

DAC's MAIN FINDINGS AND RECOMMENDATIONS

Overall framework for development co-operation

Legal and political orientations

A strong legal foundation

Switzerland has a long tradition of international assistance, especially in humanitarian aid. Its reputation amongst the global aid community is of a constructive donor, actively contributing to international thinking on ownership and areas such as governance and fragile states. A combination of solidarity and enlightened self-interest, enshrined in the 1999 Federal Constitution, drives its development co-operation policy. Switzerland recognises that solidarity is crucial in an increasingly inter-dependent world, and is thus committed to delivering more and better aid.

Two federal acts underpin the Swiss aid programme, most important of which is the *Federal Act on International Development Co-operation and Humanitarian Aid* (1976). This act outlines the objectives for Switzerland's international assistance to the South, while providing flexibility in adapting to the evolving international co-operation context. Development co-operation with Eastern Europe and the Community of Independent States is shaped by specific legislation enacted in 1995 and renewed in 2006 for the next ten years. These two federal acts provide for multi-annual funding for official aid in the form of framework credits submitted to parliament. Each framework credit is justified by a Federal Council Bill defining the strategic orientations, objectives and expected results of the programme in a specific geographic or thematic area.

Institutional system: strengthening cohesion

Two institutions share the responsibility for defining and implementing the Swiss aid programme: the Swiss Agency for Development and Co-operation (SDC) within the Federal Department of Foreign Affairs (FDFA) and the State Secretariat for Economic Affairs (SECO) within the Federal Department of Economic Affairs (FDEA). Together they manage around 80% of the development co-operation programme (with SDC managing 66.4%). Other institutions involved include the FDFA's Political Affairs Division IV (peace and human rights); the Federal Office for Migration (refugees); and the Federal Department of Defence, Civil Protection and Sports (peace promotion initiatives). The Inter-departmental Committee on Development and Co-operation (IKEZ), chaired by SDC, aims to co-ordinate departments and federal offices involved in the Swiss aid programme; and the Advisory Committee on International Development Co-operation aims to advise and foster consensus on key orientations of the aid programme. This institutional split between two departments is seen as conducive to political support in the Swiss consensus-oriented system: having two ministers dealing with development co-operation out of seven ministers in the Federal Council raises its

profile in government discussions. At the same time, the split does lead to administrative fragmentation of the aid system. This poses particular challenges for maintaining a strategic, unified vision for the aid programme and ensuring aid effectiveness. It requires strong co-ordination between the two ministries and continuous efforts to diminish duplication and associated transaction costs, and to build synergies where opportunities arise.

Policy framework: creating a strategic, unified approach

Switzerland is taking steps to develop a more strategic approach by increasing the cohesion of its programme. Two bills jointly presented to parliament in 2008 – one on technical co-operation and financial assistance for developing countries and the other on financing economic and trade policy measures for development co-operation – provide direction for the entire aid programme. The bills outline three strategic objectives and six priority areas. These three strategic objectives are aligned to Swiss federal foreign policy objectives. They are: i) achieving the Millennium Development Goals and reducing poverty; ii) promoting human security and reducing security risks; and iii) contributing to pro-development globalisation. This three-fold approach provides a balanced overall framework for whole-of-government engagement. It is also in line with Switzerland's multi-stakeholder approach. In the coming years, however, Switzerland will need to pursue its efforts towards a consistent strategic approach by:

- i. Confirming poverty reduction, including equitable and sustainable globalisation, as the overarching objective for Switzerland's development co-operation programme. This would help ensure an explicit poverty reduction focus in Swiss co-operation with Eastern Europe and other middle-income countries where the transition to democratic systems and economic growth are the main objectives.
- ii. Reducing the number of themes within and across institutions and further integrating cross-cutting issues into the aid programme. Despite efforts to strengthen its focus, Switzerland's aid programme still has a high number of sectors and cross-cutting issues. Targeting fewer themes with appropriate resources would increase Swiss impact and help maintain its expertise and high profile in certain areas, such as engagement in fragile states. The annual progress report on gender should be a useful tool to monitor progress in implementing the gender equality policy.
- iii. Strengthening the strategic vision based on Swiss added value. Switzerland should consider how Swiss interests and characteristics influence its positioning and areas of engagement. For instance, Switzerland actively contributes to international thinking on partner country ownership and areas such as governance where its added value is recognised. Switzerland should strike a balance between its comparative advantages and the need to address emerging issues and engage in new areas, while taking into account the Accra Agenda for Action requirements to align with partner country systems and to harmonise with other donors.

