OECD / DAC Peer Review

Memorandum of Switzerland

2013

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<tr>
<td>AAA</td>
<td>Accra Agenda for Action</td>
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<tr>
<td>ABC</td>
<td>Brazilian Cooperation Agency (Agência Brasileira de Cooperação)</td>
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<td>AfDF</td>
<td>African Development Fund</td>
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<td>AFREA</td>
<td>African Evaluation Association, Ghana</td>
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<td>ALNAP</td>
<td>Learning – Accountability – Performance in Humanitarian Action</td>
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<tr>
<td>CC</td>
<td>Climate Change</td>
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<td>CGIAR</td>
<td>Consultative Group on International Agricultural Research</td>
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<td>CHF</td>
<td>Swiss Franc</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CLEAR</td>
<td>Multi-Donor Trust Fund of the World Bank for Regional Centers for Learning on Evaluation and Results</td>
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<td>CSPM</td>
<td>Conflict Sensitive Program Management</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<tr>
<td>DACH</td>
<td>Informal network of the governmental European evaluation units of Switzerland, Germany, Austria, Netherlands and Belgium since 1981</td>
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<tr>
<td>DDPS</td>
<td>Federal Department of Defence, Civil Protection and Sports</td>
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<td>DP-PAF</td>
<td>Development Partners Performance Assessment Framework</td>
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<td>DRC</td>
<td>Democratic Republic of the Congo</td>
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<td>DRR</td>
<td>Disaster Risk Reduction</td>
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<td>EAER</td>
<td>Federal Department of Economic Affairs, Education and Research</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FDFA</td>
<td>Federal Department of Foreign Affairs</td>
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<td>FDHA</td>
<td>Federal Department of Home Affairs</td>
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<td>FOEN</td>
<td>Federal Office for Environment</td>
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<td>FOM</td>
<td>Federal Office for Migration</td>
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<td>FTE</td>
<td>Full time equivalent</td>
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<tr>
<td>FedPol</td>
<td>Federal Office of Police</td>
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<td>GBS</td>
<td>General Budget Support</td>
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<td>GEF</td>
<td>Global Environment Facility</td>
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<td>GFMD</td>
<td>Task Force Global Forum on Migration and Development</td>
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<td>GHD</td>
<td>Good Humanitarian Donorship</td>
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<td>GNI</td>
<td>Gross National Income</td>
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<td>HA</td>
<td>Humanitarian Aid</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HSD</td>
<td>FDFA’s Human Security Division</td>
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<td>HQ</td>
<td>Headquarters</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>ICDC</td>
<td>Interdepartmental Committee for International Development and Cooperation</td>
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<td>ICRC</td>
<td>International Committee of the Red Cross</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IFI</td>
<td>International Financial Institutions</td>
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<td>IHEID</td>
<td>Graduate Institute of International and Development Studies</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IMZ / IAM</td>
<td>Interdepartmental Committee and Working Group Migration</td>
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<tr>
<td>INCAF</td>
<td>International Network on Conflict and Fragility</td>
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<td>INSARAG</td>
<td>International Search and Rescue Advisory Group</td>
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<td>IPDET</td>
<td>International Program for Development Evaluation Training (IPDET)</td>
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<td>ISDC</td>
<td>Interdepartmental Sustainable Development Committee</td>
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<td>LDCs</td>
<td>Least Developed Countries</td>
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<td>LIC</td>
<td>Low Income Countries</td>
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<td>MAPS</td>
<td>Methodology for Assessing Procurement Systems</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MDRI</td>
<td>Multilateral Debt Reduction Initiative</td>
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<td>MDR</td>
<td>Managing for Development Results</td>
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<td>MICs</td>
<td>Middle Income Countries</td>
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<td>MO</td>
<td>Multilateral Organizations</td>
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<tr>
<td>MOFCOM</td>
<td>Ministry of Commerce People’s Republic of China</td>
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<td>MOPAN</td>
<td>Multilateral Organizations Performance Assessment Network</td>
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<td>MP</td>
<td>Migration Partnerships</td>
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<td>ND</td>
<td>New Deal for Engagement in Fragile States</td>
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<td>NGO</td>
<td>Non-governmental Organisation</td>
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<td>NPO</td>
<td>National Program Officers</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OSCE</td>
<td>Interdepartmental Working Group</td>
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<td>PBAs</td>
<td>Program Based Approaches</td>
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<td>PCD</td>
<td>Policy Coherence for Development</td>
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<td>PEFA</td>
<td>PEFA Public Expenditure &amp; Financial Accountability</td>
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<td>PFM</td>
<td>Public Finance Management</td>
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<tr>
<td>PIDG</td>
<td>Private Infrastructure Development Group</td>
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<td>POPs</td>
<td>Stockholm Convention on Persistent Organic Pollutants</td>
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<td>PRS(P)s</td>
<td>Poverty Reduction Strategy (Papers)</td>
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<td>RBM</td>
<td>Results-Based Management</td>
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<td>RP</td>
<td>Regional Programmes</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>RR</td>
<td>Rapid Response</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
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<td>SDC/DD</td>
<td>SDC’s Technical Cooperation</td>
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<td>SDC/HA</td>
<td>The Humanitarian Aid of the Swiss Confederation</td>
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<td>SECO</td>
<td>State Secretariat for Economic Affairs</td>
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<td>SECO/WE</td>
<td>SECO’s Economic Cooperation and Development Domain</td>
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<td>SERV</td>
<td>Swiss Export Risk Insurance</td>
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<td>SHA</td>
<td>Swiss Humanitarian Aid Unit</td>
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<td>SIFEM AG</td>
<td>Swiss Investment Fund for Emerging Markets</td>
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<td>SIPPO</td>
<td>Swiss Import Promotion Programme</td>
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<td>SME</td>
<td>Small and Medium sized Enterprises</td>
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<td>SSR</td>
<td>Interdepartmental Committee on security sector reform</td>
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<td>SWAP</td>
<td>Sector Wide Approach</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNAIDS</td>
<td>Joint United Nations Programme on HIV/AIDS</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>UNRWA</td>
<td>United Nations Relief and Works Agency for Palestine Refugees in the Near East</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WFP</td>
<td>World Food Programme</td>
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<td>WP-EFF</td>
<td>Working Party on Aid Effectiveness</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Executive Summary

Since the last DAC Peer Review of Switzerland in 2009, a series of strategic changes and organizational adjustments have been made to further increase aid effectiveness and reinforce Switzerland’s strong commitment to international development cooperation and humanitarian aid.

The Swiss Parliament decided in February 2011 to increase the financial resources for Swiss official development assistance (ODA) and adopted a 0.5% ODA/GNI target ratio to be reached by 2015. In a time of serious global economic and financial crisis, this parliamentary decision reaffirmed Switzerland’s long tradition of international cooperation. In 2012, Switzerland’s ODA reached CHF 2’833 million, representing a 0.45% share of gross national income (GNI).

In 2012, for the first time, an overarching Strategy for International Cooperation 2013-16 was formulated with the overarching goal of contributing to sustainable global development and to reduce poverty and mitigate global risks. The framework credits for the four pillars of Switzerland’s international cooperation were presented in a single dispatch to the Parliament, aligned to coincide with the legislative period. This approach improves coordination between stakeholders, overall coherence and the use of synergies.

The overarching Strategy defines five goals: 1) Preventing and dealing with crises, conflicts and disasters; 2) Provide access to resources and services to all; 3) Promoting sustainable economic growth; 4) Support transition to democratic and market based economic systems; 5) Helping to shape globalization which favors socially responsible and environment friendly development.

The four pillars of Switzerland's international cooperation remain unchanged:

- Humanitarian Aid
- Technical Cooperation and Financial Assistance for Developing Countries
- Economic and Trade Policy Measures in the context of Development Cooperation
- Transition Assistance to Eastern Europe and the Commonwealth of Independent States.

In the new Dispatch 2013-16, Switzerland intends to increase its engagement in fragile contexts and efforts to work in difficult environments for aid delivery (fragile states and conflict situations). Reducing inequalities particularly in middle income countries (MICs) is another aspect that has been reinforced. Furthermore, Switzerland is seeking to mitigate global risks and increase its activities to address global challenges through five newly established Global Programmes: migration, food security, climate change, water, finance and trade.

The two Federal Offices SDC and SECO¹ are jointly responsible for policy-setting and implementing Switzerland's development cooperation activities. Together they provide about 70% of Switzerland's total ODA. Other Federal Offices also provide funds classified as ODA. A number of mechanisms are in place to ensure a coherent approach to development. The Swiss governmental system and its decision making process are conducive to policy coherence. Moreover, in response to the last Peer Review, commitment to policy coherence for development (PCD) has been further strengthened, and specific policy areas with potentially conflicting interests have been identified.

¹ In this memorandum, when writing about SECO, in general we mean the domain “Economic Cooperation and Development” (SECO/WE) which is providing ODA to developing and transition countries.
Switzerland acknowledges the role of financial flows other than ODA in the development of partner countries. It therefore actively seeks to use ODA as a catalyst to leverage funds and knowledge, especially from the private sector (investment, trade) and to develop the local private sector.

The Dispatch 2013-16 sets clear thematic and geographical priorities. Switzerland has continued its efforts to concentrate its bilateral programme portfolio in developing countries. It focuses on ten relatively stable LDCs and ten fragile states (SDC), as well as eight MICs (SECO). Switzerland's engagement in Eastern Europe and the CIS remains unchanged in a total of nine priority countries/regions (SDC/SECO).

**Multilateral development cooperation** is an essential component of Switzerland's international cooperation and is complementary to its bilateral interventions. Switzerland has concentrated its development-related core funding on 13 priority organizations (international financial institutions, UN organizations, global funds and networks), with a stronger focus on performance and results.

Switzerland also works in close cooperation with a wide range of governments, private sector actors, civil society organizations and universities/research institutes both in partner countries and in Switzerland. Positive experiences have been made in promoting South-South cooperation, while Swiss triangular cooperation is in its early stages.

Switzerland's international cooperation is fully aligned with the development priorities of its partner countries and continuously strives to increase the effectiveness of its interventions, also in fragile states. In this context, Switzerland continues to be particularly active in the area of “Results and Accountability”, and greater efforts have been made to increase transparency.

Finally, communication on results achieved has been improved, and special attention is given to introducing a more strategic approach to communication. Efforts have also been made to carve out a more strategic engagement with the media.

Both SDC and SECO now face the challenge of absorbing a significant increase in financial resources, triggering necessary adjustments in human resources and their management. SDC completed its reorganization process at the end of 2012. With the new structure, efficiency and effectiveness have been increased. SECO's economic development cooperation has also initiated adjustments to its structures and procedures. Special attention is given to competencies and skills of SDC and SECO staff. In addition, considerably more emphasis is now placed on results-based management and accountability systems in both organizations.

International humanitarian aid forms an important part of Swiss foreign policy and manifests the Swiss philosophy of solidarity. **Swiss humanitarian aid** provides direct assistance through the immediate deployment of expert teams from the Swiss Humanitarian Aid unit (SHA) in the aftermath of natural disasters and in armed conflicts. It also contributes to partner humanitarian organizations. It focuses on **four areas of humanitarian action**: prevention and preparedness, rehabilitation/reconstruction, emergency relief and advocacy. For the 2013-2016 period, Switzerland will invest more in prevention and resilience towards disasters, and in advocacy for the protection of victims and vulnerable groups. Complex humanitarian situations require a coordinated international response; Switzerland will therefore further intensify its collaboration in international humanitarian action. Having Humanitarian Aid and Development Cooperation under SDC’s institutional roof is conducive to adopting a holistic approach between development and humanitarian aid programmes.
1 Towards a comprehensive development effort

Switzerland has formulated its first overarching Strategy for International Cooperation 2013-16 to respond effectively to global development challenges and to contribute to poverty reduction and to global sustainable development. The priorities for Switzerland's international cooperation are the mitigation of global risks, fighting extreme poverty and reducing inequalities, and overcoming conflicts and crises.

SDC and SECO are the two main actors in Switzerland's international cooperation and provide about 70% of total ODA. However, other federal offices are also involved in ODA-related activities. A number of mechanisms are in place to ensure a coherent approach to development. The Swiss governmental system and its decision making process are conducive to policy coherence for development. Moreover, in response to the last Peer Review, commitment to policy coherence for development has been further strengthened and specific policy areas with potential incoherencies have been identified. Usually, only SDC and SECO are present at the field level; however other federal offices are increasing their engagement on the ground. Where appropriate, these are also involved in joint programming and shared field offices.

Switzerland fully acknowledges the role of financial flows other than ODA in the development of partner countries. It therefore actively seeks to use ODA as a catalyst to leverage funds and knowledge, especially from the private sector (investment, trade), and to develop the local private sector.

1.1 Global development issues

The past decade has been characterized by a new awareness of increased global challenges such as the pressure on natural resources, climate change, state fragility and conflict, and financial and economic instability. Moreover, the shift of power and wealth towards large emerging countries, the fundamental transformation of socio-political structures in Eastern Europe and recent upheavals such as the “Arab Spring” in 2011 have profoundly changed the context of international cooperation. This new landscape requires stronger collaboration among development actors and calls for donors to critically review their strategy for international cooperation.

To address these challenges in a coherent and consistent manner, Switzerland formulated its first overarching Strategy for International Cooperation last year. The Strategy defines sustainable global development to reduce poverty and mitigate global risks as the overarching goal of Switzerland's international cooperation for 2013-16. Poverty reduction is thus at the centre of Switzerland’s international cooperation. Moreover, consistency with Switzerland’s foreign policy objectives and its foreign economic strategy is ensured. Compared with the situation of the last Peer Review in 2009, this comprehensive approach guarantees better overall coherence of Switzerland’s international cooperation and emphasizes the complementary nature of development cooperation instruments.

Strategy on International Cooperation and Dispatch 2013-16 (Part 1: general)
The Dispatch on Switzerland's international cooperation 2013-16 was jointly developed by SDC and SECO. It was approved by the Swiss Parliament in September 2012. For the first time, the framework credits for the four pillars of Switzerland's international cooperation are included in a single document, aligned to coincide with the legislative period. All activities are guided by the overarching Strategy on International Cooperation defined for the first time in the dispatch. The overarching goal of Switzerland’s international cooperation is sustainable global development to reduce poverty and mitigate global risks. This is specified by five goals: 1) Preventing and dealing with crises, conflicts and disasters; 2) Provide access to resources and services to all; 3) Promoting sustainable economic growth; 4) Support transition to democratic and market based economic systems; 5) Helping to shape globalization which favours socially responsible and environmental friendly development. Both SDC and SECO contribute to achieving these goals, each according to their specific areas of expertise.
With increased emphasis on mitigating global risks, Switzerland will in particular reinforce its activities to address global challenges and tackle global development issues. Part of Switzerland's response to these challenges are the newly established “Global Programmes” of Switzerland's international cooperation. These address global risks such as climate change, food and water shortages, pandemics, irregular migration, and economic and financial crises. As these issues cannot be resolved by any one country acting alone, collective action is required. To contribute to finding adequate solutions, Switzerland intends to influence international policy dialogue, identify and promote innovative approaches and also share knowledge and foster networking.

Acknowledging the risks to global stability presented by conflict situations, Switzerland decided to substantively increase its engagement in conflict-affected areas and fragile states, in terms of both funds invested as well as staff deployed to the corresponding areas. Furthermore, given the key role of MICs in tackling global challenges and the fact that most poor people today are living in MICs, Switzerland is increasing its efforts to address development challenges and global issues in these countries, promote sustainable economic growth and contribute to reducing inequalities. Switzerland also actively seeks to work with countries that can act as "regional hubs", often MICs, in order to trigger regional development processes.

**The Global Programmes of Switzerland’s international cooperation**

Switzerland contributes to the mitigation of global risks that undermine the fight against poverty through five thematic Global Programmes: migration, food security, climate change, finance and trade, water. These represent a new approach to cooperation with a three-fold objective: (i) to influence policies for sustainable development, at national, regional and global levels; (ii) to promote innovative, concerted solutions and achieve a scaling-up effect; and (iii) to promote knowledge sharing. These programmes build on experience gained by SDC and SECO, as well as on Swiss competences and resources available from other federal offices, civil society, the private sector and research and academic institutions. Global Programmes are endowed with specific budget allocations. At SDC, Global Programmes are supported by specific organizational units, whereas at SECO the contributing interventions are mainstreamed within all operational divisions.

**Example: the Global Programme Climate Change** aiming at a reduction of greenhouse gas emissions, the adaptation and mitigation of climate change. SDC and SECO are actively involved in the UNFCCC negotiations. In the multilateral policy dialogue, Switzerland promotes e.g. appropriate financial support for adaptation, mitigation, effective natural resource management, technology transfer and capacity building, taking into account all dimensions of sustainability. This policy dialogue builds upon concrete project expertise from SDC and SECO. In India, for example, as a result of a successful technology transfer project, the energy efficiency of 650 glass making SMEs was increased, thereby reducing CO2 emissions by 487’000 tonnes and oil consumption by 139’000 tonnes during the past ten years. To disseminate this approach, a high-level meeting was organized with the relevant ministries, SME associations and other donor agencies. Finally, knowledge is shared for example with SDC’s Climate Change and Environment Network, which is linked to leading international knowledge platforms and networks.

### 1.2 Policy coherence for development

#### 1.2.1 Political commitment and policy statements

Switzerland’s system and mechanism to ensure policy coherence for development (PCD) gradually evolved over time. Taking into account the recommendation of the last Peer Review, and recognizing that domestic sectoral policies have an impact on developing countries, policy coherence for development has been further strengthened.

Switzerland fosters PCD at four levels:
• In international negotiations, Switzerland advocates for global rules fostering sustainable development;
• In its bilateral relations, Switzerland has the objective that the development programmes with financial support from Switzerland are consistent with the goals of global sustainable development;
• As part of the policy dialogue with partner governments Switzerland advocates for domestic policies of partner countries that are coherent with their development goals and with global sustainable development;
• Switzerland aims at balancing its own domestic sectoral policies as far as possible with the goals of global sustainable development and implements international agreements to which it is a contracting party as well as soft laws to which it has agreed to.

In the Dispatch 2013-2016, commitment for PCD and its contribution to development effectiveness has been acknowledged. It identifies several policy fields where conflicts of interest may occur and require further analysis and action: agriculture, environment, health, the financial sector (including taxation), security, education/research and migration. Efforts to promote policy coherence for development in prioritized areas are showcased in Chapter 1.2.4 and the Annex 1.


1.2.2 Policy coordination mechanisms to foster PCD

Given the political, economic, and linguistic diversity of the country, the Swiss Federal Government has a consensual decision-making system. The highest executive authority of the country is the Federal Council. Important policy decisions are usually taken on a consensual basis by the Federal Council as a whole. There is no Prime Minister, and each of the seven Federal Councillors contributes to the decisions on all matters of other federal ministries.\(^2\)

Corresponding to the number of Federal Councillors, the Federal Administration consists of seven departments (= ministries). Each department is structured into a number of federal offices. Given the small numbers of departments, some offices are, in terms of their policy portfolios, comparable to ministries in other political systems. International cooperation is attributed to the Federal Department of Foreign Affairs (FDFA), with the Swiss Agency for Development and Cooperation (SDC), and the Federal Department of Economic Affairs, Education and Research (EAER), with the State Secretariat for Economic Affairs (SECO). However, other federal offices contribute to development outcomes as well.

The institutional backbone of decision-making is a sophisticated and effective mechanism of interdepartmental coordination, including both the technical and the political level. This mechanism fosters not only political consensus and pragmatic solutions, but also coherence between different policy areas. It has been further strengthened since 2009. Provided that dissenting views are raised to the political level (Federal Council), the political system and its institutional set-up provide mechanisms which offer extended opportunities to raise, discuss, and clarify issues of PCD.

a) Interdepartmental coordination and decision-making

In advance of any major governmental decisions, the competent leading office invites other fed-

\(^2\) There is however a President of the Confederation who is elected on an annual basis to chair the cabinet meetings and assume certain ceremonial and representation duties.
eral offices to comment on proposals (draft decisions) to the Federal Council. This procedure is called “consultation of offices”. Its purpose is to discuss and, if possible, eliminate differences among the federal offices on decisions to be taken by the Federal Council. This process thus offers both SDC and SECO the opportunity to systematically address issues which may not be coherent with a development perspective. The consulted offices hand in their comments and proposals to the leading office, which decides whether to take them into account or not.

Once the consultation of offices is completed, the leading department finalizes and submits the proposal to the Federal Council. Each head of department (Federal Councillor) has then the possibility to express disagreement in written form (co-reporting), which is done regularly. In controversial matters, different Federal Councillors may engage in a cascade of arguments and counter-arguments debate in written. At the end of this process, the Federal Council decides on the proposal, taking into account the arguments provided in the consultation process.

The type of issues that SDC and SECO are consulted on varies considerably, from very specific decisions (e.g. a free trade agreement with a small developing country, negotiation mandate for an international conference), to decisions with far-reaching political, institutional, financial or legal implications (strategic objectives of the Swiss government for the next four years, Federal Council’s Dispatch to Parliament concerning the continuation of measures relating to civilian peace-building and the promotion of human rights 2012-2016). At the same time, SDC and SECO are consulting development policy decisions requiring Federal Council approval with other offices (e.g. Dispatch on International Cooperation, programmes with a budget over CHF 20 million, new framework agreements with partner countries etc.).

