

## 6 The role of development assistance

The previous chapter indicated a number of key starting points for combating poverty in developing countries. It was noted that there is no single or uniform model, but a number of basic prerequisites seem to be generally valid for success in this work. These include efforts to promote democracy and human rights, an economic policy focused on combating poverty and good institutional capacity at national and sub-national levels. The countries' own policies are crucial for results achieved and the task of development assistance is to support particular countries in their endeavour to eradicate poverty. However, development assistance must not take over responsibility from the governments for the design and implementation of policy.

The international development assistance destined for particular countries is given to a heterogeneous group of developing countries<sup>1</sup>, although mainly to countries characterised by some degree of order and stability, i.e. countries that are not disintegrating or involved in long-drawn-out wars. The long-term assistance consists primarily of the transfer of *knowledge*, building-up of *capacity* and *financial support*. In addition, emergency relief and humanitarian assistance are provided to countries in particularly vulnerable situations. Development assistance in its various forms can be channelled through public administrations (governments, authorities, etc.), civil society organisations (including organisations linked to political parties), or through multilateral organisations. The following discussion deals mainly with transfers of knowledge through technical assistance and of resources between states (governments, authorities) although support through civil society, the multilateral organisations and collaboration with the private business sector is also addressed.

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<sup>1</sup> See UD (Ministry for Foreign Affairs) 2001 for an overview of Swedish development assistance..

## 6.1 Experiences with development assistance

### 6.1.1 The effectiveness of development assistance – common vision and differences of opinion

During the past decade, extensive research has been carried out on the effectiveness of the total transfer of resources in development assistance. Has the development assistance of the rich world – in monetary terms – effectively contributed to reducing poverty in developing countries?

Many developing countries receive large amounts of development assistance annually, although the outcomes of this transfer of resources can be considerably improved<sup>2</sup>. According to certain analysts, there are generally no strong positive correlations between the flows of development assistance, growth and poverty reduction or between development assistance and social development when data is aggregated from all recipient countries together. However, there is support for development assistance having positive effects on growth and also on the degree of poverty reduction in countries with good macroeconomic policies (i.e. low inflation, low budget deficit, and an open foreign trade), and relatively great freedom as far as political rights<sup>3</sup> are concerned. A key conclusion is that assistance is only effective when the recipient government pursues a sound development policy. A concentration of development assistance to poor countries with such a policy focused on combating poverty would, according to this view, result in a relatively large reduction of poverty<sup>4</sup>.

Others allege that it is the degree of poverty in a country per se rather than development policy that is crucial for the effectiveness of development assistance. The more widespread poverty is, the greater the benefits that can be obtained from every krona of development assistance. According to these analysts, the threshold values that development policy needs to achieve for development assistance to produce positive results have proven to be relatively low, in particular in poor countries<sup>5</sup>. A third standpoint is that development assistance is most effective if it is channelled to countries that have been exposed to different external (economic)

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<sup>2</sup> Svensson, 2001; Andersson, M., 2001b.

<sup>3</sup> Svensson, 2001.

<sup>4</sup> Collier and Dollar, 2001.

<sup>5</sup> Beynon, 2001.

shocks, in order to assist these countries' adaptation to changed conditions<sup>6</sup>.

A common conclusion that can be drawn from the various assessments is, however, that development assistance works increasingly well, among other things through lessons learned about the settings in which and under what circumstances it can play an important role.

Various studies show that there is no consistent *correlation between development assistance and a country's commitments to reform*. Policy differs markedly between various low-income countries that have received extensive development assistance. This indicates that development assistance is not the decisive factor for countries' policy, but that policy formulation depends above all on domestic political and economic factors. Countries with successful reform programmes have been motivated to implement these of their own volition. However, considerable awareness is required on the part of donors of the fact that they through development assistance become involved in and can therefore affect domestic political processes.

There has been a tendency on the part of donors to provide the same type of development assistance (in terms of volume and content) to different countries, regardless of their reform policies. Thus, what has happened is that countries have received more development assistance, relatively speaking, when reform efforts have been slight than when they have been clearly defined. This has also contributed to confirming *dependency on development assistance* in many low-income countries. Resource transfers have in these cases exceeded the country's capacity to absorb, i.e. the capacity to use development assistance resources effectively. Large flows of development assistance tend to make the government more dependent on donors than on their own population. When tax revenues make up only a low proportion of the central government budget, the taxpayers' demands on the efficiency of government are also lessened. Research shows that financial assistance can strengthen and improve a commitment to reform, but can seldom generate it, if the country itself does not have a will to reform<sup>7</sup>.

Recent country studies carried out with the participation of African researchers and decision-makers who take part in national

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<sup>6</sup> Beynon, 2001; OECD-DAC, 2001a.

<sup>7</sup> World Bank, 1998.

policy formulation, show that countries with successful reform programmes have often passed through *three distinct phases* in the implementation of reforms<sup>8</sup>. In the first phase, the countries carried out an ineffective development policy with weak results as a consequence. Government financing of development measures was scant, and consisted mainly of technical assistance, advisory services, policy dialogue, and some support to projects. Extensive financial development assistance has been seen in these circumstances to counteract its own intentions since it has rather served to help countries to maintain existing policies and to refrain from reforms. In a second phase, extensive reforms were carried out during a relatively short time period of three-four years. The basis for these reforms was established or defined by the countries themselves, often by newly-appointed governments. The financial development assistance increased greatly along with the implementation of the reforms, which in turn reinforced these. In the third phase, the countries conducted a well-functioning development policy of their own choosing. Financial support was still important, as well as policy dialogue and a demand-controlled technical development assistance.

Paradoxically, it may be just in those situations with good development policy and a high level of poverty that development assistance is of greatest use in poverty reduction. However, there has been a tendency for donors to start to withdraw their support when countries are in this phase. This may be due to the notion that development assistance is no longer required, and that countries can cope on their own. However, experiences show that it takes a long time before private flows and domestic resource mobilisation can wholly replace development assistance. Foreign direct investments can be expected to increase when confidence in the country's economy improves. The first sign of this is increased domestic investments and reduced capital flight.

Development countries often have a meagre cadre of high-level administrators who are in great need of advice to formulate different policies. Experience shows that advice must be based on a genuine demand in order to have a sustainable effect. A large part of the *technical development assistance* has, however, been based instead on donors interests and on what they have had to offer, and thus has had little impact.

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<sup>8</sup> Devarajan, et al, 2001.

The external support for various reform programmes has often been associated with special conditions on the part of donors and lenders, so-called *conditionality*. The payment of aid has been linked to countries complying with a number of conditions, often of a policy nature. The role of conditionality for development has been called into question in recent years as regards its ability to persuade countries to change their policies. Experience shows that development assistance has been able to influence a country's government to implement reforms in the short term, but that these reforms have often been rescinded when development assistance ceases. Conditional support can play an important role during the build-up phase to reinforce a reform-minded government's will and commitment. However, conditionality has served its most important purpose when the governments themselves operate and take responsibility for development policy. In such phases, conditions can rather hinder than reinforce the results of various reforms, because it can be seen as though government bases its policy on external directives instead of on its own convictions or on an internal democratic process. Conditionality also makes difficult the process of implementing reforms based on the broad participation of different groups in society, for instance, institution-building.

The experiences of development assistance from past decades has produced an increased awareness of the nature of good development policy (see Chapter 5). Development assistance functions better in countries where the national government conducts an economic policy focused on growth, redistribution and poverty reduction, and where there is sufficient institutional capacity to implement the policy. The question is what development assistance can do in countries that for various reasons lack this approach to policy or the ability to carry out a policy focused on poverty reduction. Countries with such insufficient capacity or will are sometimes described as *poor performers*. These deficiencies may depend on a lack of political will or firm commitment to prioritise poverty reduction. Countries may have a low domestic capacity to carry out decreed reforms due to weak institutional, human and financial resources. A weak policy environment can also be caused by external factors of an economic nature, such as a deterioration in terms of trade and finance sector crises, or by different political factors (regional conflicts, sanctions, etc.).

A country's policy changes continuously over time within different sectors in the economy. Development policy is thus not characterised by being static with good or weak implications at any given moment in time. The assessment of countries' ability to conduct effectively a policy focused on poverty reduction (i.e. performance) must necessarily be based on the complexity of the economy and social development requirements in general. This can be done on the basis of the country's explicit political commitments, openness, and forthrightness in political dialogue, the country's relation to international creditors, democratic legitimacy, how it lives up to the commitments in the different HR conventions, and various indicators that point to the state and quality of governance. Preferably, all grounds for assessment should be available for all external actors.

The Committee considers that Swedish international development cooperation should first and foremost be *directed to the poorest countries* that pursue a policy to reduce poverty in the most important economic policy and institutional areas. The Committee finds that the possibilities for assistance to affect a country's development policy are small, unless there is a genuine readiness on the part of the country to itself carry out the policy that donors are prepared to support. In other words, it is not possible to "buy development". In addition, the *composition of development assistance* in different phases of a country's development is of great importance for its effectiveness. By adapting the direction, volume and use of different development policy instruments to the different phases of a country's development, development assistance can better and more systematically support a country's development. This applies above all to those countries which do not have their own capacity to implement a sound development policy. These countries are not to be left out but to be supported by various combinations of transfers of knowledge and resources based on the individual country's prerequisites in different sectors. Moreover, the Committee considers that development assistance *cannot be given unconditionally*. However, the conditions must be designed on the basis of counterparts' genuine will, commitment and ability to live up to them. Conditions should thus be designed so that they support different domestic commitments rather than requiring new measures that are not firmly anchored in the needs, interests and priorities of the country in question.

Finally, the issue has been raised of whether the allocation of development assistance between different countries, given the level of poverty, should be based on the design of the countries' development policy or on the actual outcomes of policy being carried out. The advantages of a *results-based orientation* are that the donors leave it to the recipients to formulate their own policy, and that responsibility for results rests on the recipient country's government. However, it may be easier in the short term to monitor actual policy decisions taken than their results. For instance, it can take several years before statistics for developments in the poverty situation in a country are available, while policy development (for instance, agricultural policy, tax policy) can be monitored in the short term. Follow-up must, of course, be based on a combination of assessment of measurable results and design of policy.

### 6.1.2 Prerequisites for partnership

Bilateral development cooperation should be based on a *relationship of trust* in order for a genuine partnership to be established. Even if attempts have been made in recent years to develop partnership relations in development assistance, these still are largely marked by the fact that donors –traditionally have dominated these unequal relationships. The uneven relations of power that typify development assistance, where one party can make use of resources put at its disposal, should be changed into a cooperation where the cooperating partner's power increases, above all by determining the direction and design of their own policy. The intention is to achieve a more effective policy to combat poverty, and to create broader and more equal relations between donor and recipient at all levels. A clear responsibility for policy on the part of the partner country is required, and the relationship must be based on the partner country's own priorities. The partnership should be thereby characterised by the South perspective.

Partnership can be entered into at different levels and by different actors in the donor and the partner countries. A developing country's form of governance is often of superordinate importance in the donors' choice of partner. Besides the problem of grading the state of democracy in the world, the donor country

is confronted by the challenge of identifying which actors or partners that it wishes to cooperate with in a particular country<sup>9</sup>.

The OECD Development Assistance Committee (DAC) produced the following guidelines in 1998 as to how partnership between states can be improved, and how the donor countries' procedures for the provision of development assistance can be simplified and harmonised:

1. Partners in development cooperation should formulate their own development strategies.
2. Coordination of development assistance should be led by recipients and emphasise locally-owned strategies.
3. The interests of donors and recipients should be openly stated.
4. Donors should adapt their procedures to the local procedures.
5. Development assistance to the least developed countries should not be tied to procurement only from the donor country in question
6. Donors should provide less project support and more programme and budget support to support a country's development.
7. Technical development assistance should be based on local conditions, prerequisites and on local demand.
8. Monitoring and evaluation of development assistance should to an increasing extent take place in close collaboration between donor and recipient.
9. Donors should strive to achieve coherence between their various government policy areas.
10. Innovative financial solutions should be aimed at whereby development cooperation can play a catalytic role in generating and attracting other sources of financing.
11. Donors should continue to alleviate the debt burden of the developing countries.

Progress can be noted in a number of areas. *National poverty reduction strategies* now make up important parts of the national political agenda in many low-income countries. These strategies often serve as the basis for development assistance from multilateral institutions and donor countries. The UNDP, with its focus on advisory services, could play a more prominent role here by supporting the developing countries in the production of strategies for poverty reduction, and for coordination of the

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<sup>9</sup> Widmalm, 2001.

country strategies of the donors. Donor coordination has been enhanced and is increasingly managed locally. Development cooperation with the least developed countries will largely be untied as from 2002. More donors are starting to adopt programme and sector support. The initiative to relieve debts for the most debt-burdened countries has been intensified, although the debt problem is still a major obstacle for development in the poorest countries.

A lot remains to be done, however, within a number of areas. This applies not least to *harmonisation and coordination* of donors' procedures and adaptation to local conditions. The important work of seeking coherence between different policy areas has only just begun within the OECD and for a few donor countries. Technical assistance is still largely supply-oriented. Monitoring and evaluation are moreover still exclusively a concern for the donors. Development assistance is being reduced in volume while private capital flows to developing countries are stagnating.

### 6.1.3 Coordination of development assistance

Many developing countries receive extensive development assistance while *coordination* of development assistance is neglected, which is often due to deficiencies and unwillingness on the part of donors as well as of recipients. Donors have not always been interested in coordinating development assistance, and the recipient countries have been able to play off donors against one another with a view to negotiating better terms. In other words, the system has not encouraged coordination.

Against this background, considerable efforts have been made during the 1990s to improve coordination. For most countries, the most prominent donor coordination has been the consultative group meetings organised by the World Bank, UNDP's round-table meetings and locally organised donor coordination. The consultative group meetings previously almost exclusively took place in the capitals of the western countries. Nowadays, more meetings are being held in the capitals of the affected countries. In this way, local parliaments, NGOs, and local media can take part and follow the meetings at close quarters. The secrecy classification, when a small government delegation negotiated with the donor community behind closed doors, is beginning to

disappear. Openness is gaining ground and participation is being intensified.

The governments of the partner countries are also starting to take greater responsibility for coordination of development assistance. Coordination of development assistance is most effective when all donors are coordinated locally. This coordination naturally takes place most effectively when donors' development assistance in different forms is channelled directly via the country's budget instead of by-passing it through various forms of special administrative arrangements.

The increased *common approach* in the donor community as regards the nature and direction of development assistance has contributed to a better foundation for coordination. This applies in particular to the assessment of the country's economic development. After the end of the Cold War, clearer demands are also being advanced for democratisation and respect for human rights. This has in certain cases contributed to contradictory views between multilateral organisations and bilateral donors on what should be done in specific individual cases. Accordingly, the international financial institutions in certain situations have continued to finance developing countries to which the bilateral donors have ceased to provide support due to lack of democracy and lack of respect for human rights. In other cases, bilateral donors have supported a country's policy which the financial institutions have not considered to be economically sustainable.

*Donors' own conduct* bears a great responsibility for the current lack of coordination. It has been proven that an appropriate policy environment is not sufficient to increase the effectiveness of development assistance<sup>10</sup>. Besides improved coordination, the procedures of donors of development assistance need to be harmonised. At present, donors place a burden on the partner countries' scant resources with their varying demands for reporting, accounting, documentation, reception of visiting delegations, etc. The external donors control the flow, rather than adapting to the countries' own prerequisites and planning. The number of external actors is increasing while the total volume of development assistance is being reduced. Developing countries must adapt to the donors' planning and budget systems. The local assumption of responsibility is hardly favoured by a country's

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<sup>10</sup> Andersson, M, 2001c.

having to take the planning cycles of 30-40 donors into consideration when the budget is to be adopted. Donors, on the other hand, often have *one single* country strategy process, the same for all recipient countries, while they should instead adapt *their* planning and *their* strategies to the budget cycle and special conditions of the partner country.

Mozambique is an example of a country where donor coordination is relatively far advanced. This is in particular in the macroeconomic area where nine donors, including the Scandinavian countries, have a common agreement with the country's government. In addition, Sweden works closely with Norway by co-financing various projects, joint studies, and by complementing one another's support to different sectors.

## 6.2 Swedish development assistance

### 6.2.1 A retrospective view in an international perspective

Swedish development cooperation policy has been fairly consistent during the 40 years that public assistance has been given to developing countries. Poverty reduction has been in focus for Swedish international development assistance ever since the founding budget bill 1962:100<sup>11</sup>.

*The 1960s* were typified by a general optimism for the future and for development. Economic growth and financial resources were what was required to achieve the intended development. The Swedish International Development Authority, SIDA, was created in 1965 and the main task of development assistance was to contribute to meeting the developing countries' financial requirements. The cause of underdevelopment, in the view of that time, was to be found primarily in poverty, unequal terms of trade, and the population explosion. The overall poverty alleviation goal was to be achieved mainly by investments in education and increased know-how, as well as through modernisation and upgrading of physical equipment. Sweden preferred to channel development assistance primarily through multilateral channels. A timetable was set in the 1968 Budget Bill for the achievement of a 1 per cent of GDP goal for development assistance.

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<sup>11</sup> Carlsson, 1998.

During *the 1970s*, international development optimism began to wear thin. Development had not taken place along the lines envisaged. Growth had not trickled down to the wider population. The focus in development thinking shifted from growth to distribution policy and the social dimensions of development. The unfavourable development of the developing countries' terms of trade led to proposals to stabilise prices of raw materials. Demands for a new world order were made and the basic needs strategy dominated discussions on development assistance. The Swedish development assistance to rural development increased. More attention was to be given to the low-income groups. Increased development assistance was also provided to the health and education sectors. Sector support as a form of development assistance became increasingly common. NGOs were given an increased role in development assistance in order to more easily reach the target groups. Country programming became the bearing principle for Swedish development assistance.

The report of a commission of enquiry<sup>12</sup> led to four specific objectives for development assistance being established: economic growth, economic and social equality, economic and social independence, and democratic development in society. Development assistance had now achieved considerable levels and attention started to be given to the issue of its effectiveness. In 1972, it was decided that a certain proportion of development assistance was to be tied to procurement of Swedish goods and services, so-called tied development assistance. Two new institutions (Swedfund and Bits) were created to handle direct collaboration between parties in Sweden and in the developing countries. Sweden wrote off all the developing countries' debts in 1978 that were connected to Swedish development credits. Towards the end of the 1970s, the situation in many developing countries had deteriorated drastically with large budget deficits and external imbalances. Rising oil prices and a surplus of capital available for loans led to the debt burden increasing dramatically in many countries. The role of the market began to replace government-led growth as the main lines along which development thinking ran.

The importance of local capacity for research and knowledge production in developing countries was noted early on in Swedish

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<sup>12</sup> SOU 1977:13.

development assistance. In 1975, a special authority was created SAREC (Swedish Agency for Research Cooperation with Developing Countries) to support research collaboration. Through Swedish support to local universities, the ability of many countries to carry out their own problem analyses and develop national strategies for important areas of society was enhanced. In many cases, a fruitful collaboration has also been developed with Swedish institutions.

*The 1980s* were dominated by economic reforms and demands for structural adjustment in particular from the international financial institutions. In this ways, donors also came to be involved in the countries' political and economic systems. Swedish development assistance began to address macroeconomic issues, such as balance of payment problems and debt-related issues. Other important areas for Swedish development assistance were the maintenance of social security systems and safety networks, during periods of economic adjustment programmes as well as support for agriculture and the rehabilitation of industry and the infrastructure. Policy issues such as pricing levels, institutional development, etc. became increasingly important within the respective sector. Rural development emerged as the most important sector. A fifth development goal was introduced: sustainable use of natural resources and protection of the environment. The need for reinforced donor coordination was underlined and multilateral cooperation was considered to be a good basis for this.

*The 1990s* was dominated by the start of global common vision on development cooperation where poverty reduction was the overall goal. Structural adjustment programmes had been carried out with great lack of sensitivity for the social effects. Central and local government administration had been reduced to the point of collapse. Democratic legitimacy had been devalued. During the decade, the focus was also to shift from the microeconomic prerequisites (the so-called Washington consensus) to the more political and social dimensions of development. The importance of institutions and capacity-building measures was clarified. A broader approach to poverty was introduced, and the importance of democracy for a country's development underlined. A human rights perspective on development started to be formulated. Sustainable development became a clearer concept after the UN conference in Rio de Janeiro in 1992. The donors of development

assistance became increasingly interested in the policy development of partner countries. A reorientation of international development assistance could be noted. The *realpolitik* prerequisites associated with the endeavours of the great powers had been fundamentally changed. Security policy, which previously governed the distribution of development assistance was successively replaced to a great extent by a focus on development. However, the expected increase in development assistance (the “peace dividend”) did not come about, but rather the volume of development assistance was reduced instead.

An integrated Swedish development assistance agency Sida (Swedish International Development cooperation Agency) was created in 1995 by merging SIDA, BITS, SwedeCorp, SAREC and Sandö U-centrum international training and course centre. A sixth development objective was adopted in 1996: the promotion of equality between women and men in partner countries. The government presented basic policy documents within the areas poverty, democracy, gender equality, and sustainable development in the years 1996–97<sup>13</sup>. In this way, the poverty concept was broadened and the basis for the introduction of a human rights-based perspective started to take shape. Due to problems with government finances, the volume of development assistance was temporarily reduced in the latter part of the decade to a lowest level of 0.7 per cent of GNP in 1999.

### 6.2.2 The definition of poverty

Ever since 1962, the overall goal for Sweden’s development assistance has been “to improve the standard of living and quality of life of the poor people”<sup>14</sup>. There has been broad agreement on this main approach across all of the political parties, and the poverty goal was confirmed, *inter alia*, by the 1977 Development Policy Commission Report.

The overall poverty goal was subsequently formulated and refined in the form of the current six development policy objectives:

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<sup>13</sup> Skr. 1996/97:169, Skr 1997/:76, Government Bill 1995/96:153 and Skr 1996/97:2.

<sup>14</sup> Government Bill 1962:100.