The need to communicate results

Switzerland needs a long-term communication vision in order to boost public and political support for the aid programme. Like other donors, Switzerland finds it difficult to balance the need for its impacts to be visible with its commitment to applying the aid effectiveness principles. While continuing FDFA's event-related communication,

Switzerland should step up its efforts in public information and awareness, where SDC and SECO have key, co-ordinated roles to play. Switzerland should shape its communication more systematically around the impact of its programmes which are aligned to partner countries' priorities and co-ordinated with other donors, while emphasising that it takes time to achieve development results. The 2008 report on how to make aid effective in the water sector is a good example of a relevant approach.

Promoting policy coherence for development

Since the early 1990s, Switzerland's Federal Council and parliament have emphasised the need for the country's domestic and foreign policies to be coherent with development goals. The Swiss vision for an approach to developing countries that relates to "the totality of Switzerland's political, economic and social relations with these states" was formulated in the *Guidelines North-South* in 1994. At the same time Switzerland acknowledges that its contribution to development is linked to its own well-understood self interest. This vision is positive, as is the recognition that policy coherence means prioritising among many – and sometimes conflicting – political views and interests. However, this vision is unevenly implemented, largely because the concept of policy coherence for development is not yet widely understood (even within the administration). It needs to be more clearly distinguished from the internal coherence of development co-operation. Switzerland's requirement to assess policies and laws for their effect on development should be based on the concept of policy coherence for development as defined in the *Synthesis report on Policy Coherence for Development*.

Switzerland has made significant progress in bringing areas such as trade, taxation and the recovery and restitution of stolen assets in line with its commitment to development. Swiss consensus culture entails three inherent institutional elements, all of which provide opportunities to foster coherence. Firstly, consensus decisions by the Federal Council and the drafting of bills require an extensive formal process of public and private sector consultation, including with SDC and SECO. Secondly as mentioned above, Switzerland's institutional set-up means that two of the seven councillors have an inherent interest in ensuring that the Federal Council's decisions take a development perspective. Thirdly, since the last peer review, new inter-departmental agreements are being concluded between the FDFA and other departments to approve sector strategies with international implications (currently health, research and climate) and for which federal departments other than the FDFA are primarily responsible. However, there remain two institutional challenges for Switzerland. Firstly, the success of these channels in achieving policy coherence still depends on how effectively they are used and on the willingness of ministries to incorporate development concerns when drafting laws. The migration example shows how this can sometimes be a challenge as, indeed, it is for other donors. Secondly, there is no body that can rectify any lack of consideration given to coherence issues through arbitration before matters reach the council. IKEZ only has a mandate to assure (internal) policy coherence within the aid programme, and not to ensure the coherence of other policy areas with development goals.

Switzerland is also encouraged to take a more systematic approach to monitoring whether and how domestic and foreign policies take account of development policy. To do so, it can build on its work on reporting the impact of Swiss policies on poverty reduction and pro-poor globalisation, and take advantage of the work of other donors and the OECD. Furthermore, it should tap into the expertise and analytical capacity within and outside government to monitor the impact of policies and formulate

recommendations to be fed into policy-making processes. This might imply giving an additional mandate and resources to an existing body – such as IKEZ or the Advisory Committee – or establishing a new unit dedicated solely to this task.

Recommendations

The DAC welcomes Switzerland's efforts to improve strategic cohesion and coherence in its development support. In pursuing these efforts, it should:

- State more explicitly that poverty reduction, including equity and sustainability, is the overarching goal for all Swiss development co-operation.
- Reduce further the number of themes and integrate cross-cutting issues into the aid programme.
- Reinforce public and political support for development co-operation by communicating better the impacts of Swiss development activities, taking a longer-term vision and emphasising that these impacts are usually achieved most effectively in close partnership with other stakeholders.
- Ensure that development concerns are heard in government and parliamentary decision-making processes, and that good use is made of inter-departmental agreements to promote development concerns in domestic and foreign policies. Identify or establish a high-level institutional mechanism for this purpose with the capacity to arbitrate when there are conflicting interests.
- Improve the measurement, monitoring and reporting of the impact of Switzerland's domestic and foreign policies on its development efforts and results, using internal and external expertise and experience.

