



Utrikesdepartementet



## **Action Plan on Aid Effectiveness 2009-2011**

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### **Introduction**

The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (AAA, 2008) are in the process of changing the relationship between donors and partner countries. Development cooperation should be designed in a way that respects partner countries' priorities. The role of donors is primarily to support the development plans and poverty reduction strategies of the partner countries. In accordance with AAA, donors must support a broader ownership and guarantee the integration of human rights, gender equality and environment/climate change into the aid effectiveness agenda. In that way the preconditions will be created for more effectively contributing to development results and the fight against poverty.

This Action Plan lays the foundation for intensified work for an effective Swedish Development Cooperation and has been elaborated jointly by the Ministry for Foreign Affairs (MFA) and Sida. The Action Plan operationalises the commitments made by the Government in the 2009 Budget Bill and the instructions in the Letter of Appropriation to Sida for the same year. Seven prioritised objectives are emphasised:

- 1) Increased use of partner countries' and organisations' systems
- 2) Increased share of programme-based approaches
- 3) Increased predictability and accountability for results
- 4) Increased focus and reduced number of contributions
- 5) Increased joint analytical work and coordination of country and regional missions
- 6) Improved global cooperation with other donors, particularly within the EU
- 7) Increased focus on supporting multilateral organisations to fulfil their commitments on aid effectiveness

These objectives will be followed up applying a selection of existing indicators from the Paris Declaration and some Swedish indicators drawn up to monitor changes of special interest for the Action Plan (see further p. 6). Additional indicators will be developed to follow up the reinforced commitments in the Accra Agenda for Action, above all as regards the commitment to support broadened ownership by strengthening the capacity of development actors (parliament, the media, civil society, the private sector) to participate in the dialogue and hold partner countries' governments accountable, as well as the commitment to integrate human rights, gender equality and environment/climate change into policies and strategies in accordance with international commitments. Principles, prioritised measures and the indicators that are to be used to follow up the respective objective, are specified for each objective. Attached to the Action Plan is a matrix presenting a number of activities to be implemented, with information on responsible unit/department at the Ministry for Foreign Affairs and/or Sida, and the time frame (See Annex 1).

The Action Plan focuses on the areas deemed to be of particular importance for increased effectiveness in development cooperation and those areas where Sweden needs to improve its performance. Special attention is given to the use of countries or organisations' systems, use of programme-based approaches and results orientation.

By sharing the AAA commitments, the Action Plan also contributes to increased alignment between methodological and policy issues. The relationship between the aid effectiveness agenda, gender equality, environment/climate change and democracy, for example through broadened ownership and increased accountability, is therefore a matter of priority. And this contributes to broadening aid effectiveness efforts. The focus is on results for those people who make up development cooperation target groups. Thus, the Action Plan is a platform for greater consensus between different actors in Swedish development cooperation. It is to be implemented in accordance with other applicable policies and guidelines.

The Action Plan applies to all categories of cooperation countries.<sup>1</sup> This means that in each cooperating country or team, Sweden shall

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<sup>1</sup> Sweden's bilateral development cooperation is divided into three main categories in order to clarify the reasons for Sweden's presence: category 1 includes countries where Sweden is to conduct long-term development cooperation, category 2 comprises countries in conflict and post-conflict situations with which Sweden is to conduct development cooperation, and category 3 covers countries in Eastern Europe with which Sweden is to conduct reform cooperation. A small part of bilateral development cooperation is divided into category 4, countries with a democratic deficit where Sweden is to carry on efforts to promote democracy and human rights in alternative forms, and category 5, countries that are being phased out with which Sweden is to conduct selective cooperation.

apply the principles of the Paris Declaration, the Accra Agenda for Action and other international agreements relevant to increased aid effectiveness. Different categories of countries or teams face different challenges in this endeavour. Hence, objectives, prioritised measures and indicators will differ between countries and country categories.

Taking the starting point in the seven objectives mentioned above, country specific targets are to be formulated and monitored, with a special focus on countries with whom Sweden conducts long-term cooperation, countries in conflict or post-conflict situations, and the countries where Sweden conducts reform cooperation in eastern Europe (categories 1, 2 and 3). Since fully reliable baseline data on current results regarding the Paris Declaration indicators, as well as indicators or other ways of following up the Accra Agenda for Action commitments, are not available at present for all cooperation countries, the preliminary objectives presented in this Action Plan will be reviewed and revised in the last quarter of 2009. Specific goals per country and country category as well as regional and global programmes will then be set, which will subsequently be followed up annually.

