OECD Development Co-operation Peer Reviews

# SWEDEN

# 2019

The Development Assistance Committee: Enabling effective development

OECD

# OECD Development Co-operation Peer Reviews: Sweden 2019

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# *Conducting the peer review*

The OECD Development Assistance Committee (DAC) conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each member are critically examined approximately once every five years, with six members examined annually. The OECD Development Co-operation Directorate provides analytical support, and develops and maintains, in close consultation with the Committee, the methodology and analytical framework – known as the Reference Guide – within which the peer reviews are undertaken.

The objectives of DAC peer reviews are to improve the quality and effectiveness of development co-operation policies and systems, and to promote good development partnerships for better impact on poverty reduction and sustainable development in developing countries. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

The peer review is prepared by a team consisting of representatives of the Secretariat working with officials from two DAC members who are designated as "examiners". The country under review provides a memorandum setting out the main developments in its policies and programmes. The Secretariat and the examiners visit the capital to interview officials, parliamentarians, as well as civil society and non-governmental organisations' representatives in the donor country to obtain a first-hand insight into current issues surrounding the development co-operation efforts of the member concerned. Field visits assess how members are implementing the major DAC policies, principles and concerns, and review operations in recipient countries, particularly with regard to poverty reduction, sustainability, gender equality and other aspects of participatory development, and local aid co-ordination. During the field visit, the team meets with representatives of the partner country's administration, parliamentarians, civil society and other development partners.

The Secretariat then prepares a draft report on the member's development co-operation, which is the basis for the DAC review meeting at the OECD. At this meeting, senior officials from the member under review respond to questions formulated by the Committee in association with the examiners.

This review – containing both the main findings and recommendations of the DAC and the analytical report of the Secretariat – was prepared with examiners from France (Hatem Chakroun and Stéphane Cieniewski) and Korea (Jae Myong Koh and Eunshil Han) for the peer review of Sweden on 14 May 2019. The Secretariat team consisted of Hetty Kovach, Jenny Hedman, Cyprien Fabre and Claudio Cerabino. Katia Grosheva provided logistical assistance to the review, and formatted and produced the report. The report was prepared under the supervision of Rahul Malhotra. Among other things, this review recognises Sweden's use of a multidimensional poverty approach to deliver on its pledge to leave no one behind, and its continued leadership in providing gender-focused

aid. It also notes Sweden's long-term and valued partnerships with multilateral organisations, and its support for civil society organisations as an integral part of its pursuit of democratic governance. Areas for improvement outlined in the review include: allocating a higher share of development assistance to a prioritised set of partner countries, and working more directly with and through partner government systems; systematic application of a joined-up approach to addressing development, humanitarian and peace needs in fragile partner countries; and ensuring that development co-operation is guided by relevant and strategic evaluations.

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# *Abbreviations and acronyms*

| | |
|---|---|
| ADB | Asian Development Bank |
| EBA | Expert Group for Aid Studies |
| CERF | Central Emergency Response Fund |
| CGD | Center for Global Development |
| CRS | Creditor Reporting System |
| CSO | Civil society organisation |
| DAC | Development Assistance Committee (OECD) |
| GPEDC | Global Partnership for Effective Development Co-operation |
| EU | European Union |
| FBA | Folke Bernadotte Academy |
| GCF | Green Climate Fund |
| GNI | Gross national income |
| IATI | International Aid Transparency Initiative |
| ICRC | International Committee of the Red Cross |
| LDC | Least developed country |
| MoE | Ministry of Enterprise and Innovation |
| MFA | Ministry for Foreign Affairs |
| NGO | Non-governmental organisation |
| ODA | Official development assistance |
| OECD | Organisation for Economic Co-operation and Development |
| OHCHR | United Nations High Commissioner for Human Rights |
| PCSD | Policy coherence for sustainable development |
| SISD | Swedish Investors for Sustainable Development |
| SRHR | Sexual and reproductive health and rights |
| SGBV | Sexual and gender-based violence |
| Sida | Swedish International Development Cooperation Agency |
| SLSD | Swedish Leadership for Sustainable Development |
| SDG | Sustainable Development Goal |
| RDB | Regional development bank |
| UN | United Nations |
| UNDP | United Nations Development Programme |

| | |
|---|---|
| UNHCR | United Nations Office of the United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| UNMIL | United Nations Mission in Liberia |
| UN Women | United Nations Entity for Gender Equality and the Empowerment of Women |

**Signs used:**

| | |
|---|---|
| EUR | Euro |
| SEK | Swedish krona |
| USD | United States dollar |
| ( ) | Secretariat estimate in whole or part |
| | (Nil) |
| 0.0 | Negligible |
| .. | Not available |
| … | Not available separately, but included in total |
| n.a. | Not applicable |
| p | Provisional |

Slight discrepancies in totals are due to rounding.

**Annual average exchange rate: 1 USD = SEK**

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|
| 6.494 | 6.775 | 6.514 | 6.816 | 8.435 | 8.562 | 8.549 |

# *Sweden's aid at a glance*

**Figure 0.1. Sweden's aid at a glance**

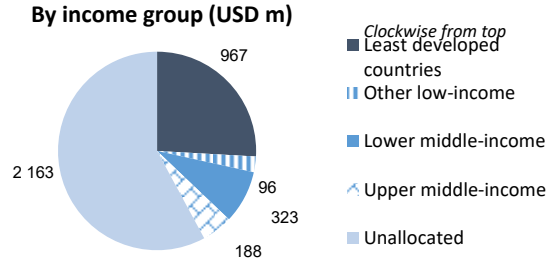
## SWEDEN

*Gross bilateral ODA, 2016-17 average, unless otherwise shown*

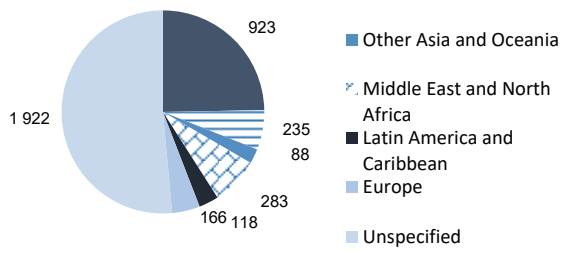
| Net ODA | 2016 | 2017 | Change 2016/17 |
|---|---|---|---|
| Current (USD m) | 4 894 | 5 563 | 13.7% |
| Constant (2016 USD m) | 4 894 | 5 430 | 11.0% |
| In Swedish Kronor (million) | 41 873 | 47 549 | 13.6% |
| ODA/GNI | 0.94% | 1.02% | |
| Bilateral share | 71% | 69% | |

| Top ten recipients of gross ODA (USD million) | |
|---|---|
| 1 Afghanistan | 117 |
| 2 Tanzania | 116 |
| 3 Somalia | 76 |
| 4 Mozambique | 68 |
| 5 West Bank and Gaza Strip | 64 |
| 6 Ethiopia | 64 |
| 7 Democratic Republic of the Congo | 62 |
| 8 Kenya | 59 |
| 9 Syrian Arab Republic | 52 |
| 10 Zambia | 51 |
| Memo: Share of gross bilateral ODA | |
| Top 5 recipients | 12% |
| Top 10 recipients | 19% |
| Top 20 recipients | 30% |

**By income group (USD m)**



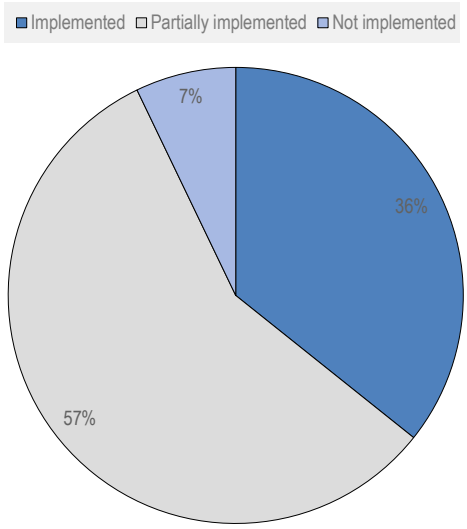

**By region (USD m)**




**By sector**

*Source*: OECD (2019), "Aid at a Glance" (webpage), http://www.oecd.org/dac/stats/aid-at-a-glance.htm#donors.

**Figure 0.2. Sweden's implementation of the 2013 peer review recommendations**



# *Context of the peer review of Sweden*

## Political and economic context

On 21 January 2019, a new government came to power in Sweden. The minority government is led by the former Prime Minister, Stefan Löfven, from the Social Democrat Party and governs with the Green Party, following a general election held in September 2018. The new government received a parliamentary vote of confidence after an agreement with the Centre and Liberal parties to co-operate on the budget and the direction of policy in several areas.

Sweden's projected economic growth for 2018 is 2.2% (OECD, 2017a) and it has enjoyed a solid economic performance in recent years, with growth outpacing both the major advanced economies and its Nordic neighbours. Sweden has a fiscal surplus of 0.4% and government debt has fallen over time.

Low unemployment and good quality jobs, combined with its strong system of social protection, have helped to make Sweden a model of inclusive growth, and it has one of the lowest levels of income inequality in the OECD, despite income inequality having risen over time (OECD, 2017a). Sweden is a leader in green growth, with output growth decoupled from carbon emissions and it has the second-lowest gender employment gap rate across the OECD. It performs well in the OECD Better Life Index (OECD, 2017b) and has one of the highest ratings for life satisfaction.

Sweden is an open country that seeks to live up to its commitments to help people fleeing persecution, war and violence. In 2015, it received 163 000 asylum seekers, the highest number relative to population of all OECD countries for that year (OECD, 2017c).

Sweden faces a number of economic and social challenges moving ahead. These include addressing rising income inequality, tackling housing stock shortages that have led to house price inflation, debt and limited access to low-cost homes, and strengthening the integration of immigrants to raise long-term growth and enhance social cohesion (OECD, 2017a).

## Development co-operation system

Sweden's Ministry for Foreign Affairs (MFA) is responsible for international development co-operation and humanitarian assistance. It formulates the development co-operation budget, policy and strategies, and manages the government agencies which are in turn responsible for implementing the majority of Sweden's development co-operation.

Under the Swedish government's rule of collective responsibility, however, authority for development co-operation and government agencies ultimately rests with the full cabinet government. The parliament approves the budget annually, within a multiannual proposed framework.

In 2017, the MFA was responsible for 78% of Sweden's official development assistance (ODA), with Sweden's government agencies implementing 51% under MFA supervision

and the MFA directly implementing 27% related to core multilateral funding and humanitarian assistance.

The government of Sweden has five main government implementing agencies that are responsible for ODA spending. Its main agency is the Swedish International Development Cooperation Agency (Sida). In 2017, Sida was responsible for implementing 47% of Sweden's total ODA (Government Offices of Sweden, 2018). Each of the four other agencies - the Folke Bernadotte Academy, the Swedish Institute, the Swedish Research Council and the Swedish Civil Contingencies Agency - is responsible for implementing less than 1% of Sweden's ODA (Government Offices of Sweden, 2018). Sweden's development finance institution, Swedfund, received less than 1% of Sweden's ODA in 2017.

The remaining 22% of Sweden's ODA in 2017 is not managed by the MFA and remains outside of Sweden's development and humanitarian assistance budget envelope. It is predominately spent on in-donor refugee costs and EU development co-operation funded by the EU membership fee.

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# The DAC's main findings and recommendations

*Sweden is an adept, ambitious and influential actor on global sustainable development who has shown leadership at the international level on peace and conflict prevention, environmental sustainability and climate change, and gender equality. Its highly generous levels of official development assistance (ODA) have strong public support and it prioritises activities to raise development awareness. Sweden has in place a comprehensive toolbox to help it to leave no one behind and promote gender equality and women's rights. Sweden's decentralised approach is also a major asset that enables responsive and flexible programming. In addition, it has a proactive approach to addressing corruption.*

*Sweden is strongly committed to the international development effectiveness principles, actively supporting country ownership and donor co-ordination, and is a valued, long-term partner to multilateral and civil society organisations. However, there is scope for Sweden to do more to partner with and use the systems of developing country governments. It could also optimise its partnerships with the private sector by aligning Swedfund's investments more fully with its strategic development co-operation priorities.*

*A pioneering approach to focus on long-term, sustainable results through learning and adaptive programming should enhance Sweden's programme impact, but will require further capacity-building and systems reform. These include strengthening knowledge management and innovation processes. Sweden should also continue to ensure its development co-operation is guided by relevant, strategic and independent evaluations.*

*Sweden is an effective and principled humanitarian donor. Its more co-ordinated approach to addressing the development, humanitarian and peace nexus in fragile and crisis contexts is helping Sweden to better identify and address the root causes of fragility. This approach now needs to be systematically applied in all relevant partner countries.*

*Sweden's new development co-operation and humanitarian assistance policy framework is coherent but broad in scope, and could benefit from consolidation to facilitate its implementation. There is also scope for Sweden to further exploit the synergies among its multiple strategies and to allocate a higher share of its development assistance to a prioritised set of partner countries in order to enhance impact and reduce pressure on staff capacity.*

*Ensuring adequate staff capacity remains a challenge for Sweden with its growing ODA budget, increasing focus on working in fragile contexts and greater use of complex financial instruments. While the Ministry for Foreign Affairs and the Swedish International Development Cooperation Agency (Sida) have taken steps to bolster capacity, staffing gaps remain and Sweden could benefit from taking a more long-term and deliberative approach in light of this ongoing challenge.*

## Sweden is a strong development partner

### *Sweden is an adept, ambitious and influential actor on global sustainable development*

Sweden actively engages at the international level to support global public goods, promote human rights and address global challenges. A Team Sweden approach enables the Ministry for Foreign Affairs (MFA) and Sida staff to jointly represent Sweden in global development processes, pooling their expertise and speaking with a unified voice. Working deliberately with other countries and stakeholders to build alliances, Sweden has shown leadership in its pursuit of peace and conflict prevention, gender equality through its Feminist Foreign Policy, and environmental sustainability and climate change.

Sweden is drawing on the expertise of the whole of its government and a broad set of actors across Swedish society to help to deliver on its ambitious goal to be a leader in implementing the 2030 Agenda. Its Delegation for the 2030 Agenda brings together representatives of Sweden's business and research communities, civil society organisations (CSOs), and municipal governments, and has helped the government to assess progress and promote awareness of the Sustainable Development Goals. A National Action Plan for implementing the 2030 Agenda has also been established, and Sweden is in the process of creating national indicators for all the targets and an integrated follow-up system to regularly monitor progress. In addition, Sweden has put in place cross-government action areas for delivering on key goals, including a report on global health. A renewed political commitment to policy coherence for sustainable development, as well as reformed organisational processes, have also enhanced Sweden's ability to identify and address synergies and trade-offs.

### *Sweden is a generous donor with a comprehensive toolbox for leaving no one behind and promoting gender equality*

In 2017, Sweden provided 1.02% of its gross national income (GNI) as ODA, making it the most generous OECD Development Assistance Committee (DAC) donor in relative terms. Sweden has consistently met its 2006 national commitment to deliver 1% of GNI as ODA. Sweden's parliament and the Swedish public back this target. The high level of public support in Sweden for development aid is bolstered by the MFA's and Sida's continued prioritisation of development awareness-raising activities.

Sweden is highly committed to deliver on its pledge to leave no one behind. In 2017, Sweden was already providing 63% of its bilateral aid by income to least developed countries (LDCs), against the DAC average of 39% and was the sixth-largest DAC provider to fragile contexts in absolute terms. Sida has developed a new, multidimensional poverty approach and a Poverty Toolbox to support staff to even better target and address poverty in all its forms across its programming.

Sweden is a DAC leader in providing gender-focused aid: 87% of its bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective in 2017. Sida supports its staff to operationalise gender equality across Sweden's programmes through a new global strategy, a Gender Equality Network of staff specialists and advisors, and regional Gender Help Desks. Sweden's Feminist Foreign Policy, established in 2014, is enabling Sweden to use the full range of its foreign policy tools - diplomacy, security and trade - to pursue the goal of gender equality.

### *Sweden is a long-term and valued partner to multilateral organisations and civil society*

Sweden is a champion of multilateralism and provides long-term core funding to its priority multilateral organisations, including its United Nations humanitarian partners. It works with other donors to support improvements to the effectiveness of the multilateral system and plays an active role on the governing boards of multilateral organisations, advocating for gender equality, human rights and the environment.

Sweden is a highly-appreciated partner for CSOs and provided almost one-third of its ODA to and through civil society in 2017, most of this to non-Swedish CSOs. Sweden supports a vibrant, local civil society in developing countries as an integral part of its pursuit of democratic governance, and also works with CSOs as implementing partners to deliver on other policy priorities. Sida currently has multiannual framework agreements with 15 Swedish CSOs that enables them to fund their own programme priorities under the overarching guidelines set by Sida.

### *Decentralisation enables responsive programming, and Sweden takes a proactive approach to addressing corruption*

Sida's decentralised model of development co-operation is a major asset. In 2017 38.5% of Sida's workforce was located abroad, up from 25% in 2013. Sida also provides its field staff a high degree of delegated programme and financial authority. Coupled with Sweden's considerable budget flexibility, this enables country programming to be designed and managed on the ground with strong local knowledge of context. It also allows Sweden to be agile, adapting its programming in response to changing partner country needs, which is particularly welcome in fragile situations. Sweden takes a proactive approach to preventing, detecting and responding to corruption that includes supporting partners to improve their own corruption risk management systems and institutions.

### *Sweden is an effective and principled humanitarian donor*

Sweden has a strong humanitarian tradition and actively works to drive a more efficient and co-ordinated humanitarian system at the global level. Its policies and strategies are aligned to the Grand Bargain and other international humanitarian commitments. Sweden has strengthened the quality of its partnerships with the humanitarian community, notably providing much-needed, long-term predictability for its partners engaged in protracted crises. A needs-based allocation model allows Sida to also engage in forgotten crises where it has no specific political or development interests.

## Sweden can build on its achievements

### *Sweden could better align Swedfund's investments to its strategic priorities*

Sweden has scaled up its use of private sector instruments and diversified its platforms for mobilising private sector investment and know-how for development. Using Sida's guarantees and Swedfund's loans, equity and funds, Sweden mobilised USD 1.4 billion from the private sector between 2012 and 2017. There is scope to further optimise Sweden's use of private sector instruments, however. Swedfund, unlike Sida and other government implementing agencies, is not involved in the design or execution of Sweden's development strategies, even those with a strong, inclusive economic growth component because it is a limited liability company and hence directed by owner instructions. This fact

sometimes constitutes a challenge to fully deploying Swedfund's instruments to reach its development priorities and makes it difficult for Sida and Swedfund to collaborate on country-level investments, using their complementary instruments.

*Recommendation:*

1. **Sweden should strengthen the alignment of Swedfund's investments to its development policy, including creating closer links between Swedfund and Sida's activities.**

### *A new, more joined-up approach to addressing development, humanitarian and peace needs to be systematically applied*

The introduction of the conflict perspective into Sweden's development programming has further strengthened Sida's ability to work in fragile and crisis contexts. Sweden has also started to introduce joint risk and resilience analysis and programming by the MFA, Sida and the Folke Bernadotte Academy in fragile and crisis contexts. These steps, along with the establishment of a new department at the MFA that is responsible for conflict, humanitarian and migration issues, are driving a more coherent approach and helping Sweden to better identify the vulnerabilities and root causes of fragility in partner countries. There is now an opportunity for Sweden to ensure this approach is more systematically applied across all relevant countries. In line with the DAC recommendation on the humanitarian-development-peace nexus, coherence could also be strengthened if Sweden explicitly articulated in its country strategies the links between its humanitarian assistance and other aid streams where humanitarian assistance has been provided for decades.

*Recommendation:*

2. **Sweden should now systematically apply its joined-up approach to addressing development, humanitarian and peace needs in all its fragile partner countries.**

### *To support Sweden's pioneering approach to delivering long-term, sustainable results, capacity needs to be built up and systems reformed*

Since the last peer review, Sweden has transformed its approach to results-based management with the aim of achieving long-term, sustainable results through innovation, learning and adaptive programming. This new approach offers Sweden the opportunity to focus more on impact and what is driving change in real time rather than fixing on a static picture of context and taking a narrow focus on predetermined inputs and outputs. However, Sweden is reliant on MFA and Sida staff and their partners having the capacity to deliver a solid theory of change and to regularly monitor results and changes in the wider context to determine whether their assumptions of what drives change stand up. Sweden also requires the systems in place to easily alter programming, if need be, and to capture and disseminate learning and innovations across its development institutions. While Sweden has taken steps to build capacity and Sida is piloting a new adaptative programming technique, there is more to be done to ensure this innovative approach genuinely takes root, particularly with regard to building more effective knowledge management systems which remain weak across Sida and the MFA.

*Recommendation:*

3. **To support Sweden's pioneering approach to focusing on long-term, sustainable results based on learning and adaptive programming, Sweden needs to:**

- provide further guidance and training to build staff and partner capacity to deliver on its new results-based management approach
- ensure its programme management systems facilitate adaptive management and innovation
- improve its knowledge management systems to ensure learning is captured and shared across the whole system.

### *Sweden could further enhance its strong commitment to development effectiveness by working more directly with and through the systems of partner country governments*

Sweden is committed to the internationally agreed principles of effective development co-operation. It aligns its strategies to partner country's priorities and actively supports donor co-ordination efforts. It also works to build the capacity of partner country governments in several areas ranging from public financial management to research, national statistics and evaluation.

Sweden makes limited use of developing country governments as implementing partners which is reflected in some of the internationally agreed indicators for assessing progress on development effectiveness. According to the Global Partnership for Effective Development Co-operation's preliminary data for 2018, while Sweden has significantly increased the annual predictability of its bilateral ODA in assessed countries since 2010, its use of partner countries' public financial management and procurement systems to deliver bilateral ODA has slightly declined over the same period of time. In addition, the data shows a decrease since 2010 in Sweden's share of bilateral aid recorded on partner countries' budgets, the medium-term predictability of its aid and its use of country-led results frameworks. Sweden attributes this to its increased engagement in fragile contexts, the shrinking democratic space in some partner countries and its use of multilateral aid (core and multi-bi). Nevertheless, Sweden could make further efforts, where appropriate, to help to build and use partner country systems to achieve the sustainable development results it is seeking.

*Recommendation:*

4. **Sweden should develop guidance to help staff to determine when it is appropriate to partner directly with partner country governments, use country systems, and increase the share of aid that is recorded on budget.**

### *Sweden should continue to ensure its development co-operation is guided by relevant and strategic independent evaluations*

In the early years following its inception, Sweden's Expert Group for Aid Studies (EBA) produced a higher number of research overviews than independent evaluations. Sweden re-articulated the mandate of the EBA in 2016 to encourage it to increase the number of independent evaluations it produced. While more evaluations are now being undertaken, they have been criticised for lacking relevance and impact. Steps are being taken by the Swedish government and the EBA to improve performance, and there has been improvements in the quality of evaluations. However, ensuring that the EBA continues to

produce material of high quality and relevance should remain a priority for Sweden, given that the EBA is the only body tasked with evaluating the totality of Sweden's bilateral and multilateral ODA.

Sida's Evaluation Unit is mandated to provide independent strategic evaluations of Sida's activities and support operational units in carrying out high-quality and reliable decentralised evaluations that tend to focus on single interventions. The Evaluation Unit finalised three strategic evaluations in 2018, of which one was directly commissioned by the Evaluation Unit while the other two were commissioned by thematic departments. There is scope for Sida to reflect on whether its Evaluation Unit has an appropriate balance between strategic and decentralised evaluations.

*Recommendation:*

5. **The MFA and Sida should continue to assess whether their policies and programmes are being consistently informed by relevant and independent strategic evaluations.**

## Sweden needs to address ongoing challenges

### *Sweden's broad policy framework requires consolidation and synergies among its numerous strategies could be better exploited*

Previous peer reviews have recommended that Sweden establish a single framework that clearly sets out its policy priorities. Sweden's 2016 *Policy Framework for Swedish Development Cooperation and Humanitarian Assistance* establishes a coherent policy framework. This framework, Sweden's second since the last peer review, still struggles to provide a clear hierarchy of priorities, however. Its five perspectives and eight thematic priorities, which include new policy priorities, make for a broad policy vision.

The framework is accompanied by 63 strategies - 6 regional, 25 country, 13 global thematic and 19 relating to multilateral co-operation - that set out in more detail how Sweden will meet its policy objectives in a given area/country over a given period and, in most cases, are accompanied by a budget envelope. While these numerous strategies individually are aligned to the policy framework, connections among strategies are not being exploited sufficiently. For instance, there is no systematic approach to information sharing to ensure that the owners of global thematic strategies, who are based in Sida's geographic departments, have an overview of activities undertaken within their policy area that are funded through country strategies. Nor do country-level staff necessarily have an overview of how global thematic strategies are being operationalised in their country or region. As a result, Sweden is not able to fully exploit the synergies among its strategies which could improve programme impact and it is difficult to ensure consistent and coherent programming.

*Recommendations:*

6. **Sweden should consolidate its existing policy framework to allow staff to build up skills and knowledge in the newly-identified areas and to enable time for implementation.**

7. **Sweden should establish a systematic approach to sharing information on the activities undertaken through its existing strategies to better capitalise on synergies.**

### *Sweden's development co-operation still lacks geographical concentration*

Although Sweden has managed to reduce the number of its partner countries since the 2013 peer review to 35 from 44, its aid programme remains thinly spread geographically compared to those of other DAC members. Sweden does not rank among the top donors in most of its 35 priority countries, and it allocated just 19% of gross bilateral ODA to its top 10 recipients over 2016-17 (against the DAC average of 29%) and only 29% to its top 20 recipients (against the DAC average of 40%). While there is no doubt that small amounts of ODA can have a significant impact in partner countries, improving concentration in a few key partners could heighten Sweden's impact and would reduce pressure on staff capacity, which is already stretched. More concentration would also enable Sweden to better exploit synergies within partner countries between its different programmes.

*Recommendation:*

8. **To enhance the impact of its programming and reduce pressure on staff capacity, Sweden should allocate a higher share of its development assistance to a prioritised set of partner countries.**

### *Sweden's growing and increasingly complex set of programmes requires sufficient staff capacity*

Sweden's growing ODA budget, increasing focus on working in fragile contexts and greater use of complex financial instruments require sufficient staff capacity to ensure quality programming. Steps have been taken since the last peer review to strengthen Sweden's staff capacity. Sida has increased its workforce and put in place a human resource planning system that is helping it to better identify competency gaps. The MFA has increased staff capacity around financial controls and quality assurance for development co-operation.

The administrative budgets of Sida and the MFA have not increased in line with Sweden's growing ODA budget. Sweden's ODA budget has increased by 27.6% between 2014 and 2018, while Sida's administrative budget increased by 22.5% and the MFA's budget decreased by 10.2% over the same period. Staff capacity gaps continue to exist, for example with regard to environmental expertise, and Sida has found it difficult, within the boundaries of its administrative budget, to fund the costs of staff to work in hardship posts.

*Recommendation:*

9. **Sweden should continue efforts to ensure, and take a long-term and deliberative approach to ensuring, it has adequate staff capacity in light of the programme's expanding needs.**

## Summary of recommendations

**DAC recommendations to Sweden**

| | |
|---|---|
| **(1)** | Sweden should strengthen the alignment of Swedfund's investments to its development policy, including creating closer links between Swedfund and Sida's activities. |
| **(2)** | Sweden should now systematically apply its joined-up approach to addressing development, humanitarian and peace needs in all its fragile partner countries. |
| **(3)** | To support Sweden's pioneering approach to focusing on long-term, sustainable results based on learning and adaptive programming, Sweden needs to:<br>• provide further guidance and training to build staff and partner capacity to deliver on its new results-based management approach<br>• ensure its programme management systems facilitate adaptive management and innovation<br>• improve its knowledge management systems to ensure learning is captured and shared across the whole system. |
| **(4)** | Sweden should develop guidance to help staff to determine when it is appropriate to partner directly with partner country governments, use country systems, and increase the share of aid that is recorded on budget. |
| **(5)** | The MFA and Sida should continue to assess whether their policies and programmes are being consistently informed by relevant and independent strategic evaluations. |
| **(6)** | Sweden should consolidate its existing policy framework to allow staff to build up skills and knowledge in the newly-identified areas and to enable time for implementation. |
| **(7)** | Sweden should establish a systematic approach to sharing information on the activities undertaken through its existing strategies to better capitalise on synergies. |
| **(8)** | To enhance the impact of its programming and reduce pressure on staff capacity, Sweden should allocate a higher share of its development assistance to a prioritised set of partner countries. |
| **(9)** | Sweden should continue efforts to ensure, and take a long-term and deliberative approach to ensuring, it has adequate staff capacity in light of the programme's expanding needs. |

# Secretariat's Report

# Chapter 1. Sweden's global efforts for sustainable development

*This chapter examines Sweden's approach to global sustainable development including its response to global challenges, action to ensure coherence between domestic policies and global sustainable development objectives, and efforts to raise awareness of global development issues at home.*

*Sweden is a committed, adept and influential actor on sustainable development at the international level and is working hard to meet its ambitious goal of being a leader in implementing the 2030 Agenda. A renewed political commitment to policy coherence for sustainable development, as well as reformed organisational processes, have enhanced its ability to identify and address domestic policy incoherence. To further improve its coherence Sweden could do more to analyse the impact of its policies in key partner countries.*

*Sweden continues to prioritise development communication, and there is strong public support for development co-operation in Sweden and a growing recognition of the Sustainable Development Goals.*

## Efforts to support global sustainable development

**Peer review indicator: The member plays an active role in contributing to global norms, frameworks and public goods that benefit developing countries**

*Sweden is an influential player on sustainable development at the global level and is committed to meeting its ambitious goal of being a leader in implementing the 2030 Agenda.*

### *Support for global sustainable development is in Sweden's foreign policy DNA*

Sweden is a committed, adept and influential voice on global sustainable development. Its foreign policy is marked by a long history of championing multilateralism as the best way to protect global public goods and tackle global challenges. It is also marked by a strong sense of solidarity with developing countries and a deep-held belief in the universal values of human rights, equality, democracy and peace (Elgström, 2015).