Aid volume, channels and allocations

Switzerland's aid volume was USD 2.02 billion in 2008, a real increase of 6.5% since 2007. Its share of gross national income allocated to official development assistance reached 0.42%, surpassing Switzerland's Monterrey target of 0.4%. Switzerland's financial planning for 2009 and beyond is based on an ODA/GNI ratio of 0.4%. Meanwhile, as requested by parliament, the Federal Council is preparing a proposal for a growth path towards a 0.5% ODA/GNI ratio by 2015. Setting this target would be welcome, especially seen against the current global economic downturn and increased budgetary pressure. It is also timely, in that Switzerland's ODA/GNI ranking within the DAC has fallen from 9 to 12 since the last peer review and its ODA/GNI ratio is now below the DAC average. Swiss increases in ODA over recent years have primarily involved bilateral debt relief and costs related to asylum seekers, rather than being additional country programmable aid.

The need for more clearly-focused bilateral aid

In its financial allocations, Switzerland puts a strong emphasis on least developed (41% of gross disbursements of bilateral ODA) and other low income countries (24%), and continues to honour its commitment to Africa (40%). Parliament enacted bills in 2008 which established a clear division of labour between SDC and SECO, and also

requested them to reduce their priority countries – from 17 to 12 for SDC, and 16 to 7 for SECO starting in 2009. The geographical concentration of Switzerland's ODA in 2006-2007 remained weak: the top 20 recipients together received only one-third of Switzerland's aid. The steps parliament took in 2008 to increase the level of aid spent in its priority countries are therefore positive (at least CHF 20 million per country per year for SDC and 50% of SECO's budget on its seven priority countries). This should allow for economies of scale and a significant Swiss contribution in priority countries. However, Switzerland should continue to refine its geographic focus. Certainly, its engagement in fragile contexts needs to be seen in the context of the DAC *Principles for Good International Engagement in Fragile States and Situations*, through which Switzerland is committed to giving long duration support to these states. In other contexts, however, Switzerland needs to set clearer criteria for deciding whether to continue or withdraw. Furthermore, SECO should develop a strategic approach to its new focus on middle income countries, while not losing sight of its goal of reducing poverty.

Thematic concentration remains a challenge for Swiss development co-operation. Despite its focus on social infrastructure and services, its aid remains thinly spread across sectors and themes. It intends to reduce this sectoral spread by concentrating its activities in each country on two or three sectors. While this decision is commendable, evidence from the field suggests that more thinking and broader implementation will be needed. Switzerland should seek out its most effective niche when dividing labour among donors, as called for in the Accra Agenda. It should define its comparative advantage on a case-by-case basis, taking into account the views and priorities of the partner country, the activities of other donors, and Switzerland's own experience and added value.

Engaging further with Swiss institutional partners

SDC channels around one-third of its bilateral aid through partners such as NGOs, research institutions and public-private partnerships for development. It is taking steps to strengthen its engagement with a broader range of stakeholders. This is welcome, but the DAC encourages Switzerland to develop a more strategic approach to these partners. For example, SDC's non-intrusive, pragmatic and individual approach to NGOs is positive as it allows for flexibility. However, there are no transparent criteria for engaging in partnerships, no clear links between financial allocations and performance and no standard guidance for country offices in their approach to NGOs. A more strategic approach will require clear criteria for funding allocations and strategic partnerships, more harmonised modalities within different components of the programme and a system for monitoring the results and impact of partnerships. Switzerland should also consider establishing a permanent mechanism to sustain the dialogue with these stakeholders. In the coming years, it should also review SDC's new institutional set-up to ensure it promotes effectively public-private partnerships for development.

A positive, strategic approach to multilateral aid

Multilateral organisations view Switzerland as an exemplary donor, contributing most of its multilateral funding as core contributions and multi-year grants. Switzerland's strategic approach is outlined in a joint SDC/SECO multilateral development strategy. Its two key features are: i) the great importance attached to linking Switzerland's multilateral approach with its bilateral engagement, both thematically and operationally; and ii) the prioritisation of institutions which are highly relevant for Swiss foreign policy. In these

institutions it endeavours to be a strong stakeholder and shareholder, both financially and by participating on their board.

