

OECD/DAC 스웨덴 동료평가(Peer Review)

Sweden DAC Peer Review(2009) - Main Findings and Recommendations

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스웨덴은 2008년 공적개발원조(ODA)에 미화 47억 3천만 달러를 지원했다. 이는 스웨덴의 GNI 대비 ODA 비율이 0.98%에 이르는 것으로 OECD/DAC 회원국 중 최고 수준이다. 특히 동유럽 국가들에 대한 원조를 중점 추진하여 동유럽 국가들의 빈곤감소를 위한 원조공여에 정책적 우선순위를 배정하였다.

스웨덴 정부는 최근 금융위기, 취약국의 분쟁 증가 등 개발원조 환경의 변화에 대처하기 위해 SIDA를 좀 더 결과 지향적이고 유연·단순하며 효율적인 기관으로 개편을 추진하기로 하고, 이를 위해 ① 파트너 국가들의 입지를 강화(스톡홀름 본부의 고임금 인력을 감소시키는 동시에 분쟁국을 비롯한 수원국 현지인력 채용 증가), ② 정부, SIDA, 개별부서 레벨에 걸친 성과기반 접근법을 개발, ③ 새로운 행동계획의 수립을 통한 원조 개혁의 제도화를 추진하였다.

스웨덴은 원조효과성(aid effectiveness) 및 선진 인도적 공여(good humanitarian donorship) 영역에 있어 선두주자이다. 스웨덴은 원조의 효과성 및 일관성을 높이고 협력 국가의 우선권을 위해 중요한 개혁들을 시작했다. 원조성과 제고를 위해 지난 2007년 6월에는 결과중심 성과관리 제도(MfDR)를 본격적으로 도입하였으며 효율적 원조를 위한 행동계획을 수립, 원조의 예측가능성을 강화하였다. 특히 2008년부터 MOPAN을 활용한 원조 효과 평가를 강화하였다. 원조효과에 대한 평가강화는 다자개발기구의 효율성 증진뿐 아니라, 개별공여국의 개발 프로그램의 효율성 증진에도 도움이 되는 것으로 평가된다. 또한, 시민사회 조직들과의 강력한 파트너십도 강화하고 스웨덴 개발협력의 중심적인 지주를 형성하고 있다.

1. Framework for development co-operation

1.1. Legal and political orientations

A welcome leadership role

Sweden is providing crucial leadership within the international donor community. It remains a leading advocate of increased aid flows to developing countries, and has led by example with aid allocations exceeding the UN target of 0.7% of GNI every year since 1975 and reaching 0.98% in 2008. Sweden has budgeted for its aid to reach 1% of its GNI in 2009. This leadership is especially important in the current climate of global recession when development co-operation budgets are under pressure. It will be particularly pertinent during Sweden's forthcoming tenure of the EU presidency. Sweden has played a constructive, and often leading, role internationally in ensuring development co-operation quality, for example by promoting aid effectiveness and good humanitarian donorship. An ardent supporter of multilateralism, Sweden also advocates structural reform within multilateral agencies and has championed new financing mechanisms. Meanwhile, domestic support remains steadfast for Sweden to continue to play a strong leadership role within the international donor community, while also improving its own development co-operation system.

Strong, but complex, policy foundations

Sweden's Policy for Global Development provides a strong foundation for the Swedish development co-operation system. It also gives a clear direction and sense of what matters to Sweden. It covers a whole range of sectors, cross-cutting issues, humanitarian assistance and, importantly, prioritises policy coherence for development across government. The government has also identified three thematic priorities for development co-operation during its current tenure in office: (i) democracy and human rights; (ii) environment and climate change; and (iii) gender equality and the role of women. However, a number of additional policy and other documents create layers of complexity. The Ministry for Foreign Affairs (MFA) intends to introduce 12 new thematic policies by 2011 to replace gradually the "forest of policies" noted in the last DAC peer review. Sweden should also avoid producing excessive additional guidelines and guidance documents and ensure that Sida's guidance and other documents do not encroach on policy.