- **Interdepartmental Committee for International Development and Cooperation (ICDC)**

The ICDC’s mandate is based on the Law on International Development Cooperation and covers all four pillars of Switzerland’s international cooperation. The ICDC, which is chaired by SDC and encompasses representatives of all federal offices concerned, discusses issues such as the MDGs, development financing and possibly specific sectoral policies. The objective is to ultimately reach a coherent Swiss position on development policy matters. The ICDC meets at two levels: heads of federal offices and expert level. A recent stocktaking with members concluded that the ICDC is appreciated to debate informally development policy issues that will be discussed in the Federal Council at a later stage.

- **Interdepartmental thematic groups**

Thematic interdepartmental committees and working groups focus on topics such as migration, water, energy or a specific region such as North Africa (see Annex 2 for some examples). They review proposals to be submitted to the Federal Council, discuss policy options and positions (e.g. for international conferences), facilitate the information exchange among offices and formulate joint action plans. Some of these fora are based on a specific legal mandate. Others are more informal. Since 2009, many of these groups have decisively contributed to important policy agreements adopted by the Federal Council (e.g. in 2011: North Africa Strategy).

**b) At the interface between State, politics and civil society: the Advisory Committee on International Development Cooperation**

To facilitate and ensure a continuous dialogue between the government and a wider range of stakeholders (Parliament, civil society, private sector, universities), Switzerland maintains an Advisory Committee on International Development Cooperation with representatives from all these sectors. This allows taking into account views and experiences of stakeholders which are not formally included in the strategy development and implementation processes of international cooperation. Its main task is to advise the Federal Council, the various departments of the Fed-
eral Administration and in particular the management of SDC and SECO. It discusses on a regular basis thematic issues particularly relevant to PCD, such as extractive industries and commodities, illicit financial flows or migration in a development context. By doing so, it contributes to the decision-making process.

### 1.2.3 Monitoring of PCD

The consultation of offices is a high-level and effective mechanism to promote policy coherence on key decisions. SDC keeps track of the results achieved in this process. In 2012, SDC was officially consulted 354 times (2011: 275 times) by other federal offices. SDC commented on 65 of these (2011: 43). Generally, more than half of these comments have been taken into account. Comments provided covered both a wide range of issues and significance.

With regard to reporting on policy coherence for development to the Parliament, no formal mechanism exists. While the Federal Council reports on an annual basis on its foreign policy, it does not routinely address issues related to PCD monitoring. However, the Advisory Committee on International Development Cooperation plays a critical role in this regard.

Monitoring and assessing the impact of policies at the field level is most often done in the context of project evaluation, as well as for the elaboration of new cooperation strategies.\(^3\)

### 1.2.4 Illustrations of PCD in specific areas

Analytical papers on selected issues related to PCD are elaborated within SDC and SECO. They serve as a basis to gain a better understanding on coherence issues at stake and allow participating more actively in interagency dialogue. Topics treated are for example: migration, tax and development and commodities trade.

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**Stolen Assets Recovery**

Switzerland has proven its commitment to combating capital inflows from illegal activities and corruption not only by its active participation in international initiatives, but also in adopting a comprehensive legislation and especially in the number of cases that have been resolved worldwide. Switzerland has signed the UN Convention Against Corruption (UNCAC) in 2003. Over the course of 25 years, Switzerland has become a world leader in the field of recovery of illegal assets held by former heads of state and other PEPs (politically exposed persons) by having returned to their countries of origin a total of USD 1.8 billion in assets unlawfully acquired by PEPs. Switzerland finds tailor-made solutions to ensure that the assets returned will indeed benefit the population of the country of origin, as restitution can be a delicate matter if corruption is endemic in the country of origin of the assets. Possible approaches in such cases include setting up an independent monitoring mechanism, returning assets via an international organization that runs projects and programmes in the country of origin, or cooperating with NGOs. At the international level, Switzerland supports the Stolen Assets Recovery (StAR) Initiative of the World Bank and UNODC, as well as capacity building and legal advice activities of the International Centre for Asset Recovery (ICAR) in Basel. In 2010, Switzerland organized an international conference on development and the recovery of stolen assets. Also Switzerland has organized informal expert meetings in Lausanne since 2001; the seventh edition of these meetings was held in January 2013 on the topic of the Arab Spring and the Stolen Assets Recovery.

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\(^3\) Strategies or strategic frameworks of Swiss International Cooperation include multi-annual thematic strategies, country strategies or regional strategies.
Commodities

Policies linked to raw materials present a variety of coherence issues, which are addressed by the Swiss government. In response to various interpellations from parliamentarians, civil society as well as cantonal authorities, the government formed an inter-departmental platform in 2012, linking the three federal departments concerned by various issues/policies related to raw materials: Economic Affairs, Education and Research (EAER), Finance (FDF) and Foreign Affairs (FDFA). The three departments have prepared joint answers to the concerns expressed by the circles mentioned and prepared a Background report on commodities to the Federal Council. The Report covers a palette of issues such as the economic importance of raw materials trading in Switzerland, the international regulatory environment around raw materials and its repercussions for Switzerland, the opportunities and challenges presented by raw materials for developing countries, as well as human rights considerations and environmental and social aspects. The Report’s recommendations reinforce policy coherence by linking political, economic, fiscal, environmental, as well as developmental and human rights aspects.

In terms of development policy, the Report fully acknowledges and stresses the importance of governance in raw materials. In resource-rich countries, transparency in the payments of extractive companies to governments – in the form of taxes, royalties or bonuses – is recognized as key to improving governments’ accountability for and management of these resources and their revenues. The Report also recommends that the consequences of a potential introduction of transparency requirements – similar to those of the USA and the EU – for the Swiss commodity sector should be examined and reiterates the Swiss commitment for responsible corporate governance at multilateral and bilateral levels, as well as supporting states in good governance. With regard to transparency, Switzerland supports the work of the Extractive Industries Transparency Initiative (EITI), in itself an instrument promoting coherence among governments, civil society and companies through its multi-stakeholder character. Switzerland, a convener of a constituency of European governments, plays an active role in EITI’s current revision aimed at increasing the impact of transparency. It does this by coordinating views within the Swiss administration and with the various governments it represents. Within the EITI Board, Switzerland tries to identify solutions agreeable by all constituencies, aiming at the convergence of public, corporate and civil society interests. Switzerland is also engaged in common initiatives with private and public actors in order to promote sustainability in the area of raw materials, from extraction to trade, consumption and even recycling, complemented by policy dialogue activities with regulators at central and local government levels. One example is the Better Gold Initiative (BGI) currently being set up with the support of SECO. The BGI aims at developing value chains for ethical gold from artisanal small-scale mines in collaboration with private sector agents from mines to refineries and end-consumer markets (jewellery, watch making, ethical banking). There is also a link with the OECD Due-Diligence Guidance for Responsible Supply Chains of Minerals, which is actively supported by Switzerland and followed by various entities of the Swiss administration.

Switzerland has been a participating government of the Voluntary Principles on Security and Human Rights (VPSHR) since 2011. The VPSHR is a multi-stakeholder initiative providing concrete guidance to extractive companies on maintaining the safety and security of their operations within an operating framework that ensures respect for human rights. Having been appointed as Chair of the Steering Committee in March 2013, Switzerland aims to increase the participation of resource-rich countries in the VPSHR, conduct advocacy towards extractive companies headquartered in Switzerland, strengthen practical implementation on the ground, and contribute to the development of the VPSHR impact assessment tools.
Other examples to illustrate how Switzerland promotes policy coherence for development in specific areas can be found in Annex 1: the Swiss Export Risk Insurance, Health, Migration, Climate Change Financing, Tax and Development.

1.3 Coordinated government approach at partner country level

In its international cooperation activities, Switzerland strives to adopt a coordinated government approach in order to increase the efficiency and effectiveness of Swiss interventions.

Joint medium-term programming between SDC and SECO takes place especially in common priority countries (e.g. Eastern European countries supported in their transition towards market oriented economies), where they also have joint Cooperation Offices. Moreover, SECO provides selectively complementary measures in SDC priority countries with its specific instruments and thematic expertise (e.g. general budget support in Burkina Faso) and thereby also provides complementary, additional resources to the partner country. Other key partners are the Federal Office for the Environment (FOEN), especially for development projects related to climate change and natural resources, the Federal Department of Defence Civil Protection and Sport (DDPS) for the activities in fragile contexts, and the Federal Office for Migration. The interdepartmental thematic working groups mentioned above contribute significantly to a coordinated government approach for the specific issues they deal with.

### South Caucasus region

The Swiss Cooperation Strategy South Caucasus 2013-2016 outlines Switzerland’s assistance to the three countries of the South Caucasus region, jointly elaborated by the Federal Department of Foreign Affairs and the Federal Department of Economic Affairs, Education and Research. It provides the basis for the programmes of SDC and SECO in Armenia, Azerbaijan and Georgia, as well as for peace-building initiatives and confidence-building measures promoted by the Political Directorate (PD) of the FDFA.

These federal entities all contribute, in accordance with their mandates and core competences, to the same overall regional development goal. Three priority domains of intervention have been defined, bringing technical and financial long-term assistance together with humanitarian aid and peace-building measures. Through these joint domains with common objectives, SDC, SECO and PD foster coherence and synergies among themselves. This approach aims at increasing the effectiveness of Swiss interventions and the visibility of Swiss-funded activities in the three partner countries.

For example, assistance provided by Swiss Humanitarian Aid in Armenia and Georgia in the area of disaster risk reduction and community resilience has proven to be a very useful complement to the rural market development interventions promoted by SDC Technical Cooperation, as natural disasters tend to affect farmers first.

In its most advanced form, the coordinated government approach culminates in the formulation of a Whole of Government Country cooperation programme on the basis of an operational framework that involves all Swiss governmental actors in a given context (beyond SDC and SECO, e.g. in North Africa). Coordination among the relevant government agencies is formalized (including joint strategic monitoring), while the implementation, monitoring and evaluation of individual activities (projects) remain under the responsibility of the respective government entity. When implementing such programmes in the field, Cooperation Offices are composed of representatives of various federal offices which are responsible for the entire operational framework and not just for the projects financed by their “home” agency. Overall, this approach increases effectiveness and ensures a higher visibility of the Swiss development cooperation, greater coherence and use of synergies between activities and ultimately a wider acceptance of the programme (e.g. North Africa). However, applying the Whole of Government Approach is often subject to time-consuming negotiations and discussions. Two examples of recently formu-
lated programmes/ cooperation strategies illustrating the results of a coordinated government approach are described in this Chapter.

**North Africa**

Switzerland decided in March 2011 to intensify its engagement in the region. The Programme North Africa 2011-2016 constitutes the joint operational framework for non-emergency activities for the five Swiss government agencies engaged in a coherent, coordinated and complementary manner: SECO, SDC, the Federal Office for Migration (FOM); the Political Directorate (PD), in particular the Division Human Security (DHS); the Directorate of International Law (DIL). The common overarching goal of Switzerland's engagement in the region is to support the democratic transition and to contribute to more inclusive and prosperous societies in the medium to long-term.

Ensuring a “Whole of Government Approach” is a principle of the programme for developing concrete activities. It requires all Swiss funding actors to systematically seek programmatic synergies. This includes prioritizing activities that shall produce multiple results in more than one domain of support, enhancing the overall impact of Swiss activities. This is done for example by systematically considering Swiss migration interests in the preparation of concrete programmes or by introducing a governance component into an economic development project. Results monitoring is done jointly along an agreed framework.

Joint operational structures in Cairo and Tunis have been set up to implement the projects funded by all Swiss entities. Individual activities remain the responsibility of the funding office and are implemented according to its mandate and working procedures. Complementary, regular coordination meetings between the federal offices involved are held at the HQ in Berne.

### 1.4 Financing for development

ODA remains one of the main sources of development financing, especially in LDCs and LICs affected by conflicts, whereas MICs often can have access to other sources of development finance if the conditions are favorable. In order to reduce or escape dependency on aid, it is absolutely crucial for all developing countries to be able to mobilize their own resources for their development. Switzerland's international cooperation aims at contributing to the development of the local private sector in its partner countries, generating income for the people and revenues for the state. Switzerland regards ODA-activities of trade promotion and investment promotion in developing countries as a catalyst for other development finance (trade revenues, investments from domestic and foreign investors, etc.). Activities aimed at strengthening the local tax administrations and improving the transparency of public finances as well as its engagement for increased state accountability also contribute to domestic resource mobilization by helping to strengthen the collection and management of state revenues.

In the area of **private sector development**, Switzerland believes that the business environment and trade regulations play a decisive role in the competitiveness and growth prospects of enterprises and their potential for integrating into global value chains. The quality (or absence) of legislation, regulations, administrative procedures, standards and norms constitute a major incentive or barrier to investment and trade. SECO has thus supported developing countries in reforms in these areas for many years. Increasingly it also engages in measures that foster **industry-specific** framework conditions, standards and codes and thereby also the competitiveness of selected economic sectors.

In addition, Switzerland places particular emphasis on mobilizing and leveraging the knowledge, technology and financial **resources of the private sector**, both in Switzerland and in the partner countries, in order to trigger private investments and trade in partner countries. To this end, SECO for example provides assistance and finance by crowding in and leveraging private capital flows in areas where investors are unprepared to act alone. It also supports activities of
commercial partners to leverage capacity building for local producers and processors in developing countries. Two interesting examples are:

- **The Swiss Investment Fund for Emerging Markets (SIFEM AG)**, the Swiss Development Finance Institution, offers long-term corporate financing by taking a financial stake in developing countries’ venture capital funds, which then provide equity capital to SMEs, or by granting loans to local financial intermediaries (banks and microcredit institutions).

- **The Private Infrastructure Development Group (PIDG)** mobilizes private sector investment for the provision of vital physical infrastructure to partner countries. Since its inception, the USD 648 million in donor contributions (including from SECO) have leveraged over USD 10 billion of private sector investment which should grow to USD 16 billion once all current projects are fully operational. Each dollar contributed to PIDG by SECO mobilizes around USD 38 of private investments to the benefit of some 173 million people in partner countries.

### Independent evaluation on the development effects of SIFEM

A recent and comprehensive independent evaluation of SIFEM (2012) confirmed the relevance, professionalism and high effectiveness of this instrument. It established that:

- SIFEM has contributed to the creation of 46'000 jobs and supported 202'000 jobs between 2003 and 2011. Job growth was 9.7% for the SIFEM portfolio during 2008-2010, compared to 0.1% as a weighted average for the economies in which SIFEM invests.

- Between 2003 and 2011, for every dollar that SIFEM invested, private sector investors invested USD 3.15 and other public sector investors USD 4.74.

- Investee clients reported significant support from SIFEM with management expertise in moments of crisis as well as a significant contribution to the growth of their funds.

The evaluation also showed the difficulties related to the measurement of results and effectiveness of development finance instruments that involve the private sector (confidentiality of data).

As can be seen in the table below, Swiss private direct investments in developing countries are much higher than Switzerland’s ODA. They are mostly invested in MICs. Private grants also play an important role in Switzerland’s contribution to developing countries. It is also worth noting that NGO private grants represent a significant 0.07% of GNI; in 2011, Switzerland was ranked fifth among DAC Members (second on a per capita basis).

### Swiss Official development assistance (ODA), NGO private grants and private direct investment 2008 - 2012 (million CHF)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Development Assistance (ODA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which: Bilateral ODA</td>
<td>1'899</td>
<td>1'897</td>
<td>1'785</td>
<td>2'106</td>
<td>2'291</td>
</tr>
<tr>
<td>Multilateral ODA</td>
<td>535</td>
<td>607</td>
<td>613</td>
<td>601</td>
<td>542</td>
</tr>
<tr>
<td>Annual Increase in %</td>
<td>17%</td>
<td>12%</td>
<td>-4%</td>
<td>13%</td>
<td>5%</td>
</tr>
<tr>
<td>ODA as % of GNI</td>
<td>0.42%</td>
<td>0.44%</td>
<td>0.39%</td>
<td>0.45%</td>
<td>0.45%</td>
</tr>
<tr>
<td>NGO private grants</td>
<td>436.4</td>
<td>380.9</td>
<td>431.6</td>
<td>413.3</td>
<td>n/a</td>
</tr>
<tr>
<td>NGO as % of GNI</td>
<td>0.08%</td>
<td>0.07%</td>
<td>0.07%</td>
<td>0.07%</td>
<td>n/a</td>
</tr>
<tr>
<td>Private direct investment</td>
<td>11'794</td>
<td>5'764</td>
<td>21'236</td>
<td>7'740</td>
<td>n/a</td>
</tr>
<tr>
<td>Private direct investment as % of GNI</td>
<td>2.23%</td>
<td>1.02%</td>
<td>3.49%</td>
<td>1.29%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Table 1: Swiss ODA and private flows to developing countries 2008-2011
2 Policy vision and strategic orientations

Swiss development cooperation activities are guided by the Dispatch on International Coopera-
tion 2013-16. It contains an overarching strategy for international cooperation and the frame-
work credits covering the four pillars of Swiss development cooperation.

SDC supports partner countries’ efforts to achieve inclusive sustainable growth, by contributing
to the creation of employment and income, universal access to health services and basic edu-
cation and vocational training. To foster institutions SDC supports partner countries in state re-
form and in particular in strengthening local governance. In fragile states, SDC implements
peace and statebuilding activities. To reduce poverty and inequalities, SECO aims at fostering
sustainable growth in developing countries by promoting their integration into the world econ-
omy and strengthening the competitiveness of their domestic economy. Better framework condi-
tions for the private sector and sustainable access to factors of production are essential. An im-
portant aspect is the promotion of local job creation.

Switzerland continued its efforts to concentrate its bilateral programme portfolio: In its Technical
Cooperation, SDC focuses on ten relatively stable LDCs and ten fragile states. SECO’s empha-
sis is on supporting eight advanced developing countries (middle income countries, MICs) which
are committed to making serious progress on reforms and can play a key role for regional
development. Switzerland’s engagement in Eastern Europe and the CIS remains unchanged in
a total of nine priority countries/regions (SDC/SECO).

Multilateral aid is an essential component of Switzerland’s international cooperation and is com-
plementary to bilateral interventions. Switzerland has concentrated its development-related core
funding on 13 priority organizations (international financing institutions, UN organizations, global
funds and networks).

2.1 Policies, strategies and commitments

Switzerland is committed to the UN Millennium Development Goals (MDGs), striving for imple-
mentation of the Universal Declaration of Human Rights and ensuring that International Hu-
manitarian Law (Geneva Conventions) is applied and enforced in violent conflicts.

Switzerland’s commitment to reduce poverty is rooted in the Federal Constitution, which links
Switzerland’s own interests in global welfare, peace and stability with its international engage-
ment. It has a longstanding tradition of solidarity with developing countries and countries affect-
ed by disasters, conflicts or crises. The Federal Act on international development coopera-
tion and humanitarian aid has been in force since 1976 and forms the basis for Switzerland’s
response to the challenges of poverty and inequalities in a globalized world. The Act is still con-
sidered as a valid basis for guiding Switzerland’s international cooperation. It provides the flex-
bility needed to address new priorities, such as the mitigation of global risks, and thus ensures
that interventions remain relevant in a changing development context. The legal basis for Swit-
zerland’s transition support is defined for a period of ten years in the Federal Act on Cooper-
aton with Eastern Europe and the CIS (first in 1995, reiterated in 2006, next renewal sche-
duled for 2017). This Act also covers the Swiss contribution to reducing economic and social dis-
parities within the enlarged European Union (not ODA).
Humanitarian Aid (SDC): Please refer to Chapter 7.

Technical Cooperation and Financial Assistance for Developing Countries (SDC)

With its technical cooperation and financial assistance for developing countries, SDC aims to foster social sustainability (reduction of inequalities, fair access to social services), ecological sustainability (protection and conservation of natural resources) and economic sustainability (efficient use of resources). All of these efforts contribute to poverty reduction and the mitigation of global risks.

To foster development in the years to come SDC will further concentrate its development cooperation on the world’s poorest and instable regions. In ten relatively stable countries SDC supports their own efforts to achieve inclusive sustainable growth by contributing to the creation of employment and income as well as universal access to health services and basic education and vocational training. To foster institutions SDC supports partner countries in state reform and particularly in strengthening local governance. All of these activities are long-term and of subsidiary nature. SDC is increasingly devoting its efforts to country programmes fostering favorable general conditions (e.g. in the judicial system, in government leadership and democracy, human rights, peace, security). Furthermore, in order to promote a form of globalization that favors development, SDC links poverty reduction efforts in these countries with the mitigation of global challenges with regard to climate change, food security, water scarcity and migration through Global Programmes. With the same overall objective, SDC is also increasing its engagement in ten fragile contexts, where needs are massive. In these countries SDC implements peace and state-building activities.

Finally, this framework credit also finances the Swiss multilateral development cooperation, which is a joint SDC-SECO task. For the UN Organizations the lead lies with SDC, for the International Financial Institutions and UNCTAD/UNIDO, SECO is in charge. Both organizations closely collaborate to assure a common position (c.f. Chapter 2.1.2).

Economic and Trade Policy Measures in the Context of Development Cooperation (SECO)

With its economic and trade policy measures in the context of development co-operation, SECO pursues the objective of fostering sustainable growth in economic, ecological and social terms so as to reduce poverty and inequalities in developing countries. Sustainable economic growth in developing countries should support the transition to a greener economy and create new jobs.