Switzerland is keen to improve the performance and results-orientation of multilateral organisations. As a member of the multilateral organisational performance assessment network (MOPAN), it is involved in seeking a coherent way to assess multilateral effectiveness jointly with other donors without creating additional frameworks. This is commendable. Beyond this, the Swiss administration should communicate not only its own positive achievements to parliament and the general public, but also those of the multilateral agencies it supports. This would help garner support for programmes which give Switzerland direct visibility as well as those to which it has made a significant contribution while being less visible.

Recommendations

To increase its impact on poverty reduction in partner countries, Switzerland should:

- Adopt the 0.5% ODA/GNI by 2015 target with a commitment to increase programmable aid. Once this target is reached Switzerland should consider setting as a new target the UN 0.7% goal.
- Concentrate geographical and thematic priorities of its programme further, considering the international division of labour called for in Accra, and the importance of finding the most effective niche.
- Develop a more strategic, transparent and standardised approach to NGOs, research institutions and other partners at headquarters and in the field.

Organisation and management

Combining efficiently the institutions within the development co-operation system

The institutional split between SDC and SECO has been subject to an in-depth political and administrative review, as recommended in the 2005 peer review. Although the division of responsibility for the aid programme remains unchanged, further efforts have been made to eliminate duplication, develop complementarity and ensure consistency between SDC and SECO. The *2008 Bill for the South* clearly delineates responsibilities and there is regular dialogue on areas of common responsibilities. In partner countries, SDC and SECO together form the Swiss co-operation offices and work as an integrated entity within a common co-operation strategy. However, Switzerland could consider strengthening co-ordination mechanisms with all relevant parts of the Swiss administration, especially in fragile states. It is therefore encouraging to note that one of the objectives of SDC's reform is to intensify co-operation with other FDFA entities and the federal administration as a whole.

SDC: undergoing major reform

Since 2008, SDC has been undergoing an impressive organisational reform. This illustrates strong managerial commitment to a more effective aid system through greater strategic coherence and a stronger field presence. While overall these efforts are perceived as positive, SDC will need to monitor closely the impact of the reform and ensure that emerging challenges are addressed properly. These include ensuring synergies

between the new Department on Global Co-operation and bilateral and multilateral programmes, and maintaining adequate thematic expertise and resources. SDC would benefit from developing a guidance paper on its strategies and tools over the medium-term. This would help achieve its objective of repositioning the organisation in the new context of globalisation and demonstrating results.

SDC is now starting to implement phase two of its re-organisation, which aims to bring decision-making closer to field operations. To this end, SDC's management should reinforce the capacity of Switzerland's 48 field offices and provide more flexibility in financial management. This would strengthen their ability to bring the aid programme in line with partner government priorities and harmonise it with other donors. Meanwhile SDC should improve its corporate business processes and performance monitoring systems. This would help ensure consistent programme delivery and corporate management across all of its operations. In doing so, SDC will strike a better balance between the pragmatic, field-oriented Swiss approach on the one hand, and the need to provide standard guidance to country offices and the system as a whole and to stay on top of its operations in the field on the other. SECO should build on SDC's experience and delegate further responsibilities to the field, in particular when engaging in new countries, in order to increase the effectiveness of its work in partner countries.

Strengthening strategic management

The 2008 bills for SDC and SECO are opportunities to reinforce results-oriented budgetary and programming management. A standardised system for monitoring and reporting results is needed, with standards that apply to all programmes. This would make it easier for headquarters to aggregate information from the field, demonstrate the results of the aid programme, and feed the results back into the programme. Switzerland now dedicates more attention and resources to evaluation, as revealed by SDC and SECO's recent reviews of their evaluation policies and SECO's creation of an independent advisory committee on evaluation. Switzerland should build on these commendable efforts and make further use of evaluation as a forward-looking management tool in order to be able to use evaluations to improve priority setting and programming in the future. SDC and SECO are also encouraged to develop a common approach to evaluation.

SDC has set up a system of focal points and networks to help build coherent thematic approaches and share knowledge within the institution, including the field offices. However, for this to be successful, SDC will need to retain adequate thematic and sector capacity and ensure that focal points are able to reach beyond their specific location. Focal points also need to be backed up by lively networks involving effective, qualified staff; this requires appropriate guidance and incentives. Networks should also reach out to SECO and other stakeholders in order to disseminate lessons and build further on the expertise of different Swiss stakeholders. Maintaining SDC's capacity in fragile state issues will be crucial for it to build and sustain a substantive platform of knowledge and capacity-building of Swiss stakeholders, and to pursue its contribution to international thinking in this area.

