



Strategic Direction and Budget 2009–2011

– Revision for 2010–2011

Table of Contents

Time for Year Two – In an Ever Changing World	3
Results in Focus	5
Objectives and Expected Results, 2009–2011	7
1. Focused bilateral development cooperation	9
2. Regional programmes in four regions.....	11
3. Global cooperation.....	12
4. Research.....	12
5. Humanitarian assistance	13
6. Non-governmental organisations.....	13
7. Special Initiative on Democracy	13
8. Environmental loans	13
Appendix 1 – A New Enhanced Thematic Focus for Sida.....	17
Table of Thematic Areas.....	20
Appendix 2 – Financial Planning 2009–2011	23

Published by: Sida 2009

Department: DG's office

Printed by: Edita, 2009

Art. no.: SIDA52441en

This publication can be downloaded/ordered from www.Sida.se/publications

Time for Year Two

– In an Ever Changing World

Many times we have underlined that we work in an ever-changing world. Sida constantly faces new challenges and 2009 the changes came quicker and with a larger impact than for many years. An economic crisis struck the world, aggravating the already existing food crisis. As a consequence of this, we now have to adapt accordingly.

Revisions in Sida development programmes will be necessary because of the reductions in appropriations due to the expected fall in the Swedish GNI in 2010.

Changes will also be related to phasing out of programmes as well as a constant strive to always review our portfolios of programmes and contributions

Resources will be focused on the most relevant interventions for mitigating the effects of the current crisis. Sida produced a set of principles of guiding reductions and reallocations of appropriations in close dialogue with the Ministry for Foreign Affairs. They include safe-guarding development interventions in order to:

- preserve predictability and long-term objectives, as well as
- prioritising bilateral country programmes,
- safe-guard programme and budget support and
- stick to principles and importance of aid effectiveness.

We also need to consider revisions for potentially high-yielding mitigating interventions of the economic crisis.

The resulting strategy is, primarily, to safeguard bilateral programmes within categories I-III, with a special emphasis on category II and on Africa. The necessary reductions in 2010 are suggested to be targeted towards the global and research votes in particular.

We officially launched the renewed Sida less than a year ago. A lot has been achieved since then; we are delivering results that we can proudly present to people in our partner countries, the Swedish government and parliament, tax-payers and organisations we are working with.

In September 2009 we were faced with a situation of unexpected – unforeseen costs for our organisation. This triggered a need for a temporary recruitment and travel ban as well as a major review of our planning, budgeting and monitoring systems.

Taken into consideration a total budget of 933 mSEK and the fact that we take with us these high costs into 2010, this has forced us to make further priorities.

1. Strengthen our budget, planning and quality assurance system focusing on internal management and control.
2. Continue to develop and implement a comprehensive Result Based Management system
3. Further strengthen the organisation through the networks in order to safeguard quality and efficiency
4. Revise Sida at Work in order to increase the efficiency and quality of our work
5. Conduct Portfolio reviews with a focus on “What works?” and the strategic role for

development cooperation in order to enable people to move out of poverty

These are vital parts of Sida's plan to make the organisation more efficient.

Early 2010, a midterm review of Sida's new organisation will be made. Results are and shall remain the main focus for all our activities. The implementation of the aid effectiveness agenda continues to be a high priority. This will mainly be made through the implementation of the common Swedish Action Plan on Aid Effectiveness 2009–2011.

With a somewhat revised three-year strategic direction it is important to underline that the overall strategic direction, which covers the 2009–2011 period, still stands.

We now look forward to getting one step closer to our Vision for Sida 2012. Time for year two – in an ever changing world

Results in Focus

The overarching goal for Swedish development cooperation is *to contribute to an environment supportive of poor people's own efforts to improve their quality of life*. A specific objective is guiding the Reform cooperation in Eastern Europe.

Sida shall be at the cutting edge of important international development issues, and continue to develop forms and methods for cooperation.

The vision expressed in *Sida 2012* highlights five strategic choices that will improve Sida's performance in implementing our mission responsibly and efficiently:

1. The country focus will give us scope to increase our presence in the field during the coming years. A special priority will be given to countries in conflict, where we have had a limited presence despite often extensive country programmes.
2. We will use sector concentration, sector focus and a programme-based approach to create effective synergies between various areas of expertise.
3. We will continuously simplify our methods in order to increase our capacity for high quality dialogue, monitoring, evaluation and lessons learned.
4. We will have an open approach to new ideas and take calculated risks to develop new methods and cooperation.
5. We will show respect for our partners' right and responsibility to shape their own development by honouring our long-term commitments.

Sida shall become better at managing for, monitoring, reporting and documenting results. Efforts initiated for an increased *focus on results throughout Sida*, will continue. We shall insist on the reporting of results and an efficient utilization of funds from Swedish taxpayers.

Sida should ensure that all efforts are based on the needs of poor people, and lead to practical development results. *Analyses and evaluations of the results* achieved shall serve as the basis for the scope and content of our work.

In order to be successful, a clear and multi-year result-focused approach is needed. Resources must be allocated for thorough evaluation efforts and active learning.

An important factor is that international development cooperation is moving toward joint modalities for cooperation. Efforts are increasing to improve co-ordination and effectiveness of existing resources. Sida shall be in the front-line in implementing the *Paris Declaration*, building on the conclusions and recommendations from DAC's peer review of Sweden's development cooperation. The implementation of the Swedish Action Plan on Aid Effectiveness is a prioritized task for Sida during the 2009–2011 period:

- Development results shall be defined more clearly
- As a rule, a programme-based approach (PBA) shall be the basis (including the non-attribution principle) for all contributions
- Predictability and reporting from Sida shall be clearer

- The indicators of the Paris Declaration shall be monitored annually for each partner

During 2009–2011, Sida will develop a *unified system for management by objectives and results* for:

- Development results (analysed result matrixes linked to strategies for various appropriation items and monitoring of results relating to individual contributions)
- Agency results (three-year agency plan for the administrative budget)
- Employee and supervisor results (contracts regarding individual goals and expected results)

Management by objectives and results includes both good *strategic analyses* regarding what should be done in order to best achieve the objectives, and *efficient implementation* with quality assurance and monitoring of the expected results, as well as *evaluation and lessons learned* on all levels.