In countries with a democratic deficit (category 4) the Action Plan principles will be applied where relevant and possible. Regarding countries where Sweden conducts selective cooperation (category 5), targeted development cooperation efforts are to comply with the Action Plan. Work on actor collaboration is to be reviewed within the framework of the implementation of the Action Plan in order to reach consensus regarding how the principles of aid effectiveness are applicable in this context. Humanitarian assistance will continue to comply with the OECD Development Assistance Committee's guidelines for "good humanitarian donorship". More information about aid effectiveness in different country categories and contexts is given in Annex 2.

The commitments in the Paris Declaration and the Accra Agenda for Action primarily regulate relations between bilateral/multilateral donors and cooperation countries (states). This Action Plan also comprises regional and global development cooperation as well as both Swedish direct support to civil society and the appropriation item for non-governmental organisations. The principles of aid effectiveness shall also be applied by other actors who receive and distribute Swedish development assistance. It is the joint responsibility of the Ministry for Foreign Affairs and Sida to create the preconditions for all Swedish development assistance actors to respect the commitments made in the present Action Plan.

Sweden is one of the countries that played a proactive role in the development of the international agenda for increased aid effectiveness through cooperation within NordicPlus, the EU and at the global level. A number of measures have already been taken in Swedish development cooperation to lay the foundation for increased aid effectiveness. The country focus process which has been implemented makes it possible for Sweden to concentrate its resources to fewer countries and thereby achieve better results. Country categories have been created which facilitates development of methods and adaptation to the specific circumstances in each country. The work on sector concentration means that, in each partner country, Sweden is to conduct development cooperation in a maximum of three sectors where Sweden's contribution is expected to have most effect. Competence development initiatives on aid effectiveness and specifically in the areas of public financial management, programme-based approaches and results-oriented management within Sida create the preconditions for achieving the goals of increased use of partner countries' systems and an increased share of programme-based approaches. Sweden's Strategy for Multilateral Development Cooperation focuses on relevance and effectiveness in its cooperation with multilateral organisations. Swedish assessments are made of multilateral organisations at the same time as within the framework of MOPAN (Multilateral Organisations Performance Assessment Network) Sweden takes an active part in the development and use of a common assessment instrument. With assessments as starting-points for organisational strategies and a clearer distribution of roles between Sida, the Ministry for Foreign Affairs and other ministries, multilateral development cooperation will become more effective. An increased results orientation in all development cooperation will make more efficient management and follow-up possible.

## **Implementation and follow-up**

The Action Plan goals, measures and activities specified in the attached matrix will be systematically followed up by the Ministry for Foreign Affairs and Sida (See Annex 1). Matrix activities are grouped into the following areas:

- Ensure results-based management and quality assurance in Swedish development cooperation;
- Ensure that guidelines and regulations in Swedish development cooperation promote aid effectiveness;
- Ensure that staff, managers and Swedish actors have competence and adequate incentives for aid effectiveness;
- Contribute to the success at country level of EU and DAC aid effectiveness efforts; and
- Ensure that the selection, design, follow-up and dialogue regarding multilateral, global and regional contributions adhere to the aid effectiveness principles.

The Action Plan is part of the result-based management system and annual reporting of the Ministry for Foreign Affairs and Sida and will be followed up twice a year at meetings between the Ministry for Foreign Affairs and Sida. The Ministry for Foreign Affairs will convene a meeting in March where the focus will be on a follow-up of results, and Sida's annual report with results annex will provide a basis for discussion, together with a report on the Ministry for Foreign Affairs work on the implementation of the Action Plan. Sida will convene a meeting in September which is forward-looking and where, *inter alia*, the planning instructions for the coming year provide a basis for discussion. The Action Plan will be updated every year in connection with this meeting. Besides this, evaluations and studies, reports and information from DAC constitute important references for the follow-up meetings. Additional information will, when necessary, be gathered from the departments and embassies concerned.

Follow-up of the Action Plan also takes place internationally through the regular monitoring survey of the Paris Declaration and its indicators, the Accra Agenda for Action and the second phase of the evaluation of the Paris Declaration. Commitments in the AAA relating to civil society will be followed up by an international working group connected to the Working Party on Aid Effectiveness cluster A, where Sida is taking on a leading role.

### **Preliminary baseline information and indicative targets**

During 2009 a baseline and goals will be defined based on information from Sida teams in the second management review (T<sub>2</sub>) in September. Preliminary targets are included in the following tables and may be used as support for setting goals. Baseline information for the multilateral development cooperation will build on the reporting which is presented to DAC in July 2009. Baseline information and goals for civil society cooperation (appropriation item for NGOs) will be available in June 2010.

