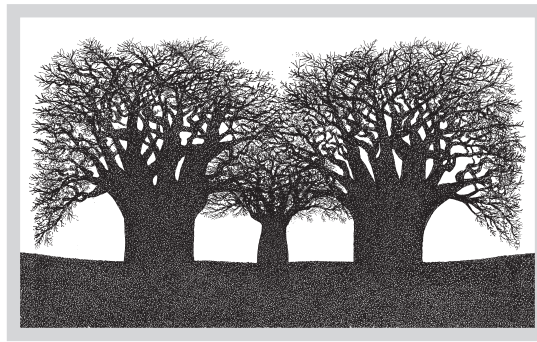


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Swedish Development Cooperation Policy in an International Perspective

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Preface

The Centre for African Studies (CAS), which is part of the School of Global Studies at Göteborg University, has in recent years added international development cooperation to its sphere of teaching as well as research. A masters programme (“bredd-magister”) on African Studies with special emphasis on international development cooperation was launched in 2005/2006 and 2006/2007. As part of the Bologna Process the programme has now been integrated in the joint two-year masters programme of global studies from September 2007.

During the period up to date it has been established that teaching materials with special relevance to Swedish and European development policies are not readily available to the extent that is required. At the same time the students produced a number of good essays and reports within different fields. To fill the gap we at CAS have decided to produce a series of smaller publications called “Perspectives on...”. Some of them, will after an introduction to the subject by some of the teachers of CAS, include relevant articles on the subject and comments made by masters students at the Centre for African Studies at Göteborg University. Others will include more in depth original material. We plan to publish most of the material in English but might also publish some material which we have readily accessible in Swedish. The idea is to publish these Perspectives on the CAS Website and if necessary to up-date them yearly. If there is a demand we might also publish a small number of hard copies.

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SWEDISH DEVELOPMENT COOPERATION POLICY IN AN INTERNATIONAL PERSPECTIVE

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1. Introduction

Swedish aid policy has changed surprisingly little over the years. The main perspectives in the Government Bill 100 from 1962, often referred to as the Swedish “bible for development cooperation”, have to a large extent been retained in later studies and policy documents. Poverty alleviation, support for human rights, justice and equality and ownership have all formed important parts of Swedish development cooperation over the years – all issues deeply rooted in the Swedish society and driven by the Swedish civil society but also strongly supported by the political parties. Recent changes seem to follow similar patterns.

Like all other policy areas development cooperation follows trends and Sweden does not differ from other major donors within OECD. Fads come and fads go. The central elements already laid down in 1962 seem however to have remained quite intact over the years.

We will discuss here the Swedish development cooperation and its policies. We will start by drawing a background picture of the recent international developments within the area. The national developments here, as elsewhere, follow the international one. This will be followed by a short historical presentation as we are convinced that much can be learned from the past when going into the future. Many issues of today have been discussed and tested before and by studying mistakes in the past it is possible to avoid repeating them. However, it must be emphasized that we do not have the ambition to give a full historical account, only present enough information to form a background to the present politics. Finally we present and analyse the present policies and implementation thereof.

2. The international setting for aid in 2007

Development cooperation as all activities must always be seen within and relate to the specific time and context under investigation. The present era of globalization is different from the 1960s, 70s, 80s and 90s during which development cooperation prevailed and blossomed. The power relationship in the world is rapidly changing with new actors on the scene. Competition for natural resources and economic and political influence between traditional and emerging great powers provides a new aid landscape, new actors and new international alliances. The threats from terrorism and the USA-led war on terror counteract openness and freedom. The rapidly developing communication network including the IT revolution makes information moving to all parts of the globe possible in no time at all. The world is integrating rapidly at the same time as a new wave of disintegration is developing based on nationalism, ethnicity and religious lines.

The context of today has decreased the importance of development cooperation and made it more complicated to implement. There are more actors on the scene in addition to the traditional bilateral and multilateral donors, such as the new emerging powers China, India and Brazil. There are also new foundations available, the so-called vertical funds which follow their own rules and logic. Increased migration and the increasing amounts of remittances are also forces to reckon with, as are direct investments, which are also increasing to the poorest countries in the world.

Development cooperation is probably more and better evaluated, studied and analyzed than any other political activity. All through its history it has had to be legitimized and defended. From a general point of view development cooperation has not contributed to the

development of the poorest countries, in particular in Africa, in the way it was hoped it would. Many therefore felt, in particular after the crisis of the 1980s, that aid had come to the end of the road (Havnevik and van Arkadie 1996). At the beginning of the 1990s therefore most donors changed their policies and both development cooperation research - a relatively new area of research - and the analyses of development cooperation concentrated on the effectiveness of aid. In Sweden this led to the investigation of roles and responsibilities in Swedish development cooperation 1988/9, a new Swedish Africa policy 1997/98 and to the Policy for Global Development, PGD, 2003.

In order to find international solutions to the aid effectiveness problems the 1990s as well as the first years of the 2000s were full of meetings and international conferences. The aim during this period was to make aid more effective and to adapt it more to the fight against poverty as the overriding objective for all development. Suffice it to mention here the meeting between 189 heads of states at the UN in New York in 2000 to agree on the Millennium Declaration with its 8 millennium goals to be reached by 2015 and the Monterrey Conference in 2002 when financing of development was discussed and the aid donors renewed their pledges to increase their aid volumes. In particular the Millennium Declaration with its operative goals has had a strong impact and is used as a measure of how the fight against poverty in the world is progressing.

The eight millennium goals are:

- to halve extreme poverty and hunger by 2015
- to achieve universal primary education by 2015
- to promote gender equality and empower women
- to reduce child mortality by two-thirds by 2015
- to reduce the maternal mortality ratio by three-quarters by 2015
- to have halted the spread of HIV/AIDS, malaria and other diseases by 2015
- to ensure environmental sustainability
- to develop a global partnership for development

In connection with the UN General Assembly in 2005 a new top-level meeting was arranged to discuss UN reforms in general and to follow up the commitments made towards the millennium goals. Parallel with this work the UK took the initiative to develop a report giving recommendations and concrete proposals for how to reach a quicker and more sustainable development in Africa (Commission for Africa, 2005). These efforts together with a decision at the G8-meeting in Scotland and later within the EU the same year led to further commitments on both debt relief and increased aid volumes in 2005, decisions that however seem difficult to implement for many of the countries involved.

Within the development committee of the OECD – The Development Assistance Committee (DAC) – the donors have tried to operationalise their experiences and decisions have been taken to agree on common views on what is meant by an effective assistance. In the early 90s an agenda of best practices was already developed which was based on what was required for development to take off (DAC, 1992).

At the end of the 90s the question of a more effective development cooperation was again raised within DAC which first led to the Rome Declaration in 2003 and culminated in the Paris Declaration in 2005. While the Millennium Declaration has had great impact on the content of development cooperation and the operationalisation of the goal to alleviate poverty

the Paris Declaration and the agenda for an effective development cooperation which it encompasses has had great importance for the methodology of development assistance.

During the second High-Level Forum on Aid Effectiveness that was held in Paris in March 2005, development officials and ministers from ninety-one donor and partner countries, twenty-six donor international organizations, as well as representatives of civil society organizations and the private sector, came together. The problems identified were:

- Lack of local ownership
- Increasing fragmentation, high transaction costs as well as parallel systems, and
- External solutions to problems not adapted to local needs and conditions.

The Paris Declaration has five key features:

- **Ownership:** this reflects the efforts made by partner countries to exercise effective leadership over their development policies and strategies, and to coordinate development activities. The Declaration commits partner countries to develop and implement their strategies through broad consultative processes, to operationalise these strategies and to take the lead in coordinating development aid in a dialogue with donors, while at the same time encouraging the participation of non-state actors. The Declaration calls upon donors to respect this leadership and strengthen the partner countries' capacity to exercise it.
- **Harmonisation:** efforts by donors which aim at bringing the policies and procedures that govern their support as much into accord as possible, so as to avoid imposing varying and conflicting requirements on partner countries which reduce the effectiveness of the development cooperation efforts. The Declaration emphasises the need for the harmonising, increasing transparency and improving collective effectiveness (through division of labour) of the donors' actions.
- **Alignment:** donors seek to 'align' their support with priorities and strategies set by partner countries, rather than imposing their own priorities. This also means building up and relying on the partner countries' own mechanisms for implementing projects, rather than putting parallel systems in place. For their own part, partner countries undertake to make a greater effort to adopt sound strategies and set sensible priorities, and to strengthen and improve their institutions.
- **Managing for results:** donors and partner countries jointly undertake to try to manage and implement aid in a way that focuses on the desired results, and to improve evidence-based decision-making. Both parties undertake to work together on a participatory basis to strengthen the capacity of developing countries and to sharpen the focus on result-based management.
- **Mutual accountability:** finally, both donors and partner countries agree to prioritise mutual accountability and transparency in the use of development resources. The Declaration states that this will '*(...) also help to strengthen public support for national policies and development assistance.*' Mutual progress towards meeting the commitments on aid effectiveness made in the Declaration will be jointly assessed with the aid of country-level mechanisms.

(DAC, 2005a)

In addition to the commitments in the Paris Declaration, the Member States of the European Union and the European Commission are bound to increase the effectiveness of their development cooperation through implementing the so-called '3C' principles of the Maastricht Treaty of the European Union. This treaty, which was signed in 1992, pioneered these principles of coordination, complementarity and coherence which have had an important influence on the 'new aid architecture'. The 3Cs also feature in the Cotonou Partnership Agreement, as well as in the European Consensus on Development that was signed in December 2005 (see below under EU).

The question of coherence has through the many studies mentioned above come more and more into focus. Policy coherence is however defined differently from country to country and much still remains to be done before a consensus has been reached on how to tackle the incoherence between the many policy areas of concern for the developing countries.