- Economic growth (1978)
- Social equality (1978)
- Economic and political independence (1978)
- Democratic development (1978)
- Sustainable use of natural resources and protection of the environment (1988)
- Equality between women and men (1996)

The starting point for the formulation of these objectives has been multi-dimensional, and based on the view that poverty must be attacked on a *number of different fronts* with direct as well as indirect and more long-term measures.

Prerequisites must be created that do not only entail increased income for poor people but which also guarantee them fundamental rights in the social sphere, more choices, improved environment and security, and democratic influence in society and in development processes. Following on from this way of thinking, the six development objectives have not been internally ranked. They are considered to be separate but also interacting, to contribute to desired effects in terms of the overall goal of poverty reduction.

However, there has been a *lack of clarity* about the relationship between the overall poverty goal and the six specific objectives. Specific objectives, which should rather serve as guidelines for the main goal, have instead in discussions been given far greater attention than the fundamental purpose and overriding goal. The importance of particular specific objectives or sub-goals has been underlined and different specific objectives have been counterpoised to one another, for instance, growth versus equality between women and men<sup>15</sup>. During the 1990s, the lack of clarity between the objectives tended to increase when the four prioritised areas – poverty, democracy, equality between women and men and the environment – were highlighted in policy documents from the government and in action programmes from Sida, which to a certain extent then came to replace the six specific objectives. The references in the government's instructions to Sida did not either always emphasise the superordinate character of the poverty document<sup>16</sup> in comparison with the other documents. Sida's action programme for combating poverty has in practice had the same

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<sup>15</sup> Forsse, 2001.

<sup>16</sup> Skr 1996/97:169.

status as the action programmes for the other three prioritised areas.

Various studies in recent years have moreover noted that the poverty goal does not as a rule constitute a strategic focus in the country strategies, or a clearly defined main objective in Sida's project document<sup>17</sup>. The evaluations that are currently made seldom contain specific analyses of the poverty goal or of poverty reducing effects. The lack of poverty reduction as a strategic focus in project documents and action plans has also been pointed out in DAC's recent survey of Swedish development assistance<sup>18</sup>.

The poverty goal seems primarily to have provided guidance in the choice of partner countries and the overall approach of development cooperation programmes. Swedish development cooperation has had a clear focus on poor countries, with the greater proportion of support going to sub-Saharan Africa. The instructions for Sida's reports on the poverty goal have been few in number, and knowledge about the actual effects of Swedish development assistance on poverty is therefore vague. Explicit and systematic annual reporting from Sida in relation to the poverty goal has only recently begun. At the same time, the demands for reports have been considerably more detailed for other areas of activity.

### 6.2.3 Support for democratic processes and human rights

The promotion of democratic development in partner countries has been one of Sweden's development policy goals for two decades and has today a prominent place among the goal formulations that are emphasised by politicians as well as experts. In 1999, democracy was the prime goal for every fifth Swedish development assistance project. Almost no studies or analyses exist, however, of the results of these initiatives<sup>19</sup>. In one of the few studies that has been done, it is emphasised that the work to promote Swedish democracy has been marked by large number of small interventions in a very large number of recipient countries. Although many individuals are involved in this way, the arrangement still appears to be less suitable from the point of view

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<sup>17</sup> Frühling, 2001.

<sup>18</sup> OECD-DAC, 2000.

<sup>19</sup> Poate, et al, 2000.

of effectiveness<sup>20</sup>. The importance of a long-term approach is key if durable democratic advances are to be made<sup>21</sup>.

Since 1998, the Ministry for Foreign Affairs and Sida have been working together to *develop methods and education* with a view to increasing the spread of awareness concerning democracy and human rights in Swedish and in joint international commitments. During 2000, a consultation group has carried out a pilot activity that has involved the explicit integration of democracy, human rights and a child rights perspective in the regional strategy for Central America. Experiences to date indicate that a prerequisite for a successful integration is that measures to reinforce the children's and human rights perspectives are introduced at an early stage of the formulation and design process<sup>22</sup>.

In the long term – and in order to maintain a sustainable democratic system – a democratic culture is required. Democracy requires democrats. *Parliament and political parties* comprise the basis of such a system. NGOs can also play an important role in this regard, especially in consolidation of these. During the 1990s, major investments have been made in the development of electoral processes including civic and voter education, although elections are only the start of a democratic process. It may even be the case that an election too quickly after e.g. the end of a war can make more difficult and prolong the process towards sustainable democracy, since the election legitimises political groups that have acquired power as a result of a war situation rather than due to popular support for a particular policy.

A *functioning multi-party system* is crucial for whether individuals are to have power and influence over their own situation. Organisations closely linked to Swedish political parties have acted as an intermediary for a number of years in provision of support for development of a multi-party system. Evaluations of this activity have shown good results and it will be made permanent in 2002. Sweden is also an important financier of International IDEA, the Institute for Democracy and Electoral Aid, which works for understanding and knowledge in *inter alia* the electoral process.

It is important that continued priority be given to democratic training such as civic and voter education, recruitment of professional administrators and legal experts, and the development

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<sup>20</sup> Brodin, 2001.

<sup>21</sup> Brodin, 2001.

<sup>22</sup> Sida, 2000.

of democratic administrative and political practice. Training and education in democracy and HR issues for police authorities is another important component of democracy development assistance. Support to legal systems, independent courts, and the police needs, however, to be complemented by education and support to other actors in the judicial system, such as a corps of independent lawyers. Military institutions must also be included in the work to increase democracy in a more well-planned and structured manner.

Swedish development cooperation has for a long time placed great weight on the promotion of human rights. Where the emphasis earlier lay on citizen's and political rights, not least in conjunction with support for democratisation processes in different countries, more recently economic, social and cultural rights have attracted increasing attention. A deeper understanding of the international norm system and its mechanisms is needed, in order to be able to exploit the potential of these, and to more effectively build on the work carried out in the framework of the UN, ILO and the regional institutions. Sida has devoted great attention to the rights of women, children and people with disabilities, although increased attention also needs to be focused on human rights relating to labour legislation.

Besides support for development and promotion of the international norm system as such and its follow-up, the role of human rights as an instrument that can provide general guidance for development cooperation has been clarified. It is important to continue on this path and to *operationalise the various rights*, as well as to show how the fundamental principles, such as universality, non-discrimination, participation, a holistic vision and responsibility for implementation can permeate the implementation, monitoring and evaluation of interventions. Training in these issues has begun within Sida, although the ambition to train two key persons in each unit in democracy and human rights issues has not yet been achieved<sup>23</sup>.

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<sup>23</sup> Sida, 2000.

#### 6.2.4 Support for economic reforms and debt relief

Since 1986, Sweden has granted over SEK 5.8 billion in support to different developing countries for economic reforms and debt relief. At present, such support totals approximately a half billion kronor per year. This assistance is provided primarily for poverty reduction measures in countries with a good reform policy. It has previously mainly been provided as assistance for balance of payments but now consists of equal parts of budget support for economic reforms and support for debt relief. Budget support has been introduced in recent years and has replaced balance of payments support apace with more developing countries liberalising their foreign exchange policy. Since an increasing number of countries are expected to achieve a manageable debt level (see Chapter 5) through the HIPC initiative, the support will gradually shift from debt relief to budget support. The greatest recipients of support have been Mozambique, Tanzania and Uganda. These three countries have received approximately half of all disbursements.

According to the Government's guidelines for this form of support, the goal is to support poor countries that are carrying out economic reform programmes to promote economic growth, combat poverty and that result in sustainable development. Support is to be a driving force for continued reforms and to be adapted to specific needs and conditions in the individual countries. Swedish support is also to contribute to restoring a manageable level of debt to countries burdened by debt.

Support is provided to low-income countries that are entitled to concessional loans on IDA terms at the World Bank (interest-free loans with long repayment periods) and which carry out economic reform programmes in collaboration with the International Monetary Fund and the rest of the donor community. The support is to be provided on the basis of the results achieved by the country concerned in relation to the plans and objectives agreed upon in the country's strategies for poverty reduction, or in similar policy documents.

A prerequisite for budget support being an option is that the country has an *open and transparent budget* and budget process. It is also required that the country respects human rights and promotes a democratic form of governance. The existence of good governance in the form of an effective, open public administration

system is also key in the assessment of whether a country can be considered for support.

In the monitoring and preparation of inputs, the budget process and the budget outcomes in the partner country are analysed. The analysis of how the partner countries comply with the basic criteria on democracy, human rights, and good governance is also to be made in a process perspective. The Government Offices of the Chancellery perform an annual assessment of the countries that Sida proposes should receive budget support. However, established handbooks and guidelines are lacking for how analysis, monitoring and preparation is to take place. It should be possible to enhance *results follow-up* since no systematic assessment exists at present as to how countries comply with the prerequisites for this support.

In order for support to economic reforms and debt relief to have as great an effect as possible, it is considered important that it should not be an isolated input, but form part of a broader international intervention. The size of the Swedish contributions is adapted to those of other donors with a view to achieving a reasonable distribution of financial commitments. This support is channelled partly directly to the country's central bank, and partly via multilateral institutions. The aim is to achieve increased coordination with other bilateral donors.

Support for economic reforms and debt relief is in the process of changing character – from temporary one-year support in certain situations (debt problems, balance of payments problems) to a more permanent and long-term form of support. Multi-year support was agreed for the first time in 2001 with three countries (Bolivia, Mozambique and Tanzania). Support is granted by the Government, and is given in addition to the country-targeted support provided by Sida. Sida prepares the background documentation and other materials as a basis for a decision on budget support, and then implements the decisions made.

#### 6.2.5 Integration of cross-cutting themes in development assistance: equality between women and men, etc.

There is a conscious endeavour to allow certain overall themes to permeate the whole of Swedish development assistance with a view to having an impact on the various dimensions of poverty in one and the same project or programme. The intention is also to

counteract a fragmentation of development assistance into different sectors without a common approach. The cross-cutting or overall themes which have been the focus for this integration (mainstreaming) include democracy, human rights, gender equality, children, people with disabilities, environment and conflict-prevention measures.

The *experiences* and challenges of integrating certain areas into the mainstream of development assistance work are, however, *uneven and variable*. A number of Swedish embassies which administrate Swedish development cooperation consider that an integration that goes beyond the direct purpose or target group does not function particularly well in practice. Integration efforts have more served as an internal objective for the development assistance organisations than they have been able to affect reality in the field. The expectations of recipient countries are too sectorised and capacity is too poor for this to work well at present. A basic problem is the tendency for consideration to be taken to an increasing number of aspects in every project or programme. However, there is a limit to how much can be prioritised within one and the same intervention. To avoid integration remaining at cosmetic or rhetorical obligations, a thorough specialist knowledge is required within all the various areas that are to be taken into consideration. However, it has proven unrealistic for Sida's regular desk and programme officers to possess the specialist knowledge required in every area, particularly bearing in mind the complexity of the issues. What is required are skilled coordinators who can concentrate on finding, collecting and coordinating the knowledge that various specialists possess. At the same time as coordination needs to be professionalised, respect must be maintained for the complexity of the issues, and for the need for specialist knowledge in the particular areas.

The *environment* is an area where integration began early and is relatively far advanced. Twenty years ago, environmental conservation was a separate sector in development assistance. Today, there are both policies for and an awareness of the fact that environmental consideration is to be taken into account in development assistance financed inputs in all sectors.

*Equality* between women and men is also among the first areas where attempts at integration have been made. At an early date, Sweden stressed equality between women and men as an important goal for social development in every country, and the fact that

gender equality is now of crucial importance for a country's social, economic and political development. Already at UN's World Women's Conference in Nairobi in 1985, a Swedish programme was developed for support to these issues through the Women's Council for International Development Assistance, a former advisory body to SIDA.

Integration of gender equality dimensions was introduced as a response to the realisation that separately targeted projects or programme components for women alone was proving not to have the swift effect on development that had been hoped for. Mainstreaming was intended as a strategy to raise the visibility and awareness of gender equality issues, so that they would be dealt with together with policy issues such as the poverty goal and economic reforms – not as a separate and marginal topic.

When integration or mainstreaming of prioritised thematic issues such as gender is used as a strategy or structuring method, it has often led to the replacement of special central units and gender-focussed functions in the field, resulting in a risk that expertise on gender equality issues in organisations dissipates. The development of competence lags behind, and internal financial support in the form of special budget funds for the thematic area reduces. In order for mainstreaming to work effectively, it should accordingly be combined with a core of experts who can assist with knowledge and support and with the development of thinking on the issues concerned<sup>24</sup>.

In many development assistance organisations that have worked with international development cooperation, "women's units" disappeared when mainstreaming was to be implemented, but were not replaced by anything else. A few organisations, including UNCHS (Habitat) have, however, continued successfully with specific women's projects at the same time as mainstreaming of gender issues has taken place. Other organisations have retained a less central function and combined it with decentralised responsibility within regional departments or the equivalent. It should be considered in Swedish development assistance whether gender mainstreaming should not be combined with special targeted initiatives, not directed exclusively at women, the overall goal and main intention of which is to change relations between women and men towards greater equality.

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<sup>24</sup> Hindman Persson, 2001b.

The needs of the *people with disabilities* must also be integrated consistently in development assistance interventions. In practice, this only occurs in a few cases, according to SHIA<sup>25</sup>. The disabled seldom are able to exert their own influence over projects, and the absence of concrete mainstreaming strategies leads to a large part of the population being left outside of development. At present, it is often up to the donors to determine the extent to which development inputs are to be targeted on the disabled. The governments of the recipient countries gladly sanction inputs although they take few initiatives of their own at present. Greater awareness among donors is therefore required of the special needs for interventions for people with disabilities, but also a clearer commitment to dialogue with recipient countries on the importance and value of such investments. Basically, such a position concerns an insight about the equal value, dignity and rights of all people. Sida's policy for this work "Development cooperation for Children and Adults with Disabilities" will be updated in 2002.

Recently, the effects of development and poverty on *children and young people* have been made visible as well as their role in combating poverty. A perspective based on the best interests of children is to be applied in every area of development work, not only in such areas as nutrition, health care and education but also in areas such as employment and migration. Today, there are policy tools for such an integrated child perspective although these have not been applied in practice.

### 6.3 Trends in international development cooperation

#### 6.3.1 New trends in Swedish international development cooperation

On the basis of the *broader poverty concept*, Swedish development cooperation intends to highlight both the economic and the social, ecological and political dimensions of development. Democracy and human rights are consistent themes which are to permeate all development assistance. In more operational terms, a transition is taking place from project to programme support, and

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<sup>25</sup> SHIA = The Swedish Organisations of the Disabled International Development Assistance Association.

decentralisation from headquarters or central levels to field organisation and an increased coordination with other donors. Cooperation is to be characterised by a close partnership with the partner countries.

Development cooperation is increasingly moving from *individual projects to process-focused support* to entire sectors, as well as to institutions that are essential for a country's development. A number of development assistance organisations are working to develop various forms of programme support, in particular sector-wide support and budget support, which can eventually lead to reduced demands for administrative resources. Sida can, in certain cases, opt to be the "silent partner", i.e. it partly finances an activity but leaves the main responsibility to another financier. The transition to programme support will mean that broader analyses will be required, and that there will also be increased demands for more stringent analyses of events and circumstances of in the surrounding world and of externalities that may affect implementation, results and effects. The focus on overarching and cross-cutting issues must be strengthened while at the same time retaining knowledge of and addressing the situation of individuals.

Demands will also be placed on Sweden to adapt rules, routines and working methods to new forms for collaboration. Sweden participates in an informal consultation group for sector programme support with a number of nations, as well as in working groups in SPA (The World Bank programme for partnership with Africa, Strategic Partnership with Africa) and DAC for further development of programme support and harmonisation of development assistance procedures.

An increased emphasis on partnership and national taking of responsibility has contributed to a stronger *orientation toward field activities* of development assistance activities. During 1999 and 2000, Sweden delegated handling of development assistance on a trial basis to the embassies in Dar Es Salaam, Hanoi and Managua. The embassies have full responsibility for preparing and making decisions on development initiatives. The intention is now to make this delegation of responsibility permanent, and to provide the same expanded authority to embassies in other countries that Sweden intends to engage in a long-term development cooperation with.

Swedish bilateral development cooperation consists of the country-targeted development assistance and a number of cross-cutting issues in nine different branches of operations divided up by regions and countries. The most important instrument for governing and regulating Swedish development assistance is the government's appropriations document. The *country strategies* play a crucial role for the direct country-targeted work. The purpose of the country strategy process is to produce and provide guidance for development assistance that is prioritised by the partner country, and that also is in accord with the Swedish development goals and priorities. The commitment, interest and responsibility of the partner countries is decisive for how successful development assistance will be. The weak planning and management capacity in the countries is a major problem in this context. It appears desirable to link knowledge among the various Swedish actors such as NGOs, researchers, and the business sector closer to the country strategy process. Increased collaboration with other countries and organisations should also be striven for, not least through the production of country strategies.

DAC noted in its latest review of Swedish development cooperation policy in 2000<sup>26</sup> that Sweden still has a *leading position* among donors. Development assistance is increasing in terms of volume, and the DAC praised the Swedish commitment to maintain a high volume of development assistance even during periods of domestic economic problems.

Sweden was also commendable for its development of policies in the field of development cooperation in recent years. The development of programme assistance is well situated in an international comparison. A number of measures have been taken to make assistance to particular countries more efficient, including the delegation of decision-making concerning development assistance matters to Swedish embassies. The focus of Swedish development assistance on poverty reduction and on poor countries was also highlighted in the report, as well as the broadening of the poverty concept.

However, DAC considered that Swedish development cooperation could be more explicit as regards the exact direction and extent of assistance to particular countries, the number of which also should be reviewed. Further, the poverty goal needs to

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<sup>26</sup> OECD-DAC, 2000.

be strengthened and its relation to the six development policy sub-goals clarified. Greater attention should be given to the international development targets. Moreover, Sweden is urged to further reinforce the follow-up of results and effects of development assistance. An increased coherence between different policy areas, such as trade and development, should characterise future relations with developing countries to an increased degree.

The Committee participated actively in the DAC review through consultations with the examiners (United Kingdom and the United States) both during and after the country review).

### 6.3.2 The development assistance policies of other countries

The financial flows to the developing countries have drastically changed in extent and nature during the 1990s. The public flows of assistance (ODA – Official Development Assistance) have reduced markedly while private financing has increased in importance. Within development assistance, the G7 countries<sup>27</sup> have reduced development assistance greatly, while smaller DAC members have recently reported increased development assistance appropriations. The expected increase in development assistance flows which was anticipated after the end of the Cold War have not taken place.

In the early 1990s, *public development assistance and commercial financing* accounted for equal portions of the total flow of financial resources to developing countries. In the mid-1990s, however, the private flows had increased greatly and amounted at that time to five times the public assistance in volume. It should be noted that only a few developing countries received these flows. The great majority of developing countries were still viewed as too risky for investments. After a downturn in conjunction with the financial sector crisis in South-east Asia and elsewhere in the latter half of the 1990s, the private flows are three times as large as the public ones.

As regards *DAC Members*, development assistance has decreased from USD 57.4 billion in 1991 to USD 53.1 billion dollars in 2000 (in current prices). Some increase could be noted during 1998 and 1999. The increase was, however, primarily associated with the financial sector crisis in South-east Asia. The volume of development assistance was equivalent to 0.22 per cent of the DAC

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<sup>27</sup> USA, Canada, Japan, France, the U.K., Germany and Italy.

countries' total GNP (Gross National Product) in 2000, which was a return to the lowest levels ever, since recording began for the first time in 1997.

This decrease was primarily due to the reduction in development assistance from the *G7* countries. The *G7* countries accounted for just under three-quarters of the total development assistance. Japan, USA, Germany and the U.K, (in that order) contributed 60 per cent of the total development assistance in 2000.

In general, the *greatest decreases* have taken place among the biggest donors. The American support has been halved since the early 1990s, and both France's and Germany's development assistance has fallen by approximately 40 per cent. Only Japan has retained its development assistance intact at least until 2000, when Japan reduced its development assistance by USD 2.3 billion after particularly large contributions during 1999 to the Asian development bank in connection with the financial crisis in South-east Asia. However, Japan is still the largest bilateral donor with a development assistance of USD 13.1 billion, although large future cuts in development assistance have been announced.

There are also *positive signs* in the flow of development assistance. 15 of the 22 member states in DAC increased their development assistance in 2000. Altogether, DAC's none-G7 members increased their development assistance by 8.3 per cent that year and thus accounted for 26 per cent of the total development assistance.

A number of countries have announced continued increases. In 2000, Luxembourg achieved the UN target of 0.7 per cent of GNP for the first time. Ireland has also undertaken to increase development assistance to this level by 2007. The U.K. intends to increase its development assistance to 0.33 of GNP by 2003/04 and then continue towards the 0.7 target. Belgium, Sweden and Canada have already announced increases, at the same time as Denmark and the Netherlands retained their level at 1.0 and 0.8 per cent respectively of GNP. The countries that achieved the 0.7 percentage target, i.e. Denmark, Luxembourg, the Netherlands, Norway and Sweden, account for 15 per cent of the total development assistance.

The great majority of countries now have *poverty reduction as the overall goal* for development assistance. Most countries still base their analysis on a narrow definition of poverty, as a rule focused on income per capita. However, an increasing number are starting

to use the broader, multidimensional concept of poverty as a starting point, which includes peoples' lack of opportunities, power and security. For certain countries, such as Germany and Belgium, a reduction of the absolute number of poor is the prime target, while others, for instance, Switzerland and France, aim at reducing the relative number of poor. Most countries apply a mixture of both means of calculation. All donors have reaffirmed their commitment to the international development goals, and the U.K. has stated that compliance with these goals to be its prioritised, overall goal for its development assistance. Some countries have also begun to apply a human rights-based view of development.

A number of countries have recently carried out *reviews of their development assistance policy*. Denmark, France, Germany, Italy and the U.K. did so during 2000 and Ireland, New Zealand, and Sweden are doing so in 2001-2002. The U.K.<sup>28</sup>, Germany, Sweden and the Netherlands (which carried out a review in 1995) have made the rapidly increasing globalisation of our world the starting point for their reviews.