Building skills and staff capacity

One key challenge for SDC is to build, strengthen and retain staff skills. SDC's recruitment programme is currently under review, but scope for action is limited given the planned reduction in the number of posts. While one can question this reduction given rising aid volumes, SDC should be more strategic in its human resource management in

the short term to adjust the mix of staff skills to the new priorities. This includes reviewing its approach to training. More guidance and follow-up is needed to ensure that training and staff performance frameworks are linked to SDC's overall objectives and aligned to the principles of the Accra Agenda. Another challenge for SDC is to reinforce the capacity of field offices to support the decentralisation process. With SDC relying extensively on locally-recruited staff, it needs to develop an overall policy for local staff.

Recommendations

To strengthen its important organisational reform, Switzerland should:

- Monitor the impact of SDC's reorganisation and make sure it maintains appropriate thematic expertise, provides enough guidance and applies it throughout the organisation. The new focal points and networks should be given clear objectives and adequate resources, and their achievements should be monitored to ensure that objectives are met.
- Increase co-ordination across government on engagement in fragile states and ensure that sufficient capacity is maintained in this area.
- Pursue a more systematic approach to managing for development results, including using evaluation as a forward-looking management tool in order to be able to use evaluations to improve priority setting and programming in the future.
- Be more strategic about staff management, including for locally-recruited staff, to ensure that the mix of staff skills matches Switzerland's new strategic orientation.

Practices for better impact

Implementing aid effectively

Switzerland is committed to making aid more effective and takes an active role in promoting ownership and accountability within the international community. The *2008 Bill for the South* refers explicitly to the Paris Declaration, and Switzerland is now formulating a joint SDC/SECO policy statement and separate action plans for implementing the Accra Agenda for Action (AAA).

In practice, Switzerland's approach to aid effectiveness is contextual, country-based and inclusive. Each country office defines its own mix of aid modalities according to locally-defined needs, Swiss added value and joint working arrangements. This reflects both Switzerland's pragmatic approach and good practice. As illustrated in the *2008 Survey on Monitoring the Paris Declaration*, Switzerland performs well in a number of areas, such as strengthening capacity in a co-ordinated way, untying aid and engaging in joint analytical work. It is also well equipped to improve the predictability of its aid. Switzerland, like some other donors, expects that it will be more difficult to meet some Paris Declaration targets as it engages further in fragile states.

Like other donors, Switzerland currently faces challenges in implementing some of the principles of the Paris declaration on aid effectiveness. The 2008 OECD/DAC survey shows that it still has many parallel implementation units and makes limited use of country systems. The Minister of Foreign Affairs and parliament are concerned about the fiduciary risks of general budget support and are scrutinising the effectiveness of the aid programme more closely. In the field, Switzerland struggles to adopt more programme-

based or sector-wide approaches in certain contexts, and to use country systems. As a result, less than 4% of Switzerland's bilateral aid goes through general and sector budget support. The project approach reflects Switzerland's ground-based, multi-stakeholder approach and is sensible where it has a "niche" position with a specific added value. However, more efficient management requires reducing the large number of small projects. It is therefore positive that Switzerland intends to consolidate its sectoral activities over the coming years, replacing smaller projects with fewer, larger programmes. Switzerland also plans to make better use of country systems, in line with the AAA. However, for this shift to happen, it will need to give stronger guidance to country offices by setting specific objectives with indicators and targets and creating a monitoring system aggregating data from country offices. Switzerland should also review its programming, funding and reporting procedures, as well as its incentive structure for aid effectiveness, to make sure they support the implementation of the Paris principles. Switzerland will also need to ensure that the full range of aid modalities, including various forms of budget support, is available to all country programmes, including non-SECO priority programmes. Making sure that the aid effectiveness principles are fully integrated will require strong leadership and appropriate and dedicated resources.

Learning from experience on priority topics

Capacity development

Switzerland views capacity development as a critical component for achieving its co-operation objectives and as a key working principle. SDC's approach to capacity development distinguishes between hard (technical) and soft capacities (e.g. social and communication skills) and comprises four dimensions: individual competence, organisational development, development of networks, and institutions. In practice, Switzerland focuses most of its efforts on building institutional capacity, with a good record in several partner countries. In the two countries visited by the peer review team, Switzerland's context-specific approach to building capacity was described positively by partners as respectful and unobtrusive, yet firmly oriented toward outcomes. Switzerland also co-ordinates its technical co-operation well, and uses local expertise in order to build national capacity. However, neither SDC nor SECO provide any corporate operational guidance for targeted projects or for integrating capacity development within programmes. As a result, there is no consistent effort to make capacity development an objective of all programmes.