Sweden actively engages at the global level on numerous sustainable development policy issues, but three stand out in terms of its leadership: peace and conflict prevention, gender equality, and environmental sustainability. In pursuit of these objectives, Sweden has drawn on the competencies of the whole of its government and worked deliberately with other countries and stakeholders to build alliances.

- **Peace and conflict prevention** Sweden successfully used its non-permanent membership of the United Nations (UN) Security Council (2017-18) to enhance the Council's work on conflict prevention and resolution, ensure the participation and influence of women and youth in peacebuilding and protect children in conflict. It has also used its seat on the Council to reignite the debate on climate change and security.[1] Through its membership in the European Union (EU), Sweden has strengthened the EU's civilian capacity to prevent and manage conflicts. As co-chair of the International Dialogue for Peacebuilding and Statebuilding, Sweden has also driven development partners to improve the effectiveness of their official development assistance (ODA) in fragile and conflict-affected situations.[2]
- **Gender equality and women's rights** Sweden issued the world's first Feminist Foreign Policy in 2014, and has worked across multiple international fora to increase the resources, representation and rights of women around the world (Box 2.1) (Government Offices of Sweden, 2017a). It has built alliances to promote change, hosting the Stockholm Forum on Gender Equality (2018) that brought together more than 700 participants from over 100 countries to share tools for enhancing gender equality and to foster networks. Sweden also has worked across the whole of its government to implement the UN Security Council's Resolutions on women, peace and security (Government Offices of Sweden, 2016a) drawing on the expertise of five government ministries and nine government agencies.[3]
- **Environmental sustainability and climate change** Sweden worked actively with other countries to ensure adoption of the 2015 Paris Agreement on climate change as the first global, legally-binding climate agreement, and has devoted resources to assist countries in its implementation. Sweden has subsequently adopted an ambitious national target, committing to net-zero emissions by the year 2045 (Riksdag, 2017), demonstrating its global leadership on the issue. In line with its new global strategy on the environment, climate change and sustainable oceans

(Government Offices of Sweden, 2018b), Sweden co-chaired the high-level UN Ocean Conference with the government of Fiji in 2017. Sweden hosted the seventh replenishment of the Global Environmental Facility and was co-chair of the Green Climate Fund in 2018. Sweden also uses its voice on the boards of international financial institutions to push for the long-term phasing out of all support for fossil fuels (Government Offices of Sweden, 2017b).

### *Sweden is focused on being a leader in implementing the 2030 Agenda*

Sweden is making concerted efforts both domestically and internationally to deliver on its ambitious goal to be a leader in implementing the 2030 Agenda (Government Offices of Sweden 2018a). It has engaged the whole of its government[4] and a broad set of actors across Swedish society in delivery (Box 1.1). Its National Action Plan (Government Offices of Sweden, 2017d) sets out six key priorities issues,[5] and Sweden is in the process of establishing national indicators for all the targets as well as an integrated follow-up system to regularly monitor progress. This demonstrates good practice. Sweden's voluntary national report (Government Offices of Sweden, 2017f) to the UN High-Level Political Forum on Sustainable Development notes that it has already met 20% of the Sustainable Development Goal (SDG) indicators, having started from a relatively strong position. However, domestic challenges remain in education, employment, equality, consumption, climate, and oceans and marine resources.

**Box 1.1. Implementing the 2030 Agenda - A whole-of-society approach**

Sweden has diligently engaged the whole of Swedish society to deliver the 2030 Agenda, bringing on board a wide range of expertise and resources. In 2016, Sweden established the Delegation for the 2030 Agenda, an independent committee comprised of representatives of Sweden's business and research communities, civil society organisations (CSOs), and municipal governments. The Delegation has helped to analyse Sweden's progress to date in meeting the SDGs, identify areas in need of progress and promote broader societal awareness. Sweden's Scientific Council for Sustainable Development has also drawn on the academic community's skills to establish a solid scientific basis for the government's work.

Prominent members of Sweden's business and investment community have also been mobilised through the Swedish Leadership for Sustainable Development and the Swedish Investors for Sustainable Development networks. Municipalities are already incorporating the 2030 Agenda into their plans. The city of Malmö, for example, has set up a commission to ensure its budget expenditures are aligned to the 2030 Agenda. Swedish CSOs have also set up numerous working groups to look at both international and domestic delivery of the 2030 Agenda.

*Sources*: Government Offices of Sweden (2017f), *Sweden and the 2030 Agenda Report to the UN High Level Political Forum 2017 on Sustainable Development,* June 2017, https://sustainabledevelopment.un.org/content/documents/16033Sweden.pdf.

At the international level, Sweden has assiduously supported implementation of almost all of the global goals.[6] The sheer breadth and depth of Sweden's international engagement on the 2030 Agenda is commendable. However, it does raise questions as to whether there is

the capacity and resources within the Ministry for Foreign Affairs to sustain this broad level of global engagement in the coming years (Chapter 4).

## Policy coherence for development

**Peer review indicator: Domestic policies support or do not harm developing countries**

*Sweden has renewed its political commitment to and reformed its government processes for policy coherence for sustainable development. These changes have helped it to better identify and address policy inconsistencies between its domestic policies and development priorities. Next steps could include analysing the impact of Sweden's policies in key partner countries.*

### *Renewed political commitment and revamped processes for delivering policy coherence*

Sweden had always been considered a leader on policy coherence for sustainable development (PCSD), as the first OECD country to have an explicit policy on the issue.[7] However, an evaluation in 2014 of Sweden's approach (Statskontoret, 2014) found that the government had deprioritised PCSD and given it limited resources. The evaluation also noted that ministries lacked clarity on their roles and responsibilities and, as a result, were struggling to operationalise the policy.

In response, Sweden has renewed its political commitment, making PCSD a key tool in the implementation of the 2030 Agenda. This is in line with the 2013 peer review recommendation. Ministries are now responsible for developing their own operational action plans to foster ownership, and inter-departmental structures for addressing coherence have been merged with those responsible for managing the implementation of the 2030 Agenda. Five priority issues have been identified: feminist foreign policy, sustainable enterprise, sustainable consumption and production, climate and the sea, and flight of capital and tax avoidance. Sweden's 2018 biennial progress report on PCSD to the parliament (Government Offices of Sweden, 2018c) includes an examination of where conflicts of interest exist between its domestic policies and development objectives. Staff in Sweden's embassies have been engaged in assessing how their work and that of their host country are contributing to the 2030 Agenda. However, there is scope to more explicitly explore how Sweden's domestic policies are impacting on partner countries. Attention could also be paid to ensuring that the newly merged interdepartmental structures continue to provide a dedicated space to discuss PCSD.

### *Improved policy coherence in some domestic policies areas*

Sweden's renewal of its approach to PCSD has paid off. After having fallen from the top spot in 2009, Sweden reclaimed the number-one ranking in the Commitment to Development Index in 2018 (Center for Global Development, 2018).[8] Sweden scored extremely well in terms of the coherence of its environmental policies relative to those of other OECD countries and was ranked as having the most development-friendly migration policies in 2018.

However, Sweden scored poorly on security due to its relatively low contributions to international peacekeeping and high share of arms exports to countries with poor human

rights records and undemocratic regimes. Sweden has approved legislation that came into effect in April 2018, to ensure that significant human rights violations or grave deficiencies in the recipient country's democratic status are systematically taken into account when granting an arms licence (Government Offices of Sweden, 2017b). It is too early to tell what impact these legislative changes will have on Sweden's arms sales. The legislation stops short of an outright ban on selling arms to dictatorships or to human rights abusers, disappointing many civil society organisations (CONCORD Sweden, 2018).

Sweden has made demonstrable progress since the 2013 review in encouraging its business community to be more aligned to the 2030 Agenda. This is one of Sweden's priority issues for its PCSD work. The government's policy for sustainable business provides guidance to encourage Swedish companies to meet international environmental, social, human rights and gender equality standards and adhere to responsible tax practices (Government Offices of Sweden, 2017e). In addition, Sweden has introduced new legislation on sustainability reporting for companies, that is more ambitious than EU directives[9] and has developed new sustainability criteria for public procurement that is aligned to the 2030 Agenda (Box 4.1). It also has introduced new governance rules for state-owned enterprises that oblige them to report on their impact towards the SDGs, and has put in place rules to help investors to determine which sustainability aspects they should consider when administering funds (Government Offices of Sweden, 2018b).

Sweden is one of only six countries in the world to have created a national action plan (Government Offices of Sweden, 2015b) for implementing the UN Guiding Principles on Business and Human Rights (UN, 2011). An evaluation (Statskontoret, 2018) of the government's implementation of this plan, found that significant progress had been made, but recommended that if Sweden wanted to do more it should consider strengthening the statutory requirements for Swedish companies to implement human rights due diligence in high-risk situations. The evaluation also noted that Sweden could consider establishing new laws to enable the government to investigate company-related violations of human rights by Swedish companies that occur outside of Sweden and to undertake legal proceedings related to such violations.

Sweden has made progress in addressing capital flight and tax avoidance, another of its priority issues. It has implemented all of the OECD's Automatic Exchange of Information recommendations, which aim to improve tax transparency, and is on track to implement the OECD's Base Erosion and Profit Shifting Actions, which equip governments with instruments to address tax avoidance. However, Eurodad (2017), a network of European non-governmental organisations, recently called on Sweden to undertake a thorough assessment of the impact of its tax treaties with developing countries to ensure treaties are development-friendly, as has already been done in Norway and Ireland.

One area where Sweden could do more is in fully implementing the OECD Convention on Combating Bribery. Sweden still has not implemented reforms to its Penal Code,[10] which the OECD Working Group on Bribery initially recommended in June 2012.

## Global awareness

**Peer review indicator: The member promotes whole of society contributions to sustainable development**

*Sweden gives priority to development communication and awareness raising, and uses innovative approaches to communicate to its target stakeholders. Public support for development co-operation remains strong and there is growing recognition of the 2030 Agenda.*

### *Communication prioritised and innovative approaches adopted*

Sweden continues to prioritise development communication with dedicated human and financial resources and a comprehensive policy. Sweden spent USD 16.5 million of its ODA budget promoting development awareness in 2017, an increase in spending of 17% from 2016 (OECD, 2017). Sweden's development communication policy (Government Offices of Sweden, 2016b) seeks not only to inform the public about Swedish development co-operation, but to promote open debate and engagement on the need for fair and sustainable global development. Sweden works with civil society, think tanks and journalists to achieve this goal.

Communication staff within the Ministry for Foreign Affairs, Sida and Sweden's embassies work in a co-ordinated manner to enhance Sweden's communication impact. Campaigns are strongly targeted towards engaging youth, and often use social media and influential individuals as means to reach key audiences. Sweden's #FirstGeneration campaign, for example, is building a global network of young people from around the world who are passionate about delivering on the global goals. Approximately 30 Swedish embassies have been involved in this campaign.

### *Strong public support for ODA and growing recognition of the SDGs*

Public support for ODA in Sweden is strong and awareness of the 2030 Agenda is growing. Analysis of Sida's Sifo 2018 aid polling data finds that 70% of people surveyed believe that Swedish aid contributes to a better world and 65% think the current level of aid is about right or should be increased (Liljeström, 2018). Another analysis of the Sifo survey also finds growing awareness of the SDGs, with 50% of people surveyed in 2018 indicating they had heard about the SDGs, up from 41% in 2016 (Gullers Grupp 2018).

## Notes

[1] During its non-permanent membership of the Security Council, Sweden successfully hosted UN talks with the government of Yemen and Ansar Allah that led to the 2018 Stockholm Agreement, which enabled a ceasefire in the Yemeni port city of Hodeidah. The agreement is available at https://osesgy.unmissions.org/sites/default/files/stockholm_agreement_-.pdf. Sweden also co-led negotiations in the Security Council to ensure cross-border humanitarian access in Syria. Under its rotating Presidency of the Security Council, Sweden also strengthened the Security Council's commitment to protect children in armed conflict with the adoption of UN Resolution 2427 (http://unscr.com/en/resolutions/doc/2427). Sweden additionally reignited the debate on the security implications of climate change by tabling the first session on this topic since 2011. For a full list of Sweden's priorities in the Security Council, see https://www.government.se/4b0225/contentassets/9902f281db8d4eaab5b590c4c9f24a75/programme-for-swedens-membership-of-the-united-nations-security-council-20172018.pdf.

[2] Sweden helped to deliver the Stockholm Declaration on Addressing Fragility and Building Peace in a Changing World. See http://www.pbsbdialogue.org/media/filer_public/1e/23/1e237c73-5518-4a03-9a87-b1aa6d914d20/stockholm_declaration.pdf.

[3] Sweden's National Action Plan for the Implementation of the UN Security Council's Resolutions on Women, Peace and Security 2016-2020 is a cross-government strategy involving the ministries of Foreign Affairs, Defence, Justice, Health and Social Affairs, and Education and Research, as well as nine other government agencies including Sida. Twelve countries and territories have been identified as priority focus areas: Afghanistan, Bosnia and Herzegovina, Colombia, Democratic Republic of the Congo, Iraq, Liberia, Mali, Myanmar, Somalia, Syria, Ukraine, and West Bank and Gaza Strip. See https://www.government.se/contentassets/8ae23198463f49269e25a14d4d14b9bc/women-peace-and-security-eng.pdf.

[4] At the government level, all ministries are responsible for delivering on the 2030 Agenda in their respective policy areas, with two ministers having overarching responsibility. The Minister for Public Administration is responsible for co-ordinating the 2030 Agenda domestically and the Minister for International Development Cooperation is responsible for leading the work at the international level.

[5] The national plan identifies six priority areas: social equality and gender equality; a sustainable society; a socially beneficial, circular and bio-based economy; a strong business sector with corporate social responsibility; a sustainable and healthy food chain; and knowledge and innovation.

[6] For example, Sweden has help to launch a new Global Deal on labour market relations and social dialogue with the International Labour Organization and the OECD in support of SDG 8; it has pushed the EU, the World Organisation for Animal Health and the Food and Agriculture Organization to counteract antimicrobial resistance in support of SDG 3; and it hosted the Third High-Level International Conference on Road Safety in Sweden in collaboration with the World Health Organization in support of SDG 11.

[7] In 2003, Sweden's parliament agreed Government Bill 2002/03:122, "Shared Responsibility: Sweden's Policy for Global Development".

[8] The Commitment to Development Index ranks 26 OECD countries on the degree to which their national policies on trade, environment, security, migration, research and technology, and development assistance, support development.

[9] Sweden's new law applies to companies with 250 employees or more, rather than the EU directive which is limited to companies that have 500 or more employees.

[10] The OECD Working Group on Bribery in International Business Transactions considers Sweden's maximum fine for corporations that engage in international bribery inadequate, and has called on Sweden to increase it. Currently, the fine is SEK 10 million (approximately EUR 1.2 million).

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# Chapter 2. Sweden's policy vision and framework

*This chapter assesses the extent to which clear political directives, policies and strategies shape Sweden's development co-operation and are in line with international commitments, including the 2030 Agenda for Sustainable Development.*

*Sweden has established a coherent but broad framework for its development policies since the last review. The new framework focuses on areas where Sweden has comparative advantages, and helps deliver on its commitment to leaving no one behind by addressing rights and multidimensional poverty. Sweden is a global leader on gender equality, confirmed through its Feminist Foreign Policy. At the same time, Sweden maintains a large number of thematic priorities and has developed a multitude of strategies. There is scope for Sweden to consolidate its policy priorities and better capitalise on synergies among its strategies.*

*Sweden takes a strategic approach to engaging at the country or regional level and aims to select partners on the basis of how well they can contribute to its policy goals and achieve sustainable results. Sweden's selection of partner countries is overall well aligned with its policy focus on LDCs and the most vulnerable countries. However, Sweden's bilateral ODA is thinly spread across its priority countries.*

*Sweden takes an informed approach to selecting priority multilateral partners but makes limited use of governments as implementing partners.*

## Framework

**Peer review indicator: Clear policy vision aligned with the 2030 Agenda based on member's strengths**

*Sweden has developed a coherent framework for its development policies that focuses on poverty and rights, playing to Sweden's strengths. At the same time, Sweden maintains a large number of thematic priorities and has also developed a multitude of strategies. There is scope for Sweden to consolidate its policy priorities and better capitalise on synergies among its strategies.*

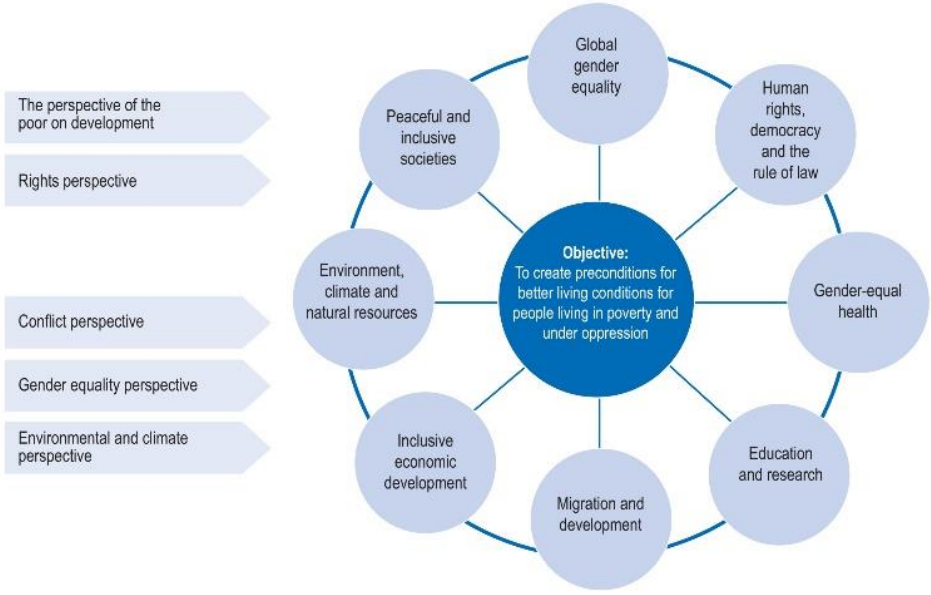
### *Sweden has established a coherent but broad policy framework*

Sweden has established a coherent framework for its development co-operation, as recommended in the 2013 peer review. The 2016 *Policy Framework for Swedish Development Cooperation and Humanitarian Assistance* confirms Sweden's long-held vision of its development co-operation, to "create preconditions for better living conditions for people living in poverty and under oppression". The framework also confirms Sweden's continued focus on rights. It is aligned to Sweden's Policy for Global Development (Government of Sweden, 2002) and takes account of the 2030 Agenda, the Addis Ababa Action Agenda on Financing for Development, the Paris Agreement on climate change and Sweden's Feminist Foreign Policy.

This new policy framework sets out five perspectives - poor people, rights, environment and climate, gender equality, and conflict - that together provide a comprehensive foundation and play to Sweden's comparative strengths as a donor. Eight additional thematic directions in the framework however make for a broad policy vision that does prioritise policies effectively (Figure 2.1), especially when combined with the multitude of new strategies produced to operationalise the policy framework.

Sweden has revised how it frames its perspectives and priorities twice since the 2013 peer review.[1] The 2016 framework replaces the 2014 Aid Policy Framework (Government Offices of Sweden, 2014), which was Sweden's initial attempt to bring together its thematic policy priorities in one central document. Sweden would benefit from consolidating its existing policy framework to allow staff to build up skills and knowledge in the newly identified areas and to enable time for implementation of agreed priorities (Chapter 4).

**Figure 2.1. Sweden's perspectives and priorities**




*Source*: Government of Sweden (2016), *Policy Framework for Swedish Development Cooperation and Humanitarian Assistance*, www.government.se/legal-documents/2017/05/policy-framework-for-swedish-development-cooperation-and-humanitarian-assistance/.

### *Sweden's numerous strategies are aligned to the policy framework but the synergies among them are not sufficiently exploited*

Sweden currently implements 63 strategies that govern its development co-operation: 6 regional, 25 country, 13 global thematic, and 19 that relate to multilateral co-operation (Government Offices of Sweden, 2018a). These strategies set out the objectives to which Sweden's co-operation will contribute in a specific period. The *Guidelines for strategies in Swedish development co-operation and humanitarian assistance*, adopted in 2017, set out, in broad terms, the process for drafting, implementing and monitoring a strategy (Government Offices of Sweden, 2017b). Most strategies have dedicated funding allocated to their implementation.

While strategies individually are aligned to the policy framework, there are not clear connections among them and this can result in duplication of funding to partners and lost opportunities to create synergies. Liberia provides an example of more than one strategy providing funding in a given a country: in 2017, the regional strategy for Africa South of Sahara provided support to the West Africa Network for Peacebuilding in Liberia, this Network is also funded via Sweden's Liberia country strategy, and Sweden's thematic strategy for sustainable peace funded six activities in Liberia in parallel to the activities funded through the country strategy (Sida, 2018a). Currently, there is no systematic approach to ensuring that the owners of global thematic strategies who are based in Sida's headquarters have an overview of activities undertaken within their policy area that are funded through country strategies. Similarly, country-level staff do not necessarily have an overview of how global thematic strategies are being operationalised in their country or region.

Past reviews have highlighted a "forest of policies"; Sweden has now developed what may be termed a "forest of strategies". Sweden could establish more formal information

channels about activities undertaken through the different strategies and better capitalise on synergies among the strategies to maximise complementarity, ensure consistency and coherence, and improve programme impact.

## Principles and guidance

**Peer review indicator: Policy guidance sets out a clear and comprehensive approach, including to poverty and fragility**

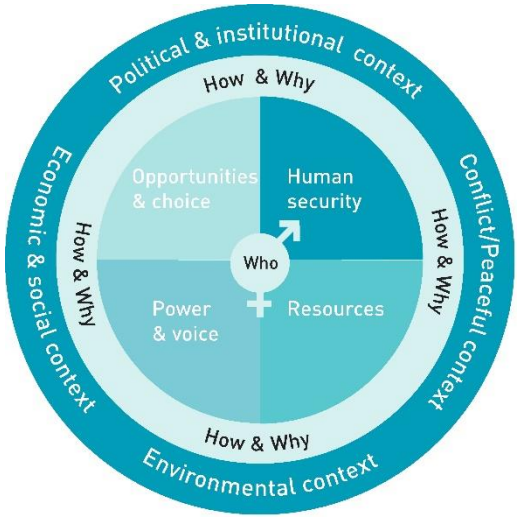
*Sweden takes a comprehensive approach to addressing a range of priority policy areas, supported by its new multidimensional analysis of poverty. Sweden is a global leader on gender equality, confirmed through its Feminist Foreign Policy. Additionally, it has strengthened its approach to environment and is increasingly using conflict and resilience analysis to inform its programming in fragile contexts.*

### *As a response to the 2030 Agenda Sida is using a new, multidimensional poverty analysis to help to leave no one behind*

Sweden has embedded the pledge to leave no one behind in its policy framework and has a clear focus on poverty, as manifested in its long-standing vision of its development co-operation. Since the last peer review, Sida has developed a new multidimensional poverty approach (MDPA) to addressing poverty that is set out in its 2017 Conceptual Framework (Sida 2017c), supported by the Poverty Toolbox (Sida, 2018f).

The MDPA looks at poverty as not only a lack of material resources, but also a lack of opportunities and choice, power and voice, and human security. It starts out with an analysis of who specifically is living in poverty, how poverty manifests itself for different groups, and why poverty is prevailing by analysing the context taking a holistic approach (Figure 2.2). This approach will become an integrated part of the strategy management cycle and should help Sweden to develop a strong context analysis, better target its programming accordingly and map out partners who can address the four dimensions of poverty. It will also help Sida to better integrate work across thematic areas. As Sweden implements this new diagnostic tool, it would be useful if it could share learning with members of the OECD Development Assistance Committee (DAC).

**Figure 2.2. Sida's multidimensional poverty analysis**




*Source*: Sida (2018f), *Poverty Toolbox*, https://www.sida.se/English/partners/resources-for-all-partners/methodological-materials/poverty-toolbox.

### *Sweden's Feminist Foreign Policy has confirmed its global leadership on gender equality*

Sweden has a well-established focus on gender equality and the human rights of women and girls in its development co-operation. Framed as one of five overarching policy perspectives, gender equality is a recurring theme in Sweden's programming, as is evidenced in Liberia, and in Sweden's interactions with partners. Sweden's new global strategy for gender equality and women's and girls' rights (2018-22) aims to strengthen normative frameworks, increase the safety of organisations working on gender inequality and improve disaggregated statistics (Government Offices of Sweden, 2018b).

Sweden takes seriously its role in addressing divisive issues of critical importance to women's empowerment that sometimes are shunned by other donors or difficult to broach with partner governments, for example, sexual and reproductive health and rights (SRHR), masculinities, and sexual and gender-based violence (Sida, 2018e). This was evident in Liberia (Annex C). Sida supports staff in integrating gender equality across all its programming through a gender toolbox that provides knowledge, tools and inspiration on how to operationalise gender equality in Swedish development co-operation; a Gender Equality Network of staff specialists and advisors; and regional Gender Help Desks.[2]

Sweden's Feminist Foreign Policy, adopted in 2014, has enabled Sweden to also ensure gender equality is an essential part of its diplomatic, security and trade efforts and to take a more systemic approach to the issue, confirming its position as a global leader (Box 2.1). Sweden should continue to pursue its Feminist Foreign Policy and its strong support for women's rights globally, and to bring others along.

**Box 2.1. Sweden's Feminist Foreign Policy has created an effective platform to address gender equality globally**

In October 2014, Sweden became the first country in the world to launch a Feminist Foreign Policy. This policy represents a shift towards a more systemic approach to addressing inequality, and focuses on enhancing the rights, representation and resources of women and girls globally. It also enables Sweden to use all its foreign policy tools to address gender equality. On security, for example, Sweden has used its non-permanent membership of the United Nations (UN) Security Council to advance women's participation in peace efforts and conflict prevention, creating a Swedish Women's Mediation Network that is actively working in Afghanistan, Burundi, Somalia, Sudan, Syria, Yemen and Zimbabwe. In trade, Sweden has worked hard to improve the gender focus of European Union (EU) trade agreements. The EU's free trade agreement with Chile has an entire chapter on gender equality for the first time, thanks in part to Sweden.

Mobilisation and achieving normative change are integral parts of Sweden's strategic approach. Sweden was a founding member of the SheDecides global movement that supports the rights of girls and women to decide freely about their sexual and reproductive lives.[3] Sweden, as part of the movement, swiftly increased its aid spending on reproductive health to counter the declines in other countries' spending.[4] Its drive to change norms also has led to creative partnerships. In 2018, in partnership with Wikimedia, Sweden introduced the #WikiGap campaign to enhance the information about women on Wikipedia around the world. In the first three months of the campaign alone, participants wrote almost 4 000 new articles that were read over 5 million times across 50 countries.

One reason for the success of Sweden's Feminist Foreign Policy is its full integration in the Ministry for Foreign Affairs, where it benefits from strong leadership and deep ownership through a bottom-up approach that has involved consultation with all the Ministry's staff. This has been accompanied by a comprehensive set of guidance and support mechanisms for implementation, including the introduction of gender budgeting and work to ensure that the Ministry's staff diversity reflects its commitment to gender equality.

*Source*: Government Offices of Sweden (2018d), *Swedish Foreign Service Action Plan for Feminist Foreign Policy 2015-2018, Including Indicative Measures for 2018*, Ministry for Foreign Affairs, Stockholm, https://www.government.se/information-material/2018/03/swedish-foreign-service-action-plan-for-feminist-foreign-policy-20152018-including-indicative-measures-for-2018/.; Government Offices of Sweden (2018c), *Handbook: Sweden's Feminist Foreign Policy*, Ministry for Foreign Affairs, https://www.government.se/reports/2018/08/handbook-swedens-feminist-foreign-policy/.

### *Sweden is strengthening its approach to the environment and climate change*

Since the last peer review, Sweden has raised its ambitions on addressing environmental sustainability and tackling climate change within its development co-operation, both as a standalone issue and in terms of integrating climate and environment across all its programming. Sida's new environmental policy and an environmental action plan aim to increase the share of aid focussed on the environment (Chapter 3). Sida also has a staff network and a Helpdesk for Environment and Climate Change.[5]

However, an internal environmental audit of Sida in 2018 concluded that the agency still needs to address the issue of human and financial resources to meet its ambitions (Sida, 2018c). As is evidenced in Liberia, further efforts could be undertaken to integrate climate

and environment into country strategies that do not have these topics as priority areas. Sweden's efforts and willingness to learn, including through the DAC peer learning exercise on mainstreaming environmental concerns, should support its intention to be at the forefront of tackling climate change and environmental sustainability.

