in the framework of sectoral approaches constitutes one of the methods that some donors are experimenting with in an effort to improve the effectiveness of their aid. Along with other DAC Members, Switzerland seems to have a number of reservations in this regard. What conclusions does Switzerland draw from its participation in these approaches, particularly in Tanzania and Mozambique? How does Switzerland see the link between these approaches and the poverty reduction strategy papers (PRSPs)? What is the position of Switzerland’s NGOs, which are continuing to receive considerable financial support from the Government? Is it the intention to participate more systematically in this sort of approach? (see paragraphs 165-171)

3. The system of evaluation

The SDC’s follow-up and evaluation system (strategic controlling) has recently been the subject of an external evaluation. How does the SDC envisage following up the recommendations that the system of external evaluations be strengthened and made more independent, and that operational controlling conducted within the organisation be better exploited? (see paragraphs 131-137).

The seco’s evaluations have so far been conducted in an ad hoc manner, but the evaluation function is in the process of being set up. What measures does seco intend taking in order to remedy past failings and rapidly implement the new handbook on monitoring results? (see paragraph 138)