The Strategy included in the dispatch 2013-16 constitutes the overarching reference for the four pillars of international cooperation for which the two main actors of Switzerland’s international cooperation are responsible (SDC and SECO). It also includes the corresponding credits, requested in a single dispatch to the Parliament for the 2013-16 period (total amount of CHF 11.35 billion), broken down as follows:

- Humanitarian Aid (SDC, CHF 2025 million)
- Technical Cooperation and Financial Assistance for Developing Countries (SDC, CHF 6920 million)
- Economic and Trade Policy Measures in the Context of Development Cooperation (SECO, CHF 1280 million)
- Transition Assistance to Eastern Europe and the Commonwealth of Independent States (SDC and SECO, CHF 1125 million)
By supporting partner countries’ development efforts in a subsidiary manner and aiming at leveraging private sector funds for partner countries, SECO’s interventions build upon two pillars. The first is to promote the integration of developing countries into the world economy. The second is to strengthen the competitiveness of partner countries’ domestic economies. Better framework conditions for the private sector and sustainable access to factors of production are essential for developing countries to increase their productivity and integrate successfully into world markets. This includes the important aspect of local job creation. At the same time, drawing lessons from the economic and financial crisis, SECO’s focus for 2013-16 is also on better prevention of the risks of globalization and the mitigation of economic vulnerability in developing countries. SECO therefore encourages and provides support to its partner countries to undertake important structural reforms and to diversify their economy, while engaging in international fora in order to prevent or mitigate global risks. With its interventions, SECO contributes to the Global Programmes of Switzerland’s international cooperation as described above, especially on “Finance and Trade” but also those on climate, water, migration and food security. SECO focuses its interventions on improving economic and financial policies, establishing urban infrastructure and facilities, supporting private sector development and entrepreneurship, promoting sustainable trade, and fostering climate friendly growth.

**Transition Assistance to Eastern Europe and the Commonwealth of Independent States (SDC and SECO)**

With this framework credit, Switzerland is contributing to the political and economic reform processes (transition) in the former communist states of Eastern Europe and the former Soviet Union. It aims to strengthen human rights and democracy by promoting the rule of law and citizens’ rights, to ensure a transition towards market-based economies, to promote economic and social development and the sustainable management of natural resources. SDC and SECO manage this credit jointly and their programmes complement each other.

SDC focuses on decentralization and good governance, reform of public health systems and water supply systems and also addresses the challenges caused by migration and climate change. SECO focuses on measures promoting economic development, i.e. the five areas/instruments are the same as for the economic and trade policy measures in development cooperation described above.

**2.1.2 Multilateral development cooperation (SDC and SECO)**

Multilateral development cooperation is an essential component of Switzerland’s international cooperation, since multilateral institutions are key players in the fight against poverty and the provision of global goods. Participation in international organizations is also in Switzerland’s own interest, allowing it to build alliances with countries sharing similar interests. Multilateral development cooperation is a joint SDC-SECO task. Through its active participation and financial commitment, Switzerland can influence global governance and show its international solidarity. Switzerland is a member of the governing bodies of many of these institutions. It advocates especially for the effective use of resources and continuous improvement of results-based management in these institutions. For 2013–2016, Switzerland has concentrated its development-related core funding on 13 priority organizations (international financing institutions, UN organizations, global funds and networks). With regard to multilateral humanitarian aid, SDC/HA concentrates its contributions on six priority UN organizations.

**2.1.3 Country strategies and thematic strategies**

Country strategies are published for every priority country of Switzerland’s international cooperation (regional strategy for regional programmes, including transition countries). They are elaborated in close consultation with the respective partner country’s government and support its poverty-reduction strategies and national development plan. They guide the Swiss bilateral programmes, based on a thorough analysis of the political and economic context, the bilateral
relations of Switzerland, the broader donor landscape and the actual development needs of the country. They define the priority domains of intervention to respond to the specific country context, specify the implementation modalities including an indicative budget as well as a results framework. Usually they cover a period of four years, often congruent with the period of the framework credit/ dispatch.

Thematic strategic frameworks or strategies are defined to provide medium-term orientation to achieve specific objectives, such as for the Global Programmes.

**SECO thematic policy: "Jobs as a cornerstone of development"**

SECO’s activities are based on the assumption that sustainable growth is necessary to reduce poverty. In order to do so, economic growth must create sufficient job opportunities that provide adequate income for the population at large.

SECO therefore works closely with international partners (mainly WB, IFC, ILO and UNIDO). In line with the development strategies of its partner countries, it promotes measures that create new jobs and improve labour productivity. These measures in developing countries focus on supporting the provision of reliable labour market data, improving the framework conditions (labour standards), strengthening institutions, promoting a job-creating private sector (SMEs) and providing targeted training to improve the skills of employees. These measures also seek to ensure equal development opportunities for men and women.

### 2.2 Approach to ODA resource allocation

Swiss development cooperation projects financed by ODA are implemented mainly by SDC and SECO. In doing so, they apply the following criteria for the allocation of ODA resources: occurrence of poverty and human (in)security; political interest of Switzerland; impact potential, comparative advantages of Switzerland (thematic competences) and openness for dialogue of the partner country or organization.

#### 2.2.1 Approach to bilateral ODA

In addition to above mentioned criteria for allocation of ODA resources, considerations such as the absorption capacity of partner countries in recent years, operational challenges in the implementation of current programmes and the maturity of the programme portfolio are also taken into account.

According to the Dispatch 2013-16, SDC allocates its financial resources as follows, in order to guarantee a critical mass and programme volume:

- The average financial allocation to SDC priority countries/ regions will be CHF 20 million per year for 2013-2016.
- For each priority country/ region, 80% of the commitments will be allocated to a maximum of three priority themes as identified in the medium-term country strategy.
- The indicative budgetary commitment for Africa will be increased to 45%, compared to 35%-40% for the previous period (2009-2012); for Asia a decrease to 35% (40% for the previous period) is envisaged, and allocation to Latin America will be maintained at a level of 15%. The rationale for this shift is the increased focus on LDCs.
- Previously, around one-third of SDC’s bilateral ODA for technical cooperation and transition assistance was allocated to thematic priorities which are now covered by Global Programmes. This share will increase to 50% by 2016.

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4 Activities by other federal agencies are classified as ODA according to the DAC notification guidelines (the largest being the in-donor refugee costs of the Federal Office for Migration). The corresponding figures are presented in Chapter 3.
For the economic and trade-related measures in the context of development cooperation (SECO), the resources are allocated according to a system with two dimensions.

On the one hand, in response to the thematic approach of SECO’s development cooperation, the total amount is divided into five priority themes. This thematic approach has proven successful and remains particularly relevant for tackling global challenges. The aim is to achieve a certain balance between the themes, taking into consideration the track record of past activities, the strategic orientation and projected measures. Therefore, each of the five themes receives roughly a fifth of the total amount, with a variation of +/- 20%.

On the other hand, the resources are allocated according to the type of measures: half of the framework credit is allocated to bilateral measures in the eight priority countries (CHF 600 million), with each country receiving between CHF 15 and 25 million a year during the 2013-16 period.

The other half benefits regional or global initiatives (CHF 420 million), priority countries of SDC via agreed complementary measures in SECO’s areas of expertise (CHF 150 million), special programmes in other countries in relation to other activities of SECO such as free-trade agreements (CHF 30 million). A significant amount goes to regional/global initiatives since the global challenges mentioned above need to be addressed primarily on a global scale, in addition to bilateral projects in specific countries. Complementary measures in priority countries of SDC are envisaged to ensure that these countries can also benefit from SECO’s expertise where this is explicitly requested (mainly in the area of economic and financial policy, e.g. in relation to general budget support).

For cooperation with the countries of Eastern Europe and the CIS, the ODA allocation is made as follows:

- The average financial allocation to SDC/SECO priority countries/regions will be CHF 25 million a year for the period 2013-2016.
- For each priority country/region, 80% of the commitments will be allocated to a maximum of four priority themes as identified in the specific medium-term country strategy.
- In the framework credit for 2007-2012, an allocation of two-thirds of the funds for the Western Balkans and one-third for the CIS had been envisaged. In the new period 2013-2016 the funds will be divided more equally between the two geographical regions. This is because Switzerland will increase its engagement in fragile contexts in general and consequently will invest more in its programmes in Central Asia and in the Southern Caucasus.
- Previously, around one-third of SDC’s bilateral ODA for technical cooperation and transition assistance was allocated to thematic priorities which are now covered by Global Programmes. This share will increase to 50% by 2016.

2.2.2 Approach to multilateral ODA

Switzerland engages in three types of multilateral organizations: the international finance institutions IFIs (lead SECO); UN organizations (lead SDC), and global funds and programmes (lead SDC).

Switzerland concentrates its support for the multilateral system by limiting its core funding to 135 multilateral organizations (development cooperation). It provides 80% of its multilateral aid as

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core contributions to these organizations in an effort to reduce aid fragmentation. The priority organizations were selected according to the following criteria: economic and foreign policy considerations, development relevance of the organization, results achieved by the organization, opportunity for Switzerland to play an active role in the governing and supervisory bodies of the organization.

With regard to humanitarian aid, CHF 608 million will be spent through UN organizations. WFP, UNHCR, OCHA, UNICEF, UNRWA and UN ISDR have been identified as priority partners. Selection criteria are: 1) mandate of the organization, 2) respect for humanitarian principles (independence, neutrality, impartiality and humanity), 3) institutional role of the organization in the HA system, 4) their networks and fora (thematically and regionally), 5) their capacities for delivering protection and assistance to people in need, and 6) their acceptance in the field.

Switzerland is committed to continuity in its contributions to multilateral organizations, allowing to build long-lasting partnerships on a predictable basis; efforts are being made to secure multi-year core commitments to the 13 priority organizations. The commitments for multilateral ODA should not exceed a threshold of CHF 2.77 billion for 2013-16 (40% of the SDC framework credit on technical and financial cooperation). Overall, the multilateral ODA will account for around 25% of total Swiss ODA for 2013-16.

### 2.3 Addressing poverty and inequalities in LDCs, MICs and fragile states

The overarching goal of Switzerland's international cooperation is sustainable global development to reduce poverty and mitigate global risks. In line with the DAC Poverty Reduction guidelines (2001), the overarching strategy set out in the Dispatch 2013-2016 recognizes the multidimensional aspects of poverty, such as insufficient income, inadequate nutrition, lack of security, frequent illness and low life expectancy, human rights abuses, little or no access to education and healthcare services, limited opportunities to take part in social and political decisions. These dimensions are taken into account when defining the priority themes for Switzerland's international cooperation.

Over the past two decades, significant progress has been achieved in reducing extreme poverty. Most of the “bottom billion” poor people are living today in middle income countries. Despite robust economic growth in emerging countries, their poverty situation has not changed much and there is still a very inequitable distribution of income and wealth. Major infrastructure bottlenecks, environmental problems and widespread inadequate education levels are salient features in such countries. In the Dispatch 2013-2016 Switzerland responds to these challenges by promoting sustainable economic growth in general and by addressing poverty and global challenges also in MICs.

SDC focuses on LDCs and fragile contexts having the greatest gap to achieving the MDGs: out of its 20 priority countries, 15 are LDCs and ten are fragile states. SDC places particular emphasis on supporting efforts initiated by the countries or their populations to create sustainable growth, jobs, income, and access to healthcare and education. Great importance is attached to environmental sustainability. SDC is increasing its commitment to the prevention and response to conflicts and disasters. These aspects are covered in detail in Chapter 5.3.

SECO’s emphasis is on supporting middle income countries which are committed to making serious progress on reforms; however, it also provides support to lower income countries, especially by way of its complementary measures in SDC priority countries. Moreover, SECO tries to support countries whose development has implications for poverty not only within their own boundaries but also regionally (regional "hubs"). SECO’s activities are based on the assumption

A 14th multilateral organization may still be added to the list: If the new Green Climate Fund were ready for replenishment, Swiss contributions would most probably come, at least partially, from the multilateral core contribution budget.
that sustainable growth is necessary to reduce poverty. SECO supports this by helping countries to integrate into the world economy and strengthen their competitiveness. The Dispatch 2013-16 underscores the need to create sufficient job opportunities that provide adequate income for the population at large in order to reach sustainable development.

Finally, Switzerland's international cooperation provides support to mitigate global risks and challenges to which developing countries are particularly vulnerable such as climate change, water scarcity, food insecurity, migration and financial (debt) crisis. Therefore, efforts to increase the resilience of communities and institutions to crises and catastrophes are crucial for the prevention of poverty.

### Reducing poverty in rural Bangladesh through agro-forestry

The Agro-forestry Partnership between SDC and Bangladesh, established in 1986, has helped small-scale farmers to increase their income through improved fruit and timber yields. In collaboration with national research institutions and plant nursery associations, high-quality planting material was developed, making it salinity-tolerant and bearing more nutritious or off-season fruit.

Bangladesh and Switzerland can thus look back on 25 years of successful collaboration that has led to a sustainable agro-forestry production system. By 2010, the establishment of over 7,300 private plant nurseries in Bangladesh had created permanent jobs for more than 10,000 people and seasonal jobs for an additional 25,000, some of whom are living in extreme poverty. Almost 50% of the employees were women. Bangladesh also endorsed a National Nursery Guideline in 2008, providing a policy framework for the development and distribution of quality timber and fruit trees. After hand-over of the entire project by SDC to the local authorities in 2012, it will be continued in the future without external support.

### 2.4 Cross-cutting issues

There are two cross-cutting issues of Switzerland's international cooperation: governance and gender equality. These are thus reflected in country strategies, annual reports, project proposals etc. Climate change was previously a cross-cutting theme at SECO, but this is now addressed by a Global Programme.

Switzerland promotes respect for human rights and good governance in its projects and programmes as well as in its policy dialogue. The definition of five governance principles (transparency, non-discrimination, participation, accountability, efficiency and effectiveness) helped to clarify the institutional understanding and to implement the cross-cutting issue in a systematic way. Increased quality of government services, better efficiency of public administrations and strengthened state accountability towards citizens are important goals of many operational programmes. Achieving these goals requires respect for the rule of law, a democratic system and a fair regulatory framework for both private and public enterprises, as well as clear rules for the interactions between state and civil society.

Switzerland’s efforts towards poverty reduction go hand-in-hand with its commitment to gender equality. In recent years, progress has been made in gender mainstreaming (do no harm approach). Building on its experience, Switzerland has developed tools for monitoring and reporting on gender equality. The systematic, yearly monitoring of gender progress has improved the commitment of management, gender sensitivity among staff and the quality of results. Within SDC, the Gender Equality Network played an important role in promoting the exchange of experiences and a peer-learning process. In promoting gender equality, Switzerland's international cooperation also takes cultural and contextual specificities into consideration.
3 ODA allocations

The Swiss Parliament decided in February 2011 to increase the financial resources for Swiss official development assistance (ODA) and adopted a 0.5% ODA/GNI target ratio to be reached by 2015. In a time of serious global economic and financial crisis, this parliamentary decision reaffirms Switzerland’s strong commitment to international cooperation. The corresponding annual budgets need to be approved each year by Parliament.

In 2012, Switzerland’s ODA reached CHF 2'833 million, representing a 0.45% share of gross national income (GNI). More than two-thirds of this amount corresponds to development cooperation activities funded by SDC and SECO.

The Dispatch 2013-16 sets clear thematic and geographical priorities. Overall, there is much continuity with the previous period of 2009-2012, although adaptations have proven necessary to take into account the changing international environment.

Switzerland considers bilateral and multilateral development cooperation to be complementary. The share of ODA devoted to multilateral institutions for the 2013-2016 period should not exceed 40% of the framework credit for Technical Cooperation.

3.1 Overall ODA volume

The Swiss Parliament decided in February 2011 to increase gradually the financial resources for its development assistance and approved an official target to reach a target ratio of 0.5% ODA/GNI by 2015. This decision was immediately translated into an exceptional additional budgetary allocation of CHF 640 million for 2011 and 2012. In a time of serious global economic and financial crisis, this parliamentary decision reaffirms Switzerland’s strong commitment to international cooperation.

In 2012, around 70% of Swiss ODA was disbursed for development cooperation activities by SDC and SECO. Other federal offices also perform activities notified as ODA according to DAC guidelines: in-donor refugee costs account for 22% (Federal Office for Migration), while peace and security measures account for 4% (FDFA: Directorate of International Law and Human Security Division; Federal Department of Defence, Civil Protection and Sports).
Table 2: Swiss ODA 2008-2012 by department: disbursements according to OECD/DAC rules

<table>
<thead>
<tr>
<th></th>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<td></td>
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<td>310.3</td>
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<td>337.4</td>
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<td>1'176.1</td>
<td>1'212.3</td>
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<td>109.2</td>
<td>106.6</td>
<td>105.7</td>
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<td>246.9</td>
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<td>156.2</td>
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<td>69.0</td>
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<td>12.5</td>
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<td>Assistance for asylum seekers in Switzerland</td>
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<td>381.1</td>
<td>476.8</td>
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<td>31.8</td>
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<td>-</td>
</tr>
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<td>41.2</td>
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<td>of which: contributions to international organizations</td>
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<td>41.3</td>
<td>42.1</td>
<td>42.1</td>
<td>41.2</td>
</tr>
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<td>6.9</td>
<td>7.1</td>
<td>7.3</td>
<td>6.2</td>
</tr>
<tr>
<td>of which: scholarships to foreign students in Switzerland</td>
<td>6.2</td>
<td>6.4</td>
<td>6.6</td>
<td>7.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Other federal offices</td>
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<td>15.9</td>
<td>20.6</td>
<td>18.3</td>
</tr>
<tr>
<td>Cantons and municipalities *</td>
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<td>43.9</td>
<td>47.6</td>
<td>42.2</td>
<td>45.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2'234</td>
<td>2'504</td>
<td>2'398</td>
<td>2'707</td>
<td>2'833</td>
</tr>
</tbody>
</table>

| ODA as % of gross national income (GNI) | 0.42 % | 0.44 % | 0.39 % | 0.45 % | 0.45 % |

* Estimate for 2012.

The additional ODA funds provided for the years 2011 and 2012 were deployed for both bilateral and multilateral cooperation and were fully committed by the end of 2012. The funds under bilateral cooperation were used for water and climate-related projects, including additional “fast-start finance” measures as set out in the Copenhagen Agreement. At the multilateral level, the additional resources enabled Switzerland to fulfill its multilateral commitments related to the 12th replenishment of the African Development Fund (AfDF), and to provide continued support for the Multilateral Debt Reduction Initiative (MDRI) as well as to the United Nations Development Programme (UNDP).

In line with the commitment to reach the 0.5% ODA/GNI target by 2015, Parliament approved a financial volume of CHF 11.35 billion (the above-mentioned framework credits) with the Dispatch 2013-2016. This corresponds to around 3% of total federal expenditure (2010). Disbursements will increase annually by 9.2% between 2012 and 2016. Explanations on how Switzerland shares its financial projections (forward spending plans) with developing countries are given in Chapter 5.1.

### 3.2 ODA geographical and sector allocations

The Dispatch 2013-16 sets clear priorities, both thematically as well as geographically. Overall, there is much continuity with the previous period of 2009-2012, although certain adjustments have proven necessary to take account of the changing international environment.
3.2.1 ODA geographical allocation

As recommended in the last Peer Review, Switzerland continued its efforts to concentrate its development activities. In selected priority countries in which both SECO and the SDC are present, activities are carried out in a complementary manner.

Switzerland’s priority countries/regions for 2013-2016:

**Technical cooperation and financial assistance: 20 priority countries/regions of which 10 are considered fragile:** East African Great Lakes, the Horn of Africa, Southern Africa and Niger, Chad, North Africa/Palestine, Hindu Kush, Mekong, Nepal and Haiti. The other 10 priority countries feature more or less stable conditions: Benin, Burkina Faso, Mali, Mozambique, Tanzania, Bangladesh, Mongolia, Bolivia, Cuba and Central America.

**Economic and Trade Policy Measures: 8 priority countries:** Columbia, Peru, Indonesia, Vietnam, Ghana, South-Africa, Egypt (same as for 2009-2012) and now also Tunisia as of 2013.

**Transition assistance: 9 priority counties/regions:** Albania, Bosnia Herzegovina, Kosovo, Macedonia, Serbia, Ukraine, Moldova, Central Asia and the South Caucasus.

Technical Cooperation and Financial Assistance for Developing Countries (SDC)

Comparing the 2012 situation with that in 2009, SDC increased both the total share of its bilateral ODA invested in its priority countries/regions as well as the financial resources allocated per priority country/region. As envisaged in the previous framework credit for 2009-2012, SDC successfully phased out its bilateral cooperation programmes in Ecuador, Peru, Pakistan, North Korea, India and Madagascar. While SDC programmes will be gradually phased out in South Africa (2014) and Vietnam (2016), new ones will be initiated in the Horn of Africa region (including South Sudan) and Haiti, consolidating previous humanitarian aid there. In addition, certain regional programmes (RP) will be reinforced to effectively address cross-border challenges to mitigate risks such as climate change, migration and natural resource management as well as regional market integration (new in Tunisia and Egypt as part of the RP North Africa; new in Zimbabwe as part of the RP Southern Africa; new in Myanmar and Cambodia as part of the RP Mekong).
From 2013 onward SDC will concentrate bilateral activities on 20 priority countries and regions, of which 15 are LDCs. Ten of these countries/regions are considered fragile: East African Great Lakes, the Horn of Africa, Southern Africa and Niger, Chad, North Africa/Palestine, Hindu Kush, Mekong, Nepal and Haiti. The other ten priority countries feature more or less stable conditions: Benin, Burkina Faso, Mali, Mozambique, Tanzania, Bangladesh, Mongolia, Bolivia, Cuba and Central America.