Reform: moving in a positive direction

Sweden has launched a series of reforms. These include reducing the number of partner countries, structural changes at Sida, and introducing new ways of managing development co-operation. The overall aim is to retain Sweden's position as a leading donor and to create a development system that is "characterised by quality, efficiency and results". In particular, Sweden's commitments to the Paris Declaration and the Accra Agenda for Action are helping to drive these reforms. Domestically, government and parliamentary reviews and public interest have encouraged Sweden to establish a clearer division of labour between the MFA and Sida. They have also led to changes in organisational structure and a stronger emphasis on results-based management. The reform agenda is ambitious and will take time to deliver results. The committee was informed that the reform process is now starting to yield benefits. The greatest challenge is to manage so many change processes simultaneously, while also safeguarding existing strengths. Critically, the direction, pace and rationale for these reforms must be communicated effectively to staff and stakeholders to obtain buy-in and avoid misunderstandings.

Overall, Sweden has been proactive in responding to the recommendations of the last DAC peer review and, more generally, in constantly seeking to improve Swedish development co-operation. Notably, Sweden is seeking to be more strategic in its support to multilateral organisations and to reduce its number of partner countries. It is keeping to its official development assistance(ODA) volume target, has made changes to the system for agreeing to partner country co-operation strategies and introduced a more results-orientated approach. However, there are some areas where Sweden has not yet been able to address previous recommendations, notably in reducing the complexity of the policy framework and providing independent monitoring and evaluation of policy coherence for development.

The need for continued investment in public support

Sweden has established a reputation for high levels of public communication and development education; public support for development co-operation remains relatively high. In an environment of economic austerity, it will be critical that public support is maintained. The government understands that it cannot take public support for granted. Sweden is, therefore, placing an increasing emphasis on communicating development

results to parliament and the public. It will also be important for Sweden to continue to invest in development education. In addition, Swedish civil society organisations (CSOs) have helped to stimulate well-informed public debate. As Sweden implements its new communication strategy, it should continue to involve CSOs since they play a pivotal role in stimulating constructive commentary and public communication.

1.2. Promoting policy coherence for development

A new start

The 2003 Policy for Global Development positioned policy coherence at the heart of Sweden's approach to development and placed Sweden at the vanguard of donors committed to coherence. However, while Sweden has a strong policy and legislative basis for policy coherence for development, it has found implementation challenging. This is because it lacked other essential building blocks — namely the co-ordination mechanisms and monitoring and reporting. Sweden is therefore congratulated for identifying implementation weaknesses in the policy coherence aspects of the Policy for Global Development and for re-thinking its approach. The new approach, set out in a communication to parliament entitled *Global Challenges – Our Responsibility*, is more focused and practical. Sweden's decision to acknowledge the problems, identify the causes, and take action is commendable, and the country is now in a better position to make progress.

Some remaining challenges

Sweden still needs to ensure all the building blocks are in place for policy coherence for development. In particular, the MFA has limited tools and capacity to co-ordinate and arbitrate between different parts of government. Making explicit reference to the Policy for Global Development and *Global Challenges* in ministries' and agencies' letters of appropriation will help to ensure that due priority is given to policy coherence for development. Sweden should, therefore, make wider use of this tool in future. Monitoring continues to be based on self-assessments by individual ministries with no external scrutiny; there are still no plans for independent monitoring and evaluation. As highlighted in the 2005 peer review, this might be an appropriate role for the Swedish Agency for Development Evaluation (SADEV), but policy coherence for development is not currently within the agency's mandate. SADEV may be able to contribute to regular

reporting to parliament on progress against all policy coherence objectives, or evaluate progress against one of the global challenges in detail every year to complement the government's overall report. Sweden has committed to defining indicators to measure progress; these should now be finalised. Whilst finding relevant and workable indicators and defining clear baselines is challenging, it is an opportunity to improve monitoring significantly, thereby retaining Sweden's leading role within the DAC on policy coherence for development. Other DAC members can learn from Sweden's experiences in identifying and using these indicators.