### *Greater use of conflict and resilience analysis has enhanced Sweden's approach to working in fragile contexts*

Sweden has continued to build upon its already solid approach to working in fragile states and contexts since the last peer review. The elevation of conflict as a perspective in its policy framework requires staff to take conflict into account and apply conflict sensitivity in all of Sweden's development co-operation programming. Staff are increasingly doing this, as evidenced in Liberia, where the embassy commissioned an in-depth conflict analysis to inform the development of the current strategy (Annex C). Sweden's outsourced policy Helpdesk on Human Security and Humanitarian Assistance enables staff to augment in-house expertise and provides high quality and timely policy support.[6]

In addition, Sida has introduced a new risk and resilience analysis tool for working in fragile states and contexts (Chapter 7). The tool is helping Sweden to identify and focus on the most vulnerable groups. In Sida's recent mid-term review of the Afghanistan country strategy, this approach was integrated into the multidimensional poverty analysis and has resulted in programming being adjusted to include internally displaced people and returning refugees (Government Offices of Sweden, 2018a).

## Basis for decision making

**Peer review indicator: Policy provides sufficient guidance for decisions on channels and engagements**

*Sweden's selection of partner countries is overall well aligned with its policy focus on LDCs and the most vulnerable countries, although it maintains a relatively high number of countries which results in a geographically thinly spread aid programme.*

*Sweden takes a strategic approach to engaging at the country or regional level. It aims to select the partners and forms of co-operation that contribute most effectively to achieving sustainable results. It takes an informed approach to selecting priority multilateral partners but makes limited use of governments as implementing partners.*

### *Sweden aims to engage in countries where it can make the biggest difference but its bilateral ODA is geographically thinly spread*

In selecting where its engagement can have the greatest impact, Sweden takes account of a country's needs and resources and the degree to which its development co-operation is the best-placed to assist the country (Government of Sweden, 2016). Its policy framework calls for a strong focus in its bilateral programme on least developed and most vulnerable countries.

On the whole, Sweden's selection of partner countries is well-aligned with its policy focus on least developed and fragile countries. However, Sweden also continues to undertake development co-operation with countries in Eastern Europe, Western Balkans and Turkey

with the aim of contributing to the EU integration process, although these countries are not categorised as least developed or fragile (Table 2.1).

Sweden has managed to reduce the number of its partner countries, since the 2013 peer review, down to 35 from 44. But Sweden fell short of its objective to reduce the number of its partner countries to 32, as it maintained two partner countries it had planned to cut (Burkina Faso and Republic of North Macedonia) and added a new partner country (Cuba). Even with the overall reduction, Sweden's aid programme is geographically thinly spread compared to other DAC members (Chapter 3). Sweden could allocate a higher share of its development assistance on a prioritised set of partner countries to promote its aid impact (Chapter 3).

**Table 2.1. Sweden's allocations to partner countries and territories**

| | | | | |
|---|---|---|---|---|
| Africa | **Burkina Faso**<br>SEK 1 500 mn<br>2018-22 | **Democratic Republic of Congo**<br>SEK 1 250 mn<br>2015-19 | **Ethiopia**<br>SEK 1000 mn<br>2016-20 | **Kenya**<br>SEK 1 750 mn<br>2016-20 |
| | **Liberia**<br>SEK 1 350 mn<br>2016-20 | **Mali**<br>SEK 1 200 mn<br>2016-20 | **Mozambique**<br>SEK 4 100 mn,<br>2016-20 | **Rwanda**<br>SEK 900 mn, 2015-19 |
| | **Somalia**<br>SEK 3 030 mn<br>2018-22 | **Sudan**<br>SEK 1 200 mn<br>2018-22 | **South Sudan**<br>SEK 1 500 mn<br>2018-22 | **Tanzania**<br>SEK 5 500 mn<br>2013-19 |
| | **Uganda**<br>SEK 2 400 mn<br>2018-23 | **Zambia**<br>SEK2 250 mn<br>2018-22 | **Zimbabwe**<br>SEK 1 500 mn<br>2017-22 | |
| Asia | **Bangladesh**<br>SEK 1 900 mn<br>2014-20 | **Cambodia**<br>SEK 1 000 mn<br>2014-18 | **Myanmar**<br>SEK 1 280 mn<br>2018-22 | **Afghanistan**<br>SEK 4 870 mn<br>2014-19 |
| Latin America | **Bolivia**<br>SEK 750 mn<br>2016-20 | **Colombia**<br>SEK 950 mn<br>2014-18 | **Guatemala**<br>SEK 1 125 mn<br>2016-20 | **Cuba**<br>SEK 90 mn<br>2016-20 |
| Middle East and North Africa | **West Bank and Gaza Strip**<br>SEK 1 500 mn<br>2015-19 | **Iraq**<br>SEK 1 300 mn<br>2017-21 | | |
| Eastern Europe, Western Balkans, Turkey SEK 8 500 mn for 10 countries, 2014-20 | **Georgia**<br>**Albania**<br>**Republic of North Macedonia** | **Belarus**<br>**Kosovo**<br>**Turkey** | **Moldova**<br>**Bosnia and Herzegovina** | **Ukraine**<br>**Serbia** |

*Source*: Government Offices of Sweden (2018a), *DAC Peer Review - Memorandum of Sweden, September 2018*, Stockholm.

Sweden takes a strategic approach to deciding when to engage at the regional or country level, as is evidenced in its choice of regional strategies. For example, Sweden decided to set up a regional SRHR strategy in Africa (Government Offices of Sweden, 2015), given that this is a normative and potentially divisive issue. The strategy encourages an exchange of experiences among countries to bolster learning and strives to strengthen policy commitments at the regional level on the issue. The strategy facilitated the expansion of a programme on sexuality education in Zambia to the regional level (Sida, 2018e). Equally, Sweden's 2016-21 strategy for regional development co-operation in sub-Saharan Africa is focused on strengthening the capacity of regional actors to tackle cross-border challenges

such as climate change, economic integration and trade (Government Offices of Sweden, 2016d).

### *Sweden's rationale for selecting partners is based on who contributes most effectively to its goals but could take a more balanced approach*

Sweden's approach to partner identification is based on the long-term, sustainable results it wants to achieve and an assessment as to which partner is best placed to deliver these in the given context. Sweden does not have a ratio indicating either the amount of ODA that should be delivered via its bilateral and multilateral channels or the amount of aid that should be delivered among different types of partners. The Swedish government agency or agencies in charge of implementing bilateral programmes are responsible for selecting the partners and forms of co-operation that would contribute most effectively to achieving sustainable results. Staff also assess alignment with Sweden's policy perspectives and international commitments before engaging with a partner. The multidimensional poverty framework will likely be helpful in identifying partners. Sweden values the contribution of different stakeholders and makes extensive use of multilateral partners and civil society organisations and, to a lesser extent, the private sector (Chapter 3). While Sweden conducts dialogue with its partner governments and is committed to the principle of country ownership, Sweden makes limited use of governments as implementing partners and accounts for this due to its increased engagement in fragile countries and contexts (Chapter 5).

### *A strategic approach to selecting priority multilateral partners*

Sweden continues to have an informed and criteria-based prioritisation for its core funding of multilateral organisations, as highlighted in the 2013 review. Sweden's support is governed at a general level by its strategy for multilateral development policy (Government Offices of Sweden, 2017a), which was updated in 2017 to reflect the changes in the multilateral architecture. Sweden also has individual strategies for each of its priority organisation. Multilateral organisations value Sweden's preference for long-term partnerships based on dialogue and with a focus on core funding, which Sweden sees as the most effective type of support for these organisations. As this 2017 policy sets out, priority organisations for funding are selected based on the following criteria:

- The relevance of the organisation for Sweden's international development co-operation and humanitarian assistance policy.
- The ability of the organisation to contribute effectively to results in development co-operation and/or humanitarian assistance.
- The size of Sweden's aggregate support to the organisation eligible as ODA.

Sweden also makes extensive use of multi-bi support in its country programming. While the prioritisation criteria in the multilateral strategy guide Sweden's multi-bi support, this support is also governed by the thematic and geographical strategies (Government Offices of Sweden, 2017a), adding a layer of complexity in partner selection at the country level. Sweden's multi-bi funding is long term and softly earmarked.

Sweden follows up and assesses the relevance and effectiveness of each organisation. As of 2017, Sweden relies mainly on assessments by the Multilateral Organisation Performance Assessment Network (MOPAN), supplemented by a short assessment of

relevance against Sweden's policy framework. This is good practice. Sweden is also showing leadership by assuming the Chair of MOPAN in 2019.

Sweden promotes collaboration and aims to create synergies in the multilateral system and improve the effectiveness of multilateral funding, using different groupings of like-minded countries to promote its positions. Sweden chaired the Utstein group in 2016, and in 2018, it hosted a special meeting in Stockholm on a funding compact for the United Nations Development System (Government Offices of Sweden, 2018a). Sweden also plays an active role on governing boards, advocating for gender equality, rights and the environment.

## Notes

[1] The 2014 Aid Policy Framework set out two fundamental values - poor and oppressed people's own perspective and the rights perspective - and six sub-objectives. These sub-objectives are strengthened democracy and gender equality, greater respect for human rights and freedom from oppression; better opportunities for people living in poverty to contribute to and benefit from economic growth and obtain a good education; a better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters; improved basic health; safeguarding human security and freedom from violence; and saving lives, alleviating suffering and maintaining human dignity.

[2] For more on Sida's Global Gender Help Desk, see https://ncgsw.se/project/global-gender-helpdesk-sida.

[3] More information about this movement is available at https://www.shedecides.com/.

[4] Over time, Sweden has increased both the volume and percentage of the ODA that it commits to population and sexual reproductive health. In 2016 and 2017, Sweden committed on average USD 151 million (2016 constant prices), or 5% of its total bilateral allocable ODA, to population and sexual reproductive health, compared to USD 68 million, or 2% of total bilateral allocable ODA, in 2014 and 2015. See also Table B.5. in Annex B.

[5] For information about Sida's Helpdesk for Environment and Climate Change, see https://sidaenvironmenthelpdesk.gu.se.

[6] Sida's Helpdesk on Human Security and Humanitarian Assistance was established in 2011 to complement Sida's in-house expertise. The Helpdesk provides advisory support to embassies and programme managers. Typical tasks include conflict sensitivity reviews; support to strategy development, including mapping exercises and partnerships; portfolio reviews; targeted research on thematic issues; desk-based conflict analysis; general monitoring and evaluation; and presentations or events. The Helpdesk is external to Sida and implemented by a consortium of five agencies, which permits users to tap into a broad range of geographical and sector expertise.

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# Chapter 3. Sweden's financing for development

*This chapter considers how international and national commitments drive the volume and allocations of Sweden's official development assistance (ODA). It also explores Sweden's other financing efforts in support of the 2030 Agenda.*

*Sweden is a generous donor who meets and goes beyond its international ODA commitments. In response to a sharp increase of in-donor refugee costs, Sweden has taken action to maintain predictable aid flows for its development agencies and aid partners.*

*Sweden's bilateral aid supports least developed countries, especially those in sub-Saharan Africa, and is strongly focused on supporting democracy building and civil society and gender equality. This is in line with its policy priorities. However, there is room to allocate a higher share of Sweden's bilateral ODA to a prioritised set of partner countries.*

*Sweden is a valued multilateral donor, providing flexible and predictable resources to international institutions. Its allocations are coherent with its policy priorities, and the largest share of its multilateral aid is allocated to the United Nations System.*

*Sweden is actively engaged in promoting financing for development and is increasingly using its ODA to catalyse private sector flows.*

## Overall ODA volume

**Peer review indicator: The member makes every effort to meet ODA domestic and international targets**

*Sweden is a generous donor who meets and goes beyond its international ODA commitments. In response to a sharp increase of in-donor refugee costs in recent years, Sweden has taken action to ensure that it maintains predictable aid flows to its development agencies and aid partners.*

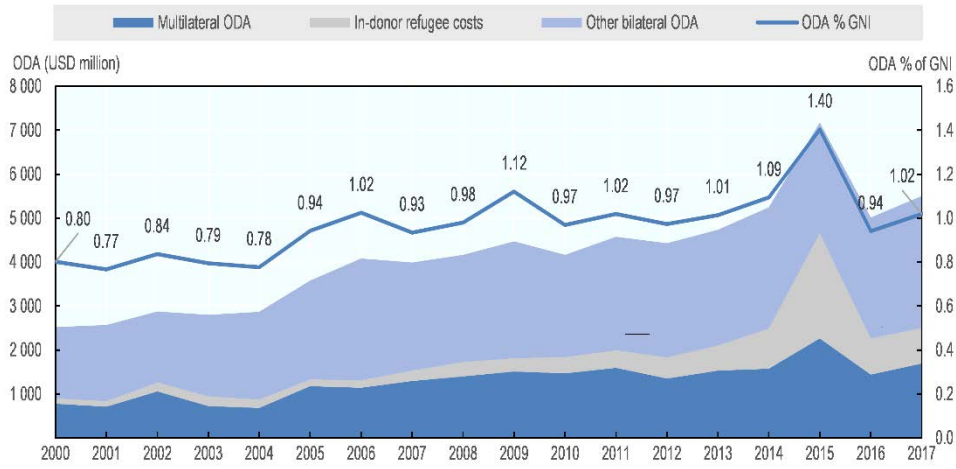
### *Sweden remains one of the most generous OECD donors*

In 1975, Sweden was the first country to meet the United Nations (UN) target of allocating 0.7% of its gross national income (GNI) to official development assistance (ODA). Sweden's allocation has remained consistently above this threshold since then. In 2006, the government set a new target of providing 1% of Sweden's GNI to ODA. This target has the backing of a broad consensus, both in the Riksdag and in the wider Swedish public.

In 2017, Sweden was the most generous OECD Development Assistance Committee (DAC) donor as measured by the percentage of its GNI provided as ODA. It provided USD 5.563 billion (equivalent to SEK 47.549 billion) in net ODA, which represented 1.02% of its GNI (Figure 3.1). Sweden's 2018 Budget Bill further increased the aid budget to SEK 49 billion in 2018 (equivalent to USD 5.733 billion at the 2017 exchange rate). Given the positive forecasts for its economy and its 1% target, Sweden is likely to deliver net ODA in the amount of SEK 53 billion (equivalent to USD 6.201 billion at the 2017 exchange rate) in 2020.

The grant element of Swedish total ODA was 100% in 2017 and loans amounted to 0.8% of gross ODA. Sweden remains committed to the principle of untying aid. Its share of untied aid has fluctuated in recent years. It increased to 96.3% in 2016, from 86.8% in 2015, but then decreased to 87.8% in 2017 (OECD, 2018a). This decrease was mainly due to improved screening for tied aid at Sida and was predominately related to aid channelled through Swedish government agencies and universities.

**Figure 3.1. ODA disbursement and ODA as % of GNI**




*Note*: Amounts shown are in constant 2016 USD prices and exchange rates and as shares of GNI.
*Source*: Adapted from OECD (2018b), "Creditor Reporting System" (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed January 2019).

### *Spike in overall ODA as a result of high in-donor refugee costs*

Between 2012 and 2017, Sweden's total ODA increased by 22.8%, rising to USD 5.4 billion from USD 4.4 billion (at constant 2016 prices and exchange rates). ODA spending reached a peak in 2015 at USD 7.1 billion, representing 1.40% of GNI. As shown in Figure 3.1, this increase was driven mainly by a substantial upsurge of in-donor refugee expenditure (+163% over 2014), reflecting Sweden's commitment to assist those fleeing persecution, war and violence.[1] A 44% rise in core contributions to multilateral institutions also partly accounts for the increase in total ODA. Spending on bilateral aid followed the opposite trajectory in 2015.[2] Since 2016, in-donor refugee costs have decreased and this is likely to be a continuing trend.[3]

The rise of ODA expenditures on in-donor refugee costs has made it difficult for the Ministry for Foreign Affairs (MFA) to manage its ODA budget effectively, heightening the risk of unpredictable aid[4] (Swedish National Audit Office, 2016). The MFA has started to apply scenario budgeting[5] to manage uncertainty. This and other tools have enabled Sweden to maintain the predictability of its development aid funds.

### *Sweden is a good reporter of ODA to the DAC*

Sweden's ODA reporting to the DAC is strong, and there is continuous effort to improve data quality. In 2017, the OECD classified Sweden as a "good" reporter with regard to its ODA reporting to the DAC and Creditor Reporting System. In line with the last peer review's recommendations, the government has strengthened the transparency of how it calculates in-donor refugee costs, reporting this in its annual Budget Bill and in state accounts. The government is also reviewing the statistical model used to calculate its in-donor refugee expenditure so as to ensure its model will comply with the DAC clarified directives. A recent OECD statistical review (OECD, forthcoming) of Sweden's reporting to the DAC notes the need for a co-ordinating agency that is responsible for validating ODA-eligible activities and the need for Sweden to improve its reporting at activity level on the instruments of Swedfund, its development finance institution, for more transparency.

## Bilateral ODA allocations

**Peer review indicator: Aid is allocated according to the statement of intent and international commitments**

*Sweden provides a relatively high share of its bilateral ODA to least developed and vulnerable countries, in line with its policy commitments. Nevertheless, it continues to struggle to geographically concentrate its bilateral aid programme. Sweden's bilateral aid is heavily focused on democracy and civil society, and it is a DAC leader on gender-focused aid. Sweden shows a preference for channelling its bilateral ODA through multilateral organisations and civil society.*

### *Sweden pays special attention to support the least developed and most vulnerable countries*

Sweden has embraced the UN target of allocating 0.15%-0.20% of GNI to least developed countries (LDCs), as reiterated in its 2016 policy framework (Government of Sweden, 2016). In 2017, it spent 0.19% of GNI to support LDCs, the second-highest percentage among DAC countries in relative terms.[6] Regarding bilateral aid allocable by income,[7] Sweden performed very well, with 63% of its ODA allocated to LDCs in 2017 against a DAC country average of 39%.

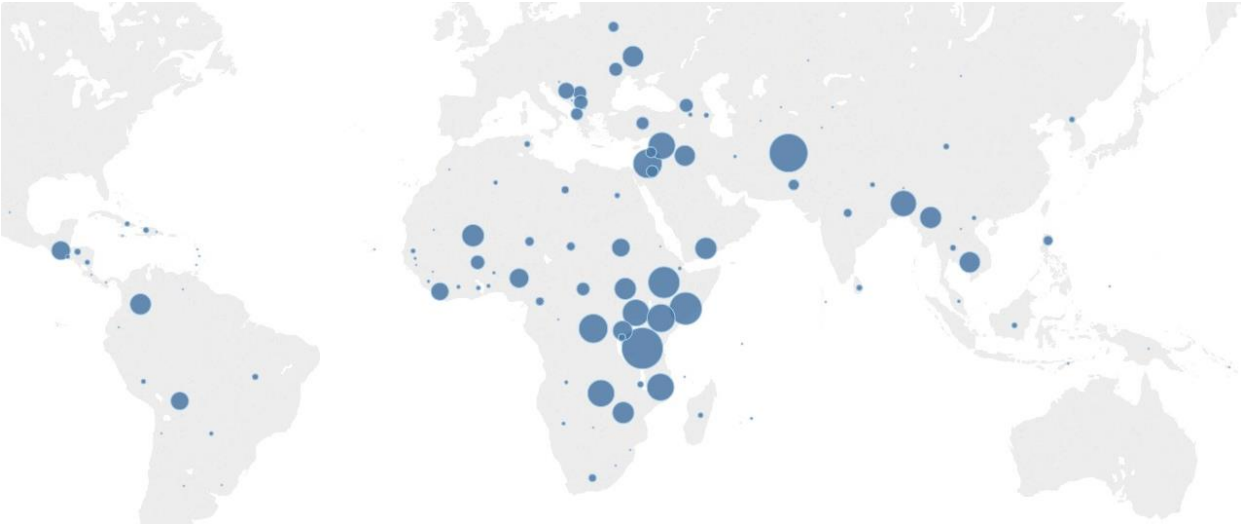
In line with its new policy approach to managing conflict and fragility, Sweden dedicates a generous share of aid to fragile states and territories, providing 0.25% of its GNI to these contexts. Sweden was the sixth-largest DAC provider to fragile contexts in absolute terms in 2017, allocating a total of USD 1.356 billion.

### *Sweden's bilateral ODA is geographically thinly spread*

Sweden's ODA continues to be thinly spread geographically as Figure 3.2 shows, and there is room for Sweden to allocate a higher share of its bilateral ODA to a prioritised set of partner countries. Sweden allocated just 19% of gross bilateral ODA to its top 10 recipients over 2016-17, (against the DAC average of 29%) and only 29% of such aid to its top 20 recipients (against the DAC average of 40%).[8] These represent no improvement since the 2013 peer review, which recommended that Sweden concentrate its assistance on fewer countries.[9] As a consequence, Sweden ranks among the top 5 donors in only 5 of its 35 priority countries.[10]

Swedish bilateral aid is strongly focused on sub-Saharan Africa, with 51% of geographically allocable bilateral ODA disbursed to this region in 2017. This is well above the DAC average. In the same year, official aid that could not be allocated geographically represented 49% of Sweden's gross bilateral ODA - also above the DAC average - with almost half of this aid going to finance in-donor refugee costs.

**Figure 3.2. Distribution of allocable bilateral ODA in 2017**



*Note*: The figure shows only allocations to individual recipient countries. Regional allocations that cannot be computed to single countries (equal to USD 298 million and representing 15% of geographically allocable bilateral aid) are not reflected.
*Source*: Adapted from OECD (2018b), "Creditor Reporting System" (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed January 2019).

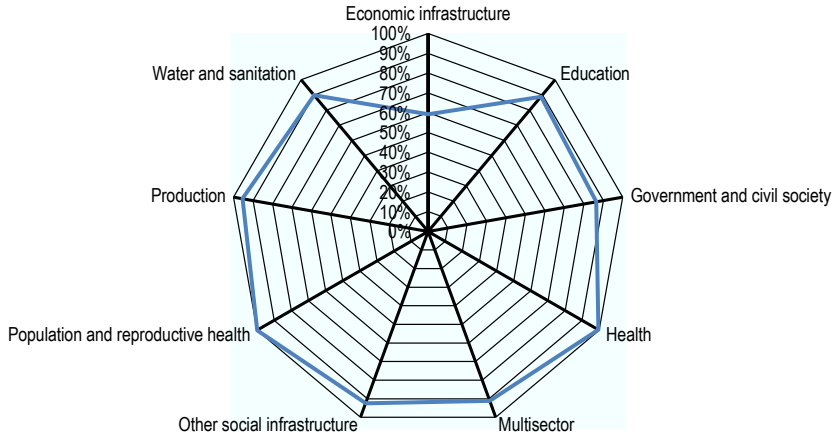
Only 36% of Sweden's gross bilateral ODA was country programmable aid in 2017, below the DAC average of 48%. The breakdown of its non-country programmable aid was in-donor refugee costs (21% of gross bilateral ODA), humanitarian and food aid (12%), and support to non-governmental organisations (NGOs) (8%).[11]

### *Sweden's thematic allocations of ODA are coherent with its policy priorities*

Sweden's spending has a strong focus on promoting democracy, in line with its policy priorities. In 2017, 23% of gross bilateral ODA, equal to USD 906 million, was allocated to good governance and civil society - well above the DAC average of 9%. Of this amount, initiatives aimed at fostering civil society and human rights alone accounted for USD 419 million. Within this area of spending, USD 166 million went to conflict, peace and security in 2017, reflecting a greater focus from Sweden than the DAC average.

Sweden's well-established focus on gender equality and rights of women is reflected in its ODA allocations. In 2017, 87% of allocable bilateral aid had gender equality and women's empowerment as a principal or significant objective across all sectors (Figure 3.3) making Sweden the DAC leader on gender-focused aid.[12]

**Figure 3.3. Share of bilateral allocable ODA in support of gender equality by sector in 2017, commitments**




*Source*: Adapted from OECD (2018b), "Creditor Reporting System" (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed January 2019).

Sweden's focus on the environment is also evident in its bilateral ODA spending. In 2016-2017, 41% of bilateral allocable aid was committed in support of the environment, above the DAC average. However, the share of ODA provided to the environment has remained relatively stagnant, and aid specifically addressing climate change (mitigation and adaptation) has decreased from 15% in 2012-13 to 13% in 2016-17, though within this climate adaptation funding increased.[13] In line with its intention to be at the forefront of tackling climate change and environmental sustainability, Sweden has put in place plans to increase the share of aid directed to environment over the next few years (Chapter 2).

### *Sweden has a clear preference for aid channelled through multilateral organisations and civil society*

In 2017, Sweden channelled just 37% of gross bilateral aid through the public sector[14] (against the DAC average of 52%). In the same year, it channelled 29% of its bilateral aid through multilateral organisations, exceeding the DAC average of 19%. Sweden also channelled 28% of its bilateral ODA through NGOs and civil society, compared to a DAC average of 15%. The share of Sweden's bilateral aid channelled through multilaterals and NGOs has increased since 2008; it consistently was directed to activities in the government and civil society sectors.

In 2017, Sweden channelled only USD 29 million through private sector institutions, representing just 1% of its gross bilateral aid - well below the DAC average of 7%.

## Multilateral ODA allocations

**Peer review indicator: The member uses the multilateral aid channel effectively**

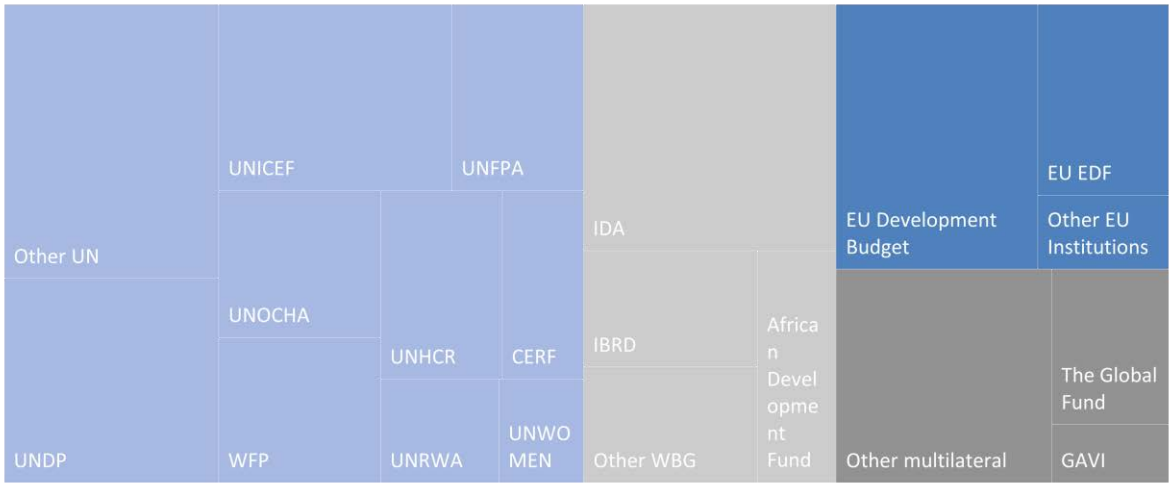
*Sweden is a valued multilateral donor providing flexible and predictable resources to international institutions. Its allocations are coherent with its policy priorities, with the largest share of multilateral aid allocated to the UN system.*

### *The largest share of Swedish multilateral aid goes to the UN System*

In 2017, 51% of Sweden's total ODA was allocated to and through the multilateral system, compared to a DAC average of 40%. Sweden's share of ODA to multilateral organisations (core funding) has fluctuated only slightly between 2012 and 2017, averaging 31% of total ODA. The share of Swedish bilateral ODA channelled through multilateral organisations (multi-bilateral contributions) has also remained relatively stable at roughly 19% of total ODA between 2012 and 2017, against a DAC country average of 13%.[15]

Compared to other DAC members, Sweden allocates proportionally far more of its core support to UN agencies, as Figure 3.4 shows. In 2017, 39% of its multilateral aid (core) went to the UN System, against the DAC average of 17%, reflecting the value Sweden places on the UN's normative function to support its policy objectives and its significant humanitarian spending.

**Figure 3.4. ODA contributions to and through multilateral institutions in 2017**




*Note*: ODA allocations are grouped by colours: UN System (light blue), EU institutions (dark blue), multilateral development banks (light grey) and other multilateral institutions (dark grey). The box entitled "Other UN" includes minor contributions, the most relevant being are core and bilateral earmarked contributions to the World Health Organization (USD 35 million), UNAIDS (USD 30 million), Food and Agricultural Organization (USD 26 million), and United Nations Educational, Scientific and Cultural Organization (USD 23 million).
*Source*: Adapted from OECD (2018b), "Creditor Reporting System" (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed January 2019).

### *Sweden's allocation of aid to multilateral institutions is strongly aligned to its strategic priorities.*

Sweden's core and non-core support for multilateral institutions is aligned to its policy priorities. Within the UN System, the UN High Commissioner for Refugees received the largest amount of core funding over the 2012-17 period, followed by the Green Climate Fund. In addition, Sweden was the second-largest donor to the UN High Commissioner for Human Rights (OHCHR) and the largest contributor in total resources to the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) in 2017.

Additionally, in 2017, 25% of Sweden's non-core multilateral aid was targeted to the government and civil society sector, higher than the DAC average of 13%.

## Financing for development

**Peer review indicator: The member promotes and catalyses development finance additional to ODA**

*Sweden has scaled up its use of instruments and diversified its platforms for using ODA as a catalyst for private sector investment and know-how. The portfolio of Sweden's relatively small development finance institution is aligned to the geographic priorities of Sweden's development co-operation.*

### *Sweden is increasingly using its ODA to catalyse private finance flows*

Sweden has scaled up its use of instruments and diversified its networks for using its ODA as a catalyst for development-related private sector investment and expertise since the 2013 peer review.