Greater interest in the issue of *coherence* between policy areas is beginning to manifest itself. However, few countries have as yet worked out any clear strategy for how coherence between different policy areas is to be secured. OECD/DAC, the Netherlands and the U.K., and to some extent Finland and Belgium, have to date devoted some attention to this issue.

Consistent *trends* in the provision of bilateral development assistance include a shift from project to programme support, a concentration on fewer partner countries, an emphasis on increased effectiveness, an improvement of development assistance coordination, and a harmonisation of procedures.

The transition to *programme support* will require more sophisticated accounting methods to provide evidence of the results of development assistance. A budget reform does not, for instance, have the same kind of immediately observable or visual impact as do health centres in rural areas. The lack of concrete reporting and monitoring of its own inputs has been stated as a main reason for, e.g. the USA's reluctance to take part in sector programme support.

The tendency to focus on *fewer partner countries* is above all related to the issue of increased effectiveness and the shift to

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<sup>28</sup> DfID, 2000.

programme support. Programme support namely requires exceedingly good knowledge of conditions in specific countries, and of the activities of different actors. Belgium, Denmark, Greece, the Netherlands, Germany and Spain have newly revised the number of main partner countries. There has also been a reduction in the number of countries with which cooperation takes place around certain themes or issues, such as democracy and the environment.

### 6.3.3 The multilateral organisations

The relationship between the multilateral actors is characterised by an increasingly common approach and by increased collaboration. However, there are still deficiencies with regard to roles, responsibility and the division of subject areas among the organisations. The prime reasons for this are different directions and foci for operations, and a lack of clarity in the sharing of responsibility between organisations as well as the fact that the various organisations have different principal counterparts in the member countries.

There is an endeavour towards *increased coordination and harmonisation* of the administrative and planning procedures among the multilateral organisations as well as among the bilateral donors. A special coordination group has therefore been set up for this purpose among the multilateral institutions.

The UN, the OECD, the World Bank and the International Monetary Fund (IMF) have reached agreement on common *operational goals* for development, the so-called Millennium Development Goals and Targets (see section 2.3.4). Poverty reduction has been recognised as the overall goal for development.

A common aim is to base work on the planning and strategies of the individual countries to an increasing extent in the design of their own support. In 1999, the World Bank launched the *Comprehensive Development Framework*, which is a framework for securing sustainable development in the recipient countries. This development is to be achieved by close partnership between donor and recipient, and to be based on the recipient's responsibility for their own development as well as on a holistic results-focused approach.

The UN's economic and social development work is in the process of being strengthened by ongoing reforms to make operations more effective with improved coordination and division of labour between the different UN bodies. Common country analyses and approaches, so-called *Country Common Assessments* (CCA) and *United Nations Development Assistance Framework* (UNDAF) are being introduced for the organisations concerned. Increased coherence is to be achieved between the different inputs through joint analyses.

The international financial institutions (IFIs) have contributed greatly to the emergence of the current debt situation among many low-income countries, by encouraging their lending for development purposes. During the 1970s and 1980s, extensive loans were granted for infrastructural investments and economic reform programmes. During the 1990s, a shift took place with regard to the direction of lending so that an increased proportion of lending was granted for investments within the social sectors and for building up institutional capacity. The traditional lending for infrastructure has reduced at the same time as privatisation of public activities in the electricity and telecommunications fields, etc. is increasing. The advisory activities of the global institutions have become more prominent. The World Bank and the International Monetary Fund now base their lending and their country strategies for the poorest countries on the countries' own strategies and priorities for poverty reduction (*PRSP = Poverty Reduction Strategy Papers*). These strategies are to be based on national taking of responsibility and the participation of local actors in the civil society, the private sector, etc. UN organisations correspondingly produce common strategies (UNDAF) for work in particular countries.

One question in this context is whether the World Bank should be able to make *donations* instead of concessionary loans on favourable terms to the poorest countries, and whether funds from the loan facility IDA could then be used for financing of global public goods. To date, only the UN has been responsible for donation financing, with gradually considerably fewer resources and less capacity. The Committee sees benefits in allowing the existing division of responsibility between the institutions to remain the same in future. However, more resources should be allocated to the UN if this situation is to be able to continue.

The striving towards a closer collaboration between individual borrower countries has also contributed to increased *decentralisation* and delegation of decision-making power to the World Bank's country offices, where the country managers are now stationed.

Special attention is given to the poorest countries by the UN's recurrent world conferences on the *least developed countries*. At the most recent conference<sup>29</sup>, which took place during Sweden's presidency of the EU, in spring 2001, a decision was taken on increased support by, *inter alia*, expanded market access, increased development assistance, and increased support inputs for those with HIV and AIDS. The conference was also characterised by an increasing convergence in terms of the adoption of a common approach whereby development assistance, trade, investments, and debt write-offs were regarded as equally important components of development cooperation work.

There is unanimity that *sustainable development* is a basic goal for development efforts. This was agreed at the UN Conference on Environment and Development in Rio in 1992 and it was confirmed in the UN's Millennium Declaration in 2000. The crucial challenge will be to achieve an integration of economic, social and environmental goals. Guidance and control of work with global environmental conventions must be strengthened, and developing countries need support to implement the conventions.

Cooperation between different international actors has intensified within areas such as HIV/AIDS and conflict management. The UN Secretary-General has taken the initiative to a global health fund which is to provide support not only for initiatives regarding HIV/AIDS, but also regarding malaria and tuberculosis. UNAIDS is a key actor in work on following up the general assembly's targets on HIV/AIDS from June 2001. Another initiative in this area is GAVI, the Global Alliance for Vaccines and Immunization.

The UN has a key role in preventing and managing *armed conflicts*. The UN, like the EU, has developed an integrated and action-oriented policy for conflict prevention inputs. The EU programme for conflict prevention also emphasises cooperation with the UN as a cornerstone for effective inputs.

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<sup>29</sup> UN's third conference on the least developed countries in May 2001.

The Declaration from WTO's ministerial conference in Doha in November 2001 opens opportunities for a more development-oriented WTO round. The needs and interests of the developing countries are given a prominent place in the negotiation arrangements in all programme areas. Technical development assistance and capacity-building measures are stated as key elements in the realisation of the *development dimension of the trade system*. The WTO secretariat is also given a special assignment to support countries in their efforts to integrate trade aspects into their national development plans and strategies to combat poverty. Bearing in mind the difficulties that exist in increasing WTO's regular budget, considerable portions of the required development assistance must be channelled through other routes, including through bilateral cooperation.

In order to be able to take part fully in the multilateral trade negotiations, the resources of the developing countries need to be enhanced in the areas of analysis, policy formulation, negotiation work, and in later phases, for the implementation of agreements entered into. In addition to transfer of knowledge, for example measures which can contribute to or promote meetings and places or for encounters and exchanges between different developing countries can be important.

However, the developing countries not only need support in negotiation work in WTO. More crucial for the poorest countries than the lack of market access to the higher-income countries markets is a weak supply capacity. In order for developing countries to be able to benefit from world trade, multilateral as well as bilateral development assistance must to an increasing extent support the ability of the developing countries to produce, refine and market various products. Here, business development, institutional build-up and infrastructure are critical. Capacity must be built up for effective trade procedures and increased knowledge about the rules and standards that apply in the rich countries' markets.

Cooperation multilaterally around trade issues has increased recently. The World Bank now places great emphasis on the role of trade. It has now, together with WTO, UNCTAD, UNDP, ITC and IMF, formed a coordination function for trade-related development assistance for the least developed countries (Integrated Framework).

A consistently applied South perspective would mean that the poorest developing countries should be supported, for instance, in their demands that the EU phase out their export subsidies and tariff escalations.

#### 6.3.4 The development assistance of the European Union

The European Union<sup>30</sup> is the world's single largest financier of development cooperation. Altogether, the EC (European Community) and the EU Member States are responsible for over USD 30 billion in development assistance in 2000, corresponding to 57 per cent of the total flow of development assistance. Development assistance through the EU Commission totalled USD 4.9 billion and the EC was thereby the fourth largest donor of development assistance after Japan, the USA and Germany.

Approximately two-thirds of the EC development assistance is financed through the EC's ordinary budget. This is set by the European Parliament after consultation with the Council of Ministers and mainly concerns aid to Asia, Latin America, and the Mediterranean area. Other aid is financed directly by the Member States through the European Development Fund (EDF) for cooperation with countries in Africa, the Caribbean and the Pacific Ocean, the so-called ACP countries, and for concessionary loans from the European Investment Bank. The EU and the ACP countries entered into a new twenty-year partnership agreement in June 2000, the Cotonou agreement.

In 2001, Sweden's share of EC's budget-financed development cooperation was approximately SEK 732 million. In addition, there is a commitment for grants to the European Development Fund of approximately EUR 377 million over a several-year period (2.73 per cent of EDF).

The EU's development cooperation has been characterised for a long time by *low effectiveness*. Sweden and many other Member States have drawn attention to the need for reforms and organisational changes. Reforms have also been embarked upon with the focus on providing increased resources and authority to

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<sup>30</sup> The European Community (EC) is the name for the traditional community work including the European Economic Community, the Coal and Steel Union, and Euratom. It now constitutes the first pillar of the European Union. Community law, legal documents and the role of the courts can be found here. In everyday language, the term EU is increasingly used. The European Union includes the EC and the 15 Member States.

EC delegations in the partner countries, enhancing the collaboration between the EC and the Member States, introducing a new budget procedure, renegotiating the ordinance on support to Asia and Latin America and producing an annual report on total development assistance, etc. In February 2000, a special institution was also set up for overall EC development assistance – EuropeAid Cooperation Office.

During 2000, a new development policy for the EC was adopted through a common declaration by the Council and the Commission. The main points of the declaration were as follows:

- Combating poverty is the overriding objective.
- Development policy is to be based on the principles of sustainable, equitable and participatory development. Promotion of human rights, democracy and good governance are an integral part of these.
- The partner countries shall have a prominent role and be responsible for the development process. Support is to be country-led and based on the strategies produced by countries themselves for poverty reduction.
- Cooperation is to be concentrated on six areas: trade and development; regional integration; macro-economic conditions and equitable access to social services; transport/infrastructure; food security and sustainable rural development; institutional capacity-building.
- Communicable diseases, ICT and research are also to be given special attention.
- When providing aid, special consideration should be given to respect for human rights, the gradual integration of countries into the global economy, environmental and social aspects, equality between women and men, children's rights, and to conflict prevention measures and crisis management.
- The least developed countries and other low-income countries are to be given priority in allocation of funds.
- The development assistance of the EU and the Member States is to be better coordinated.
- Increased consideration is to be given to the goals for EC development policy in the shaping and implementation of the EC's policies in other sectors that affect the developing countries.

### 6.3.5 DAC

The Development Assistance Committee (DAC) within OECD has as its foremost task to secure an increase of the total volume of resources made available to the developing countries and to improve the effective use of the resources. twenty-two countries and the European Commission are members of the DAC.

The main tasks for DAC are regular reviews of Members' development policy, as well as policy formulation and evaluation activities. DAC is also responsible for official development statistics, including classification of developing countries as recipients of development assistance. DAC produced international development targets which were also adopted by the UN, the World Bank and the IMF, and which have later been developed into *Millennium Development Goals*. Moreover, DAC has worked intensively on developing the partnership concept and analysing issues relating to the effectiveness of development assistance.

In September 2001, DAC's high-level meeting (ministerial level) adopted guidelines for poverty reduction, sustainable development and conflict prevention measures and for capacity development in the trade sector. After three years' negotiations and over 25 years of discussions, a recommendation could also be accepted on untying development assistance in most sectors to the least developed countries as from 2002.

DAC's guidelines in the field of poverty are based on the multi-dimensional poverty concept. The guidelines indicate that this will require changes and creative solutions as regards organisation, methods, systems for driving forces and culture among donors. Reducing poverty will also require better coherence between the different policy areas and documents of governments and agencies.

## 6.4 Swedish country-based development assistance

The Committee has found that *current development assistance relations* between donors and recipients need to be changed in order to achieve higher effectiveness and efficiency. The relationship should be based on the partner countries' own responsibility for their development policy and its implementation. Experience shows that development assistance is most effective when it supports a process that the country owns and operates

itself. Respect for democratic goals and processes also requires that the donor relation be changed.

The effectiveness of goal fulfilment at country level has often been affected negatively due to the recipient countries having the task of dealing with varying demands from a large number of donors, with different requirements for reporting and greatly varying procedures. This has contributed to a lack of effectiveness, where an increasing amount of valuable time and energy has had to be used for dialogue with donors rather than with their own populations. The prerequisites to strengthen the democratic process have been undermined. The recipients' scarce capacity for analysis, policy formulation and follow-up have to a great extent been swallowed up by the management of development assistance in the form of the donors' uncoordinated demands for reporting, visits, monitoring, etc.<sup>31</sup>

The partner countries have their own unique historical experiences with and ideas about the development strategies and the type of policies which are most effective to achieve the set goals. Analytical capacity has increased in many developing countries, as well as the desire to formulate a policy based on their own conditions and prerequisites. Application of a South perspective would mean that this desire should meet with increased response, not only to support democratic processes but also to ensure that policy is formulated in way that is suitable for national conditions<sup>32</sup>. A strong desire to be able to *develop their own capacity* instead of being referred to the donor countries' attempt to regulate in detail developments within projects, has been strongly expressed in the Committee's meetings with economists, social scientists, and other researchers and experts from developing countries. This also represents an insight that is fast gaining ground in an increasing number of donor countries.

The outcome of the countries' choice of policy depends to a great extent on local conditions. Therefore, what the most effective development policy will be will vary from one country to another. From the donor's perspective, a certain measure of *risk-taking* is required when it comes to the partner country's ability to achieve the set goals. *Risk-taking* must be combined with patience and a readiness to *accept experiments* in policy choices and inputs. There has sometimes been a fear among donors of financing measures

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<sup>31</sup> Andersson, M., 2001b, Kanbur et al, 1999, Mkandawire, 2001, World Bank, 2000b.

<sup>32</sup> Bangura, 2001.

that represent new and/or alternative ways of thinking, and this attitude has been expressed in a prioritisation of what some call "safe aid". A preparedness for flexibility must, however, be combined with a firm determination to discontinue aid to governments that clearly and flagrantly depart from the basic criteria for cooperation.

A consequence of the emphasis on the recipient countries' own responsibility for its development is that the donors' control of method options and insight into the exact use of different donors' development assistance funds at the input level is reduced. At the same time, the relation of the development assistance to the country's policy for poverty reduction becomes clearer. A close examination of the extent to which the *government* in a particular country can be considered to be a *suitable "agent"* for realising the overall common objective of combating poverty is thereby absolutely crucial, not only in terms of accountability to Swedish taxpayers, but also in relation to the ultimate "clients" or beneficiaries of assistance – poor people.

There are opposing interests here. On the one hand, there is the recipients' claim for their own responsibility and respect for domestic political processes, on the other hand there is the donor countries' demands that priority be given to poverty reduction, and on ongoing information on the use of funds. Diminished control on the part of the donors should not reduce the demands for reporting and accounting of goal fulfilment. There must be agreement between donors and recipients on the goals that are to be met. Moreover, the partner countries must continuously meet the basic conditions that the donor has established in order to be qualified for aid. However, this form of cooperation implies reduced involvement in the recipient country's choice of policy, and the measures related to it to achieve the set goals. Credible goal-means hierarchies need to be presented. This is well in accord with the principles of management by results. Reporting of results and effects is to take place by the partner country at agreed times. On the basis of this report, decisions shall then be taken as whether the general support can continue. After taking into consideration factors beyond the control of the recipient country, and on condition that the criteria continue to be met, *new funds* are to be *allocated* to the government's budget, mainly in relation to how the country has succeeded in achieving the set targets.

For many years, the main part of Swedish bilateral development assistance was channelled to about 20 so-called programme countries. This concept no longer exists. Instead, country strategies are now worked out for countries with which Sweden wishes to engage in a long-term development cooperation. This applies to all countries with which Sweden has signed or intends to sign an overarching partnership agreement. Strategies can also be worked out for other countries, as well as for regions, when this is motivated by the size or complexity of the development assistance. Sweden is working on such long-term cooperation programmes for an increasing number of countries. The number of countries for which country strategies or guidelines have been worked out has increased greatly during the 1990s, and now totals about 45 countries. Of these, 39 are developing countries and six so-called transitional countries i.e. countries with economies in transition in Eastern Europe and the former Soviet Union. During the period 1988/89 to 2000, the number of countries with which Sweden had some form of development assistance relationship increased from 72 to 116. During the same period, the total development assistance to the 20 countries that received the greatest amount of development assistance fell from 92 to 47 per cent of the bilateral development assistance. In the light of this, Sida's management board has stated that it does not wish for "further geographical expansion". Many other analysts that the Committee has been in contact with have adopted a similar standpoint or expressed a desire for *concentration*.

At present, Swedish development cooperation takes place mainly in the following forms, all four of which all make quite different demands on the design of development assistance:

*Financial transfers of resources* take place mainly to governments in the most important partner countries. For these, close collaboration is required for a long period of time. It is therefore important to concentrate this form of collaboration to a limited number of countries. There is a lot to indicate that, above all, sub-Saharan African countries should be prioritised.

*Transfer of knowledge* takes place in areas where the need for knowledge and know-how is deemed to be particularly great and where Sweden possesses particularly valuable competence. Also here, it may be an advantage to concentrate on areas where Swedish knowledge is in demand by the developing countries, at the same time as cooperation does not have to be limited to the long-term

partner countries. NGOs can by virtue of their knowledge of local conditions often act as agents in the provision of effective aid, even in countries where the regime does not carry out a policy that is in the best interests of the people. Aid is provided today to countries where Swedish organisations are already well established and where good local partners can be found.

Development assistance for the *development of democracy* requires continuity over a long period. This also includes assistance to the development of multi-party systems. Experiences indicate that this latter kind of development assistance is best channelled through the political parties who themselves choose their own partners.

The need for *humanitarian assistance and for emergency and disaster relief* is difficult to predict, so it is important to have a preparedness for swift inputs in principle anywhere in the world.

#### 6.4.1 Considerations

The Committee has found that the main principle for development assistance should be that it is based on the partner country's own priorities and planning. In an endeavour for concentration, the Committee recommends that Sweden choose to limit long-term government cooperation to a manageable number of countries. In addition, forms of cooperation should be made explicit, i.e. be maximally clarified. Today, there is a lack of clarity as regards the criteria for choice of countries, as well as considerable inertia in adapting development assistance to changed conditions in the recipient countries or the surrounding environment. The Committee therefore proposes that the following basic criteria be applied in choosing partner countries:

##### **Selection criteria for choice of countries**

- Low-income countries or countries with extensive poverty, whose governments:
  - conduct a policy focused on sustainable poverty reduction
  - engage in an ongoing process towards democracy and gender equality
  - demonstrate credible efforts to protect and fulfil human rights

The poverty criteria should be more clearly reflected in the choice of Sweden's partner countries. The countries should be low-income countries or have extensive poverty. Of the 20 largest partner countries in terms of payments of Swedish development assistance in the year 2000, 7 were medium-income countries while 8 countries were in the category "least-developed countries" and the remaining 5 were other low-income countries. As a basis for the decision on partner countries, the following categorisation of poor developing countries can be made:

1. Countries that meet the criteria but which lack the ability and capacity to implement policy.
2. Countries that meet the criteria and have institutions and other capacity to implement policy.
3. Countries that do not meet all the criteria.
4. Countries that lack the political will or determination to carry out a policy focused on general poverty reduction.

An active and *selective cooperation* should characterise development assistance to the countries that on the basis of a common basic values (poverty reduction, democracy and HR) are not considered to have the ability or capacity to fully implement policy on the basis of the selection criteria (category 1). Selective aid should be concentrated on the dimensions of poverty (lack of opportunities, power and security) where the deficiencies are greatest, and to build up the capacity required to be able to implement policy.

In the case of countries that are considered as being able to meet the criteria, and which have the ability and capacity to implement the policy, a general budget support with independent responsibility for results should be considered (category 2). Cooperation should be based on a process whereby the country sets clear targets for its development strategy and decides on *how* the objectives are to be met. The country should have its own system for control and evaluation of results, as well as responsibility for procurement of goods and services to implement the policy.

According to the Committee, Sweden should choose to pursue long-term government bilateral development cooperation with countries in the first two country categories as described above. Other forms of development assistance (aid to global public goods, support via non-governmental actors and through multilateral

institutions) should be considered for long-term Swedish collaboration, and to poor countries that do not comply with all criteria (i.e. category 3). Countries in the various categories can display great differences in conditions and prerequisites. In the first category are countries that have developed or aim to develop their poverty reduction strategies but which presently lack the ability and institutional capacity to implement these. This may also include countries that are recovering from armed conflicts or from natural disasters.

A *long-term approach* is of crucial importance for development assistance to function effectively. The donors have a number of instruments at their disposal: budget support, programme support, sector support, project support, technical assistance, debt relief, humanitarian assistance, support for regional cooperation, conflict-prevention measures, etc. The very great difference in conditions between countries is that it is not possible to establish that a particular form of assistance instrument will always have the greatest importance for poverty reduction. Rather, it is a matter of choosing the means and assistance instruments that are most effective in different contexts at a given time according to the individual countries' varying conditions. The choice of instruments and the balance between direct and indirect types of development assistance should be based on a goal-means analysis of the developing country's needs and their policies and on a dialogue with the local government and other actors including other donors.

Cooperation with individual countries can be characterised as a *process* with a gradual transition between the different forms of cooperation. The selective cooperation can be focused on advisory services, technical assistance and certain project support for countries that comply with the above criteria, but which have weak prerequisites in terms of capacity, and can later shift to sector support and programme support apace with the country's development. Support for the country's capacity building and democratic development should aim at the countries being able themselves to plan and take care of their own development, and at forms of cooperation that can shift from selective to general budget support.

### Selective cooperation

Selective cooperation will thus be characterised by a more *pronounced commitment* on the part of the donor countries than will situations with general cooperation. Based on the country's own planning and budget, donors will need to take a more active part in planning as well as in design and follow-up. It will not always be the recipient country's government that will be the primary channel for cooperation and transfer of resources.