<b>Portion of aid flows to the government that is reported on country budgets</b>				
<b>PD indicator 3, (%)</b>				
	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	61	85	95	85
Category 2	72	75	80	85
Category 3	0	40	70	85
Total	66	75	85	

<b>Co-ordinated technical co-operation (%), PD indicator 4</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	41	80	100	100
Category 2	41	50	75	100
Category 3	36	70	90	100
Total	39	70	95	

<b>Use of country Public Financial Management systems (%), PD indicator 5A</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	66	80	90	50
Category 2	15	25	35	50
Category 3	4	20	50	50
Total	45	60	75	

<b>Use of country procurement systems (%), PD indicator 5B</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	68	80	90	50
Category 2	20	30	40	50
Category 3	4	20	50	50
Total	49	65	80	

<b>Number of parallel project implementation units (PIUs), PD indicator 6</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	5	3	0	
Category 2	7	6	5	
Category 3	31	20	10	
Total	43	31	15	Reduce by

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<b>Aid disbursements which are on schedule and recorded by government/partner organisation (%), PD indicator 7</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	73	80	85	74
Category 2	33	40	50	74
Category 3	71	80	85	74
Total	69	70	80	

<b>Proportion of programme-based approaches (%), PD indicator 9</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	61	70	80	66
Category 2	24	30	35	66
Category 3	20	25	30	66
Regional				
Global				
Total	43	55	66	

<b>Proportion of joint donor missions (%), PD indicator 10A</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	38	50	60	40
Category 2	42	50	60	40
Category 3	11	20	40	40
Regional				
Total	31	40	55	

<b>Proportion of joint analytic work (%), PD indicator 10B</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1	73	66	80	66
Category 2	33	40	50	66
Category 3	9	20	40	66
Regional				

Global				
Total	43	50	60	

Number of sectors per focus country*				
Country category	Baseline* 07/08	Target 2010	Target 2012	EU/Swedish goal
Category 1				3
Category 2				3
Category 3				3
Regional				3

\* The amount excludes GBS, research cooperation and the appropriation item for non-governmental organisations

Number of contributions				
Country category	Baseline 07/08	Target 2010	Target 2012	Paris goals
Category 1	664			
Category 2	276			
Category 3	629			
Regional	764			
Global	701			
EO	1004			

Volume of contributions (agreed amount per initiative TSEK)				
Country category	Baseline 07/08	Target 2010	Target 2012	Paris goals
Category 1	19153			
Category 2	25288			
Category 3	7035			
Regional	9980			
Global	13125			

EO	4699			
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<b>Proportion of CSO support within geographic cooperation strategies which is core support</b>				
<b>Country category</b>	<b>Baseline 07/08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1				
Category 2				
Category 3				
Regional				
Total				

<b>Number of organisational assessments that analyse the implementation of the aid effectiveness principles</b>				
	<b>Baseline 08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goal</b>
	23			

<b>Share of core support (according to OECD/DAC definition of multilateral support) of all support channelled through multilateral channels</b>				
	<b>Baseline 08</b>	<b>Target 2010</b>	<b>Target 2012</b>	

\*share of all resources reported to OECD/DAC per country

<b>Share of multi-bi support of disbursements per country</b>				
<b>Country category</b>	<b>Baseline 08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1				
Category 2				
Category 3				
<b>Number of multi-bi contributions</b>				
<b>Country Category</b>	<b>Baseline 08</b>	<b>Target 2010</b>	<b>Target 2012</b>	<b>Paris goals</b>
Category 1				
Category 2				
Category 3				
Regional				
Global				

Length of multi-bi cooperation				
Country Category	Baseline 08	Target 2010	Target 2012	Paris goal
Kategori 1				
Kategori 2				
Kategori 3				
Regionala				
Globala				

Size of multi-bi contributions (agreed amount TSEK)				
Country category	Baseline 08	Target 2010	Target 2012	Paris goals
Category 1				
Category 2				
Category 3				
Regionala				
Globala				

Number of multi-bi contributions per cooperation form				
Cooperation form	Baseline 08	Target 2010	Target 2012	
Program				
Project				
Experts				

Note: Multi-bi aid is all earmarked support to multilateral development organisations.

## Objective 1) Increased use of partner countries' and organisations' systems

Use of partner countries' systems is often a precondition for reaching the majority of the other goals for aid effectiveness, such as increased ownership, harmonisation, division of labour and complementarity as well as results-based management. *The Action Plan objective of increased use of partner countries' and organisations' systems applies both to state-to-state cooperation and cooperation with other actors in the partner country (for example support to civil society organisations.*

Support through multilateral channels, however, is dealt with under objective 7).