Between 2012 and 2017, Sweden mobilised USD 1.4 billion from the private sector through official development finance interventions (OECD, 2019). Sida's funding to the private sector through guarantees has more than doubled between 2013 and 2017 (Sida, 2017) with guarantees accounting for 80% of Sweden's mobilised private sector resources between 2012 and 2017 (OECD, 2019). A Carnegie Consult (2016) evaluation of Sida's use of guarantees found that Sida's investments were generally relevant and efficient and made positive contributions to private sector development. But the evaluation recommended that Sida do more to ensure it works with financial intermediaries who are able to reach Sida's intended target groups.

Sida continues to use Challenge Funds and its Public Private Development Partnerships to leverage additional financial flows and know-how from the private sector. Since the 2013 peer review, Sweden has also enhanced its relationships with companies and investors, with the aim of encouraging more development-friendly private flows (Chapters 1 and 3). One result of these efforts is the SEK 2.5 billion (approximately USD 292 million) environmental bond to support sustainable cities in developing countries that is funded by members of the Swedish Investors for Sustainable Development network, with the World Bank.

Swedfund, Sweden's development finance institution (DFI), provides equity, loans and funds to support private sector investments aimed at delivering development impact. Its

total portfolio in 2017 was worth SEK 4.6 billion (approximately USD 538 million) (Swedfund, 2018). Swedfund is a relatively small DFI compared to those of Sweden's Nordic neighbours.[16] But, according to its own reporting, its funding is highly aligned with the geographic focus of Sweden's development co-operation; 62% of its portfolio goes to sub-Saharan Africa following a deliberate shift in Swedfund's investments. Its reporting also shows demonstrable impact from its investments in terms of jobs created, female employment, tax generation and renewable energy in partner countries.

Sweden also engages in innovative financing. Sida's guarantee-based risk transfer mechanism with the Asian Development Bank (ADB), for example, will increase ADB's lending capacity by an estimated SEK 4.281 billion (approximately USD 500 million) until 2028 (Government Offices of Sweden, 2018). This type of innovation can release capacity for additional operations by improving the risk profile of bank balance sheets and reducing the capital held in reserve to cover guaranteed loans.

### *Sweden actively supporting building the capacity of its partner countries on taxation*

Sweden recognises the importance of helping developing countries to improve their capacity to mobilise domestic resources (Government of Sweden, 2016). Sweden hosted an international conference on capacity-building around taxation in 2018 to share learning. Sweden's Tax Agency is also currently working in Bosnia and Herzegovina, Cambodia, Kenya, Kosovo, and Mozambique on long-term capacity-building projects.

Sweden is an active member of the Addis Tax Initiative and part of its Steering Committee.

## Notes

[1] Sweden received 163 000 asylum seekers in 2015, or 1.6% of its population, which is the highest per capita ratio ever registered in the OECD.

[2] Resources allocated to bilateral development activities apart from in-donor expenditure shrank by 10% between 2014 and 2015 (it accounted for USD 2.4 billion in 2015, compared to USD 2.7 billion in 2014). Bilateral project-type interventions experienced the sharpest drop (-17%).

[3] In 2016 and 2017, average spending on in-donor refugee costs declined, accounting for 16% of total ODA compared to 26% of total ODA in 2014 and 2015.According to the Budget Bill 2018, it is expected to further drop to account for 6% of the aid budget in 2018.

[4] The Swedish National Audit Office (2016) analysed the government's calculation model for determining how much of the ODA budget was to be used for the reception of asylum seekers. It found that the model risked making it more difficult to predict the amount that would remain for development aid, which in turn could affect development co-operation activities.

[5] Scenario budgeting means that during the budgetary process, the MFA prepares the international development budget across a range of scenarios that take account of both increases and decreases in in-donor refugee costs. These costs depend on the number of refugees and thus cannot be predicted. The scenarios also take into account changes in macroeconomic forecasts that might affect the 1% ODA/GNI target. For example, if in-donor refugee costs in the budgeted year are lower than expected, then additional funds may be granted to Sida or multilateral organisations. Similarly, if

in-donor refugee costs are higher than anticipated, contingency plans are applied, such as the use of a buffer, to protect funds allocated for development co-operation activities.

[6] Sweden in 2017 allocated 31% of its GNI to LDC when imputed multilateral aid is included using DAC methodology see Table 31 www.oecd.org/dac/stats/statisticsonresourceflowstodevelopingcountries.htm.

[7] This means taking into consideration only the portion of bilateral aid that is allocated to partner countries. Examples of bilateral activities that are excluded by this methodology (because they are not allocable by income) include in-donor refugee costs and financing of junior placement programmes such as the Junior Professional Officer programme.

[8] See Table B.4 in Annex B.

[9] The share of geographically allocable gross bilateral ODA directed to the top 10 recipients decreased somewhat from 47% in 2010-11 to 46% in 2016-2017, while the share of geographically allocable gross bilateral ODA directed to the top 20 recipients increased slightly from 67% in 2010-11 to 70% in 2016-2017.

[10] Sweden is the fourth-largest donor in Guatemala and the fifth-largest donor in Belarus, Somalia, Zambia and Zimbabwe.

[11] See Table B.2 in Annex B.

[12] Allocable bilateral aid screened against the gender marker in 2017: 99.5%.

[13] At the multilateral level, Sweden was the 6th largest contributor to the Green Climate Fund between 2015-2017 (gross disbursements) and it was the 4th largest contributor to the Global Environment Facility's Least Developed Countries' Fund (gross disbursements).

[14] Public sector channels include central, state and local government departments (e.g. municipalities) and public corporations in donor and recipient countries. This channel category also includes delegated co-operation, i.e. when the donor delegates the implementation of a given activity to another donor country.

[15] In 2017, non-core multilateral ODA went to the World Bank Group (USD 186 million); United Nations Development Programme (USD 152 million); United Nations Children's Fund (USD 137 million); United Nations Office of Coordination of Humanitarian Affairs (USD 108 million); and United Nations Population Fund (USD 59 million).

[16] At the end of 2017, Norfund's portfolio was worth USD 2.4 billion; Danish Investeringsfonden for Udviklingslande's portfolio was worth USD 800 million; and Finnfund's portfolio was worth USD 800 million.

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# Chapter 4. Sweden's structure and systems

*This chapter reviews Sweden's organisational structures and management systems for its development co-operation, and examines the extent to which these are fit for purpose and have appropriate capabilities to deliver on Sweden's development objectives.*

*Sweden has strengthened co-ordination between the Ministry for Foreign Affairs and its main implementing agency, Sida, enabling a more coherent and cohesive programme. Steps have also been taken to better align the Ministry and its other implementing agencies, but further work remains to be done, particularly with respect to strengthening the alignment of Swedfund's investments to its development policy, including creating closer links between Swedfund and Sida's activities.*

*Sida is working hard to ensure a better balance between efficiency, quality control and risk management within its programming processes. A comprehensive toolbox for tackling corruption is in place and Sweden has given priority to addressing this issue. Sida is engaging in innovative partnerships and financial instruments.*

*Sweden has enhanced its human resource planning and improved its staff capacity since the last review, but it needs to adopt a more long-term plan to ensure adequate staff capacity in light of a growing ODA budget and increasingly complex programme. Its decentralised workforce remains a major asset.*

## Authority, mandate and coordination

**Peer review indicator: Responsibility for development co-operation is clearly defined, with the capacity to make a positive contribution to sustainable development outcomes**

*Sweden has enhanced co-ordination between the Ministry for Foreign Affairs and its main implementing agency, Sida, enabling it to deliver a more cohesive and coherent programme. Steps have also been taken to improve alignment between the Ministry and its other implementing agencies, but further work remains, particularly with regard to incorporating Sweden's development finance institute into its strategy process.*

### *The Ministry for Foreign Affairs has a clear mandate to manage development co-operation and executes leadership*

The Ministry for Foreign Affairs (MFA) has a clear mandate to define Sweden's development co-operation policy and manage the entirety of Sweden's development co-operation and humanitarian assistance budget. This budget accounted for 78% of Sweden's total official development assistance (ODA) allocations in 2017 (Government Offices of Sweden, 2018a). Other ODA spending items, predominately those related to Sweden's in-donor refugee costs and EU development corporation funded through the EU membership fee, are managed outside of Sweden's development co-operation and humanitarian assistance budget and handled by other ministries.

The MFA is also responsible for managing the government's agencies and embassies that are delegated authority for implementing most of Sweden's development co-operation.[1] In 2017, government agencies implemented 51% of Sweden's reported ODA. The MFA also directly implements 27% of Sweden's reported ODA related to core multilateral funding and humanitarian aid (Government Offices of Sweden, 2018a).

The MFA has a wide variety of tools and reporting procedures at its disposal for executing its mandate and managing the government agencies responsible for most implementation. (Government Offices of Sweden, 2018b). These include setting the budget for development co-operation and humanitarian assistance and its appropriation items, establishing strategies, issuing ordinances and annual appropriation letters for individual agencies, and requiring annual progress reports.

Development co-operation continues to be deeply integrated within the MFA. While the Department for International Development within the Ministry is the main hub for co-ordination, nearly all MFA departments are involved (Annex D).[2] This ensures strong coherence between Sweden's foreign policy and development co-operation objectives.

### *Co-ordination between the MFA and Sida has been strengthened*

Since the 2013 peer review, Sweden has further strengthened co-ordination between the MFA and Sida, its main implementing agency. Sida, by far the largest implementing agency, was responsible for programming 47% of Sweden's total ODA in 2017[3] (Government Offices of Sweden, 2018a). Sida's staff are fully integrated into the Ministry's embassies in the field and there is an array of formal and informal processes for enabling dialogue and follow-up between the two institutions. Since the 2013 peer review, Sweden has also introduced:

- New guidelines for development co-operation strategies (Government Offices of Sweden, 2017a) that have clarified the roles and responsibilities between the two institutions, along with other implementing agencies.
- A Team Sweden approach at the global level with MFA and Sida staff jointly representing Sweden in global development processes that is enabling Sweden to speak with a unified voice at the international level and draw on the full range of its policy and programme expertise.
- New, regular communication on humanitarian aid between the MFA and Sida staff and a new informal working group on the development-humanitarian nexus (Chapter 7) that is leading to more joined-up programming.

These reforms, taken together, are helping Sweden to deliver a more cohesive and coherent programme.

Sweden has also made an effort to improve co-ordination among the MFA, Sida and its other government agencies, among them the Folke Bernadotte Academy (FBA), the Swedish Institute and the Swedish Research Council. While these agencies are responsible for a relatively small share of ODA (each agency accounted for less than 1% of Sweden's total ODA in 2017), some of them, like the FBA,[4] have grown in policy importance in light of Sweden's increased focus on addressing conflict.

The introduction of explicit objectives for these agencies within relevant strategies is helping to elucidate their role and strengthen their accountability for delivery. The creation of the new Department for Conflict and Humanitarian Affairs in the MFA is also helping to strengthen dialogue among the FBA, Sida and the MFA and enhance programme coherency (Chapter 7). As is evidenced in Liberia, FBA and Sida effectively complement each other in the field, with FBA contributing to strengthened capacity to promote security and human rights (Annex C).

Moving forward, the Ministry for Foreign Affairs could help the FBA and Sida to move from co-ordination to collaboration in the field by promoting joint strategy planning and reporting practices. Sweden's humanitarian assistance could also be systematically recognised in Sweden's country strategies where long-term humanitarian programming exists, as has already happened in Sweden's Somalia and Middle East strategies (Chapter 7).

### *Opportunity to further align Sweden's development finance institution with its strategic priorities*

Sweden's development finance institution, Swedfund, provides Sweden with an additional set of financial instruments for delivering on its strategic objectives. Currently, however, Sweden is not optimising the use of these instruments within its strategies (Statskontoret, 2016). Swedfund is not involved in the creation or execution of Sweden's development strategies, unlike the government's implementing agencies, even those with a strong, inclusive economic growth component. Sweden should strengthen the alignment of Swedfund's investments to its development policy, including creating closer links between Swedfund and Sida's activities at the programme level, given their complimentary financing instruments (Chapter 3).

Since the last peer review, the MFA has lost its formal management responsibility for Swedfund to the Ministry of Enterprise and Innovation (MoE) (Government Offices of Sweden, 2018b), even though the MFA is continuing to pay for Swedfund's annual ODA-eligible capital injections. There is a rationale for this change, given the MoE's

expertise in corporate efficiency and its existing oversight of state-owned enterprises. Under the new arrangements, the MFA is able to continue to contribute to the owners' instructions for Swedfund to drive alignment, but it has lost its seat at the governing board. While the MFA holds regular meetings (formal and informal) with Swedfund's management, the loss of a board seat, complicates communication.

### *Scaled-up use of a whole-of-government approach for delivery*

Sweden, as part of its drive to be a leader in implementing the 2030 Agenda, is increasingly drawing on the expertise of the whole of its government to deliver on its development co-operation priorities. Its approach to addressing global health challenges (Government Offices of Sweden, 2018c), for example, engages numerous ministries and government agencies around a set of clear development objectives,[5] as does its cross-government National Action Plan for the Implementation of the UN Security Council's Resolutions on Women, Peace and Security (Government Offices of Sweden, 2016).

At the country level, Sida is funding multiple Swedish government agencies to deliver programmes. In Liberia (Annex C), for example, Sweden's National Board of Trade, Land Registration Authority, Police Authority and General Audit Commission all have programmes assisting the Liberian government in their core competency areas. Sweden's new strategy for capacity development and partnerships in support of the 2030 Agenda should help enhance this further (Government Offices of Sweden, 2018d). The strategy focuses on capacity building of actors in partner countries, strengthening partnerships and broadening the Swedish resource base. It encourages Sweden to draw on the expertise and experience of its national actors - such as government agencies, local authorities, Swedish universities and the private sector - in international development co-operation.

## Systems

**Peer review indicator: The member has clear and relevant processes and mechanisms in place**

*Sida is making efforts to improve the balance between efficiency, quality control and risk management within its programming processes. A comprehensive toolbox for tackling corruption is in place and Sida is engaging in innovative initiatives, but it could do more to incentivise innovation more broadly across the organisation.*

### *Programme reforms aim for a better balance between efficiency, quality control and risk management*

Since the last peer review, Sida has further reformed its programme management systems to better balance quality control measures and risk management processes with the need for programme efficiency. A 2016 external review of Sida's programme management systems ordered by Sida's Director-General found that processes were cumbersome and not cost-effective, and that risk and quality control measures were constraining (Danielsson, Dahlgren and Lindström, 2016). In response, Sida has streamlined its Contribution Management System, its main programming tool. Quality control measures have also been decentralised (to a certain extent) and risk management processes have been reformed to focus more on those risks that may have a material impact.

The reforms, implemented just in 2018, are too new for a full assessment of their impact. But they appear to have given managers at unit, embassy and department level greater flexibility to use their professional judgement, within certain limits, regarding the necessary level of quality control measures required.[6] This should enable managers to draw upon the extensive quality control support systems that exist within Sida and the MFA, as and when really needed.[7]

The reforms also require staff to identify risks earlier in the programme cycle, and to prioritise attention through-out the programme cycle on high-impact risks and those that are highly likely to occur, to ensure a more effective approach. In Liberia, the embassy was already putting this into practice with its identification of three major risks at the strategic level and appropriate action plans for managing these risks (Annex C).

As Sweden continues to roll out its new results-based management approach with its focus on adaptive programming, further reviews of its programming processes will need to be carried out to ensure staff are easily able to course-correct programmes within the system and to record learning (Chapter 6).

### *Sweden prioritises tackling corruption and has a comprehensive and proactive approach*

Sweden has a comprehensive approach to preventing, detecting and responding to corruption that runs throughout its strategy and programming processes. Integral to this approach is its work to support its partners - both developing countries and implementation programme partners - to improve their own corruption risk management systems and institutions (Chapter 5 and Annex C).[8]

A 2016 Sida corruption vulnerability assessment for the whole agency has resulted in enhanced training, more audit controllers embedded in embassies, and the MFA and Sida improving their understanding of how Sweden's multilateral partners are tackling the issue (Sida, 2018a).[9] A recent rise in reported suspicions of corruption to Sida has been attributed to increased staff and partner awareness.[10]

At the international level, Sweden is an active member of the OECD Anti-Corruption Task Team and led in helping to develop the OECD Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption (OECD, 2016). To ensure policy coherence for development, Sweden could fully implement the OECD Convention on Combating Bribery (Chapter 1).

### *Sweden is promoting sustainable public procurement to support the 2030 Agenda*

Sweden's new National Public Procurement Strategy (Government Offices of Sweden, 2017b) aims to encourage its public bodies to follow sustainable public procurement practices in support of the 2030 Agenda (Box 4.1). The strategy is currently being rolled out across the government, including within international development co-operation. The MFA is also encouraging its multilateral development partners to better align their procurement with the 2030 Agenda. This is good practice.

**Box 4.1. Using public procurement to support the 2030 Agenda**

In 2017, Sweden adopted a new National Public Procurement Strategy that aims to align public procurement practices with the 2030 Agenda (Government Offices of Sweden, 2017b). Sweden's public sector spent SEK 684 billion (equivalent to USD 80 billion at the 2017 exchange rate) on procurement of goods and services in 2017 (Swedish Competition Authority, 2018). The new strategy seeks to ensure that these considerable resources are deployed in a manner that is not only economically sustainable, but also supportive of environmental and social sustainability.

The government has set up a National Agency for Public Procurement that offers access to a wide range of environmental and social criteria that Sweden's public agencies and bodies can take into account when procuring goods and services in given sectors. The approach is being used in procurement undertaken as part of Sweden's development co-operation: in its annual appropriation, the government has mandated that Sida enhance the sustainability of its procurement and makes a specific reference to taking gender equality into account across Sida's procurement practices (Government Offices of Sweden, 2017d). The MFA is also promoting this approach with its major multilateral partners such as the United Nations and World Bank.

*Sources*: Government Offices of Sweden (2017b), *National Public Procurement Strategy,* Ministry of Finance, Stockholm, https://www.government.se/4aba88/contentassets/9ec42c71c00442a39d67169d3c25faed/national-public-procurement-strategy.pdf.; Government Offices of Sweden (2017d) "Regleringsbrev för budgetåret 2018 avseende Styrelsen för internationellt utvecklingssamarbete" [Regulations for the financial year 2018 regarding the Board of Directors for International Development Cooperation]", Ministry for Foreign Affairs, Stockholm, https://www.esv.se/statsliggaren/regleringsbrev/?RBID=18531; Swedish Competition Authority (2018), *The Swedish Procurement Monitoring Report 2018*, Konkurrensverket, Stockholm, http://www.konkurrensverket.se/globalassets/aktuellt/nyheter/the-swedish-procurement-monitoring-report-2018.pdf.

### *Sweden's efforts to foster innovation have focused on partnerships and financial instruments*

Sweden is keen to create a culture of innovation within its development co-operation.

Sida has focused most of its efforts to date on driving innovation through specific partnerships and innovative financial instruments and funds and has a dedicated annual budget for development of such partnerships and financial instruments. In addition, many bilateral, regional and thematic strategies support innovation systems and individual innovations. For example, Sida supports 12 different Challenge Funds/innovation funds; through open calls for proposals, these Funds provide financing to entrepreneurs and innovators in areas as diverse as peace, agriculture, sexual and reproductive health and rights and humanitarian assistance.[11] Sida is also the first donor in the world to use its guarantee instrument to support a crowdfunding platform aimed at generating increased access to finance for solar-powered, off-grid energy service providers in sub-Saharan Africa.[12]

Sida has tried to incentivise innovation in its programming more generally, with the introduction of annual prizes to managers who foster innovative programming within their teams. However, more could be done to embed innovation across the institution. Sida's innovative approach to results-based management is a positive step in this direction (Chapter 6). Moving forward, Sida could increase its capacity to support its staff to innovate

at the programme level by focusing on a set of priority issues, enhancing staff incentives, and putting in place strong mechanisms for identifying and scaling up successes.

## Capabilities throughout the system

**Peer review indicator: The member has appropriate skills and knowledge to manage and deliver its development co-operation, and ensures these are located in the right places**

*Sweden has enhanced its human resources planning and improved its staff capacity since the last review. However, it needs to continue to ensure adequate staff capacity in light of a growing ODA budget and an increasingly complex programme. Its decentralised workforce remains a major asset.*

### *Sweden needs to ensure staff capacity in light of a growing and increasingly complex programme*

Sweden's growing ODA budget, increasing focus on working in fragile contexts and greater use of complex financial instruments pose risks. Adequate staff capacity is required to ensure quality programming. Since the last peer review and following a 20% cut in staff between 2009 and 2013, Sida has managed to increase the size of its workforce. Staff numbers have risen from 633 in 2013 to 889 in 2018 (Government Offices of Sweden, 2018b). In line with the 2013 peer review recommendations, Sida has also put in place a new workforce planning system that is enabling it to better plan staff rotations, support career progression and address competency gaps.[13]

In the MFA, an organisational review in 2016 prompted increased staff capacity for financial controls and quality assurance for the development co-operation programme.[14] Development co-operation skills are taken into account in the general recruitment procedures for the Ministry, and it is common for Sida staff to transition to the MFA, bringing with them considerable development expertise. The MFA has also started to undertake joint training with Sida in areas including security in the field and anti-corruption.

Nevertheless, the administrative budgets of Sida and the MFA have failed to increase in line with Sweden's growing ODA budget and in the case of the MFA, its administrative budget related to ODA delivery has fallen over time (Table 4.1). Sweden's ODA budget has increased by 27.6% between 2014 and 2018, while Sida's administrative budget increased by 22.5% and the MFA's budget decreased by 10.2% over the same period.

**Table 4.1. Ministry for Foreign Affairs and Sida administrative budgets for ODA 2014-19**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| ODA Total Budget SEK Million | 38 370 | 40 445 | 43 336 | 46 129 | 48 950 | 50 710 |
| Sida Administrative Budget | 979 | 1 011 | 1 092 | 1 103 | 1 199 | 1 276 |
| MFA Administrative Budget devoted to ODA delivery | 463 | 444 | 448 | 451 | 416 | 424 |

*Source*: Communication from the Government of Sweden, 2019.

A recent report commissioned by the Expert Group on Aid Studies (EBA) on the impact of Sweden's target to spend 1% of its gross national income on ODA highlighted that Sida has struggled to allocate funds, given its limited administrative capacity (Anell, 2017). Most recently, Sida found it difficult to fund staff to work in hardship posts within the boundaries of its administrative budget and had to be given an exceptional, additional administrative budget of SEK 75 million (equivalent to USD 8.7 million at the 2017 exchange rate) in 2018, in recognition of the extra costs of supporting staff working in fragile and conflict-affected countries like Afghanistan.

Staff capacity gaps also continue to exist, for example with regard to environmental expertise, and Sida continues to rely on outsourced policy Help Desks to augment its policy expertise on a range of issues (Annex C and Chapter 7).[15] There is also a need to build staff capacity on adaptive management as part of Sida's new results-based management approach (Chapter 6).

Sweden should take a more long-term and deliberative approach to ensuring it has adequate human resources and administrative capacity in light of the programmes' expanding needs.

### *Sweden has continued to decentralise its development co-operation staff*

Sida has further decentralised its workforce, with 38.5% of its staff located abroad in 2017, up from 25% in 2013.[16]. This decentralisation, coupled with Sweden's high level of delegated programme and financial authority to field staff, is a major asset of Sweden's development co-operation approach (Chapter 5). It enables country programming to be developed and managed on the ground, with strong local knowledge of context, and allows for flexibility to respond to changing needs.

Local staff, as is evidenced in Liberia, tend to be highly qualified. They are empowered to shape and manage their respective programme portfolios and to represent Sweden at the technical level. Access to training and mentoring schemes for local staff enables professional development.

## Notes

[1] Sweden's six main ODA implementation agencies are Sida, Swedfund, Swedish Institute, Folke Bernadotte Academy (FBA), Swedish Research Council, and Swedish Civil Contingencies Agency.

[2] The UN Policy Department is responsible for core multilateral funding. The Global Agenda Department is responsible for governance and evaluation of funding via the development banks and climate funds. The Department for Conflict and Humanitarian Affairs is responsible for humanitarian aid through the United Nations (UN), European Union (EU) and International Red Cross Movement and all issues relating to the Folke Bernadotte Academy. Geographic departments co-ordinate development co-operation in individual countries and regions, working directly with the government's expert agencies to assist and oversee operationalisation of strategies.

[3] Sida was responsible for implementing 47% of Sweden's total reported ODA budget in 2017, as the government of Sweden notes in its *Background Note on Sweden's International Development Cooperation: Governance and Budget*, Stockholm. However, Sida was responsible for 61% of Sweden's development co-operation and humanitarian assistance budget managed by Ministry for Foreign Affairs in 2017 (Expenditure Area 7 in Sweden's national budget). The MFA's development co-operation and humanitarian assistance budget excludes in-donor refugee costs, some spending for the EU's external assistance and other items that can be classified as ODA.

[4] Folke Bernadotte Academy (FBA) is Sweden's government agency for peace, security and development. FBA supports international peace operations and international development cooperation. The agency conducts training, research and method development in order to strengthen peacebuilding and statebuilding in conflict and post-conflict countries. FBA also recruits civilian personnel and expertise for peace operations and election observation missions led by the EU, UN and the Organisation for Security and Co-operation in Europe.

[5] The Ministry of Health and the Ministry for Foreign Affairs are the prime government ministries responsible for delivering on the strategy, but seven additional government agencies have specific responsibilities for delivering parts of the strategy. These are the Public Health Agency of Sweden, Swedish National Board of Health and Welfare, Swedish Food Agency, Swedish Board of Agriculture, Swedish Chemicals Agency, Swedish Environmental Protection Agency, and Sida. The Public Health Agency of Sweden, for example, has been charged with providing support for implementing the global action plan on antimicrobial resistance. The Swedish Research Council plays a key role in international research collaboration on this issue.

[6] Departmental directors are driven by a common set of principles that indicate when certain internal support resources must be used to assist with quality control. For example, some types of financial risk require directors to bring in a controller to assess the contribution, while others require the legal department to be involved.

[7] Sweden has rigorous quality assurance mechanisms in place throughout its system. Sida's quality control measures operate at three levels: the operational department level, the cross-departmental level in the form of internal controls and budget and regulatory follow-ups, and the director level in the form of an independent audit function.

[8] According to a 2018 Sida statement, the objective of reducing corruption is an area or target in 11 out of 43 Swedish development co-operation strategies (26%). Sida also notes that it spent SEK 1.1 billion (equivalent to USD 129 million) in 2017 on direct and indirect anti-corruption measures in developing countries. Sida defines direct anti-corruption support as funding to anti-corruption organisations and institutions and indirect anti-corruption support as funding to improve public financial management, public sector policy and management, media support, and access to information. See the Sida statement at https://iaccseries.org/wp-content/uploads/2018/10/Sweden_SIDA_National_Statement_2018.pdf.

[9] Staff from the MFA and Sida visited the UN's headquarters in 2017 to understand how various UN organisations are addressing corruption, in light of the significant amounts of Swedish multilateral funding (core and multi-bi) that goes through UN bodies.

[10] Sida's 2017 annual corruption report, noted that 262 suspicions of corruption or irregularities were reported to its investigation group. This is the highest figure since Sida began compiling statistics in 2007. The investigation group attributes the significant rise in reported suspicions as a result of increased staff and partner awareness. Whistle-blower mechanisms and external reporting systems are also in place and could play an important detection role, although there is a need to increase their visibility and use. The annual corruption report is at https://www.sida.se/contentassets/33f78c59b338440896f32564cfd3d586/aarsrapport_2017_engelska.pdf.

[11] Sida currently supports 12 different Challenge/Innovation Funds: Innovations Against Poverty, Global Innovation Fund, Amplify Change, Demo Environment, Securing Water for Food, Powering Agriculture, African Enterprise Challenge Funds, Innovations for Peace/Emprender Paz, Humanitarian Innovation Fund, the Challenge in Bosnia and Herzegovina, Swedish Somali Business Programme (with embedded challenge fund), and Grand Challenges Africa.

[12] Sida's Crowdfunding Guarantee enables debt finance to be available for companies providing affordable solar systems in off-grid areas across Africa. The guarantee contribution is expected to provide 560 000 people access to electricity services based on renewable energy. See https://www.sida.se/contentassets/cd56cb8f317e4f239ceb818aa4352872/30213947_sida_infoblad_crowdfunding_guarantee_webb.pdf.

[13] The creation of a Human Resources Council within Sida has been key to this system, bringing together staff from each department to collectively assess needs and address staffing gaps rather than compete for staff and resources.

[14] Four new posts were created in 2017, three of them based in the MFA's UN Department and one in its Department for International Development Cooperation to help with overall quality assurance.

[15] For example, there are Help Desks for human security and humanitarian assistance, democratic governance and human rights, and public finance management/ aid effectiveness for Sida Africa. These are staffed by consultants or a consortium of organisations.

[16] The Secretariat was informed by the Ministry for Foreign Affairs that Sida had 889 staff in 2018, of these, 546 staff were based at HQ, 168 were sent-out staff based in embassies and 175 National Program Officers (locally employed staff at embassies).