There is no universally agreed definition of policy coherence for development. The 2001 DAC Guidelines on Poverty Reduction stated that “policy coherence...involves the systematic promotion of mutually reinforcing policy actions across government departments and agencies creating synergies towards achieving the defined objectives”. A further definition given in the DAC journal, Development Cooperation Report is: “Policy coherence means different policy communities working together in ways that result in more powerful tools for all concerned. It means looking for synergies and complementarities and filling gaps between different policy areas to meet common and shared objectives”. Thus policy actors in one area should always take into consideration policy actors in other areas to avoid contradictory results. The policy coherence argument is that there should be a developmental profile of existing and proposed policy interventions across all domestic policies (Lundquist and Odén, 2006).

While the common view among bilateral and multilateral donors today is that of increased emphasis on ownership, coherence and harmonization a parallel development is taking place, which to some extent works in the opposite direction. This concerns the global funds emerging as an additional mechanism for the financing of development. They are financial instruments whose primary purpose is to attract, manage and distribute resources for global purposes. The missions of these global funds are often linked to one single issue or policy area such as combating HIV/AIDS. The private sector is often a financial contributor or co-financing partner, and governance arrangements may include the private sector, civil society and other stakeholders. These funds are considerable, although still only a small part of total ODA, but do influence the administrations of the recipient countries in the same way as aid in general.

- They can generate additional resources from public sources where there is lack of interest in expanding bilateral programmes or for providing additional financial support to established international organisations.
- The single issue focus neglects synergies across policy making and contradicts support for country led development partnerships based on national priorities and strategies, including the Poverty Reduction Strategy
- They may duplicate existing structures and increase transaction costs.

3. Swedish development cooperation - policy and practice

3.1 Aid in practice: quantity, quality, concentration and ownership

As in most other countries, Sweden’s aid policies have constantly been debated, reviewed and changed. The major government bill, which has governed Swedish aid policies since it was approved by parliament in 1962 (Government Bill, 1962:100) was built on a Government Review digging deep into the prerequisites for aid. Over the years, a number of major investigations have resulted in new government papers and in implementations of new policy directives. The latest, (Globkom, 2001), led to the *Policy for Global Development* approved by the Swedish Parliament in 2003 (Government Bill, 2002/03:122). Overall, there have been surprisingly few changes in objectives and directives. Solidarity has always been the major underlying aid motive, the respect for partners’ sovereignty a primary feature and poverty reduction the main objective.

The basic objective of Swedish aid was established in the Government Bill 1962:100: to raise the living standard of the poor. This has never been seriously challenged (DAC, 2000) but rather strengthened (Globkom, 2001). The main motivations for aid are moral duty and international solidarity, even though geopolitical concerns are also mentioned (particularly in Government Bill 1977/78:135). It is important that Sweden has always emphasised that foreign aid can be an assistance for the realisation of the recipients' own development vision; aid cannot and should not be used to 'sell' the Swedish model. Over the years up to 1996 six sub-objectives were adopted, the fulfilment of which was to contribute to the realisation of the overall objective of poverty reduction (Danielsson and Wohlgemuth, 2005).

While the overriding political motives and objectives have been only marginally changed, there have been major shifts in actual implementations of policies – mainly with regard to the donor-recipient relationship. We will discuss these under different headings below.

The volume of aid

The question of the volume of Swedish development cooperation has since the 60s been high on the agenda. Norway, Denmark, the Netherlands and Sweden have made up a group of countries that has committed by far the largest share of development cooperation in relation to GDP. In 1968 the parliament decided to commit one per cent of GNI (originally GNP) for development assistance and this target was reached in the mid-1970s. The Swedish development cooperation is supposed to meet two volume targets. The national one per cent target, meaning that at least one per cent of the projected GNI should be budgeted for in the budget for the following year and the international 0.7 per cent target, which implies that the actual disbursement a certain year should exceed 0.7 per cent of GNI. With the exception of the years 1993-2005 this target has been met. Sweden met the 0.7 per cent target in 1975 and has since never gone below that target although in 1999 it just touched 0.7 per cent. The highest level was reached in 1982 when DAC registered that the Swedish disbursements reached 1.02 per cent of BNI which should be compared with the average reached within DAC during the 1970s and 1980s of some 0.35 percent which went down to between 0.20 and 0.25 in the 90s and in the early 2000s, increasing to 0.30 percent in 2006.

Quality of development cooperation – sector concentration and aid modalities

Swedish development cooperation is engaged in almost all sectors of the society. Sweden started out in a few areas of great specialization but has year-by-year added new areas to its portfolio. Certain areas are more in the limelight at certain periods of time and new pet ideas are coming and going year by year. This becomes clear from looking at the statistics showing that some areas are more important at certain periods and less at other. Agriculture and infrastructure which were priority areas during the 60s and 70s were up to recently considered of lower priority, etc. (see table 2 below).

The question of concentrating the aid portfolio in one country to only a few sectors for the sake of efficiency has, albeit with little effect, all through the history of development cooperation been high on the agenda and is again an important feature in the implementation of the harmonization objective of the Paris Declaration. A joint aid strategy would no doubt lead to the donor countries concentrating on fewer sectors or areas, in addition to the budget support. The Tanzanian government has for example asked Sweden to concentrate on 4-5 sectors instead of the 14, which Sweden engaged with during 2004.

The question of political interference in aid has been raised from time to time in Sweden, particularly when it comes to prioritising certain pet ideas and sectors. The question of

political interference is of particular interest in Sweden, as such interference with the day-to-day activities of public affairs could be questioned in accordance with the constitution. However, political interest and engagement in aid policies is essential for the policies to be properly grounded in the society and for policies to be in coherence with other government policies and objectives. It becomes cumbersome only when it happens too often and with too detailed instructions, or if lobby groups get a too strong influence on policies (Danielsson and Wohlgemuth, 2005).

The question of aid modalities can be seen as part of the qualitative aspects of aid. Also here we find a significant development having taken place over the years. Swedish aid was originally designed as a specific project administered by Swedish experts and controlled by the Swedish aid agency in Stockholm. From there it developed over programme aid to sector support, basket funding, import support, balance of payment support to budget support. (For a further discussion on this development see Odén, 2006.) It may however be helpful to briefly define a few of the at present most common modalities, which is done in the box below.

Aid modalities

Project aid. Aid as support to individual or a group of projects, for instance building a health clinic or establishing a training course for nurses. Aid projects often include a special administration and budget handled outside the regular budget system.

Programme aid. Support to a more comprehensive program, for instance primary health care at national or sub-national level. Could be funded by an individual donor or a number of donors pooling their resources into a “basket”, from which the partner agency may draw resources. This is called *basket funding*.

Sector programme support. Aid to support a sector, such as primary education. Either through the government budget or in the form of a basket fund with pooled resources from several donor agencies.

Programme Based Approaches. A broader definition called Programme Based Approaches, PBAs or Sector Wide Approach, SWAP has been established in the Paris Declaration and other DAC-documents. It sees Programme Aid as an external financing modality in support of nationally owned and driven plans in which donors are actively engaged through harmonization, dialogue and broader forms of financing than the traditional earmarking to individual projects. The financing modalities may appear sector programme support, general budget support and/or pooling arrangements.

General budget support. Support to the national budget, channelled through the national budget structures. Normally linked to a national poverty reduction programme, agreed between the partner country government and a number of donors.

Technical Assistance in the form of donor financed individual experts has been and still is the dominant form of capacity development. It rests on the assumption that transfer of knowledge is a key to development. Policy wise, if not in practice this view is giving way to a different and more complex understanding of what it takes to strengthen the capacity of individuals, organizations and systems i.a. for Public Financial Management or Education in partner

countries. The basic idea is the same as for the Paris Declaration as a whole. Capacity “grows from within” and has to involve changes at the individual, organizational and societal levels.”(DAC, 2006). Change processes have to be owned by the partner government or organization. It can be promoted but not driven by experts from outside.

In practice technical assistance (TA) includes a number of activities that are supposed to develop human resources improvement in the level of skills, knowledge, technical know-how and productive aptitudes of the population in a developing country for the purpose of improving development outcomes. This form of assistance includes the provision of policy advice; the implementation of projects; and the building of institutional and human resource capacities through training or on-the-job counterpart skills transfer. It also encompasses material and equipment supply as well as consultancies, study visits, seminars and various forms of linkages. TA can be either short-, medium- or long-term and could originate from both national and external sources.

TA is an important component in the aid-package but has been severely criticised as permanent skills development does not take place in many cases due to a host of factors and it does not come cheap (Berg, 1993 and Danielson et al., 2002). TA should be fully integrated in the country's own national development programmes, work-plans and budgets and thus be demand-driven and responsive to the institutional and human resource capacity needs of the country and not as so often supply-driven and imposed as a price for financial assistance.

Choice of partner countries – concentration and expansion

From the Government Bill 1962:100 and thereafter all policy documents have emphasized the importance of concentrating the Swedish development cooperation to as few countries as possible. And throughout this period practice has gone in the opposite direction. The original reason for this was the dramatic increase in the volume of aid following the decision on the one per cent target. Other reasons have been added over time such as the support to the liberation movements, which led to the former Portuguese colonies after independence becoming major recipients of Swedish aid. The same was the case for Zimbabwe and Namibia when they became independent and South Africa after the apartheid system came to an end. The Swedish cooperation with Vietnam, Laos and Cambodia has a similar background. Furthermore a number of countries were added under what at that time was called broader cooperation with middle-income countries. Later a great number of countries requiring substantial amounts of humanitarian assistance added to the number and finally the breakdown of the Soviet Union added new countries to the list.

Since the middle of the 1990s the total number of countries receiving assistance through Sida has been between 100 and 120. Of these Sweden has long-term cooperation with some 40 countries (according to the annual report from Sida the countries assisted in 2004 were 121 of which 66 received more than SEK 15 million). This has been criticized internally within the aid administration as well as by external observers. In DAC's Peer Reviews both in 2000 and 2005 Sweden was criticized for spreading its development cooperation in too many countries and the new government launched a new concentration programme in August 2007, under the name of country focus, with the aim to reduce the number of cooperating countries (Ministry for Foreign Affairs, 2007). Country focus is to be viewed as one of several measures being undertaken to increase effectiveness, efficiency and quality in Swedish development cooperation with the ultimate aim to enhance poverty reduction. This is seen to be part of the implementation of the Paris Declaration which is emphasized as being a central priority of Swedish development cooperation (ibid).