**Economic and Trade Policy Measures in the Context of Development Cooperation (SECO)**

SECO’s ODA allocation for the economic and trade policy measures in the context of development co-operation shows a high level of continuity since the last Peer Review. SECO’s bilateral activities concentrate on the seven priority countries already defined for the 2009-2012 period (Columbia, Peru, Indonesia, Vietnam, Ghana, South Africa and Egypt). This engagement will be intensified as resources allocated to each county increase. In addition, Tunisia has been added as the eighth priority country for 2013-16, as part of the time-bound North Africa Programme in response to the “Arab Spring”. SDC’s priority countries can also benefit from SECO’s thematic expertise by way of "complementary measures", for which a certain amount has been reserved in the framework credit.

**Transition Assistance to Eastern Europe and the CIS (SDC and SECO)**

There has been no change here since 2009. This testifies to a high degree of continuity in Switzerland’s engagement in Eastern Europe and the CIS. Switzerland pursues its engagement in a total of nine priority countries/regions. This includes five priority countries in the Western Balkans (Albania, Bosnia Herzegovina, Kosovo, Macedonia and Serbia), two regional programmes in Central Asia and the South Caucasus, as well as bilateral programmes with Ukraine and Moldova. With the exception of Moldova, which is covered by SDC’s interventions only, all other strategies are joint programmes between SDC and SECO.

### 3.2.2 ODA thematic allocation

Swiss cooperation seeks thematic concentration at the country level, taking account of the country’s specificity, division of labour among donors, specific Swiss cooperation experiences, potential for scaling-up, and thus the impact potential. With regard to the number and the content of Switzerland’s priority themes, there was no substantive change in the Dispatch 2013-16. Their relevance with regard to sustainable global development in order to reduce poverty and global risks remains unchanged.

Switzerland’s priority themes are derived from the objectives of Switzerland's international cooperation as well as from the experience and the specific competences of each agency involved. Five priority themes are linked to global challenges and risks, for which Switzerland has established related thematic “Global Programmes” to expand its intervention portfolio. These priorities are reflected in the thematic orientation of SDC and SECO, and in their respective framework credits. Each framework credit specifies how the priority themes are operationalized. SDC and SECO are complementary in their thematic approaches and the instruments they use.

**SDC**’s technical programmes address the following nine themes:

- **Conflict transformation and resilience to crisis**: This includes peace and state-building activities in fragile situations and community resilience towards climate change risks.
- **Health**: This includes activities to reduce especially communicable diseases, strengthening local health systems with a focus on primary health care and reproductive health.
- **Water**: The focus is on access to clean water and water management as well as on access to sanitation.
- **Basic education and vocational education and training**: This includes activities to improve access to basic education and vocational skills development and to strengthen education systems.
- **Agriculture and food security**: This includes activities to promote land tenure rights, the sustainable use of land, pastoral and water resources, increasing yields of rural farmers.
- **Private sector and financial services**: This includes activities of rural economic development, especially agricultural value chains and micro-finance.
- **State reform, local governance and civic participation**: This includes activities of decentralization and strengthening local government, as well as improvement of domestic accountability mechanisms.
- **Climate change**: This includes activities to promote the use of renewable resources, sustainable forestry management as well as adaptation and mitigation measures.
- **Migration**: This includes activities to strengthen national migration policies and institutions, to combat human trafficking and to foster local integration.

SDC’s priority themes for transition assistance are the same, with the exception of conflict transformation and climate change. Four of these thematic priorities (marked by *) are matched with a Global Programme.

![Thematic distribution of SDC bilateral cooperation with the South and the East 2012 (million CHF)](image)

Figure 2: SDC’s thematic bilateral ODA allocation for 2012

Switzerland’s economic development cooperation activities draw on the core competences of SECO. Therefore, the objectives and thematic focus of such activities are coherent with Switzerland’s foreign economic policy, building on the assumption that increased participation in world trade promotes growth and development, provided that the national production capacities are competitive. Therefore, the five thematic priorities of SECO’s Economic and Trade Policy Measures in the Context of Development Cooperation and its activities under the Transition Assistance to Eastern Europe and the CIS are the following, as outlined in the Dispatch 2013-16:

- **Strengthening economic and financial policy**: This includes activities aimed at supporting economic reforms and fiscal policy improvements as well as promoting a stable and well-developed financial sector.
- **Improving urban infrastructure and utilities**: This includes activities aimed at ensuring a reliable energy supply and sustainable water supply, wastewater and waste management. To respond to the growing challenge of urbanization, a new approach of integrated urban infrastructure development will be promoted.
- **Supporting private sector development and entrepreneurship**: This includes activities aimed at improving the business environment for companies, access to long-term investment capital and entrepreneurial skills.

- **Promoting sustainable trade**: This includes activities aimed at improving the framework conditions for sustainable trade, the international competitiveness of producers and SMEs and market access for sustainably produced goods and services.

- **Fostering climate-friendly growth**: This includes activities aimed at promoting energy efficiency and renewable energy sources, the sustainable management of natural resources and new market/financing mechanisms for climate protection.

These thematic priorities are also reflected in the thematic organizational structure of SECO/Economic Cooperation and Development. With these activities, SECO contributes to the Global Programmes, especially "Finance and Trade".

![SECO cooperation with the South and the East by instruments 2012 (million CHF)](image)

**Figure 3**: SECO’s thematic bilateral ODA allocation for 2012

NB: "Fostering climate-friendly growth" was not a separate thematic priority in 2012, but a cross-cutting theme mainstreamed in the four thematic priorities mentioned in the figure above.

### 3.3 ODA channels (bilateral/ multilateral)

The bilateral channel has been extensively described above.

As regards the multilateral system, since the last Peer Review, Switzerland has further concentrated its support in line with the development priorities of the Dispatch 2013-16. Consequently, Switzerland has concentrated its core contribution funding on 13 multilateral organizations in an effort to reduce aid fragmentation. Switzerland engages in three types of multilateral organizations: the international finance institutions IFIs (67-70% of total Swiss multilateral ODA, lead SECO); UN organizations (20%, lead SDC); and global funds and programmes (10%, lead SDC).
Moreover, Switzerland aims to optimize international cooperation outcomes by encouraging interaction and synergies between bilateral and multilateral aid. Both SECO and SDC bilaterally co-fund projects together with multilateral institutions (known as multi-bi cooperation). This type of cooperation increases leverage, enhances cooperation and coordination between various actors in the case of multi-donor funds, and often results in a higher degree of aid effectiveness. In providing assistance for multi-bi programmes, Switzerland intends to promote innovative solutions and concentrates its contribution according to the themes outlined in the Dispatch 2013-2016, i.e. climate change, trade and finance, natural resource management, water, food security, health, post-conflict interventions and integration of the gender dimension.

### 4 Organization fit for effective delivery of development cooperation

SECO and SDC are jointly responsible for policy-setting and implementing Switzerland’s development cooperation activities. Both face the challenge of absorbing a significant increase in financial resources, triggering necessary adjustments in human resources and its management (HR planning, rotation, career prospects, etc.). While SDC underwent reorganization from 2008 to 2012 and is currently drawing the lessons learned from this process, SECO’s economic development cooperation has started to implement several adjustments to its structures and internal procedures. Both SDC and SECO conducted a decentralization process, ensuring increased field presence in partner countries and, in the case of SDC, delegating more operational and financial responsibilities to field offices. Special attention is given to the competences and skills of SDC and SECO staff. Knowledge sharing is ensured mainly through peer exchange, e.g. in networks.

#### 4.1 Institutional system and organizational changes

Within the Swiss federal government, two departments are responsible for policy formulation and implementation of the laws on international cooperation as well as cooperation with Eastern UN organisations

<table>
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<th></th>
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<td>7.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Special programmes of the World Health Organisation (WHO)</td>
<td>5.0</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>UN Programme on HIV/AIDS (UNAIDS)</td>
<td>4.4</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Other UN organisations</td>
<td>58.0</td>
<td>66.4</td>
<td>64.4</td>
<td>69.2</td>
<td>69.7</td>
<td>62.9</td>
</tr>
<tr>
<td><strong>International Financial Institutions</strong></td>
<td><strong>276.5</strong></td>
<td><strong>284.8</strong></td>
<td><strong>357.8</strong></td>
<td><strong>353.8</strong></td>
<td><strong>342.7</strong></td>
<td><strong>268.6</strong></td>
</tr>
<tr>
<td>African Development Fund (AfIDF) a</td>
<td>54.0</td>
<td>51.3</td>
<td>58.0</td>
<td>58.1</td>
<td>52.4</td>
<td>43.3</td>
</tr>
<tr>
<td>Asian Development Fund (AsDF)</td>
<td>13.3</td>
<td>13.3</td>
<td>13.3</td>
<td>13.3</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td>International Development Association (IDA) a</td>
<td>200.4</td>
<td>204.2</td>
<td>280.6</td>
<td>282.4</td>
<td>280.6</td>
<td>198.4</td>
</tr>
<tr>
<td>Inter-American Development Bank (Special Fund)</td>
<td>8.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Other International Financial Institutions b</td>
<td>-</td>
<td>10.0</td>
<td>5.9</td>
<td>-</td>
<td>-6.2</td>
<td>13.6</td>
</tr>
<tr>
<td><strong>Other international organisations</strong></td>
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<td><strong>76.8</strong></td>
<td><strong>77.8</strong></td>
<td><strong>82.9</strong></td>
<td><strong>83.3</strong></td>
<td><strong>82.0</strong></td>
</tr>
<tr>
<td>Consultative Group on International Agricultural Research (CGIAR)</td>
<td>12.0</td>
<td>12.2</td>
<td>13.4</td>
<td>13.5</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>The Global Fund to Fight AIDS, Tuberculosis and Malaria</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Other organisations</td>
<td>52.3</td>
<td>57.6</td>
<td>57.4</td>
<td>62.4</td>
<td>61.3</td>
<td>60.0</td>
</tr>
<tr>
<td><strong>Total multilateral ODA</strong></td>
<td><strong>505.8</strong></td>
<td><strong>534.6</strong></td>
<td><strong>606.5</strong></td>
<td><strong>612.6</strong></td>
<td><strong>601.2</strong></td>
<td><strong>541.9</strong></td>
</tr>
</tbody>
</table>

Table 3: Swiss multilateral ODA 2008-2012 by organization, disbursements according to OECD/DAC rules

a Incl. Multilateral Debt Relief Initiative (MDRI)
b IMF Trust Fund and capital subscription to regional development banks. For 2011, includes recovery due to exchange rate variation.

Moreover, Switzerland aims to optimize international cooperation outcomes by encouraging interaction and synergies between bilateral and multilateral aid. Both SECO and SDC bilaterally co-fund projects together with multilateral institutions (known as multi-bi cooperation). This type of cooperation increases leverage, enhances cooperation and coordination between various actors in the case of multi-donor funds, and often results in a higher degree of aid effectiveness. In providing assistance for multi-bi programmes, Switzerland intends to promote innovative solutions and concentrates its contribution according to the themes outlined in the Dispatch 2013-2016, i.e. climate change, trade and finance, natural resource management, water, food security, health, post-conflict interventions and integration of the gender dimension.
Europe and the CIS: the Swiss Agency for Development and Cooperation (SDC) deals with technical cooperation and financial aid for developing countries as well as humanitarian aid, while the State Secretariat for Economic Affairs (SECO) is responsible for measures related to trade and economic development. Both entities assume co-responsibility for multilateral development cooperation: SECO has the lead for international financial institutions and UNCTAD/UNIDO; SDC for the prioritized UN organizations and the global funds. The 1977 Ordinance specifies that the global concept for Switzerland’s international development cooperation has to be defined jointly by three offices (SDC, SECO and Federal Finance Administration), and that implementation is solely the responsibility of SDC and SECO.

4.1.1 SDC

SDC is a federal office within the Department of Foreign Affairs. It is organized into four operational departments (c.f. Annex 3): Regional Cooperation, Global Cooperation, Cooperation with Eastern Europe and the CIS, and Humanitarian Aid, as well as three units directly reporting to the Director (Staff of the Directorate, Institutional Partnerships, and Specialized Service Corporate Financial Planning of Resources).

SDC underwent a reorganization in the period from 1st October 2008 to 31st December 2012. This was implemented in two phases.

In the first phase (2008), emphasis was placed on the organizational structure: The organizational matrix, with one thematic department supporting four operational divisions, was abolished in order to bring thematic competencies and multilateral programmes closer to the operational tasks. Today, there are four operational divisions only, and thematic expertise is mainstreamed within these divisions with the help of so-called “focal points”. These are in charge of fostering learning and knowledge management (for details c.f. Chapter 4.3.2). Furthermore, several service units were transferred to the FDFA (human resources management, IT and translation services, internal audit and communication). The quality and quantity of services related to communication and human resources are being evaluated in 2013 in order to define measures to increase efficiency and effectiveness.

The second phase of SDC’s restructuring focused on the links between SDC Headquarters and Cooperation Offices, as well as on working methods. Numerous instruments were updated and implemented, covering the area of (a) results-based management (such as SDC’s Annual Report and the Core Contribution Management, for details see Chapter 6.1), (b) field office management and (c) human resources management. In the area of field office management, the Cooperation Offices report for the first time on their internal control system, consciously managing risks, and on various aspects of the office management. SAP, project accounting system and contract management have been decentralized to Cooperation Offices accompanied by training organized by Headquarters. With regard to human resource management, the division of labour between Headquarters and Cooperation Offices was redefined, clarifying the different roles in assuming strategic, operational, financial and administrative tasks. Furthermore, SDC’s presence in the field was enhanced. This process has reinforced the strategic role of Headquarters, while decentralizing operational tasks to Cooperation Offices. Finally, to increase efficiency, financial targets for the commitment of funds per project were defined, but after three years of monitoring, SDC’s overall target achievement has remained at a level of only 40-50%.
4.1.2 SECO

SECO is a federal office within the Federal Department of Economic Affairs, Education and Research (EAER). It has one domain dealing with Economic Cooperation and Development (SECO/WE) with the mandate of supporting the economic integration of developing countries into the world economy (as part of the strategy for foreign economic policy). It closely interacts with the other domains of SECO, which deal mainly with Swiss economic policies. This provides an opportunity to use Swiss experience in economic affairs for SECO's development cooperation programmes, thus also contributing to policy coherence for development. The domain of Economic Cooperation and Development is organized thematically. Its structures have been adjusted in order to ensure an effective implementation of the Dispatch 2013-16, especially regarding the challenges posed by the increased additional financial resources under its responsibility. Currently, SECO/WE has four operational divisions (Macro-economic Support, Infrastructure Financing, Investment Promotion, Trade Promotion; c.f. Annex 3) complemented by a division responsible for global initiatives and the management of issues related to the priority countries. These operational divisions interact closely with the policy and quality divisions as well as the multilateral aid division. The climate projects are implemented by these four operational divisions coordinated by a focal point. Finally, it also has a division responsible for implementing projects under Switzerland's contribution to the enlarged European Union (not ODA), due to thematic synergies with development cooperation projects.

SDC’s reorganization in 2008-2012

The main goals of the reorganization were: (a) more efficient programme and project management, (b) clearer division of labour between Headquarters and field offices, (c) steering instruments focusing on results, (d) delegation of finance and administration to the field, (e) improved internal control system, and (f) to enhance SDC’s presence in the field. To ensure effectiveness as recommended by the DAC in 2009 the outcome of SDC’s reorganization was closely monitored using specific performance indicators.

The reorganization of SDC was substantial and successfully implemented by the end of 2012: With the new structure and instruments efficiency was further increased by the elimination of duplication of efforts, the decentralization of responsibilities and with SDC working more closely with other Directorates of the Department of Foreign Affairs. SDC’s overall transaction costs were reduced and development policies are now implemented more effectively. The participation of SDC staff in this process of reorganization, their valuable knowledge and experience was absolutely key. Compared to 2008, there are now fewer instruments, guidance is clearer, and there is a stronger focus on results. For the first time, all instruments can be accessed through SDC's web-based Field Handbook. Finally, due to the successful implementation of the second phase of the reorganization, the financial competencies of various hierarchy levels, both at Headquarters and in the field, were increased in 2012. This measure is expected to further enhance SDC’s efficiency.
Since the last Peer Review, SECO has also implemented a decentralization process. In its eight priority countries in Southeast Asia, Africa and South America, SECO has its own field representation since 2009, staffed with one expatriate and several NPOs. For priority countries in Eastern Europe and CIS, SECO maintains the well-established system of joint Cooperation Offices with SDC. The decentralized structures will improve the quality and results of development interventions in a sustainable way. To ensure efficient cooperation between HQ and the field offices, the division of labour has been defined at an operational, strategic and financial level. Although responsibilities of the field offices have been expanded in recent years, the main responsibility for project management and strategic steering remains at Headquarters. In that sense, this decentralisation process is different from the one at SDC.

4.3 Human resources

On average, 3.8% of the framework credits of the Dispatch 2013-2016 will be used to fund Swiss personnel at Headquarters, in field offices and in local and international partner organizations and to implement bilateral programmes.
4.3.1 Staffing levels, composition and location

At the end of 2012, some 356.6 FTEs (409 persons) were working at SDC's Headquarters in Berne; 127.3 FTEs (129 persons) were working as expatriates in the field and five FTEs were seconded to international organizations. The Cooperation Offices in the field also employed National Programme Officers and administrative staff in various functions (1038.9 FTEs corresponding to 1064 persons).

To effectively manage the additional financial resources granted for 2013-16, SDC has developed a medium-term plan of quantitative and qualitative personnel resources required until 2016. Recruitment has already started. However, strategic staff planning remains a challenge: it is difficult to develop and manage a system that is both sufficiently flexible and predictable. The review and adaptation of the rotation system of SDC personnel is on hold. The adaptation of SDC's HR policy was stopped before the re-formulation of the FDFA personnel policy started. This process was stopped in July 2011, and the lack of a strategic framework to address these questions remains a challenge.

Building upon the priorities of the Dispatch 2013-16, and in response to the recommendation of the 2009 Peer Review, the following personnel measures have been successfully implemented:

- To ensure thematic expertise within SDC, four thematic staff career paths have been established: “blue” (water), “green” (climate, rural development, food security), health, employment and vocational training.
- SDC has defined the skills profile and reviewed the pay scale for six key functions: Director of Cooperation, Deputy Director of Cooperation, Head of Finance and Administration, Business Administrator Advisor, Programme Manager.
- To ensure sufficient Swiss personnel resources on the ground in fragile situations, Switzerland developed new staffing rules and conditions for the entire foreign affairs ministry. The rules define specific career paths and include incentives for working in fragile states. These will come into force by July 2013.
- A new local personnel policy has been developed and rolled out. This policy strengthens the status of local staff and recognizes their very valuable role. It also clarifies mutual expectations.
- A new programme was approved in December 2012 to support (for a three-year pilot phase) the access to Switzerland's priority international organizations for up to 11 young Swiss professionals annually.

SECO currently employs 79 FTEs at its Headquarters in Berne (around 90 persons) in the domain of Economic Cooperation and Development. SECO staff in field offices and embassies (17 FTEs) implement and supervise the programmes in the partner countries, assisted by National Programme Officers (12.6 FTEs) and administrative assistants (5.5 FTEs). Local staff also work for SECO in the joint offices shared with SDC (Eastern Europe, CIS, North Africa); these are under the administration of SDC and hence not counted here. Finally, SECO assigns representatives to international organizations and to Executive Director’s offices with the international development banks, currently accounting for seven FTEs.

With the Dispatch 2013-16 giving more financial resources to SECO as compared to the last period 2009-2012, the modalities of cooperation and types of intervention need to be reviewed and staff numbers need to be increased. A thorough analysis has thus been conducted on the additional human resources and the thematic profiles needed, both at HQ and in the field. On this basis, an integrated resource management system is currently being set up in order to improve the strategic staff planning. This means optimizing the allocation of resources to defined tasks and better planning of HQ/field rotation. Recruitment has started for the additional posts newly created. However, implementation of the projected changes will be a challenge.
Generally, the thematic organization of SECO's Economic Cooperation and Development encourages specialization and hence clustering of knowledge within the organization. SECO will continue to encourage exchange between the thematic divisions. The reorganisation has created new prospects for career development in the form of new responsibilities given to the deputy heads of division (e.g. personnel management duties). "Controlling focal points" have been created within each division to ensure ownership of quality assurance instruments. In general, given the additional personnel resources granted to SECO, it is expected that the very high work burden on each employee can be reduced. This has been an issue of concern since the last Peer Review, with each employee managing an average of 15 projects.

4.3.2 Knowledge management and research

Switzerland strives to continuously foster its competencies and innovation capacity through a comprehensive knowledge management approach and systematic capitalization of experience.

SDC’s guiding principle regarding knowledge management is to recognize its own staff and the staff of partner organizations as bearers of relevant knowledge. Knowledge management is thus the responsibility of all staff and all organizational units, mainly using networks to acquire, discuss and share knowledge. Based on an external evaluation in 2008/2009, knowledge networks were established to trigger and organize learning, knowledge exchange and innovation in key areas of SDC’s work. The aim is to strengthen the quality of SDC's activities at programme and policy level. Currently there are 17 networks facilitated by a "focal point". The thematic-oriented networks\(^6\) are congruent with SDC’s priority themes and include SDC staff and partners. The five management oriented networks\(^7\) involve SDC staff only. Approximatively 1500 persons participate in these networks.

r4d – Research for Development

Building on the lessons learned from decades of supporting research and development, SDC and the Swiss National Science Foundation (SNSF) have established in 2012 a new, long term research partnership programme with a financial volume of CHF100 million for the next 10 years (r4d Program, www.r4d.ch). This joint programme is open to Swiss researchers and their research partners in Africa, Asia, and Latin America. Communication and application of research results into policy and practice are an integral part of this programme. The enhanced exchange with research partners should support development relevant technological, political, and social innovation for a more equitable and sustainable development. The thematically responsible units of SDC’s Global and Regional Cooperation and the thematic networks are actively involved in this process.