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# Chapter 5. Sweden's delivery modalities and partnerships

*This chapter reviews Sweden's approach to delivering in partner countries and through partnerships to determine whether its approach is in line with the principles of effective development co-operation.*

*Sweden is a highly-valued partner who bases its relationships on dialogue, flexibility and trust, and supports donor co-ordination. It favours long-term partnerships with multilateral organisations and civil society organisations (CSOs), but could expand its partnerships with the private sector and partner country governments. Sweden also struggles to gain a clear overview of its funding in any one country due to its multitude of strategies and could rationalise its funding further to improve effectiveness and oversight.*

*Sweden is committed to the development effectiveness principles, as demonstrated by its partnership approach and its support for partner country ownership and capacity development. However, it struggles to improve performance against some development effectiveness indicators and Sweden could consider establishing criteria to encourage staff to use partner countries systems more and put more aid on budget.*

## Partnering

**Peer review indicator: The member's approach to partnerships for development co-operation with a range of actors (national and local government, UN agencies, development banks, CSOs, foundations, knowledge institutions, media, private sector) reflects good practice**

*Sweden is highly valued as a flexible and responsive partner, who bases its relationships on trust and dialogue. Sweden favours long-term core support to multilateral organisations and civil society and actively engages in co-ordination and joint efforts at the country level. However, Sweden struggles to gain a clear overview of its funding channels and partners in any one country due to its multitude of strategies.*

### *Sweden is a flexible and responsive partner*

Sweden has flexible budgeting, approval and programming processes, as is evidenced in Liberia. It provides dedicated funding for implementation of each strategy for the period of three to five years. Sweden's processes allow Sida and FBA to move funds within a budget line and adjust the total budget for each strategy of the assigned appropriation plus or minus 10%. These enable Sweden to respond and adjust its programming to changing contexts, allowing it to compensate for overspending in some areas by absorbing underspending in others.

In many countries, Sweden delegates financial authority to the Heads of Missions for projects under USD 8.5 million and for transferring funding across different areas within a country strategy (30 of 35 embassies with development co-operation staff have full financial delegation). This allows Sweden to adapt modalities and the direction of its development co-operation, and to respond to the changing needs of partners and countries, including in fragile situations (Government Offices of Sweden, 2017a). According to data from the Global Partnership for Effective Development Co-operation monitoring exercise, Sweden rates as excellent in the OECD Survey on forward spending plans (OECD/UNDP, 2016).

### *Joint approaches and complementarity with other donors are sought*

Sweden works actively to support donor co-ordination and Sida participates in joint approaches. As is evidenced in Liberia, Sweden often leads donor co-ordination processes and also facilitates dialogue among the civil society organisations (CSOs) that it funds (Annex C). Sweden aims to play an active role in the joint programming of the European Union (EU), and Sida currently manages EU-delegated funds in six countries. Sweden also funds the United Nations (UN) Resident Coordinator office in many countries to help to strengthen the UN's co-ordination role (Government Offices of Sweden, 2018a).

Sweden is also strategic in its approach to programming, and takes account of what other donors are supporting in order to decide where it can add the most value. Following the 2015 review of its country strategy to Liberia, for example, Sweden took the constructive decision to not engage in the health or education sectors, given that it was already supported by several other donors active in the country (University of Bradford, Saferworld and Stockholm Policy Group, 2015). Instead, Sweden added the new priority area of human

security in its 2016-22 Liberia country strategy. This allowed Sweden to support issues, such as gender-based violence, that were receiving limited attention from other donors.

### *Sweden has a strong commitment to transparency*

Sweden has a strong government culture of transparency and a long-standing commitment, via its 2010 Transparency Guarantee, to making development co-operation data available to the public. Its website - www.openaid.se - allows the public access to financial, project and evaluation information.

Since the last peer review, Sweden has published detailed humanitarian data, in accordance with its Grand Bargain commitments. It has also sought to promote the benefits of more transparent reporting within climate finance funding (Government Offices of Sweden, 2018b) and is currently piloting the International Aid Transparency Initiative (IATI) reporting of its major CSO partners, in line with the 2013 peer review recommendation to improve data of non-state Swedish actors.

Sida was ranked 14th out of 45 assessed aid organisations the 2018 Aid Transparency Index, based on the IATI system. It has consistently been in the "good" or "very good" category for the last five years, but could provide, among other things, more sub-national location data for project information (Publish What You Fund, 2018).

In Liberia, the embassy of Sweden reports quarterly to the Liberian government on planned disbursements. However, it is challenging for country offices to provide information to governments about all Swedish official development assistance (ODA) that reaches a particular country; this is due to the complex setup featuring several layers of strategies with attached funding that may reach any given country (Chapter 2). More systematic information sharing among different strategy holders on the programmes and partners that they fund in each country, would be helpful to both embassies and partner countries.

### *A highly-valued partner to well-established civil society organisations but with a multitude of funding channels*

Sweden is highly appreciated by its civil society partners as a trusted, long-term and predictable donor, as is evidenced in Liberia (Annex C). For Sweden, civil society has an important role to play in poverty reduction and for democratic governance in developing countries. Sida currently has multiannual framework agreements with 15 Swedish CSOs,[1] which enable CSOs to fund their own programme priorities under the overarching guidelines set by Sida. This is good practice.

In 2017, Sweden channelled almost one-third of ODA to and through civil society, with most of this going to non-Swedish CSOs (Sida, 2018c). This share has increased over the past years (Chapter 3). Sweden favours core support and long-term partnerships, and tends to focus on larger, well-established CSOs able to absorb considerable amounts of funding. These provide support for a diversity of small and large local and national organisations. It has reduced direct grants to small, local organisations at the country level.

As is the case for other implementation channels, Sida is able to provide funding for CSOs, including for the framework organisations, by way of several different strategies that lack clear interconnections. As a result, some framework organisations have agreements with several different parts of Sida and country-level staff do not always have an overview of total funding for each CSO partner in that country, which limits development effectiveness. Sida is reviewing implementation of the civil society strategy, including opportunities for

delegating funds for any one CSO from different strategies to one single strategy (Sida, 2018a). This would help increase clarity and effectiveness of CSO support.

Sweden could also consider opportunities for providing small- to medium-sized quick grants to local organisations, including feminist movements, as a complement to its long-term funding for larger CSOs. Sweden is already doing this in Turkey, although not in Liberia (Eldén and Levin, 2018). This would ensure that Sweden is able to respond to urgent funding needs, including for human rights defenders under threat. It would further support Sweden's objective of fostering a vibrant civil society in developing countries which it sees as a prerequisite for functioning democratic processes (Government Offices of Sweden, 2016).

Clearer instructions to and information about expectations on partners would be helpful to the organisations applying for funding, as noted by Eldén and Levin (2018) in a report for the Expert Group for Aid Studies (EBA). It is therefore welcome that Sida is currently developing information material for partners and potential future partners about mandatory assessment areas and policy objectives for its aid interventions.

### *Sweden partners with the private sector to mobilise its expertise but could seek further opportunities*

Sweden aims to mobilise the private sector for its expertise, innovation capacity, networks and financial resources for sustainable development. It sees co-operation with international and Swedish business actors as an effective tool for development and a complement to ODA. Sida works with the private sector through multiple tools and mechanisms. Among these are Challenge Funds, whereby Sida invites companies to compete for support (financial and non-financial support such as technical assistance) for innovative solutions to address development challenges/issues, and Public Private Development Partnerships, through which Sida and actors from the private sector jointly finance a development project implemented by a third party (such as a CSO or a multilateral organisation organisation) (Chapter 3). Sida has institutionalised its partnership with the Swedish private sector through two networks:

- The Swedish Investors for Sustainable Development network was established in 2016 with 18 institutional investors, pension companies and investment companies. This is a platform for learning, sharing of experiences and stimulating new projects.
- The Swedish Leadership for Sustainable Development network, made up of 26 Swedish companies and institutions, is a forum for knowledge exchange and collaboration established in 2013.

Sweden does not have a specific strategy for private sector engagement and has no dedicated budget for this, which means there are incentives for government institutions to work with the private sector only when it is the most effective partner for realising desired development results. Sweden considers private sector engagement to be a cross-cutting approach (OECD, 2016). While this approach enables flexibility, Sweden could more actively seek out opportunities for partnering with private actors in line with its Addis Ababa Action Agenda commitments.

## Country-level engagement

**Peer review indicator: The member's engagement in partner countries is consistent with its domestic and international commitments, including those specific to fragile states**

*Sweden is committed to development effectiveness and supporting partner country capacity development. At the same time, Sweden struggles with performance against some development effectiveness indicators and should continue to pursue efforts to improve in these areas. Sweden's tools allow it to make the best use of its flexible development instruments in fragile contexts.*

### *A focus on ownership and capacity building*

Sweden is committed to country ownership and aligns its strategies with the country's priorities, while consistently raising its policy priorities of gender equality, rights and environment in dialogue with its partners. When developing a new country strategy, the Ministry for Foreign Affairs (MFA) instructs its relevant agencies to prepare a proposal in consultation with relevant country stakeholders. The strategy is then formulated by the MFA.

Sweden sees dialogue and capacity development of both public institutions and other actors in society as important components of effective partnerships, and as means for strengthening countries' own systems and local ownership and improving preconditions for sustainable results. This approach is supported by Sweden's new strategy for capacity development, partnership and methods, which is to be implemented by Sida and the Swedish Institute (Government Offices of Sweden, 2018b). In Liberia, for example, the government greatly appreciates Sweden for contributing to strengthening its capacity and modernising its public sector. Sweden is helping to reform and strengthen Liberia's public financial management processes through its Public Finance Management programme. Sweden also provides technical assistance to the Ministry of Finance and Development Planning and the Liberia Revenue Authority to bolster its capacity (Sida, 2018b).

Sweden, however, delivers most of its aid through channels that are not directly to country governments. The shares of aid implemented through multilateral organisations and civil society are higher than the DAC average, and Sweden has not delivered general budget support since 2016 (Chapter 3). This approach to delivery means that it sometimes misses out on strategic discussions and information sharing in budget support co-ordination groups at the country level, as is evidenced in Liberia.

### *Sweden is committed to the development effectiveness principles, but struggles with performance against some indicators*

Sweden's development co-operation rests on internationally agreed principles of effective development co-operation and, where relevant, the New Deal for Engagement in Fragile States (Government Offices of Sweden, 2017a) and there is a strong commitment to delivering on the principles as evidenced in its approach to ownership, capacity building, partnerships and donor co-ordination. However, Sweden struggles with performance against some of the internationally agreed indicators for assessing progress in delivering on these principles. According to the Global Partnership for Effective Development Co-operation's preliminary data for 2018, while Sweden has significantly increased the

annual predictability of its ODA in assessed countries since 2010 (Table 5.1), its performance on providing bilateral ODA through partner countries' public financial management and procurement systems has stagnated since 2010 (falling marginally). In addition, the share of aid recorded on partner countries' budget, medium term predictability and use of country-led results frameworks have all decreased between 2010 to 2018.

Sweden explains its declining performance against some indicators as a consequence of its increased engagement in fragile situations on the one hand, and, on the other hand, the shrinking democratic space and growing human rights violations, which have made collaboration with government increasingly more challenging. Sweden has also noted concerns that its multilateral core and multi-bi ODA is not directly reflected within the methodology used by GPEDC.[2]

However, Sweden could make further efforts to do more to partner directly with and work through country governments' systems, where appropriate, in order to ensure the sustainable development results it is seeking. While Sweden's approach to selecting partners enables flexibility, it also puts a lot of responsibility on country-level staff. Sweden could consider establishing criteria to encourage staff to know when it is appropriate to work directly with or through partner countries systems and it should consider putting more of its aid on budget.

**Table 5.1. Sweden's performance against commitments for effective development co-operation**

| | Use of country-led results frameworks | Use of country public financial management and procurement systems | Share of aid recorded in countries' annual budgets | Annual predictability | Medium-term predictability |
|---|---|---|---|---|---|
| Baseline (2010) | - | 65.9% | 73.8% | 78.7% | |
| 2015 | 81.8% | 62.6% | 59.6% | 75.7% | 69.2% |
| 2018 (preliminary) | 65.2% | 65.5% | 57.1% | 95.4% | 58.6% |
| Trend | ▼ | ▼ | ▼ | ▲ | ▼ |

*Source*: 2018 preliminary data from the GPEDC.

### *A new way of programming in fragile contexts can now be systematised*

Using a theory of change as a programmatic tool, Sweden increasingly looks for the best ways to contribute to common development and stabilisation objectives, rather than focusing on expected quantitative results (Chapter 6). This approach is particularly relevant for engaging in fragile contexts, which require quick adaptation to evolving risks.

This new way of programming can make the best of Sweden's flexible development funds. Embassies have independence to adapt programming and select the best instrument to meet the partner country's needs. For example, the FBA and Sida are aiming at doing joint analysis and aligning the agencies' separate programming accordingly, which can only increase Sweden's coherence in contexts experiencing fragility and/or crisis. As seen in Liberia, Sida's Help Desk for human security can be used for support in making context analysis, including a fragility and conflict analysis, before the themes and instruments to be mobilised are selected (Chapter 2).

Through a co-ordination mechanism set up in Stockholm, the MFA, Sida and the FBA are meeting regularly to exchange and meet with the geographic departments. This is good

practice and should result in coherent programming that includes the peace element and the conflict dimensions in the forthcoming country strategies. Going forward, the co-ordination mechanism could also include the UN Policy Department at the MFA. This department is in charge of the UN Peacebuilding Fund, to which Sweden is the largest contributor.[3]

## Notes

[1] Sweden's 15 framework CSOs are Forum Syd, Svenska missionsrådet, Save the Children, We Effect, Diakonia, Svenska kyrkan, Union to Union, Olof Palme International Center, Världsnaturfonden WWF, Naturskyddsföreningen, Plan Sweden, Individuell Människohjälp, RFSU, Afrikagrupperna, and Kvinna till Kvinna.

[2] For example, Sweden points to its ODA in Afghanistan that is administered via the World Bank's Afghanistan Reconstruction Trust Fund (ARTF) and UN agencies. The ARTF is fully on budget and uses government systems and this is not reflected in Sweden's performance.

[3] See the UN Multi-partner Trust Fund Office Gateway database, under "contributions 2006-20" at http://mptf.undp.org/factsheet/fund/PB000.

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# Chapter 6. Sweden's results, evaluation and learning

*This chapter considers how Sweden plans and manages for results in line with the Sustainable Development Goals, building evidence of what works, and using this to learn and adapt.*

*Sweden has adopted a pioneering approach to results-based management, which focuses on achieving long-term, sustainable results through learning and adaptive programming. In order for this approach to be realised, Sweden needs to build staff and partner capacity and strengthen its systems.*

*Sweden helps to build partner countries' statistical, evaluation and research capacity, However, it could do more to use partner country results frameworks to monitor and evaluate its country programmes.*

*Sweden's evaluation system is in line with OECD DAC principles, and steps are being taken to improve the relevance of its independent strategic evaluation. Decentralised programme evaluations, context analysis and reviews are being used by teams to improve individual programmes and enhance portfolios at the country and thematic level. However, there is scope to strengthen knowledge management systems to ensure this learning is shared more systematically.*

## Management for development results

**Peer review indicator: A results-based management system is being applied**

*Sweden has introduced an innovative approach to results-based management that focuses on achieving long-term, sustainable results and is based on continuous learning and adaptive programming. For this approach to be fully realised, Sweden needs to build staff and partner capacity and strengthen its systems. Sweden strives to demonstrate progress against its strategic objectives even in the absence of a standard approach to results indicators.*

### *Sweden is embracing a pioneering approach to results-based management*

Since the last peer review, Sweden has transformed its approach to results-based management with the aim of achieving long-term, sustainable results. Sweden has decided to adopt a learning-based approach that focuses on adaptive programming as opposed to other approaches which can often be skewed more towards demonstrating accountability upwards to funders and overly focused on quantitative measurement of results (Sida, 2018a).

Three key features stand out as part of Sweden's new approach. First, Sweden emphasises long-term results. Its new aid policy and strategies contain objectives which are based on high-level, long-term outcomes that strongly align to the Sustainable Development Goals (SDGs). Operational plans for the strategies and individual programmes in turn are meant to articulate a theory of change for how these high-level objectives are to be met in a given context.

Second, Sweden has decided against putting in place a standard set of results indicators for demonstrating impact at the corporate, strategy (country/global thematic) or programme level. Strategy teams and partners are allowed to choose the method they think works best, presenting results either qualitatively or quantitatively. Sweden only requires that its staff and partners are able to demonstrate what they want to achieve in relation to strategy objectives, how they intend to achieve this and the progress they are making in delivery.

Third, Sida is focusing on learning and adaption. Inspired by Problem Driven Iterative Adaption and Doing Development Differently[1] approaches, Sida is encouraging more adaptive management of programming that uses results information to change programming in real time - on the basis of what is and what is not working (Government Offices of Sweden, 2018).

### *The new approach offers an opportunity to focus more on impact, but staff capacity building and systems change are required*

This new approach offers Sweden the opportunity to focus more on impact and what is driving change in real time, rather than on a static picture of context and a narrow focus on predetermined inputs and outputs. However, the new approach relies on Ministry for Foreign Affairs (MFA) and Sida staff and their partners having the capacity to deliver a solid theory of change, and also to regularly monitor results and changes in the wider context to test whether their assumptions of what drives change stand up. It also requires the systems in place to easily alter programming, if need be, with all the inherent changes to budgeting and staffing that this may require. Sweden is beginning to build capacity in its

staff to enable delivery of this approach (Government Offices of Sweden, 2018).[2] It has also started to adjust its programme management systems,[3] which already had a good degree of flexibility built in, to help staff to focus more on dialogue with partners. Sweden is aware, though, that more needs to be done to ensure this innovative approach genuinely takes root.

Adaptive programming is not yet standard practice throughout the organisation. Sida is piloting new adaptive programme management techniques in the Africa Department to help to explore how best to implement this approach.[4] This is a good way to better understand staff need in terms of training and what further programme management system reforms are required. Given the emphasis on learning from results, attention also needs to be placed on ensuring knowledge management systems are upgraded to capture learning beyond the programme team.

Sweden also needs to significantly scale up the support it provides to its partners. While staff are encouraged to fund partner capacity building on results-based management, at present no external guidance exists for partners on implementing this new approach. As is evidenced in Liberia, while many partners welcomed Sweden's new approach and felt supported by the embassy in delivering it, some also felt they could benefit from greater guidance on what is expected of them.

### *Sweden monitors and communicates transparently the results of its development co-operation*

Sweden's decision to not use a standard methodological approach for collecting and monitoring results offers teams and partners flexibility to pick the results format that best suits their context. This is particularly welcome in fragile settings and with objectives that aim to achieve long-term behavioural changes. The absence of a standard methodological approach, however, does make aggregating results at the corporate, country and thematic level difficult (OECD, 2017). Despite not being able to aggregate results, Sweden strives to demonstrate progress at the strategic level by focussing on outcome changes in the context and highlighting how individual programmes are contributing to such progress.

Results from programmes are monitored and tracked at the programme level through Sida's *Tool for Results Management and Appraisal of Contributions* and at the strategy and thematic level, through annual progress reports. The strategy reporting from Sida to the MFA includes a traffic light rating system to assess overall performance that enables it to monitor progress in meeting each strategy's high-level objectives, based on an assessment of whether the external context is improving, alongside an assessment of programme delivery.[5] Individual programme results are highlighted in narrative form with no attempt made to aggregate results across all contributions. Sida also reports to the public on its activities at the corporate level and the MFA reports to the parliament. Reporting is context-based, mainly qualitative and uses a contribution rather than an attribution approach.[6]

### *Sweden helps to build partner countries' statistical capacity, but struggles to use their results systems for programming*

Sweden was among the top ten donors in terms of the volume of ODA provided to support partner countries' national statistical capacity between 2014 and 2016 (PARIS21, 2018). Its extensive context analysis for assessing performance at the strategy level draws on national statistics. However, as a result of its limited programming with partner country governments and its work in often contentious areas, it struggles in using partner

country- led results frameworks. According to preliminary data from the Global Partnership for Effective Development Co-operation, Sweden provided 81.8% of its assessed aid through partner country-led results framework in 2010 and this declined to 65.2% in 2018 (Chapter 5).

## Evaluation system

**Peer review indicator: The evaluation system is in line with the DAC evaluation principles**

*Sweden's evaluation system is in line with the DAC principles and steps are being taken to improve the relevance of its strategic independent evaluations. Sweden struggles, however, to use partner countries' evaluation systems.*

### *Sweden's evaluation system adheres to the DAC principles*

Sweden's aid is evaluated by several bodies,[7] but the two main entities are Sida's Evaluation Unit and the Expert Group for Aid Studies (EBA). In line with the OECD's Development Assistance Committee (DAC) evaluation principles, both of these entities are independent from policy making and delivery; have dedicated budgets and staff (OECD, 2016a); forward-looking evaluation plans; and policies and guidelines that adhere to the DAC principles (OECD, 2016b; Sida, 2018c).

The government established the EBA in 2013, in response to the closure of the Agency for Development Evaluation. The EBA comprises of a committee that is appointed by the government and it is tasked with evaluating and analysing Sweden's development co-operation - bilateral and multilateral - and with disseminating the findings of its work. The EBA has ten members and a Secretariat comprised of eight staff. It published 12 reports in 2017 (6 evaluations and 6 mappings, overviews and analyses) (Government Offices of Sweden, 2018).

An organisational change strengthened the independence of Sida's evaluation function in 2018 by creating a separate evaluation unit, reporting directly to the Director-General.[8] The Unit has a dual mandate of assisting programme teams with ensuring the quality of the teams' decentralised evaluations as well as undertaking more strategic independent evaluations.

### *Steps are being taken to improve the relevance of Sweden's strategic independent evaluations*

The EBA, despite its mandate, has struggled since its inception to deliver independent strategic evaluations, with limited initial output and those evaluations that were produced often lacking relevance and impact. A Statskontoret (2018) analysis of EBA commissioned by the government found that "the EBA's reports have not had any direct impact on the government's policy, nor have they affected the way Sida works in any decisive way". However, Statskontoret also noted that positive developments are underway to address the issue and that the EBA should stay structurally unchanged (Statskontoret, 2018).[9]

Steps have been taken to improve the EBA's evaluation performance and output and quality are visibly improving. The government updated the EBA's directives in 2016, emphasising the EBA's role in carrying out evaluations (as opposed to analysis more broadly) and increased its budget. These actions have led to an increase in the number of evaluations the

EBA has produced in recent years (Government Offices of Sweden, 2018). Actions have also been taken by the EBA to improve the relevance of its evaluations which are beginning to pay off. It has intensified its dialogue with the MFA and Sida to help it to select more strategically pertinent topics. Recipients of reports are also being included in reference groups to help ensure the reports include more practical recommendations. Monitoring that the EBA continues to fulfils its mandate to provide independent evaluations should remain a priority for Sweden, given that the EBA is the only body that evaluates the totality of Sweden's development co-operation efforts.

Sida's Evaluation Unit continues to remain heavily focused on assisting Sida's operational units with decentralised evaluations to ensure their quality, integrity and reliability. The Unit led or supported only three strategic evaluations in 2018, one independent strategic evaluation it commissioned and two commissioned by the thematic departments that the Unit supported. It also co-managed 30 decentralised evaluations.[10] While the unit sees a division of labour between itself and the EBA on independent strategic evaluations, Sida should reflect on whether it has an appropriate balance between its own strategic evaluations and its decentralised evaluations, which tend to focus on a single intervention. The unit is also trying to improve the relevance of its strategic and decentralised evaluations by aligning them closer to Sida's organisational priorities.

### *Sweden is struggling to use partner country evaluation systems*

Sweden scores poorly on the Global Partnership for Effective Development Co-operation's preliminary data for its 2019 Global Monitoring Report in terms of using partner country governments' evaluation systems to assess its bilateral country programmes (Chapter 5). While Sweden supports the World Bank's CLEAR Initiative that aims to help build up partner countries' monitoring and evaluation capacity, Sweden could do more to use partner countries' systems to evaluate its country programmes.

## Institutional learning

**Peer review indicator: Evaluations and appropriate knowledge management systems are used as management tools**

*Sweden uses decentralised programme evaluations, context analyses and reviews to inform its decision making, and its management responses to evaluations have been strengthened. However, weak knowledge management systems are preventing Sweden from sharing programme and country learning across teams.*

### *Programme evaluations are used to inform decision making and there is a strong focus on building partner countries' research capacity*

Decentralised programme evaluations, context analyses and reviews are being used to improve programme and strategy delivery, as is evidenced in Liberia and with Sweden's humanitarian work (Chapter 7 and Annex C). The new guidelines for strategies (Government Offices of Sweden, 2017) should strengthen this further with its requirement of an in-depth review of the operationalisation of strategies in the last year of the cycle.

Sida has a strong management response process that has been in place since 1999, with responses mandatory for all centralised and decentralised evaluations. As of 2018,

management responses to strategic reviews also are now followed up as part of Sida's operational planning cycle, ensuring lessons are taken on board across the institution. The MFA has also strengthened its management responses process since the last peer review.[11]

All EBA reports are made public along with all of Sida-commissioned decentralised and centralised evaluations; further, the EBA actively disseminates its work, holding public seminars to foster debate on the findings. There is scope for Sida to make better use of the findings from decentralised evaluations, as well as the host of context analyses and reviews undertaken by individual teams and embassies, to enable learning across the whole of Sweden's development co-operation system. Sida's Evaluation Unit is starting to cluster decentralised evaluations that have a common theme and insert common questions in them, so that findings can be synthesised and learning shared. This is good first step. But given the wealth of information that exists, more thought should be given to how to mine and disseminate this information.

Sweden's research budget amounted to SEK 920 000 in 2017, and is guided by a research strategy (Government Offices of Sweden, 2015) that focuses on building low-income countries' own capacity to undertake research and on supporting both international and Swedish research (the latter via the Swedish Research Institute) that is relevant to low-income countries. Sweden has adopted a long-term approach to supporting low-income countries' capacity. For example, for 40 years, it has supported a partnership between Swedish and Tanzanian researchers; 216 Tanzanians will have earned PhDs by 2020 through this partnership. Sweden also supports African networks like the Consortium for Advanced Research Training in Africa (CARTA), which brings together 16 African universities and research institutes to offer a world-class doctoral education.

### *Knowledge management remains a challenge for Sweden*

The last peer review called on Sweden to improve its knowledge management systems to enhance learning. This remains a challenge, as is recognised by Sweden (Government Offices of Sweden, 2018). This is particularly urgent given the results-based approach adopted by Sweden, which is built on the need to constantly learn and adapt, and the fact that so much of Sweden's development co-operation is decentralised.

Thematic and functional networks exist in Sida and within the MFA, but information technology and digital technology for disseminating learning remains weak in both institutions. Sida's new Unit for Learning and Organisational Development, established in 2017, is an encouraging development. The unit aims to foster leadership and a culture based on learning. It also aims to explore how digital tools and systems can be used to improve knowledge sharing, and support more adaptive learning approaches to working, as exemplified in its current support in piloting more agile programming techniques in the Africa Department.

## Notes

[1] Problem Driven Iterative Adaptation (PDIA), set out by Andrews, Pritchett and Woolcock (2013), offers a framework for designing development programmes that rests on four principles - local solutions for local problems; pushing problem-driven positive deviance; trying, learning, iterating, adapting; and, scaling up through diffusion. Closely associated with PDIA is Doing Development Differently (DDD), an emerging community of development practitioners and observers who believe that development co-operation can have greater impact if programming is focused on learning and adaptation rather than using pre-planned and fixed programme designs. The DDD Manifesto emerged from a 2014 workshop hosted by the Building State Capability programme at Harvard University's Center for International Development and the Overseas Development Institute. The Manifesto is available at https://buildingstatecapability.com/the-ddd-manifesto/.

[2] Some guidance and E-learning training materials are already available to Sida staff to assist them in identifying which components are necessary for a solid theory of change and to support a greater attention to ongoing dialogue with partners to enable programme adaption.

[3] The new strategy process enables the MFA to regularly assess whether its objectives are appropriate in light of changing contexts and to monitor the progress of Sida's programmes in delivering on these objectives.

[4] The Africa Department is testing new adaptative budgeting processes that would enable a far more iterative process of project management.

[5] These reports include two different ratings. The first is based on the overall development context and the degree to which the strategy's objectives are being met, with no assessment of Sweden's contribution or attribution towards these results. The second is based on the degree to which Sweden's contributions are being successfully implemented; this includes an assessment of portfolio alignment with objectives and the degree to which contributions are on track with delivery, based on partners' results reporting.

[6] Sida's public annual review of its activities uses a similar traffic light format for reporting its progress in delivering on strategy objectives and includes an account of some programme results in each thematic area. For further information, see Sida's Year in Review 2017 at https://www.sida.se/contentassets/f6334f0d4dd94548bdd6c79c9253a020/the_year_in_review-sidas_activities_in_2017_webb.pdf. The MFA, drawing on Sida's results reporting and that of its multilateral partners, also provides a results summary in its annual report to the parliament. See also www.riksdagen.se/sv/dokument-lagar/dokument/proposition/budgetproposition-2017-utgiftsomrade-7_H4031d8/html (in Swedish).

[7] Sweden has its National Audit Office that provides independent audits and performance evaluations of Sweden's development co-operation and reports directly to Sweden's parliament. It also has the Agency for Public Management (Statskontoret), a government agency that can provide evaluations of Sweden's development co-operation on the request of government departments.