Development assistance in such countries can consist of different combinations of advisory services, policy dialogue, capacity-building support, technical assistance, project support, sector support, and programme support. The range among countries means that development assistance in some cases should be focused on advice and capacity build-up while project and sector support can be more prominent for other countries. The better the implementation capacity a country has, the greater portion of aid that can be channelled as sector and programme support. In these cases, the cooperation partnership will approach a phase of more *general collaboration*.

Support for capacity-building measures, as well as policy dialogue and encouragement for exchange of experiences with neighbouring countries in similar situations, has proven to be of great importance for initiating desirable reforms. Work at regional and sectoral level can also be an alternative. In certain cases, the aims for cooperation can best be achieved by development assistance being channelled through non-governmental actors, such as civil society organisations and networks, and the private sector in the individual partner countries.

A problem in many countries is *weak institutional capacity* including leadership and management functions. The leadership have in many cases their foremost loyalty to specific interest groups in the society. In this way, the driving force is lacking to introduce necessary policy reforms or to implement development inputs focused on the poorest groups.

The introduction of *autonomous development funds*<sup>33</sup> can be a way for donors and other interested parties in partner countries to implement projects independently of the partner country's government. Such common or joint funds could be established within a sector, a region or for a topic. They should be open to

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<sup>33</sup> Hydén, 2001.

competition at the local level and interested parties in the partner country should be able to apply for resources from this Fund to implement projects. The funds are probably most suitable for small and medium-sized projects. They should be public and managed by a coalition of local affected actors (NGOs, private enterprises, etc.), local authorities and donors of development assistance. Donors can then channel their assistance through the established fund. This also reduces the administrative burden which is placed on the recipients of aid and strengthens donor coordination. The recipients have dealings with one fund and not a large number of individual donors at the same time. By their design, the funds provide increased influence over the use of development assistance to local partners in the countries concerned. Moreover, funds can be used in countries where governmental cooperation is not currently taking place.

### **General cooperation**

The choice of entering into *general cooperation agreements* with independent responsibility for results should be based on an assessment that the partner country fulfils the basic criteria and that there is no doubt about the direction of the local government's efforts and that it is deemed to have the capacity to implement the policy. This approach thus assumes extremely good knowledge of the country. It also implies that a local presence in the country, as well as use of local capital will be even more important than previously.

Coordination with other donors who are focused on the same form of assistance should be aimed at as regards analysis, procedures for transfer of development assistance resources and follow-up and control of development results and effects. Development assistance can also be channelled through other bilateral or multilateral donors, in cases where that Sweden determines that the prerequisites for effective development assistance are better achieved by an arrangement of this kind. Efforts should be made to work out a system of *global division of labour*, where all OECD countries and multilateral organisations take the main responsibility for coordination of donors' cooperation with individual developing countries. The country knowledge that is then amassed should be added to a special pool

of knowledge which is open for all countries. The knowledge bases of the different multilateral organisations and NGOs should be added to this “pool” as well as more general analyses of the causal correlations of poverty and cause-and-effect relations that lead to poverty reduction.

General support should be transferred directly to the partner country’s budget and not be specially destined for individual projects or sectors. Cooperation will thus be concentrated on countries which have the prerequisites to handle general budget support. However, this does not mean that countries in this category have attained such a high level in their development that they can manage without assistance. Here, we are concerned developing countries with a large proportion of poor people, but who have made a political commitment to pursue a poverty-focused policy in combination with their own ability to manage budget support. The general support is in other *words not only to be concentrated* on countries with such *ideal qualities* that they could really manage without development assistance. The proposal is rather to clarify and strengthen this form of collaboration and reinforce the result-focused driving forces.

Sweden and other donors provide budget support to a number of countries at present. On Sweden’s part, as previously mentioned, just under SEK 6 billion has been made available since 1986 to 30 countries in the form of budget support, balance of payments support, and support for debt relief. However, this assistance has not been linked to a results focus, nor to any of the criteria that have been proposed here. Neither is there any connection between the size or volume of the aid and the results achieved. *Other countries have begun to carry out* this type of programme – for instance, the United Kingdom has started a general budget support to Rwanda. The common commitment for the British budget support is ten-years, while the financial transfers are divided up in three-year allotments. The use of funds has been linked to compliance with the overall poverty target, and earmarking for particular activities or projects defined in advance has ceased.

Budget support must not create a new kind of dependency on development assistance. Strategies should therefore be worked out which aim at when and how development assistance to countries that receive general support is to be concluded, so-called exit strategies, and cooperation is instead to go over to political, commercial and cultural relations which are not dependent on

development assistance financing. These phasing-out strategies should be developed at the very beginning when cooperation shifts over to general support. In this transitional phase, cooperation within the private sector and the civil society should be able to play an important role.

Continuous and regular *follow-ups* of goal fulfilment and criteria should be carried out for both the selective and general forms of support. Such follow-up could be coordinated with the Bretton-Woods institutions annual review of the countries' poverty strategies and their implementation.

### **Cost-effectiveness and untying assistance**

Swedish development assistance interventions must be *governed by cost-effectiveness*. Procurement of goods and services must be made by the partner country in a competitive, untied market. The partner countries should be able to choose themselves whom they wish to work with in different areas and from whom they wish to purchase goods and services. Together with the other DAC members, Sweden has adopted a recommendation to untie development assistance to the least developed countries in most sectors beginning in 2002. According to the World Bank, development assistance to developing countries would be up to 25 per cent more cost effective if it was totally untied. In 1999, 8.5 per cent of the Swedish development assistance was wholly or partly tied to Swedish goods and services.

The Committee considers that Sweden should untie all bilateral development cooperation and at the same time strive for *total international untying* of development assistance. This would above all entail effectiveness gains for the partner countries. It would also open up new and considerably greater opportunities to financing of Swedish goods and services from other sources. Greater international competition would probably also contribute to making the Swedish resource base more effective.

There are a number of forms of development assistance which in their design are tied to Swedish suppliers of goods and services, and which should be untied. These consist mainly of loans to developing countries, the contract-financed technical development assistance, consultancy funds at different multilateral organisations

and at international financial institutions. Parts of support to research and to NGOs also come under this category.

An untying does not necessarily mean that the activities shall cease per se. The Committee is convinced that the Swedish services and goods that are offered in these systems will be competitive on an international market.

### **Guidelines for long-term collaboration**

The following general guidelines can be formulated for the forms of development assistance to the countries with which Sweden wishes to engage in long-term cooperation, either selective or general:

- Choose countries that comply with the stated selection criteria, i.e. poor countries which pursue a policy that is focused on sustainable reduction of poverty, which are engaged in an ongoing process towards democracy and gender equality, and which have a credible striving to protect and fulfil human rights.
- Start from the basis of the partner country's own planning, budgeting and priorities.
- Provide support to enhance the country's own capacity for analysis, evaluation, audit and management by results.
- Design country strategies on the basis of the policies and planning of the partner countries and in close dialogue with the partners.
- Work together with other donor countries and multilateral organisations when country strategies are to be compiled and support designed.
- Channel development assistance through other donors and organisations when these are considered to have a better capacity to implement effective cooperation.
- Strive for a common international approach and perspective on general budget support within DAC and in various forms of international policy development and donor coordination.
- Harmonise procedures with other donors and organisations. Identify areas where Sweden can adapt to the routines of other organisations and vice versa, on the basis of the ambition that adaptation should be in line with the partner country's procedures and ownership of development processes as far as possible.
- Create greater openness, insight and comparability between different donors. Strive for active participation from recipient

countries and civil society in reviewing donors' (countries' as well as organisations') policies.

- Conduct an impact analysis of competence requirements and effects on the Swedish administration, resource distribution between head office and field representation and the link between political decisions and analysis function.
- Allow flexibility, openness, experimentation, and failures in this process, which will contribute to valuable learning, and will require a long-term approach.
- Develop mechanisms for follow-up and criteria for when development assistance is to be terminated.

### **Bilateral support for global public goods**

In Chapter 4, the Committee proposed that increased Swedish resources are to be invested in the *financing of global public goods*. The importance of expanded collaboration between different actors and policy areas in this work is underlined. In Chapter 8, the Committee makes proposals as to how this collaboration can be reinforced in organisational and financial terms. It is important to note that increased resources for financing of global public goods will not automatically mean any increase in support to multilateral organisations. As shown in Chapter 4, different types of inputs are required to obtain an increased supply of a public good. Often, production is required at local levels in developing countries. Such production can be financed in different ways, for instance by bilateral support to the country in question. This is already taking place through, for example, support to a developing country to fulfil commitments for agreements on global public goods (for instance, an environmental agreement), or through bilateral support to a developing country as part of efforts to eradicate an infectious disease or to deal with the consequences of a conflict in order to prevent the emergence of a new conflict.

In exactly the same way as eradication of poverty must be carried out with the aid of a number of different instruments, the production of global public goods must take place with the aid of a broad spectrum of instruments. Some of these consist of measures in the developing country, others are related to measures at global level, or by changed policies in the rich countries. Bilaterally financed development assistance inputs in poor countries often

constitute necessary measures for e.g. combating diseases, conflict prevention or for the promotion of financial stability. With an approach focused on results, the starting point is the goals that we wish to achieve, and in terms of which we then identify the various instruments and measures that can be used. The final selection should be governed by the expected effectiveness and efficiency of the inputs in relation to the goal.

Bilaterally financed interventions at local levels can often be most effective. In other cases, inputs via multilateral organisations, in regional auspices or measures in high-income countries are the most effective means. It is most often a combination of measures that will be required. This means that the majority of activities that are today contained within the so-called *knowledge development assistance* and Sida's specialist departments will be important bits of the puzzle in promotion of global public goods. The new approach means, however, that these inputs will be applied in a broader context, and that they will be part of a broader cooperation across policy areas with more actors, instruments, sources of financing and knowledge. Inputs can be relevant in both country categories for Swedish bilateral assistance but also in many countries outside these categories. Knowledge development assistance and competence in subject or sector departments will also be important inputs in the selective country collaboration as proposed above.

In Chapter 4, the Committee has discussed the *global public goods* which the Committee anticipates that Sweden will initially concentrate its initiatives on: the struggle against infectious diseases; the struggle against corruption and money laundering; conflict-prevention measures as well as securing of safe water supplies and the sustainable management of the world's climate and forests. The Committee wishes to underline that this does not mean that these areas will be removed from the bilateral cooperation. On the contrary, there are good reasons for these also becoming *important for Sweden's bilateral cooperation*.

Swedish development assistance has made important inputs in the past in these areas. Some examples that can be mentioned are soil conservation programmes in eastern Africa, various programmes for sustainable use of forest raw materials, and the struggle against HIV/AIDS. During the nineties, Sweden has participated actively in international efforts to prevent the spread of HIV/AIDS and also made inputs at country level to strengthen health care services for the sick. Sweden should then have

exceptionally good opportunities to *play a pioneering role* with regard to close collaboration between traditional, national expertise on social development and poverty reduction on the one hand, and experts in forest conservation, agriculture, soil conservation, marine issues, water management, etc. on the other. Such cooperation will be absolutely necessary.

### **Regional cooperation**

Development cooperation is mainly focused on nation states, but along with increasing globalisation of problems, *the need for regional cooperation has become increasingly more pressing*. Sweden should, by virtue of its experience of Nordic and European cooperation, actively strive to strengthen regional cooperation between countries that so desire. This may concern macroeconomic issues, transportation, infrastructure, environment, security, IT, etc. Experience shows that both donors of development assistance as well as potential partner countries are often locked into traditional bilateral agreements. New thinking and creative solutions are required. Nor should work be focused only on traditional kinds of development assistance, but also other policy areas should be included. EU's collaboration with the ACP countries in the framework of the Cotonou agreement has been regionalised, and can serve as a model for such broad forms of collaboration.

### **Support to civil society organisations**

The growing collaboration between sub-national bodies and popular organisations in Sweden and in other countries is important for the broader policy for global development. Mutual exchanges of this kind should take place, for instance, between municipalities, twinned towns, parliaments, parties, administrations, associations, schools and groups of businesses or companies. This applies most to countries in our vicinity but also to an increasing extent more distant developing countries. Today, there is also a well-established exchange in culture and in research. Such exchange can on the part of Sweden aim at assistance for reasons of solidarity, but can also play an important role for our

own knowledge about conditions in the world, and for a deeper understanding of the conditions and rights of the poor. It can open the road for more equitable relations between actors in Sweden and in developing countries, and contribute to a stronger development assistance will and commitment in Sweden. The Committee finds that *mutual cross border cooperation between peoples* to promote development policy goals should be stimulated. The forms for this should be further investigated together with NGOs, municipalities, cultural and research institutions and other representatives of civil society. In such an enquiry, the value of stimulating international cooperation after the development assistance based cooperation has ceased or if development cooperation had not existed at all, should be taken into consideration.

Sweden should continue to provide strong support to the growth of a *strong civil society in developing countries*. This support should continue to be focused on NGOs that work for one or more of the three PGD goals. Although such support is mainly targeted at voluntary organisations or interest organisations, a broad flora of organisations and networks can come into question. Different kinds of associations may be of interest such as cooperatives, trusts and looser networks.

Support can also be channelled bilaterally through Swedish organisations, or directly from the Ministry for Foreign Affairs or Sida. Support can also be provided by various UN bodies, EU, other international organisations or organisations in another country.

With a South perspective, the Swedish support – regardless of the channel used – should be *based on the needs and demands* of organisations in the countries concerned. Support via an external NGO is to concern activities engaged in by a domestic organisation in the country, unless there are special reasons to motivate an external organisation being used for implementation. Planning, implementation and responsibility for results thus rest with the domestic organisation.

Cooperation between like-minded NGOs in Sweden and developing countries has special qualities and possibilities for a long-term and deep collaboration. *Direct assistance* from the Ministry for Foreign Affairs or Sida to civil society in the developing countries should be a complement to other primary forms of support. For this purpose, the autonomous development funds discussed above can be an alternative. With regard to the

Ministry for Foreign Affairs or Sida's assessment of organisations and their activities in the developing countries, knowledge and competence possessed by the Swedish organisations should be made use of. It may be necessary to strengthen the analytical ability of the Ministry for Foreign Affairs and Sida in these and other respects.

Sweden should not only provide support to the organisations and their activities, but also should contribute through dialogue and development assistance to creating a *favourable environment* for the organisations to operate in. This applies to development of a facilitating regulatory framework and a constructive political and legal administration, not least when it comes to mechanisms for defence of the freedom of organisations, assembly, opinion, religion and expression. A reinforced Swedish presence in the partner countries (as proposed in Chapter 8) also makes possible better contacts, and promotes knowledge about the role and conditions of civil society in the respective countries.

Although this form of development assistance, as at present, will be provided to a number of varying activities and kinds of operations, the main purpose must be to enhance the development of competent, independent, legitimate and democratic organisations in the developing countries. This can include support to administrative development, development of financing capacity and educational capacity.

Support should also be given to national, regional and international networks and umbrella organisations for increased exchange, coordination and opinion building. For example, the participation of civil society organisations in preparation and follow-up of poverty strategies (PRSP) should be supported. It is also important to provide developing countries' organisations with opportunities to take part in regional and international exchanges, conferences, and negotiations.

### **Choice and number of partner countries**

In the preceding section, criteria were proposed for choice of partner countries and guidelines for long-term cooperation with these countries. In this way, a situation can be created whereby national governments are motivated to *comply* with the basic

*criteria* for long-term cooperation which in turn shall eventually lead to general budget support.

The choice of partner countries is based on political decisions in the government and Parliament. The Committee anticipates also that decisions on general budget support with independent responsibility for achievement of desired results to a great extent should be more political than operational in its nature. The government should obtain the firm backing of the Parliament for decisions made. Moreover, there should be close coordination with other donor countries in the choice of partner countries.

For the countries that obtain general budget support, a *report* of progress and standing should be made to the Parliament twice per mandate period. In the event of clear breaches of the basic criteria, evaluation and reconsideration should take place swiftly. The Committee anticipates that the consequences of the proposed forms of cooperation could be that more time needs to be devoted to analysis of overarching issues such as the countries' poverty policy, its strivings for democracy, and the result of policy implementation. In this context, the necessary goal-means assessment linked to these analyses needs to be undertaken. On the part of Sida, more resources will probably need to be decentralised to the field organisation in the partner countries, amongst other things, to carry out these analyses, at the same time as project management in this part of development assistance is successively reduced.

Whenever current *cooperation agreements* with individual countries *expire*, an assessment should be made on the basis of the selection criteria whether cooperation should continue, be successively reduced, cease altogether or shift over to other forms, such as bilateral support for a global public good or by collaboration with another financier who takes the main responsibility.

The long-term strategy aims at more general cooperation in the form of direct budget support to a number of countries. The budget support that already exists is not based on the same criteria and demands for background analysis and results follow-up as have been proposed here. In the view of the Committee, extremely few countries would be able to receive budget support alone in the near future. It is impossible today to state exactly when this will be possible for different countries and how many countries can be considered for such support. This will become clearer as the result

of a process over time, and will also depend on how large a part of the total development assistance volume has been set aside for such cooperation in relation to other inputs, e.g. multilateral cooperation, humanitarian inputs and production of global public goods.

The path to a general cooperation requires, in the view of the Committee, considerable selective inputs in a *number of carefully chosen partner countries* to be able to go over to general budget support. The Committee anticipates that an increased Swedish presence will be required in the field, as will greater inputs of capable analysis and evaluation in general. The number of countries would therefore need to be reduced to a manageable number. As has been previously mentioned, Sweden today has produced country strategies or guidelines for about 45 countries, at the same time as Sweden has some kind of active development-assistance relation with approximately an additional 70 countries. The Committee sets up clear criteria for choice of partner countries for long-term bilateral cooperation. The overall assessment is therefore that the number of partner countries initially *should not be greater than the approximately 20 countries* which previously received long-term support, and that the partner countries should be sought primarily among the poorest countries. The Committee considers that this reduction of the number of countries should be achieved during the coming five-year period.

The Committee wishes to underscore that fewer countries for such long-term cooperation does not mean that Sweden “deserts” or “abandons” the poor people in other parts of the world. An important part of the Swedish development assistance budget is presently and should continue to be channelled, for instance, through UN bodies’ initiatives for, for instance, children and refugees, via EU and the ACP countries, via NGOs and via the Swedish humanitarian and conflict prevention assistance. The increased investment in production of global public goods that the Committee proposes will also be an important contribution to improving conditions for many people who live under conflict, are threatened by HIV, suffer lack of water, etc. regardless of the regime or geographical location.

### 6.4.2 Proposals

The Committee's proposals for the design of Swedish development assistance can be summarised in the following points:

- It is proposed that the following criteria be applied in choosing of countries with which Sweden wishes to engage in long-term cooperation. Low-income countries or countries with extensive poverty whose governments: conduct a policy focused on sustainable poverty reduction; engage in an ongoing process towards democracy and equal opportunities; demonstrate credible efforts to protect and fulfil human rights.
- An active and selective cooperation should characterise assistance to the countries that are not considered to have the ability or capacity to fully implement poverty-reducing policies, but which are acceptable on the basis of the proposed selection criteria. The selective support must be adapted to the respective situation and be concentrated on the dimensions of poverty (lack of opportunities, power and security) where deficiencies and deprivation are most severe as well as on capacity building to be able to implement this policy.
- For countries that are considered to comply with the criteria and which have the capacity and ability to implement policy, a general budget support with independent responsibility for results should be considered. Cooperation should be based on the country having clear targets for its development strategy, and can make its own decisions on how the objectives are to be met. The country should have its own control and evaluation of results and be able to accept responsibility for procurement of goods and services.
- The Committee considers that the long-term collaboration should be limited to a manageable number of countries which in an initial stage is judged to be not in excess of 20. This reduction of the number of partner countries should come about during the next five-year period.
- Sweden should untie all bilateral development assistance and, at the same time, work for total international untying.
- The Committee proposes increased support to civil society in the developing countries, as well as support to the ability of civil society organisations to operate nationally and internationally.
- The international cooperation at sub-national and popular levels - between different parties in Sweden and in other countries - should be supported also when cooperation is not directly

development assistance-related. The forms for this should be investigated. (further proposals are contained under 7.5.4).

- Country strategies for Swedish development assistance should be based on the planning and ownership of the partner countries, and be designed in close consultation with the country in question and between the government, authorities, the business sector, and the civil society in Sweden. Strategies should also be based on the developing country's strategy for poverty reduction, democracy, human rights and gender equality and coordination with other donors and multilateral organisations should be striven for.
- Competence at the Ministry for Foreign Affairs and Sida needs to be reinforced to better be able to assess different development countries policy and strategies for combating poverty on the basis of a South and human rights perspective. Trade policy, democracy, and human rights are areas that require increased attention. The Committee anticipates that Sida will need to decentralise more resources to its field organisation in the partner countries, *inter alia* to carry out necessary policy and other analyses within the framework of the long-term collaboration which is proposed here.

The main proposals are presented in the following table.

Swedish development assistance			
	Country-based		Non-country-based
Assistance via:	Partner countries for long-term cooperation	Other countries	
The partner country's government	General cooperation <i>Budget support</i> <i>Policy dialogue</i>		Regional cooperation
	Selective cooperation <i>Budget support/programme support/sector support</i> <i>Project support</i> <i>Technical assistance</i> <i>Advice</i> <i>Policy dialogue</i>		Global public goods
	Support to global public goods at country level ( <i>environment, research, disaster assistance, ICT, etc.</i> )		
Civil society, the private sector, local authorities in the partner country	Support to civil society ( <i>Demand-driven; not tied to Swedish channels; Autonomous development funds</i> )		Regional organisational cooperation
	Sub-national and popular international collaboration Collaboration between organisations/institutions in Sweden and developing countries with similar objectives and direction.		Organisational cooperation around public goods
Multilateral organisations	Co-financing with or without support to the activities of multilateral institutions in individual developing countries.		Support to regional cooperation and global public goods
Bilateral organisations	Co-financing with other bilateral institutions		

## 6.5 Swedish profile issues

In development assistance discussions, mention is often made of Swedish profile issues. This refers mostly to *the issues that Sweden particularly pursues* and is a driving force for in different international contexts and through its bilateral cooperation. Well-known examples are democracy and HR, gender equality, environment, administration, and others. In its work, the Committee has found that Swedish development assistance interventions and investments have been successful in precisely these areas and should therefore continue.