Objectives and Expected Results, 2009–2011

Based on overarching political directives, Sida's role in the policy for coherence (PGU), and the goal of Swedish development cooperation, the operational areas set by the Government, as well as applicable policies, guidelines and strategies for various parts of our operations, *four agency objectives shall guide and determine* how Sida, as an agency, shall fulfil its tasks in the best possible way.

Objective 1

Analyse and prepare high-quality proposals in a timely manner to serve as basis for Government decisions regarding policies, strategies and methodological guidelines for Swedish development cooperation.

Through its knowledge and expertise, Sida contributes to the Government's decisions on policies, strategies and methodological guidelines for Swedish development cooperation. This is done through the preparation of analyses, assessments and proposals as requested by the Government. This work requires close dialogue and effective cooperation between Sida and the Ministry for Foreign Affairs, including joint working teams.

The Government has increased the focus of its *three thematic prioritizations* for development cooperation for the period up until the next election:

- *Democracy and human rights* should focus on human and civil rights, institutions and procedures in a democratic state founded on the rule of law, and on the actors in democratization processes.

- *Environment and climate* should focus on adapting to climate change, as well as energy, security and the environment, and water.
- *Gender equality and the role of women in development* will focus on political participation by women, women as economic actors, sexual and reproductive health and rights, and women and security, including gender-related violence and human trafficking.

Special Action Plans for the entire work of Sida involving the Government's three prioritizations have been established and should be reflected in the implementation of all strategies.

With reference to the policy for coherence, Sida has a role to seek synergies within the framework of the goal for the development cooperation as well as to serve as a catalyst and complement for contributions in other policy areas.

In order to be able to contribute high-quality analyses and documentation, Sida must possess cutting edge expertise regarding international challenges and development issues.

Derived from the overarching goal of poverty reduction, Sida shall work with a long-term perspective with the following *five mutually dependent broad thematic areas* to reduce poverty and promote sustainable development:

1. Empowerment
2. Economic opportunities
3. Environment, climate change and sustainable services
4. Human development
5. Human security

These five areas correspond to five departments of *Policy*, and create a framework for strategic analysis, advisory and advocacy efforts. They also serve as a foundation for human resource development and lessons learned, as well as for contributions for concrete development results in our partner countries.

Taking these five areas as a starting point Sida has, through strategic decisions, launched a new enhanced thematic focus, including issues and interventions where Sweden has a comparative advantage, and effectively can contribute to the achievement of our objectives. The new enhanced thematic focus for Sida is to be found in Appendix 1.

The Government is formulating a clear policy structure for Swedish development cooperation. Sida will contribute to this task with a view that *the total number of policies during the 2010–2011 should be reduced, and more clearly based on operational needs*. Sida will not formulate its own policies. Sida's existing policies shall remain in force until they are replaced by new Government policies.

Policies and methodological guidelines shall direct the implementation of the development cooperation, that is the planning and the implementation of various strategies for partner countries and other appropriation items.

During 2010–2011, *annual analyses and result reports* shall be carried out in order to ensure achievements of results building on existing policies and guidelines and achievement of results. These will also be used as documentation for lessons learned.

Policy is responsible for the thematic reporting in the annual report and the supplement on development results. Every team is expected to contribute to these efforts.

For 2010–2011 policy work requested by the Government is expected for the following themes:

- Climate and Environment (2010)
- Social Development (2010)
- Migration and Development (2010)
- Gender Equality (2010)

All appropriation items at the disposal of Sida shall be determined by strategies adopted by Government decisions. In a larger sense, this means that Swedish development cooperation will assume a more long-term nature, and be more predictable. This also provides Sida with improved opportunities to plan its operations.

In 2010–2011 strategy work for the following countries and regions is expected:

- Burkina Faso (2010)
- Mali (2010)
- Cambodia (2010)
- Middle East, regional (2010)
- Bosnia-Herzegovina (2010)
- Asia, regional (2010)
- Moldova (2010)
- Belarus (2010)
- Zimbabwe (2010)
- Somalia (2010)
- Zambia (2011)
- Sudan (2011)
- Occupied Palestinian Territories (2011)
- Tanzania

Policy bears the main responsibility for preparing new policy proposals¹, in cooperation with the networks concerned. The main responsibility for preparing new strategy proposals rests with *Operations*, and the primary responsibility for preparing proposals for new methodological guidelines belongs to Management. All relevant teams in the organisation are expected to contribute in these processes through the Sida Networks. Teams with members in networks concerned are to take this into consideration in their operational planning.

In summary, allocated resources for policy and strategy work during 2010 stay at approximately the same level as in 2009 but are estimated to be reduced in 2011.

Objective 2

Implementation of strategies for development cooperation, with a focus on efficient preparation, monitoring and evaluation of contributions

¹ As well as for the strategy for research cooperation

Sida is responsible for the implementation of Sweden's strategies for development cooperation in countries and regions, as well as for specific strategies for humanitarian interventions, civil society support, global development programmes, research cooperation, environmental loans, specific initiatives on democracy and information efforts.

Due to the financial crisis and the subsequent contraction of the Swedish economy, *Sida's development cooperation appropriation will fall by SEK 2 billion in 2010*. This dramatic decrease of 12,5% will have severe repercussions for our programmes. This should, however, also be seen in the light of the 7,5% increase 2009. In order to be able to support partner countries in mitigating the effects of the global downturn, efforts have been made to safeguard bilateral programmes in particularly vulnerable countries. As a consequence, regional programmes and some global appropriations have been scaled down.

The attached *financial plan* (Appendix 2) shows the indicated financial framework for Sida's appropriation items and strategies. These may change, however, as new decisions are made regarding strategies, and with future government budget bills. With the help of active planning, Sida can meet unforeseen events and changes in the pace of implementation in various countries, and thereby achieve efficient resource utilization.