[8] Sida's Evaluation Unit was prior to 2010 an independent secretariat reporting to the Director-General, however, during 2010 and 2018, it was located within another department and was not considered fully independent, according to DAC criteria.

[9] The evaluation further noted that this is "often due to the fact that the target groups do not think that the report contributes new knowledge or that it has not come in time to be used in a current decision-making process".

[10] In 2018, Sida's Evaluation Unit undertook four strategic evaluations, and only one of these was part of a proper independent process. That same year, the unit supported 30 decentralised evaluations undertaken by Sida Units that were primarily focus on individual programmes. A further 30

evaluations where undertaken by partners. See https://www.sida.se/contentassets/341c5138cc204fe48550a1853e108552/strategic-evaluation-plan-2018-english-external-use.pdf.

[11] A guidance note for management response was adopted in 2014 with a template that includes relevance of the report, main conclusions and a statement on whether the MFA agrees with the recommendation and proposed action.

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# Chapter 7. Sweden's humanitarian assistance

*This chapter looks at how Sweden minimises the impact of shocks and crises, as well as how it works to save lives, alleviate suffering and maintain human dignity in crisis and disaster settings.*

*Sweden has a strong humanitarian tradition and actively works to drive a more efficient, principled and co-ordinated humanitarian system at the global level. Its policies and strategies are aligned to its international commitments, and Sweden is making good progress in ensuring greater coherence among its development, humanitarian and peace work. Organisational reforms and a more coherent approach to risk and resilience analysis are driving a more joined-up approach. These should be built upon.*

*Sweden has strengthened the quality of its partnerships with the humanitarian community, notably with more multiyear framework agreements that provide much-needed predictability for its partners engaged in protracted crises.*

## Strategic framework

**Peer review indicator: Clear political directives and strategies for resilience, response and recovery**

*Sweden remains a major humanitarian player who helps to shape the global humanitarian policy landscape. Its policies and strategies are aligned to delivering on Sweden's international humanitarian commitments, and steps have been taken to improve the coherence of its humanitarian, development and peace building work. The humanitarian assistance budget, following a decrease in 2015, is now on the rise again.*

### *Sweden's policy framework and humanitarian strategy seek to deliver on the World Humanitarian Summit's outcomes*

Responding to humanitarian needs remains a priority for Sweden, reaffirmed in its Policy Framework for Swedish Development and Humanitarian Assistance (Government of Sweden, 2016). The policy is aligned to the commitments Sweden made at the World Humanitarian Summit, including the Grand Bargain.[1] Evident also is a clear focus on driving a needs-based, effective and efficient humanitarian system; upholding international humanitarian law; and co-ordinating better with the development community. These priorities are reflected in Sweden's updated humanitarian strategy (Government of Sweden, 2017a).

Sweden actively engages at the global level to improve the humanitarian system and played a major role in advancing the Grand Bargain. It uses its voice within the United Nations (UN) to ensure greater co-ordination across UN agencies on humanitarian matters, and is an active champion of the UN Resident/Humanitarian Coordinator roles and the UN's New Way of Working (Government Offices of Sweden, 2018a).

### *Policies and strategies support coherence among Sweden's humanitarian, development and peace building work*

Sweden is fully aware that humanitarian assistance cannot be a quick fix to crises-induced needs, but must be part of a broader global response to fragility. Its policy framework and its humanitarian and sustainable peace strategies all call for greater coherence and a closer interplay among humanitarian assistance, long-term development co-operation, peace building and political dialogue in crisis contexts (Government Offices of Sweden, 2017).

Sida's pioneering work on risk and resilience analysis in countries affected by conflict and fragility is helping staff to deliver on this ambition. For example, Sweden has applied a resilience systems analysis, developed with the OECD, across six crisis countries (MacLeman, Malik-Miller and Marty, 2016). This analysis, along with other work, is enabling Sida staff to seek out synergies between the agency's humanitarian assistance and development work, elevate its conflict perspective across programming, and focus its development aid on addressing the root causes of crises (Annex C).

Sida also regularly analyses the humanitarian-development nexus, identifying opportunities and challenges for strengthening this nexus in the 16 countries where Sida has ongoing development co-operation and humanitarian work (Government Offices of Sweden, 2018a). Sweden has adopted a broad development strategy in Syria, for example, that enables the humanitarian budget to focus more firmly on its primary life-saving

mandate, which is good practice (Government Offices of Sweden, 2016a). Sweden is also increasing its development assistance allocated to peace-building objectives in recognition of the need to address root causes of conflict.[2] As noted in Chapter 2 and 4 and as seen in Liberia, bringing the Folke Bernadotte Academy closer to Sweden's development engagement in fragile contexts is also good practice.

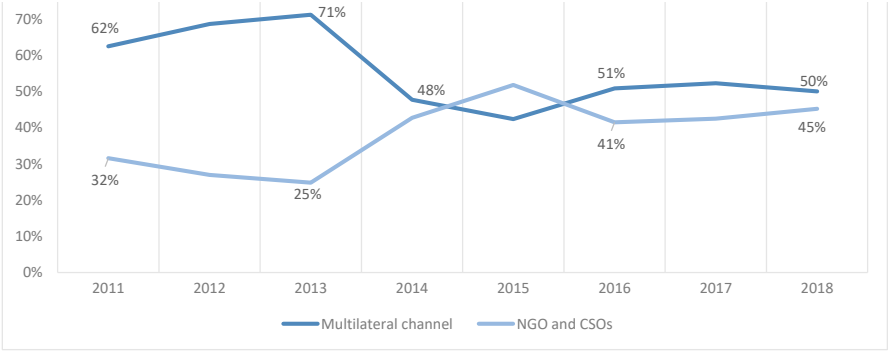
### *Humanitarian aid budget is increasing*

Sweden's humanitarian budget is on the rise again, following a drop in 2015 that was due to a spike in in-donor refugee costs.[3] Sweden's humanitarian official development assistance (ODA) more than doubled from 2015 to 2017, rising from USD 128.2 million in 2015 to USD 382.7 million in 2017 (OECD, 2017).

In a reflection of its commitment to strengthening the effectiveness and normative function of UN agencies, Sweden is a significant provider of core support to UN humanitarian agencies, which received 42% of its overall support to humanitarian multilateral agencies in 2018.[4]

The largest share of Sweden's humanitarian funding is channelled by Sida and goes to UN partners and the ICRC in the form of softly earmarked, non-core contributions. The share allocated to civil society has decreased since the last review (Figure 7.1). These two different channels allow Sida to decide more precisely where to allocate a large part of its funding, making the most of its needs-based humanitarian allocation tool

**Figure 7.1. Sweden's channels for its humanitarian assistance**




*Source*: Openaid (n.d.), "Sweden's aid to the world via all organisations for emergency response 2011" (database), https://openaid.se/aid/sweden/world/all-organisations/emergency-response/2011/.

## Effective programme design

**Peer review indicator: Programmes target the highest risk to life and livelihood**

*Sweden's humanitarian aid is driven by a comprehensive needs-based allocation model that also enables it to engage in forgotten crises. Sweden has put in place safeguards to uphold the humanitarian principles while it engages in crisis contexts.*

### *Sweden's needs-based allocation model allows it to engage in forgotten crises*

In determining its humanitarian priorities, Sida does not consider its development co-operation priorities in crisis contexts, as Sweden believes the humanitarian principles of neutrality, independence and in particular impartiality are better served with autonomous needs assessment and programming. An elaborated needs-based allocation model allows Sida to also engage in crises, including forgotten crises where it has no specific political or development interests; an example is the Central African Republic, which is not a partner country but which benefits from Sweden's humanitarian assistance. [5]

In conflict-driven, protracted crises, acknowledging that humanitarian assistance is one of Sweden's instruments for responding to crisis would not infringe upon the humanitarian principles. Sida's humanitarian allocation model puts in place solid safeguards to avoid this, and Sweden continues to maintain a strong policy focus on upholding international humanitarian law (Government of Sweden, 2016). Building on Sweden's solid work on resilience analysis (Chapter 2), operationalising the Development Assistance Committee (DAC) recommendation on the nexus (OECD, 2019) will allow Sweden to pragmatically determine which financial instrument is the most appropriate to respond to people's needs in crisis contexts.

### *Localising aid*

Sweden is committed under the Grand Bargain agreement to working more with local civil society and vulnerable groups, and it has introduced an ambition to localise its aid in its updated humanitarian strategy (Government of Sweden, 2017a). However, like most DAC members, Sweden does not support directly local aid responders. One way that Sweden is fulfilling its commitment, though, is through its support to UN-led Country-based Pooled Funds, a large source of direct funding for national and local actors. Sweden was the third-largest donor in the period 2014-18 (UN OCHA, 2019). Additionally, Sweden is also the fourth-largest donor to the International Red Cross and Red Crescent Movement programmes, including through the Swedish Red Cross, representing a significant support to local humanitarian actors (IFRC, 2018).

## Effective delivery, partnerships and instruments

**Peer review indicator: Delivery modalities and partnerships help deliver quality assistance**

*Sweden has adopted a new approach to addressing protracted crisis and recovery, which is enabling Sweden to use a mix of instruments to meet needs and also to respond to rapidly evolving crises. Sweden has also enhanced the long-term predictability of its aid, strengthening further a mature partnership with humanitarian actors. This should allow its humanitarian assistance to increasingly be part of a coherent response that also mobilises development co-operation and peace building, in line with the conflict perspective of its development co-operation programming.*

### *A strengthened effort to tackle protracted crises and recovery*

In order to meet needs in protracted crisis or in fragile contexts, Sida has designed an approach that enables coherence between its humanitarian and development engagement based on three main pillars (IASC, 2017):

1. **Common analysis, planning and programming based on risk, vulnerability and resilience;**

For Sida, this point means that the two different analysis/planning and programming tools that are used in humanitarian and development respectively are in part informed by each other to allow synergies when possible. Humanitarian staff provide input in development country strategies and development staff are similarly included in parts of the humanitarian analysis. These cross-cutting contributions enable complementarities, particularly in relation to when a humanitarian programme can be converted to a development programme, which allows for phasing out humanitarian support. Yet the element of separability between humanitarian and development programming is of crucial importance as it ensures that the humanitarian allocation is truly based on the contextual humanitarian situation and the exact needs of its population.

2. **A flexible, innovative and effective funding for the most vulnerable people;**

For Sida, this means for example that the agency has a number of funding tools covering various phases of a certain development in a country. From the most rapid form of support; the humanitarian Rapid Response Mechanism (in 24 hours) to long term multi-year programmes in development cooperation.

3. **An increased dialogue and coordination on risk, resilience and synergies between humanitarian and development.**

Such a dialogue enables Sida to use both its development and humanitarian funding to help address both acute humanitarian needs as well as long-term needs at the same time. For example, tackling malnutrition in the Sahel both through humanitarian assistance (with focus on severe acute malnutrition) and through increased food security (through the support of development strategies to areas such as farming). This approach also helps keeping the humanitarian funding to first and foremost prioritize emergency needs, which is good practice.

Since 2013, Sweden has also put in place mechanisms to increase the predictability of its humanitarian assistance, carrying out the 2013 DAC peer review recommendation (OECD, 2013). In adopting a pioneering approach and driven by its firm commitment to the importance of long-term partnerships, Sweden is increasingly providing multiyear frameworks with its UN humanitarian partners, providing up to 80% of the annual allocation during the first quarter of the year and the remaining 20% over the course of the year. This is good practice and in line with Sweden's Grand Bargain's commitments. Sweden's non-governmental organisation (NGO) partners increasingly also are benefiting from such frameworks.

### *An array of rapid response tools and mechanisms are in place*

Sida disburses so called unallocated funding to partner organizations intended for rapid response. Approximately 13% of Sida's total humanitarian funding was set aside for this purpose in 2017 (Government Offices of Sweden, 2018a). This unearmarked funding can reach 25% during the year through additional disbursements made from Sida's humanitarian reserve. In case of extra needs, Sida also has the possibility to exceed its budget with up to 10%, drawn from its budget for the following year.

Further demonstrating responsiveness, Sida has also designed a Rapid Response Mechanism, a framework agreement that allows its NGO partner organisations to receive funds within one day after a proposal is accepted. Sida has a similar rapid response

mechanism for use with individual multilateral organisations such as the United Nations Children's Fund and the International Committee of the Red Cross (ICRC). Sweden remains a long-standing major contributor to the UN Central Emergency Response Fund (CERF) and was the third-largest donor to CERF in 2018 (UN CERF, 2019).

### *A mature partnership with the humanitarian community*

Sweden has a mature partnership with the humanitarian community that goes beyond funding. As an active member of its multilateral partners' boards, Sweden uses its voice to help to shape the multilateral architecture. Sweden also has regular dialogue with its humanitarian NGO partners. Some smaller civil society actors, however, feel left in a so-called "missing middle" as their projects are often too small to be funded directly by Sida, but too big to enter in a sub-partnership with bigger NGOs. While this issue of medium-sized projects is not exclusive to Sweden, it could be recognised that such projects can have a great impact in crisis contexts, for instance on advocacy, a rights-based approach and/or humanitarian access.

Sida uses the UN agencies and ICRC's appeals systems as the basis for its allocation to these organisations, and also uses their reporting systems. This is a very concrete operationalisation of Sweden's Grand Bargain commitments to alleviate administrative burdens when no additional project proposals or reports are needed. In a similar fashion, Sida is piloting a programme-based approach (PBA) with three CSO-partners. The PBA provides significant flexibility to partners since the contribution is not earmarked below the partner's country programme and budget.

### *Sweden is actively engaged in co-ordination with other donors, UN and local systems*

Sweden supports a co-ordinated humanitarian response. It supports the UN Office for the Coordination of Humanitarian Affairs (UN OCHA) with flexible funding (UN OCHA, 2017) and, since 2018, with a multiyear funding framework. Such funding helps UN OCHA to establish humanitarian co-ordination mechanisms as crises arise. As a European Union (EU) member, Sweden also participates in joint programming exercises, which is a good sign of Sweden's efforts to increase donor co-ordination and in line with the DAC recommendation on the nexus (OECD, 2019).

## Organisation fit for purpose

**Peer review indicator: Systems, structures, processes and people work together effectively and efficiently**

*A new department looking after conflict, humanitarian and migration issues at the Ministry for Foreign Affairs is beginning to increase coherence in Sweden's engagement in crisis contexts, and closer links with the Folke Bernadotte Academy and Sida make Sweden's structure fit for providing an efficient and coherent response to crises. As country strategies are updated, links with humanitarian assistance could be spelled out further.*

### *Enhanced structures for co-ordination*

Since the last peer review, Sweden has established a new department at the Ministry for Foreign Affairs responsible for conflict, humanitarian and migration issues. The department is allowing Sweden to have a central structure for crisis management covering its diplomatic, peace, development co-operation and humanitarian efforts, and is a positive development. At the same time, Sweden has taken a series of steps to improve co-ordination among the MFA, Sida and the Folke Bernadotte Academy, the government's agency for peace, security and development in fragile and crisis contexts. Together, these changes are improving the coherence of Sweden's programming across its actors, as seen in Liberia; they also help Sweden to mobilise the best instrument to reach development or humanitarian objectives in protracted crises. These new arrangements are in line with the DAC recommendation on the nexus. There is now room to further systematise such collaboration.

### *Humanitarian assistance could be better reflected into upcoming country strategies*

In countries that receive humanitarian assistance for decades, articulating clearly the links between humanitarian assistance and other aid streams into the country strategy, in line with the DAC recommendation on humanitarian-development-peace-nexus (OECD, 2019) would help Sweden building a coherent response when relevant. Positive example, in the Somalia strategy (Ministry for Foreign Affairs, 2018a) or in the Middle East strategy (Ministry for Foreign Affairs, 2016) are the basis for expanding this approach, which now could be extended further as country strategies are renewed.

## Results, learning and accountability

**Peer review indicator: Results are measured and communicated, and lessons learned**

*Sweden makes good use of decentralised evaluations within its humanitarian programming and uses these to learn and improve its approach.*

### *Field presence and evaluations increase Sweden's knowledge base*

Sida carries out an evaluation of its humanitarian assistance strategy at the end of each cycle and uses the findings to inform its future work (Sida, 2016). The 2016 evaluation of Sida's humanitarian assistance, which was largely positive, recommended, amongst other things, that Sida better define indicators against the strategy goals in order to be able to more effectively measure its performance. In the implementation of the current humanitarian strategy, Sida has made efforts to sharpen the indicators it uses for measuring its performance, in response to this evaluation (Government of Sweden, 2017a). Future evaluations could assess the results of Sweden's integrated approach in addressing long-term needs, which would be a way for Sweden to monitor its operationalisation of the DAC recommendation on the nexus. Through Sida and its embassy network, Sweden can rely on a solid field presence,[6] enabling Sweden to quality assure programmes easily.

## Notes

[1] The Grand Bargain is an agreement among more than 30 of the biggest donors and aid providers; it includes a series of changes to the working practices of donors and aid organisations that aim to increase aid effectiveness and to address funding gaps in the humanitarian sector. For information on the Grand Bargain, see https://interagencystandingcommittee.org/grand-bargain-hosted-iasc.

[2] Peacebuilding expenditure increased from USD 744 million to USD 804 million between 2013 and 2017 (https://stats.oecd.org/Index.aspx?DataSetCode=crs1). Peacebuilding expenditures and purpose codes are available in the OECD report, *States of Fragility 2018*, https://doi.org/10.1787/9789264302075-en.

[3] In-donor refugee costs increased sharply from 2014 to 2015, rising to USD 2.4 billion from USD 911 million. This had an impact on the humanitarian budget. In 2017, in-donor refugee costs stabilised to USD 808 million.

[4] The share of Sweden's core support to humanitarian multilateral agencies has remained stable since 2013, ranging between 42% and 46% of its overall multilateral support. This information was provided in an exchange with the Ministry for Foreign Affairs on 20 December 2018.

[5] In particular, the principle of impartiality has strongly influenced the allocation tool. Therefore, Sida´s allocation methodology is grounded in several objective indicators such as; the scale (number of people) of humanitarian needs, the severity of humanitarian needs (including food insecurity/IPC levels), the number of people targeted for the humanitarian response, the financial coverage of respective humanitarian appeal, national capacities to respond and underlying risks, as well as distinct indicators related to forgotten crises.

[6] In 2015, Sida staff were present in 40 of Sweden's embassies, according to Sida's website at https://www.sida.se/English/contact-us/swedish-embassies/. 15 of these embassies were in countries receiving Sweden humanitarian funds in 2015. The Folke Bernadotte Academy also deploys experts in crisis areas.

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# Annex A. Progress since the 2013 DAC peer review recommendations

## Sweden's global efforts for sustainable development

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden's independent evaluation of PCD should help to renew and deepen its commitments and further improve coordination, monitoring and reporting, including the development of indicators. The evaluation's investigations could include: the transparent management of conflicts of interest between development and other policies; and levels of understanding in government and diplomatic missions of how Swedish and EU policies affect development | Implemented |

## Sweden's policy vision and framework

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden should urgently consult on, finalise and implement its planned aid policy framework, ensuring that it provides a clear hierarchy of policies, adequate criteria for effective prioritisation of goals and perspectives and indicates how these can be translated into concrete actions that get results. | Partially implemented |
| Recommendation<br>• As it finalises its new results strategies, particularly the bilateral ones, Sweden should allow sufficient time for adequate analysis and consultation with partners. Sweden's new bilateral results strategies should include humanitarian assistance where relevant, and whole-of-government approaches. | Partially implemented |

## Sweden's financing for development

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden should maintain efforts to concentrate its assistance on fewer countries and sectors. | Partially implemented |
| Recommendation<br>• Sweden should continue to monitor its in-donor costs, particularly those relating to refugees, and explain clearly and publicly how these costs are calculated and the reasons for any increases or decreases;<br>• Sweden should continue to ensure that its bilateral support for both state and non-state actors is reported to its partner countries;<br>• Sweden should continue to prioritise punctual and transparent reporting of its aid expenditures in line with Busan commitments and its role in IATI. | Implemented |

## Sweden's structures and systems

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Once the new aid policy framework, guidelines for results strategies and results strategies have been put in place, MFA and Sida would benefit from a period of consolidation to develop ownership and management of the reforms by those in charge of the development policy and its implementation. | Partially implemented |
| Recommendation<br>• Sweden should implement its human resource development plans within MFA and Sida, ensuring that staff have the capacity necessary for delivering the objectives set out in the aid policy framework. It also needs to ensure, particularly in its partner countries, the necessary skills and capacity to assure a strategic policy dialogue and to manage a range of partnerships and aid modalities, including programme-based approaches | Partially implemented |

## Sweden's delivery modalities and partnerships

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden should increase the share of its aid delivered through programme-based approaches and make more use of partner country systems for programme design, management, expenditure, monitoring and reporting. It should continue to use an appropriate mix of aid instruments, balancing state and non-state partners, to suit specific country contexts and situations. | Partially implemented |
| Recommendation<br>• Sweden should continue to ensure that its bilateral aid is included on the budgets of its partner countries. | Not implemented |

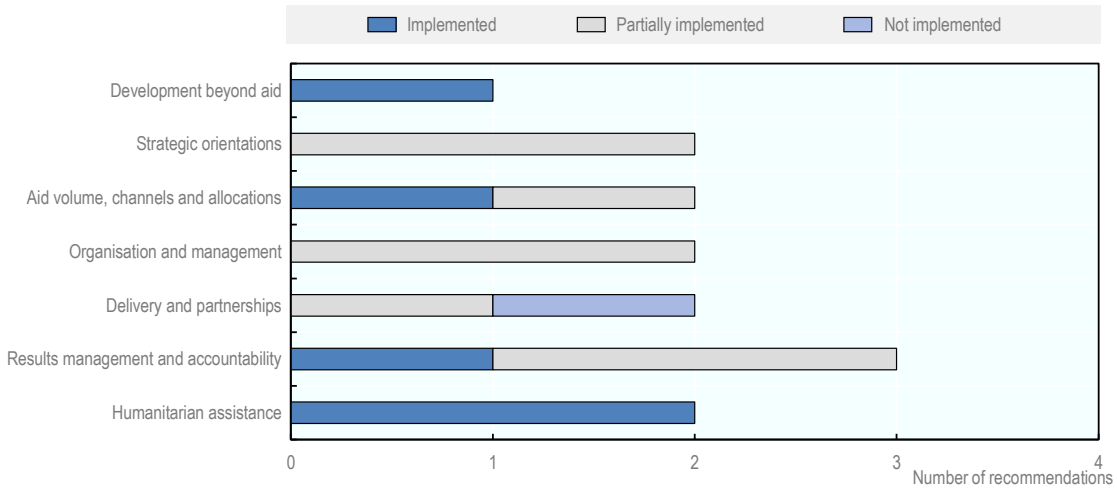
## Sweden's results, evaluation and learning

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden should build on its achievements in managing for results by ensuring that it: takes a balanced approach to risk in setting objectives and results; allocates sufficient resources for monitoring results; strengthens links between results that are being tracked within individual programmes and its broader development objectives and decision-making processes. | Implemented |
| Recommendation<br>• As planned, Sweden should strengthen and adequately resource its capacity to deliver and use high quality strategic and independent evaluations and ensure that the MFA and Sida fulfil their ambitions to be learning organisations. | Partially implemented |
| Recommendation<br>• Sweden should use the learning from its results monitoring and evaluation to sharpen its ability to define (and build) its comparative advantage. | Partially implemented |

## Sweden's humanitarian assistance

| Recommendations 2013 | Progress in implementation |
|---|---|
| Recommendation<br>• Sweden should speed up its disbursements to humanitarian partners. | Implemented |
| Recommendation<br>• Sweden should increase efforts to inform partners about new administrative requirements resulting from reforms. | Implemented |

**Figure A.1. Sweden's implementation of 2013 peer review recommendations**



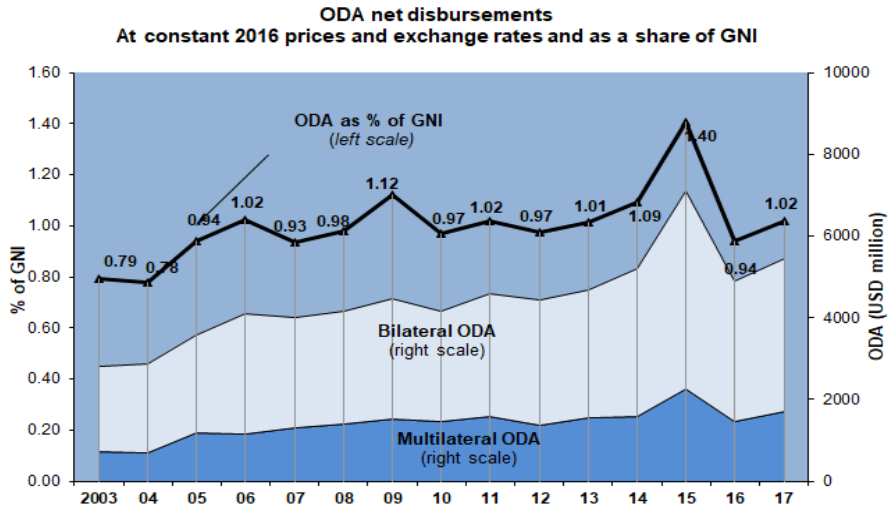
# Annex B. OECD DAC standard suite of tables

## Table B.1. Total financial flows

USD million at current prices and exchange rates.

| Sweden | 2003-07 | 2008-12 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|
| | | | | | | | *Net disbursements* |
| **Total official flows** | **3 368** | **4 948** | **5 804** | **6 204** | **7 135** | **4 894** | **5 570** |
| Official development assistance | **3 356** | **4 931** | **5 827** | **6 233** | **7 089** | **4 894** | **5 563** |
| Bilateral | 2 379 | 3 274 | 3 918 | 4 343 | 4 828 | 3 452 | 3 827 |
| Grants | 2 353 | 3 230 | 3 861 | 4 288 | 4 833 | 3 406 | 3 782 |
| Non-grants | 26 | 44 | 57 | 55 | - 6 | 46 | 46 |
| Multilateral | 977 | 1 657 | 1 909 | 1 890 | 2 262 | 1 442 | 1 736 |
| Other official flows | **13** | **17** | **- 23** | **- 29** | **46** | - | **7** |
| Bilateral: *of which* | 13 | 17 | - 23 | - 29 | 46 | - | 7 |
| Investment-related transactions | 5 | 15 | - 23 | - 29 | 46 | 71 | 54 |
| Multilateral | - | - | - | - | - | - | - |
| **Officially guaranteed export credits** | **- 285** | **521** | **- 215** | **- 402** | **- 206** | **1 235** | **- 659** |
| **Net Private Grants** | **35** | **74** | **11** | - | - | - | - |
| **Private flows at market terms** | **650** | **2 245** | **4 848** | **3 524** | **3 436** | **2 294** | **2 130** |
| Bilateral: *of which* | 650 | **2 245** | 4 848 | 3 524 | 3 436 | 2 294 | 2 130 |
| Direct investment | 650 | 2 245 | 4 848 | 3 524 | 3 436 | 2 294 | 2 130 |
| Multilateral | - | - | - | - | - | - | - |
| **Total flows** | **3 768** | **7 788** | **10 447** | **9 325** | **10 365** | **8 422** | **7 041** |
| ***for reference:*** | | | | | | | |
| *ODA (at constant 2016 USD million)* | *3 467* | *4 358* | *4 682* | *5 184* | *7 095* | *4 894* | *5 430* |
| *ODA (as a % of GNI)* | *0.90* | *1.01* | *1.01* | *1.09* | *1.40* | *0.94* | *1.02* |
| *ODA grant equivalent* | - | - | - | - | *7 092* | *4 895* | *5 512* |
| *Total flows (as a % of GNI) (a)* | *1.01* | *1.59* | *1.82* | *1.64* | *2.05* | *1.62* | *1.29* |
| *ODA to and channelled through NGOs - In USD million* | 449 | 705 | 1 133 | 1 152 | 963 | 959 | 1 079 |
| *ODA to and channelled through multilaterals - In USD million* | 1 218 | 2 342 | 2 910 | 3 107 | 3 029 | 2 417 | 2 867 |

a. To countries eligible for ODA.