A strategy for capacity development would help close the gap between policy and practice. The strategy should create a shared vision for all Swiss development stakeholders, specify that capacity development efforts need to be matched to context, outline how to select the best approach, and provide operational guidance for building capacity and measuring progress. SDC's dedicated unit for capacity development will have a key role in ensuring that capacity development is adopted throughout the Swiss development co-operation system. It should use the thematic networks to achieve this. Mainstreaming capacity development will also require adequate incentives (such as making it part of staff objectives and terms of reference) and training for field staff. Drawing on other donors' experience in these areas will be helpful, and Switzerland is encouraged to increase its participation in related international fora.

Environment and climate change

Switzerland's commitment to the environment is rooted in the principle of sustainability enshrined in the Swiss Constitution. It has been a key concern in Swiss development co-operation since the early 1990s. Since 1998 Switzerland has passed bills involving multi-year framework credits to finance multilateral activities on both environment and climate change in developing countries. Climate change was chosen by parliament in 2008 as a specific focus for Swiss development co-operation. Regrettably, SDC and SECO have not seized the opportunity to draw up a joint strategy on climate change. A joint strategy could have clarified shared objectives and divided tasks by activity and country. While both agencies focus their climate change activities on more advanced economies, they should keep in mind the serious impact of climate change on low income countries.

Both SDC and SECO are currently adapting their focus to incorporate climate change. Having disengaged from other key environmental topics, SDC is no longer in a position to support Switzerland's negotiations on biodiversity, desertification, or chemicals management with operational knowledge. Yet, its new Global Programme on Climate Change places significant emphasis on negotiations under the international climate regime. Operationally, SDC intends to mainstream climate change (both adaptation and mitigation) into all three key areas of Swiss development co-operation: poverty reduction, human security and development-friendly globalisation. SDC offers examples of good practice in adapting to climate change, notably in disaster risk reduction. SECO's strength lies in its consistent approach to sustainability in private sector development and trade (e.g. through certification and labels). It notably promotes climate change mitigation directly through its cleaner production centres. These build capacity for sustainable production and help to register projects under the Kyoto clean development mechanisms. As they shift their focus towards climate change, SDC and SECO will need to address some challenges: i) maintaining adequate attention and capacity for other key environmental topics in the bilateral programme; and ii) compensating for the loss of SDC's recognised operational expertise in defending the interests of developing countries in environment negotiations led by the Federal Office for the Environment. This could be done by using inputs from the thematic networks.

Switzerland's methods for ensuring sustainable programmes and tackling climate change are well advanced and innovative. Nevertheless, there is no common standard or guidance: SECO and SDC use different approaches to mainstream environment and climate change, and there are no consistent instructions from headquarters on the environmental screening of projects. In the longer term, the Swiss development co-operation system would benefit from bringing these tools into one coherent logical framework which defines the requirements programmes must fulfil. Switzerland would also benefit from closer co-operation among the two agencies and the Environment and Energy Offices. This would help build a coherent approach to environment and climate change in the development co-operation programme, and increase inter-departmental policy coherence on environmental issues.

Recommendations

To increase its aid effectiveness and impact, Switzerland should:

- Develop and implement consistent Accra Agenda Action plans to enable SDC and SECO to mainstream appropriate procedures and incentives within the system. These should include a roadmap with clear indicators and targets to guide country

offices, especially for increasing the use of country systems, mainstreaming capacity development, and enabling Switzerland to monitor Accra Agenda implementation.

- Maintain a variety of aid instruments and modalities, including budget support, to move further towards sector-wide and programme approaches, regardless of which institution manages the programme.
- Formulate a joint approach to environment and climate change, building on positive work on sustainable development and environment. Make explicit the requirements aid programmes need to fulfil with respect to environment and climate change.
- Ensure that Switzerland's engagement in international negotiations on climate change and environment continues to benefit from the knowledge gained in development co-operation, and *vice versa*.