The country focus approach has meant that bilateral development cooperation will be concentrated to 33 “regular partner states” compared with 67 before. Of these 33 countries 12 (of which 9 are in Africa) are countries with which Sweden will conduct long-term development cooperation, 12 are countries in conflict and /or post-conflict situations with which Sweden will conduct development cooperation and 9 are countries in Eastern Europe with which Sweden will conduct reform cooperation as part of the EU overall programme. For countries which will be phased out new measures are contemplated and a new term has been established namely “selective cooperation”. Humanitarian aid, multilateral aid, support to Swedish non-governmental organisations via the frame organisations and independent research cooperation will not be affected by the country focus approach (ibid).

The process is thus under way but as history has shown a real decrease is not very easy to reach. The choice of partner countries in development consists of – after foreign policy, commercial or security concerns have been taken into account – a balance between the need for aid and the requirement for aid efficiency. The paradox of aid has always been that the countries that need aid most are the ones that can use it least efficiently. These countries might have worsened their situation by bad governance and bad economic policies and aid might rather add to the problems than take the country out of them. Other countries in great need might have gone through natural or man-made disasters which have increased the need for additional resources. A third category is countries which have made the necessary reforms but have not the required funds to implement them. Here aid can help them out of the problem in an effective way. A fourth category is countries, in which the presence of a donor might influence the reforming of the economy in the right direction. The problem is to make the right assessment of the stage at which a country is situated at the specific point in time and to withdraw at the right time if this seems to be the right thing to do.

Ownership and Partnership

Like most other donors Sweden turned from strict donor-driven project aid in the 1960s to a recipient orientation in the early 1970s, when country programming was introduced, then turned to a period of donor domination during the 1980s, with structural adjustments and conditionality at the centre of interest. In the late 1980s, there was a reaction to that, resulting in a renewed recipient orientation, after a major exercise to investigate the donors’ and recipients’ different roles. Finally, in the late 1990s, partnership and ownership was introduced (Wohlgemuth, 1997). These shifts were partly indigenous to Sweden and in part following international trends. It is interesting to note the long-term circular reappearance of implementation of policies.

Also as to modes of aid, changes have been prevalent and seemingly extensive. Sweden went from donor driven project aid in the 1960s with a large technical assistance component and Swedish project co-ordinators on the project site having a final say on both large and small issues, to the present day sector support and budget aid which intends to be fully integrated in the recipient economy. Aid went from using detailed directives on project level to the present day conditionality including issues such as macroeconomic policies as well as domestic policies regarding democratisation and human rights. Policies have also swung from domination to dialogue (Havnevik and Arkadie, 1996). The present day partnership relationship between donor and recipient has made dialogue the hub of development cooperation. Several studies on partnership have discussed conditions and models for true dialogue (Kayizzi-Mugerwa et al., 1998, Kiffle et al., 1998, Government Bill, 1997/98:122). In Sweden, partnership was established in the Government White Paper on Swedish Africa

Policy, approved by parliament in 1998 and the Government Bill in 2003 (Government Bill, 2002/03:122). The partnership policy with Africa was built on qualitative measures such as:

1. A basic attitude relating to sustainability and long-terminism. There is need for a real change of attitude. No partnership can thrive or survive without respect for each other.
2. Openness and clarity concerning the values and interests that govern cooperation. You cannot engage in a partnership without sharing values.
3. An increased element of management by objectives and result orientation of aid, instead of a multitude of predetermined conditions.
4. A humble, listening attitude with respect for African assumption of responsibility and awareness of the local environment.
5. Clarity of resource commitments, payments and reporting principles.
6. Desire for co-ordination among the donors (Government Bill, 1997/98:122).

In addition to these qualitative aspects of partnership the Government Bill also added the following necessary changes to be made to partnership modalities:

1. African leadership and ownership, for example, holding consultative meetings to co-ordinate donors in the capitals of recipient partners.
2. Improved local backing and participation. There must be respect for open political debate, the role of parliament, consultation with private enterprise and civil society.
3. Improved co-ordination. Effective African ownership requires good donor co-ordination, preferably under the recipient country's own management.
4. Well-developed sectoral and budget support, making the number of interactions with donors as small as possible and thereby manageable for the recipient.
5. Simplified procedures, minimising the numbers of reporting systems, procurement requirements, payments procedures, accounting routines etc.
6. Contractual clarity and transparency.
7. Increased coherence between different areas of policy. Behind this term are hidden scores of issues with tremendous long-term implications. It is not just the well-known trade and debt issues, but much else that relates to everything from peace to environment, migration and the many issues that enable economic integration globally.
8. Rewards for progress.
9. Extraordinary debt-relief inputs for certain countries (Government Bill, 1997/98:122).

The aid administration has in studies and evaluations repeatedly confirmed that sustainable results of aid interventions can only be reached if interventions – either on macro (political) level or micro (project) level – are owned and run by the beneficiaries (SIDA, 1989, DANIDA et al., 1988). Again and again, aid implementers have breached this golden rule.

The reasons are manifold. Partly, it can be blamed on internal donor procedures, such as the pressure to disburse as much aid money as possible and internal methods tending to be very donor-centric, like the use of “logical frameworks” and reporting requirements. Other reasons are more individualised. Every actor in the field wishes to see results within their contract period and can therefore only with difficulty await responses from the beneficiaries, which sometimes take a very long time if they are to be properly based among all relevant stakeholders. These reasons were dealt with in detail in the SIDA investigation, “Rollutredningen”, in the late 1980s and a special program to overcome these deficiencies was developed (Action program for knowledge development, 1987). The issue was revisited in the second half of the 1990s in reports delivered in connection with the Partnership study referred to above. In a new major study, ‘Ownership of Sida projects and programs in East Africa’ (Sida, 2002a), most of the conclusions are re-confirmations of results from the earlier studies by giving recommendations on how to deal with ownership in development assistance, starting from the proposal that ‘all projects and programs should include a discussion of their ownership implications when they are proposed’. At the same time, a new action program on ‘Knowledge Development’ has been developed within Sida (Danielson and Wohlgemuth, 2005).

In summary, while the politically controlled overall policies on development cooperation have, to a large extent, been unchanged, aid modalities and practices have been changed considerably over time by aid administrators. It seems, however, that the underlying problems confronting aid have remained the same during forty years of Swedish aid, and the prescribed medicine (although names might have changed) is made up of old ingredients. It also seems that while policies have been driven by policy makers aid administrators have been responsible for the many changes of modalities and practice (Danielson and Wohlgemuth, 2005).

3.2 Policy for global development

The Swedish international development policy was revisited and renewed in early 2000 leading to the Swedish Policy for Global Development (PGD) of 2003. Solidarity was again confirmed as the major underlying motive for aid but after a debate on whether also to include enlightened self-interest. The new emphasis of PDG is on coherence and coordination. PGD states that “the outlook on development needs to be broadened and a new framework needs to be created for a more coherent policy”. Development is not dependent on one single factor but rather a number of factors interacting in a positive way (Government Bill, 2002/03:122: 17). This implies that all political areas implemented in Sweden by the different departments and ministries should be coordinated to take development into account. According to this scenario development cooperation just makes up one of many relationships between Sweden and the countries in the third world.

The overriding objective for PGD is *to contribute to an equitable and sustainable development* (Government Bill, 2002/03:122: 19). This applies to all policy areas of the government and contributes to fulfilling the UN Millennium declaration and the Millennium Development Objectives. The PGD objective should in turn be impregnated by and take as its starting point two important perspectives:

- the rights perspective on development
- the perspective of the poor on development.

The rights perspective includes human rights and democracy and the importance of gender equality, children's rights and work against discrimination.

The perspective of the poor takes its point of departure from the fact that development cannot be created from outside but must be built from inside. The poor should be seen as active subjects and their ability to influence and define is emphasized (Prop. 2002/03:122: 20-22). The objective and perspectives give a strong focus on poverty reduction where poverty is viewed as holistic, dynamic, multi-dimensional and context-specific. It also stresses the individuals, both their individual and collective rights, their own views and experiences of being "poor". This also means strengthening democracy and increased participation in decision-making.

PGD identifies eight central elements as essential building blocks in abolishing poverty in a society and which together with the two perspectives are supposed to act as guides for the practical implementation of the policy. These eight central elements are:

- Respect for human rights
- Democracy and good governance
- Gender equality
- Sustainable use of natural resources and protection of the environment
- Economic growth
- Social progress and security
- Conflict management and security
- Global public goods (Government Bill, 2002/03:122: 23-30).

The emphasis on coherence made in the PGD follows the recommendation in the Maastricht Treaty of the EU from 1992 but is unique in the sense of Sweden being the first country that formally has introduced the concept of implementing one development-focused policy for all policy-areas. An important aspect of the policy is the requirement of identifying the goal conflicts within and between the different policy areas and to deal with them in a transparent and clear way. The Swedish government should also strive to make coherence more acceptable on the EU level as well as on the international and multilateral level. Five policy areas have after the approval of PGD been identified as areas of priority for coherence: environment, international trade, agriculture, migration and security.

Development cooperation is one of the policy areas within the policy for global development. The specific objective of development cooperation is to "help to create conditions that will enable poor people to improve their quality of life" (Government Bill, 2002/03:122: 59). The countries' own strategies and priorities for poverty alleviation should guide all international support (Government Bill, 2002/03:122: 61). Ownership of and responsibility for the development process by the partnership country is crucial (Government Bill, 2002/03: 122: 58). A genuine partnership in the development cooperation built on dialogue and mutual respect will allow for ownership to develop.

3.3 Humanitarian Assistance

Humanitarian assistance deals with mitigating the effects of natural disasters and man-made crises. It relates to means to ease the human damage caused by natural disasters, armed conflicts and other disasters by providing immediate assistance and support. While development assistance deals with the causes of disasters and crisis, humanitarian assistance deals with acute support to take care of the effects. Humanitarian action in fact consists of activities both to assist and to protect victims of natural and man-made disasters. The field of

humanitarian action is guided by international law such as the Geneva conventions of 1949 and the two additional Protocols of 1977 and by norms and guidelines developed over time.