When the *goal for Swedish development assistance policy* is formulated, this should also be perceived as a Swedish profile, i.e. it should reflect what Sweden considers to be important for development. In cooperation based on partnership, the direction of Swedish development assistance must be placed in relation to the partner countries' choice of policy. The Swedish profile issues cannot be formulated as one-sided conditions for use of Swedish development assistance funds. This does *not* mean that development assistance is *unconditional*, not even when the partner country's strategy for poverty reduction has been successful and Sweden considers that it can give a general budget support.

Sweden must make *demands for insight and openness*, which in turn puts demands on the entire democratic system in the recipient country. Swedish development assistance can contribute to building up an effective administration with democratic institutions. The problem with corruption and abuse of power – which is often referred to in discussions on development assistance – is a good example. If the use of Swedish tax revenues for development assistance is to be defended, it is of course important to know that these funds are not being embezzled. For sustainable development, it is, however, also necessary to have a democratic insight into public administration. This should not take place just because Sweden has made demands, but because there is a willingness and an insight on the need for this on the part of the government in the recipient country. This willingness and insight also exists among many developing countries, although a lot remains to be done before the problems are solved. A South perspective means that Sweden bears this commitment in mind already in its choice of countries, and that it demonstrates confidence in the ability of the recipient country to propel

development in the right direction. Sweden and the partner country will thus be in agreement on the conditions, although it is the recipient country's government which owns and designs its policies, and chooses whether they are best promoted by Swedish goods and services. The developing countries must have an independent responsibility for results of policy implementation, and be able to coordinate the development assistance that comes from various directions.

Swedish profile issues are sometimes defined as areas in which Swedish competence and its *resource base* are particularly marked. This includes areas where Sweden has knowledge, products and services that are exceptionally suitable for development cooperation. These areas coincide most often, of course, with the issues that Sweden vigorously advocates in various international fora, such as environmental considerations and gender equality.

The Swedish resource base can thus be described in many ways, as goods, knowledge and know-how, ideas and methodologies. It can be used both in bilateral governmental cooperation, as well as in production of global public goods and in cooperation with NGOs. A deliberate policy is needed to promote the resource base, for example, by seeing to it that investments in Swedish higher education also take into account Sweden's policy for global development.

Swedish expertise can, however, not comprise the main basis for Swedish development assistance inputs. This must instead be the *needs in the developing countries* and from a South perspective, also the priorities that exist for the people in these countries.

Among the central profile issues can finally be mentioned *new areas* that we in Sweden consider require greater attention. The Committee views the struggle against HIV/AIDS and bridging the digital gap as new areas where very large investments need to be made quickly.

From many quarters, the Committee has been informed of the desirability of a greater *concentration* of development assistance inputs. Although Sweden, compared with most other countries has a large development assistance – an assistance which most want to see increased, its volume still is not sufficient to “do everything everywhere”. When the issue of concentration has been raised, it has concerned both geographical concentration (choice of countries) and thematic concentration. Issues relating to choice of

countries are dealt with in other parts of this report. This section deals with what affects the thematic areas.

With regard to the concentration of subject or thematic areas, it has been deemed logical within the Committee and in various consultations to discuss both what the Swedish profile issues should be and what the Swedish resource base can offer that could contribute particularly well to development, and that will very probably be in demand from the developing countries. This section reports on the proposals that have emerged and the areas that, according to the Committee, should constitute important Swedish profile issues also in our international and multilateral development assistance work.

The attention of the Committee has also been drawn to the *synergy effects* that can be achieved through being more open to the vigour and competence of the Swedish resource base, including the Swedish private business sector and popular movements, to achieve development policy objectives.

In a growing number of recipient countries, a desire can be noted for more equal relations based on mutual benefit instead of a traditional, imbalanced donor-recipient relationship. This is particularly evident in the rather more developed countries, and is in line with an increased South perspective in relations with Sweden. A natural consequence of this is that private business sector cooperation and twinning arrangements will have a more central role than has been the case to date.

The positive collaboration in development cooperation which has developed in many cases between the state - through the work of Sida in particular - and NGOs should typify relations between all actors. To far too great an extent, the Swedish private business sector has been used as a "supplier" for ready-formulated projects and programmes. With the project, sector and country knowledge that has been built up over the decades in the Swedish business sector and in civil society, there is a lot to be won with respect to development from building a closer partnership between these actors and *inter alia* Sida as early on as possible in the planning phase.

### 6.5.1 Building knowledge capacity

*Education and research.* Educational opportunities comprise a fundamental building stone both in combating poverty and the construction of democracy, and in the promotion of gender equality, i.e. equality of opportunity and rights for women and men alike. It is obvious that various forms of educational initiatives all the way up to university level should be included in the prerequisites for development.

Most donors of development assistance are involved in the educational sector, and the Committee therefore considers that it is worth underlining the long experience and knowledge that exists in Sweden in *adult education* as a special Swedish profile. The popular education work of the adult educational associations with participatory study circle methodologies has its roots far back in the times when Sweden was working its own way out of poverty. Folk high schools and colleges, and municipal adult education have meant a great deal for the development of learning for adults. In recent years, ICT has also developed to make learning by correspondence increasingly possible – an asset that would be invaluable for development, but that is to date out of reach for most students in developing countries. Education and training are also often important parts of the transfer of technology and know-how that is dealt with below.

Sweden has a long tradition and a unique experience of *research cooperation* with developing countries with a view to enhancing their research capacity. Building up a broad, independent research capacity of their own is an important prerequisite for development in countries in the South. It is important that research is not limited to discovering answers to questions that are formulated and actualised by development assistance alone, but that academic collaboration is also allowed to develop in response to local problem formulations and issues.

*Transfer of technological knowledge.* There is in general a great need both for technical cooperation and for the transfer of technological competence and know-how in developing countries (Chapter 5). There are a number of important technological areas of knowledge and experience where Swedish expertise and Swedish products are well at the forefront of progress. Well-known areas are *information and communications technology (ICT)*, *environmental technology and biotechnology* as well as extraction

and conservation of water and energy. For a number of years, Sida has built up systematic and in-depth knowledge over many decades, both with regard to pure capacity development – in the form of institutions, method development, training of staff, etc., and also with regard to innovative projects in all areas. Swedish development assistance has also made important contributions in protecting and developing natural resource bases in many developing countries. As examples may be mentioned soil conservation programmes, support to marine research and protection of sensitive coastal areas, as well as various programmes for the sustainable use of forest raw materials. Considerable attention has also been devoted to problems in connection with the modernisation process, for instance, environmental economics, industrial pollution, energy and transportation, etc. A serious problem in many regions is the lack of fresh water. Sweden has special competence and experience in this area *inter alia* through Stockholm International Water Institute (SIWI) and Stockholm Water Conference. Sweden also has long experience and considerable knowledge on *road and bridge construction* in different conditions around the world, as well as development of special technology for developing countries' *agriculture* and *food supply*.

The Committee wishes to emphasise that the issue does not just concern transferring existing technology, but also stimulating research and product development through development assistance, which is specially intended for the needs of developing countries. The rapid development of technology makes it fully possible for the poorest countries – with the correct support – to be able to “skip” certain steps in the development process and go directly to technologies which are economically and/or environmentally effective. A clear example is mobile telephony instead of conventional telephony. From the point of view of the environment and climate, considerable progress can be made if technological advantages are encouraged, in particular within the energy and transport sectors.

Information and Communication Technology (ICT)<sup>34</sup>. Supporting development of ICT is important for at least three reasons. The “new” global economy is completely based on ICT. Countries that do not invest in strengthening this capacity will be rapidly marginalised as regards the economy and trade. Many

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<sup>34</sup> Proposals on how ICT can be made use of in development assistance are contained in Accascina, 2001a and 2001b.

developing countries and companies in these countries can also develop niche competence with the aid of this technology. ICT can ultimately be used offensively in efforts to reduce poverty.

The building up of an information and communications system in society is dependent on technical expertise and access to relevant technology. There is a considerable need to communicate knowledge about how countries should structure the ICT system, how regulatory frameworks are to be designed, and what the government's task should be. Moreover, support is needed for capacity-building measures in administration and in higher education. The most important input however, is probably participation in functional legislation efforts and in supportive policies.

Support to the development of ICT-based applications has become increasingly pertinent. There is great potential to be realised in different forms of locally adapted "ICT tools" in education, health care, the operation of small-scale enterprises, agriculture, community information, etc. In order for this type of investment to have effects for entire countries and broad population groups, considerable development of the infrastructure is required. Sweden can contribute with experiences from the formation of a regulatory authority, provision of support for the development of new financing mechanisms and building up of rural-based ICT infrastructure. It can assist also in the introduction of national ICT strategies.

Sweden should support the idea of every village in a developing country ultimately having access to the Internet, and working for this to become a reality in a number of partner countries by the year 2005.

#### **6.5.2 Supporting democracy, public administration and gender equality**

*Strengthen parliament.* It is important to strengthen the role of parliament, as a counterforce to the high-handed presidential power which in many developing countries hardly can be described as promotion of democracy. The Committee wishes here to underline the great importance of the resources made available to the Swedish parties, via the organisations closely associated with political parties, to engage in cooperation with parties in

developing countries as well as the Parliament's bilateral cooperation with certain other parliamentary bodies.

*Local democracy.* Sweden is far advanced as regards the local (municipal) decision-making processes and power with far-reaching decentralisation of decision-making to the local level. Today, there are also already many interesting examples of local development cooperation through twinning arrangements and development cooperation through the Swedish Association of Local Authorities and the Federation of Swedish County Council's joint body SALA/IDA.

*Good public administration.* Some of the most important factors for good development in a country concern the increase of capacity in democratic institutions that can govern the country, safeguard the rule of law, and safeguard the interests of the country in international fora. In these areas, there are many instances of successful cooperation between Swedish institutions and organisations both at central and local government level. The Committee has found that there is strong support for further Swedish inputs in this area.

*Strong popular movements.* These have been described as being "typically Swedish", and a phenomenon that is fundamental for our democracy. Such ideas can be important to communicate to countries that wish to develop their own democratic process. The Committee shares this view, and notes that the popular movements have been a fundamental concept also when development cooperation through the NGOs and other civil society organisations has received an increasingly large proportion of the total development cooperation budget in recent decades.

The striving for *equality of opportunity and rights between women and men, i.e. gender equality*, is a prerequisite for the human rights perspective, but is also a strong driving force for development in all societies. This has been underlined in many places in this report. There is no doubt that Sweden can drive the issue of gender equality with authority, confidence and great international credibility. The promotion of equality between the sexes is also one of the overriding international development objectives.

*Openness and combating corruption.* The Nordic countries – with their openness principle in the form of public access, disclosure and insight into public administration and freedom of the press in speech and writing – are the countries that have been most successful in combating corruption, according to all comparative

investigations. Corruption is one of the greatest barriers not only for development but for cooperation relation characterised by trust, and for the public's willingness to provide development assistance. The Committee wishes to underline particularly the importance of the judicial system being free from corruption as a prerequisite for the protection of human rights.

*The ombudsman function.* The ombudsman has become an international concept for an institution and method of work that is designed to protect the rights of the individual. The Committee considers that Sweden can contribute with broad experiences of this function in many developing countries.

*Tax collection, population registration and audit.* In an economy which is developing and producing growth, it is important to have a functioning tax and revenue collection system. This is a prerequisite for a country to eventually become independent of development assistance. An effective and legally secure tax system also requires a functioning system for public record-keeping and population registration. Sweden has long experience to share in these areas.

*Statistics.* A reliable statistical basis provides a good foundation for both decision-making and for informing public opinion. Statistical information is defined as a global public good (4.1). From a gender equality perspective, demands have been made, in connection with UN conferences among other contexts, for more and better statistics that more adequately report gender disparities in various social, economic and political situations and areas.

*Employment policy and relations in the labour market.* Active labour market policy measures such as striving for peaceful and constructive collaboration and arbitration between the various concerned parties are also internationally renowned Swedish assets.

*Trade.* As a small country dependent on trade, Sweden has long experience of the importance of open commerce for a country's development as well as of the building up of institutional structures around a well-functioning foreign trade. Swedish development assistance to the multilateral organisations activities in the sector of trade has increased many times over in recent years. However, this increase has taken place from very low levels and inputs will need to be increased further. The same applies to bilateral development

assistance to strengthen the participation of the developing countries in world trade and in the multilateral trade system<sup>35</sup>.

*Regional collaboration.* The long collaboration of the Nordic countries in culture, science, trade and free mobility in the Nordic labour market etc. should be a good basis to communicate experience and knowledge to regions whose collaboration is being developed. At other places in the report, we have pointed out that the EU has a great responsibility to back up regional efforts to cooperate. However, the Nordic cooperation has a different character which could possibly be more relevant for some regions to draw lessons and experience from.

### 6.5.3 The rights and security of the individual

*Children.* Sweden has extensive experience of a well-developed social and family policy in line with the UN Convention on the Rights of the Child (CRC) both as regards administration and in practical social work. In developing countries where a major part of the population consists of children and young people, the focus on children's rights and needs is a prerequisite for development. Sweden should continue to highlight children's conditions, promote their opportunities, indicate methods for their participation and highlight their contributions to change.

*People with disabilities.* Swedish disability policy is in the process of developing from having been a social welfare issue to a rights issue. The UN has adopted "Standard Rules (SR) to ensure participation and equality of opportunity by people with functional disabilities". In a rights perspective, this approach must have an even greater impact on Sweden's international activities, as well as on policy dialogue with developing countries.

*Health.* Like education, health is one of the self-evident areas in which practically all major donors are involved today. The Committee assumes that Sweden will continue to be involved in the health sector, both bilaterally and in the global struggle against infectious diseases, etc. The HIV/AIDS problematic is at present the most crucial issue that must be confronted and attacked from many different directions. During the 1990s and subsequently, Sweden has participated actively in efforts internationally to prevent the spread of HIV infection, and also has made inputs at

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<sup>35</sup> Arhan, 2001, and Winters, 2001.

country level to strengthen care services for the sick. In this context, it is important to draw to attention the high level of Swedish know-how and professional experience with *sexual and reproductive health matters*, and with issues relating to *sexual guidance and family planning*. The Swedish maternity and children's health care services have been successful in reducing infant mortality and maternity-related death (through puerperal fever, i.e. septic blood poisoning). Both these areas are included in the overall international development goals (section 2.3.4). There is therefore reason to believe that Sweden could even more actively contribute to goal fulfilment by transfer of knowledge and research collaboration.

*Alcohol and drugs as obstacles to development.* Historically, the use of alcohol in Sweden has been an obstacle to development. The insight on this means that we, together with the other Nordic countries, unlike the rest of Europe, for instance, regard the use of alcohol as a public health issue of great importance. Already today, development-related research is taking place in this field in Sweden, and the Committee underlines therefore the importance that these insights and the knowledge involved could have for development cooperation. This issue also has linkages to the struggle against HIV/AIDS.

*Mainstreaming/integration.* During the past decades, Sweden has striven for the systematic, pervasive integration of certain perspectives and interests throughout all policy formulation, political decision-making and implementation, to guarantee that e.g. the rights perspective and the demand for sustainable development will have tangible impact. Conversely, it should be the case that when the rights perspective increasingly gains ground in combating poverty, there will be a greater desire on the part of the developing countries to share experiences and knowledge in these areas.

#### 6.5.4 Conclusions

To sum up, the Committee considers that the following areas will be important Swedish profile issues in development assistance:

- Transfer of knowledge through inputs for education, particularly adult education in developing countries.

- Research collaboration for the development of developing countries' own research capacity and priorities.
- Technological transfer of knowledge and product development with special focus on environment, energy, transport, water and ICT.
- Sweden should endeavour for each village in a number of the long-term partner countries to ultimately have access to the Internet, preferably by 2005.
- Capacity for good public administration by the building of effective democratic institutions and enhancement of the rule of law based on open accounting and insight.
- Support for popular movement work, multi-party systems, and development of democratic processes at local levels.
- Private business sector collaboration to develop developing countries' own business sector.
- Cooperation on labour market issues.
- Health and social issues with special emphasis on sexual and reproductive health, alcohol and drugs.
- Gender equality, i.e. equality of opportunity and rights for women and men, girls and boys alike.
- The rights and opportunities of children and of people with disability.

## 7 Actors with new roles

### 7.1 Increased need of development financing

Decreasing development assistance flows as well as stagnating and geographically extremely differentiated private flows have increased the need for *new forms of development financing*. There is increasing agreement that financing must come from a variety of different sources, but that it must be based on the internal resource mobilisation in the developing countries. Greater savings will play an increasingly important role alongside the countries' economic development. Development assistance is a vital complementary element in this process. There must also be increased private flows in the form of foreign direct and portfolio investments. Increased trade is also crucial in helping the developing countries generate their own resources for their development. Remittances from emigrants living outside of their home countries comprise an increasingly important source of income, as mentioned in section 3.1.5.

Another important form of financing is *debt relief*. Writing off debt has become a major issue in public debate and opinion formation for a fairer world. The issue has been pursued by many different popular movements including Jubel 2000.

New and innovative financing solutions also need to be considered. *Private foundations* are currently responsible for a steadily increasing proportion of international development inputs. A number of unique partnerships between the industry and business sectors, and the public sector have emerged in recent years, e.g. the global alliance for vaccination and immunisation (GAVI). More knowledge is needed, however, with regard to what kinds of comparative advantages the different actors can offer, how active they should be at different stages of the process, and how the control and management of the use of this form of financing should be organised.

Other *proposals* for new financing solutions involve different forms of international *taxation*. A number of different tax bases have been discussed, e.g. tax on carbon emissions, duties on international air transport or tax on international currency transactions, the so-called Tobin Tax (section 4.1.3).

In order to generate increased financing for development new resources must be identified and the various existing sources of resources involved must work together better. It is therefore also necessary to *examine the systemic issues* including the manner in which the international economic system is structured. The importance of this issue has been emphasised by the international conference on development financing that took place in Monterrey, Mexico in March 2002. The conference was unique in that in addition to the UN member states and the multilateral actors (the UN, The World Bank, IMF, WTO etc), private companies, banks, NGOs etc. were also present to discuss development financing.

Sweden has long been internationally active in identifying new forms of financing for development purposes. A special financing project has for example been in progress within the Ministry for Foreign Affairs since 1998, and has resulted in a large number of internationally recognised studies on financing of the multilateral system. Sweden has also taken a leading role in the preparations for the international conference in Monterrey on development financing (Financing for Development).

To ensure that increased development financing contributes to poverty reduction, there must be an effective and well-functioning multilateral system. The UN, EU and the international financial institutions represent key channels for the provision of resources and for their effective use. Sweden should also, in cooperation with other like-minded countries, take *the initiative in the creation of new forms* for substantially increased resource transfers to the developing countries. Proposals for setting up a fund that the IMF or the World Bank should manage were put forward recently by the British government. It is proposed that the fund should comprise an annual contribution of 50 billion US dollars for the purpose of promoting achievement of the international development objectives by the year 2015. The idea is that the funds should be linked to precise and firm demands on the developing countries with regard to measures against corruption and in favour of transparency, democracy and the promotion of and respect for human rights.

### 7.1.1 Proposals

- Swedish development assistance should reach 1 per cent of GNP by 2005 at the latest.
- Sweden should actively work for increased international development assistance funds, and to ensure that the UN's 0.7 per cent target is achieved by more countries as well as to encourage new forms of development financing, especially within the EU and in bilateral contacts with other OECD countries. Special attention should be given to the financing of global public goods.
- Sweden should, together with other likeminded countries, take the initiative in creating new forms for substantially increased resource transfers to the developing countries.
- Sweden should work towards speedier and more substantial international debt write-offs for the poorest and most debt-burdened countries. Swedish development assistance for writing off debts should increase in line with the international HIPC initiative and bilaterally with respect to individual countries.

## 7.2 The multilateral organisations

### 7.2.1 Development within all policy areas

In an increasingly globalised world, there is a growing need for strong, credible, effective and universally legitimate international organisations. Many parts of the multilateral system are fragmented, however, with *unclear roles* and mandates among different organisations. The system in its entirety is underfinanced both in terms of global tasks and the actual demands that the member states impose on the organisations. It is in some parts clearly ineffective with overdimensioned, unwieldy bureaucracies, and with outdated or inadequately qualified personnel competence. Reforms are therefore necessary if greater effectiveness is to be achieved. The legitimacy of the multilateral system has also been called into question by a number of external actors.

The mandates, qualifications and conditions differ markedly among the various organisations. Within the frameworks of original statutes, there has been considerable pressure in recent years to reform the multilateral system and make it more effective.

The UN, with its *global legitimacy* – one country, one vote – and the link between political mandate and assumption of economic responsibility, has a unique role to play. Financial weaknesses have, however, limited the organisation's capacity to act. The fact that the financing takes place on a voluntary basis complicates matters and works against long-term involvement and sustainable solutions. To make the UN's operations more effective, reforms of the UN's and the specialist bodies' control and management culture must be carried out, including the recruitment procedures for staff at management level.

Confidence in the UN has, however, been strengthened recently and the UN is now stronger than it was earlier. Progress has been made in terms of the reform work, and coordination within the UN system has been improved. The UN's *world conferences* during the 1990s in the area of development have been important in creating global unity with regard to the promotion of sustainable development with the fight against poverty as the overall objective. The two conferences during 2002 on development financing and sustainable development (WSSD) will be important for the continuing work of countries and organisations towards global development. The conferences should not, however, become ends in themselves. The important thing is that their results be implemented. As a result of Swedish initiatives, the EU is pursuing the line that new forms should be developed for follow-up of the world conferences.

The UN has been successful in its *normative work* of establishing global objectives and formulating conventions on e.g. human rights. The organisation has, however, been criticised for devoting excessive time and resources to activities that others possibly could do more effectively and for which it was not originally intended. Some analysts feel that the UN was formed to monitor world events but not to run development assistance and development programmes<sup>1</sup>.