Humanitarian action

A unique position within the international humanitarian system

As the depository state for the Geneva Conventions, Switzerland occupies a unique position within the international humanitarian community. Swiss humanitarian strategies, priorities and procedures therefore appear particularly immersed in the obligations of international humanitarian law. This also extends to relations with political and defence counterparts, who appear to be guided by a profound respect for humanitarian principles, including the primacy of civilian authority over humanitarian interventions. Furthermore, the 2006 *Humanitarian Aid Bill* enshrines Switzerland's good humanitarian donorship commitments within the legislation and provides a firm basis for principled humanitarian action.

A comprehensive approach

Switzerland has adopted a holistic approach to humanitarian action that covers four key fields of activity: prevention and preparedness, emergency relief, reconstruction/rehabilitation and advocacy. *Humanitarian Aid of the Swiss Confederation: Strategy 2010*, positions Swiss humanitarian action as an investment in sustainable development and seeks to encourage linkages with development co-operation in order to address both the symptoms and structural causes of crises. Switzerland has also played a prominent role in efforts to promote disaster risk reduction approaches in development co-operation. The strategy also mandates SDC's Humanitarian Aid Department (SDC-HA) to respond to the humanitarian consequences of new global challenges such as pandemics, climate change, state fragility, global food insecurity, and terrorist attacks. Throughout, Switzerland should be careful to continue to protect the vital characteristics of principled humanitarian action and avoid diverting resources from ongoing crises.

A good humanitarian donor in practice

The Humanitarian Aid Bill established a five-year (2007-11) framework credit of CHF 1.5 billion for Swiss humanitarian action. This is in line with the principle in SDC Strategy 2010 that the average proportion of humanitarian aid in SDC's budget should be 20%. With 14% of bilateral ODA allocated to humanitarian aid and substantial unearmarked support to multilateral agencies, Switzerland appears well on track to maintain this commitment. Swiss humanitarian assistance is allocated on the basis of need, irrespective of the priorities of the rest of the development co-operation system. It is recognised as rapid, flexible, co-ordinated and well-targeted and it benefits from a wide

range of flexible instruments. In the event of emerging crises, additional credit lines can be approved by the Federal Council.

Improving practices within Swiss humanitarian action

SDC has recently merged humanitarian and development programmes in the Middle East into a single office. This innovative step will help to ensure smoother transitions and address concerns raised in the previous peer review about the functional and physical separation of SDC-HA from other parts of SDC. It should also allow for better adaptability to fluctuations in the humanitarian context. While it is uncertain whether this organisational model can be replicated, it provides a useful reference point to grapple with the complex challenges in coherently linking different types of support to crisis-affected populations.

Given Switzerland's heavy investments in bilateral humanitarian operations, the SDC Code of Conduct is particularly important for regulating the behaviour of some 700 deployable personnel. In establishing acceptable norms and an internal compliance process, the code of conduct is also useful for further strengthening accountability to humanitarian beneficiaries. SDC-HA has also taken positive steps to mainstream gender equality into planning, implementation, monitoring and evaluation of humanitarian aid interventions. A training package is currently being developed to improve gender-responsive practices in Swiss humanitarian action. However, the gender toolkit currently lacks guidance for monitoring and verifying that these measures have, in fact, been successfully implemented.

Although embryonic, there are encouraging signs that a culture of results is taking root within SDC-HA. Switzerland could draw on the benchmarks developed by the GHD group in order to demonstrate results and identify Swiss contributions to the collective donor commitments made in Stockholm in 2003. *Humanitarian Aid of the Swiss Confederation: A Conceptual Framework for Multilateral Commitment* identifies a differentiated approach to multilateral engagement based on six primary and three secondary partnerships. This provides for focused dialogue and the strategic allocation of resources. However, the framework currently also lacks measureable indicators to demonstrate impact.

Recommendations

To consolidate its leading role as a good humanitarian donor, Switzerland should continue to:

- Draw on its experiences to support international efforts to bridge humanitarian action and long-term development aid. In this context, Switzerland should maintain a leadership role in promoting disaster risk reduction approaches within development co-operation. However, in taking these initiatives, Switzerland should be careful to preserve the essential characteristics of humanitarian action.
- Enhance bilateral humanitarian action by strengthening further the provisions of SDC Code of Conduct related to the participation of, and accountability to, humanitarian beneficiaries. It should also expand the gender toolkit to provide guidance on monitoring and evaluating the gender dimensions of humanitarian action.
- Ensure that the emerging culture of results within SDC is also embedded in Swiss humanitarian action. In particular, *The SDC-HA Conceptual Framework for Multilateral Commitment* would benefit from measureable indicators.