Furthermore, to ensure development effectiveness, the availability of new knowledge and innovative approaches is becoming increasingly important in all areas of Switzerland’s international cooperation. Collaboration with Swiss research institutions and their research partners in Africa, Asia, and Latin America plays a critical role in SDC’s effort to address global public goods. SDC invests around CHF 50 million in scientific research each year. This includes programme contributions in thematic priority areas, funding as part of SDC’s multilateral commitment and commissioned research.

Finally, with regard to staff development in general, SDC offers a range of internal training courses for various thematic and methodic competencies, skills and knowledge management. External training opportunities are supported and recommended by SDC.


\(^7\) Quality Assurance, Aid Effectiveness, Financial Management and Systems, Internal Controlling System, Political Economy and Development, Multilateral Institutions
Recognizing the importance of continuous skills development and knowledge management, SECO has created a new position for training and knowledge management as of 2013. A major task will be to develop a holistic skills development concept for staff both at Headquarters and in the field, as well as a knowledge management system. Seeking innovative training formats will become a priority for SECO. In 2012, it participated in the testing of SDC’s RBM e-learning tool, which is now available to staff and even the public.

Generally, staff are encouraged to participate in courses offered by the department and also to pursue external training offered by universities, international organizations, etc. Many internal training courses have been maintained since the last DAC Peer Review, most of which conducted by in-house resources and partly facilitated by external experts. In 2013, a specific course for the newly created controlling focal points will be organized. Finally a one-week training event is organized at HQ for the local National Programme Officers (NPO) every two to three years; the next one will be held in 2013. The last such training event was highly appreciated as it allowed the NPOs to deepen their knowledge about SECO tools. Nonetheless, the concept for NPO training will be reviewed.

Experienced staff is encouraged to organize so-called Brown Bag lunches, with or without external experts, where they can present their expertise to their colleagues. Through this format, SECO staff access new knowledge about international cooperation. Numerous joint seminars with experts from SECO’s implementing partners (WB, IMF, etc.) further support SECO’s participatory approach to knowledge management. Finally, SECO’s Economic Cooperation and Development also organizes an annual retreat, where staff from HQ and field offices are brought together to exchange about topics of interest to all.

5 Delivery modalities and partnerships for high quality aid

Switzerland's international cooperation is fully aligned with the development priorities of its partner countries. Switzerland is committed to delivering high-quality aid and strives continuously to increase the effectiveness of its interventions, also in fragile states. It has elaborated accordingly a Swiss policy for the implementation of the Busan Commitments. In this context, Switzerland continues to be particularly active in the area of “Results and Accountability”. The predictability of Swiss ODA funding is quite high, and efforts have been made to increase transparency by making information on corresponding activities available online. Switzerland promotes a mix of instruments including general budget support for the delivery of its aid. The partner countries’ own systems are used on a case-by-case basis, if deemed appropriate after a thorough risk assessment. The untying level of Swiss ODA has been close to 100% over the years, the only tied aid being food aid (dairy products).

Switzerland works in close cooperation with a wide range of governments, private sector actors, international organizations, NGOs, civil society organizations and universities/research institutes in partner countries and in Switzerland. Positive experiences have been made in promoting South-South cooperation, while Swiss triangular cooperation is in its early stages.

5.1 Budgeting and programming processes

5.1.1 Budgeting and predictability

Continuity and predictability are the guiding principles of the financing arrangements in Swiss development cooperation. The Laws on Development Cooperation and on the Cooperation with Eastern Europe and the CIS provide for a multi-annual financing mechanism. The Federal Council proposes framework credits to Parliament for the commitments of SDC and SECO in so-called Dispatches. In 2012, for the first time, a single dispatch integrating all framework credits relating to Switzerland’s international cooperation 2013-16 was approved by the Swiss Parliament.
The allowance of funds from the framework credits granted in the dispatch (“envelope”) is ruled as follows: The Parliament decides every autumn on the overall allocation of funds for the following year’s budget and takes note of the financial planning for the following three years. This mechanism allows long-term commitments and favours predictability.

In development cooperation, disbursements arising from commitments can stretch out over several years, depending on the pace of implementation of a project and the availability of funds. Generally, the volume of commitments tends to exceed the resulting disbursements by 15-20%.

In order to respond to exceptional situations (such as a humanitarian crisis or unexpected events like the Arab Spring), SDC can transfer a maximum of CHF 125 million between the two framework credits for Humanitarian Aid, and Technical Cooperation (Parliament must approve the yearly transferrable amount; for 2013 it is CHF 30 million).

For a timeframe of three years, forward-looking financial data is available as part of Swiss federal administration’s regular annual and medium term financial planning process. At SECO, Guidelines for Aid Predictability were established and implemented for the first time at the beginning of 2013. The internal SDC/SECO annual planning process provides two to three years projections for priority countries and regional programmes. This information is communicated at aggregate level to the DAC Survey on Aid Allocation and Indicative Forward Spending Plans, as long as an agreement on the publication of forward spending data at project level in the framework of the “common standard” has not yet been reached. Respective data is shared through Swiss Cooperation offices with the partner countries. SDC will gradually extend coverage to also include non priority countries/regions.

Since the last Peer Review, SECO has introduced a new financial planning instrument (2011/2012). This allows for rolling planning of engagements and disbursements over a four-year period, including at individual country level. As a consequence, the budgeting process is now much more straightforward and systematic and the quality of budgetary forecast has been significantly improved. Therefore, the project programming and portfolio management at thematic and country level now takes place on a sounder basis. SECO is currently exploring possibilities to continue the systematization of its programming and budgeting, having invested substantive resources in improving its SAP system. This will allow for improved and continuous monitoring of projects.

Switzerland has significantly strengthened its strategic financial planning for multilateral aid, including both actual and expected commitments, as well as budgeted and projected payments, over a four-year period. This information is regularly updated. It serves as the basis for informing the DAC and for preparing a Swiss negotiation position for future core contributions to multilateral organizations.

8 The specific regulatory context of Switzerland does not foresee five years’ forward-looking financial planning.
### Switzerland's implementation plan for the Busan Commitments

SDC and SECO have jointly formulated a Swiss policy for the implementation of the Busan Commitments. This identifies the basic principles and the process for implementation as well as priority areas where additional measures should be taken. In particular, it takes into consideration the fact that the Global Partnership strongly advocates for implementation of commitments and its monitoring at the partner country level. The statement builds upon the Joint Policy Statement and Action Plan developed for the AAA implementation as well as a self-assessment of adherence to the aid effectiveness principles conducted in 2011. In the next two to three years, Switzerland will mainly address the **unfinished business** of the aid effectiveness agenda, primarily improving **Transparency, Aid Predictability and Use of Country Systems**. Taking into consideration the areas where Switzerland has a strong track record, **four priority issues** will be addressed at operational level and as part of the policy dialogue: **Results and Accountability, Fragility/New Deal, Climate Change Finance and Public-Private Cooperation.**

## 5.1.2 Alignment and use of country systems

Switzerland's development cooperation is aligned to the priorities of the partner countries. It is important that the citizens of the partner country take ownership of their development plans and that the partners comply with minimum democratic and administrative standards. Our experience shows that the mix of aid modalities and instruments is important for achieving development results. This calls for a flexible approach adapted to the prevailing country context. While supporting programme-based approaches (PBAs) and sector-wide approaches (SWAPs), Switzerland contributes to the corresponding policy dialogue based on its experience gained in specific projects. Instruments and modalities are chosen on a case-by-case basis, when assessed as most effective.

**SDC** remains a reliable partner in SWAPs (Health and Agriculture) but has not engaged in new SWAPs/PBAs recently. In many cases SDC supports national programmes but chooses not to spend funds on budget (reasons: fiduciary risks or lack of democratic control of the respective processes). In addition, SDC has newly implemented a decentralized budget support in Mali. **SECO's General Budget Support (GBS) activities are continuing, and the strategy for budget support in LICs and MICS, at central and decentralized levels, has been revised. New phases were launched in Ghana (2012, with an element of decentralized budget support), and are planned in Mozambique and Burkina Faso (2013). A new GBS project may also start in Vietnam. GBS is used as a point of entry for policy dialogue on necessary public finance management (PFM) reforms. Thematic SWAPs have been supported, e.g. for the financial sector in Ghana.**

In the next two to three years, Switzerland will mainly address the unfinished business of the aid effectiveness agenda, primarily improving **Transparency, Aid Predictability and Use of Country Systems**.

**SECO** is prepared to use country systems where the corresponding institutions are mature (e.g. public finance management). The possibility is evaluated when projects are conceptualized with the analysis of the local institutions’ capacities, using the due diligence provided in the **Draft SECO Guidelines on the Use of Country Systems**. These guidelines have been applied in five pilot cases so far. SECO advocates a sequencing approach, i.e. first strengthening the institutions in order to be able to use the country systems in a second step. This entails continuous and close risk and project monitoring. However, some of SECO's partner countries show little...
interest for the use of country systems approach due to country-specific constraints like inadequate organizational and institutional structures at government level, complex administrative processes and procedures, delays in budget execution, adverse incentives for public entities, inadequate reporting and accounting and the absence of a formal coordination structure among donors. The experience of other donors in such contexts has shown that the use of country systems is possible but with huge transaction costs.

5.1.3 Risk assessment

Several tools are applied by Switzerland with regard to contextual, programmatic and fiduciary risk assessments.

SDC has a long standing experience with a self-developed instrument called “MERV”, which is used to assess changes in the country context (e.g. social, economic, human security aspects). The MERV forms an integral part of the annual country reporting, and the results are fed back into programming. In high-risk environments, the analysis is updated several times a year. To enhance accountability with regard to programme, operational and financial/administrative management, Cooperation Offices produce an Annual Office Management Report. This contains a detailed Internal Control System Compliance Report with a risk control matrix for all business processes. This information is analyzed at Headquarters and a management response is provided. Moreover, in the context of the second phase of its reorganization, SDC has restructured its management tools and revamped several instruments. With substantial efforts in staff training, this has translated into further strengthening of risk assessment at all steps of the Project Cycle Management. A renewed sensitization of the staff to the risks of fraud and corruption has also been initiated. Furthermore, management roles have been redefined, with a stronger focus on accountability.

In 2010, SECO introduced a risk policy addressing six different levels of risks at project level: development risk, fiduciary risk, reputational risk, financial risk, environmental and social risk (including risk related to gender disparities). Each of these risks has to be assessed in detail before project implementation is permitted, and mitigation measures must be outlined accordingly. Internally, SECO conducts a systemic risk analysis every three years. The last one was carried out 2012, scrutinizing 21 sampled projects in relation to the financial planning of projects, compliance of contracts, use of log-frames and follow-up of project-risks. The analysis has shown that most processes are well established, but that the follow-up of the risks identified before and during project implementation could be improved. Finally, SECO also has an anti-corruption handbook for project managers (awareness building and guidelines).

At the international level, Switzerland has been very active in promoting harmonization of diagnostic instruments and better coordination e.g. in the areas of PFM and Debt Management. SECO advocates for the coordination between involved parties, the use of synergies and avoiding the creation of additional instruments possibly duplicating existing ones. Accordingly, SECO makes use of common analysis tools where available. One problem is that sometimes these are not publicly available (e.g. MAPS for procurement systems).

5.1.4 Untying

The untying status of Swiss ODA in partner countries has been close to 100% over the years, the only tied aid being food aid (dairy products). Switzerland has always advocated for a greater harmonization on the tying status among DAC members and was a co-sponsor of the WP-STAT proposal to exclude from the calculation the in-donor costs, which are untiable by nature, such as in-donor refugee costs. Nonetheless, Switzerland agreed to declare the refugee costs as tied from 2010 onwards in order to be compliant with others and on condition that this category would be excluded from the calculation. The DAC statistics for 2011 do not reflect this agreement, showing a Swiss untying ratio of only 74% (instead of 97% if in-donor refugee costs are excluded). This issue will have to be addressed.
Regarding procurement, Switzerland attaches great importance to the economical and effective use of public funds. Procurement activities are guided by the principles of transparency, equal treatment and the promotion of competition. All mandates above CHF 150'000 are open for public bidding and for SDC available on its website. SECO has issued a new handbook on procurement to explain in detail the corresponding processes to its staff.

5.1.5 Conditionality

Traditionally, no conditionality has been applied within Switzerland's international cooperation. In the parliamentarian discussions for the Dispatch 2013-2016, consideration was given to the possibility to link international cooperation with domestic migration interests. This proposal was rejected. However, the approved Dispatch stipulates that Switzerland should analyze and take account of relevant Swiss migration interests when engaging in programmes with developing countries.

5.2 Partnerships

5.2.1 Engaging with other donors

Switzerland actively engages in country led coordination mechanisms, including joint analysis and programming where appropriate. Swiss development activities are harmonized with other donors as far as possible. The objective is to add value in a complementary way, building on the specific comparative strengths and specificities of Swiss experience gained through long-term engagement in a given country context. Moreover, since 2012, SDC has engaged in a more structured and regular bilateral dialogue with some like-minded donors. This effort stimulates policy and operational exchanges of experiences, as well as cooperation between capitals and in partner developing countries.

5.2.2 Accountability

Achieving better development results and impact is at the very core of the aid and development effectiveness agenda. To strengthen accountability in both partner and donor countries, Switzerland underlines the need to promote and strengthen adequate national monitoring and information systems (MfDR, statistical services). Switzerland is prepared to invest in improving such systems, in order to strengthen partner countries’ ability to measure and manage results achieved from all relevant budget resources. Switzerland took an active role in the Working Party on Aid Effectiveness, holding the Chair of the Cluster on Ownership and Accountability, and took the lead on donor results reporting in the Cluster on Management for Development Results MfDR. Therefore, it is well placed to contribute to international discussions on ownership, accountability and results, important topics of the Busan Partnership. At present, Switzerland has taken the co-lead ad interim of the Building Block for Results and Mutual Accountability with Bangladesh. In the area of mutual accountability, Switzerland has some experience with instruments such as PEFA that include a component of donor accountability, as well as the DP-PAF (Ghana).

Switzerland will continue to support the enhancement of ownership and domestic accountability agenda, calling for stronger inclusive participation by representatives from CSOs, parliaments, unions, and the private sector. The provision of an enabling environment is essential. This inclusive approach is also promoted in fragile and conflict-affected situations.

5.2.3 Engaging with the private sector

Switzerland works in close cooperation with a wide range of governments, private sector representatives, NGOs, civil society organizations and universities/research institutions in partner countries in order to foster regionally adapted solutions, improve coherence and coordination, facilitate the transfer of know-how between partner countries and promote the use of Swiss
know-how. Strategic partnerships have also been maintained within Switzerland with specialized agencies such as the import promotion platform (SIPPO), international institutions, as well as research institutes (IHEID, universities, etc).

Switzerland considers the private sector to be a key driver for development, employment and income, and its importance has been further stressed in the new Dispatch 2013-2016. Beyond private sector development, Switzerland is deepening its engagement in partnerships with the private sector with a view to cooperating with (Swiss) enterprises in poverty reduction and the preservation of global public goods, both at operational and policy levels. Partnership with the private sector aims at mobilizing knowledge, innovation capacity and resources for development objectives.

Traditionally, SECO is responsible for private sector development in developing countries due to its thematic competence and expertise. It is therefore a recognized partner in this area and works closely with the corresponding leading international organizations (IFC, UNCTAD, UNIDO) and companies/ NGOs at Swiss and international level (e.g. in financial intermediation, insurance, trade). Especially in the trade sector, SECO has developed a variety of partnerships with private sector players (retailers such as Coop and Migros, Nestlé) and NGOs and initiated or reinforced a variety of multi-stakeholder initiatives regarding the development of private voluntary standards. In addition, smaller commodity manufacturers in developing countries are also partnering with SECO and Swiss NGOs to promote the production of fair trade and organic chocolate.

To further increase its development partnerships with the private sector SDC has recently established its own policy and criteria for engaging in partnerships. Such partnerships are sought to achieve a higher impact with regard to social/ economic or ecological results. Based on these development partnerships, SDC also intends to access specific expertise from the private sector and to stimulate innovation. SDC is already engaged in Public Private Development Partnership with major Swiss companies and their foundations, in areas such as sustainable water management and weather micro-insurance.

Switzerland is also actively engaged in national and international discussions regarding the mobilization of private sector funding for environmental issues and climate change.

5.2.4 Engaging with civil society organizations

Partnerships with stakeholders from civil society are a key instrument for the implementation of Swiss development cooperation. Switzerland regards a strong civil society as a pre-condition for promoting equity, accountability and democratic participation. At the regional and country level, cooperation with CSOs and the promotion of an enabling environment for CSOs is being pursued within the framework of the respective cooperation strategies.

Cooperation with Swiss NGOs has been intensified in light of the importance of civil society's contribution to reducing poverty and mitigating global risks as well as national awareness raising on these issues in Switzerland. Switzerland engages with NGOs through various mechanisms, ranging from formal consultations, e.g. on the Dispatch 2013-2016, to less formal discussions about policies in relation to particular issues or countries, and informal networks of people with shared interests in issues and events.

Taking into consideration the recommendation of the last Peer Review, the SDC’s system of programme contributions to Swiss NGOs has been completely restructured. Selection is now based on the NGO’s competence and performance as well as the relevance of their programmes for reducing poverty and global risks. In a first step, an institutional analysis of the NGO is conducted with criteria related to organizational identity, governance, strategy, and management structures. In a second step, qualified NGOs can enter into negotiations on programme contribution, but this does not automatically guarantee a partnership agreement. SDC
has agreed partnership agreements for the 2013-16 period with 24 Swiss NGOs, engaging almost CHF 500 million.

5.2.5 Approach to South-South and triangular cooperation

Switzerland has no policy on South-South and triangular cooperation, but both SDC and SECO engage in such activities and the Dispatch 2013-2016 stresses the importance of strengthening these partnerships. Examples are numerous: contributions to regional organizations (Southern African Development Community, SADC) and to research institutes involved in South-South cooperation (Ifakara Health Institute in Tanzania), use of expertise of Southern implementing partners, and projects focusing on the transfer of knowledge or technology between priority countries (energy-efficient brick production in India, Nepal and South Africa).

<table>
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<tr>
<th>SECO: Fostering South-South Peer Learning</th>
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<tr>
<td>• SECO supported Vietnam between 2001 and 2010 in strengthening its institutional framework for a more effective assurance of intellectual property protection and patents. Capacity building and know-how transfer were carried out in close cooperation with the Federal Institute for Intellectual Property IPI in the form of so-called twinning arrangements. In the course of the WTO accession process of Lao DPR, the achievements and lessons learned from Vietnam were transferred to the case of Lao in order to fulfill the requirements of the TRIPS agreement. This was possible thanks to SECO’s financial support.</td>
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<td>• Together with UNIDO, SECO established a programme to strengthen the network of Cleaner Production Centers to promote sustainable ways of production. South-South know-how transfer is a central component of this programme. It uses an IT-based knowledge management system, together with annual peer learning events.</td>
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<td>• The Public Expenditure Management Peer Assisted Learning (PEMPAL) is a powerful regional peer learning initiative supported by SECO which enables countries to learn from each other on public finance issues across the Europe and Central Asia region. PEMPAL has successfully implemented peer learning with ‘communities of practice’ in three areas: budget, treasury and internal audit. Members of these communities meet regularly to discuss reform issues, develop various knowledge products and share experiences and tools.</td>
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Switzerland supports triangular cooperation as an important potential mechanism to expand the dialogue and partnership with new emerging donors. SDC is open to considering triangular cooperation in particular in the context of the Global Programmes on water, climate change and food security. However, triangular cooperation also entails risks and challenges, such as dealing with multiple partners, leading to higher transaction costs. Therefore, considering its capacity constraints, SDC has decided to proceed step-by-step and selectively in developing this new cooperation modality. Moreover, to ensure ownership, Switzerland pursues an opportunity-driven approach and seeks to enter such projects when they bring added value and are in the common interest of all partners. For example, SDC has engaged in a policy dialogue on development cooperation with China. In 2012, in the context of the OECD China-DAC Study Group, SDC facilitated a joint study tour on agriculture effectiveness in Zimbabwe, together with the International Poverty Reduction Centre in China. In addition, Switzerland welcomed a MOFCOM delegation to Berne in 2012 for an exchange on Swiss development cooperation legislation and practice.
5.3 Fragile states

The approach chosen to engage more in fragile and conflict-affected areas is very much aligned to the concepts debated and decided upon in OECD-DAC INCAF, in the International Dialogue on Peace Building and State Building and in the New Deal for Engagement in Fragile States (ND). This approach is also deeply rooted in Switzerland’s practical experience of the last years in difficult situations, e.g. when it chose to stay engaged in a partner country despite the eruption of a conflict (Nepal), and when it tried to combine humanitarian aid and development cooperation with peace and state-building. SDC developed a Conflict Sensitive Programme Management (CSPM), to adjust cooperation modalities to the fragile context.