Alignment to the partner country's priorities and systems is to be the first choice for all development cooperation. Sweden shall increase the share of development cooperation that respects the priorities of the cooperation partner and which is implemented through its systems. The cooperation partner's priorities also include international agreements which the country has entered on gender equality, human rights and environment/climate change. Systems refer to the cooperation partner's planning/budgeting, public financial management, procurement, implementation, monitoring and evaluation, and audit. Should it, for some reason, not be possible to use the cooperation partner's systems, Sweden shall promote joint assessments by donors and partner countries and broad agreements on objectives and measures to strengthen these systems. Sweden will promote the implementation of the development cooperation in a manner that respects broad ownership, strengthens national and local accountability and hence contributes to democratic processes in the partner countries.

**Sweden will apply the following principles:**

- First try the option of using all or parts of the partner country's systems at the same time as support is provided for development of these systems. Always provide reasons for deviation from the principle of using cooperation partners' systems.
- Avoid parallel systems. In some circumstances, parallel systems and/or use of so-called "smart safeguards" are necessary. Should parallel systems be used, Sweden's approach shall be to strengthen the national systems in the long term. Decisions to use a partner country's system shall be reviewed on a regular basis. Any use of safeguards shall take place in a manner that contributes to fulfilling the principles of the Paris Declaration.
- Systematically support broad ownership and strengthen actors and systems for accountability through the inclusion and strengthening of parliaments and civil society.

**The following measures are prioritised:**

- In new cooperation strategies and decisions on new contributions, assess the possibility of using the countries' systems for all state-to-state cooperation. When the country teams set the goals for aid effectiveness, an assessment shall be made of how ongoing contributions can use the countries' and organisations' systems to a greater extent. (MFA,

- Sida/Operations/Secretariat for Development and Coherence, Methodologies and Effectiveness)
- Provide support to partner countries to strengthen their systems for planning, implementation and monitoring of results. (Sida, MFA Department for Management and Methods in Development Cooperation, MFA Department For Development Policy)
  - Reduce the hindrances to using partner countries' systems by reviewing the Swedish regulations and guidelines, and through competence development of staff and managers, and development of methods that facilitate the assessment and handling of capacity and risks. (Sida/ Legal Services and Procurement, MFA Department for Management and Methods in Development Cooperation, MFA Department for Multilateral Development Cooperation)
  - Together with partner countries, ensure that cooperation strategies, policies and programmes are designed and implemented in accordance with existing commitments regarding gender equality, human rights and environment/climate change. (Sida)
  - In fragile states or countries with a democratic deficit provide support to state-building in accordance with the OECD/DAC principles of good international engagement in fragile states and situations. (MFA Security Policy Department; Sida/Conflict and Post-Conflict Cooperation/Human Security)
  - Contribute to strengthening vital development actors, such as parliaments, civil society's organisations, research institutes, media and the private sector in the dialogue on development in the partner countries. (Sida/Democracy, Human Rights and Gender Equality)

**Objective 1 will be measured through the following indicators:**

For state-state cooperation

- Portion of aid flows to the government that is reported on country budgets (PD indicator 3)
- Use of country Public Financial Management systems (PD indicator 5a)
- Use of country procurement systems (PD indicator 5b)
- Number of parallel project implementation units (PIUs) (PD indicator 6)
- Progress in broadened ownership and increased integration of human rights, gender equality and environment/climate change.

For other development cooperation

- Proportion of CSO support within geographic cooperation strategies which is core support

## **Objective 2) Increased share of programme-based approaches**

Programme-based approaches are a way of operationalising the commitments from the Paris Declaration and the Accra Agenda for Action at country and contribution level. Sweden's point of departure is that the programmes and systems of its partner countries or organisations are used as a first option for implementation of development assistance, and that that the countries' international commitments regarding human rights, gender equality and environment/climate change constitute a starting-point for development cooperation. A programme-based approach is a way of engaging in development cooperation based on the principle of coordinated support for a locally owned development programme, such as a national poverty reduction strategy, a sector programme, a thematic programme or an organisation's programme.

For a contribution to be regarded as a programme-based approach, the following criteria must be fulfilled:

- i. The cooperating country or organisation exercises leadership of the programme/project;
- ii. A single comprehensive programme and budget framework is used;
- iii. There is a formal process for donor coordination and harmonisation of donor procedures for at least two of the following systems: i) reporting, ii) budgeting, iii) financial management, and iv) procurement, and also
- iv. The support uses at least two of the following local systems: i) local systems/processes for programme design, ii) financial system/processes for programme implementation, iii) systems for financial management and local systems for monitoring and evaluation.

As a rule, Swedish contributions shall be part of the overall frameworks for planning, follow-up of results and dialogue with our partner countries, and shall be coordinated with other donors. Sweden prioritises an increase in the share of programme-based approaches during 2009-2011.