Although the instruments of international law that apply to responses to natural and other disaster situations differ to some extent to those that apply to armed conflicts, the underlying principles are the same: humanity, impartiality, neutrality and, more recently, independence. Humanity refers to easing suffering wherever it is found and impartiality to the implementation of humanitarian action purely on the basis of need without discrimination. Neutrality means that humanitarian actions must be unbiased and those implementing them must not favour any side in an armed or political conflict and independence refers to the need for autonomy in relation to the involved parties' non-humanitarian objectives where humanitarian operations are being undertaken (Government Bill, 2004/05:7).

The major guideline governing humanitarian assistance is called the *Humanitarian Imperative*, referring to the principle that citizens and countries have the duty to assist people in need and to provide humanitarian action in accordance with international laws and established practices in humanitarian aid operations. Each country has the primary responsibility to look after the welfare and needs of the civilians within its borders. However if they do not want to, or if they are unable to do this, the humanitarian imperative requires other states and/or organisations to do that (Government Bill 2004/05:52).

The goal of Swedish humanitarian assistance is to contribute to help to save lives, alleviate suffering and maintain human dignity for the benefit of people in need who are at risk of being affected by armed conflicts, natural disasters or other similar situations (Government Bill, 2004/05:52). Sweden allocates more than 2 billion SEK annually to humanitarian assistance and is thereby ranked as one of the leading funders in this area with major financial contributions to UN agencies, the EU, the International Red Cross as well as international and national NGOs active in this area. The objectives and guidelines for humanitarian assistance are developed in detail in the government communication from 2004. They basically follow the international standards referred to above.

Humanitarian crises are in most cases unexpected and thus require immediate action to minimize suffering. It is a very complex area and assistance is given in many different forms ranging from major efforts in the area of conflict prevention to support to the difficult transition from disaster and conflict towards peaceful development. It includes support to health, sanitation, food security, shelter, emergency education, assistance in cases of forced migration and refugee issues, efforts to clear mines and peace-keeping efforts including police and military just to mention a few areas. Drawing borderlines towards international security policy or migration policy becomes difficult at times. This has become particularly so in the new area of DDR (disarmament, demobilisation and rehabilitation) in which Sweden has mobilised substantial efforts.

It would seem as if humanitarian assistance based on the humanitarian imperative and major international conventions should be rather simple to deliver. However at times it appears that problems that have to be dealt with in relation to humanitarian actions are rather more complicated than those related to development assistance. These problems relate to difficult questions of ownership and capacities on the receiving end, the challenge of going from a humanitarian situation towards development (the problem of transition) and some major problems of an ethical and moral nature.

Humanitarian aid often makes the difference between life and death for millions of people as well as benefiting long-term development. Conflicts and disasters in developing countries do not only have short term negative effects on the populations affected but can cause suffering for many years or decades to come by crippling the economy, killing whole generations thereby leaving thousands of children orphaned, displacing people thereby creating a whole range of other problems (i.e. lack of food, clean water and housing), creating or compounding environmental problems etc. These problems lead to other problems such as popular frustration and political crises and the vicious cycle continues. A conflict or a disaster thus might ruin development efforts that have already been carried out and bring the country back to the former state that required the development aid in the first place. Speedy and effective humanitarian assistance can not only alleviate immediate suffering but can minimise suffering in the immediate post-disaster phase as well as in the future (Government Bill, 2004/05:12).

The availability of food and other basic necessities is an important issue during disaster situations, especially for women, children and elderly people who tend to get less than their fair share when scarce resources are being distributed. Humanitarian aid organisations must not only ensure that food is distributed to the people in need but also that this food is bought locally so as not to undermine local markets and agricultural and food industries (Government Bill, 2004/05:19).

Another important problem is that assistance, despite all good intentions and meticulous operational planning, risks exacerbating conflicts between individuals or population groups. States and organisations providing relief assistance must make choices regarding where immediate assistance is needed most and the positive impact of aid on socio-economic conditions in one community can lead to frustration in other communities. In conflict areas, armed groups may attempt to take advantage of the situation in order to strengthen their positions thus turning humanitarian assistance into yet another resource to be fought over or into a political bargaining chip.

The underlying principle in all humanitarian aid means that humanitarian organisations must base all operations on the needs and wishes of the local community and use local capacity. In many cases, aid can be channelled through organisations such as the Red Cross, which are better capable of reaching those in need and working with the local civil society. However, in cases where this is not possible, external actors streaming in to conduct humanitarian operations sometimes undermine the local capacity to the point that the whole operation fails (Juma and Suhrke, 2002, Gov Bill, 2004/05:19). There is also a risk of confusing short-term humanitarian aid with long-term development aid. It is difficult, but important, to draw the line between the two and understand when humanitarian aid is no longer needed.

One challenge is the sharp increase in the number of players involved in humanitarian operations and the expansion of the volume of aid. With so many parties involved, it is ever more necessary to revise plans and clarify the principles and roles of humanitarian aid in order to ensure effectiveness and efficiency (Gov Bill, 2004/05:5). The principles of impartiality, neutrality and independence are not always easy to implement in the field. Although humanitarian aid operations in conflict areas are supposed to be carried out by NGOs or civilian organisations, there are political decisions that affect their capacity to perform their work. In other disaster situations, governments can be the ones leading humanitarian operations, which also adds more of a political aspect to the situation. The people behind the decisions are not impartial or neutral and political or moral choices must be made regarding which disaster situations are deemed the most important.

The donor government is moved by public opinion and humanitarian assistance tends to be greater in disaster situations that the national public feels more empathy with – the so-called CNN effect. One example of this is the enormous amount of assistance that was allocated to Thailand after the Tsunami in comparison to the assistance that is given to conflict and other disaster situations in the DRC and other parts of Africa. While the Swedish government tries to enforce the principles discussed above in its humanitarian policy and ensuing operations, the reality is that some communities receive more help than others regardless of the level of need. While it is easy to criticise politicians for having political agendas behind their policies, it is important to remember that the people working in the field also experience moral dilemmas that prevent them from always following the principles of humanitarian aid. One recurring question is: "How far should the human imperative reach?" If relief is given to people based on need, then many people who have created the problem in the first place are actually helped by humanitarian assistance (i.e. refugees who have committed acts against humanity in a war). In this way, humanitarian aid can, by protecting perpetrators, exacerbate existing conflicts and create new ones.

The very complexity of the situations in which most disasters take place makes these questions very difficult to solve and many studies and evaluations have been carried out in order to deal with these questions. Here we just want to mention the indefatigable work done by Mary B. Andersen in studying humanitarian assistance over the years and her appeal to all involved to as a minimum "do no harm" in the process of assisting (Andersen, 1999). Major conflicts like the genocide in Rwanda have even further complicated the situation and many actors are today talking about "mainstreaming" conflict prevention in all their cooperation programs. Others have developed "codes of conduct" to mitigate possible problems.

4. Actors in development: bilateral, multilateral, EU and NGOs

The donor community consists of a great number of actors. The majority of the bilateral donors are members of the Development Assistance Committee (DAC)—the principal body through which the OECD deals with issues related to development cooperation. DAC has been created for the participants to jointly define the rules of the game. Other major actors are the multilateral organizations including the Bretton Woods institutions, the European Union, the NGOs and the international NGOs. We will briefly discuss the Swedish policy towards these actors.

4.1 Development cooperation with multilateral organisations

The growth in the number of multilateral development institutions over the past three decades provides some evidence of the continued demand for what the multilateral organisations offer, as does the fact that donors continue to see merit in directing a substantial proportion of their aid budgets to support the work of multilateral organisations. Contributions to multilateral organisations have increased six-fold from the early 1970s to 2005, reaching more than 25 billion dollars.

According to DAC aid contributions qualify as multilateral assistance only if:

- They are made to an international institution whose members are governments and who conduct all or a significant part of their activities in favour of developing (or transition) countries.
- Those contributions are pooled with other amounts received so that they lose their identity and become an integral part of the institution's financial assets.
- The pooled contributions are disbursed at the institution's discretion (Carlsson, 2007).

Any ODA that does not fulfil these criteria is classified as bilateral assistance. This includes multi-bilateral (multi-bi) assistance which implies, voluntary contributions from bilateral donors to a multilateral agency, supplementary to their core contributions.

Multilateral aid is channelled through a large number of institutions. The principal categories are:

- **United Nations agencies** including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), World Food Programme (WFP), and United Nations High Commissioner for Refugees (UNHCR).
- **Multilateral development banks:** the World Bank Group and the four regional development banks.
- **European Union** (see next section).

The multilateral institutions and framework of multilateral development cooperation have their roots in the planning for a new economic, social and peaceful order which took place during the last phase of World War II. It has developed extensively over the years and a number of new institutions and programmes with the aim of dealing specifically with development cooperation have been created (Carlsson, 2007).

The point of departure for the Swedish development cooperation at the time when the bilateral assistance was almost non-existent in the 1950s was that multilateral assistance should make up the backbone of development cooperation and bilateral assistance only act as a small

complement. The reasons for this were both the limited Swedish experience in the field of development cooperation and that the UN had the required resources by tapping on all countries in the world to make in particular technical cooperation effective. At the time of the government bill of 1962, 80 per cent of the Swedish support was channelled through the multilateral system. This share decreased until it reached 30 per cent in the middle of the 1970s and has stayed at that level ever since. In addition to that another 10-20 per cent is channelled to the multilateral system by Sida in the form of support of specific projects or programmes undertaken by multilateral organisations in particular in the field of humanitarian assistance.

Among the reasons for Sweden putting such a high priority on multilateral assistance are:

- Swedish policy has ever since the Second World War emphasised its support to the UN and multilateral institutions. Large contributions to these institutions are an important part of this general effort. The idea is also that high-level support from Sweden might also engage other countries to contribute.
- The multilateral institutions are better equipped to deliver more efficient support to certain special areas.
- Large contributions increase the possibility to influence the direction and efficiency of the institutions.
- The influence of the developing countries is larger in multilateral assistance in relation to bilateral and within the multilateral group larger with regard to the UN organisations than the World Bank Group.