The total number of interventions shall decrease at the same time as the efforts contributed must become more efficient. Fewer resources will be devoted to the preparation and assessment phase, while more will be allocated to the implementation, monitoring and evaluation of the results.

An Action Plan on Aid Effectiveness 2009–2011 has been developed jointly by Sida and the MFA. The Action Plan applies to all country categories. This means that in each cooperating country, Sweden shall 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.

Sida will continue to develop forms and means of cooperation with various *actors*, as well as resource-base development, in civil society, academia, the private sector and municipalities and county councils. Achieving the best possible results requires strategic partnerships and effective cooperation. New forms and instruments for development cooperation will be considered.

The possibility of using the instruments for loans and guarantees shall be considered in all partner countries, and be handled within the financial framework of the country strategy. In addition, environmental loans were introduced in 2009. These instruments are all untied.

1. Focused bilateral development cooperation

The country focus by the Government gives a clear signal as to where Swedish development cooperation will be conducted in the future. That decision indicates six different categories of countries, four of which include those countries with which Sweden will continue to engage in development cooperation, and two of which consist of countries being phased out.

The country focus means a clear and strong prioritization of Africa. Of the 37 countries identified as continued recipients of Swedish assistance, 16 are in Africa.

The country focus enables Sweden to increase its role and contributions in the countries we will continue to operate in, while, at the same time, phasing out contributions and resources in other countries.

All Country Teams need to follow closely the effects in partner countries of the global economic crisis in order to ensure the continued relevance of the country programme. With predictability and long-term commitment as the overarching principle, there is need for flexibility to mitigate the effects of the crisis on people living in poverty. Guiding such flexibility includes assessing:

- social protection needs and measures
- the support of livelihoods and economic opportunities
- infrastructure, including opportunities for investments related to climate change and the environment
- priorities *within* programmes (i.e. the possible scaling up of support with directly mitigating effects)

Long-term programme cooperation (Category 1)

Cooperation with countries with long-term programme cooperation shall be based on each of these countries' own prioritizations, and be conducted mainly through each country's own planning, implementation and monitoring systems. Cooperation will be under leadership of the partner country, in close consultation with other donors:

- The pre-conditions for budget support shall be considered during the preparation of cooperation strategies for each country.
- With some exceptions, budget support and sector programme support are default modalities in this country category.
- While increasingly using country systems, institutional development, including anti-corruption measures, shall be a priority.
- Particular efforts should be made to enhance domestic accountability

Within a relatively stable administrative resource envelope, some changes between teams can be made in order to reflect reductions/increases in overall workload.

Cooperation in conflict/post-conflict countries (Category 2)

Cooperation in countries in conflict or post-conflict situations shall be given increased priority and scope during this operational period. In spite of a difficult budget situation, overall volumes to this country category will increase 2010–2011. Development cooperation in these countries has a focus on state building, securing peace and improving stability. Country programmes must be flexible and able to adapt to volatile security situations.

- The reliance on short-term financial instruments in several country programmes should gradually be replaced with modalities that are more aligned to country systems
- The possibility of providing some kind of budget support to one or two countries (e.g. Liberia) should be explored.
- Increased focus on gender-based violence and UN resolution 1325.
- Co-ordination with defence and foreign policy shall be ensured.

Sida's direct involvement in Burundi, Sierra Leone and East Timor will be of a more limited nature during this operational period.

In this category of countries, humanitarian assistance is often an important item in the totality of Swedish actions. Humanitarian contributions are governed by the humanitarian imperative, but synergies should be sought with the long-term development cooperation. Humanitarian expertise should be added to the country team involved for implementation and monitoring.

Substantial investments at HQ and in the field have been made in 2009. To the extent additional resources can be made available, Sida's field presence should be strengthened.

Reform cooperation in Eastern Europe (Category 3)

The majority of the countries in this policy area are involved in transition processes with a view toward consolidating democracy, and reforming the economy and institutions in the society. The Government has adopted a special goal for reform cooperation in Eastern Europe: *Reinforced democracy, equitable and sustainable development, as well as movement toward the European Union and its fundamental values*. When the country focus has been implemented, nine countries will be included in this new policy area. The phase-out of cooperation will take place in four countries, while operational volume is stable in the remaining countries.

- The work involving reform measures in Europe should be reinforced by clearly basing it on EU integration as a forceful tool for poverty reduction

- A particular emphasis must be given to the accelerated implementation of the Aid Effectiveness agenda: a concentration of contribution portfolios, an increase of the proportion of programme-based approached and a reduction in the number of parallel project implementation units.

The administrative resource requirements shall decrease during this period of operations, as contribution portfolios are concentrated, and a programme-based approach is implemented.

For organisational clarity, Sida's contribution to another policy area, *International Cooperation*, is also dealt with here. Unlike earlier expectations, cooperation with Russia will increase in 2010, with additional interventions in the area of democracy and human rights on top of ongoing environmental investments. Under the same policy area, the Baltic Sea Team promotes neighbourhood partnerships and EU integration in the Baltic Sea region. In 2010, a more cohesive approach for Sida activities under this appropriation will be explored in order to increase synergies between the various work streams.

Alternative promotion of democracy and human rights (Category 4)

The conditions required for operations in these countries where Sweden is to promote democracy and human rights are often demanding, and require resources over and above the usual ones.

In those countries where actual state-to-state cooperation is either impossible, or is not desirable, support for promotion of democracy and human rights will be provided in alternative forms:

- Cooperation should be undertaken with NGOs and civil society forces that work to achieve openings for democracy.
- In other cases, such as where civil society is small or non-existing, the focus should be on communicating an awareness of democracy, human rights, gender equality and market economy.

There has been an increased field presence in the work involving Burma. There should be a preparedness for an increase in Zimbabwe in the event of positive developments there.