### **Sweden will apply the following principles:**

- MFA and Sida will in the first instance give direct, non-earmarked support to development programmes or

organisations' programmes where the partner country and donors have jointly agreed on a framework that governs objectives, conditions, monitoring (including follow-up of results), reporting and capacity development.

- Adapt its forms of cooperation and financing to the systems and working cycles of the partner country.
- Provide demand-driven support to capacity development, and create opportunities for procurement of local and regional expertise and south-south cooperation.
- Work for broadened ownership and forms for accountability in relation to development plans and results in partner countries where relevant actors are part of the planning and monitoring of development programmes.

**The following measures are prioritised:**

- Competence development of relevant Sida and MFA staff and managers on aid effectiveness, programme-based approaches and capacity development, including how to handle decisive development issues such as gender equality, human rights and environment, within the framework of the aid effectiveness principles (joint analysis, follow-up, etc.). (Sida/Secretariat for Development and Coherence, Methodologies and Effectiveness, MFA/ Department for Management and Methods in Development Cooperation, MFA Department for Multilateral Development Cooperation)
- Quality assurance of the competence and working methods of Swedish actors and integration into existing programmes, including ensuring that the support to capacity development is demand-driven and creates opportunities for increased south-south cooperation. (MFA, Sida/Development Partnerships)
- Revision of Sida at Work (Sida's key manual on work procedures) and linked methodological guidelines which facilitate analysis and implementation of development contributions (capacity development/technical cooperation, dialogue, etc.) (Sida/Methodologies, policy, management, operations)
- Increase the share of core support to civil society, *inter alia* by the adoption of a policy and team/country-specific directions for support to civil society and its implementation by means of different strategies as well as increased coordination with other donors. This applies in accordance with the guidelines elaborated by NordicPlus both for direct support to civil society (within the framework of global, regional and country

programmes) and non-geographic strategies, for example support via Swedish civil society organisations. (Sida, Civil Society Department)

**Objective 2 will be measured through the following indicators:**

- Proportion of programme-based approaches (PD indicator 9)
- Proportion of programme-based approaches in development assistance governed by geographic cooperation strategies
- Coordinated technical co-operation (PD indicator 4)

**Objective 3) Increased predictability and accountability for results**

Increased accountability for results informs both the Paris Declaration and the Accra Agenda for Action. This includes donors' and partner countries' accountability in relation to their respective citizens, and in relation to the target groups of the development cooperation. For the development of partner countries' and organisations' own mechanisms for accountability, a precondition is often support to parliament, civil society, independent media and other democratic institutions. Mutual accountability also implies the possibility for donors and partners to hold each other accountable for the commitments made in relation to agreed results and to international commitments relating to gender equality, human rights and a sustainable environment. Sweden has increased its commitment to clear results in development cooperation, primarily through a stronger focus on results-based management. Predictability is an essential part of mutual accountability for results. The conditions for a partner country to implement planned measures in its strategy or plan are strengthened if donors deliver development assistance in accordance with the commitments made, and adapted to the partner country's working cycle.

**Sweden will apply the following principles:**

- Always have the development results in the respective country and context as the starting-point for analyses, decisions and dialogue.
- Choose forms of cooperation that promote mutual accountability, e.g. by only using conditionality that has been agreed and clearly communicated to the partner, and which emanate from the country or organisation's development strategy or plan.
- Follow the guidelines on transparency and predictability which have been agreed in OECD/DAC regarding our action on

suspicion of corruption, or in situations where the corruption situation is generally deteriorating.

**The following measures are prioritised:**

- Introduction of a uniform across-the board system for results-based management, including systems for monitoring and evaluation of development contributions and for systematic risk analyses. This includes follow-up of evaluations and use of results information. (Sida/Methodology, Corporate Management).
- Integration of targets for increased aid effectiveness in planning in all relevant divisions and departments at the Ministry for Foreign Affairs and Sida, which will make it possible to follow up the effectiveness of Swedish development assistance. (MFA, Sida)
- Contribute to strengthening the partner countries' systems for results-based management, including aspects concerning transparency and citizens' participation in the monitoring of results . (Sida/Empowerment, Methodology).
- Contribute to strengthening the accountability of the partner countries' governments by supporting parliament, civil society and media.
- Increase the share of development cooperation which takes place within agreed time frames, volumes and forms, and systematically inform partner countries of our aid flows 3-5 years ahead. (Sida/Operations)
- Review the number of conditions and ensure that the conditions made for pledges and disbursements are made public, e.g. through revision of systems of rules and agreement templates. (Sida/Legal Services/Operations/Methodology).
- Increase the incentives of managers and staff to work in accordance with the principles of aid effectiveness, e.g. by integrating the monitoring of the targets of the Paris Declaration and AAA commitments in systems for results-based management and monitoring of operations and through a review of incentives in the organisation. (Sida, Methodology/Personnel/Corporate Management, MFA)
- Follow-up of DAC's principles for good engagement in fragile states and situations at country level. (Sida/Conflict and Post-Conflict Cooperation/Human Security)