Recommendations

The DAC welcomes Sweden's strong leadership and reform efforts. To build on this Sweden should:

- Continue to overhaul, rationalise and clarify the complex policy framework and ensure appropriate alignment with the Policy for Global Development. Sweden should also ensure that Sida's guidance documents do not act as additional policy documents.
- Communicate effectively, to both internal and external stakeholders, how Sweden's development co-operation system is changing and how this is likely to affect its partners. This will be crucial to sustain Sweden's ambitious agenda for change.
- Assign a suitable organisation to provide independent monitoring and evaluation of Swedish policy coherence for development and report results to parliament.
- Finalise, in close co-operation with international partners, workable indicators for measuring overall progress towards cross-government objectives and different agencies' contributions to policy coherence for development.

2. Aid volume, channels and allocations

A good example in turbulent times

Swedish ODA in 2008 was USD 4.73 billion, making it the eighth biggest DAC donor that year. Sweden was the most generous donor in terms of the proportion of its gross national income allocated to ODA (0.98%, which well exceeds the UN target of 0.7%). Sweden is also committed to achieving in 2009 its self-imposed target of spending 1% of GNI on ODA. Sweden's record on – and continued commitment to – increasing aid

volumes sets an excellent example for the rest of the world, especially in the current economic climate.

More focused bilateral aid

Sweden is concentrating its support by reducing the number of partner countries from 67 to 33 over the next three years. This change responds directly to a recommendation in the previous peer review. It will increase assistance to sub-Saharan Africa and Eastern Europe, while decreasing the focus on Latin America and Asia. Swedish support to conflict and post-conflict states will also increase. Sweden's efforts to reduce the geographical spread of its bilateral assistance are welcome and should allow Sweden to consolidate and improve the quality of its engagement with a smaller number of partner countries. Moreover, focusing on sub-Saharan Africa and post-conflict countries will help increase the proportion of Swedish ODA which goes to poorer countries and therefore better align allocations with the Policy for Global Development's overarching goal of poverty reduction. In contrast, further increases in Swedish aid to Europe as a region — already double the DAC average — reflect Sweden's current priority on governance and also support Sweden's foreign policy objectives for EU enlargement. These countries are not amongst the poorest, nor is Swedish aid directly focused on helping the poorest groups in these countries. Rather, the aim of this "reform co-operation" is to prepare recipient governments for EU accession, which Sweden asserts is the most effective way to reduce poverty in these countries in the longer term.

Sweden is reducing the sectoral spread of its aid by concentrating its activities in each country to three sectors. These three sectors are in addition to its engagement with civil society, support to research, budget support and humanitarian assistance. Teams are also expected to prioritise the government's three themes (see paragraph 2) either through financial support or dialogue. At the global level Sweden will continue to operate in a broad range of sectors, and the committee was informed that Sida is working on rationalising the list of options. It will, therefore, continue to need a broad range of expertise to support its activities. Sweden also intends to consolidate its activities within sectors, aiming to replace smaller projects with fewer, larger programmes. This process is ongoing.

Heading towards more strategic multilateral support

Sweden is a committed supporter of multilateral organisations and particularly of the UN system. The majority of Sweden's funding to multilateral organisations is core support, which is in line with the government's new Strategy for Multilateral Development Co-operation and Sweden's commitments under the Good Humanitarian Donorship initiative (GHD). This approach is good practice and sets an example for other donors. However, the 2005 peer review flagged a need for more "strategic thinking and performance monitoring" in Swedish support to multilateral organisations. Sweden has since launched a Strategy for Multilateral Development Co-operation. This is a welcome and important step.