Phasing out and selective cooperation (Categories 5 and 6)

It is important to honour commitments that have been made. In those countries where cooperation is being terminated, it is especially important that this is done in forms that contribute to the retention of the results achieved, and that the phase-out of Swedish cooperation is implemented in a responsible manner. The phase-out releases resources that can be transferred according to new prioritizations.

A phase-out plan was decided upon in mid-2009. Unfortunately the phasing out and closing of four country offices will take place earlier than planned, due to limited administrative financial resources.

In seven countries² where development cooperation is phased out, Swedish involvement will continue through *selective cooperation* intended to contribute to various forms of economically self-sustaining partner-driven cooperation. Sida shall contribute its expertise about, and contacts in, the country.

As regular development cooperation is phased out, a reduction in administrative resources is foreseen. However, as volumes in partner-driven cooperation tend to be comparatively small, Sida's transaction costs will tend to be higher than for other modalities.

2. Regional programmes in four regions

Issues of cross-border nature are handled more effectively using a regional perspective. This applies to issues relating to the environment, water, commerce, contagious diseases, the infrastructure to give a few examples. The content of Sida's regional operations is determined by the strategies of the Government, and handled by regional teams within *Operations*. The regional programmes include contribution

² Botswana, Namibia, South Africa, India, Indonesia, China and Vietnam

management, as well as regional co-ordination and advocacy efforts.

Due to the overall reduction in Swedish ODA volumes, regional programmes will be significantly scaled down during 2010–2011 (see Appendix 2). A phasing out of The regional programme in Latin America will start in 2010. Three regional programmes will remain:

- Africa with four priority areas (peace and security, climate and the environment, regional integration and trade and HIV/AIDS)
- Asia (environment, democracy and human rights)
- Middle East (democracy and human rights, trade and water and the environment)

Downsizing of regional programmes, however painful, will be an opportunity to sharpen the strategic focus of the programmes:

- Interventions should have a clear focus on regional or subregional cooperation, not merely be multi-country,
- Contributions outside the stated priority areas should be phased out as soon as possible
- In general, there is a scope for a substantial concentration of the contribution portfolios.

The downsizing of regional programmes will have resource implication already in 2010 and more significantly in 2011.

In order to ensure an effective and efficient management, a review of the Africa Regional Programme was made in mid-2009. Similar reviews will be made for the regional programmes for Asia (including SENSA) and the Middle East, with a view to increase contribution management in the field.

3. Global cooperation

In 2007, the Government adopted a strategy for global development programmes. The overarching strategic goals are to increase Swedish participation in, and influence on, global development cooperation to reduce poverty, as well

as share these experiences with actors in Sweden and partner countries.

These activities will focus on:

- Strategic thematic interventions,
- Capacity and institutional development, and
- Resource-base development.

The strategic thematic interventions should be based on the five thematic areas and the specific issues set out in Appendix 1. Contributions are handled by *Operations*³ in close cooperation with the appropriate teams within *Policy*, which shall have the overall responsibility for policy dialogue within the framework of the major interventions, as well as the strategic overview of the portfolio, in cooperation with *Operations*. The total number of interventions shall be reduced significantly.

The budget for global development programmes will be reduced significantly in 2010. This will affect all three activity areas of the appropriation. Downsizing of the strategic thematic interventions should, to the extent possible, follow the proportions between thematic areas as given in DG's decision dated 27 March, 2009.

A concentration of the portfolio, including a substantial reduction in the number of interventions, will have resource implications in 2010–2011.

4. Research

Devoting resources to research cooperation is a step toward increasing capacity building, especially in countries where Sweden has long-term development cooperation programmes. In 2009 the Government adopted a strategy for research cooperation. On the basis of these, a review of the portfolio of research contributions will be conducted in 2009.

All bilateral and regional contributions will be handled within *Operations*, in order to create valuable synergies for other bilateral and regional activities. This shall be done in close cooperation with the Secretariat for Research

³ Except for minor contributions solely focused on policy and method development within the sector.

Cooperation, which handles all other research cooperation.

In the coming years, development cooperation will be phased out in five countries, as a result of country focus efforts. Research cooperation is appropriate for partner-driven cooperation aimed at creating long-term contacts that will continue beyond development cooperation.

5. Humanitarian assistance

The scale of natural disasters is growing, and there are significantly more climate-related disasters than in the past. The consequences of natural disasters and armed conflicts are becoming more severe, and the need of preventive activities is increasing.

Sida should have a high level of preparedness, and the ability to make fast decisions in accordance with the principles of good humanitarian donorship. Sida should take part in international advocacy regarding humanitarian issues, including UN resolution 1325 and the role of women in armed conflicts.

Close cooperation with the appropriate teams in *Operations* shall be maintained in order to facilitate the transition between humanitarian assistance and reconstruction.

6. Non-governmental organisations

Actors in civil society plays an important role in development cooperation. They play a key role in poverty reduction and have a potential to contribute to democratic development and increased respect for human rights. For example, in countries with budget and sector support, civil society actors can have an important role to enhance domestic accountability and in conflict/post-conflict countries civil society actors can promote peace and democracy.

In mid-2009, the Government adopted a new policy for support to civil society in development cooperation. In 2010, special emphasis should be given to the implementation of the policy within Sida.

A new strategy for the civil society Appropriation was decided upon in September 2010. In the implementation of that strategy special

emphasis should be given to ensuring that the Aid Effectiveness agenda permeates also Sida's cooperation with civil society – ensuring that the Swedish Framework organisations have solid internal control systems, in particular related to the risks inherent in the long accountability chains and in the organisations ability to analyse and manage calculated risks

The Team for Civil Society is also responsible for ensuring that there is uniformity with respect to the cooperation taking place with various country teams and Swedish NGOs.

7. Special Initiative on Democracy

In 2009 the Government adopted a strategy for a special Initiative on Democracy with the aim of further strengthening Sweden's work in this area. A particular focus is given to agents of change and defenders of democracy and freedom of speech.

The Initiative will be managed by the Civil Society Team at the Department for Development Partnership in close cooperation with the Human Rights Team at Empowerment. Implementation guidelines has been developed during 2009.