5.3.1 Country strategies address conflict and fragility

The New Deal is a high priority for Switzerland, also for the implementation of the Busan Commitments. Based on an external evaluation of its performance in fragile situations SDC elaborated an operational plan in 2012 on how to implement the out of fragility agenda within SDC and beyond (partners on all levels). This covers five areas:

- Swiss country strategies in fragile states must build upon a comprehensive context and conflict analysis addressing the political and social dimensions of fragility. They must also include an explicit hypothesis of change and refer to the five Peace and Statebuilding Goals.
- The whole-of-government approach will be further strengthened, mainly by elaborating joint country strategies with shared goals and outcomes. Almost all new strategies in fragile countries are joint strategies with other offices of the FDFA, especially with the Human Security Division.
- To ensure sufficient and competent Swiss personnel resources on the ground in fragile situations, Switzerland developed new staffing rules and conditions for the whole foreign affairs department.
- A process has been launched to elaborate a coherent security strategy in the field for the entire foreign affairs department, with clear roles and responsibilities.
- To ensure accountability and a focus on results, a specific outcome goal was determined in the Dispatch 2013-16 which refers to relevant contributions of SDC in this area. Indicators have been defined for the monitoring, in line with the Peace and Statebuilding Goals, and a corresponding policy marker has been introduced into SAP.

Fragility is also an issue in MICs, and more thinking is needed on how to integrate this approach in development cooperation activities in these countries too.

SDC uses a mix of modalities in fragile situations, determined by the CSPM analysis and the risk assessment. It aims to gradually increase its use of country systems and is exploring, for example, the extent to which funds allocated to the water sector in South Sudan can be spent using the state budget. However, more needs to be done to systematize the risk management
approach. To ensure impartiality and democratic ownership, it is crucial to maintain programme components with CSO’s.

5.3.2 Coordination with local government and other donors

Switzerland promotes the integration of the New Deal content into ongoing policy processes at partner country level (PRSP) where fragility is an issue. This starts with a solid fragility assessment. Switzerland can add value thanks to its field presence, the available context and conflict assessments of its CSPM, its traditional neutrality and its bridge-building capacity, for instance with civil society. Possible contributions of SDC to the implementation of the New Deal in pilot countries are currently being discussed. In Afghanistan for example, possibilities to engage in a fragility assessment are currently being explored.

Switzerland is convinced that different instruments should be combined in fragile and conflict-affected states to avoid financing gaps. The UN and the World Bank are major actors with very valuable initiatives that complement efforts by bilateral donors in fragile contexts. One relevant issue is how to manage a smooth transition from a UN mission to a UN normal operation. For example, in Nepal, SDC supports the expanded Resident Coordinator office that provides integrated support on a range of peace-building, humanitarian and development issues. This project has enabled the UN to play an important role in leveraging collaboration between stakeholders and improved the level of coordination within the UN system. A UN-WB Trust Fund has been set up with support from SDC. This finances joint initiatives and projects, such as a public expenditure review of the security sector in Liberia or a joint Peace Consolidation Plan for Western DRC.

6 Results, transparency and accountability

In an effort to fulfill the Paris Declaration’s principle of “Managing for Results and Mutual Accountability”, Switzerland has further strengthened its RBM systems, mainly at country level but also in the Dispatch 2013-16. Since the last Peer Review, both SDC and SECO have introduced new instruments that have been successfully applied and further improved. The evaluation system has been significantly strengthened, e.g. with the mainstreaming of the management response requirement at SDC and with the establishment of an External Evaluation Committee at SECO. Moreover, efforts have been continued to ensure that evaluation results are used for internal learning and feed into future programming. Finally, communication on results achieved has been improved and special attention is given to introducing a more strategic approach to communication.

6.1 Results-based management system

The objectives of Swiss development cooperation are defined on two levels: overall policy objectives for Switzerland’s international cooperation as formulated in the Dispatch 2013-2016 and strategic objectives as formulated in (1) country strategies, (2) multilateral contribution programmes and (3) thematic Global Programmes.

At the overarching level, SCD and SECO put great effort into establishing a results system within the Dispatch 2013-16 in order to be able to account for the results achieved during this period in an aggregated manner. Thirteen impact goals have been defined, with a corresponding set of standard indicators. On this basis, Switzerland will report on the results achieved in a joint SDC/SECO report covering the 2011-2015 period. This will be an improvement compared to the 2009-2012 period, for which each agency produced separate impact reports, building upon the results of annual reports and independent evaluations (“Switzerland’s contribution: the achievement of SDC”, “SECO takes stock”).

At the level of strategic objectives, SDC and SECO apply rather similar instruments. They also provide information on results achieved in relation to the overarching goals mentioned above.
(1) Country strategies (development/humanitarian):

An annual country reporting system has been introduced within each agency since the last Peer Review in order to measure the results achieved at the country level according to the country strategies and thus to determine the Swiss contribution to country development results (SDC “Annual Report” 2009; SECO “Country Strategy Implementation Report CSIR” 2010). In the countries with a joint SDC/SECO programme, common RBM tools were established. Based on the results frameworks defined in the country strategies, results measurement uses existing information from country data systems where possible, as well as information from the Swiss project implementation monitoring (e.g. country strategy evaluations). In principle, no additional indicators are imposed on country systems. Reporting requirements are agreed with national partners. The Annual Report, including management response and the CSIR, are used not only as steering tools for portfolio management but also for the annual planning of Switzerland’s activities in the respective country. Based on country results reports for 2012, a results synthesis pilot is currently being elaborated in order to aggregate country results at the corporate level (SDC).

(2) Multilateral contribution programmes:

For the 13 Multilateral Organizations (MOs) that receive core contributions, Switzerland has developed its own instrument (the Core Contribution Management, CCM) to assess the effectiveness of the organization and the results of the dialogue conducted between Switzerland and the organization. In order to do this, Switzerland selects a limited number of core priorities from the corporate results frameworks of the MO. On the basis of these selected MO priorities, Switzerland defines its own objectives for its policy dialogue activities with the MO and identifies results to be achieved through this dialogue. The results achievement is measured annually, building upon the reporting of the MO and assessments by programme managers. The evaluations conducted by these organizations, and other international performance assessment instruments such as the Multilateral Organization Performance Assessment Network (MOPAN) are important performance indicators. Senior management provides a management response to this report.

(3) Global Programmes:

Monitoring and reporting of results achieved are conducted through the "Annual Reports of Global Programmes" and specific projects reports (work in progress). It is still a challenge to measure the results achieved in influencing the international policy dialogue; this work is in progress. New measures were introduced in the 2012 annual reporting to assess and report on policy outputs and outcomes, but these are not yet consolidated. For SECO, the approach to Global Programmes is currently being reviewed, including the RBM aspects.

The use of the RBM instruments is periodically assessed (quality assessments) in order to adapt standards if necessary and to improve their use. In 2012, SECO carried out an internal risk-analysis. This showed that there is room for improvement, mainly at project level: there is need for a more RBM-oriented reporting format to be used by implementing partners and a more coherent follow-up of risks identified before and during project implementation.

**Management reports**

Strategic decision-making in SDC’s management system is supported with a quarterly steering and Management Report to the Board of Directors on results achievement, finances, efficiency of internal processes and staffing. The Management Report has been in use since 2009 and is currently being adapted to be better aligned with the new objectives and strategic orientation of the Dispatch 2013-16.

SECO is also working on an update of its current “Management Cockpit”, which reports on results achievement, finances, internal processes and staffing with the objective of giving an overview of SECO’s economic development cooperation activities and processes.
6.2 Evaluation system

6.2.1 Evaluation policy and independence

SDC’s evaluation policy is currently being updated to ensure that the results reporting requirements as determined in the Dispatch 2013-16 are covered. Moreover it needs to be brought in line with the latest structural changes in the FDFA (certain evaluation responsibilities transferred to the Internal Audit Office of the General Secretariat).


Internal reviews, mandated by the operational line departments, are focusing on project- and programme results. About 100 reviews are conducted each year. Two innovations should be noted in this respect. First, a new hybrid evaluation approach, where teams are composed of both internal and external experts, is being piloted since 2011 for country strategy evaluations. Secondly, an external peer review is being undertaken of the Global Programme Water since 2011; internationally recognized experts are being mobilized for an annual review of SDC’s water portfolio.

With four FTEs for evaluation and a share of 0.4% of its total development cooperation budget, SDC’s evaluation system remains modest. This is considered suboptimal, given the increase in financial resources, the commitment to better development effectiveness and public scrutiny on impact and transparency.

SECO’s evaluation policy (March 2009) defines key principles, responsibilities and organizational arrangements for the evaluation function. To ensure greater transparency, independence and credibility as well as to optimize the use of evaluations and lessons learned, the Evaluation Unit of SECO's Economic Cooperation and Development reports to an external independent evaluation committee. This committee, founded in 2009, reports directly to SECO's senior management.

SECO conducts internal, external and independent evaluations, assessing its projects on the basis of the OECD/DAC's international criteria. Internal evaluations are carried out by the project managers, while external evaluations and independent sector evaluations are conducted by independent specialists outside of SECO. Each of these evaluation types substantially contribute to accounting for results as well as internal learning. All evaluations are included in a two-year evaluation work programme. Normally, SECO conducts about 25 internal reviews and 20 external evaluations on development cooperation every year. One independent thematic evaluation is conducted each year based on the recommendations of the external evaluation committee.

Each year, SECO spends approximately CHF 2 million on the evaluation of its development cooperation activities. This includes personnel expenses (1.1 FTE) and all mandates for external evaluations.

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9 See also: poor Swiss rating in the Study “Better Aid – Evaluation in Development Agencies” (DAC, 2010)
and independent evaluations. This is equivalent to 0.725% of SECO’s development cooperation budget.

SDC and SECO maintain close links with each other on evaluation approaches and methodologies, exchange on findings of important studies and also undertake joint effectiveness reports on selected themes (climate change 2014; agriculture 2010, water 2009). These reports examine the sector portfolio performance over a ten-year perspective and draw lessons for adapting strategies and approaches. In addition, at national level collaboration exists with the Swiss Evaluation Society and the Network of Evaluation Professionals in the Swiss government.

For SDC and SECO, the DAC Network on Development Evaluation remains the key international exchange platform. Both agencies also jointly participate annually in the informal exchange on evaluation experiences with development agencies from Germany, Austria, Belgium and the Netherlands (DACH). Switzerland continues to contribute to the European Evaluation Society and, through IPDET, EvalPartners (UNICEF), AFREA and CLEAR to the strengthening of evaluation capacities in the partner countries.

6.3 Learning from evaluation results

Since the last Peer Review, emphasis has been placed on open access and better use of evaluations as a forward-looking management tool. To ensure that evaluation recommendations get adequate follow-up and that the evidence gained informs future programming, each external and independent evaluation requires a management response. An institutionalized follow-up on the implementation of recommendations as decided in the management response ensures optimum institutional learning. Furthermore, lessons learned from evaluations are integrated into strategic reflections and decisions on instruments and approaches. A recent SDC/SECO review on "Capitalizing and Communicating Evaluation Results" showed that the appropriation of evaluation results is easier when evaluations are conceived as learning processes. Moreover, formal accountability processes (management responses) are not sufficient and need to be completed by more person- and organization-centred dissemination approaches (networks, workshops, etc.).

**Evaluation of the Performance of SDC Instruments in Fragile and Conflict-affected Contexts 2011/2012**

An external evaluation was carried out 2011/2012 to assess the performance of SDC instruments in fragile and conflict-affected contexts. Field missions were undertaken to Tajikistan, Congo, Burundi and Ruanda). Desk reviews were conducted for Nepal, Hindu Kush, OPT, and Haiti. Two internal reference groups accompanied the work of the external development and humanitarian aid experts. The main recommendations concerned the need to develop a clear and coherent vision for activities in fragile states, to focus on comparative advantage, to provide sufficient resources and finally to implement a coherent strategy to achieve transformational change aligned with the priorities of the New Deal and to link this strategy with the respective partner country strategies. SDC’s Board of Directors welcomed the recommendations and endorsed an action plan in May 2012.

Publishing evaluation results is very important to ensure a broad sharing of lessons learned within and outside the organizations concerned and to enhance transparency on the results of development activities. Therefore, all independent evaluations including management responses are systematically published on the SDC and SECO websites (for SECO, including the position of the External Evaluation Committee). Internally, an evaluation database is already in place at SECO and currently being built for SDC.
6.4 Communication, accountability and development awareness

6.4.1 Communication

Switzerland’s development cooperation will come under greater scrutiny as its budget increases. Therefore, to reinforce public and political support for development co-operation, Switzerland’s development activities and in particular their impact need to be well communicated to both Parliament and the general public. Transparency and accountability are key to this endeavour. The current communication approach builds almost exclusively on (traditional) media work. In order to sustain public support in the long run, further investment in dedicated dialogue with stakeholders will be needed. The strategic approach has already been improved since the last Peer Review, with better interaction with the Consultative Commission on International Cooperation, and a more systematic approach towards Parliament and selected private sector representatives. However, there is a need for further develop stakeholder-oriented thinking and therewith target-group-oriented proactive dialogue through specific communication channels (e.g. social media, up-to-date Internet platform). With social media becoming an essential communication tool, both SDC and SECO are currently working on a social media concept. Key questions are how Web 2.0 tools could be used for disseminating development results, awareness raising and fostering public debate, and how social media can be followed and evaluated.

Communication efforts in relation to evaluation and results achieved have been considerably stepped up since the last Peer Review for the sake of public accountability and overall learning:

- Joint Effectiveness Report SDC/SECO on Agriculture and Food Security 2010, Water 2009; Climate foreseen for 2014
- Report on the achievements under the Dispatch 2009-2012, both by SDC ("Switzerland’s contribution: The Achievement of SDC 2006-2010") and SECO ("SECO takes stock")
- Report on Effectiveness of Economic Development Cooperation of SECO (annual)
- SDC/SECO Annual report
- Joint SDC/SECO MDG Report 2010
- Annual conferences South and East
- Independent Evaluations

In addition to the above-mentioned common communication endeavours, each agency also undertakes its own awareness and PR activities (thematic conferences, exhibitions, thematic leaflets and factsheets, etc.).

As a consequence of SDC’s reorganization in 2008, external communications is now handled by the FDFA. This hampers proactive communication to a certain extent. In addition, the total resources invested in communication have been reduced. For SDC proactive communication
remains a certain challenge and further investment is deemed necessary. In addition, the Swiss media landscape is changing drastically. Overall, SDC has to work hard to gain coverage and needs to link its work to current affairs and "hot topics" as well as working with established or traditional media as well as newer forms of social media.

Since the last Peer Review, SECO Economic Cooperation and Development (SECO/WE) has elaborated a strategic communication concept for its communication on development activities and results. Visibility among a wider public remains a challenge for SECO/WE, given that it is the smaller development partner in Switzerland. All communication activities of SECO/WE are coordinated by the External Relations and Event Coordinator based in the domain, thereby ensuring alignment with SECO's overall communication and an adequate development focus. Following the Dispatch 2013-16 the SECO/WE website experienced a complete make-over with a special emphasis on a coherent corporate design.

At the international level, communication efforts have been strengthened since the last Peer Review: Contact with the communication departments of the Multilateral Development Banks has been strengthened, highlighting Switzerland's role in projects (WB/IFC). In addition, participation by SDC and SECO in DevCom Meetings (OECD) has been intensified.

6.4.2 Transparency and accountability

SDC and SECO are committed to transparency and accountability. They communicate regularly and openly on their activities, at Headquarters and local level, in national and international fora, through SDC’s and SECO's websites, publications, etc. This includes communication on results achieved.

In response to calls for greater transparency and accessibility to data and detailed information, SDC has developed an online project database containing all newly approved project phases and contributions of more than CHF 0.5 million. This database has been online since May 2012. SDC is member of IATI.

At SECO, awareness of the importance of transparency regarding project-related data has been significantly raised over the past two years. In early 2013, SECO/WE Management gave a mandate for a transparency concept that would enable the online publication of project information (ideally directly linked to the data management system).

In the wake of the Busan conference on development effectiveness, a roadmap has been elaborated for the implementation of the commitments taken by Switzerland and specific measures will be defined on a rolling basis. SDC produced its plan for the common, open standard for electronic publication by December 2012, informing on the gradual implementation from the third quarter of 2013 onwards. SECO submitted its own plan in early 2013. As in other reporting countries, both agencies face problems at different levels: availability of data (for non-CRS data), confidentiality of data/information (contracts, internal evaluations, etc.), timeliness (quarterly) and all future links on the project documentation and its accessibility from the website. The common standard and the more progressive IATI standard are unfinished business as regards results, documents and forward spending data and the challenge to be able to find a common platform and codes with the partners own systems. SDC will continue to work on the necessary adjustments of central data management systems and find solutions to speed up the provision of data for common standard and improve accessibility through SDC’s website. SECO will continue to improve its data management system in order to be able to provide the necessary data for the "common standard".

7 Humanitarian Aid

Switzerland is recognized as a provider of needs-based, flexible and predictable humanitarian support. A strong organizational setup and active political leadership have made Switzerland a
leader among donors in improving and reforming the international humanitarian aid system. Swiss humanitarian aid provides direct assistance through the immediate deployment of expert teams from the Swiss Humanitarian Aid unit (SHA) in the aftermath of natural disasters and in armed conflicts. It also contributes to partner humanitarian organizations. It focuses on four areas of humanitarian action: prevention and preparedness, emergency relief, reconstruction and rehabilitation and advocacy. For the 2013-2016 period, Switzerland will invest more in prevention and resilience towards disasters, and in advocacy for the protection of victims and vulnerable groups. Complex humanitarian situations require a coordinated international response; Switzerland will therefore further intensify its international humanitarian collaboration.

Having Humanitarian Aid and Development Cooperation under SDC’s roof is conducive to adopting a holistic approach between development and humanitarian aid programmes. This materializes in joint country cooperation programmes and harmonized MdR instruments, evaluation practices and communication instruments.

7.1 Strategic Framework

The 1976 Federal Act on International Development Cooperation and Humanitarian Aid defines the objective of Swiss Humanitarian Aid: to save lives and alleviate suffering worldwide.

Preventing and dealing with crises, conflicts and disasters (is the core mandate of Swiss humanitarian aid (SDC/HA). SDC/HA therefore works in four priority areas:

- Prevention, to minimize natural and technological risks, that threaten lives and livelihoods.
- Rehabilitation, to initiate reconstruction and foster development.
- Emergency relief, to save lives.
- Advocacy, to strengthen the responsibility and obligation towards the victims as well as creating international sensitivity to victims’ concerns.

Due to its universal approach, and as a consequence of the unpredictability of crisis and required interventions, there is no specific geographical focus of humanitarian aid. However, to ensure a smooth transition from humanitarian aid to development work after major emergencies, SDC/HA focuses its rehabilitation and disaster risk-reduction interventions in particular on countries like Haiti, Pakistan and Myanmar. In addition, a trend for increased geographical focus comes in response to protracted crises. SDC/HA focuses its emergency aid in particular on countries/regions like the Horn of Africa, Sahel, DRC and Colombia.

SDC/HA provides direct assistance through the immediate deployment of expert teams from the Swiss Humanitarian Aid unit (SHA) in the aftermath of natural disasters or armed conflicts. It also supports partner humanitarian organizations. All humanitarian aid actions and programmes are in line with partner countries’ requests and their development plans. They take into account human rights, environmental aspects and gender-related social issues. Humanitarian aid is closely coordinated with other instruments, especially development cooperation.

In 2013-16, the following areas will be emphasized:

- SDC/HA will increase the number of its experts working in either SDC/HA programmes and projects or as secondees to international organizations.
- Switzerland will invest more to support partner governments and communities to strengthen resilience capacities with regard to natural disasters and humanitarian crises.
- Increased attention will be given to advocacy and protection measures for victims of conflicts and the strengthening of the international humanitarian principles of independence, neutrality, impartiality and humanity.
- SDC/HA will intensify its international humanitarian collaboration under the auspices of the UN and further invest in its longstanding relationship with the Red Cross movement.
Looking forward, Switzerland will consolidate its well-proven humanitarian instruments, in particular the Swiss Humanitarian Aid unit (SHA), and strengthen complementarity with long-term development cooperation. The transition from humanitarian aid to development cooperation programmes, or vice-versa, has been experienced in various countries. In Myanmar and the Horn of Africa for example, SDC’s Regional Cooperation (SDC/RC = development) took over from SDC/HA after SDC/HA had provided the groundwork for development projects. In other countries like Zimbabwe, SDC/HA still holds the lead but implements rehabilitation projects with funding and monitoring support from the SDC/RC. In other contexts, such as the DRC and Mali, SDC/HA has recently increased its engagement, while development efforts had to be reduced due to the worsening of the political situation.

The Dispatch 2013-16 emphasizes disaster risk reduction (DRR), resilience building and an integral risk management approach. SDC/HA places particular emphasis on strengthening local humanitarian mechanisms through preparedness and prevention programmes. All interventions are guided by a risk management approach, which takes political, social, economic and environmental risks into account. In addition, DRR is mainstreamed throughout SDC’s programmes where relevant, and has its own thematic network. SDC/HA closely cooperates with the UN ISDR, the Federal Office for the Environment (FOEN) and with experts from SDC dealing with climate change, water or food security, to consolidate the necessary expertise for a multidisciplinary response to the complex challenges of DRR.

For the 2013-2016 period, SDC/HA has a budget of CHF 2.025 billion (17.8 % of total ODA). This means that the budget will increase annually by an average of 12% until 2016. 30% of the budget will be spent on the bilateral programme, 30% will be spent through UN organizations that have been identified as priority partners (see below). Another 30% is earmarked for the ICRC. The remaining 10% of the budget will be used for management and emergency response preparedness. The maximum overheads for personnel costs are fixed at 3.4%. Finally, to ensure that funding of large-scale emergency relief operations does not adversely affect the funding of the response to ongoing humanitarian crises, SDC/HA has adopted a flexible emergency fund allocation system.