Nevertheless, effective engagement requires time and good knowledge of each organisation and Sweden has limited staff available for strategic engagements with multilateral organisations. In 2007 Sweden funded over 50 different multilateral organisations. The MFA has now reviewed 23 multilateral agencies receiving more than USD 2.4 million per year in terms of their "relevance" to Swedish priorities and their "effectiveness". Sweden is encouraged to use these assessments to inform its decisions, not only about the size of allocations to each organisation, but also to rationalise the large number of different contributions it manages in line with its policy priorities and strategic objectives. Sweden should also work closely with other bilateral donors to find an internationally coherent way to assess multilateral effectiveness. This would allow sharing of information and help minimise the transaction costs for the assessed multilateral organisations. The DAC acknowledged Sweden's active participation in the Multilateral Organisation Performance Assessment Network(MOPAN).

Working with civil society and the private sector

Sweden remains a strong supporter of civil society organisations(CSOs), both at home and in partner countries, and has established strong partnerships and active dialogues with them. Its use of framework agreements has helped to cement medium term relations with Swedish CSOs and support their core activities. Swedish CSOs have also played an important role in domestic development education programmes and in holding the Swedish government to account for its implementation of the Policy for Global Development. In partner countries, Sweden seeks to provide core funding to support local CSOs' own priorities, where they align with Sweden's. This strong basis for engagement is vital since, at 8% of total bilateral ODA in 2007, Swedish core support to CSOs is more than double that of the DAC average. Support through CSOs to implement

Swedish funded projects is also large, at 25% of total bilateral ODA in 2007. To maintain these strong relationships, Sweden should ensure it communicates better with its CSO partners about on-going and planned changes to the development co-operation system. The government aims to increase engagement with the private sector, particularly in countries where it intends to phase out development co-operation. The DAC welcomes this move, since active involvement of the private sector is often crucial in creating a sustainable development pattern. Sweden has also increased support to Swedfund, a state-owned investment company, to support private sector development in partner countries. However, in contrast to Swedish engagement with CSOs, links between the Swedish development co-operation system and the private sector are not yet robust and will take time to build.

Recommendations

To increase the focus of its development co-operation further, Sweden should:

- Ensure that any changes to the geographical allocation of bilateral aid are closely aligned with the strong poverty reduction focus of the Policy for Global Development.
- Focus support to the multilateral system strategically, in line with the development priorities and strategic objectives identified in the Policy for Global Development. Use recent assessments of multilateral organisations as a basis for reducing the large number of separate contributions. Be mindful that more staff resources may be required to fulfil the policy objective of deeper multilateral engagement.
- Invest in building stronger relationships and linkages between development co-operation staff and private sector counterparts to increase private sector involvement in development.

3. Organisation and management

Organisational reform

The MFA is responsible for managing four agencies that implement development policy. By far the largest of these is Sida, which disburses 80% of Swedish bilateral aid. Sweden has established a clearer division of labour and more constructive engagement between the MFA and Sida. The MFA now has control of policy making, although it involves Sida closely in the process. Both the MFA and Sida have also been re-structured. Changes

in the MFA are now well embedded, but it is too early to see results within Sida. While Sida's new structure may resolve old tensions, it does present new practical challenges that will need to be managed carefully. For example, grouping operational departments by the type of engagement rather than geographical region ought to increase cross-regional learning. However, Sweden will need to find other ways to preserve a regional perspective on cross-border issues, such as insecurity and environment and climate change. The introduction of "networks" of staff is intended to increase intra-agency learning and coherence; however, at the time of the peer review visits these were still conceptual rather than operational. Ensuring they become an effective tool to overcome inter-departmental boundaries will require careful management as well as a strong sense of ownership and commitment among staff at all levels of the organisation.