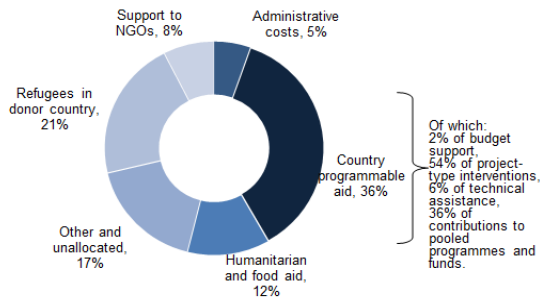


## Table B.2. ODA by main categories

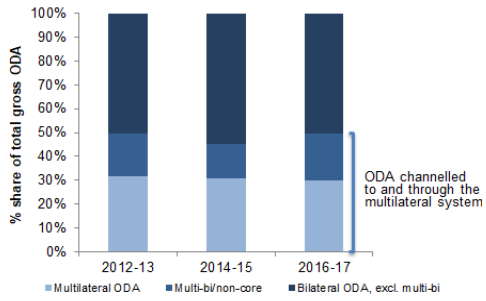
*Disbursements*

| Sweden | Constant 2016 USD million | | | | | Per cent share of gross disbursements | | | | | Total DAC |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2013 | 2014 | 2015 | 2016 | 2017 | 2017 % |
| **Gross Bilateral ODA** | **3 200** | **3 675** | **4 912** | **3 571** | **3 808** | **68** | **70** | **68** | **71** | **69** | **74** |
| Budget support | 91 | 46 | 76 | - | 25 | 2 | 1 | 1 | - | 0 | 2 |
| of which: General budget support | 91 | 38 | 70 | - | - | 2 | 1 | 1 | - | - | 1 |
| Core contributions & pooled prog.& funds | 1 119 | 1 295 | 1 181 | 1 233 | 1 346 | 24 | 25 | 16 | 25 | 24 | 13 |
| of which: Core support to national NGOs | 180 | 233 | 219 | 55 | 54 | 4 | 4 | 3 | 1 | 1 | 1 |
| Core support to international NGOs | 134 | 146 | 223 | 194 | 161 | 3 | 3 | 3 | 4 | 3 | 0 |
| Core support to PPPs | 14 | 12 | 13 | 16 | 21 | 0 | 0 | 0 | 0 | 0 | 0 |
| Project-type interventions | 997 | 1 023 | 848 | 1 096 | 1 217 | 21 | 19 | 12 | 22 | 22 | 39 |
| of which: Investment projects | 115 | 90 | 61 | 73 | 91 | 2 | 2 | 1 | 1 | 2 | 13 |
| Experts and other technical assistance | 172 | 136 | 143 | 157 | 157 | 4 | 3 | 2 | 3 | 3 | 3 |
| Scholarships and student costs in donor countries | 37 | 45 | 37 | 25 | 34 | 1 | 1 | 1 | 0 | 1 | 2 |
| of which: Imputed student costs | - | - | - | - | - | - | - | - | - | - | 1 |
| Debt relief grants | - | - | - | - | - | - | - | - | - | - | 0 |
| Administrative costs | 203 | 206 | 217 | 225 | 205 | 4 | 4 | 3 | 4 | 4 | 5 |
| Other in-donor expenditures | 581 | 925 | 2 410 | 835 | 825 | 12 | 18 | 34 | 17 | 15 | 9 |
| of which: refugees in donor countries | 567 | 911 | 2 399 | 821 | 808 | 12 | 17 | 33 | 16 | 15 | 9 |
| **Gross Multilateral ODA** | **1 534** | **1 572** | **2 264** | **1 442** | **1 695** | **32** | **30** | **32** | **29** | **31** | **26** |
| UN agencies | 606 | 521 | 771 | 492 | 654 | 13 | 10 | 11 | 10 | 12 | 4 |
| EU institutions | 299 | 338 | 409 | 298 | 394 | 6 | 6 | 6 | 6 | 7 | 9 |
| World Bank group | 331 | 326 | 339 | 333 | 334 | 7 | 6 | 5 | 7 | 6 | 5 |
| Regional development banks | 87 | 98 | 101 | 119 | 123 | 2 | 2 | 1 | 2 | 2 | 3 |
| Other multilateral | 211 | 288 | 645 | 200 | 190 | 4 | 5 | 9 | 4 | 3 | 6 |
| **Total gross ODA** | **4 734** | **5 247** | **7 176** | **5 014** | **5 503** | **100** | **100** | **100** | **100** | **100** | **100** |
| of which: Gross ODA loans | 49 | 49 | - | 47 | 46 | 1 | 1 | - | 1 | 1 | 14 |
| Bilateral | 49 | 49 | - | 47 | 46 | 1 | 1 | - | 1 | 1 | 12 |
| Multilateral | - | - | - | - | - | - | - | - | - | - | 2 |
| **Repayments and debt cancellation** | **- 52** | **- 63** | **- 81** | **- 120** | **- 72** | | | | | | |
| **Total net ODA** | **4 682** | **5 184** | **7 095** | **4 894** | **5 430** | | | | | | |
| ***For reference:*** | | | | | | | | | | | |
| *Country programmable aid* | *1 192* | *1 072* | *1 083* | *1 190* | *1 385* | | | | | | |
| *Free standing technical co-operation* | *521* | *481* | *445* | *388* | *404* | | | | | | |
| *Net debt relief* | - | - | - | - | - | | | | | | |

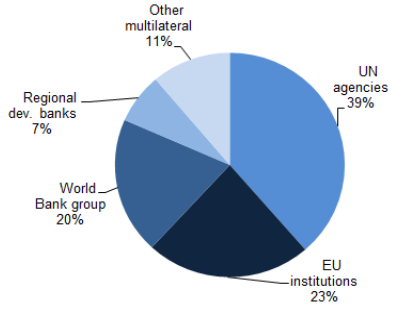
**Composition of bilateral ODA, 2017, gross bilateral disbursements**




**Share of ODA channelled to and through the multilateral system, two year average**




**ODA flows to multilateral agencies, 2017**



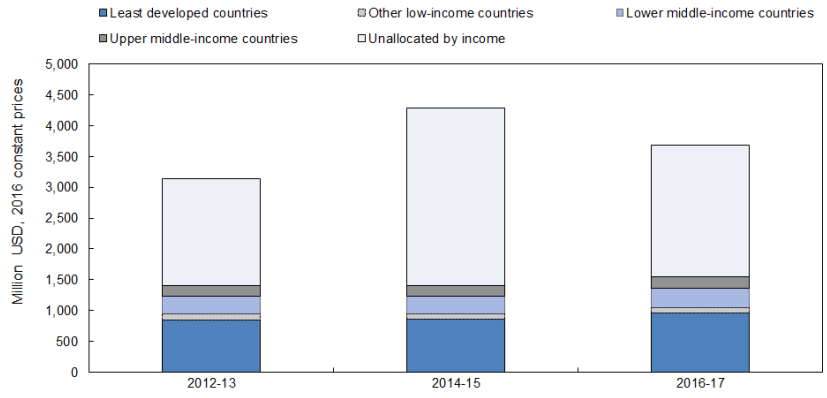
## Table B.3. Bilateral ODA allocable by region and income group

*Gross disbursements*

| Sweden | Constant 2016 USD million | | | | | % share | | | | | Total DAC |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2013 | 2014 | 2015 | 2016 | 2017 | 2017% |
| **Africa** | 963 | 939 | 922 | 895 | 1 033 | 56 | 53 | 55 | 52 | 54 | **40** |
| Sub-Saharan Africa | 882 | 832 | 839 | 844 | 978 | 51 | 47 | 50 | 49 | 51 | **34** |
| North Africa | 24 | 23 | 16 | 15 | 12 | 1 | 1 | 1 | 1 | 1 | **4** |
| **Asia** | 343 | 333 | 302 | 299 | 337 | 20 | 19 | 18 | 17 | 17 | **30** |
| South and Central Asia | 217 | 237 | 220 | 220 | 244 | 13 | 13 | 13 | 13 | 13 | **18** |
| Far East | 88 | 61 | 46 | 50 | 55 | 5 | 3 | 3 | 3 | 3 | **11** |
| **America** | 113 | 115 | 102 | 117 | 116 | 7 | 7 | 6 | 7 | 6 | **9** |
| North and Central America | 42 | 45 | 40 | 49 | 44 | 2 | 3 | 2 | 3 | 2 | **4** |
| South America | 67 | 66 | 59 | 67 | 71 | 4 | 4 | 4 | 4 | 4 | **4** |
| **Middle East** | 179 | 211 | 188 | 255 | 277 | 10 | 12 | 11 | 15 | 14 | **13** |
| **Oceania** | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | **2** |
| **Europe** | 125 | 162 | 149 | 163 | 165 | 7 | 9 | 9 | 9 | 9 | **5** |
| **Total bilateral allocable by region** | **1 721** | **1 760** | **1 663** | **1 730** | **1 929** | **100** | **100** | **100** | **100** | **100** | **100** |
| **Least developed** | 875 | 828 | 876 | 886 | 1 024 | 60 | 58 | 63 | 60 | 63 | **39** |
| **Other low-income** | 101 | 95 | 101 | 88 | 101 | 7 | 7 | 7 | 6 | 6 | **3** |
| **Lower middle-income** | 296 | 300 | 263 | 310 | 327 | 20 | 21 | 19 | 21 | 20 | **35** |
| **Upper middle-income** | 184 | 197 | 157 | 185 | 185 | 13 | 14 | 11 | 13 | 11 | **23** |
| **More advanced developing countries** | - | - | - | - | - | - | - | - | - | - | **-** |
| **Total bilateral allocable by income** | **1 456** | **1 419** | **1 398** | **1 469** | **1 637** | **100** | **100** | **100** | **100** | **100** | **100** |
| ***For reference*[2]*:*** | | | | | | | | | | | |
| *Total bilateral* | 3 200 | 3 675 | 4 912 | 3 571 | 3 808 | *100* | *100* | *100* | *100* | *100* | ***100*** |
| *of which: Unallocated by region* | *1 478* | *1 916* | *3 249* | *1 841* | *1 879* | *46* | *52* | *66* | *52* | *49* | ***32*** |
| *of which: Unallocated by income* | *1 744* | *2 256* | *3 515* | *2 102* | *2 170* | *55* | *61* | *72* | *59* | *57* | ***39*** |
| *Fragile and conflict-affected states (as per DCR of each year)* | *1 116* | *1 092* | *1 123* | *1 177* | *1 324* | *35* | *30* | *23* | *33* | *35* | ***35*** |
| *SIDS (as per data provided to UN)* | *6* | *5* | *4* | *10* | *6* | *0* | *0* | *0* | *0* | *0* | ***2*** |
| *Landlocked developing countries (as per data provided to UN)* | *455* | *449* | *458* | *473* | *543* | *14* | *12* | *9* | *13* | *14* | ***14*** |

1. Each region includes regional amounts which cannot be allocated by sub-region. The sum of the sub-regional amounts may therefore fall short of the regional total.
2. 'Fragile and conflict-affected states' group has overlaps with SIDS and Landlocked developing countries and can therefore not be added. For the same reason, these three groups cannot be added to any income group.

**Gross bilateral ODA by income group, 2012-17**



## Table B.4. Main recipients of bilateral ODA

*Gross disbursements*

| Sweden | 2012-13 average | | | Memo: | | 2014-15 average | | | Memo: | | 2016-17 average | | | Memo: |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current USD million | Constant 2016 USD mln | % share | *DAC countries' average %* | | Current USD million | Constant 2016 USD mln | % share | *DAC countries' average %* | | Current USD million | Constant 2016 USD mln | % share | *DAC countries average %* |
| Mozambique | 126 | 103 | 3 | | Afghanistan | 120 | 109 | 3 | | Afghanistan | 117 | 115 | 3 | |
| Tanzania | 121 | 100 | 3 | | Mozambique | 107 | 97 | 2 | | Tanzania | 116 | 114 | 3 | |
| Afghanistan | 118 | 97 | 3 | | Tanzania | 82 | 77 | 2 | | Somalia | 76 | 75 | 2 | |
| Democratic Republic of the Congo | 80 | 66 | 2 | | Somalia | 72 | 65 | 2 | | Mozambique | 68 | 67 | 2 | |
| Kenya | 80 | 66 | 2 | | Kenya | 69 | 63 | 1 | | West Bank and Gaza Strip | 64 | 63 | 2 | |
| **Top 5 recipients** | **525** | **431** | **14** | **30** | **Top 5 recipients** | **450** | **411** | **10** | **22** | **Top 5 recipients** | **441** | **435** | **12** | **19** |
| South Sudan | 70 | 58 | 2 | | West Bank and Gaza Strip | 61 | 56 | 1 | | Ethiopia | 64 | 63 | 2 | |
| West Bank and Gaza Strip | 62 | 51 | 2 | | Democratic Republic of the Congo | 58 | 53 | 1 | | Democratic Republic of the Congo | 62 | 61 | 2 | |
| Somalia | 50 | 41 | 1 | | Zambia | 52 | 47 | 1 | | Kenya | 59 | 58 | 2 | |
| Bangladesh | 44 | 37 | 1 | | South Sudan | 48 | 43 | 1 | | Syrian Arab Republic | 52 | 52 | 1 | |
| Zambia | 41 | 33 | 1 | | Bangladesh | 43 | 39 | 1 | | Zambia | 51 | 51 | 1 | |
| **Top 10 recipients** | **792** | **652** | **21** | **41** | **Top 10 recipients** | **713** | **649** | **15** | **35** | **Top 10 recipients** | **728** | **719** | **19** | **29** |
| Uganda | 40 | 33 | 1 | | Syrian Arab Republic | 40 | 36 | 1 | | Uganda | 51 | 50 | 1 | |
| Liberia | 39 | 33 | 1 | | Uganda | 39 | 36 | 1 | | Bangladesh | 43 | 42 | 1 | |
| Zimbabwe | 39 | 32 | 1 | | Ukraine | 37 | 33 | 1 | | Iraq | 37 | 37 | 1 | |
| Cambodia | 38 | 31 | 1 | | Rwanda | 36 | 33 | 1 | | Mali | 37 | 37 | 1 | |
| Mali | 37 | 30 | 1 | | Ethiopia | 35 | 32 | 1 | | South Sudan | 35 | 35 | 1 | |
| **Top 15 recipients** | **986** | **811** | **26** | **47** | **Top 15 recipients** | **900** | **820** | **19** | **41** | **Top 15 recipients** | **932** | **920** | **25** | **36** |
| Bolivia | 36 | 29 | 1 | | Iraq | 34 | 30 | 1 | | Myanmar | 35 | 35 | 1 | |
| Iraq | 34 | 28 | 1 | | Colombia | 34 | 30 | 1 | | Ukraine | 35 | 34 | 1 | |
| Colombia | 33 | 27 | 1 | | Liberia | 34 | 30 | 1 | | Colombia | 34 | 34 | 1 | |
| Ukraine | 31 | 26 | 1 | | Zimbabwe | 34 | 31 | 1 | | Zimbabwe | 34 | 33 | 1 | |
| Syrian Arab Republic | 31 | 26 | 1 | | Mali | 33 | 30 | 1 | | Cambodia | 33 | 32 | 1 | |
| **Top 20 recipients** | **1 152** | **947** | **30** | **51** | **Top 20 recipients** | **1 067** | **971** | **23** | **46** | **Top 20 recipients** | **1 102** | **1 088** | **29** | **40** |
| **Total (118 recipients)** | **1 714** | **1 410** | **45** | | **Total (121 recipients)** | **1 551** | **1 408** | **33** | | **Total (119 recipients)** | **1 573** | **1 553** | **42** | |
| Unallocated | 2 100 | 1 728 | 55 | 34 | Unallocated | 3 112 | 2 885 | 67 | 43 | Unallocated | 2 163 | 2 137 | 58 | 49 |
| **Total bilateral gross** | **3 814** | **3 138** | **100** | **100** | **Total bilateral gross** | **4 663** | **4 294** | **100** | **100** | **Total bilateral gross** | **3 736** | **3 690** | **100** | **100** |

## Table B.5. Bilateral ODA by major purposes

At constant prices and exchange rates

*Commitments - Two-year average*

| Sweden | 2012-13 average | | 2014-15 average | | 2016-17 average | | DAC |
|---|---|---|---|---|---|---|---|
| | 2016 USD million | % | 2016 USD million | % | 2016 USD million | % | 2016-17 % |
| **Social infrastructure & services** | **1 246** | **41** | **1 110** | **28** | **1 359** | **42** | **34** |
| Education | 76 | 3 | 73 | 2 | 148 | 5 | 7 |
| of which: basic education | 22 | 1 | 4 | 0 | 52 | 2 | 2 |
| Health | 87 | 3 | 96 | 2 | 106 | 3 | 5 |
| of which: basic health | 64 | 2 | 30 | 1 | 69 | 2 | 3 |
| Population & reproductive health | 142 | 5 | 68 | 2 | 151 | 5 | 6 |
| Water supply & sanitation | 130 | 4 | 46 | 1 | 59 | 2 | 4 |
| Government & civil society | 760 | 25 | 759 | 19 | 837 | 26 | 10 |
| *of which: Conflict, peace & security* | 152 | 5 | 124 | 3 | 150 | 5 | 2 |
| Other social infrastructure & services | 51 | 2 | 68 | 2 | 58 | 2 | 2 |
| **Economic infrastructure & services** | **170** | **6** | **169** | **4** | **184** | **6** | **17** |
| Transport & storage | 27 | 1 | 0 | 0 | 20 | 1 | 9 |
| Communications | 4 | 0 | 16 | 0 | 7 | 0 | 0 |
| Energy | 49 | 2 | 75 | 2 | 56 | 2 | 6 |
| Banking & financial services | 16 | 1 | 18 | 0 | 22 | 1 | 2 |
| Business & other services | 75 | 2 | 60 | 2 | 80 | 2 | 1 |
| **Production sectors** | **233** | **8** | **159** | **4** | **171** | **5** | **6** |
| Agriculture, forestry & fishing | 142 | 5 | 71 | 2 | 99 | 3 | 4 |
| Industry, mining & construction | 50 | 2 | 50 | 1 | 44 | 1 | 1 |
| Trade & tourism | 41 | 1 | 38 | 1 | 28 | 1 | 1 |
| **Multisector** | **226** | **7** | **288** | **7** | **303** | **9** | **9** |
| **Commodity and programme aid** | **104** | **3** | **44** | **1** | **0** | **0** | **2** |
| **Action relating to debt** | **-** | **-** | **-** | **-** | **-** | **-** | **1** |
| **Humanitarian aid** | **330** | **11** | **282** | **7** | **237** | **7** | **13** |
| **Administrative costs of donors** | **201** | **7** | **201** | **5** | **203** | **6** | **5** |
| **Refugees in donor countries** | **524** | **17** | **1 655** | **42** | **815** | **25** | **12** |
| **Total bilateral allocable** | **3 034** | **100** | **3 907** | **100** | **3 274** | **100** | **100** |
| ***For reference:*** | | | | | | | |
| *Total bilateral* | *3 112* | *76* | *3 984* | *72* | *3 383* | *69* | *77* |
| *of which: Unallocated* | *78* | *2* | *77* | *1* | *110* | *2* | *1* |
| *Total multilateral* | *1 005* | *24* | *1 549* | *28* | *1 498* | *31* | *23* |
| ***Total ODA*** | ***4 117*** | ***100*** | ***5 533*** | ***100*** | ***4 881*** | ***100*** | ***100*** |

*Commitments*

| | 2012-2013 | | 2014-2015 | | 2016-2017 | |
|---|---|---|---|---|---|---|
| | Constant 2016 USD million | % Bilateral Allocable | Constant 2016 USD million | % Bilateral Allocable | Constant 2016 USD million | % Bilateral Allocable |
| **Gender equality** | 1,688 | *80* | 1,748 | *85* | 1,980 | *84* |
| **Environment** | 883 | *42* | 852 | *41* | 971 | *41* |
| **Rio markers** | | | | | | |
| Biodiversity | 296 | *14* | 330 | *16* | 201 | *9* |
| Desertification | 139 | *7* | 121 | *6* | 107 | *5* |
| Climate change Mitigation only | 57 | *3* | 129 | *6* | 33 | *1* |
| Climate change Adaptation only | 110 | *5* | 175 | *8* | 254 | *11* |
| Both climate adaptation and mitigation | 309 | *15* | 280 | *14* | 303 | *13* |

## Table B.6. Comparative aid performance of DAC members

| | Official development assistance | | | Share of multilateral aid | | | | Grant element of ODA commitments | Untied aid % of bilateral commitments |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Net disbursements | | | | | Commitments |
| | 2017 | | 2011-12 to 2016-17 Average annual % change in real terms | 2017 | | | | 2017 | 2017 |
| | | | | % of ODA | | % of GNI | | | |
| | USD millior | % of GNI | | ( b ) | ( c ) | ( b ) | ( c ) | % ( a ) | (d) |
| Australia | 3 036 | 0.23 | -4.3 | 20.5 | | 0.05 | | 100.0 | 100.0 |
| Austria | 1 251 | 0.30 | 7.4 | 52.0 | 25.2 | 0.16 | 0.08 | 100.0 | 50.1 |
| Belgium | 2 196 | 0.45 | -0.3 | 41.0 | 12.2 | 0.18 | 0.05 | 99.9 | 95.6 |
| Canada | 4 305 | 0.26 | -1.5 | 27.4 | | 0.07 | | 94.5 | 93.9 |
| Czech Republic | 304 | 0.15 | 7.5 | 73.5 | 17.1 | 0.11 | 0.03 | 100.0 | 55.9 |
| Denmark | 2 448 | 0.74 | -0.4 | 29.7 | 18.2 | 0.22 | 0.13 | 100.0 | 100.0 |
| Finland | 1 084 | 0.42 | -3.0 | 44.8 | 21.8 | 0.19 | 0.09 | 100.0 | 98.3 |
| France | 11 331 | 0.43 | -0.7 | 41.3 | 20.1 | 0.18 | 0.09 | 81.6 | 96.0 |
| Germany | 25 005 | 0.67 | 15.1 | 20.7 | 8.8 | 0.14 | 0.06 | 90.2 | 85.5 |
| Greece | 314 | 0.16 | 3.1 | 73.0 | 12.0 | 0.11 | 0.02 | 100.0 | 90.6 |
| Hungary | 149 | 0.11 | 9.4 | 73.5 | 16.5 | 0.08 | 0.02 | 100.0 | .. |
| Iceland | 68 | 0.28 | 14.8 | 20.7 | | 0.06 | | 100.0 | 100.0 |
| Ireland | 838 | 0.32 | 0.8 | 41.2 | 17.0 | 0.13 | 0.05 | 100.0 | 100.0 |
| Italy | 5 858 | 0.30 | 12.2 | 49.2 | 19.1 | 0.15 | 0.06 | 98.8 | 90.9 |
| Japan | 11 463 | 0.23 | 6.3 | 29.5 | | 0.07 | | 85.4 | 82.5 |
| Korea | 2 201 | 0.14 | 7.8 | 26.6 | | 0.04 | | 93.2 | 50.2 |
| Luxembourg | 424 | 1.00 | 2.7 | 28.3 | 19.5 | 0.28 | 0.19 | 100.0 | 98.8 |
| Netherlands | 4 958 | 0.60 | -0.7 | 28.7 | 16.9 | 0.17 | 0.10 | 100.0 | 94.9 |
| New Zealand | 450 | 0.23 | 1.4 | 17.6 | | 0.04 | | 100.0 | 74.6 |
| Norway | 4 125 | 0.99 | 5.1 | 24.2 | | 0.24 | | 100.0 | 100.0 |
| Poland | 679 | 0.13 | 13.9 | 67.3 | 9.5 | 0.09 | 0.01 | 99.6 | 60.3 |
| Portugal | 381 | 0.18 | -8.8 | 69.9 | 21.7 | 0.13 | 0.04 | 97.2 | 68.6 |
| Slovak Republic | 119 | 0.13 | 10.0 | 70.3 | 8.5 | 0.09 | 0.01 | 100.0 | 62.2 |
| Slovenia | 76 | 0.16 | 8.0 | 67.1 | 11.9 | 0.11 | 0.02 | 100.0 | 99.6 |
| Spain | 2 560 | 0.19 | 5.5 | 73.3 | 27.8 | 0.14 | 0.05 | 99.1 | 83.5 |
| Sweden | 5 563 | 1.02 | 2.8 | 31.2 | 23.9 | 0.32 | 0.24 | 100.0 | 87.8 |
| Switzerland | 3 138 | 0.46 | 3.9 | 25.7 | | 0.12 | | 100.0 | 96.5 |
| United Kingdom | 18 103 | 0.70 | 7.8 | 37.4 | 27.8 | 0.26 | 0.19 | 95.5 | 100.0 |
| United States | 34 732 | 0.18 | 0.8 | 13.6 | | 0.02 | | 100.0 | 63.5 |
| **Total DAC** | **147 160** | **0.31** | **4.3** | **28.3** | | **0.09** | | **93.7** | **82.0** |

*Notes:*

a. Excluding debt reorganisation.
b. Including EU institutions.
c. Excluding EU institutions.
d. Excluding administrative costs and in-donor refugee costs.
.. Data not available.

## Table B.7. Comparative performance of aid to LDCs

| | Net disbursements | | | | | | Commitments | | |
|---|---|---|---|---|---|---|---|---|---|
| | Bilateral ODA to LDCs | | | Total ODA to LDCs (Bilateral and through multilateral agencies) | | | Grant element of bilateral ODA commitments[a] to LDCs (two alternative norms) | | |
| | 2017 | 2017 | | 2017 | | | Annually for all LDCs Norm: 90% | | 3-year average for each LDC Norm: 86% |
| | USD million | % bilateral ODA | % of GNI | USD million | % total ODA | % of GNI | 2016 | 2017 | 2015-2017 |
| Australia | 665 | 27.6 | 0.05 | 851 | 28.0 | 0.07 | 100.0 | 100.0 | c |
| Austria | 63 | 10.5 | 0.02 | 293 | 23.4 | 0.07 | 100.0 | 100.0 | c |
| Belgium | 402 | 31.0 | 0.08 | 645 | 29.4 | 0.13 | 99.3 | 99.8 | c |
| Canada | 958 | 30.6 | 0.06 | 1 469 | 34.1 | 0.09 | 100.0 | 100.0 | c |
| Czech Republic | 13 | 15.8 | 0.01 | 65 | 21.5 | 0.03 | 100.0 | 100.0 | c |
| Denmark | 472 | 27.4 | 0.14 | 715 | 29.2 | 0.22 | 100.0 | 100.0 | c |
| Finland | 166 | 27.7 | 0.06 | 326 | 30.1 | 0.13 | 100.0 | 100.0 | c |
| France | 1 131 | 17.0 | 0.04 | 2 754 | 24.3 | 0.10 | 80.9 | 75.2 | n |
| Germany | 2 423 | 12.2 | 0.06 | 4 081 | 16.3 | 0.11 | 95.9 | 99.8 | n |
| Greece | 0 | 0.2 | 0.00 | 57 | 18.2 | 0.03 | 100.0 | 100.0 | c |
| Hungary | 4 | 11.0 | 0.00 | 29 | 19.4 | 0.02 | 100.0 | 100.0 | c |
| Iceland | 14 | 25.4 | 0.06 | 20 | 28.8 | 0.08 | 100.0 | 100.0 | c |
| Ireland | 248 | 50.4 | 0.09 | 355 | 42.3 | 0.13 | 100.0 | 100.0 | c |
| Italy | 327 | 11.0 | 0.02 | 1 162 | 19.8 | 0.06 | 98.8 | 97.5 | c |
| Japan | 3 358 | 41.6 | 0.07 | 4 974 | 43.4 | 0.10 | 91.5 | 87.8 | n |
| Korea | 588 | 36.4 | 0.04 | 774 | 35.2 | 0.05 | 93.0 | 94.6 | c |
| Luxembourg | 141 | 46.4 | 0.33 | 178 | 42.0 | 0.42 | 100.0 | 100.0 | c |
| Netherlands | 546 | 15.5 | 0.07 | 1 024 | 20.7 | 0.12 | 100.0 | 100.0 | c |
| New Zealand | 102 | 27.6 | 0.05 | 125 | 27.7 | 0.06 | 100.0 | 100.0 | c |
| Norway | 733 | 23.4 | 0.18 | 1 127 | 27.3 | 0.27 | 100.0 | 100.0 | c |
| Poland | 14 | 6.4 | 0.00 | 114 | 16.7 | 0.02 | 80.4 | 85.0 | n |
| Portugal | 43 | 37.8 | 0.02 | 124 | 32.5 | 0.06 | 92.2 | 94.4 | n |
| Slovak Republic | 4 | 9.9 | 0.00 | 22 | 18.8 | 0.02 | 100.0 | 100.0 | c |
| Slovenia | 0 | 1.8 | 0.00 | 13 | 16.8 | 0.03 | 100.0 | 100.0 | c |
| Spain | 99 | 14.5 | 0.01 | 588 | 23.0 | 0.04 | 100.0 | 100.0 | c |
| Sweden | 1 023 | 26.7 | 0.19 | 1 669 | 30.0 | 0.31 | 100.0 | 100.0 | c |
| Switzerland | 574 | 24.6 | 0.08 | 887 | 28.3 | 0.13 | 100.0 | 100.0 | c |
| United Kingdom | 3 319 | 29.3 | 0.13 | 6 046 | 33.4 | 0.23 | 100.0 | 100.0 | c |
| United States | 10 010 | 33.4 | 0.05 | 12 062 | 34.7 | 0.06 | 100.0 | 100.0 | c |
| **Total DAC** | **27 439** | **26.0** | **0.06** | **42 548** | **28.9** | **0.09** | **97.0** | **96.2** | **..** |

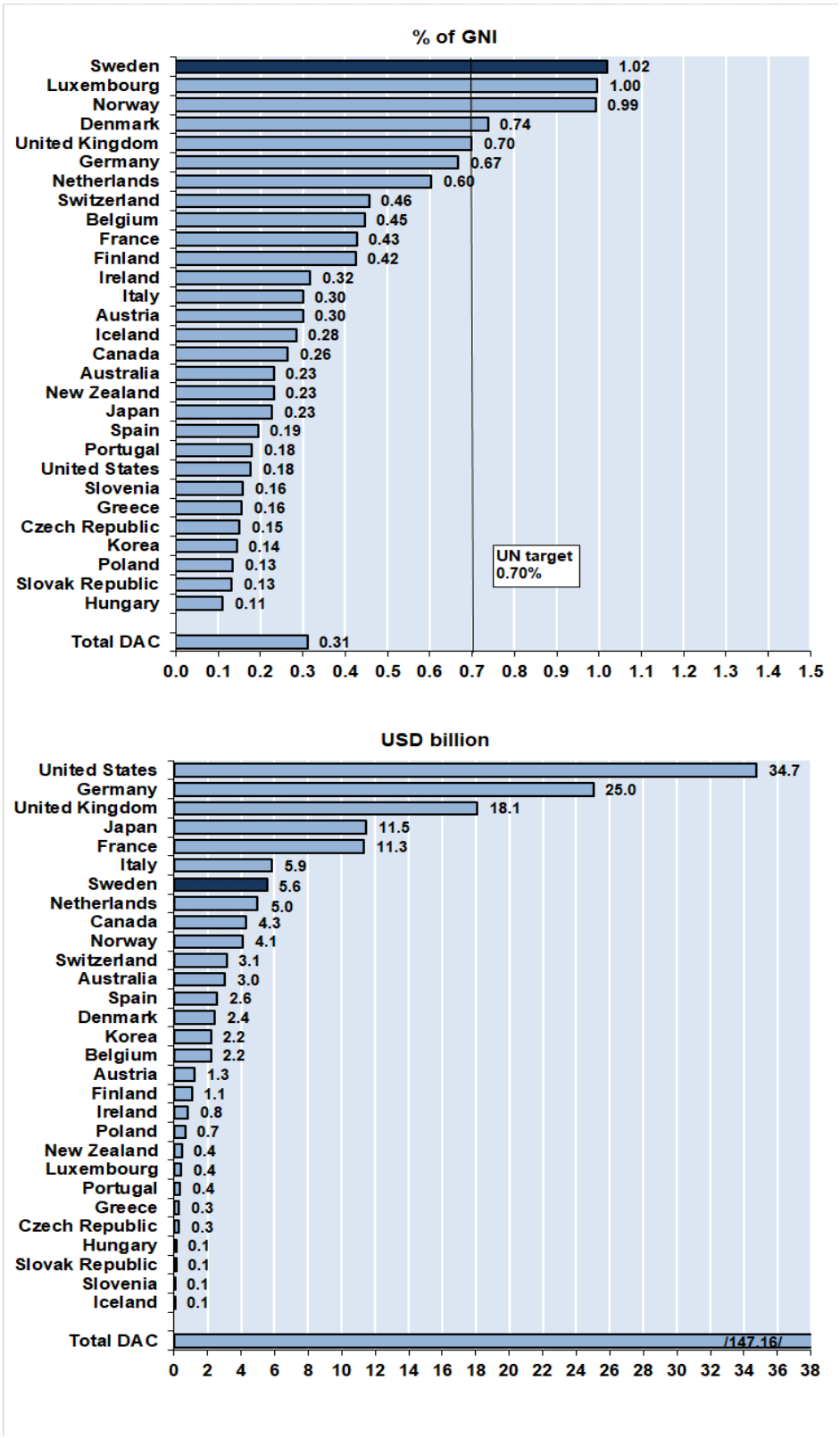
*Notes:*

a. Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b. c = compliance, n = non compliance.