8. Environmental loans

A new instrument, environmental loans, was introduced in 2009 in order to increase the availability of capital for investments targeting environmental problems and climate change mitigation. The instrument is primarily directed to country categories 1, 2, 3 and 5. Regional contributions, provided that they fall within the priorities given in regional cooperation strategies, could also be considered.

Objective 3

Co-ordination and consulting nationally and internationally to achieve effective policy implementation and advocacy efforts

In order to be in the fore-front of prioritised development issues at a global level, the following is required:

- reinforced analytical capacity of Sida
- increased focus on evaluation of existing policies and development of analytical tools in order to ascertain that these are performing their functions as useful tools in the operational work, global dialogue and advisory services.
- a clear thematic focus (appendix 1) with a special focus on “What works?” in each focus area by a systematic use of Swedish and international evaluations and research.
- an enhanced cooperation with donors and/or policy networks in a selected number of focus areas
- ability to detect up-coming trends reshaping the development agenda

At the core of the Swedish Policy for Global Development is the policy for coherence covering all policy area. The Government has highlighted *six global challenges* involving several policy areas: oppression, economic alienation, climate changes and environmental impact, conflicts and failed state situations, contagious diseases and other threats to health, and migration. Within the framework of the goal for the development cooperation, Sida should contribute to the policy for coherence as a part of “*Team Sweden*” under the overall responsibility of the Government Offices. The Government emphasizes the need to clarify and deal with goal conflicts and synergies between various policy areas in relation to the global challenges.

Based on its strong field presence and broad expertise regarding development issues, Sida should contribute to identifying these kinds of goal conflicts and synergies. Resources should be allocated for cooperation and counselling with other policy areas and actors.

In order to achieve more effective advocacy efforts:

- Sida shall, to a greater degree, utilize its knowledge and experience of bilateral and regional cooperation in its actions on the global level.

This relates to all parts of the organization (the country teams, and the regional and global levels) and should increase during this period.

The departments of *Policy* are responsible for co-ordination through the Networks. Sweden’s cooperation with multilateral organizations is governed by the Swedish Strategy for Multilateral Development Cooperation.

Much of the normative policy development that directly and indirectly affects the implementation of development cooperation at country level takes place within these organizations.

- Sida’s experience of field cooperation with the multilateral organizations shall, to a greater degree, be used as feedback for policy development at HQ
- At the same time, Sida, through its presence in the field, should do its part in influencing the work of the multilateral organizations at country level.
- Sida should assist the Government Offices in assessing the relevance and effectiveness of multilateral organizations, and should use these assessments in the preparation of specific contributions.
- Sida should participate in the preparation and implementation of strategies for multilateral organisations, as well as in their management and the management of the joint development cooperation of the EU.
- Advocacy work on, and cooperation with, the *EU Commission* and its’ delegations are of special importance.

Due to limited resources 2010 clear priorities need to be made and agreed on with the MoFA. The Secretariat for Development Analysis has the overall responsibility for ensuring that there is uniformity in Sida’s cooperation with various organisations, and the Networks will play a key role in the implementation of the above functions, while *Policy* is responsible for the co-ordination of the networks.

Objective 4

An efficient organisation where management, supervision and support work together.

Sida shall continue with the improvements of functions and working methods of the organization that have been commenced, in accordance with the *corporate development plan*. The goal is to make Sida one of the world's leading actors in international development cooperation by 2012.

Sida must work more strategically and become better at *management by objectives and results*, both in planning and in monitoring results:

- Plans of operations and expected results shall be reviewed three times a year. Financial follow-up and forecasts have to be done more often due to demands from the government and ESV.
- Each employee and manager shall have a result contract that shall be reviewed and revised annually.
- All teams shall contribute to the annual report and results supplement. The result report to the government 2009 will focus on environment and climate and some selected countries (Georgia, Turkey, Mali and Burkina Faso). Management is responsible for the quality assurance of the overall structure and process of the report.
- The quality and use of our *evaluations* shall improve through clearer guidelines, more systematic support and lessons learned in the organization. Each team shall always plan for timely and relevant reviews and evaluations.

We must continue to increase the *quality assurance and management* of our contributions. Result and financial monitoring are absolute musts:

- The development of an efficient system for results based management will continue.
- All operation teams shall put high priority on monitoring of contributions by assessing risks, utilize information from audit reports and take action when needed.
- The new controller network has been established to ensure that review and monitoring will be done in accordance with the applicable rules and routines.
- A centralized processing of the administrative appropriation will be fully implemented to increase the efficiency of our administra-

tive work, and to enable uniform and clear forecasts and monitoring:

- A standard management support level necessary for all teams will be established and implemented during 2010
- The work of combating corruption and improving auditing routines must continue.

We shall reduce the time we devote to *assessments* of contributions (with unimpaired quality) and instead focus on implementation and monitoring:

- Initial assessment was 2009 eliminated and replaced by a decision regarding the relevance of the contribution, and an assessment plan.

The *networks* across the organisation play a crucial role for achieving first-class quality in all four operational objectives. Twelve formal networks have been established, seven hosted in

Policy and five in Management. Most staff are members of at least one network, and should make maximum use of them, in order to secure and enhance the quality within the organisation. While all directors are responsible for the results of their team, directors and network members are encouraged to generously share experience and knowledge through the networks for the benefit of other teams in order to achieve better quality in overall results of Sida.

We shall devote more time to *dialogue* and cooperation, and less documentation and shorter documents:

- This requires an additional review of the present work processes and requirements.
- Sida at work shall be revised.

Sida should have a long-term strategic plan for human resource management. Sida's work with *human resource development* shall be more modern and systematic. This means:

- Identified competence requirements for thematic expertise, methods for development cooperation and management skills.
- The Directors responsible for specific competence areas (in Policy and in Management) have the responsibility for the long term competence planning.
- Various fundamental skills will be required, and be a prerequisite for certain positions and levels in the organisation.
- All managers shall continue to participate in a manager development programme.
- A diversity of staff with different backgrounds as an asset for the organisation in an ever-changing international environment.
- The experiences from the field shall be used as feedback.