A welcome new drive for results

The high priority now being given to results-based management is welcome, but there are challenges in rolling out the new ways of working. Sweden now places a strong emphasis on external reporting of results. This is crucial, not least for retaining public and parliamentary support. However, Sweden should also prioritise the practical details of how it can create an aid system that is truly managed by and for development results. To begin this process, Sweden has recently introduced some important initiatives. These include linking individuals' and teams' results objectives with corporate objectives, and establishing a Quality Assurance Committee to review each new proposal for results orientation. Nevertheless, at the time of the peer review visits, many staff remained unclear what results-based management really entails in practice. It will therefore be vital to deliver practical training and integrate results-based management into existing staff guidance, rather than creating additional documents.

A changing evaluation landscape

SADEV was established in 2006 as an independent agency and is working increasingly closely with the evaluation departments of Sida and other DAC members. Unfortunately, there are no formal mechanisms to ensure that the government as a whole, the MFA or Sida act on SADEV's evaluation findings, which reduces its impact. However, the committee was informed that work is underway to establish a mechanism for responding to SADEV's findings. Meanwhile, Sida's internal evaluation function is evolving more towards management needs. While this is important, Sida will need to guard its evaluation function's existing strengths and capacities and ensure it retains a degree

of independence and, therefore, credibility. Furthermore, Sida should put in place an effective and timely management response system that is adhered to in practice. Sida plans to issue new evaluation guidelines during 2009. These should set out how the management response system's proper functioning will be guaranteed, and how the principle of independence in evaluation will be protected.

People: at the heart of implementing change

Sweden needs to ensure it has the right people and the right skills in place to support its ambitious agenda for change. In the second half of 2009 Sweden takes up the presidency of EU, putting further pressure on MFA staff in the midst of ongoing reforms. But notwithstanding these extra pressures, the MFA's human resources are particularly limited in the context of the reforms and additional responsibilities. To implement the new priorities, both the MFA and Sida will need a human resource management strategy which can ensure their access to suitable skills and expertise. For example, Sweden's focus on post-conflict countries has increased, coupled with greater decentralisation of staff to the field. A strategy will be crucial for ensuring that staff have the appropriate experience and aptitude to work in difficult and fragile situations. Similarly, to make its support to multilateral organisations more strategic, Sweden needs staff with a sound knowledge of each organisation and the time to engage effectively with them. Although Sweden is trying to decentralise, it has found it difficult to post a higher proportion of its staff to the field. Sweden has, however, succeeded in recruiting more National Programme Officers in-country and these staff members are playing an increasingly important role in Swedish bilateral development co-operation. All staff implementing Swedish development co-operation would benefit from further training in two of the biggest changes to how they work: results-based management and programme-based approaches. Training should be practically orientated, based on real life examples and case studies, and should not rely on yet more detailed and theoretical guidance documents.

Recommendations

To strengthen important organisational reforms Sweden should:

Manage closely the challenges posed by Sida's new structure. In particular, by:

- (i) protecting regional knowledge and analysis now that teams working in neighbouring countries may come under different departments; and

- (ii) making the new staff networks, which Sida sees as crucial to the functioning of its new structure, an effective tool to overcome departmental boundaries, through careful planning and management and strong working-level ownership.

Ensure both the independence and impact of Sida's internal evaluation function, including the proper functioning of the management response system. The new evaluation guidelines should set out how this will be guaranteed.

Protect overall human resource levels, particularly in the MFA and in the field, and allocate resources and skills appropriately to implement Sweden's objectives and commitments. For example, increased engagement in conflict-affected countries and more strategic engagement with multilateral organisations require appropriate staff levels and skills.

4. Practices for better impact

4.1. Implementing aid effectively

Sweden is committed to making aid more effective. There is strong support in the government, the administration and parliament for bringing ways of working into line with the Paris Declaration, the Accra Agenda for Action and the EU Code of Conduct on Division of Labour and Complementarity. Sweden takes an appropriately broad view of aid effectiveness by trying to apply the same principles across its co-operation with partner governments, CSOs and multilateral organisations.