There has been a *distrust of UN development assistance* within parts of the donor community. Substantial reductions in the contributions from a number of key development assistance providers have caused serious financial crises within several bodies such as the UN's development programme, UNDP. The UNDP is, however, a body that has gone from crisis to recovery and has now

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<sup>1</sup> Andersson, F, 2001b.

once again been entrusted with leading assignments in the world community. The UNDP has a role and unique potential that should be better utilised in terms of both coordination of the development assistance providers, and the collaboration between the rich countries and the developing countries. The UNDP's role and opportunities for representing and promoting the interests of the poor countries should also be strengthened.

The *international financial institutions*, the IMF, the World Bank and the regional development banks, do not suffer from the same lack of resources. They have a unique position through their financial resource mobilisation and their global development knowledge. Traditional lending has changed its character from infrastructure to poverty-oriented inputs. The institutions moreover have increasingly been developed into advisory bodies that provide support to capacity building, institutional development, transfer of knowledge and know-how, as well as provision of regional and global public goods.

However, the mandates of the financial institutions have been questioned in many quarters and changes demanded. Some feel that they are no longer needed in a world where more and more financing is being channelled via private sources. Others believe that they give insufficient consideration to social and environmental aspects in their operations and that they should incorporate a starting point of democracy and human rights in their work. The institutions have also been criticised for being *undemocratically structured* in their management with the relative voting strength of the member states based mainly on economic grounds. The banks also need to broaden their selection of products and services in order to adequately meet the emergent and growing demands from borrowers. This includes a need for increased price differentiation, a greater proportion of concessionary financing, and an expanded role in terms of the financing of global public goods.

Internal reforms and increasing openness have increasingly characterised the work of the organisations in recent years. *The World Bank* has undergone a fundamental change towards a *focus on poverty reduction*. Its operations have to a large extent been decentralised to the borrowers, and programmes for debt relief have been started. The bank has also taken a number of initiatives to improve coordination between the donors and to ensure that the activities of the donors are based on the developing countries' own strategies and plans for poverty reduction.

Generally speaking, an integrated approach is required in order to increase understanding of the linkages between different economic, social, environmental and other factors that affect development. The existing distribution of the multilateral institutions with regard to individual thematic issues cannot foster the *integrated solutions that are required*. Continued concentration on individual thematic areas leads to sub-optimal solutions. The work should be structured around finding comprehensive, holistic solutions to the most important problems, rather than proceeding from the basis of a distribution of functions as is currently the case. Not infrequently, governments even receive conflicting advice from different international organisations.

Coordination of activities of the different bodies needs to be enhanced, and more inter-organisational task forces formed for specific questions. It would be desirable to have a common platform to which all bodies can relate their own work. A basis of this kind is beginning to take shape through the creation of national poverty strategies in developing countries, the UN system's "UN Development Assistance Framework" papers and the World Bank's "Comprehensive Development Framework" documents.

*The division of responsibility* between the development banks and the UN system is a key issue. Each organisation has well-devised vertical channels with recipient countries and bilateral co-financiers. However, the horizontal integration between the multilateral organisations has been very weak. Many organisations are also active within the same subject areas. Clearer division of responsibility and better coordination should help to avoid ineffective duplication of work. The main responsibility for improving coordination lies with the member states themselves. A powerful contributory cause of the unclear division of responsibility is probably that the organisations have different responsible authorities in the member states. These are often not coordinated among themselves. For example, it is not unusual to find that individual countries convey different views on the same issue in work with different organisations. It is the member states that ultimately decide how the various institutions should proceed.

Progress toward improved *coordination* is, however, now discernible. The collaboration between the UN and the World Bank has been greatly developed within areas such as conflict management and HIV/AIDS. The process leading up to the international conference on development financing has also brought about closer

ties between the UN bodies and the Bretton Woods institutions (IMF and the World Bank).

The EU is the UN's single largest financier, but there is a lack of established forms for closer *cooperation between the UN and the European Commission*. It should be possible to improve the cooperation following the Council's recent approval of a number of conclusions concerning the forms of cooperation and their financing based on a statement from the European Commission<sup>2</sup>. Discussions are also currently taking place over whether funds from the EC's budget might be channelled as a basic contribution to the UN's work, over and above the national contributions from the EU Member States.

The prerequisites for a closer cooperation between the *EU and the World Bank* have changed since the end of the Cold War. The basis for this cooperation has been laid as a result of a number of Eastern European countries becoming members of the Bank and also seeking membership in the EU. A formal coordination group has been set up for this purpose. The cooperation also involves financing of interventions in different developing countries, as well as the development of policies.

### 7.2.2 Global public goods

The substantial differences between different global public goods show that *different types of institutional solutions* are needed for different public goods. Each thematic issue or subject area must be assessed on the basis of its own merits. The application of an integrated approach to global problems means that it is not possible to decide beforehand which international organisations should bear the main responsibility for different public goods. There should also be greater readiness for greater cooperation between private and public actors with respect to different issues, which is already the case today in such areas as health and ICT.

Existing mechanisms and institutions for managing and solving common global problems are still undeveloped. Institutions are also needed for a growing number of issues, at the same time as many of the already existing institutions are poorly coordinated.

With respect to a prospective *division of responsibility and work* between different actors for the purpose of producing global public

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<sup>2</sup> European Commission, 2001.

goods, one can distinguish between those arranging the production globally, those supporting local activities for the maintenance of public goods (capacity and knowledge build-up, development of institutions) and those financing the production itself. According to a proposal for the division of responsibility, the UN and the regional organisations should be able to form the institutional framework, and to play a key role in arranging the production of the public goods. The international financial institutions together with the developing countries, should be responsible for supporting the building of local and national capacity. The high-income countries, together with the UN and the financing institutions, would then be responsible for financing<sup>3</sup>.

### 7.2.3 Development assistance

Sweden annually channels around 30 per cent of the total development assistance through multilateral organisations, a proportion equivalent to the average for DAC's Member states. The proportion has not changed since Sweden became a member of the EU in 1995. The UN's economic and social activities use around half of the appropriations for the multilateral organisations, while a third goes to the international financing institutions.

Sweden has actively striven in recent years to broaden the agenda of the organisations, to prevail upon them to focus on the fight against poverty and to foster care and protection of the environment as well as attention to gender equality in their work. Together with the other Nordic countries, Sweden has also worked to reform the management and running of the work of the UN organisations and has also recommended better coordination of the UN's activities in the field.

In addition to direct Swedish support to the various organisations' budgets and external activities, there is also large-scale co-financing of individual projects. In 2000, co-financing amounted to SEK 2.7 billion.

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<sup>3</sup> Bezanson and Sagasti, 2001.

#### 7.2.4 Considerations and proposals

The multilateral organisations play an important role when it comes to development in the developing countries. Their operations can be expected to increase in importance as a result of greater demands for improved donor coordination, harmonisation of the donors' procedures, new requirements for financing global public goods and coherence in the rich countries' policy formulation to contribute to a reduction in poverty.

- Reform work within the UN institutions should primarily be oriented towards making management work and leadership structure more effective. Sweden should actively work to ensure that UNDP's role as a representative of the interests of the poor countries is strengthened.
- The Committee believes that the multilateral organisations should pursue a policy that is as well-coordinated and coherent as possible. This applies both within the organisations and between the organisations' various areas of activity. The activities of leading organisations in areas such as trade, the environment and development must be coherent with one another.
- The coordination between the multilateral institutions should be based on the developing countries' own priorities and plans for reducing poverty. From the starting point of the organisations' different mandates, the developing countries should decide for themselves which organisations they wish to cooperate with. The countries should also be responsible for local coordination among bilateral and multilateral donors.
- The Committee feels that Swedish support to and through the multilateral organisations should play a significant role. This will probably increase in connection with the gradual transition to a general budget support in the country-destined development assistance and an expanded financial support to global public goods. Greater utilisation of the mutual multilateral channels is also in line with the aim of improving coordination of the development assistance to individual countries, and as an explicit support for the multilateral concept.

### 7.3 The European Union

The European Union (EU) is a powerful and important actor in the global arena and allocates substantial resources for development work. The organisation has committed itself to the international development objectives (the Millennium Development Goals and Targets) and the conclusions reached at the various UN conferences. EU-managed development assistance has, however, been marked for a long time by lack of effectiveness and coherence.

The EU has many strengths, of which the following may be considered the most important:

- The EU is a major international actor with the world's biggest market. Its internal market comprises 370 million inhabitants and is the most important trading partner for most of the developing countries.
- The EU is the world's single largest development assistance donor and is represented in more developing countries than any other one.
- The EU has a special trading and development agreement with 77 developing countries in Africa, the Caribbean and the Pacific area<sup>4</sup>.

#### 7.3.1 Shortcomings in the EU's development policy

It has been stated several times in this report that poverty cannot be defeated by development assistance alone. There must be coordination with other policy areas. The European Community (EC)<sup>5</sup> and the EU have a regulatory framework that enables the Member States collectively to formulate, promote and combine ideas, values and activities within a range of different policy areas and in relation to a range of different countries and fora. The potential for a *coherent policy* whereby different areas work together is therefore substantial, for example, within trade policy and in connection with conflict-prevention measures and democratisation interventions. With regard to candidate countries, the EU has also made use of a

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<sup>4</sup> The Cotonou agreement.

<sup>5</sup> The EC refers to common issues with the Union. The common EC issues rest on what is called the first pillar in the EU, which, inter alia, concerns free movement of goods, services and capital. Development cooperation mainly belongs to the first pillar.

broad register of measures all of which work towards the same objectives<sup>6</sup>.

The Committee's view, however, is that there is a clear *lack of concordance* within the EU when it comes to development policy and the fight against poverty. The most obvious weakness is the lack of coherence between trade and agricultural policies on the one hand, and the development policy on the other. This has also been conveyed to the Committee and put forward in public discussions on a number of occasions. While the EU is the biggest development assistance provider, the Union is also pursuing a trade and agricultural policy that is protectionist towards just those goods with respect to which the developing countries can be competitive. As a member of the European Community, Sweden is now fully involved in its trade and agriculture cooperation. This means that a better Swedish policy for concordance with development policy must be worked for through the EU/EC. By the same token, it means that the Community's policy in this area is also Sweden's. Trade issues are also dealt with under Chapter 3 in this report: "Consideration to Development in all Policy Areas".

Sweden must strive to change the EU's policy so that, for example, agricultural products, fish, textile products and leather goods meet with *fewer trade barriers* on the European market. In addition to individual tariff ceilings that affect sensitive products, we must do away with the system of so-called tariff escalation, whereby the duty increases according to the degree of processing. It is easy to see that this will later hamper industrial development in the developing countries. Sweden began a process of reform of its own agricultural policy and abolished textile restrictions in the years prior to our entry into the EU. Membership meant a reintroduction of some of the protective measures that directly affect the developing countries' prerequisites for development<sup>7</sup>.

In the area of agriculture and fisheries, the EU not only has import restrictions but also gives substantial *grants to its own producers*, which means that their products are heavily subsidised. This makes it harder for the developing countries to sell their agricultural products on the EU market at competitive prices. Moreover, the surplus of the subsidised European agricultural products is sometimes exported to the developing countries where these goods force out products on the domestic or indigenous market.

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<sup>6</sup> Nyman-Metcalf, 2001.

<sup>7</sup> Mkandawire, 2001.

An important step towards a fairer trade policy is the so-called EBA<sup>8</sup> decision. Through this the least developed countries are to be given *tariff and quota-free access to the common internal market* in the EU. The Cotonou agreement also bears witness to the realisation that development assistance is not sufficient. It is a follow-up to a similar earlier agreement, the Lomé agreement, and includes both development assistance and trade commitments. It has been well received by both the European Parliament and the Swedish government. The agreement should contribute to economic and social development, and the promotion of poverty reduction and of peace. Greater cooperation with voluntary organisations, NGOs and private actors is also anticipated in the agreement. The 77 countries are to develop democracy, the rule of law and respect for human rights and to strive to achieve good governance and to combat corruption. The agreement also includes the possibility of terminating the collaboration if these fundamental conditions are not met.

By putting obstacles in the way of the developing countries' benefiting from increasing globalisation in the area of trade, the EU is hindering the possibility of development in a way that is not in line with the intentions of the development assistance and the main development cooperation appropriations. Relief measures in the area of trade and a reformed European agricultural policy would mean a great deal more for many developing countries than development assistance. There is therefore a clear *lack of consideration given to development processes and effects* in trade policy and agricultural policy.

A coherent policy is also hampered by the fact that the EU has so many instruments for its actions in the global arena, some of which are controlled by the member states themselves or through the Council of Ministers, and others by the Commission. The problem is linked to the whole complicated question of how the EU should make and implement decisions. The Committee has not found it possible to go more deeply into this issue.

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<sup>8</sup> Everything but Arms.

### 7.3.2 Global public goods

Since the EU's policy spans many areas, all of which aim jointly and in different ways to solve common problems for European states, it is logical that the EU should also be involved in common global problems.

With its considerable economic resources the EU can actively contribute to the production of global public goods. There are already examples of such political and economic involvement in conflict-prevention work, crisis management, environmental and health issues.

One example is the conclusions from the Summit in Gothenburg in June 2001. These represent a clear political declaration that the Union's strategy for sustainable development, which was a part of the EU's preparations for the 2002 World Summit in Johannesburg, should include a section on the EU's relationship with the rest of the world. It is also made clear that sustainable development should be made into an objective for development cooperation and for all international organisations.

Greater cooperation with the UN and the World Bank would create conditions for further progress for global benefit. The Committee wishes, however, to stress that global public goods can also be attained through direct measures in a developing country or region, or through cooperation with individual member states.

### 7.3.3 The EU's role in international development cooperation

There is a description of the EC development assistance in section 6.3.3

In recent years, *the European Commission's* manner of handling the development assistance and disaster allocations *has been criticised*. The criticism centres among other things on the non-achievement of objectives and the lack of transparency, effectiveness and proper auditing. The Committee has reviewed this serious criticism from many sources – including from the British parliament<sup>9</sup> and Sida – and agrees with it.

It is *necessary* that the EC development assistance be *made more effective* if it is to inspire confidence among Member States and partner countries. This confidence is in turn a prerequisite for good

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<sup>9</sup> The Effectiveness of EC Development Assistance, [www.publications.parliament.uk](http://www.publications.parliament.uk).

cooperation between the Council and the Commission and if the EU is to be able to play an important role as coordinator for the Member States' inputs.

During 1999 and 2000 the Commission passed *decisions* relating to *two important areas* within the EC development assistance. The first concerns a uniform development assistance policy that includes all developing countries with the overall objectives of economic and social development, integration of the developing countries into the world economy, the fight against poverty and the promotion and firm establishment of democracy and human rights. The second area involves development assistance administration and working methods, which are also part of the overall reform of the entire Commission. This includes, among other things, considerable delegation to the field organisation for development assistance, more regional solutions and country-specific strategies that should make actions easier and more effective.

The EC development assistance budget includes, as does the Swedish budget, an allocation for *NGO cooperation* (NGO development assistance) with civil society organisations in the developing countries. There has also been criticism with respect to this type of assistance in terms of the bureaucratic manner in which it is handled. Many Swedish organisations refrain from using this opportunity since application procedures, the wait for a decision and disbursement routines are so cumbersome and take such a long time. The Committee questions whether even a reformed Commission will be able to handle the NGO development assistance in a sufficiently effective manner. If this is not the case, and this is something that should be evaluated in consultation with Swedish NGOs, then Sweden should, in the Committee's opinion, work to ensure that the NGO development assistance is increasingly or entirely handled by the respective Member States. Another reason for this is that the resources which currently go into administering a number of umbrella and coordinating organisations for these NGOs in Europe, could instead go to direct forms of development assistance.

The Committee also wishes to emphasise the importance of the EU *collaboration with other actors*. Cooperation with the UN and its various bodies, funds and programmes has increased in recent years, as has cooperation with the Bretton Woods institutions. The Committee believes that it would be valuable if the Commission

and the Member States could agree on common strategies for cooperation with the international organisations.

The EU should consider it self-evident to *support and encourage regional cooperation* between developing countries as a way of promoting peace, trade, culture etc. Since the EU has considerable resources at its disposal, the Committee also wishes in this context to highlight the opportunity to support regional cooperation through development assistance to the *infrastructural investments* that might be necessary in order for a region to be able to develop its cooperation.

#### 7.3.4 Considerations and proposals

The European Union has an expressed intention of being involved in and taking responsibility for development and the fight against poverty in the rest of the world. This ambition must, of course, be welcomed by Sweden, which in turn must take responsibility as a Member State in the formulation of this policy. The Committee believes that Sweden, with its long experience of development assistance work and the respect that this work enjoys internationally, has considerable responsibility to contribute constructively to a reform of the EU's involvement in development issues. It is remarkable how little interest Sweden's government and the Parliament have shown in these issues during the seven years of Sweden's membership.

- Within the EU, too, the need for a coherent policy must be given adequate attention, and consideration must be given to development within all policy areas. Sweden must first of all intensify its work of pushing forward a reform of the EU's agricultural policy, and strive to bring about a trade policy that does not disadvantage or exclude goods from the developing countries on the European market.
- With its considerable financial resources the EU can become an important actor in the production of global public goods since its work spans so many areas and can thus influence developments in multiple ways. An important element in this work is to strengthen the cooperation between the EU's development assistance and the UN's funds and programmes. Sweden should continue to push

this matter forward – a task that was started during Sweden’s EU presidency.

- Sweden should carefully monitor and help to actively promote the necessary reform of the EC’s development cooperation and should continue to demand better follow-up of budgets, results-based management and reporting systems. Should the Commission fail during the present mandate period (1999-2004) to make its administration more effective, Sweden should take the initiative and bring about a discussion of the division of responsibilities and duties, and of resources that should exist between the EU and the Member States, i.e. seriously raise the issue of a “re-nationalisation” of certain development assistance resources.
- Sweden should work with Denmark, the Netherlands and Luxembourg, all of whom have achieved the objective of allocating 0.7 per cent of GNP to development cooperation, towards helping all EU countries to achieve this objective as soon as possible.

#### 7.4 The business sector and the labour market

It is becoming increasingly clear that commitment and involvement on the part of all actors are required if the international development objectives are to be achieved. An effective public policy for achieving the PGD objectives must use the vigour and influence that *the business sector* can provide. The policy must also establish in a well-conceived manner the content and boundaries of the business sector’s responsibility when it comes to contributing to the overall goals and targets. New ways and methods must be identified and tested.

Opportunities for companies to work internationally have expanded considerably through international agreements and national policy based on the conviction that this favours economic growth in the world. *The private flows’ proportion* of the overall flow of resources to the world’s developing countries has *grown considerably*, and is many times greater than the resources supplied through development assistance. An increasing proportion of the world’s total production takes place in a limited number of multinational companies. The 200 biggest companies in the world currently have a turnover equivalent to the value of around a quarter of the world’s total production.

The positions taken by the business sector on many current issues have come to have an increasing influence on the formation of norms, legislation and implementation. The positions of business leaders on different issues carry a lot of weight in terms of how global economic and political legislation is designed and managed, as well as how it is interpreted. Today's global institutions, which should be able to take over certain of the functions that national states have relinquished, are however still relatively weak and lack effective sanction mechanisms. The business sector's own views and stances are therefore becoming increasingly important when it comes to the sector's support for achieving the international development objectives.

#### 7.4.1 The business sector as a partner

*Increased economic growth* in the developing countries is a *decisive factor* in achieving the development objectives and combating poverty. Greater cooperation between the business sector, trade policy and development cooperation is therefore essential. Development during the 1970s in South-east Asia is an illustrative example of how increased growth can create opportunities for development and instruments for the fight against poverty.

A number of different initiatives have been taken to create greater synergy effects between the business sector, trade promotion and development cooperation. On the initiative of the Asia strategy<sup>10</sup> Sida launched a special programme to create financial opportunities for small Swedish companies to invest in and create business opportunities in Asia. The purpose of this so-called StartAsia programme is to contribute to an effective transfer of knowledge and expertise to countries in which where Sida has a business sector support programme. The programme now includes India, Sri Lanka, Bangladesh, Nepal, Bhutan, Thailand, Laos, Vietnam, Cambodia, Indonesia, the Philippines, China and Mongolia. Sida has also carried out a study of trade and the environment which now contains new ideas for increased cooperation between trade-promoting measures and the development cooperation.

Swedish companies that have long been represented in various partner countries often possess in-depth knowledge of and insight into these societies. They also often have access to valuable contact

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<sup>10</sup> Ds 1998:61.

networks at levels other than at the level of the authorities. By inviting the companies' views as early as the planning stage for different inputs, it is possible to improve the conditions needed to ensure that the projects can be effectively implemented in their specific environments. Through an *integrated approach* to international development cooperation with the resources and expertise of the business sector included in the process right from the start, there is a greater likelihood that the implementation of measures will be successful and that the objectives for several different policy areas can be achieved simultaneously. This can be brought about without having to renounce the principle that development assistance should only finance measures that can be justified on the basis of the objective which the Committee has proposed should govern the development assistance budget's use.

Representatives from the business sector have stated that they share the view that *the benefit which the recipient countries derive* from the Swedish development assistance should represent the overriding and *guiding principle* for Swedish development cooperation. An expanded cooperation with the business sector for the purpose of charting the needs and requirements for development assistance measures would also provide good opportunities for developing new products adapted to poor countries and poor people, and that also are compatible with a social and ethical assumption of responsibility. The business sector has *considerable knowledge* and expertise within traditional base industries, great system expertise in many important areas such as energy, telecommunications, transportation, food production and environmental issues, plus top-level expertise in many areas in the burgeoning "new economy". This is a unique, yet inadequately utilised, resource in the development cooperation field. This report mentions three potential areas as examples – environment-friendly technology, biotechnology and information and communication technology – where Swedish know-how is competitive.

#### 7.4.2 Labour market issues

The Committee notes that a well-functioning, well-developed business sector and international trade are of great importance for a country's development, and that a well-functioning labour market is essential to this end.

*Work and labour market issues* should therefore be integral elements when devising country strategies and in Sweden's cooperation with developing countries and programme countries. Inherent in this is support for the development of labour market policy, the employment agency services, adult and vocational training and other parts of the labour market's institutional and human resources infrastructure.