The team for human resources, with the assistance of appropriate departments of *Policy* and *Management*, will be responsible for ensuring that there is a common strategy, plan and budget for human resource development and management. A close cooperation and coordination with the trade unions will be essential. Effective *communication* is a fundamental requirement for well-functioning operations, as are human resource development measures, lessons learned, and a good working environment.

- A new policy and a new strategy for Sida's communication work will be prepared.
- There should be modern IT for all parts of the operation that are dependent on having reliable and efficient IT systems.
- Sida's communications efforts to promote contact between embassies, delegations, the Stockholm office and other actors in Swedish society possessing relevant experience need to be enhanced.
- English should be used to a greater extent.

Sida's external information directive and the resources associated with this give us great opportunities to reach out to the entire Swedish society. An action plan will be issued based on the approved strategy from the government.

Appendix 1

– A New Enhanced Thematic Focus for Sida

Poverty reduction is a multi-dimensional challenge. With many actors involved in the effort to rid poverty there is a clear need for actors to narrow their respective agenda and concentrate limited resources in order to better utilise comparative advantages.

To this end, Sweden has concentrated its bilateral development cooperation to fewer partner countries and restricted the number of sectors for engagement in each partner country.

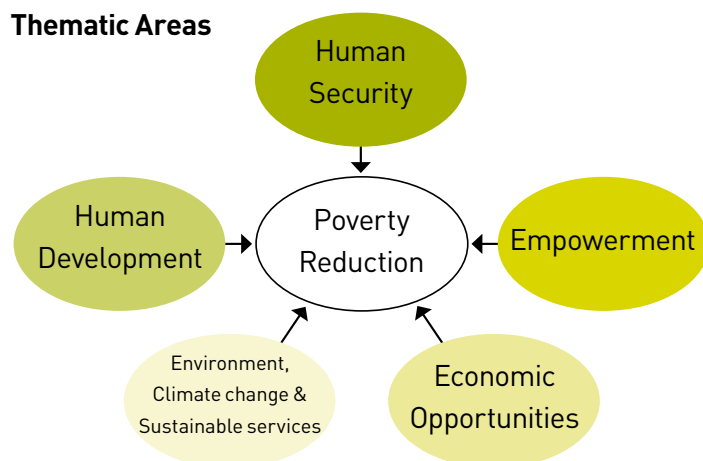
To further increase the effectiveness and impact of our work, Sida has decided to sharpen its focus within our thematic areas and main sectors by selecting a number of *focus areas* and *high profile issues* where Sida will further increase its engagement, capacity and competence.

Within the *main sectors* of Sida's five thematic areas a number of broad *Focus Areas* and specific *High Profile* issues have been selected that reflects the following selection criteria:

- *Clear Priorities by the Swedish Government*
- *Strong Demand in Partner Countries*
- *Assessments of Global and Regional Development Trends and Needs*
- *Assessments of Swedish Comparative Advantages*

In order to prioritise, a number of *Low Profile* areas has also been singled out. These are not necessarily areas of less importance for development and poverty reduction, but they are areas that, on the balance, match the selection criteria to a lesser extent, and where other actors are considered to have stronger comparative advantages than Sweden and Sida.

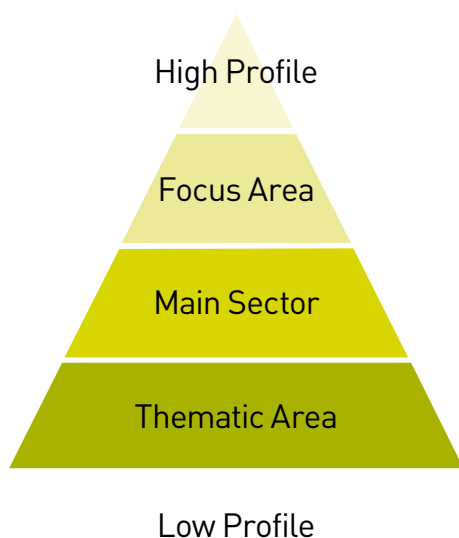
Thematic Areas



Main Sectors

Sida's main sectors captures the broad scope of the development agenda. All Sida staff should have a general knowledge of the main sectors and the importance and role of the sectors in poverty reduction and development cooperation. Network members should have a thorough understanding of the broad spectre of the relevant sectors. In addition to the thematic main sectors listed below, *general budget support*, *research cooperation* and *humanitarian aid* are termed as main sectors.

Focus Areas and High Profiles



Focus Areas

The Focus Areas are broad cooperation areas where Sida will step up its engagement and position, and areas where Sida will invest in capacity and competence development, mainly through the different Networks. All members of the relevant Network shall have essential competence in these selected areas to be able to engage in a pro-active dialogue in our Partner Countries. The respective Policy Departments will establish close links to external knowledge resource centres and actively follow global and regional developments in research and evaluations for the benefit of the entire Network.

Over time strategy proposals prepared by Sida shall, based on the country context, reflect the emerging competence profile of Sida given by the enhanced thematic focus. The Focus Areas will constitute the major 'building blocs' in country programmes where Sida will pursue an active agenda with Programme Based Approaches as default position. For current strategies and given the context, new contributions within Focus Areas will be given preference.

High Profiles

High Profiles are specific issues where Sida intends to pursue a strategic and highly qualified dialogue at the global arena with multilateral organisations, well as at country and regional level where these issues are considered to be of specific importance.

In the financial country portfolio, high profile issues may not necessarily be sizeable, but still call for substantial attention in the country dialogue. This ambition will require specific efforts for internal competence development and external knowledge support.

Low Profiles

Issues labelled as Low Profiles are not considered as less important for development per se, but in order to make investments in high-profile areas Sida must prioritise.

Agreements with a thematic focus mainly within a Low Profile shall be honoured, but in the partner dialogue it must be clear that Sida will not uphold competence within the area and that the cooperation (normally) will terminate following the termination of the agreement, with the exception of no-cost extensions.