In practice, Sweden has taken concrete steps to implement the Paris Declaration. Although progress has been mixed, it has improved against the majority of the indicators included in the 2008 Survey on Monitoring the Paris Declaration. It has already achieved three of the targets: (i) all of Swedish aid is untied; (ii) more than half uses country procurement systems; and (iii) over half is channelled through partner country public financial management systems. Sweden has also increased the proportion of its aid which is aligned with country systems, as well as the proportion of its analytical work which is conducted jointly. Sweden has started to reduce its use of parallel implementation units (PIUs). It is encouraged to renew its efforts in this area, both to meet the Paris Declaration target to reduce PIUs to less than 12 by 2010 and to meet its own goal of phasing them out entirely. Encouragingly, Sweden is now examining why it has not

performed better against some of the Paris Declaration targets so that it can take action to enable further progress in the next two years.

Sweden is also committed to a more focused use of aid and a better division of labour among donors. It is rationalising the number of countries in which it works and the number of sectors in each country. Importantly, it also aims to concentrate support within those sectors, i.e. to consolidate the number of contributions, and increase the use of programme-based approaches. Sweden's new Guidance on Programme-Based Approaches is well aligned with the principles of the Paris Declaration and states that, wherever possible, all Sida development co-operation should be programmatic. This is a major change given that currently around half of Sida's work is project-based. It will therefore take time to implement; staff will need to be guided and equipped to make the changes effectively.

Sweden invests considerable resources in donor co-ordination. Staff are to be commended for their attempts to identify more inclusive mechanisms for dialogue, for example by promoting a "Code of Conduct" for all donors in Mozambique. However, Sweden is not yet on course to achieve targets agreed on the proportion of joint missions and the use of common arrangements. Furthermore, while more than half of Sweden's technical co-operation is co-ordinated, Sweden is not on track to achieve the EU target to co-ordinate all technical co-operation by 2010. Sweden enters into arrangements with other donors, such as with budget support, in which conditions are agreed with partner governments. Where Sweden applies these conditions selectively to a variable tranche, predictability includes being clear on what conditions are to be met for these resources to be released. Sweden must, therefore, ensure that it communicates any conditions clearly to its partners.

4.2. Learning from priority topics

Capacity development

Sweden has a strong policy basis for capacity development. The overarching goal of Sweden's Policy for Global Development, "to contribute to an environment supportive of poor people's own efforts to improve their quality of life", underlines Sweden's recognition that capacity development is central to sustainable development. Perhaps even more pertinent is the statement in Sida's 2005 policy on capacity development that the ultimate task is to "make development co-operation superfluous in the

long run”. Swedish policy and guidance also set out a multilayered understanding of capacity development and emphasise the importance of contextual analysis. Sweden’s understanding and prioritisation of capacity development resonate with a growing international consensus and with its own international commitments under the Paris Declaration. Conspicuous by its absence from Sweden’s approach, however, is any reference to the challenge of capacity development in fragile situations. Sweden will need to address this, given its increased focus on conflict and post-conflict countries.

Sweden has actively supported capacity development for some decades through national systems, line ministries and government agencies. Sweden also places an appropriately strong emphasis on capacity development within civil society and provides CSOs with core funding in order to promote a vibrant civil society in partner countries. Sweden also invests in developing academic research capacity within partner countries. Sweden’s work in capacity development is starting to become more programmatic, though it also still has a range of technical co-operation and organisational twinning projects which are not co-ordinated.

Sweden could consolidate its position by closing the remaining gaps between policy and practice. Firstly, though Sida’s policy emphasises the importance of understanding the formal and informal context, in practice this is not always followed. Secondly, Sweden needs to ensure staff set out clearly what results they expect and in what timeframe, and determine an eventual exit strategy. This is important for results-based management but also to ensure that capacity, not dependency, is ultimately developed. To close these gaps and to integrate capacity development into all its projects and programmes, Sweden should incorporate capacity development into existing overarching guidance and manuals and target communication and training to front-line staff. It could also include capacity development objectives in the individual performance objectives of field staff.