It is also important to support and stimulate the development of well-functioning "partner relations" on the developing countries' labour markets for the benefit of the business sector, trade and the employees who may thus be able to contribute in the long-term to that country's economic stability. It is important in this context that respect for democracy in the labour market in human rights work carried out within the UN and ILO should be developed.

#### 7.4.3 The business sector's expanded responsibility

The companies' expanded role and scope in the international economy have been accompanied by demands that these new opportunities be combined with an obligation on the part of the companies themselves, especially the big multinational companies, to take on *increased responsibility* for e.g. social and environmental effects. These demands have been put forward in various ways, including *inter alia* in connection with widespread protests at international meetings, in various international fora and in connection with consumer boycotts and campaigns of various kinds.

The spotlight, when it comes to *respecting and fulfilling human rights*, has traditionally fallen on governments, but is now increasingly being directed at the business sector and private companies as well. There are several reasons why the issue of the business sector's responsibility for promoting human rights has grown in strength in recent years:

- Legislation and regulatory frameworks that govern the economic area are considered more forceful than those in the social and environmental areas.
- There is a growing general commitment to human rights as part of the work of fighting poverty and promoting democratisation.
- The anxiety of the professional organisations has increased over the risk that globalisation combined with weak legislation in the

social areas might lead to governments outbidding each other by “offering” the worst possible working conditions and thus the cheapest and most easily exploited labour.

Companies’ actions in conflict situations, in production and pricing of strategic products – e.g. medicines, trading with diamonds in areas ravaged by conflict and also as regards environmental considerations – are also important issues in the discussion of requirements for *ethical behaviour* on the part of companies. Many governments have responded to these requirements and a number of different initiatives have also been taken by international organisations, the companies themselves, NGOs and through cooperation between different actors.

There has been (among other things) intensive work devoted to developing the international framework for human rights in employment and in working life. The negotiations relating to and the acceptance of the ILO declaration regarding basic *human rights in working* in 1998 contributed to an explicit ratification of the working conditions that should be included in the term human rights in working life<sup>11</sup>. The declaration has been taken on a tripartite basis, which includes approval of the employer and employee parties, in addition to the governments. The acceptance of the OECD’s *updated guidelines* for multinational companies in the summer of 2000 is another important step in the creation of legislation, still on a voluntary basis, directly aimed at the companies. It includes guidelines applicable to such issues as working conditions, environment and corruption, and an institutional framework for monitoring through so-called contact points. These normally consist of a government official or department, but in some countries, it may be a committee that includes the participation of representatives from government and the social partners.

A number of *initiatives* have also been taken within *the EU* – partly directed at governments (including incentives for respecting human rights at work within the framework of the GSP<sup>12</sup> system), partly at promoting private, voluntary initiatives with regard to Codes of Conduct. A resolution concerning models for standard Codes of Conduct has been accepted by the European Parliament, and support has been granted for the establishment of a “European

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<sup>11</sup> The ILO conventions on child labour, slave labour, discrimination, the right to form trade unions, and the right to conclude collective agreements.

<sup>12</sup> General System of Preferences.

Monitoring Platform". The Commission's "green book" on companies' social responsibility was presented in July 2001. It is currently under discussion with a view to formulating an overall policy.

*Global Compact*, Kofi Annan's initiative in Davos in 1999, is the UN system's response to the demands for an expanded responsibility from the business sector. Companies are encouraged to draw up a number of basic principles relating to human rights, basic human rights in working life, and consideration for the environment in their internal regulations, as well as to a commitment to support in their external activities public policies that promote fulfilment of the principles.

The growth of *voluntary initiatives* has been very strong both internationally and in Sweden<sup>13</sup>. The variety of different codes of conduct is currently very rich. Trade unions, sector interest organisations, NGOs, individual companies and firms, and various combinations of these have developed codes and in some cases also monitoring procedures, inspection standards and structures to implement the monitoring procedures.

Many different reasons for why the number of private initiatives has grown so substantially have been mentioned, among them that the knowledge of international regulatory frameworks is weak, that the regulations are sometimes considered *difficult to interpret* and abstract, and that monitoring instruments and sanction mechanisms are thought to be ineffective. In some cases there is a strong desire to formulate Codes of Conduct that are adapted to each company or to specific country situations.

The growth of private initiatives is a clear example of the fact that there is currently a great *demand for norms* and regulatory systems and frameworks. The new, voluntary initiatives may be said to have exposed the multilateral system to competition – not just in the production of norms but also in implementation and monitoring. This competition can be a positive force in strengthening the multilateral system in those parts where it is considered weak or undeveloped. The reasons for certain actors choosing to disregard these regulations must be noted. These may include ignorance of the regulations' existence and negotiation history or difficulties in interpretation and application etc. Measures to overcome these obstacles should be identified and supported. The importance

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<sup>13</sup> Bjurling et al, Nordic Council of Ministers, 2001.

of promoting universally applicable norms and regulations cannot be overemphasised. They comprise an exceedingly important part of a human rights-based approach to the international cooperation for global development, expanded to include new actors and partners – including the business sector.

Sweden should work with other likeminded countries to monitor and ensure that the international cooperation is strengthened and not weakened as a result of private and voluntary alternatives. This work should be used instead to strengthen and complement the *multilateral framework of rules*. An important pedagogical task for all actors involved is to emphasise the *comparative advantage* in the form of high credibility and acceptance, that universally negotiated and accepted regulatory frameworks have over norms that have not been devised through a similar process and whose status in terms of international law is thus unclear. The various multilateral organisations also have in the main long and sound experience of methods and programmes for supporting the promotion of norms. Monitoring mechanisms are established in many areas and instead of creating new or alternative ones, the existing mechanisms should be strengthened and further developed.

The UN's universal declaration on human rights constitutes a important starting point in terms of its comprising and formulating a fundamental principle. It specifies that each individual and each institution and agency in society should promote and uphold the rights as inscribed in the declaration. As a first step, the business sector should be encouraged to demonstrate a willingness to *support the intentions of the UN charter* and contribute to the development of good practice. Such a development has recently been started internationally and it is already clear that many companies would like to have more guidance and information on how they should conduct themselves. The ILO's basic conventions and recommendations on human rights in working life are the natural starting point for norm setting in the workplace. The debate on child labour shows, however, that there needs to be continued development of good practice for the companies' actions, including in these fairly well-defined areas. When it comes to the companies' responsibility outside the workplace, this is even clearer. There needs to be more dialogue, exchange of experience and build-up of knowledge between different actors.

The question of *division of responsibility* between governments and the business sector has not always been clearly answered in the

debate. It is generally accepted that it is governments that have the primary responsibility for the promotion of human rights and for monitoring environmental effects. There has been a shift towards demanding greater responsibility from the business sector, and from the companies' side there are a number of different reasons for the increasing involvement – safeguarding of trademarks, greater competitiveness on the labour market in the recruitment of staff, effects to raise productivity, more predictable and stable external conditions and a desire to contribute to a positive development and towards sustainable globalisation. All these factors are ultimately important in terms of the generation of profit for the individual company.

At the same time, the state also has an interest in cooperating with and supporting the business sector in its efforts to promote the companies' social responsibility. If one studies the initiatives that have been taken in other countries towards *cooperation between the state and the business sector* in this area, a number of motives from the state's perspectives can be found. The first reason is, of course, that all forces are needed in the fight against poverty and that the business sector's contribution to this comprises an important one of these. The contribution can be made through the traditional channels such as direct investments and trade relations. But according to many analysts, the development effect of this contribution can also be enhanced by the business sector taking greater responsibility for ensuring that its activities fulfil fundamental requirements in terms of human rights, basic decent working conditions and environmental considerations. The second reason is based on a desire on the part of the government to obtain broad support from the general public for the business sector's activities, the free world trade and sustainable globalisation. By supporting the business sector when it comes to demonstrating its willingness to take on increased responsibility, the state helps to overcome the suspicion that exists among certain groups towards the business sector.

There are at present few *government mechanisms* that seek to influence the companies' exports in an environment-friendly and socially responsible direction. In those cases where companies receive direct contributions for development cooperation Sida already sets up such conditions. Over and above this, the main

opportunity for such an influence is through the government export credit guarantees<sup>14</sup>.

*The export credit operations* in the OECD countries involves large sums of money annually. Most of these institutions have no special guidelines for taking environmental or climatic factors into consideration, or they have only recently begun drawing these up. This means that, for example, the guarantees that have been given in the area of energy have basically disregarded the general undertakings that the OECD countries have made to support in various ways the developing countries in their work of developing alternative energy sources. One example that can be mentioned is the fact that the export credit operations within the OECD area guaranteed total investments in fossil-based energy production in various developing countries equivalent to 104 billion dollars during the years 1994-99. This amount was more than one hundred times greater than the support submitted during the same time for investments in renewable energy via Global Environment Facility (GEF). The Export Credits Guarantee Board (EKN) has recently decided on environmental criteria for its operation. This is a step in the right direction, but the criteria are at a general level and need to be made more stringent<sup>15</sup>.

In the contacts that the Committee has had with representatives for the Swedish business sector during the period of the review several representatives have expressed the desire for *increased access to information* and advice from the Government Offices with regard to the existing regulatory framework's content and monitoring mechanisms. They also would like to have more information on appropriate methods for promoting fulfilment of internationally agreed norms. Many companies have accepted the fact that they have a social and ethical responsibility, and it is becoming increasingly common for business leaders to take part in the international debate on how best to solve the major challenges facing our world. It is being demanded of them that they have a viable knowledge of the problem and issues involved, that they are involved and committed, and that they demonstrate an active willingness to contribute to finding solutions. Many Swedish companies have also come a fairly long way in their efforts to find forms and ways of working that meet the requirements for socially and environmentally acceptable business behaviour.

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<sup>14</sup> Bjurling et al, 2001.

<sup>15</sup> WRI, 2000.

For the companies' part, a more developed cooperation with government actors and public administration can lead to *greater access to knowledge* and information on the multilateral regulations, the underlying points of conflict and compromise solutions, on how these regulatory frameworks can be operationalised and implemented in work practice, and on concrete HR situations and risk scenarios in different countries. Information can also be obtained on the development of practice, thinking, legislation and interpretations as well as the activities of other actors. Direct contacts with experts in the multilateral system can be arranged as well as contacts with local expertise and political leadership.

#### 7.4.4 Considerations and proposals

##### **Considerations**

In the coming years, the world's governments together with representatives of civil society, international organisations and the business sector, will in all probability be faced with the task of specifying in more detail what the extent and content of the business sector's area of responsibility should be, and how this responsibility should be translated into practice. Sometimes it will involve national legislation, e.g. on export financing or so-called "disclosure requirement", which has been introduced in some countries<sup>16</sup>. In other cases it will involve contributing to new "social partnerships" at local, national or international levels. In the most far-reaching cases, the role of the governments will be to establish in multilateral negotiations, international conventions and agreements that determine the frameworks for social and environmental obligations for companies. It can be stated here that a number of countries have advanced further than Sweden in *formulating a policy* for this area<sup>17</sup>, while at the same time several Swedish initiatives have been taken during the most recent period, including the Swedish Social Compact<sup>18</sup>. The need for an overall policy is, however, obvious as the questions involve a large number of ministries and authorities. The Committee believes that the time is ripe for a review of how a Swedish policy in this area might be formulated.

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<sup>16</sup> Zadek and Löhman, 2001.

<sup>17</sup> Bjurling et al, 2001, Zadek and Löhman, 2001.

<sup>18</sup> An initiated which the Swedish government started to develop in autumn 2001.

The proposals that are submitted are based on the developments taking place in a large number of countries where the pressure for change and forward-looking planning have for various reasons been more developed. The Committee believes that the proposals represent a balanced starting point for establishing Sweden as one of the leading forces in promoting the business sector's expanded assumption of responsibility as an *important cornerstone* of a policy for global development.

The investments should be guided by the overall PGD objectives as formulated in this report. In addition to this, the acquisition of knowledge about the effects of the business sector's activity should be strengthened. An expanded *exchange of expertise* should be brought about between actors with knowledge and experience of development-promoting activities, and companies with knowledge of the preconditions for carrying out profit-making business activities.

The policy should also aim to *promote leadership* in the taking of social responsibility, not just through market-leading companies but also in small and medium-sized enterprises. There is also a need to strengthen voluntary codes of conduct by facilitating harmonisation and by promoting the establishment of effective monitoring mechanisms. Support should also be given to the increasing cooperation between the UN system and the private business sector. This cooperation can promote the business sector's involvement in and understanding of the major challenges and contribute to greater awareness of development effects in their activities. It can also bring about extra contributions of additional resources together with new forms of work and other changes that will make the multilateral system more effective.

The overall point of departure should be to promote multilaterally negotiated regulations, and to counteract any initiatives that risk diluting or undermining them. This can best be achieved through *harmonisation* between different voluntary initiatives, where the aim should be to strengthen, operationalise and follow up the multilaterally negotiated texts. There should also be a careful analysis and inspection to ensure that such initiatives make a positive contribution to the PGD objectives and that they do not contribute to increased protectionism. There needs therefore to be an ongoing evaluation of the effects of the initiatives on the situation with regard to human rights, working conditions and to the care and protection of the environment. The EU's work in this area

should be closely followed. The Committee welcomes the cooperation that has been started between individual companies and NGOs such as Amnesty, Save the Children and the Red Cross<sup>19</sup>.

The business sector has an important role to play in the production and management of *global public goods*, among other ways by actively taking part in the creation of new products, new technology and new methods for dealing with and responding to issues that concern our common global destiny. The Committee has chosen to highlight two areas where this is especially apparent – IT and “green” technology. Greater cooperation within these areas, as well as in a number of other areas such as dealing with infectious diseases and disaster management, illustrates the potential that exists in a closer cooperation between development expertise and the business sector. The Committee believes that the time is ripe for initiatives that can facilitate the development of Swedish companies that are competitive not just in their basic areas of expertise, but also when it comes to contributing with effective solutions for enhancing the promotion of human rights and sustainable development.

### Proposals

- Increased growth in the developing countries is a decisive factor in achieving the development objectives and fighting poverty. The Committee believes that greater cooperation between the business sector, trade policy and development cooperation is therefore necessary.
- The business sector should increasingly be invited to take part in the planning stages of country strategies.
- The Swedish trade union movement should increasingly be utilised as a resource in PGD and in the promotion of companies’ social responsibility.
- The Committee proposes an investigation of the question of whether companies’ and pension funds’ reporting obligation in the social and environmental field should be regulated by Swedish law.

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<sup>19</sup> An example is the book “Mänskliga rättigheter – Företagens ansvar?” [Human Rights – The Responsibility of Companies?] published in 2001. A reference group consisting of representatives of Swedish companies, SNS, Amnesty, and the Globkom secretariat was associated with the authorship of this book (Fagerfjäll, 2001).

- The Committee proposes an examination of the question of whether export credit provision through EKN (Swedish Export Credits Guarantee Board) and Svensk Exportkredit should be combined with conditions relating to the demonstration of respect for human rights, as well as tougher conditions relating to environmental consideration.
- The Committee proposes that Sweden should work with the Swedish business sector towards the development and harmonisation of international regulations for the companies' social responsibility.
- The Committee proposes an examination of the question of government assistance through an independent national organisation for the promotion of companies' social responsibility. Such an organisation should aim to promote the assumption of social responsibility among Swedish companies. Experiences from already established initiatives and initiatives currently being devised in such places as Norway, the Netherlands and the U.K. can inspire and inform decisions in Sweden on organisation, participation, financing and work content. There should also be coordination with the contact point for OECD's guidelines for multinational companies and "Swedish Social Compact".
- The Committee believes that the exchange of information between the Government Offices and the business sector can be strengthened further concerning issues relating to the HR situation in different countries, and the companies' opportunities to contribute in different countries to the promotion of human rights and a sustainable development. The exchange of information can also include information on the HR work being done in different international bodies and monitoring commissions, the role of companies in conflict areas and in conflict-prevention work. Better information is also needed so that developing countries will be aware of the OECD countries' expectations on their companies.
- The Committee proposes that Sida be given the task of ensuring that its trade and investment-supporting operations are consistent with human rights frameworks and with the goal of sustainable development. Sida should also consider devising supportive measures for local producers in developing countries with regard to respecting basic human rights in working life and to meeting envi-

ronmental requirements. The aim can, for example, be to meet requirements through different voluntary systems for environmental and social marking or certification. Sida should also examine how support can be arranged for the growing number of networks for companies under rapid growth in developing countries. Their aim is to increase the degree of the local business sector's assumption of responsibility and contributions to common, international development objectives.

- The Committee believes that labour-market and work issues must be brought to the fore in development work. The effects of establishing economic free zones should be given special attention.
- The UN system should be supported in its efforts to find suitable forms for involving the private business sector in achieving the international development objectives, including through continued Swedish support to Global Compact and through active Swedish involvement in the UN's various monitoring commissions. Here, Sweden should work to ensure that these also take up companies' actions in their inspections.

## 7.5 Civil society organisations

### 7.5.1 Contributions towards greater agreement in the policy

Despite the fact that many member organisations in high-income countries are now losing members, and the influence of the popular movements in society appears to be on the decline, *involvement* and awareness of social issues are thought to be greater than ever – especially among young people<sup>20</sup>. The lifestyle portrayed as unsustainable from a global perspective is increasingly being challenged by groups within civil society, both in the developing regions and in high-income countries.

The new information technology plays a major role in this development and also contributes towards a *global civil society* that is growing in strength. The organisations of civil society in different countries are gradually building up and expanding their mutual communication, which often means that they are now increasingly

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<sup>20</sup> See the Country Council for Swedish Youth Organisations (LSU) and Forum Syd's documents "Ungas delaktighet i utvecklingspolitiken" [The participation of young people in development policy, in Swedish] and "Framtidens organisation kring globala frågor" [Future organisation around global issues, in Swedish].

in accord when it comes to their work and their objectives. One can also now see that the focus or control is shifting from the organisations of civil society in the high-income countries to the developing countries, for example in the worldwide Jubel campaign of 2000 which was centred on the eradication of debt.

The experiences and insights gained by NGOs in cooperation and alliance with other likeminded organisations all over the world are an important *source of experience* for Swedish authorities and decision-makers. Independent organisations, popular movements and religious associations cover a wide range of interests and perspectives in their activities and their involvement. They often have a political breadth and a capacity to incorporate and respond to trends and opinions in society and in the world. When devising the Swedish policy on global development it is, therefore, important to have a dialogue with the organisations of civil society. This will be particularly required for the purpose of increasing concordance between policies in the areas of trade, foreign affairs, environment, agriculture, security and development cooperation, and Sweden's actions both in bilateral cooperation and in multilateral organisations (see also proposals on the "citizens' forum" in Chapter 8).

#### 7.5.2 Global civil society

Transboundary networks are growing and now represent powerful forces in our societies. These are becoming a reminder of global solidarity and the fact that the world has common resources at its disposal as well as common problems to solve. Through the growth of a global civil society, i.e. NGOs acting in a global public arena and forming their own *networks*, these organisations have gained an increasingly prominent position. Globalisation has created many new alliances that are often successful in generating awareness of global responsibility and global benefit.

Aside from the UN and other governmental international organisations, a global civil society that sees itself as the representative of *popular will* is now also rapidly emerging. It is sometimes unclear which rules and norms these networks are controlled by or which ones are setting specific agendas. But in so far as they are based on democratically-created national and local organisations, they have an important role to play.

At most of the major international conferences organised, for example, by the UN, civil society's organisations are now extremely active and forceful. This trend became apparent as early as the UN's disarmament conferences and UNCTAD's conferences in the 1970s. At UNCED in Rio de Janeiro in 1992 the involvement of civil society's organisations was very great, and parallel NGO conferences, networks and fora during the preparations for UN conferences are now an indispensable part of the process. In this way civil society's international organisations are acquiring increasing influence in multilateral fora and cooperation.

A similar international civil society has been formed in relation to the EU. Swedish NGOs are particularly involved here and are able to influence the EU towards, among other things, greater openness and transparency.

### 7.5.3 The role of civil society in development cooperation

Experiences from international development cooperation show that civil society's organisations in the developing countries play an important role in combating poverty both through their advocacy work and in their practical operations in projects and programmes. Civil society in the developing countries often has a rather different structure compared with that in the high-income countries<sup>21</sup>.

In order to eradicate poverty, it is essential that poor people with their specific knowledge of the conditions of poverty be given influence over political decision-making processes. Civil society's organisations therefore have a role to play as *promoters of human rights and democracy*. A wide range of organisations contribute towards the pluralism that is so important in all democratic societies<sup>22</sup>. The issues of democracy were given a prominent place on the high-income countries' development assistance agendas during the 1990s. Many civil society organisations began to be seen as important promoters, bearers and defenders of democracy. The trend was that an increasing number of civil society organisations in the developing countries received direct organisation support from NGOs in the high-income countries for the purpose of strengthening expertise and capacity development.

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<sup>21</sup> Stålgren, 1996.

<sup>22</sup> Boussard, 2001.

The assessment is more mixed when it comes to a consideration of how successfully civil society organisations have managed to anchor and incorporate work in the respective countries as *promoters of social services* or infrastructure<sup>23</sup>, thereby contributing to a local assumption of responsibility for further development. There is a danger of civil society organisations taking over tasks for which the state should have chief responsibility, and that coordination, control and planning will suffer as a result.

Development assistance financiers have a great responsibility to ensure that development assistance does not undermine local democratic administration and management. If a civil society is to be able to contribute to the development of democracy, the political institutions must be effective and legitimate. The Swedish support by organisations closely associated with political parties and that aims at supporting democratic work is therefore important.

Civil society's organisations are acquiring an increasingly important role as advocates and opinion mobilisers, *social influencers* and educators. This role can be seen as part of their information and communication work, but also as part of the direct forms of development cooperation support. It might involve strengthening the development assistance opinion and will in Sweden, and creating understanding of the complexity of development assistance. It can also involve creating enabling conditions for cooperation partners in the developing countries to organise themselves, to make themselves heard and to be able to influence their own situation.