In country programmes where the strategy explicitly mention areas listed here as Low Profiles, Sida's engagement continue. Likewise, components considered as Low Profiles within broader Programme Based Approaches are not directly affected, but within the local donor cooperation group the attention for Sida shall

rather be directed towards high profiles than low profiles.

While Sida will not actively develop competence within these areas, the respective Policy Department shall be able to give advice on where relevant knowledge and competence can be accessed.

Staff specialised in Low Profile areas will be encouraged to pursue competence development within the broader Focus Areas or High Profiles as deemed suitable in dialogue with Team and Network directors.

The enhanced thematic focus will not impact on cooperation forms such as partner driven cooperation, credits and loans, research cooperation and humanitarian assistance, as well as support through Swedish civil society frame organisations, and support to the EC-programmes Taiex and Twinning.

Regular review

A regular review of the Focus Areas and High Profiles will be conducted in relation to the annual operational planning process to allow for accommodation to new political priorities and significant changes in contexts and analyses.

Table of Thematic Areas

Thematic Area: Human Development			
Main Sectors	Focus Areas	High Profile	Low Profile
Health	Health systems Health determinants Social security	SRHR including MDG5 HIV/AIDS	Basic nutrition Immunization Child health Population policy and administrative management Alcohol, Tobacco, Narcotics, Disease specific initiatives
Education	Education systems and lifelong learning	Inclusive education Education for democracy Education for sustainable development	School construction Text book development Advanced managerial and technical training

Thematic Area: Human Security			
Main Sectors	Focus Areas	High Profile	Low Profile
Conflict, Peace and Security	Transition and Early Recovery	Women in peace processes	Early warning systems
	Peace-building	Security systems reform	
	Stabilizing security	Disarmament, demobilisation & reintegration	

Thematic Area: Empowerment			
Main Sectors	Focus Areas	High Profile	Low Profile
Democracy, Human Rights & Gender equality	Democratic institutions	Parliaments & local democracy	Court systems
	Public Administration	Public Financial Management	Correctional system
	Rule of Law	Equal access to justice	Law education
			Democracy/HR-surveys
			Taxation
	Human Rights Systems – institutions and defenders	Free and independent media	Freedom of religion
	The Rights of the Child	Child protection	Culture rights
	Freedom of expression & access to information	Non-discrimination (with a focus on Rights of PwD (persons with disabilities) and Rights of LGBT (lesbian, gay, bisexual, transgender))	Rights of refugees
	Political participation		Racial discrimination
	Women's empowerment	Women's and young people's political participation	Women's empowerment
Women and security	Women's economic empowerment	Women and security	
	Gender-based violence		

Table of Thematic Focus Areas

Thematic Area: Environment, climate change and sustainable services			
Main Sectors	Focus Areas	High Profile	Low Profile
Environment	Environment management and integration Climate change Ecosystem services and resilience	Climate change adaptation Disaster risk reduction & prevention Marine resources	Air pollution CSD-process on sustainable consumption and production
Sustainable infrastructure and services	Water and Sanitation Energy Urban Development	Sustainable sanitation Water governance Transboundary water management Renewable energy and energy efficiency Strategic urban planning, and service systems	Transport (roads, railways, sea and air transport) Road safety Telecommunications Urban agriculture

Thematic Area: Economic Opportunities			
Main Sectors	Focus Areas	High Profile	Low Profile
Agriculture & Forestry	Sustainable agricultural and forestry production Governance of natural resources	Food security Agricultural diversification Land tenure rights Sustainable forestry	Large scale agriculture/ plantations Large scale irrigation Fishery development
Market development	Trade Financial systems Private sector development Migration	Trade Policy and regulation Local financial markets Employment and decent work Business enabling environment Corporate Social Responsibility	Industrial development Mineral resources Corporate governance Innovation systems Consumer protection

Appendix 2

– Financial Planning 2009–2011

Financial Planning 2009-2011

– Budget for Development Cooperation

The tables below provide the planning framework for Sida's budget items as well as country and regional cooperation allocations. Figures for 2011 are indicative and may be revised as the Swedish Government decides on e.g.

individual cooperation strategies. The forecast figures for 2009 include distributed savings from 2008.

Budget item	Outcome	Forecast	Budget	Prel budget
	2008	2009	2010	2011
		(mSEK)	(mSEK)	(mSEK)
Humanitarian assistance and conflict	2 552	2 426	2 273	2 300
Information	29	36	88	90
Global development programmes	2 002	2 393	1 740	1 780
Non-governmental organisations	1 230	1 332	1 159	1 160
Asia	1 700	1 786	1 572	1 525
Latin America	910	917	670	560
Africa	4 407	5 233	5 273	5 450
MENA	431	520	410	420
Eastern Europe and Central Asia ODA	130	115	60	0
Research (incl bilateral allocation)	918	1 029		
Research (excluding bilateral allocation)			300	350
Special Initiative on Democracy	-	100	120	120
Concessionary Credits	190	-	-	-
Environment loans	-	300	200	250
Eastern Europe and Central Asia, non ODA	69	12	-	-
Sum 7.1:1	14 568	16 199	13 864	14 005
5.1:11 Cooperation within the Baltic Sea Region	102	69	94	95
7.2:1 Reform cooperation in Eastern Europe	1 044	1 335	1 138	1 170
TOTAL Sida	15 714	17 603	15 097	15 270