Some of the arguments against multilateral assistance are:

- It is more difficult to reach the Swedish development cooperation objectives when the assistance is channelled via the multilateral organisations.
- The multilateral assistance is with some few exceptions administratively more inefficient and more costly than the Swedish bilateral assistance.
- The Swedish assistance can be better aligned with the recipients' own planning.
- Some of the multilaterals, and in particular the ones of the World Bank Group's, requirements on the recipient in the form of policy conditionality sometimes go far beyond what Sweden would see as right.
- The effects on the Swedish balance of payments are higher when it comes to multilateral assistance.

Swedish support to the multilateral system has only been seriously investigated in one Government Study in the early 1990s (SOU, 1991:48). The major finding of that study was that multilateral assistance overall was not less efficient than bilateral. The committee did not however make any comparison between the Swedish bilateral assistance and the multilateral assistance, although it did point at two major issues in favour of bilateral assistance namely a) it is easier to control and influence the efficiency of the bilateral assistance and b) it is easier to direct the bilateral assistance towards specific objectives as we do not have to share the decision making with other countries.

As of late the question of the efficiency of the multilateral assistance has again come to the fore. DAC in its report on Swedish Assistance 2005 (DAC, 2005) noted that Sweden did not control its assistance sufficiently well through the multilateral organisations and asked for a strategy on the Swedish multilateral assistance which it found to be lacking. In March 2007

such a strategy was approved by the government and a new system for measuring the efficiency of that assistance is under implementation.

The structure of the United Nations is a legacy of the environment created after the Second World War. To take into account the contextual changes that have taken place over the years several reform programs have been initiated throughout the UN's history. Since the late 1960s more than fifty proposals for UN reform have been put forward, originating from both within and outside the UN system. Some of these have played a part in changing the system, while others have stimulated dialogue and influenced international public opinion without being formally adopted and implemented. Member states, renowned experts and diplomats generated most of the early reform proposals. Only two sets of proposals in the 1990s came from the UN itself.

Most of the reforms have targeted the developmental role of the UN system - its proliferation of bodies, inadequate coordination between the UN proper and the specialised agencies, lack of focus and inadequate impact. Remedies proposed to overcome these shortcomings mainly took the form of improvements in institutional arrangements and management issues rather than of programmatic reforms.

Discussions on UN reform have been significantly influenced by the political, economic and social priorities among member states — and these have changed over time. The reform agenda of the UN has evolved through different phases, but it can be seen that there is a common element in all the proposals, in particular:

- The governance of the UN system;
- The balance between the normative and the operational role of the UN;
- The perceived proliferation of UN bodies and their lack of coordination; and
- The cost-efficiency and effectiveness of the UN's development functions.

4.2 Development cooperation within the European Union

In the past decade EU has increasingly taken seriously the task of becoming a large actor within the sphere of development cooperation. The Maastricht Treaty of 1992 laid the basis for EU policy within this very field by particularly emphasising the three Cs (Coherence, Co-ordination and Complementarity) to reach the best possible results (Lundquist and Odén, 2007:5-6). In late 2005 *The European Consensus on Development* was approved by all members of the EU – a document that defines common values, principles, objectives and means governing the development cooperation of the Commission as well as the member states. The objectives for all development cooperation through the EU is first and foremost to reduce poverty within a sustainable development and at the same time work for the implementation of the Millennium Goals. The term sustainable development includes the implementation of good governance, human rights as well as political, social and environmental aspects (EU, 2006:12). Ownership is furthermore high on the agenda (EU 2006:12). To reach the Millennium Goals EU has set up a timetable for increased aid with the objective to reach the 0.7 percent target by 2015: coherence with other policy areas is emphasised (EU, 2006: 25). The member states of the EU also approved an Africa Strategy in late 2005 (EU, 2006a). This new strategy aims at giving a composed and coherent European answer to the challenges which are meeting Africa today with special reference to the *European Consensus on Development*. The most burning issue here is a reform of the

European agriculture policy and the new trade agreements with the ACP-countries which are at present being negotiated.

Sweden became a member of the European Union (EU) in 1995. Development cooperation is an area of high profile within the EU and the ambitions of an expanding integrated policy within this area have been strong, both within the Commission itself as well as among European integrationists.

Around seven percent of the annual Swedish aid budget is channelled to the aid budget of the Commission – at present. This has in turn led to requests for Swedish involvement in the Commission's decision-making process which puts a heavy burden on the aid administration. Because of Sweden's long tradition as a major donor, other member states in general and aid administrators within the EU in particular felt that Sweden had a lot of experience to share. Together with the so-called 'like minded states' Sweden became very active in pursuing a number of areas within the aid business such as poverty reduction, gender equality, environment, democratic development and human rights. Efforts are being made both within the Commission itself and by the member states to come to grips with these problems. So far the Swedish government continues to believe that it can influence the EU to improve its aid through its active participation in the decision processes.

As regards how the EU is influencing Swedish aid policies and practices, Gun-Britt Andersson, former State Secretary of Development Cooperation, stated the following in an interview:

As donors, we continuously have to develop our capacity for analysis in order to better understand the world, relations between people as well as the development process..... Important tools in this process are the international work on norms and strategies brought up in connection with UN Conferences on different important issues..... We see this multilateral work, which lately has been supplemented by the extensive development work within the European Union, as central for improving development in all countries. This process creates a jointly owned value system as well as ways to analyse and understand how development is going to be tackled. It's a base when we get to the dialogue on more mundane and practical issues. Also, with this kind of preparation, we create legitimacy. When we get into any development discussion – or dialogue – we can legitimate our issues by referring to joint understandings, built on agreed norms and conventions within the fields of for example human rights, rights of the child or environmental issues. Even when common values are not present, these norms still act as a good starting point...

...Also, the four elements within the Cotonou agreement are important for Sweden in its bilateral dialogues, particularly the paragraph according to which a dialogue on political questions should be started before the appearance of problems which could lead to clashes and abrupt discontinuation of development cooperation (*Interview by Wohlgemuth in Olsson and Wohlgemuth, eds., 2003*).

The discussions leading up to the Cotonou agreement are seen as the first steps towards a joint EU policy on development cooperation. Further discussions led to a joint statement signed by all the EU members in December 2005 (The European Consensus on Development), which contains all the important principles of how to coherently build development cooperation – a guide for the EU in its development cooperation work. While it is binding for the Commission, it is hoped that it will also influence individual member states' development cooperation policies, leading to more conformed policies. The Commission was requested to assist with this harmonisation. The results have been far from satisfactory and the process in DAC leading to the Paris Declaration has taken the lead in this process.

Also when it comes to the more practical implementation of development cooperation, ambitions within the EU have been to harmonise practices of the members. A Guideline for Operational Co-ordination in the field was developed and published in 2001. The aim was to harmonise procedures and develop cooperation between the member states in the field, particularly when it came to country strategies and the overall development dialogue with the recipient. Although, there has been very little cooperation within aid projects and programs in the field, there has, however, been a marked change in the overall development dialogue. Today, EU member states consult each other, both at the headquarters and in the field, about important political questions, and often they also act in a united manner. A mutual agreement can sometimes feel like a straitjacket for an individual member country that might want to act according to its own way of thinking, but gives much more weight to an intervention. The cooperation has also led to a previously inconceivable availability of information from the other member states. For the recipients, the most positive result has been that they can deal with many donors at the same time, which again is strengthened by the implementation of the Paris Agenda. This could, however, also be a negative aspect if the donors' unity gives the recipient less freedom to act independently and could cause obstacles to ownership (Danielsson and Wohlgemuth, 2005).

In summary, Sweden's membership of the EU has led to major changes within its development cooperation both regarding policy and the day to day work particularly in the field. Whether it has led to changes in Sweden's national aid practices, which in many cases has been a forerunner to other EU member states' practices, is, however, doubtful.

4.3 Development cooperation with NGOs

Swedish development cooperation has its roots in the work of the Swedish NGOs in, and contacts with, the countries in the South back in the 1950s and earlier. Consequently, NGOs are still today actively involved in Swedish development cooperation. Today, a large part of Swedish aid is channelled through Swedish NGOs whose importance has increased both in terms of their roles and the arenas that they are active in (i.e. development, conflict and humanitarian assistance, information, democracy, culture and media, HIV/AIDS and advocacy). Sweden together with Norway and the Netherlands belongs to the group of countries historically channelling a major part of their assistance via the NGOs. According to recent statistics from Sida some 27 % of all bilateral aid is channelled to the civil society in the South most of it via Swedish NGOs.

The important role given to NGOs today is due to several positive aspects of this type of aid. Firstly, NGOs reach out on a local level more easily than governmental organisations and they can contribute with information from the grassroots level. Secondly, being in the field, NGOs are more flexible and faster in catastrophe situations. Thirdly, NGOs can operate in countries whose development policies do not correspond with those of the Swedish government (Onsander, 2007:13). As NGOs are becoming increasingly involved in the global development process, certain important issues are being brought into focus such as the relationship between NGOs and the civil society in recipient countries, striking a balance between funding channelled via Swedish and local NGOs, autonomy/dependency of NGOs acting as agents for Swedish development cooperation, credibility/legitimacy of NGOs, how NGOs affect Sida's workload etc. (Onsander, 2007:4).

Swedish popular movements have developed as an important feature of recent Swedish history, giving the citizens of the country a voice long before they had received a political

voice through democratic elections based on one person one vote. This question is today again high on the agenda dealt with under the term civil society and dominates the discourse on NGO assistance. Sida presents the following definition of civil society “an arena, separate from the state, the market and the individual household, in which people organise themselves and act together to promote their common interests” (Sida, 2004:8).

Sida's interpretation of civil society assumes that the strengthening of relevant civil society actors can in turn lead to socio-economic development and initiate democratisation processes, thereby achieving the development goals that have been set up. With their experience from the Swedish political context and their credibility in the international political arena, Swedish NGOs have been able to mobilise people and articulate their interests at the local, national and international decision-making level. As a result, Swedish NGOs or, hopefully, local civil society actors are able to influence public policy, a process which is referred to as advocacy. The three most commonly used advocacy methods are networking, conferences and protests (Onsander, 2007:45).