Environment and climate change

Sweden is placing increasing priority on environment and climate change. Not only is it one of the government’s priority themes for development co-operation, it is also one of the six “global challenges” which require cross-government action well beyond the development co-operation sphere. In its upcoming EU presidency, Sweden will also prioritise climate change and development. In preparation for this, the Swedish government established the International Commission on Climate Change and Development in 2007. The international community will now look to Sweden to lead on

follow-up to the commission's call for immediate action, additional funding and deeper global co-ordination. Therefore, Sweden needs to ensure it has enough experts and trained staff to fulfil this leadership role.

In terms of financing, Sweden's specific support to the environment as a sector accounted for just 3% of Swedish ODA in 2007. However, DAC statistics show that over half of Sweden's aid partially targets environmental sustainability, even if it might not be the main objective of the project or programme. To support its new political commitment to environment — and specifically tackling climate change — Sweden has earmarked SEK 4 billion (USD 482 million) of its aid budget for climate change activities during the period 2009–2011. Funding will primarily be channelled through existing multilateral initiatives, but SEK 1.1 billion (USD 132 million) will be disbursed through Swedish bilateral co-operation. Sweden is using existing mechanisms where possible and should continue to avoid establishing additional funding channels.

Sweden faces some challenges in mainstreaming environmental issues. An internal evaluation suggested that environmental concerns could be integrated better into Sida's work, and highlighted a problem of inadequate environmental impact assessments (EIAs) in particular. Many donors conduct screening to find out which projects need an EIA, but for Sweden EIAs are mandatory for all projects. However, the high level of ambition in Swedish EIA regulations may encourage staff to evade the regulations. Simpler tools and formats for strategic and impact assessments, as well as greater awareness, might help to create routines for mainstreaming environmental issues better.

Sweden plans to finalise a new overarching environmental policy in 2010, in to which climate change will be integrated and linked to broader environmental issues. Similarly, Sweden has decided to integrate climate change into its existing environmental tools. This integration could help simplify and consolidate the existing policy and guidance suite. In doing so, it should ensure that its focus on climate change does not divert attention from broader environmental issues which also remain critical.

Recommendations

To build on its high level of commitment to increase aid effectiveness and results, Sweden should:

- Increase the proportion of technical co-operation which is co-ordinated with other

donors and aligned with partner country strategies and increase the proportion of missions which are conducted jointly.

- Ensure that it communicates clearly to its partners how it will apply any jointly agreed conditions to a variable tranche of general budget support. Provide results-orientated support to capacity development and seek an appropriate balance between its welcome long-term commitment with the need, nevertheless, to establish time-bound objectives and associated exit strategies.
- Broaden staff awareness that capacity development should be at the core of all Swedish development co-operation. Improve staff understanding of difficult issues such as political context, what to prioritise in fragile situations and how to define reasonable timeframes. Integrate these into overarching guidance documents and communicate them directly to front-line staff.
- Ensure there are enough experts and trained staff to allow Sweden to lead the international community in following up the International Commission on Climate Change and Development report.

Simplify and consolidate assessment tools and guidance on environment and climate change in order to help mainstreaming.

5. Humanitarian action

5.1. A sound leadership and policy basis

Sweden plays a prominent role in the international humanitarian system and has recently concluded a one-year tenure as co-chair of the Good Humanitarian Donorship (GHD) Group. The 2004 Swedish Government's Humanitarian Aid Policy remains the principal policy guidance for Swedish humanitarian action. Anchored in Sweden's commitments under the GHD initiative, the policy confirms the location of humanitarian action within a broader development context, but also affirms its distinctive origins in core humanitarian principles and international humanitarian law. However, it lacks measurable indicators for integrating government commitments to results-based management into the humanitarian programme. The proposed revision of the policy provides an opportunity to rectify this omission and to align with the humanitarian community's latest thinking. The policy is underpinned by Sida's Strategy for Humanitarian Work 2008–2010 and by CSO framework agreements and operational guidelines for CSOs. Other policies on cross-cutting issues, such as gender, HIV/AIDS and the environment, are applicable to Swedish humanitarian action, although it is less

evident how they are embedded into humanitarian decision-making and management in practice.