7.2 Effective programme design

For prevention activities as well as longer-term interventions with regard to rehabilitation and emergency response to protracted crises, three regional annual programmes are developed (Africa, Asia-America and Europe and the Mediterranean). However, as part of the humanitarian interventions cannot be planned, especially with regard to emergency relief, the planning must be flexible enough to allow a rapid response to emerging crises. Therefore, for sudden onset natural disasters like earthquakes, SDC/HA maintains a 24/7 alarm system which allows the deployment of a rapid response team within hours. For emerging humanitarian crises, SDC/HA relies on its extensive network of Swiss embassies and representations abroad. For example, this network has allowed SDC/HA to react quickly to the food crisis in the Sahel in 2011/2012.

SDC/HA’s capacities regarding humanitarian needs assessments have been constantly improved over the past few years. Whenever possible and/or necessary, an emergency response by a SHA rapid response team is followed by a reconstruction programme. After natural disasters in particular, SDC/HA reconstruction programmes include context-tailored prevention and preparedness measures.

In crises and/or conflicts situations SDC/HA plays an active advocacy role for the most vulnerable. Gender sensitive approaches are implemented whenever possible. These efforts have gained further attention as recommended in the last Peer Review.

Empowerment of beneficiaries and their participation is actively promoted by SDC/HA. This is best achieved through their involvement in decision-making processes. One practical example is SDC/HA’s cash approach, which allows beneficiaries to define their own recovery and recon
struction strategies. It encourages self-help approaches and promotes self-esteem and dignity. Furthermore, it can stimulate local markets to a significant extent.

With regard to multilateral humanitarian aid, SDC/HA concentrates its contributions on seven priority organizations: ICRC, WFP, UNHCR, UNICEF, OCHA, UNRWA and UN ISDR. The selection criteria are: 1) mandate of the organization, 2) respect for humanitarian principles (independence, neutrality, impartiality and humanity), 3) institutional role of the organization in the HA system, 4) their networks and fora, 5) their capacities for delivering protection and assistance to people in need, and 6) their acceptance in the field.

7.3 Effective delivery, partnerships and instruments

For effective interventions in the field, SDC/HA relies on its well-organized operational structure. Within SDC/HA the Rapid Response (RR) organizational unit is responsible for the timely deployment of the Swiss Rescue Chain\textsuperscript{10}, Rapid Response Teams, secondments as well as financial and in-kind contributions in cases of humanitarian emergencies. SDC/HA has its own central warehouse in Switzerland where emergency supplies and equipment for the use of rapid response and other teams are stored and kept in a state of readiness. SDC/HA continuously strives to improve and maintain the quality of its RR instruments and its compatibility with international coordination mechanisms. SDC/HA is preparing itself for the ISO 9001 recertification in 2013, and the UN International Search and Rescue Advisory Group (INSARAG) external reclassification in 2014. SDC/HA also supports countries prone to natural disasters to improve their emergency management systems through the application of UN INSARAG standards and methodologies. At the multilateral level, SDC/HA supports initiatives improving the coordination of international humanitarian assistance in the field of search and rescue.

Switzerland participates proactively in the global definition of humanitarian standards and policies, with a focus on humanitarian access and the protection of victims and vulnerable groups. To ensure a coherent and consistent approach SDC/HA works closely with the Directorate of Public International Law at the FDFA on their International Humanitarian Law mandate and with the FDFA’s Humanitarian Security Division’s on humanitarian policy issues. This collaboration, complemented by the participation of ICRC, OCHA and Conflicts Dynamics International, recently resulted in the “Handbook on the Normative Framework” and a field manual on “Humanitarian access in situations of armed conflict”. Another example of SDC/HA’s work on standards and practices is the project on sustained humanitarian presence in conflict zones.

To improve humanitarian effectiveness and coordination beyond its own organization, SDC is strongly involved in supporting humanitarian reform and the improvement of the humanitarian system through regular dialogue with like-minded donors and with its priority UN partners. Furthermore, SDC/HA is an active member of the Good Humanitarian Donorship (GHD) Initiative and contributes to the GHD work plan. In addition, Switzerland continues to contribute to and organize political or operational conferences on humanitarian action, coordination and financing mechanisms, involving many other like-minded donors (e.g. briefings on Syria, the Montreux retreat on partnerships). SDC also reaches out to non-traditional donors such as the Philippines, Indonesia, Turkey and the OIC.

For the various holistic responses between development and humanitarian aid programmes and the mix of instruments see Chapters 1.3 and 5.3.

7.4 Organization fit for purpose

The Humanitarian Aid of the Swiss Confederation (SDC/HA) is the humanitarian branch of the Swiss Agency for Development and Cooperation (SDC). SDC/HA has three geographical divisions (Africa, Asia-America, and Europe and the Mediterranean), which focus on emergency

\textsuperscript{10} The Swiss Rescue Chain is a network of Swiss organizations and private sector partners engaged in Rapid Response Actions.
aid/rehabilitation and DRR in the respective region, as well as a multilateral division aiming at strengthening the international humanitarian system. These divisions are complemented by two service sections (Human Resources and Logistics). Finally, the Head of SDC/HA has its own support office. The Head of SDC/HA participates in the Board of Directors of SDC, and has special authority to lead any rapid response disaster relief activities of the Swiss Confederation.

At the end of 2012, SDC/HA head office had a staff of 92.3 FTEs. In addition, 17 expatriates were deployed to Swiss field offices, which employed 57 national staff (55.7 FTEs). Headquarters staff will increase with the additional funding provided under the Dispatch 2013-16, but HR expenses are capped at 3.4% of total funds.

The Swiss Humanitarian Aid unit (SHA) is the operational arm of the Swiss Confederation’s Humanitarian Aid. SHA is a “militia” unit of around 630 qualified experts in various professions ready for deployment on international missions. SHA is organized into ten expert groups which ensure knowledge management and training. The SHA experts can either be deployed to SDC/HA projects implemented directly or as secondees to various UN agencies. In 2012, SHA experts provided a total of 55'000 days of work, equivalent to 155 FTEs. The operational, logistical and staffing aspects of the deployments of the SHA experts are managed by SDC/HA directly. Such an integrated approach has proven effective in guaranteeing a timely, tailored and needs-based humanitarian response.

Coordination across the government is ensured, as SDC/HA participates in coordinated government approaches towards priority countries (see Chapter 1.3).

SDC/HA strategically uses multilateral and bilateral humanitarian instruments in a complementary and mutually reinforcing way. Therefore, operational concepts were elaborated in order to support the implementation of the Dispatch 2013-16. Standards were defined for collaboration between the SHA, SDC/HA geographical divisions and the humanitarian multilateral cooperation. As recommended in the last Peer Review, SDC/HA also developed the “SDC Multilateral Humanitarian Aid Concept” which defines the specific objectives for the priority multilateral partners and Switzerland’s contributions to the transformative agenda.

7.5 Results, learning and accountability

The Swiss MfDR system includes also SDC/HA. Therefore SDC/HA follows the same rigorous MfDR approach as described in Chapter 6. Maintaining the high quality of projects implemented directly under the auspices of SHA constitutes a high priority. For all projects in the field of rehabilitation and recovery implemented through the SHA, a quality management system ensuring technical integrity has been put in place. A check against the established set of standards is compulsory for all these projects. Funds are disbursed only if the standards are met and quality management is ensured.

SDC/HA is included in SDC’s evaluation policy, so evaluation on Humanitarian Assistance is conducted along the same lines. To strengthen evaluation standards and approaches at the international level, SDC/HA has been supporting the ALNAP Network since its establishment.

Knowledge management is crucial for quality management and the continued improvement of implementation standards. SDC/HA is part of SDC’s thematic networks. This is complemented by knowledge exchange with regard to protection and cash modalities among SDC/HA staff and SHA expert groups. Responsibility for knowledge management is assigned to Focal Points.
ANNEX

Annex 1: Policy coherence for development - Selected examples

The Swiss Export Risk Insurance
The Swiss Export Risk Insurance (SERV) was set up as an independent public agency in 2007 and succeeded the previous Swiss Export Guarantee Agency scheme. The law governing the SERV includes the condition that the coherence with Switzerland’s foreign policy must be taken into account. This includes goals with regard to development, human rights, democracy, the peaceful coexistence of nations and environmental aspects. When assessing applications for insurance coverage, these aspects have to be taken into account. SECO leads the Federal Coordination Board for SERV. SDC, on behalf of FDFA, is also represented in this Board. For projects of great political importance, where a conflict of interests between export promotion (SERV-mandate) and foreign policy coherence might arise, the project has to be brought to the Federal Council for decision. For the purposes of transparency, SERV publishes details of projects involving a contract value in excess of CHF 10 million.

Health
The Federal Department of Foreign Affairs (FDFA) and the Federal Department of Home Affairs (FDHA) have been co-operating closely and successfully since 2006 on the basis of an agreement on objectives with regard to international health policy issues. In March 2012 the Federal Council approved Switzerland's new health foreign policy. This policy establishes priorities and defines a cooperation mechanism between all administrative units of the Swiss federal administration in matters of global health policy. A new feature of this policy is that actors outside of the federal administration (cantons, research, civil society, industry, service providers in the health industry, etc.) will be more closely involved in the implementation of this health foreign policy, which contributes to enhancing coherence. The status of implementation of the health foreign policy measures is reported annually, and will be reviewed after six years.

The Swiss health foreign policy recognizes specific policy issues to be tackled internationally and in a manner that is conducive to development. Among these are the fight against pandemics, the prevention and treatment of non-communicable diseases, the global shortage of health personnel, the reform of the World Health Organization WHO, the access to essential medicines and the protection of intellectual property.

Since the last DAC Peer Review the coherence of Swiss positioning in multilateral policy dialogue in sensitive and sometimes conflicting topics such as access to affordable medicines, protection of intellectual property, or research and development of medical products addressing the needs of developing countries could be further improved. This was achieved thanks to the collaboration of all concerned offices within the interministerial working group on health, innovation and intellectual property where respective Swiss consolidated positions are elaborated. These efforts and Switzerland’s serious approach to its development responsibilities enhance the country’s credibility as a global actor in the area of health. However, to sustain development coherent positions and policies continued efforts are still needed.

Migration
The Federal Council acknowledges a holistic view on migration that takes into account diverse aspects of migration, such as regular and irregular migration, return and reintegration, smuggling and trafficking, protection of refugees and Internally Displaced Persons, international gov-

ernance as well as the development potential of migration both for Switzerland and the countries of origin. Generally, the overall policy focus opened up from return and asylum to policy coherence, between migration and development.

The Swiss migration policy coherence platform called IMZ (International migration cooperation) is considered a best practice nationally and internationally. After its establishment in 2004, the interdepartmental structure was redefined and streamlined in early 2011. Since then, various federal offices (HSD, SDC; FOM, SECO, FedPol etc.) regularly participate in the "IMZ-Committee" which is the mid-level of the structure. The top level (Directors, State Secretaries) discusses the strategic orientation twice a year. In order to support these two levels, thematic or regional working groups can be mandated in order to prepare and implement operational decisions as well as swiftly respond to shifting priorities or emerging crises. Additionally, the position of a special ambassador for international migration was created in 2009; he is the key person to lead the political multi- and bilateral dialogue on Swiss external migration policy. The contribution by SDC to the IMZ is focused on ensuring that the development perspective is properly reflected in the analysis, discussion and decision making.

The main achievements of the IMZ are:

- The establishment of several so called migration partnerships (MPs). Such bilateral partnerships pursue a holistic understanding of migration and are based on mutual interests. MPs combine policy dialogue with operational support. MP agreements have been signed with the following countries: Nigeria, Serbia, Bosnia and Herzegovina, Kosovo and most recently Tunisia. They are established through a coordinated effort of all federal - sometimes cantonal - offices involved and proved to be useful for a constructive cooperation with these countries. In some cases, the bilateral dialogue within the MPs led to changes in the regulatory environment in Switzerland.

- The IMZ allows for more coherent participation in the international dialogue, such as the Global Forum on Migration and Development or the upcoming UN High level dialogue on migration and development. It fosters the ownership and coherence of Swiss positions as they are jointly elaborated by all actors concerned.

Overall the improved cooperation on migration is also reflected in the new Dispatch on International Cooperation 2013-2016 which considers migration and development as one of the six global challenges which require a concerted response. Under this framework, SDC and SECO implement activities under a Global Programme Migration and Development. The two offices coordinate their efforts closely.

**Climate Change Financing**

Since the last DAC Peer Review, there have been marked improvements in the mainstreaming of climate change and environmental issues in Swiss development cooperation. Engagement in CC has experienced a boost through the decision by Parliament in February 2011 to allocate a new and additional amount of CHF 125 million for climate change action in developing countries. These funds were allocated in equal parts to the budgets of SECO and SDC. Complemented by an additional amount of CHF 15 million on CC through the GEF (lead Federal Office for the Environment (FOEN)), a total of CHF 140 million was eventually announced as Swiss contribution to the "Fast Start Finance" initiative of the UNFCCC for the years 2010-12. International reporting on the use of these funds is done jointly by the three agencies involved, with a final report to UNFCCC due in May 2013. The same applies to all other financial reporting requirements related to multilateral environmental agreements.

In December 2011, the Directors General of SDC, SECO and FOEN signed the Terms of Reference for a new joint platform - PLAFICO - for improved collaboration and coherence on international environmental finance and development cooperation related to the environment. Since its inception, there have been regular meetings at both expert and Director levels. Other federal
offices such as the Political Directorate or the Finance Ministry have been associated. Today, this platform coordinates both ODA-related and other finance issues emanating from the Rio Conventions (CC, Biodiversity and Land Degradation/Desertification) and the multilateral environmental agreements on the management of chemicals (POPs, Mercury, Basel, Rotterdam). The administrative lead of PLAFICO rotates among the three agencies. To date, PLAFICO has proven successful in fostering increased collaboration and coherence among the three agencies. It is scheduled to be evaluated by the end of 2013. In doing so, the basic financial and political responsibilities have remained unchanged. FOEN has the lead on all multilateral environmental negotiations, and it has the budgets for Swiss core contributions to UNEP, the GEF and the Ozone Fund as well as those to MEA Secretariats and associated trust funds. All other multilateral and bilateral ODA contributions come from SDC’s and SECO’s budgets. The proven close cooperation between SDC and SECO in the Multilateral Development Banks is also continuing.

Strongly improved interagency coherence and cooperation can also be reported in regard to various environment/development networks and partnerships of mutual interest to the three agencies, such as the REDD Partnership or the Climate and Clean Air Coalition administered by UNEP. The same is true for interagency cooperation in various environment-related OECD bodies and task teams e.g. in DAC/Environt, in WP Statistics, or in the Joint OECD/IEA Expert Group on CC.

Tax and Development

Over the past decade, several high level declarations (from Monterrey 2002 to Busan 2011) called partner countries to intensify their efforts in mobilizing their own revenues to finance their development programmes. Issues of tax policy design and tax administration reform have been at the centre of SECO’s support to developing countries since the mid-1990’s. In doing so, SECO verifies that actions taken are consistent with the Swiss international tax policy. On 14 April 2012 the Federal Council decided to conclude exchange of information for tax purpose not only in the framework of double tax conventions but also in Tax Information Exchange Agreements. On this basis negotiations can take place with developing countries. However, a strong tax administration is a prerequisite to be able to manage the information collected through these agreements. Therefore SECO will continue its technical assistance for tax policy and tax administration reforms, in the area of public finance management and capacity building aimed at building sound institutions, both through bilateral projects with partner countries and multilateral initiatives.

Recently, international organizations have launched several initiatives, programmes and fora to promote collective international action on taxation. The figure below attempts to show the main actors involved in Switzerland and abroad. It shows how the international tax dialogue and the development agenda have become closely inter-twinned in what is called the debate on tax and development.
At the initiative of SECO, an informal interdepartmental group with SIF, FTA, FDFA, and SDC was created in 2009 to establish a dialogue on tax cooperation issues. The group meets regularly to coordinate the Swiss position in several international meetings (e.g. DAC/CFA programme on tax and development or the GFTEI strategy towards developing countries). Representatives from these offices also participate in joint missions, for example to attend meetings related to Tax and Development at the OECD. Finally, position papers are formulated on specific topics, proposing a common course of action and communication.
Annex 2: List of interdepartmental thematic groups relevant for policy coherence for development

- Working Group SDC – Federal Department of Defense, Civil Protection and Sport
- Working Group North Africa
- Working Group “Pentapartite” (Culture)
- Interdepartmental Sustainable Development Committee (ISDC)
- Interdepartmental Committee and Working Group Migration (IMZ/IAM)
- Task Force Global Forum on Migration and Development (GFMD)
- Resource Management Civil Protection
- Interdepartmental Committee on security sector reform (SSR)
- Interdepartmental Committee on small arms
- Interdepartmental Committee on security council resolution 1325
- Interdepartmental Working Group on combating corruption
- Coordination committee on mine action
- Interdepartmental Working Group on terrorism
- Interdepartmental Committee on international humanitarian law
- Interdepartmental Working Group on terrorism
- Interdepartmental Working Group on communication
- Interdepartmental Working Group on energy
- Interdepartmental Working Group on Kosovo
- Interdepartmental Working Group on Eastern Europe and Central Asia
- Interdepartmental Working Group OSCE
- Interdepartmental Working Group Council of Europe
- Interdepartmental Working Group on climate policy (IDA Klima)
- Interdepartmental Working Group on Swiss foreign health policy
- Interdepartmental Working Group United Nations
- Core Group international human rights
- Core Group Peace
- Swiss Coordination Unit against the Trafficking of Persons and Smuggling of Migrants
- Joint platform, on international financing regarding development and environment
- Interdepartmental Task Force Post-2015
- Interdepartmental platform on commodities
- Interdepartmental platform for improved collaboration and coherence on international environmental finance and development cooperation related to the environment (PLAFICO)
- Interdepartmental Committee on international forest issues
- Interdepartmental Committee on biodiversity
Annex 3: Organizational Charts
### Annex 4: Progress made by Switzerland on the recommendations by the DAC Peer Review 2009 (April 2013)

#### 1. Overall framework for development co-operation:

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<td>1) State more explicitly that poverty reduction, including equity and sustainability, is the overarching goal for all Swiss development co-operation.</td>
<td>Switzerland's international cooperation is guided by an overall Strategy approved by Parliament in 2012. For the first time, this strategy is integrated in the Dispatch on Switzerland's international cooperation 2013-16 and constitutes the overarching reference for the four pillars of Switzerland's international cooperation: Humanitarian Aid (SDC), Technical Cooperation and Financial Assistance for Developing Countries (SDC), Economic and Trade Policy Measures in the Context of Development Cooperation (SECO) and the Transition Assistance to Eastern Europe and the CIS (SDC/SECO). The overarching goal of Switzerland's international cooperation and for the four pillars is sustainable global development to reduce poverty and mitigate global risks, building on a multidimensional approach to poverty.</td>
<td>This is the first time that the framework credits for the four pillars of Switzerland's international cooperation are included in a single Dispatch, to coincide with the legislative period.</td>
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<td>2) Reduce further the number of themes and integrate cross-cutting issues into the aid programme.</td>
<td>The Dispatch 2013 -2016 clearly outlines the thematic profile of Switzerland's international cooperation. It has been sharpened by concentrating attention on the mitigation of global risks and challenges and by identifying related thematic priority areas, so called Global Programmes, to which most of SDC and SECO interventions contribute and where they conduct a targeted policy dialogue. The five so-called Global Programmes are: Climate Change, Water, Food Security, Finance and Trade, and Migration.</td>
<td><strong>SDC:</strong> With regard to the number and the content of SDC's priority themes there is no substantive change in the new Dispatch. Their relevance was confirmed with regard to sustainable global development in order to reduce poverty and mitigate global risks. In addition, the focus of each priority theme has been further sharpened by specifying intervention lines to be pursued (e.g. within education focus on basic education and vocational training). There is an increased thematic focus on mitigation of global risks: out of the total 9 thematic priorities identified for the Technical Cooperation, five correspond to thematic Global Programmes. For the Transition Assistance to Eastern Europe / CIS, only 7 thematic priorities are identified whereas four correspond to thematic Global Programmes. The share of bilateral financial resources allocated to these themes will increase from currently around one third to 50% by 2016. SDC will maintain two crosscutting themes (gender equality and governance). <strong>SECO</strong> already had few themes, concentrating on measures for economic development. SECO contributes to the Global Programmes, with a special focus on the programme Finance and Trade. Until 2012, there were two cross-cutting themes: economic governance and climate. With the Dispatch 2013-16, there are again only two cross-cutting themes: governance and gender (new, same cross-cutting issues for the whole Switzerland's international cooperation). Fostering climate-friendly growth has become a &quot;priority theme&quot; due to the global challenge it constitutes for poverty reduction and the increase in related projects. It contains the activities that were previously mainstreamed in the other priority themes.</td>
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3) 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 non-aid policies. Identify or establish a high-level institutional mechanism for this purpose with the capacity to arbitrate when there are conflicting interests.

4) 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.

The definition of an **overall Strategy** for international cooperation in the Dispatch 2013-16 can be considered an important step in the definition of a **longer term vision for development** cooperation. The Dispatch mentions the importance of partnerships with international organisations, the private sector, NGOs and other donors.