Nevertheless, it is important not to equate NGOs with the civil society: although NGOs are an important part of the civil society, they do not represent the whole of civil society but only certain interest groups with specific agendas. NGOs can also be influenced by the state and/or other actors outside the civil society which means that it can sometimes be difficult to establish the role that Swedish and local NGOs should have in the development process.

The main principles guiding Swedish development cooperation in relation to NGOs are: 1) "cooperation with before aid to" which means that development projects are based upon a partnership between Swedish organisations and the partner country (recipient), both of whom establish the goals and contribute with competence and resources; 2) cooperation between the Swedish and partner NGO on competence and organisational development, which entails that all development cooperation is driven by insight and skills regardless of the aim or direction of the activities; 3) development is a "bottom up" process (initiatives are taken locally), problems and target formulation are presented by men and women equally, there is a clear distribution of roles and responsibilities between all parties and finally that the development contribution should always be a complement to already existing knowledge and resources (Onsander, 2007:16).

There is a wide range of Swedish NGOs working from different ideological perspectives and with varying methods organized under 15 so-called umbrella organisations. These coordinate in turn some 1,000 NGOs who in turn collaborate with some 2,000 partner organisations in the South in more than 100 countries. However, they are all characterised by their volunteer work, their drive and their avid interest in development issues and solidarity work. While some NGOs prefer to focus on one local project, the present tendency is for people to convene over global issues such as debt relief, trade tariffs, environmental problems, children, women etc. One advantage of this is that one or several NGOs can provide in depth knowledge on one specific issue from several different perspectives. By gathering volunteers from different professional backgrounds, NGOs are able to focus all of their attention and resources on one issue and operate across geographical, institutional and political boundaries. As mentioned above, Swedish NGOs can operate in countries whose development policies do not correspond with the Swedish government's policies. In other words, Swedish NGOs are able to step in where organisations such as Sida are not.

Four important questions with regard to NGOs are:

- 1) The one that arises in connection with the strengthening of civil society actors is that of supporting Swedish versus local NGOs. As the local civil society grows, so do local NGOs both in numbers and in their capacity to perform the actions that would otherwise have been undertaken by foreign (Swedish) NGOs. Over the years, in the best case scenario, local NGOs become independent and strong, which means that the donor government or organisations must, and already do, ask themselves whether the support should be given directly to the local NGO instead of the foreign NGO and, if so, how this change should be made.
- 2) The aspect of the Swedish NGOs' regarding their information activities in Sweden, which have a positive effect on global development efforts since they promote public debate on development issues. Thus, NGO information activities can indirectly work towards achieving development goals by encouraging the Swedish people to put pressure on the government to change policies.
- 3) The issue of the autonomy of NGOs being used as agents for the Swedish government's development cooperation. Although NGOs are by definition supposed to be independent and separate from the state, the increasing support given to these organisations by Sida (and the government) and the close cooperation between them may threaten the NGOs' independence. Furthermore, the large amounts of funding given to NGOs have meant that the conditions and requirements for applying for and being granted funds have become more refined and intrusive, which implicitly means that NGOs have to shape and form their ideas to conform with Sida's policies (Onsander, 2007:51).
- 4) And finally the legitimacy and credibility of NGOs. Due to the fact that NGOs are reliant on engaging members and collecting funds for their activities, they need to be highly visible in the public eye, constantly showing good results from their projects. This means that NGOs tend to all swarm to the same crises that have the most media attention at the time, negatively influencing their ability to act in the long term. Thus, NGOs attend to immediate needs (e.g. the Tsunami in Thailand) more and more, which raises the question whether these organisations will be able to work for long-term development cooperation. NGOs' credibility is also harmed by their tendency to "overstay their welcome" by changing their basic objectives once their missions have been fulfilled instead of ending their activities. The issue here is whether some NGOs are still value based or whether they now exist simply for their own survival (Onsander, 2007:55).

5. Organisation and content of the Swedish development cooperation

As stated earlier what has influenced the content as well as the magnitude of Swedish development cooperation most over the years is the rapid increase thereof through the introduction of the one percent target. All good principles regarding concentration to sectors as well as countries had to be looked over in the process. The tables 1-4 illustrate the over-all picture as regards the distribution geographically as well as content-wise of Swedish development cooperation during recent years and through which institution it has been channelled.

Table 1: The Swedish development cooperation, 1996-2005. US\$ million (current prices) and %

	1996	1997	1999	2001	2003	2005
Total	2,001	1,730	1,632	1,667	2,400	3,362
By disbursing organisations						
Bilateral ^a	70	70	70	72	74	67
of which:						
Sida ^b	88	86	88	82	75	83
MFA ^b	12	13	10	13	15	14
Others ^b	0	1	2	1	10	3
Multilateral ^a	30	30	30	28	26	33
of which:						
Sida ^c	0	0	0	28	0	0
MFA ^c	100	100	100	72	99	99
Others ^c	0	0	0	0	1	1
<i>Multilateral aid by recipient (% of multilateral aid)</i>						
UN system	44	42	46	59	37	42
WBG incl. IMF ^d	74	68	22	0	0	26
Regional DBs ^d	20	25	13	10	21	9
Others	7	4	1	3	22	5
EU	17	18	19	24	20	18
<i>Bilateral aid by continent (% of bilateral aid)</i>						
Africa	35	35	32	29	39	30
Asia	26	24	18	20	18	18
Latin America	10	10	14	12	8	8
Europe	6	7	8	7	6	6
Not by country	23	24	28	32	29	38

Source: Statistics Department, Sida and DAC

Notes: MFA is Ministry of Foreign Affairs and WBG is World Bank Group. 'Others bilateral' include in particular debt relief from the Export Credit Board and in addition the Nordic Africa Institute, the Swedish Institute Folke Bernadotte Academy and the National Audit Board.

The rate of one US\$ has varied between SEK 6.70 1996 and SEK 7.47 in 2005.

^a Per cent of grand total.

^b Per cent of bilateral aid.

^c Per cent of multilateral aid.

^d The Swedish contribution to IDA in the form of promissory notes of is drawn upon unevenly between the years.

Because of the large amount not distributed by country this table does not add up to 100 %.

Swedish development cooperation is administered partly through the government authority Sida and partly through the Ministry for Foreign Affairs (MFA). The multilateral assistance which is mainly administered by the latter reaches by tradition some 30% of the total. The majority of multilateral aid goes to the UN system, particularly to UNDP, UNICEF and UNHCR. The World Bank Group receives one-third of which most goes to IDA. (This is difficult to see from the table as the disbursements are related to issuing of promissory notes which are honoured outside the control of the Swedish government.) Some 30% of the funds allocated to the multilateral system are disbursed via Sida, e.g. as emergency assistance to different UN agencies, funds or programmes as well as special funds for specific projects or programmes, to UN and World Bank activities, investigations and research.

Geographically most bilateral aid is directed to development cooperation partners in sub-Saharan Africa, particularly countries in the East and South. Of the aid going to Asia and Latin America the lion's share is allocated to the poorest countries in South Asia and Central America, respectively. Consequently most Swedish aid is allocated to the poorest countries, consistent with the explicit objectives of Swedish aid. However since 1995 Sida is also engaged to some degree in a number of middle-income countries. The fact is that Sida has never been dispersed over so many countries before (see above).

Some interesting observations not all of which can be made on the tables below:

- The support to the liberation movements in Africa and Southeast Asia during the 1970s and 1980s is not discussed here but must not be forgotten, partly because of its importance for Swedish foreign and aid policies over a long period of time and partly due to its effect on the choice of partner countries with which Sweden still collaborates today.
- The humanitarian assistance has increased considerably over the years from support to a few natural disasters during the 60s to today when it encompasses everything from conflict prevention, support to different kinds of emergencies to support to the transitional stage between war and peace. Humanitarian assistance today commits more than two billion SEK and reaches a large number of countries all over the world. Humanitarian assistance also engages a great number of actors including military and police and drawing a border line between development cooperation and security measures has become increasingly difficult.
- Swedish support to the civil society and NGOs has been and remains a large and increasing part of the Swedish Development Cooperation. Most funds are allocated to 15 large umbrella organisations in Sweden each of them gathering together a large number of NGOs, but a significant share is channelled directly to local NGOs. NGOs have also become important actors within the humanitarian assistance.
- Development research has been a priority within the development cooperation ever since the late 1970s. The Swedish support to researchers and research institutions in the third world is rather unique in that it focuses on the building of local research capacity rather than on specific research projects or programmes.
- Sida allocates more than 20% of its resources to engage the Swedish resource base, from the universities, government agencies, private consultants and enterprises. The aim is to deliver the knowledge and competence that the partner states require. PGD puts additional priority on this area – an area that over time has been more or less prioritized following international trends. Certain activities such as courses and seminars in Sweden on different topics have been available ever since the 1960s and still prevail today. Others like individual stipends and experts have been phased out

and been replaced by individual consultants and institutional cooperation (Johnston and Wohlgemuth, 1993).

An important observation from the tables is that in spite of the intensive discussion of Africa and its requirements for poverty alleviation no significant increase of the share of aid to that continent can be seen over the years in the figures presented.

Table 2: Bilateral aid by major purpose, 1988/89—2005 (%)

	1988/89	1993/94	1999	2005
Social	21	32	35	36
Economic, infrastructure	18	13	9	6
Production	15	13	4	5
Programme aid	16	5	5	7
Humanitarian aid ^a	15	23	24	18
Other ^b	14	6	17	28

Source: Sida and DAC

Notes: Classification follows that of DAC.

^a Includes certain costs for refugees (e.g. 1,3 billion SEK in 2004).

^b Includes administrative costs of donors and core support to NGOs.

Table 3: Geographical distribution of bilateral ODA (number of countries)

	1990/91	1994/95	2001	2004	2006
Africa	36	44	41	48	46
Asia ^a	21	29	27	26	27
Latin America	19	27	21	22	22
Europe ^b	1	14	14	15	16
Total	77	114	103	111	111

Source: Sida and DAC

Notes: The data for 1990 and 1995 refer to ODA disbursed by all entities that comprise the new Sida, i.e. SIDA, SAREC, BITS, and SWEDCORP.