.. Data not available.

**Figure B.1. Net ODA from DAC countries in 2017**



# Annex C. Field visit to Liberia

*As part of the peer review of Sweden, a team of examiners from France and Korea and members of the OECD Secretariat visited Liberia in November 2018. The team met the Swedish Ambassador, the Head of the Development Cooperation Office and their teams as well as representatives of the government of Liberia, other bilateral and multilateral partners, Swedish and Liberian civil society organisations, the private sector, and researchers.*

## Development in Liberia

### *A peaceful transition of power in Liberia marks progress, but significant development challenges remain*

Liberia is a least developed, fragile and post-conflict country. Two brutal civil wars between 1989 and 2003, destroyed lives and vital infrastructure. Progress is being made, though, to rebuild the country. In 2018, Liberia passed a milestone with the first peaceful and democratic transfer of political power in more than 70 years. The United Nations (UN) Mission in Liberia (UNMIL) also ended its presence in the country in 2018.

However, despites these successes, Liberia faces significant development challenges. It is one of the poorest countries in the world with a gross national income (GNI) per capita in 2017 of USD 620, using the World Bank's methodology. Liberia ranks 181st out of 189 countries on the United Nations Development Programme Human Development Index (UNDP, 2018). More than half of the population (50.9%) lives below the national poverty line, with large geographical disparities in poverty (World Bank, 2018). Sexual and gender-based violence is extremely high in Liberia - a legacy from the wars - with rape the second-most commonly reported serious crime (OHCHR, 2016).

Liberia's economy had been growing at over 5% between 2005 and 2013. However, GDP growth rates fell sharply in 2014-15 as a result of the Ebola crisis and falling international commodity prices and have failed to pick up since, with the IMF estimating growth at 1.2% in 2018 and 0.4% in 2019 (IMF, 2019). Liberia's economy is highly dependent on providing foreign concessions in the agriculture, mining and forestry sectors, but gains are not being distributed to enable inclusive growth. The World Bank (2018) notes that 85% of young people, who make up two-thirds of Liberia's population, are unemployed.

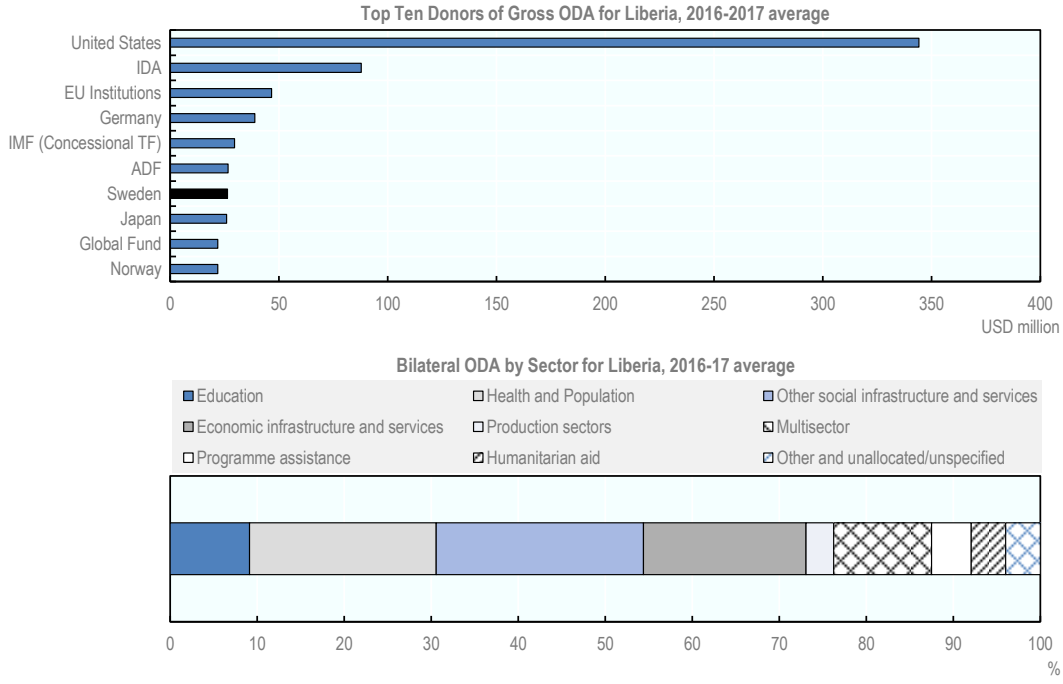
Liberia remains a highly aid-dependent country, despite a significant drop in the amount of official development assistance (ODA) it has received since 2015. Liberia received USD 621.6 million in net ODA in 2017, which was 43% less than it received in 2015. ODA makes up 33.5% of Liberia's GNI. The United States is the largest donor to Liberia and Sweden is the eighth-largest donor (Figure C.1).

**Table C.1. Aid at a glance - Liberia**

Receipts for Liberia

| | 2015 | 2016 | 2017 |
|---|---|---|---|
| Net ODA (USD million) | 1094.4 | 815.1 | 621.6 |
| Net ODA/GNI (%) | 62.4 | 44.8 | 33.5 |
| Gross ODA (USD million) | 1138.7 | 820.3 | 628.8 |
| Bilateral share (gross ODA) (%) | 57.7 | 66.1 | 65.4 |
| Total net recipients (USD million) | 1857.7 | 155.3 | 364.3 |

**Figure C.1. Aid at a glance - Liberia**




*Source: OECD (2019b), "Aid at a Glance" (database),* http://www.oecd.org/dac/stats/aid-at-a-glance.htm.

## Towards a comprehensive Swedish development effort

### *Sweden has contributed to peacekeeping and peace building in Liberia*

Sweden has had a long-standing relationship with Liberia dating back to the 1960s, when the government of Liberia granted a concession to the Liberian-American-Swedish Mining Company for the extraction of iron ore deposits. Shortly after this joint venture received the concession, Sweden initiated a development co-operation programme, and it has been a consistent development partner to Liberia ever since.

In keeping with Sweden's long history of promoting peace and conflict prevention at the international level, Sweden has played an active role in supporting Liberia's transition to peace. Sweden contributed troops to UNMIL between 2004 and 2006 (Government Offices of Sweden, 2018a). As Chair of the Liberian configuration to the UN Peacebuilding Commission, Sweden has helped to promote an integrated, strategic and coherent approach

to peace building in Liberia across the UN. Countries who are formally on the Peacebuilding Commission's agenda, as is the case with Liberia, also are entitled to access to the UN Peacebuilding Fund. Sweden committed the second-largest volume of ODA to the Fund in 2017.[1] Sweden, along with the United States, is partnering with Liberia to assist in the implementation of the New Deal for Engagement in Fragile States, which seeks to improve the effectiveness of development co-operation in fragile states and contexts.

Sweden has also supported Liberia's successful accession process to the World Trade Organization through technical assistance provided by Sweden's National Board of Trade. The Board continues to provide support to enable Liberia to take full advantage of its membership.

## Sweden's policies, strategies and aid allocation

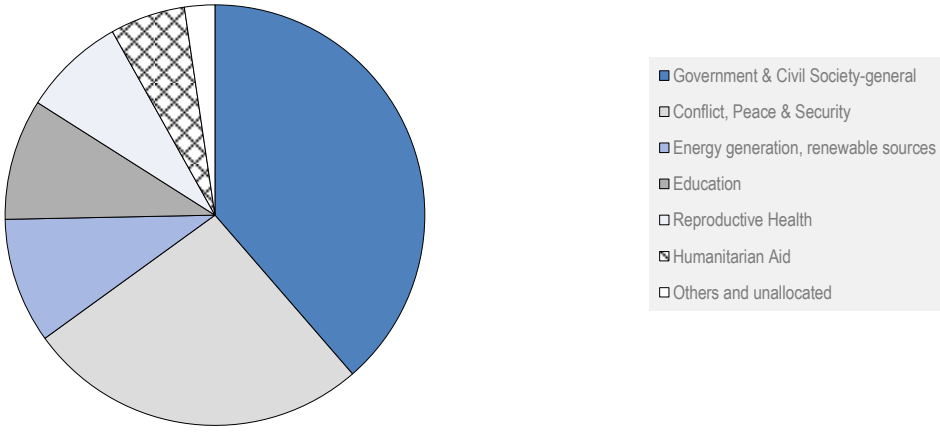
### *Conflict-sensitive and poverty-focused strategy*

Sweden's development co-operation strategy in Liberia for the period 2016-20 (Government Offices of Sweden, 2016) is underpinned by a thorough conflict analysis (University of Bradford, Saferworld and Stockholm Policy Group, 2015) and focuses on the key drivers of conflict. This strategy is based on three thematic areas: first, strengthening democracy, gender equality and human rights; second, better opportunities and tools to enable poor people to improve their living conditions; and third, safeguarding human security and freedom from violence. The last of these is a new goal, and is in line with analysis showing that poor human security and exposure to violence are clear drivers of conflict in Liberia. FBA's assignment falls under the third thematic area. Sweden's strategy is also fully aligned to the New Deal's Peacebuilding and Statebuilding Goals for working in fragile and conflict-affected states and contexts.[2]

The strategy is assiduous in its focus on poor people's needs and rights, and this, coupled with the strategy's conflict-sensitive approach, is a clear added value of Sweden's support. For example, Sweden has concentrated its democracy and human rights programming in some of Liberia's poorest counties to ensure it leaves no one behind. Within its livelihoods programming, Sweden's support for feeder roads is aimed at improving the rural poor's access to markets and public health services. The embassy is in the process of applying Sweden's multidimensional poverty toolkit, which should further enhance its already strong approach to leaving no one behind.

Sweden allocates its ODA in accordance with its policy priorities, as shown in Figure C.2. The majority of its ODA is spent on government and civil society and conflict, peace and security.

**Figure C.2. Swedish ODA to Liberia by sector, commitments, 2016-17 average**




*Source:* Adapted from OECD (2018), "Creditor Reporting System" (database), https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed January 2019).

### *Sweden's strong focus on gender equality and women rights includes tackling sensitive issues*

Sweden's strategy in Liberia contains explicit objectives to improve gender equality and women's rights. Sweden funds programmes aimed at improving women's participation in peace-building initiatives and supporting the Liberian women's rights movement. In line with its feminist foreign policy (Government Offices of Sweden, 2018b), Sweden actively uses its political voice to raise attention to sensitive issues like sexual and gender-based violence (SGBV) and sexual and reproductive health and rights in Liberia. It has led the way among the donor community in supporting programming on these issues. On SGBV, Sweden's focus on long-term, sustainable results means it is increasingly working to change societal perceptions of gender norms; this includes working with men and boys.

### *Increased attention to environment and climate change, but further work is needed to fully integrate this across the whole portfolio*

Sweden's embassy in Liberia is actively trying to enhance its focus on the environment and climate change within its programming. The strategy includes a new objective of supporting renewable energy under the livelihoods thematic area. The embassy has recruited a programme officer to strengthen its capacity and commissioned research to map out existing renewable projects and initiatives to help identify where Sweden can add value. It intends to embark on a joint European Union rural electrification programme in South East Liberia. The embassy also is drawing on the partnership of Sweden and Liberia with Power Africa to support a Liberian Challenge Fund on Renewable Energy and Adaptation to Climate Technologies aimed at stimulating private sector entrepreneurs in renewables.[3]

In addition, the embassy is trying to improve the integration of an environmental perspective across its wider programming. It held an internal workshop to strengthen staff capacity, and this has led to a greater focus on both new and ongoing contributions across the embassy's three main pillars of work (Sida, 2017). However, the embassy is aware that

more could be done to ensure the environment is more systematically integrated across all its programming.

### *Opportunity to improve synergies with Sweden's other development strategies*

A number of Sweden's other regional and thematic strategies have programmes in Liberia. However, at present, the embassy does not have a comprehensive overview of how these strategies are being operationalised on the ground. This is hindering Sweden from improving co-ordination of its programming, exploiting synergies and avoiding overlaps. For example, in 2017, the regional strategy for Africa South of Sahara provided support to the West Africa Network for Peacebuilding in Liberia, which is also funded via the country strategy, and Sweden's thematic strategy for sustainable peace funded six activities in Liberia in parallel to the activities funded through the Liberia country strategy (Sida, 2017).

The embassy is aware of the problem and is actively trying to reach out in order to improve co-ordination. Its annual plan for 2018 includes an ambition to exploit synergies with Sweden's Africa regional strategy team, given its support to the Economic Community of West African States' early warning programme. As noted, the embassy also has reached out to the Africa team on its renewable energy work and partnership with Power Africa. There is room for Sweden to more systematically ensure that information is shared among country, global, thematic and regional strategy holders to ensure a more coherent and cohesive programme at the country level.

## Organisation and management

### *There is scope for Sida and the Folke Bernadotte Academy to move from co-ordination to collaboration*

Sweden's country strategy for Liberia is one of several development co-operation strategies that now include a separate and explicit objective for the Folke Bernadotte Academy (FBA) (Government Offices of Sweden, 2016). This is a positive development and has enabled Sweden to better align FBA's programming with its strategic objectives and to enhance co-ordination between Sida and the FBA. Both organisations, for example, are supporting the decentralisation process. FBA with capacity building of Liberia's county superintendents, who are the individuals charged with for example co-ordinating the decentralisation at the county level. Sida through its support to UNDP's Liberia Decentralization Support Program and FBA through its direct, assistance aimed at supporting the ongoing security sector reform process, through capacity development at the local level.

There is scope to explore greater collaboration and undertake joint programming, given the two organisations' complementary skills and given that capacity building on human rights is also a Sida objective within the country strategy. Promoting shared planning and reporting procedures for FBA and Sida programming in Liberia could be one way to facilitate this.

### *Sweden's whole-of-government approach highly evident in Liberia*

Sweden is drawing on the whole of its government's expertise in order to deliver its development co-operation objectives in Liberia. Four Swedish government agencies - the National Board of Trade, the Land Registration Authority, the Police Authority and the General Audit Commission– are working to build the capacity of their Liberian government counterparts in their respective competency areas. This is in line with Sweden's new

strategy for capacity development and partnerships in support of the 2030 Agenda (Government Offices of Sweden, 2018c).

### *Focused approach to managing risk*

Sweden is committed to identifying and managing risks within its development co-operation programme in Liberia. The embassy has adopted a focused approach, outlining three major risks with the potential to derail implementation of the strategy in 2018 and setting out appropriate control actions for managing these risks (Sida, 2017). This is in keeping with Sweden's new risk and materiality approach to its development co-operation, which entails identifying risks earlier in the programme cycle and then putting in place management strategies. Risks are monitored continuously throughout the programme cycle, partners are encouraged to be honest and frank about the risks they face, and support is provided to help them to manage those risks.

While a wide range of different types of risks are taken into account, tackling corruption risks is a high priority, given that corruption is widespread and permeates all levels of society in Liberia (Sida 2018). The embassy has an anti-corruption plan, conducts continuous training for its staff on anti-corruption that is complemented by a tutor-mentee system, and has a financial controller in the embassy to help to enhance the embassy's ability to prevent, detect and sanction corruption. Sweden also is looking into how it can undertake programming to support the Liberian government's anti-corruption efforts, in recognition that corruption is a major driver of conflict (Sida, 2017). Although the embassy has a number of tools for managing risks, not all tools have been used so far to the extent possible. This is mainly due to resource constraints. Spot checks, for example, were highlighted by the embassy as an under used tool so far in Liberia.

### *Empowered and capable staff are a major asset*

Thanks to Sweden's decentralised approach to development co-operation, the embassy in Liberia has a highly competent and empowered team of development specialists who drive Sweden's strategy development and lead on its operationalisation. This is a real asset. It enables Sweden to ensure its development co-operation is based on the local context and responsive to changing needs, and that quality assurance is done in the field.

Sweden's adept local staff are encouraged to represent Sweden at the technical level within Liberia. Access to training and mentoring schemes enable local staff to have professional development.

## Partnerships, results and accountability

### *Sweden is engaged in donor co-ordination, aligned with partner countries priorities and is building government capacity*

Sweden is committed to working with other donors in Liberia and often leads donor co-ordination efforts. For example, the embassy chairs the Development Partners Group on gender with the UN Entity for Gender Equality and the Empowerment of Women, and it is the donor facilitator for the Enhanced Integrated Framework donor working group that helps Liberia to tackle supply side constraints to trade. Sweden favours long-term support and actively works through joint funding programmes. Given the risks and levels of corruption in the country, Sweden is also joining efforts with other donors to enhance coordination and information sharing mechanisms, and harmonise practices that may otherwise do harm or indirectly fuel corruption.

Sweden's strategy is aligned with Liberia's Agenda for Transformation as well as Liberia Rising 2030.

Sweden is appreciated for actively contributing to strengthening the government's capacity. Sweden supports key strategic reforms such as the public finance management programme, which builds capacities of the Ministry of Finance and Development Planning (MFDP). In addition, Swedish support to a budget strengthening initiative has provided technical assistance to the MFDP and the Liberia Revenue Authority (Sida, 2018).

### *Constructive, reliable and generous partner to civil society and multilateral organisations*

Sweden delivers long-term, flexible funding to its civil society organisations (CSOs) and multilateral partners and bases its relationships on trust and dialogue. Its funding to these organisations can often have a catalytic effect for partners in terms of resource mobilisation.

Sweden considers a vibrant civil society a foundation for democratic governance. To date, it has only partnered directly with Swedish and international CSOs in Liberia. But it often tasks these organisations with providing capacity development to smaller, local CSOs in Liberia. There are opportunities for Sweden to explore options for engaging directly with local partners and to better communicate the criteria for available funding to potential partners.

### *Sweden supports long-term results in Liberia and uses programme evaluations, research and reviews to inform its programming*

The embassy of Sweden in Liberia is supporting long-term, sustainable results in line with Sweden's results-based management approach. It is encouraging its partners to demonstrate progress at the programme level, without prescribing a fixed methodology for monitoring results. This gives partners the flexibility to use their own, existing systems. While most of the partners welcome this flexibility, some partners in Liberia would benefit from more guidance.

Sweden does assess its performance at the strategy level, and despite the absence of a standard set of results for monitoring its programmes, it is able to demonstrate progress at the country level, using a traffic light system that assesses progress in the overall context towards achieving Sweden's objectives and programme portfolio progress.

Sweden supports its partners to undertake systematic programme evaluations and the findings are used to inform programming. The embassy also undertakes its own decentralised evaluations, and it commissions an extensive set of its own context analyses and reviews at strategy level to fill knowledge gaps. The operational plan for the strategy identifies eight different knowledge products that the embassy intends to commission.[4] The embassy encourages the sharing of its knowledge products in Liberia with the public, government and other donors - which is good practice - but there is scope for a more systematic knowledge-management system within Sida and the Ministry for Foreign Affairs to ensure that other teams can learn from the embassy's work.

## Notes

[1] Sweden was the second-largest donor to the UN Peacebuilding Fund in 2017, when flexible and restrictive funding are taken into account, providing USD 10.53 million. See https://stats.oecd.org/index.aspx?datasetcode=multisystem.

[2] The New Deal's Peacebuilding and Statebuilding Goals (PSGs) call on donors to focus on five areas when working in fragile and conflict-affected states and contexts: legitimate politics (foster inclusive political settlements and conflict resolution); security (establish and strengthen people's security); justice (address injustices and increase people's access to justice); economic foundations (generate employment and improve livelihoods); and revenues and services (manage revenue and build capacity for accountable and fair service delivery). Sweden's strategy covers all these areas. For more on the PSGs, see https://www.pbsbdialogue.org/en/new-deal/new-deal-principles/.

[3] Sweden supports Power Africa through its Africa regional strategy. The Renewable Energy and Adaptation to Climate Change Technologies window is part of Power Africa's Africa Enterprise Challenge Fund.

[4] These include a study of gender within public administrations, a study on masculinity, and a power analysis of key actors and drivers within the land sector.

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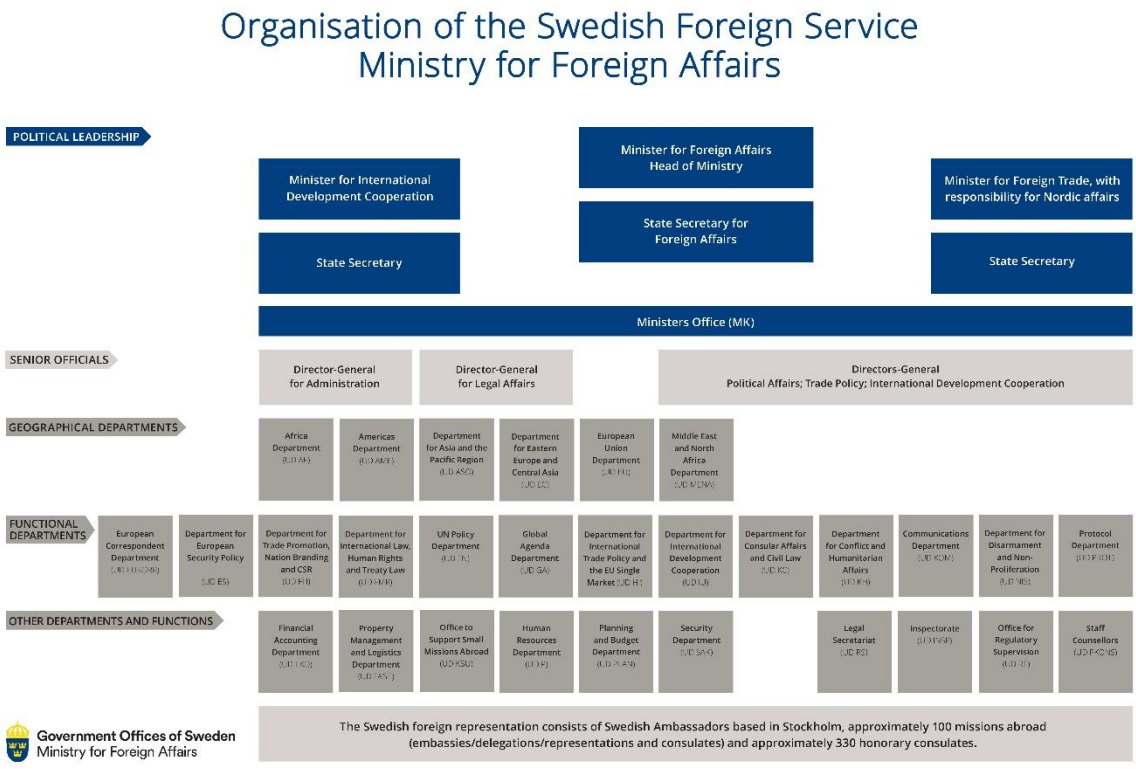
# Annex D. Organisational charts

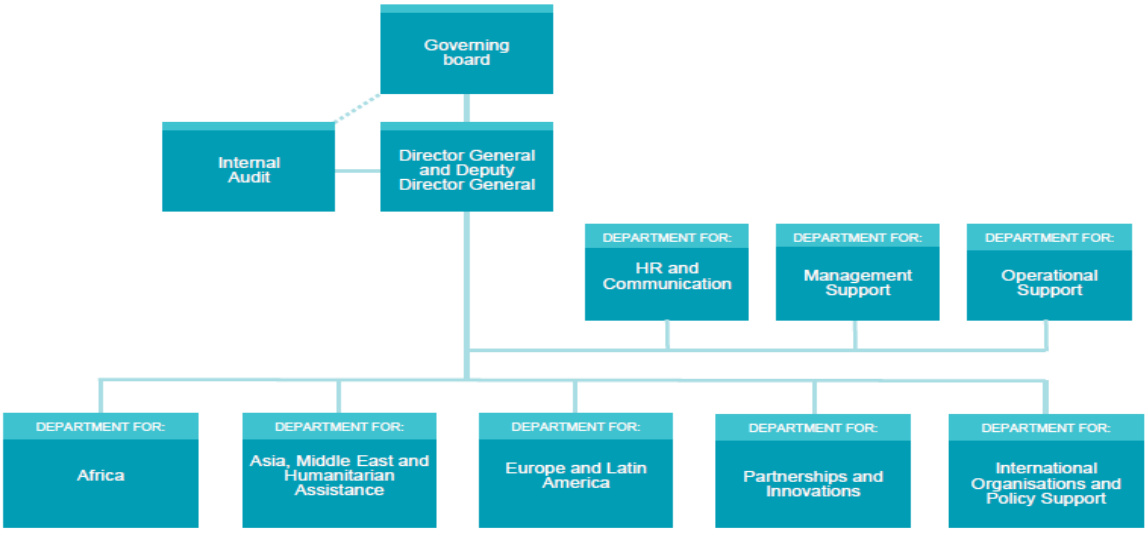
**Figure D.1. Organisation of the Swedish Foreign Service**

Ministry for Foreign Affairs




*Source*: Government Offices of Sweden (2016), "Organisation of the Swedish Foreign Service", https://www.government.se/government-of-sweden/ministry-for-foreign-affairs/organisation/.

**Figure D.2. Sida's organisational structure**




*Source*: Sida (2017), "About us: Organisation", Sida website, https://www.sida.se/globalassets/sida/eng/about-us/organisational-chart-sida-2017.pdf.

## ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

## DEVELOPMENT ASSISTANCE COMMITTEE

To achieve its aims, the OECD has set up a number of specialised committees. One of these is the Development Assistance Committee (DAC), whose mandate is to promote development co-operation and other policies so as to contribute to sustainable development – including pro-poor economic growth, poverty reduction and the improvement of living standards in developing countries – and to a future in which no country will depend on aid. To this end, the DAC has grouped the world's main donors, defining and monitoring global standards in key areas of development.

The members of the DAC are Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, the European Union, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

The DAC issues guidelines and reference documents in the DAC Guidelines and Reference Series to inform and assist members in the conduct of their development co-operation programmes.

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## OECD Development Co-operation Peer Reviews

# SWEDEN

The OECD's Development Assistance Committee (DAC) conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each DAC member are critically examined approximately once every five years. DAC peer reviews assess the performance of a given member, not just that of its development co-operation agency, and examine both policy and implementation. They take an integrated, system-wide perspective on the development co-operation and humanitarian assistance activities of the member under review.

This review commends Sweden for its consistently generous levels of official development assistance and its global development leadership on peace and conflict prevention, environmental sustainability and gender equality. It also welcomes Sweden's strong focus on and comprehensive toolbox for leaving no one behind. The review suggests that Sweden could benefit from consolidating its development co-operation policy framework and further enhancing the connections between its country, regional and thematic co-operation strategies.

Consult this publication on line at ***https://doi.org/10.1787/9f83244b-en***.

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