Substantive progress has been achieved in the following areas:

Communication efforts in relation to **evaluation and results** have been considerably stepped up:
- Joint Effectiveness Report SDC/SECO on Climate Change scheduled for 2014, Agriculture and Food Security 2010, Water 2009,
- SDC/SECO Annual Report - Joint SDC/SECO MDG Report 2010
- Annual conferences held as usual, on the themes of food security (south 2010), innovation (south 2011), water (east 2011), effectiveness (south 2012), youth and employment (east 2012)
- Online availability of information on evaluations (planning of evaluations, reports on independent evaluations, etc)

The year 2011 marked the 50th anniversary of the Swiss development cooperation. On this occasion, contact with a wide public was explicitly sought:
- Considerable efforts were made to highlight the achievements and activities of Swiss development cooperation in media, pfifforums, universities (around 60 information events and debates all over Switzerland).
- New website on the history of SECO's economic development cooperation

At the **international level**, communication efforts are being strengthened:
- Better contact with communication services of the MDBs: support and highlighting of Switzerland's role in projects (WB/ IFC)
- Participation by SDC and SECO in DevCom Meetings (OECD)
- Dialogue process with relevant EU institutions and increasingly also with some "emerging donors".

Finally, the **strategic approach** to communication has also been reinforced, e.g. with a strategic communication concept (SECO) and a better interaction with the Consultative Commission on International Cooperation (extra-parliamentary). To reinforce public and political support for development cooperation, stakeholder-oriented thinking and therewith target-group oriented proactive dialogue through specific communication channels (i.e. social media, up-to-date internet platform) needs to be further developed.

In the Dispatch 2013-16 the government confirms that PCD is an integral part of Switzerland's international cooperation. It **contains a chapter on policy coherence** for development, which has been widely consulted. In the formulation of this chapter, a wide stock-taking exercise on areas with potential incoherences has been conducted across the administration, resulting in the identification of seven policy fields. This will be taken as a point of departure to evaluate actions needed. Analytical papers on prioritized issues related to PCD were elaborated within SDC and SECO, as a basis for better understanding coherence issues and participating in interagency dialogue. Topics treated are for example: migration, illicit financial flows, tax and development, and commodities trade.

The Swiss governmental system and its decision making process are conducive to policy coherence. The Swiss federal government relies on an **effective and sophisticated mechanism of interministerial coordination**, including at the technical and the political levels. At the heart of this mechanism is the consultation of offices, aiming at eliminating differences among the federal offices on decisions to be taken by the Federal Council. Another key feature of the Swiss coherence mechanism are interdepartmental groups where issues are discussed in view of the formu-
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|   | lation of common positions (such as on migration, international climate finance, tax and development, etc). These mechanisms ensure that policies are coherent to the maximum extent possible.  

**ICDC (Interdepartmental Committee for International Development and Cooperation)** continues to play its role, but the above described features and mechanisms within Swiss policy and decision making are much more important for PCD. These mechanisms are constantly adapted to new challenges. Therefore there is **no need for an additional institutional mechanism**.  

Specific development cooperation projects contributing to a better policy coherence for development have been continued or initiated. Some examples include the work on Stolen Assets Recovery, on strengthening tax administrations and supporting tax reforms in developing countries, increasing the trading capacities of developing countries (certification of origin, fairtrade, etc), supporting the EITI Initiative, etc.  

Finally, the fact that a development cooperation unit is located within the State Secretariat for Economic Affairs (SECO) contributes to policy coherence for development especially for economic issues.|
| 5) Improve the measurement, monitoring and reporting of the impact of Switzerland’s domestic and foreign policies on development, using internal and external expertise and experience. | After the last Peer Review, an evaluation to be undertaken at Federal department level was proposed by SDC, in order to assess possible actions to respond to this recommendation. However, it did not materialize. Some insights are gained through SDC and SECO’s project evaluations. |
## 2. Aid Volume, Channels and Allocations

| Recommendation | 
|----------------|---|
| **6)** Adopt the 0.5% ODA/GNI by 2015 target with a commitment to increase programmable aid. Once this target is reached Switzerland could consider setting as a new target the UN 0.7% goal. The 0.5% ODA/GNI target by 2015 was adopted by the Federal Council and Parliament in February 2011. Accordingly additional funds were granted for bilateral projects in 2011/12, to be used in the domains of water and climate. The progressive increase of the budget for development cooperation has been approved as part of the Dispatch 2013-2016, in order to reach the 0.5% target by 2015. | 
| **7)** 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. The Dispatch 2013-16 defines the geographical and thematic profile of Switzerland's international cooperation for this period. Concentration efforts were made both with regard to bilateral (see below) and multilateral cooperation. Switzerland's development related core contributions to multilateral agencies is concentrated on 13 multilateral organizations. Specific criteria were used to identify these organizations (e.g. relevance, results achieved etc). 70% of core funds are used for IFIS's, 20% for UN organizations and 10% for Global Funds. With regard to humanitarian aid, focus is on six organizations. | 

**SDC Geographical priorities (bilateral)**
- Since the Peer Review 2009, SDC successfully phased out the following bilateral cooperation programmes with regard to Technical Cooperation: Ecuador, Peru, Pakistan, North Korea, India and Madagascar.
- SDC/SECO: Transition Assistance to Eastern Europe and CIS: No change since 2009, 9 priority countries. average CHF 25 million / year per priority country / region
- **Dispatch 2013-16**: Total 20 priority countries, 15 are LDCs (Technical Cooperation)
  - Enhanced focus on engagement in fragile contexts: 10 priority countries (new Haiti, Horn of Africa)
  - 10 priority countries with more or less stable conditions:
  - The planned budget raise will allow increasing the average budget per country or region and guarantee a critical mass of presence of SDC. Target Technical Cooperation: average CHF 20 million / year per priority country / region;
  - **Regional Programmes (RP)** approach strengthened (7 RPs), special attention to cross boarder challenges to mitigate risks such as climate change, migration and natural resource management as well as regional market integration (new Tunisia and Egypt as part of RP North Africa; new Zimbabwe exit South Africa (2014) as part of RP Southern Africa; new Myanmar and Cambodia exit Vietnam (2016) as part of RP Mekong).

**SDC Thematic priorities**
More impetus on global risks: The five Global programmes focus on the mitigation of global risks. This modality follows a thematic approach, as the potential impact of the activity in a certain country / region is used for selection. The thematic **portfolio within a specific country strategy** has been further strengthened: as per new guidance on the elaboration of country strategies approved in 2010, interventions are limited to **3 priority themes for Technical Cooperation** respectively in the domain **Transition Assistance to Eastern Europe to 2 priority themes / 4 priority themes** (in the case of joint SDC/SECO strategies). In accordance with the Dispatch 2013-16, 80% of committed funds shall be allocated to these priority themes as identified in the specific country strategy. Thematic priorities identified within country strategies are based on an analysis of partner countries’ priorities and development framework, the needs of target populations, SDC’s comparative advantages and activities of other donors.

**SECO Geographical priorities (bilateral):**
For 2013-16, SECO has the same priority countries as agreed for the 2009-2012 period, except for the addition of Tunisia as a priority country together with SDC (in the context of the temporary North Africa Programme), due to the exceptional situation after the Arab spring and SECO’s
previous intervention in this country.

**SECO Thematic priorities:**
The priority themes are the same as for the 2009-2012 period: *investment promotion, trade promotion, infrastructure financing and macroeconomic support* in developing countries. Their relevance in responding to development needs and global challenges has been confirmed and they contribute to the Global Programmes, especially on “finance and trade”. *Fostering climate-friendly growth*, which used to be a cross-cutting theme, is now also a priority theme due to its importance as a global challenge and the increasing number of projects in this area. This theme regroups project activities that were previously mainstreamed in the other four priority themes.

| 8) Develop a more strategic, transparent and standardised approach to NGOs, research institutions and other partners at headquarters and in the field. | SDC undertook an internal review of its strategic orientation and funding criteria for NGO partnerships. This led to a refined set of *minimum criteria on institutional and programmatic standards* and instruments that allow access to SDC programme funding. Applying this modality, SDC entered into partnership agreements for the 2013-16 period with 24 Swiss NGOs, engaging almost CHF 500 million. **SECO** has maintained and in some cases strengthened its *strategic partnerships* by signing partnership agreements with important partners. The partnerships concentrate on policy definition and implementation of projects with the private sector (trade issues and with financial service providers), specific NGOs (fair trade, labelling and trade policies), specialized agencies such as the import promotion platform (SIPPO), leading international organizations such as IFC and UNIDO, as well as research institutes (IHEID, Fachhochschule Lucerne). |
3. Organization and Management

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<td>9) 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.</td>
<td><strong>SDC</strong> completed its reorganization process at the end of 2012. During its implementation, a close monitoring process was established covering three different levels: 1. <strong>Monitoring of the different REO II indicators</strong> (Steering Report of the Board of Directors, regularly). 2. <strong>Monitoring of REO II instruments</strong> (level and progress of application of all instruments, twice at the end of 2011 and 2012). 3. <strong>Monitoring of the REO II “Key performance indicators”</strong> related to six priority measures (twice at the end of 2011 and 2012). With the new structure efficiency was further increased through the elimination of duplication of efforts, the decentralization of responsibilities and with SDC working more closely with other Directorates of the Department of Foreign Affairs. SDC’s overall transaction costs were reduced and development policies are implemented more effectively. Comparing to 2008, there are now fewer instruments, clearer guidance all of included in the field handbook, and a better focus on results.</td>
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| 10) Increase coordination across government on engagement in fragile states and ensure that sufficient capacity is maintained in this area. | Increased coordination basically through existing mechanisms (Interdepartmental Committee for International Development and Cooperation (ICDC), peace group). Important coordination instruments are the joint country strategies which are developed and implemented together (involving e.g. FDFA’s Directorate of Political Affairs and the Human Security Division). Examples for such joint strategies are Nepal, Great Lakes and the Horn of Africa.  
Systematic approach to capacity building, mainly through SDC thematic network on conflicts (jointly with Political Divisions of FDFA); focus is Conflict Sensitive Programme Management and security. New HR rules have been developed for working in fragile contexts providing incentives and defining specific career paths. They will come into force in July 2013. |
11) Pursue a more systematic approach to managing for development results, including using evaluation as a forward-looking management tool.

Both SDC and SECO have strengthened substantively their approach to MIDR. The Dispatch 2013-16 includes a results framework with respective indicators to account for the results achieved at an aggregated level for the four pillars of Switzerland’s international cooperation. A joint report shall be published in 2016. With regard to multilateral cooperation Switzerland introduced a new performance measurement instrument for the 13 prioritized organizations receiving core contributions: the core contribution management system defines results to be achieved at the levels of both SDC/SECO and the partner’s organizations, thus improving the strategic and the results orientation of these contributions. Furthermore, an annual country reporting system has been introduced within each agency to measure the results achieved at the country level according to the Country Strategies and to determine the Swiss contribution to country development results (SDC “Annual Report” 2009; SECO “Country Strategy Implementation Report CSIR” 2010). In the countries with a joint SDC/SECO programme, common RBM tools were established. Based on the Results frameworks defined in the country strategies, results measurement uses existing information from country data systems, where possible, as well as information from the Swiss project implementation monitoring (e.g. country strategy evaluations).

SDC: New multi-year planning procedures were established and approved to increase the strategic relevance of SDC’s evaluation programming. SDC Management Board is involved more directly in the transformation of the results of independent external evaluations at strategic level.

- All external and independent evaluations are discussed with the Management, a management response is required.
- An evaluation database including all relevant independent evaluations, reviews and assessment reports commissioned by different SDC organizational units is under construction.
- Introduction of new instruments and standards which strengthened MIDR at the project, contribution and country programme level covering the whole programme cycle, (e.g. annual report, end of phase report, guidelines for cooperation strategies) allowing for higher level aggregation
- Ongoing support to partner countries regarding MIDR, coordination with other donors e.g. T4D on MIDR, Swiss Co-Lead with Bangladesh on the Building Block Results and Mutual Accountability.

SECO: Evaluations are more systematically used for planning and management of projects, as well as for knowledge generation and management. Considerable efforts have been made regarding the transparency of results:

- A Management Report has been established as an instrument to follow the implementation of strategic orientations. It will be further developed to improve the strategic steering of the development cooperation activities.
- An external Evaluation Committee was established in 2009.
- Independent evaluations (publicly available): All have a Management Response with the position from our external Evaluation Committee and review of implementation once a year. Since 2009, SECO has conducted 5 thematic, independent evaluations, one for each priority theme and for the Swiss DFI (SIFEM).
- External evaluations (available on demand): All have a Management Response and the operational sectors are responsible for the follow-up
- A systematic risk analysis policy has been introduced
- A review and optimization of the SAP system has been conducted so as to facilitate monitoring, planning and management of projects

12) 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.

- SDC has defined the core skills for six key functions: Country Director, Head of Cooperation, Deputy Country Director, Head of Finance and Administration, Business Administrator Assistant, Programme Officer.
- To ensure thematic expertise within SDC new thematic staff career paths have been established for priority themes: health, water, climate, rural development, food security, employment and vocational training.
- To ensure sufficient Swiss personnel resources on the ground in fragile situations Switzerland developed new staffing rules and conditions for the whole foreign affairs ministry. The rules define specific career paths and include incentives for working in fragile states. They will come into force in July 2013.
- A new local personnel policy has been developed and rolled out: This policy strengthens the status of local staff and recognizes their very valuable role. It also clarifies mutual expectations.
- To effectively manage the additional financial resources granted for 2013-16, SDC has developed a medium term plan of quantitative and qualitative personnel resources required until 2016. Recruitment has already started.
SECO has built up its presence in the field in its 7 priority countries in the south as decided in 2008 (as well as in Tunisia with SDC in the framework of the temporary "North Africa programme"). In the recruiting process for the corresponding staff, SECO ensured that staff skills match the orientation of its development cooperation. A manual on decentralization defines the division of labour between HQ and the field. In accordance with the Dispatch 2013-16, financial resources will increase substantively. A thorough analysis was conducted about the additional HR and the thematic profiles needed, both at HQ and in the field. On this basis, an integrated resource management system is currently being set up in order to improve the strategic staff planning. Recruitment has started for the additional posts newly created. Specific training is provided to keep skills up to date.
### 4. Practices for better impact

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<td>13) 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.</td>
<td>- SDC and SECO jointly formulated a Swiss Policy for the implementation of the Busan Commitments. The statement builds upon the Joint Policy Statement and Action Plan developed for AAA implementation as well as a self-assessment of adherence to the aid effectiveness principles conducted in 2011. In the next few years, Switzerland will mainly address the unfinished business of the aid effectiveness agenda, foremost improving Transparency, Aid Predictability and Use of Country Systems. Taking into consideration the areas where Switzerland has a strong track record, four priority issues will be addressed at operational level and as part of the policy dialogue: Results and Mutual Accountability, Fragility/New Deal, Climate Change Finance and Public-Private Cooperation. - Country Strategy Implementation Report (SECO) and Country Reporting (SDC/SECO) have been established. They contain a brief assessment of the implementation of the aid effectiveness principles and compare SECO/SDC achievements with national results of developing countries. - MfDR was strengthened with regard to both bilateral and multilateral cooperation (see recommendation 11).</td>
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**SDC**
- At the policy dialogue level, SDC has a strong track record on the issues of democratic ownership, accountability, capacity development and results MfDR; among other: Co Chair Cluster A of the WP-EFF, Lead on donor results reporting, Cluster E. Post-Busan: Co-lead Building Block Results and Mutual Accountability.
- SDC intends to clarify its “use of country systems approach” and work towards an integrated risk-management system.

**SECO**
- At the policy dialogue level related to the Busan Commitments, SECO has a strong track record e.g. on the issues of PFM and works closely with international partners and other donors (WB, EU) for example on the PEFA instrument. It is traditionally working with the private sector and supports private sector development in developing countries.
- On the basis of the joint action plan for AAA, SECO defined Draft Guidelines on the Use of Country systems in 2010 (risk assessment and decision tree for fund allocation). They have been applied in five pilot cases; although potential projects have been difficult to find (many projects via implementation agencies or in co-funding with other donors, reluctance on the part of partner countries themselves, etc).
- Guidelines on Aid Predictability have been approved and were applied for the first time in 2013.

| 14) 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. | The mix of modalities was confirmed in the Swiss Policy for the implementation of the Busan Commitments. PBA and BS/GBS are used on a case by case basis, when assessed as most effective. **SDC** remains a reliable partner in SWAPs (Health and Agriculture) but has not engaged in new SWAPs/PBAs recently. However, there are numerous examples where SDC has supported national programmes but chose not to spend funds on budget (reasons are fiduciary risks or lack of democratic control of respective processes). In addition, SDC has newly implemented a decentralized budget support in Mali. **SECO**
- The budget support strategy for LICs and MICs, at central and decentralized level, was revised and budget support will continue in selected countries (Ghana, Vietnam, Burkina Faso, Mozambique).
- Thematic SWAPs have been developed, e.g. on PFM in Peru. |
15) 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.

- **Dispatch on 0.5% ODA/GNI** contains joint priorities on climate change and earmarks additional funding for bilateral projects to climate and water projects.
- **Coordination of common positions and approaches in the framework of IDANE** (Interdepartmental Sustainable Development Committee), in particular regarding climate change, water and biodiversity.
- **Joint platform** SDC/SECO/Federal Office for the Environment (FOEN) set up in 2011 to coordinate activities on environment and climate finance. Today, PLAFICO manages all ODA-related finance and other finance issues emanating from the Rio Conventions (Climate Change, Biodiversity and Land Degradation/Desertification) and the multilateral environmental agreements on the management of chemicals. To date, PLAFICO has been successful in fostering increased collaboration and coherence among the three agencies involved. It will be evaluated by the end of 2013.

**SDC:** Based on the OECD Guidance on Integrating Climate Change Adaptation into Development Cooperation, SDC developed a toolkit for Climate and Disaster Risk Reduction check. For country strategies and projects, it was rolled out in 2012 and applied, e.g., in Burkina Faso, Chad, Bolivia, Nicaragua, India, and Peru. Furthermore, in 2012 the instrument was also shared with the Inter American Development Bank at their request.

**SECO:** Climate Strategy was adopted in 2009.
- "Fostering climate-friendly growth" was defined as a priority theme in the Dispatch 2013-16 (more funds available, more projects).
- Environmental safeguard clause in project approval (risk assessment) has been defined.

16) 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.

**SDC:** Exchange of lessons learned and best practices through the Climate Change & Environment Network between SDC and partner organizations, fed into the relevant international negotiations, including through side events. This network also keeps members in partner countries informed about the discussions and operational consequences, via different instruments (newsletters, Shareweb, etc).
- The right to development and fair burden sharing is duly considered in Swiss negotiation positions.

**SECO:** At SECO/WE, the persons responsible for development cooperation projects related to climate also participate in international negotiations (Cancun, Durban, Rio+20, etc). This ensures the linkage between international discussions and operational projects.
## 5. Humanitarian action

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<td>17) Draw on its experiences to support international efforts to bridge humanitarian action and structural aid. In this context, Switzerland should maintain a leadership role in promoting disaster risk reduction approaches within development cooperation. However, in taking these initiatives, Switzerland should be careful to preserve the essential characteristics of humanitarian action.</td>
<td>The transition from humanitarian aid to development cooperation programmes, or vice-versa, has been experienced in various countries. In Myanmar and the Horn of Africa for example, SDC’s Development Domain (SDC/DD) took over from SDC/HA after SDC/HA had provided the groundwork for development projects. In other countries - like Zimbabwe - SDC/HA still has the lead but implements rehabilitation projects with funding and monitoring support from the SDC/DD. With regard to the Middle East Region, experiences have been evaluated, a management response was provided, and findings were disseminated. To promote Disaster Risk Reduction (DRR) a DRR effectiveness report was produced and disseminated. SDC/HA has the thematic lead for Disaster Risk Reduction, its mainstreaming throughout SDC’s programmes and runs the DRR network. The close cooperation with the Federal Office for the Environment (FOEN) and the different thematic expert groups and networks within SDC provide the necessary expertise for a multidisciplinary response to the complex challenges of DRR. This expertise is also systematically shared with UN ISDR, a longstanding partner of SDC/HA.</td>
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<td>18) Enhance bilateral humanitarian action by strengthening accountability and participation provisions of SDC Code of Conduct and expanding the gender toolkit to provide guidance on monitoring and evaluating the gender dimensions of humanitarian action.</td>
<td>Indicators and guidelines for monitoring the gender dimension were integrated into the gender toolkit. Training for HA staff (HQ and Field) on gender and beneficiary involvement was developed and conducted as part of the introductory course, compulsory for all new members of SHA and as part of courses for Rapid Response Teams. Gender contact persons at HQ provide briefings on gender before each assignment. In order to clarify issues in regard to participation and accountability to humanitarian beneficiaries an external evaluation on emergency relief was conducted and lessons learned from various cash approaches were drawn and used for programming and training. The Code of Conduct as well as internal rules and regulations are perceived as sufficiently robust to determine ethical behaviour.</td>
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<td>19) 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 measurable indicators.</td>
<td>All MIDR instruments are valid both for SDC’s development cooperation as well as for its Humanitarian aid. These common instruments focus in particular on result achieved. For details see recommendation 11. A new version of the Multilateral Conceptual framework for the SDC/HA was published early 2012. Furthermore, by introducing the Core Contribution Management System the results culture has been strengthened (see recommendation 11). Where appropriate specific indicators were added drawing from the Good Humanitarian Donorship.</td>
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