Appendix 2

	Strategy	Outcome	Forecast	Budget	Prel budget
Asia	period	2008	2009	2010	2011
		(mSEK)	(mSEK)	(mSEK)	(mSEK)
1 Bangladesh	08-12	236	270	235	235
of which climate change initiative			50	45	45
1 Cambodia	08-11	100	190	180	220
of which climate change initiative			15	15	15
2 Afghanistan	09-13	354	450	500	500
2 East Timor	09-11	33	30	30	30
4 Burma	09-12	71	60	60	60
4 Korea, Dem. Rep.	-	-	5	5	5
5 China	09-13	59	45	50	50
5 India	09-13	57	60	60	60
5 Indonesia	09-13	70	50	35	35
5 Vietnam	09-13	229	168	110	90
of which research		19	25	15	15
Regional Asia	05-10	284	330	225	220
of which research		23	30	35	35
of which climate change initiative			35	25	25
6 Countries to be phased out		265	251	82	20
Laos		132	123	50	20
of which research		12	13		
Sri Lanka		74	70	27	0
of which research		4	10	10	0
other countries to be phased out		59	58	5	0
Unallocated			4		
Strategy amount Asia		1 758	1 913	1 572	1 525
of which budget item Asia		1 700	1 835	1 512	1 475
of which research		58	78	60	50

	Strategy	Outcome	Forecast	Budget	Prel budget
MENA	period	2008	2009	2010	2011
		(mSEK)	(mSEK)	(mSEK)	(mSEK)
2 Occupied Palestinian Territories	08-11	262	240	200	200
2 Iraq	09-14	35	80	80	90
MENA, regional	06-10	129	200	130	130
Other countries MENA		5	0	0	0
Strategy amount/Budget item MENA		431	520	410	420

	Strategy period	Outcome 2008 (mSEK)	Forecast 2009 (mSEK)	Budget 2010 (mSEK)	Prel budget 2011 (mSEK)
Africa					
1 Burkina Faso	04-10	146	225	260	280
of which research		7	25	10	10
of which climate change initiative			20	35	35
1 Ethiopia	03-10	236	250	195	135
of which research		5	30	35	35
1 Kenya	09-13	370	380	330	330
1 Mali	04-10	191	230	280	290
of which climate change initiative			20	35	35
1 Mozambique	08-12	790	760	725	725
of which research		83	50	50	50
1 Rwanda	04-08	84	145	180	185
of which research		27	35	35	35
1 Tanzania	06-11	635	770	800	800
of which research		37	50	55	55
1 Uganda	09-13	275	330	260	260
of which research		36	40	40	40
1 Zambia	08-11	339	180	400	400
2 Burundi	09-12	8	20	30	30
2 DR Congo	09-12	88	150	185	225
2 Liberia	09-13	70	100	150	190
2 Sierra Leone	09-13	0	20	40	40
2 Somalia	09	57	80	90	110
2 Sudan	08-11	136	180	230	275
4 Zimbabwe	09	74	100	100	100
5 Botswana	09-13	27	36	40	40
5 Namibia	09-13	9	22	20	20
5 South Africa	09-13	55	73	90	90
Lake Victoria region (Reg.S) **	04-09		0	0	0
Great lakes region (Reg.S) **	04-09		0	0	0
Regional Africa (Reg.S)	02-09	1 003	1 314	868	870
of which research		117	170	120	120
of which climate change initiative			110	80	80
West Africa (Reg.S) **	04-09		0	0	0
Other countries Africa			0	0	0
6 Countries to be phased out		126	58	0	0
Unallocated bilateral research					55
Strategy amount Africa		4 719	5 423	5 273	5 450
of which budget item Africa		4 407	5 023	4 928	5 050
of which research		312	400	345	400

**) From 2010 existing regional strategies for Africa are planned to be merged to a joint strategy

Appendix 2

	Strategy	Outcome	Forecast	Budget	Prel budget
Latin America	Period	2008	2009	2010	2011
		(mSEK)	(mSEK)	(mSEK)	(mSEK)
1 Bolivia	09-13	163	230	205	205
	of which research	35	40	30	30
	of which climate change initiative		50	50	50
2 Colombia	09-13	142	130	120	135
2 Guatemala	08-12	168	190	160	160
4 Cuba		-	20	20	20
Latin America, regional **	01-11	171	195	55	30
	of which research	40	55	35	10
6 Countries to be phased out		396	294	110	10
Nicaragua		268	208	60	10
	of which research	39	38	25	10
Honduras		96	69	50	0
	of which research	15	9	5	0
other countries to be phased out		32	17	0	0
Strategy amount Latin America		1 039	1 059	670	560
of which budget item Latin America		910	917	575	510
of which research		129	142	95	50

**) Outcome RegLA 2008 includes Cuba

	Strategy	Outcome	Forecast	Budget	Prel budget
Europe	Period	Sida 2008	2009	2010	2011
		(mSEK)	(mSEK)	(mSEK)	(mSEK)
3 Albania	09-12	75	71	80	80
3 Bosnia-Herzegovina	06-10	174	240	170	170
3 Kosovo	09-12	85	96	80	80
3 Macedonia	06-10	73	68	45	45
3 Moldova	07-10	82	129	90	100
3 Georgia	06-09	112	101	120	130
3 Serbia	09-12	116	105	110	110
3 Turkey	05-09	32	40	73	73
4 Belarus	07-10	86	70	90	90
3 Ukraine	09-13	111	188	195	217
Regional + Europe		30	137	32	30
6 Countries to be phased out		198	155	70	0
Tajikistan		75	65	30	0
Kirgizstan		55	60	30	0
Montenegro		27	17	8,5	0
other countries to be phased out		41	24	0,5	0
NGO cooperation *		*	50	44	43
Others (partnership programmes etc)		0	0	0	2
Strategy amount Europe		1 174	1 450	1 199	1 170
Europe and Central Asia					
of which budget item 1:1.26.1 East Europe and Central Asia, ODA		130	115	60	0
of which budget item 2:1.6 Reform Cooperation in East Europe (Sida)		1 044	1 336	1 138	1 170

*) The outcome for NGO-cooperation 2008 (approximately 50 M SEK) is distributed and included in the outcome for the country or the regional allocation.

Budget for Administration 2010

Budget Items	(mSEK)
Personnel costs	537
Running costs	37
Indicative budget UM	135
Delegation to ODC:s	49
Shared costs	175
Total budgeted costs	933



SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden.

Visiting address: Valhallavägen 199.

Phone: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64.

www.sida.se sida@sida.se