**Objective 3 will be measured through the following indicators:**

- Aid disbursements which are on schedule and recorded by government/partner organisation (PD indicator 7)

#### **Objective 4) Increased focus and reduced number of contributions**

In order to reduce the transaction costs of development cooperation and create scope for qualitative dialogue and follow-up of results in each contribution, Sweden gives special priority to increase the focus of its cooperation and division of labour, both between and within countries. The EU Code of Conduct for division of labour and the WP-EFF document *International Good Practice Principles on in-country division of Labour*, will serve as guidance. Implementation shall take as its starting-point the leadership and assessments of comparative advantages of the partner countries. The Code of Conduct shall be implemented with due consideration to the situation in each country and as a complement to the ongoing joint donor processes which are led by the partner countries (e.g. to elaborate Joint Assistance Strategies).

The Code of Conduct organises responsibility for the division of labour in three items: country focus, sector concentration and thematic focus. Furthermore, a reduction of the number of contributions is necessary in order to create the preconditions for an improved and more focused dialogue and to improve the effectiveness of development assistance processing.

#### **Sweden will apply the following principles:**

- Sweden shall monitor results and carry out a qualified dialogue with relevant actors in the sectors where Sweden is active, *inter alia* by reducing the total number of contributions and sectors where Sweden is engaged in development cooperation. This includes the possibility of working broadly on dialogue concerning central issues such as, for example, human rights/democracy, gender equality and environment/climate change.
- Sida shall be prepared, where called for, to act as coordinating donor in a specific sector in the majority of focus countries.
- Sweden shall proactively promote the implementation of the EU Code of Conduct at country level and encourage partner countries to lead the process towards an increased division of labour and complementarity.

**The following measures are prioritised:**

- Systematic reporting and follow-up of the commitments in the EU Code of Conduct in all bilateral and regional cooperation strategies (Sida)
- Ensure that the MFA and Sida departments, units and country teams work coherently on sector concentration. (MFA Department for Management and Methods in Development Cooperation, Sida/Secretariat for Development and Coherence, Methodologies and Effectiveness)
- Reviews of the country or team portfolios in order to identify opportunities for increased sector concentration and reduced number of contributions (Sida, Secretariat for Development and Coherence, Methodologies and Effectiveness)
- Integration of aid effectiveness principles in quality assurance committees and other quality assurance functions. (Sida, Secretariat for Development and Coherence, Methodologies and Effectiveness)

**Objective 4 will be measured through the following indicators:**

- The number of sectors per focus country
- The number of contributions per prioritised country, region and globally
- Volume of contributions

**Objective 5) Increased joint analytical work and coordination of country and regional missions**

In order to reduce transaction costs and the work load of its partners and thereby free time for them to implement their development plans, Sweden will reduce the total number of separate missions to countries and regions and increase the share of analytical work and missions coordinated with the partner country and other donors/actors. In addition, the total number of individual missions and studies should decrease. An increased share of joint analytical work will also contribute to consensus between different actors and can contribute to a well thought through joint donor dialogue, follow-up of results and hence enhanced predictability for the partner country.

**Sweden will apply the following principles.**

- The Ministry for Foreign Affairs and Sida will as a rule adapt their analytical work and missions to the partner country's and organisations' planning process, working cycle and needs, and

to the greatest extent possible use existing information and analysis in the partner countries (from various sources).

- As far as possible, analytical work and missions shall take place within the framework of donor coordinated processes.
- The Ministry for Foreign Affairs and Sida shall invite other actors to planned studies/analytical work and share the results and conclusions of the analytical work as broadly as possible.

**The following measures are prioritised:**

- Increase the use of joint instruments for analytical work at country level, including context, development and/or poverty analyses. Focus on drawing conclusions and effectively using the analysis work done. (Sida, Secretariat for Development and Coherence, Methodologies and Effectiveness/Democracy Human Rights and Gender Equality/Empowerment/Environment and other departments)
- Increase the share of joint evaluations, and adapt them to the partner country's working cycle as well as participate in the second phase of the evaluation of the Paris Declaration (Sida/Evaluations, MFA)
- Consistently promote UNCAC's (United Nations Convention against Corruption) anti-corruption monitoring system at country level, by actively taking part in work to ensure the system's quality, transparency and use.