^a Including the Middle East.

^b Including Central Asia and the Caucasus.

Table 4: The Largest Recipients of Swedish Bilateral Aid (% of total ODA)

1990		1995		2000		2005	
Tanzania	10.8	Mozambique	4.6	Tanzania	5.1	Tanzania	3.9
Mozambique	9.9	India	4.3	Mozambique	3.7	Mozambique	3.3
India	4.3	Tanzania	3.8	Honduras	3.4	Ethiopia	2.7
Vietnam	3.9	Ethiopia	3.3	Vietnam	3.0	Afghanistan	2.2
Ethiopia	3.5	Bosnia	3.2	Yugoslavia	2.7	Uganda	2.0
Angola	2.8	Vietnam	2.9	Nicaragua	2.7	Nicaragua	1.8
Zambia	2.7	Zambia	2.7	PAA ^a	2.6	Bosnia	1.8
Zimbabwe	2.6	Nicaragua	2.7	South Africa	2.6	PAA ^a	1.7
China	2.3	Zimbabwe	2.4	Bangladesh	2.6	Serbia&Mon.	1.6
Nicaragua	2.3	Iraq	2.4	Bosnia	1.9	Sri Lanka	1.6
Total bilateral	45.1		32.3		30.3		22.6

Source: Sida, DAC

^a Palestinian Administrative Areas.

Notes: Data for 1990 and 1995 include aid from SIDA, BITS, SWEDCORP and SWEDFUND.

Sweden has like all other countries organised and reorganised its development cooperation a number of times over the years. When evidence has pointed at lack of implementation of good results both as regards effectiveness and poverty alleviation the frustrations have been focused on reorganization of the administration rather than on the content of the development cooperation and on achieving a real dialogue with the partner countries. Overall Sweden has however had fewer such reorganisations than many other major donor countries.

After a beginning of official aid with many problems SIDA was established in 1965 and all bilateral cooperation was brought together under this new agency, while the Ministry for Foreign Affairs was, and still is today, responsible for the multilateral cooperation. A fragmentation of the bilateral cooperation started however already in the middle of the 1970s and went on until 1993 when everything was brought back to the new Sida (with small letters and a slightly changed name). Some minor changes have followed since in particular as regards the organisation outside Sweden which today is fully integrated in the Ministry of Foreign Affairs but with an increased decentralisation to the field. Further changes might follow the introduction of the new coherence policy of PDG and its implementation by the new Government of 2006.

As stated above problems confronting Swedish aid have consistently reappeared over time. It is, however, difficult to see any correlation between problem-solving and increased effectiveness on the one hand and changes in the aid administration on the other (Danielsson and Wohlgemuth, 2005).

6. Central and topical questions

In this section a number of issues related to the ongoing international processes and the Swedish development cooperation policy are raised.

6.1 New and old modalities

Although the Paris Declaration does not exclude any aid modality it is evident that budget support and sector wide approaches, together with more disciplined alignment of aid flows into the partner countries' budget systems are in line with the aims of the Declaration. It is also based on improved harmonisation between the aid agencies.

The thinking on which the Paris Declaration is based emerged after the middle of the 1990s from various insights in the development community. One was the introduction of poverty reduction strategies as a condition for the HIPC-countries, another was the increased emphasis on "ownership" as a prerequisite for sustainable reforms and development cooperation.

Budget support is supposed to open up for improved ownership by the government of the partner country and this is also normally the case as long as the cooperation is running smoothly. When problems arise in the cooperation, the vulnerability of the partner country to non-disbursement from the donors is higher than for instance in the case of project support, both due to the normally larger amounts of the budget support and the fact that non-disbursement directly affects the budget liquidity. Other factors than those included in the budget support agreement may also force the donor government to freeze disbursements, among them political scandals or corruption cases which are publicised in the donor country media, creating a popular opinion to "stop aid" to the country concerned. Even the vulnerability to delays of committed budget support disbursements due to bureaucratic snags on the donor side may increase with a larger share of budget support and the overall negative implications also in this case are stronger, than in the case of project support. The unpredictability of budget support is thus the main negative aspect, while its alignment and respect for domestic budget priorities are the main positive ones.

One aim of the budget support is to reduce the transaction costs, but experiences so far are ambiguous on this point. What certainly is happening is that transaction costs on the recipient side are moving from line ministries to the central authorities such as the Ministries of Finance and Planning as well as the Central Bank. On the donor side a lot of efforts are required to implement the intended harmonisation of processes and conditions linked to the budget support. At least during an initial stage this generates significant transaction costs for the donor agencies.

One effect of budget support cooperation is that the budget process becomes more transparent to the donors, and provides a potential for them to influence it at an early stage. This is of importance to the ownership of the domestic budget process and may erode the influence of the national democratic institutions, in particular the role of the parliament in cases where the parliamentary opposition is weak. A major international evaluation of general budget support was published in 2006 (IDD and Associates, 2006)

In spite of the intense international debate and the recommendations in the Paris Declaration and other international documents, the share of general budget support in the total Swedish bilateral development cooperation has only increased from 4.4 percent in 2001 to 5.5 percent

in 2006 – it should however be noted that the total Swedish bilateral aid during this period almost doubled and therefore the budget support in nominal terms increased considerably.

General budget support as an aid modality is used only in the development cooperation programs with eight countries. Rwanda received the largest share of budget support in 2006 – 63 percent of the total Swedish bilateral aid to that country, and Uganda the smallest – 7 percent.

One main prerequisite for general budget support is that the donor (Sweden) is convinced that the political will of the partner country government to implement a realistic poverty reduction policy is strong enough and that the capacity to implement it is sufficient. This normally implies a long period of previous cooperation during which sufficiently mutual trust between the partners has developed.

Sector programme support and other basket funding modalities have increased rapidly in recent years. In the case of Sweden the share of this modality has almost doubled – from 4.4 to 8.1 percent. This provides an increased potential for improved local ownership, as the authorities of the partner country can handle the pooled resources of several donors and those resources are distributed through the domestic administrative systems. One important experience from basket funding and sector programme support is that they are unlikely to function if the donors insist on micromanaging. (For examples of this from Tanzania, see Odén and Tinnes, 2003, pp. 17-22.)

The share of emergency support has decreased from 14.2 to 12.3 %, although in nominal terms it has increased by around 250 million SEK.

Also if we take into consideration that about two billion SEK from the Sida budget is used for what are labelled global programmes, the project support modality through various channels including technical assistance, emergency support and support through NGOs still dominates the Swedish bilateral development cooperation. The number of individual projects/programs supported by Sida has declined from 5,740 in 2004 to 5,309 in 2006 and the average amount per project/programme has increased from 8.7 million to 12.7 million SEK during the same period.

Foundations and vertical funds

While the international aid community increasingly focuses on harmonisation and alignment as measures to improve the effectiveness of aid, as brought up in the introductory section, a new type of actor has entered the scene during the last decade or so. Or rather, they are a modern form of actors that emerged during the early 20th century, in the form of foundations to sponsor for instance research, medical or educational activities. At that time the Carnegie Foundation, Ford Foundation, Rockefeller Foundation and others were established and they are still active, also within sections of development cooperation. Among their modern successors are the Melinda and Bill Gates Foundation, Clinton Foundation, the Open Society Institute and Soros Foundations Network. Public-private funds such as GAVI (The Global Fund to Fight AIDS, Tuberculosis and Malaria) are also emerging.

These foundations and funds mobilise significant additional financial resources outside the tax-financed development aid budgets, although they have the same problem with the gap between commitments and pledges on the one hand and actually disbursed resources on the other. They also mobilise commitment and circulate relevant information among influential

citizens in the industrialised world. They often use modalities and methods similar to those used by the aid agencies in the 1960s, with special internal structures for planning, a special project budget, separate monitoring and evaluation. Thus, normally there is a gap between the modalities argued for in the Paris Declaration and the ones used by the funds and foundations.

An important advantage of the foundations is the significant additional funds that are mobilised, although totally they are so far dwarfed by the government support. The modalities used may be of concern in particular compared to the harmonisation and alignment efforts that the aid agencies are putting into their development cooperation. In certain cases large resources available for a specific activity, for instance HIV/AIDS medicines, may be less effectively used because of restrictions on the purpose the resources are allowed to be used for. They may for instance not be eligible for HIV prevention or for primary health care which reduces the risk of HIV contamination.

The foundations fit well into the thinking behind the UN *Global Compact* which was launched by the then secretary general Kofi Annan in 2000 and was based on cooperation between the private sector, states, international organisations and civil society organisations. They are also in line with the thinking on sponsorship and the type of public-private partnership that is much stronger in the USA than in Europe.

6.2 Harmonisation

The need for improved coordination between aid donors has been emphasized since almost the beginning of development cooperation. A number of international initiatives have been launched, starting with the Jackson Report in 1970. Very little was achieved up till the end of the 1990s, but since then some promising trends can be noted. The main international document to which aid donors increasingly refer is the Paris Declaration from 2005. In a number of partner countries the insight on the part of major donors, even the IFIs, has emerged that it is difficult to achieve sustainable development cooperation without strong ownership. The process leading to the Paris Declaration and the follow up work since it was accepted have contributed to a stronger common view in the aid community. Several partner countries have also much stronger than previously argued for improved harmonisation and shown that they are prepared to take the lead and improve their capacity to do so.

Improved harmonising, together with more decentralised decision making in a number of aid agencies including the World Bank, has increased the potential for reduced transaction costs. In reality the transaction costs have been moved from some actors to others. In the partner country the transaction costs are moved from line ministries to the Ministry of Finance and the Ministry of Planning, from donor-driven project administrations to government authorities and from aid agencies to government structures.

However, a more comprehensive harmonisation among the DAC countries is hampered by the attitude of a number of major bilateral donors such as the USA, Japan and Germany. They have all signed the Paris Declaration, but their aid policy and systems are strongly based on bilateral agreements and the project modality. These countries together provide more than half of the total bilateral aid. As most of the new actors, such as China, India and private foundations, also use the same principles in their cooperation, their appearance reduces the share of the total aid designed along the Paris Agenda principles.