In 2005, Sida released a report containing a 13-point action plan for integrating disaster risk reduction(DRR). Primary responsibility for DRR policy now rests with the Policy Team for Environment and Climate Change. However, DRR should not become solely a climate change issue; vulnerabilities to other disasters must also be addressed through DRR approaches in development co-operation strategies. Although ownership of the DRR policy agenda appears to be broadening beyond the Humanitarian Team, actual integration of DRR approaches into development co-operation strategies and corporate systems appears more limited.

5.2. Reliability and flexibility: hallmarks of Swedish humanitarian financing

Sweden is considered to be a reliable humanitarian donor in terms of both the volume and quality of financial support. An estimated 13% of Swedish ODA was allocated to humanitarian assistance in 2007. In line with Sweden's strong commitment to multilateralism, this was primarily disbursed through UN agencies and Red Cross/Red Crescent organisations. Sweden aims to provide funds to all UN Consolidated Inter-Agency Appeals(CAPs) as well as to most "flash appeals" and Sweden also supports pooled funds, including the Central Emergency Response Fund(CERF) and country-specific Common Humanitarian Funds. Importantly, neither the ministers nor the MFA can "instruct" Sida where and when to respond to crises. This autonomy helps to ensure that Sweden provides humanitarian assistance on the basis of need, rather than those crises with the highest public profile in Sweden.

Sweden is careful to ensure that its support for humanitarian action does not compromise core humanitarian principles. The policies and strategies of the Swedish armed forces support principled co-operation between military and civil actors although, at an operational level, there are no formal dialogue and co-ordination mechanisms. Nevertheless, Sweden adopts a pragmatic approach to humanitarian action that includes selectively harnessing opportunities to promote partner state responsibilities. In Mozambique, for example, Sweden's budget support contributes to the Mozambican government's humanitarian relief and recovery efforts.

5.3. Quality, learning, and accountability initiatives

Sweden provides resources for continuous improvement of Swedish and international humanitarian action through learning, targeted research and enhanced accountability. This includes support (i) for training opportunities through the Civil Society Center; (ii) to leading think-tanks on humanitarian issues; and (iii) to key CSO quality and accountability initiatives. Annually, up to 1% of the humanitarian budget is allocated to developing methods and humanitarian policy, as well as to evaluating humanitarian action. Currently, there is no specific strategy to direct the allocation of this budget, although in 2008 Sida's Humanitarian Team drafted a concept paper as the first step in adopting a more strategic approach. Sweden is encouraged to finalise this plan.

5.4. Organisation and management

As with other elements of Swedish development co-operation, there is now a clearer delineation of roles between MFA and Sida in the humanitarian sphere. However, the MFA's humanitarian section is within the Department of Security Policy; it is therefore functionally separated from the rest of the international development co-operation units within MFA. The unit's staff of seven is small considering the breadth of the humanitarian agenda and Sweden's strong leadership role in international humanitarian affairs. Fully staffed, Sida's Humanitarian Team has 14 staff members and is now located in the Department for Countries in Conflict and Post-Conflict. This provides useful opportunities to harmonise Swedish humanitarian action with other development co-operation in conflict and post-conflict countries. However, the Humanitarian Team will need to reach out to colleagues in other departments who also have to respond to humanitarian emergencies.

Recommendations

To consolidate its leading role as a good humanitarian donor, Sweden should:

- Proceed with the update of the humanitarian policy and identification of suitable indicators to monitor progress against strategic humanitarian objectives.
- Embed disaster risk reduction approaches within development co-operation strategies and better integrate key cross-cutting policies, including gender and environment, within humanitarian action.
- Finalise the plan for learning, research and accountability in the humanitarian sector.