**Objective 5 will be measured through the following indicators:**

- Proportion of joint donor missions (PD indicator 10a)
- Proportion of joint analytical work (PD indicator 10b)

**Objective 6) Improved global cooperation with other donors, particularly within the EU**

In order to achieve results regarding the priorities 1-5 in this Action Plan, Sweden will proactively pursue these issues also in international forums, e.g. in the EU and OECD/DAC. Where it may be expected to lead to concrete results, Sweden shall play an active and in some cases leading role in international contexts in issues related to aid effectiveness.

Sweden will prioritise aid effectiveness in EU cooperation, including during its EU presidency in the autumn of 2009. Work in the Working Party for Aid Effectiveness (WP/EFF) is of key importance, not least in view of the next international follow-up of the indicators in the Paris

Declaration in 2010 and the fourth high-level meeting on aid effectiveness in 2011 (Seoul).

Close cooperation between the field and Stockholm is a prerequisite for achieving impact in international contexts for Swedish priorities. The embassies play a crucial role in this work by gathering practical experience, developing methods and by being able to test the application of agreed principles.

**Sweden will apply the following principles.**

- Possibilities of coordinating assistance in a partner country within the broader donor circle shall always be looked into first. If this is not possible, coordination in the EU circle should be tried. Coordination in the EU circle may also be regarded as a complement to broader donor coordination.
- The EU shall be seen as an important forum for driving the aid effectiveness agenda forward, a forum where stronger commitments than at the global level have been made and should continue to be made, and where it should be possible to organise clear joint follow-up.
- The Ministry for Foreign Affairs and Sida shall participate in a strategic and coordinated manner in SP/EFF and the international processes established in preparation for the next high-level meeting to follow-up the Paris Declaration and AAA.

**The following measures are prioritised:**

- Elaborate and prepare adoption of the Council resolutions at GAERC in November 2009 which concretise and operationalise the commitments in the Paris Declaration and AAA. (Ministry for Foreign Affairs Department for Management and Methods in Development Cooperation, Sida/Methodologies/Empowerment/ International Cooperation/Operations)
- Work to influence the Commission and the EU member states to improve the EU's overall results regarding implementation of the Paris Declaration and Accra Agenda for Action. (Ministry for Foreign Affairs Department for Management and Methods in Development Cooperation, Sida/International cooperation/Methodologies)
- Speed up implementation of the EU Code of Conduct on Division of Labour and Complementarity and the WP/EFF document "International Good Practice Principles on in-country division of Labour".(Ministry for Foreign Affairs

Department for Management and Methods in Development Cooperation, Sida/International Development Cooperation/Methodologies)

- Participate in the international discussion on cross-country division of labour with the aim of drawing attention to countries which receive proportionally less aid per capita and also in order to achieve a more effective division of labour. (Ministry for Foreign Affairs Department for Management and Methods in Development Cooperation, Sida/DG-Sec/Results/Secretariat for Development and Coherence/Analysis)
- Proactively pursue issues in WP/EFF on use of countries' systems, broadened ownership and accountability, programme-based approaches, results-based management, the role of civil society and the importance of including gender equality, human rights, environment/climate change, as well as jointly developing methods for how this is to be effected. (Sida/Methodologies/Empowerment/Civil society)
- Work to ensure that the European Commission's development cooperation and instruments uphold the aid effectiveness principles, with a special focus on eastern Europe. The mid-term review of the instruments and strategies will be particularly important. (Ministry for Foreign Affairs Department for Management and Methods in Development Cooperation, EC, Sida/Europe)

## **Objective 7) Increased focus on supporting multilateral organisations to fulfil their commitments on aid effectiveness**

Priorities 1-5 in this Action Plan also govern cooperation with multilateral organisations, both regional and global as well as global/vertical funds. An important role for Sweden will be to conduct lobbying activities in multilateral organisations that we own jointly with other donors. Sweden shall also review the effectiveness of these organisations in our partner countries.

Implementation of the Paris Declaration and the Accra Agenda for Action calls for major changes in the multilateral organisations. A prerequisite for such change is that donors not only adjust their approach to partner countries but also agree on a common approach in relation to the multilateral organisations. It is important that the

multilateral organisations can implement the Paris Declaration and the Accra Agenda for Action in their country-based activities. Sweden can influence this by placing demands on the respective organisation's regulations and working methods. Sweden wants the organisations to be able, among other things, to make transparent commitments, make multiannual pledges, participate in joint financing mechanisms (where appropriate, for example within the framework of sector programmes), improve use of conditionality and use joint reporting and existing systems in the partner countries.