6.3 How to create a genuine partnership

In recent years, there has been increasing interest in the interaction between the different parties in an aid relationship – actually, it has become the most important parameter in the rapidly increasing research on development aid, be it on aid effectiveness, aid dependency, partnership or on learning in development cooperation.

Aid is a relationship between two parties – a donor and a recipient. The effectiveness of development cooperation therefore depends largely on the quality of this relationship. It is a complex relationship characterized by huge differences in the terms and conditions by which the parties collaborate with each other (Carlsson and Wohlgemuth, 2000).

As has been discussed above all new international initiatives of late such as Poverty Reduction Strategy Papers, the United Nations Development Assistance Framework, the African Commission Report and in particular the Paris Declaration have all highlighted the importance of *ownership* by the recipient country of the development process and *partnership* as the co-operating mode of operation. This implies fundamental changes in aid relationships, where dialogue is considered the key tool (Olsson and Wohlgemuth, 2003). And the initiatives have to come from the recipient, ownership cannot be implemented by decree by others.

The difficulty to actually implement ownership and partnership and to uphold a real dialogue has also been discussed above. All the ingredients have been put forward and all the agreements made in for example the Millennium Declaration and the Paris Declaration. History is full of examples of the fact that without ownership no sustainable development will take place. So it is now a case of implementing all the good intentions and the knowledge that have been collected. The question is whether the international community is ever going to learn how

6.4 Operationalisation of the multidimensional concept of poverty

The poverty concept as it is expressed in the PGD documents is quite complex. To be able to use it in the everyday aid activities the aid staff have to make it operative. This process already started in Sida before the PGD bill was endorsed by the Swedish parliament, and a document with the title *Perspectives on Poverty* was published in 2004 in which the various dimensions of poverty are discussed. “Poverty derives people of the freedom to decide over and shape their own lives. It robs them of the opportunity to choose on matters of fundamental importance to themselves. Lack of power and choice and lack of material resources form the essence of poverty” (Sida 2004, a).

Poverty is situation specific, it varies over time and geographical space. Peace is a prerequisite for sustainable development. According to the Sida document *Perspectives on Poverty*, poverty has several dimensions: social, economic, political and environmental. Furthermore poverty increases the risk for armed conflicts and armed conflicts almost always contribute to increased poverty.

Activities to reduce poverty can be launched at three different levels:

- 1) General activities which aim at strengthening a general policy to reduce poverty, for instance supporting democracy and good governance, macroeconomic stability, rule of law, transparency and fighting corruption.

- 2) Indirect activities aimed at large groups in the society, in which poor people are an important part. Examples are sectors like rural development, health, education and support to small firms.
- 3) Activities aimed directly at specific categories of poor people, for instance labour intensive projects, refugee programs, support to local service organisations and income generating activities. Other categories are the disabled, ethnic minorities, poor women and trafficking victims.

With poverty reduction as the overarching aim of development cooperation the issue of how to balance the general, indirect and direct activities becomes crucial. Is it more effective to provide poor people with resources directly and thereby provide them with the choice of how to use them or should public institutions and governments national programs be supported? In this context it could be mentioned that in recent years direct cash support to specific groups has been tried in some countries, along the lines of social welfare activities in industrialised countries.

The most visible categories of poverty reduction aid activities are those aimed directly at specific categories of poor people, while the effectiveness of general activities is highly dependent on a clear pro-poor policy on the part of the partner country government. Most Millennium Development Goals are linked to indirect activities of this categorisation.

When the multidimensional poverty concept is made operational the Swedish aid risks creating a situation which is similar to that before the PGD was launched as policy in the sense that almost any type of aid can be motivated as poverty reduction.

The ultimate responsibility for the national policy, including poverty reduction, lies with the government of the partner country. If the poverty concept used by Sweden in its development cooperation is different from that used by the partner country government, it may also create a demand for different monitoring and evaluation than is used in the partner country, which is contrary to the Paris Declaration principles.

6.5. Coherence in practice

Coherence should in principle imply that policies in all policy areas are contributing to equitable and sustainable global development. At the operational level in each individual case for decision this raises two questions. One is the definition of “equitable and sustainable global development” in the specific situation of a policy decision. The other is what should be the minimum acceptable contribution to sustainable development or if freedom from obstruction should suffice.

Another issue is if a policy for global development is always best implemented within an assumed framework of coherence or if in certain cases it is better to accept that the national interest in a specific case is not coherent with the PGD and provide the arguments for that.

One significant feature of the Swedish PGD is that each policy area should identify its own contribution to equitable and global development. The aim is that through coordination and coherent action, synergies between policy areas should be optimally utilised and conflicts between objectives in different policy areas should be handled in an open manner. The advantage of this principle is widely acknowledged, and Sweden has received praise in many international forums for making it a main feature of its PGD. When the Swedish parliament

approved the PGD in 2003 it also approved a policy that goes beyond the development cooperation and thereby it took a step from rhetoric to policy. The next phase is to go from policy to action, and some gradual steps have been taken on this road, including an annual report from the various government offices on their progress in this field. These reports are summarised annually in a government communication to the parliament. The latest is from spring 2006 and a new one is expected during autumn 2007.

The 2006 communication states that there is a greater risk of interest conflicts in certain areas, which constitute extra challenges when it comes to policy decisions. One example is that through trade policy decisions products from developing countries are getting improved access to the EU market while on the other hand Sweden has specific requirements on quality and security of products sold in Sweden, stopping these very products from being imported. Another example is the conflict between the need for patents to protect and promote companies, innovations and the need to protect poor countries, possibilities to import low-cost copies of patented medical drugs to improve public health. The challenge is to combine implementation of politics in various policy areas with support to equitable and sustainable global development.

Depending on one's own set of values, and in the absence of a common view on the hierarchy of objectives, the priority between various coherence areas may differ. Some of the policy areas where the most complicated conflicting interests seem to exist in the Swedish context are:

- The Swedish arms trade. How strong restrictions on the Swedish arms trade are needed in order to define them as coherent with support to a just and sustainable global development? What are the implications of the acceptance of the EU code of conduct?
- To what extent, if any, and in that case according to which criteria, shall the budget for development cooperation finance Swedish peace keeping military forces?
- Which criteria should be used to finance debt relief and to what extent and which methods should be used when financing debt relief from the budget for development cooperation? The 2007 government budget for development cooperation introduced a new principle in this field, which increases the urgency for such a discussion.
- Also in other policy areas, such as foreign trade, migration and agriculture there may be differing opinions on which measures and instruments most effectively fulfil the development policy objectives, and therefore to what extent the budget for development cooperation should finance them. In practice this issue is highly pertinent for the Swedish embassies in countries with a large Swedish development cooperation programme, which are also responsible for instance for the promotion of exports of Swedish goods and services. How should for example the balance between support to human rights and democracy and to export promotion be struck in countries with a bad record in the former category?
- In the field of migration conflicting interests may emerge between the implementation of domestic migration and development cooperation policies and principles for implementation.
- Sweden has together with France led analytical work on international public goods and the need for international governance, resulting in a report from a commission on global public goods. It is important that this work is followed up.
- Within the trade policy, another interesting example is poor countries' interest to protect weak domestic manufacture production as opposed to the EU conditions within the EPA that import protection should be eliminated. If various schools of

economic theory have different opinions on the effect of free trade, how should such a case be treated?

- Internationally decided and respected regulations for the flow of short-term capital constitute an important Global Public Good. The volatility effects of unregulated flows of short-term capital were for example shown during the 1997-98 South East Asian financial crisis.
- Finally, what are sometimes called the environmental effects of the western life style. This is a complicated issue, as the concept may cover almost everything. The negative environmental effects may be restricted in specific areas, where the effects are extra evident or spectacular. To what extent should the measures take the form of legislation, economic incentives, promotion of individual or public behaviour, etc.? A large part of these issues has to be treated at the global or regional (EU) level, and Sweden is active in many of the ongoing international negotiations. Even more may however also be done at the national level. This issue has many aspects, for instance the environmental effects of reduced poverty in accordance with the objectives of the policy for global development, as supported by the Swedish development cooperation policy (Lundquist and Odén, 2006:21-22).

The main challenge of the coherence policy is to implement it when the conflicts between objectives of different policy areas have not been fully defined. This makes it difficult to trace the extent to which development concerns have been part of the basis for a specific decision and how that has influenced the outcome. And this in turn would require a clear hierarchy of objectives, something that is rare in real politics. It would also require a willingness to open up all such considerations to the public, a feature which is even more rarely found in politics.

Coherence may also open up for aid budget funding of activities in other political areas, where the D  C definition of ODA makes this possible. Examples of such areas that have been in focus during recent years are migration costs, defence costs and costs for debt relief. This trend has been visible since the early 1990s, but lately there are indications of attempts from the Swedish government to increasingly use the budget for development cooperation to finance expenditures in other political areas. This erodes the potential to use the aid budget allocation to achieve the overarching objective of poverty reduction, as decided by the parliament in 2003.

7. Concluding remarks

The discussion above points out that the present Swedish development cooperation policies as they are expressed in the PGD have a broad mandate and are intended to tackle very complicated and complex issues. The ambitions are high and well considered. To succeed, however, the good ideas have to be implemented and the policies must be better and deeper rooted in the Swedish society.

The new government established in 2006 has the ambition to meet the challenges of the presented policies. A battery of measures to increase effectiveness, efficiency and quality in Swedish development cooperation are being considered and implemented. This can be seen to be part of the implementation of the Paris Declaration which is emphasized as being a central priority of Swedish development cooperation. These measures like most of the questions which have been raised in this article will have to confront the contradiction that is inherent in all development cooperation. At a general level one has to defend and prioritize the recipients' ownership of their own development in order to reach long-term and

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sustainable results. At the same time it is necessary to engage in areas of high priority for Sweden such as democratic development and poverty alleviation and simultaneously be able to show results to the general public in Sweden. This is a difficult balancing act and requires a lot of delicacy in handling. We have shown that development cooperation is a very complicated activity which requires good analytical abilities and thoughtfulness and also good skills in the actual implementation.

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