As a donor, Sweden shall make it easier for the multilateral organisations to plan their activities by disbursing core support in a predictable manner to as great an extent as possible. Analysis and assessment work coordinated with other donors in relation to the multilateral actors, which also includes cross-cutting issues such as the Swedish thematic priorities, is also an important aspect.

A Swedish strategy for multilateral development cooperation was adopted in April 2007. The strategy implies an increased focus on results, both multilateral organisations' results and the results of Sweden's lobbying activities. In the assessment of the multilateral organisations, special attention is given to relevance and effectiveness. Assessments and organisational strategies are important tools for improving the efficiency of Swedish work in relation to the respective organisation. They shall guarantee greater coherence among the actors concerned and promote more selective and effective lobbying activities. This means, furthermore, that Sweden will become a more predictable and transparent partner/donor which will facilitate the organisations' own long-term planning and ultimately contribute to their aid effectiveness work. In the UN system, "Delivering as One" is the most concrete and effective process for increased internal efficiency in the UN system.

A considerable part of donor countries' resources for development cooperation is today channelled through what are known as global (or vertical) funds. Examples of these are Global Alliance on Vaccines and Immunisation (GAVI), the Global Fund to fight AIDS, Tuberculosis and Malaria. The funds deal with urgent issues but have often contributed to an increased fragmentation of development assistance and made coordination and ownership more difficult. Greater demands should be made on the global funds to align and harmonise their activities with the partner countries' priorities and development programmes.

**Sweden shall apply the following principles:**

- Sweden's cooperation with multilateral, regional and global organisations shall uphold the principles formulated under objectives 1-5. This includes preparation of contributions to (planning, formulation, implementation, follow-up) and dialogue with multilateral, regional and global organisations.
- Objectives 1-5 in this Action Plan constitute one of several grounds for the assessment of relevance and effectiveness in multilateral organisations.
- MFA and Sida shall participate in a strategic and coordinated manner in the formulation of the European Commission's development cooperation work (EU aid), *inter alia* in order to follow up the Paris Declaration, in accordance with the Action Plan for EU development policy.
- In each context where multi-bi contributions at country level are being considered, i.e. Sida support that is channelled through multilateral mechanisms, check whether direct support to the country is a possibility in the first instance.
- In the preparation of multi-bi contributions, the Swedish assessment of the organisation and possibly its organisational strategy shall be a crucial point of departure.
- As far as possible, multi-bi contributions at country level shall be turned from project support into programme-based approaches within the framework of the organisation's adopted country programme.
- In countries where the UN has agreed on a common country programme (One Programme), multilateral-bilateral contributions shall only occur within the framework of that programme.

**The following measures are prioritised:**

- Implement Sweden's strategy for multilateral development cooperation. (MFA, Sida)
- Implement the action plan for Swedish work on EU development policy.
- Extend the length of agreements concerning multi-bi support to the multilateral organisations and also improve follow-up of the results of this support. (Sida, MFA Security Policy Department)
- Work for increased predictability of pledges relating to core support to multilateral organisations. (MFA Department for Multilateral Development Cooperation)

- Conduct lobbying activities to improve multilateral organisations' statistical reporting on the Paris Declaration indicators. (MFA Department for Management and Methods in Development Cooperation, Sida/International Development Cooperation/Results)
- Work for a harmonisation of the different UN organs' working methods and increase the UN system's opportunities to participate in broader donor coordination in the respective partner country. (MFA, Sida/International Development Cooperation).
- Work to ensure that the multilateral organisations report back to their executive boards and OECD-DAC on the implementation of the Paris Declaration and the AAA agenda. (MFA, Sida/International Development Cooperation)
- In cases where Sweden judges it to be relevant and prioritised, work for an increased proportion of the multilateral organisations' use of partner countries' systems, as well as increased opportunities for the organisations to take part in programme-based approaches and joint financing arrangements.
- In cases where Sweden judges it to be relevant and prioritised, work for an increased proportion of UN support that is reflected in the partner country's budget.
- Work to ensure that the activities of global funds are in harmony with the Paris Declaration and the AAA principles at country level.
- Implement guidelines for assignment of responsibilities in Swedish multilateral development cooperation. (MFA, Sida)

**Objective 7 will be measured by the following indicators:**

- Number of organisational assessments that analyse the implementation of the aid effectiveness principles
- Share of multi-bi support of disbursements per country
- Number of multi-bi contributions
- Length of multi-bi cooperation
- Size of multi-bi contributions
- Number of multi-bi contributions per cooperation form
- Share of core support (according to OECD/DAC definition of multilateral support) of all support channelled through multilateral channels