In Sweden there is a long and well-established tradition of international solidarity. Popular movements, churches and other religious associations, research institutes, trade union organisations and many other different solidarity and development assistance organisations have been of crucial importance to the growth and continued vitality of Swedish development assistance. Over the decades, together with the political parties, they have sustained public opinion on the so-called one-per cent goal (one per cent of GNP to be allocated to development assistance).

From a *South perspective with increased opportunities for choice*, strong and independent NGOs in the developing countries are of the utmost importance. They must have influence over their own

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<sup>23</sup> Riddell, 1995.

operations, their relationships and their choice of cooperation partners.

When NGOs' development assistance is working well, there is often cooperation between organisations with common values and agreement with respect to overall objectives. It is also common for organisations with a similar orientation to cooperate – e.g. child rights' organisations work with other child-oriented organisations, religious associations with other religious associations, etc. This type of cooperation creates a form of "social capital" and not only comprises conditions for mutual international understanding and democracy, but can also in the opinion of many analysts create amenable conditions for economic growth.

We need, however, to know more about how different kinds of civil society organisations work, what results they achieve and how they contribute to the promotion of democracy, development and poverty reduction. Better documentation, e.g. systems for results-based reporting, is needed and support to research in this area should therefore be strengthened.

#### 7.5.4 Considerations and proposals

Civil society's organisations can make valuable contributions to an active Swedish policy for global development through their outward-oriented awareness-building and opinion mobilisation, and through knowledge and expertise-building work. The involvement of young people in the formulation of a policy for global development and its organisation is extremely important<sup>24</sup>.

A Swedish contribution to the strengthening of the dialogue between civil society and the state in developing countries can be based on our experience of long-established political dialogue between state institutions and civil society organisations in Sweden.

The development assistance to civil society's organisations in the developing countries can be channelled through Swedish or foreign NGOs, international NGOs, the European Commission, as commissioned development assistance or as direct support through Sida and the integrated embassies (Chapter 6).

In a growing and increasingly independent civil society in the developing countries, Swedish NGO development assistance must

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<sup>24</sup> LSU and Forum Syd, 2001.

be adapted to meet the democratic demands made by the domestic organisations. Development assistance should be disbursed through those organisations that have been shown to have comparative advantages to the extent that they are in demand from – and meet the needs of – the civil society organisations in the developing countries. The same requirements in terms of achievement of results and objectives should be imposed irrespective of the sub-national channel selected.

*Popular forms of international cooperation* in which the cooperation itself as well as the effects in Sweden are deemed to be desirable, will also in future consist to a greater extent of development cooperation with poor countries. This form of close cooperation between two likeminded and equal parties, “twinning”, should be expanded and deepened in order to encompass a much broader range of activities, contacts, exchanges and meetings between people. There should also be, for example, exchanges between Swedish municipalities and their equivalents in the developing countries.

The forms for an ultimately broadened and deepened international cooperation at popular levels should, as recommended in Chapter 6, be investigated further. This should be carried out in close collaboration with Swedish NGOs and representatives from organisations in the partner countries.

- Support for forms of cooperation that make it easier for civil society’s organisations in the developing countries to take part in global cooperation and enhance their own expertise should be prioritised.
- Sweden should support networking activities and cooperation between NGOs in the developing countries as well as cooperation between organisations working at local, national and global level. It is especially important that local experiences of poverty and oppression are allowed to influence national and global policy choices.
- Civil society organisations in the developing countries should also be given opportunities to be included in task forces involved in the production and management of global public goods as recommended.
- Swedish development assistance to civil society should be used to a greater extent than presently for expertise and capacity development in order to promote the organisations’ democratic struc-

tures, political and financial independence and programme-related and their programming and administrative effectiveness.

- Support should be given for research on organisational cooperation across borders as well as on international cooperation in order to formulate and establish clear criteria for which organisations and forms of cooperation are most effective in different situations.

## 8 Management, learning and analysis

### 8.1 Political responsibility and parliamentary supervision

#### 8.1.1 Objectives-oriented and results-based management

A central starting point in the discussion of how the management of PGD should be organised is to be found in the general rules and principles for economic steering and control in Swedish central government administration. Economic *management* partly involves financial control and auditing, partly results-based management, whereby the latter requires clear objectives for the operations involved. There should also be follow-up and evaluation mechanisms to provide continuous monitoring, and also for post-performance analyses of the extent to which the operation has produced the intended results after activities have been carried out.

The level of ambition is high when it comes to introducing results-based management, and this is expressed in a number of public statements. Stringent demands are placed on precise formulation of objectives and on reporting the effects of the operations. The overall objectives proposed for PGD in this report *are difficult to measure* and must be supplemented by more immediate and intermediate operational objectives.

A number of different methods for applying results-based management have been put before the Committee<sup>1</sup>. A *trial and error method* that can be applied is to accept that the objectives are stated in a generalised, schematic way and that management takes place through the allocation of resources, in other words through financial control and audit, while at the same time the political level requires a reporting back in terms of outcomes and effects. Provided that reporting back is carried out properly, and that the political level is prepared to respond clearly to it, it should be

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<sup>1</sup> Sanell, 2001.

possible according to this proposal to formulate more precise objectives afterwards.

Another recommended method is to use inputs/performance as an indicator of effects. This method involves the construction of cause-and-effect chains based on theoretical assumptions and practical, empirical observations. It can be difficult to establish a clear connection between inputs/performance – e.g. an information campaign – and its ultimate effect, e.g. greater gender equality. It may be easier to show effects at earlier links in the chain, e.g. the fact that legal obstacles have been removed. Such effects can be used as indicators of final effects. The Committee believes that this method will be necessary in situations where the final effects and impact can be difficult to measure in a reasonable manner. However, the method does require the construction of plausible cause-and-effect chains – something currently lacking in many management documents and systems<sup>2</sup>.

A number of different documents and processes now comprise important instruments for management and control: parliamentary reports, official government bills, documents and communiqués, action programmes within public agencies, country strategy processes within development cooperation, budget proposals and appropriations documents. Among the most important documents for practical application are *the government appropriations documents*, which state the conditions for and which govern the operations. The appropriations documents also include more specific prioritisations as well as and requirements for reporting back from the operational levels. It is important to state in these contexts how the government wants the problem of formulating objectives to be solved.

Sweden has played a part in the negotiation of the international development goals, and is thus has a commitment to contribute to their realisation. In the necessary *operationalisation* of the three *objectives* for PGD one of the first steps should be to examine whether any of the international objectives might serve as a starting point for continued operationalisation. The Committee anticipates that development of methodology will be required, with respect to how the international development goals are to be supplemented with those dimensions that are lacking - among other things, aspects relating to democracy, security, the rule of law and human

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<sup>2</sup> Frühling, 2001.

rights - and how these should be disaggregated and broken down to lower levels, e.g. with regard to country, different groups of people, time periods, etc. Also required is the continued development of control systems linking the overall objectives of PGD, relevant international development goals and operational objectives at lower levels. The international work that is currently being carried out for this purpose should serve as the point of departure in this regard.

The following concerns the question of how operations can be managed and coordinated when *the cooperation of many policy areas* is required if an objective that has been stipulated by the Parliament and government is to be achieved. A starting point for the discussion is that the general rules and principles of financial control and audit in Swedish central government and public administration should be applied, including the principles of results-based management. Detailed control mechanisms must be adapted to specific conditions, and these in turn will be related to the possibilities of formulating quantified objectives that can be monitored.

### 8.1.2 Development consideration in all policy areas

All ministries have major responsibility for Swedish involvement in some international organisation. Several ministries have coordinating roles and duties within different areas. Most ministries therefore manage issues where policy proposals impact upon the development of poverty in the world. The boundaries between national and international policy have thus gradually been erased as *the specialist ministries have become internationalised*<sup>3</sup>.

The increasing scale of involvement in international organisations has also led in recent years to a considerable expansion of the scope for independent action by authorities in international fora. At the same time, this tendency has been strengthened by the increased decentralisation within central government administration, i.e. more tasks are being transferred from ministries and delegated outwards and downwards to administrative authorities at lower levels. When Sweden is represented by officials from authorities, there can be a conflict between the authority's traditional right to independence and the

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<sup>3</sup> The Agency for Administrative Development, 2000.

demand for those concerned to act in accordance with the government's intentions in international issues, which at the same time are becoming increasingly more "political". *Vertical coordination* and clear instructions are required with regard to an ever-increasing number of issues, while *horizontal* coordination is needed in order to elucidate the issues from many different perspectives.

In certain issues, it is unclear where main *responsibility* for the international operation should lie and which objectives should apply. All in all, what is needed is clear, overall development goals and quantifiable intermediate objectives and targets coupled with an agreed division of responsibility for the fulfilment of objectives at the various levels.

In Chapter 2, the Committee proposed three overall objectives for the Swedish policy on global development. The first objective – "a more equitable global development" – should, according to the Committee's proposal, apply to all policy areas concerned, while the second applies to the policy areas wherein the production and management of global public goods are concerned, and the third primarily to development cooperation. This means that the policy on global development, *PGD*, involves several expenditure and disbursement areas, and should be integrated into the activity of the policy areas concerned. In practice this would mean that each ministry has responsibility for following up its respective authorities with regard to the PGD objectives. When so requested by the ministry chiefly responsible for PGD, other involved ministries should report the results relating to the specified objectives. The overall goals need to be broken down into more immediate and intermediate objectives that can be measured and monitored within each affected policy area. The Committee's proposal is that the *international development goals* deemed to be *relevant* and their indicators should serve as the starting point for this operationalisation.

It is also necessary to establish who will be responsible for the fulfilment of objectives, as well as when and how reporting back should take place. *Information on results* should be relevant in relation to the specified objectives, and reporting should focus more on *activities* and less on the performance of the authorities. Results should if possible be recorded more in quantitative terms using indicators or fixed key ratios or proportions.

Experiences from other countries demonstrate the importance of management of developmental and poverty issues, as well as the question of coherence, at the *very highest levels* in order to achieve concordance<sup>4</sup>. This applies at national and international levels as well as within ministries and authorities. The management of special interests and sector interests is thereby made easier. To guarantee coherence in striving to achieve the PGD objectives, it is necessary to have widespread *consultation* with the various actors at the Government Offices together with the affected ministries and other actors. Experiences from other countries show that the establishment of an authoritative coordination function makes this task easier<sup>5</sup>. Formal consultations are of key importance, but the value of creating the climate and space for informal contacts and discussions is also crucial. The consultation within Swedish public administration is extensive and will become increasingly important when issues are internationalised or developed into multi-sector issues that cut across ministerial boundaries.

The Committee proposes that *responsibility* for meeting the first objective for PGD should be borne by all affected ministries and ministers. It is also proposed that a *coordination function* be established at the Government Offices with responsibility for requesting reports from the respective ministries, and for reporting back to the Parliament for the overall PGD. This coordination function should have responsibility for producing background analyses and establishing interministerial task forces for different thematic issues within PGD, where these are deemed necessary. The coordination function could also have responsibility for identifying cross-ministerial and inter-ministerial issues whose policy formulation affects the development of poverty in the world, and for proposing where the main responsibility for each issue should lie. Further, the function could also be responsible for ensuring that all ministries identify which instruments can contribute to the fight against poverty within each policy area, and carry out impact analyses of effects on poverty in connection with establishing the policy in key areas.

The function should also be able to ensure that each ministry concerned establishes which international development goals and targets are relevant for each policy area, and that *action plans* are produced in respect of contributions for the fulfilment of these.

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<sup>4</sup> OECD-DAC, 2001b.

<sup>5</sup> OECD-DAC, 2001b.

Each ministry is responsible in turn for ensuring that the objectives are passed on to relevant subordinate authorities.

The fact that an increasing number of questions now include an international dimension and are complex in that they involve a range of different specialist ministries also affects the elected representatives' control and management of these issues more complex. A range of new working methods have emerged in the Parliament as a result of these developments. These involve temporary committees and the gathering of statements from other affected committees and task forces by the Committee with main responsibility for a particular issue. A suitable working method should be identified to ensure *the Parliament's access to information and its cooperation* in PGD's implementation in all affected policy areas.

### 8.1.3 Global public goods – cooperation and co-financing

This report proposes expanded cooperation and increased co-financing between development assistance and other relevant policy areas for the production of global public goods. It is also proposed that Swedish resources should be concentrated on a *selection of global public goods* within, among others, specialist areas where Sweden has expertise and where it is possible that measures can contribute to positive development and to sustainable results.

It is recommended that the *coordination function* discussed in the previous section also be given responsibility for *drafting proposals*, after close consultation with the concerned ministries, to government and the Riksdag about which public goods should be prioritised and where the main responsibility should lie, as well as for organising the *reporting of results* to the Parliament.

To ensure that the experiences and expertise of the Swedish human resource base are utilised, the Committee recommends that new working methods be tried out with task forces for each global public good, with assistance from the concerned ministries and authorities, industry, the business sector, NGOs, academic institutions and developing countries. Their task should include the drafting of proposals for operational objectives based on relevant international development objectives, as well as of action plans for Swedish measures to achieve the proposed objectives. In addition

to this, suitable instruments and financing possibilities both at national and international levels should be identified. From this analysis, it will then be possible to propose appropriate cooperation constellations that ensure that all synergy effects are made use of and that the development assistance fulfils its role as a *catalyst*. An action plan for a chosen public good will probably include many different types of inputs and interventions in order to achieve the specified operational objective. This may involve assistance to support measures at national level in developing countries, inputs via multilateral organisations, support to activities in high-income countries, commercial projects and inputs from civil society.

Within the development cooperation inputs, a large number of interventions that are characterised as measures to promote global public goods are already being carried out. Sida's expertise in a number of areas will constitute a valuable starting point for the expanded cooperation across ministerial boundaries, as will the expertise within a large number of other authorities. There may also be a need to strengthen *specialist expertise* at Sida in some of the areas that Sweden chooses to prioritise. The Committee foresees a need for competent analytical capacity for the selected issues, both at the Government Offices and at Sida and other concerned authorities.

To ensure that resources intended for the fight against poverty, both at national and international levels, are used for this purpose, there must be a sound analysis of the distribution of costs and benefits of different programmes and measures that aim to promote the production of global public goods. UNDP estimates that one development assistance dollar of four now finances production of global public goods<sup>6</sup>. Certain developing countries believe that development assistance resources are being "hijacked" to manage and finance the production of global public goods, goods that in certain cases primarily satisfy the needs and interests of high-income countries. The Committee believes that Sweden should advocate and work actively for high-income countries' investing a greater degree of their own resources in these measures.

One of the basic points of departure in this report is that there are two motives for fighting poverty – solidarity and enlightened self-interest. In the implementation of this basic idea, the question of *financing* is central. Active co-financing and active collaboration

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<sup>6</sup> Kaul et al, 1999.

across ministerial boundaries in working with each issue will ensure broad responsibility and involvement, greater access to expertise and a clarity of approach that will ensure that measures promote both national targets and the objectives of Swedish PGD. The Committee is of the opinion that methods to facilitate co-financing should be developed further.

#### 8.1.4 Reporting and monitoring development assistance

The DAC's review of Swedish development assistance in the year 2000<sup>7</sup> noted that there was a need to *more precisely define the objectives* for Sweden's development assistance, and also to improve results-based management in general. However, the DAC provides no further detailed recommendations with regard to how this might be achieved.

In many cases it is technically difficult to measure the fulfilment of objectives. There is little possibility of registering the results of activities, at least in the form of distinct or palpable effects. Moreover, the possibilities of tracing results back to specific measures are limited since there can be a vague, almost *unmeasurable* direct connection between measures and effects. When it comes to development assistance, it can also be difficult to demonstrate the specific effects of a particular donor's contribution. The task of further developing the results-based management needs therefore to continue.

For partner countries with a *long-term general budget support*, a careful monitoring of results is required, preferably carried out by the country itself or alternatively in collaboration between the donor's and the recipient's audit offices and/or evaluation functions. The Committee predicts that support for national auditing activities will be required in many countries. The international development goals and the targets and indicators that the world community has agreed upon should be the starting point when choosing which objectives should be achieved within an agreed timeframe. It should also be noted that certain dimensions of poverty such as democracy, security and the rule of law, and human rights are not covered by these objectives and indicators. An additional number of intermediate objectives and indicators should therefore be formulated by the recipient country.

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<sup>7</sup> OECD-DAC, 2000.

It is, however, important to note that with this kind of administrative procedural system, it will not be possible to evaluate in precise detail what the Swedish funds have helped to achieve, since they will have been allocated to the recipient country's budget<sup>8</sup>. There is instead a greater need to coordinate the auditing work between donors and the recipient country's auditing authority. This has been pointed out by a number of donors, and a study of the views of different countries on the subject of examining other countries' national auditing authorities has, according to the Swedish National Audit Office, been recently carried out by a number of donor countries. The Office believes that a national auditing body cannot disassociate itself from or through negotiation break free from its right and opportunity to inspect the use of national funds. The course of action that can be taken is to create on a voluntary basis, through quality control etc, forms of collaboration to reduce the need to inspect what another national auditing body has already inspected or is planning to inspect without taking away the unconditional right. The Committee proposes that Sweden should take the initiative for such a voluntary *collaboration between different national auditing bodies*.

Objectives-oriented and results-based management of Swedish-financed operations in countries that *do not fulfil the criteria for unrestricted budget support* with independent responsibility for results must of course be formulated and dealt with differently.

Proposals for strategies and implementation of interventions in countries receiving *selective support* should be drafted by Sida in close collaboration with external stakeholders, including cooperation partners in the South. The fight against poverty, as it has been formulated in the third objective for PGD, should constitute a strategic focus for all Swedish development assistance to these countries. This means that the choice of inputs should be based on its potential to contribute to or carry out in the most effective way possible a sustainable fight against poverty in all or some of the dimensions included in the broadened poverty concept. This means that inputs, measures and actions will vary in different countries and will be intimately associated with the specific starting or baseline position, and conditions for implementation. Given this starting point, Sida's investigative and

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<sup>8</sup> This is not a new phenomenon. For a description of fungibility and attribution, see Svensson, 2001.

analytical resources should focus on devising *strategies for supporting the fight against poverty in partner countries* with clear result objectives. There are grounds for looking at the need for competence development within Sida to ensure that these country analyses include all the various dimensions of poverty.

*The country strategies* are at present the government's most important instrument for the management of development cooperation with individual countries and regions. However, according to more recent studies of a number of approved country strategies, there are flaws in terms of focusing on the poverty reduction goal, and discrepancies between the country analysis and the proposals relating to further development cooperation, i.e. the country strategy itself. The country analyses tend to be descriptive rather than analytic, and in the opinion of some analysts, the content of the strategies is often governed by the current composition of the "project portfolio" in the respective country, and also by the traditional sector-oriented approach and expertise of Sida's specialist departments<sup>9</sup>. The Committee believes that the country strategies should be based on the developing countries' own national strategies for combating poverty, and on other national, relevant strategy documents. They should also take into account the country strategies of the multilateral organisations, and note the importance of seeing to it that all strategies move in the same direction. The analysis should lead, among other things, to an understanding of which international development goals should be prioritised in order to achieve effective poverty reduction in the country concerned, while at the same time objectives must be formulated and agreed on for the dimensions of the poverty concept that are difficult to measure.

Increased use of *external forces*, including participation from the South, should be striven for. NGOs and the private business sector have experience of local conditions in a large number of countries, and professional organisations possess in-depth knowledge of issues affecting working life in different countries. A number of other actors possess other expertise which, depending on the country and the activity, can be of value to include at an early stage. Most importantly, however, stakeholders from the country concerned should participate in devising the strategy. The starting point must be the collective development assistance to a specific

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<sup>9</sup> Frühling, 2001.

country, and a logical, international division of work and responsibilities in the respective country.

An important consequence of the proposal to base strategies and action on local conditions is that qualified analytical, implementation-related and monitoring capacity should be shifted from Sida's head office in Stockholm to the embassies and in-country offices in the partner countries. One precondition for this is that the number of partner countries for long-term cooperation should not be too great. The capacity for active involvement of this kind can also be shared with like-minded donor countries. A good example is the cooperation between the Nordic countries in Mozambique. The administration of Swedish resources in a number of other countries can thus be transferred to like-minded collaborators while at the same time Sweden must be prepared to take over responsibility for the resources of other donor countries in certain selected countries should this be requested.

The proposed changes will probably lead in time to fewer employees at Sida's head office in Stockholm, while simultaneously the need for the expertise there will be sought from an increasing number of ministries and authorities, as well as probably also from the private business sector and various organisations.

#### 8.1.5 Evaluation and learning

Evaluation forms a central part of objectives-oriented and results-based management, and is a means of exercising control and guidance, and of increasing knowledge of operations. Depending upon how the evaluation system is organised, the balance between these functions will be affected. The closer to the actual operation the evaluation function is, the greater the likelihood that the results of the evaluation will be noted and used. An evaluation authority should also have a certain distance from the operation in order to guarantee impartiality and credibility.

When it comes to bilateral development assistance, the chances of evaluation results being used increase if the evaluated parties themselves take part in the evaluation, for example by identifying problems and collecting data. This way, the evaluation process itself rather than the completed report that creates knowledge for those involved. The biggest problem with today's development assistance evaluations is, according to some analysts, that the host

countries themselves rarely if ever take part in the evaluation process<sup>10</sup>.

The overwhelming majority of reports that are produced lack, according to those same analysts<sup>11</sup>, methodological discussion and therefore analysis of the reliability and applicability of the results. Most evaluations are also based on background material that has not been systematically collected, and rarely consists of anything other than interview-based data. This is partly due to the special circumstances that characterise the evaluation of development assistance. The objectives are often vague and generalised and this makes the task of evaluation even more difficult. Cultural and linguistic differences also reinforce the difficulties that are always present when gathering factual material. Ongoing monitoring of the quality of the evaluations is required. One possibility is to open up the nationally-organised market for evaluations. Increased competition in this regard would leave the evaluators themselves open to evaluation.

In many developing countries, the institutions required for evaluation are weak and support for building up an evaluation function is vital. It is also extremely important to integrate the host countries into the evaluation of common projects. This will increase the recipient country's knowledge of development cooperation and its consequences, and can also build up evaluation expertise that can be utilised in several areas.

In most developing countries there is no external audit function. This helps to perpetuate widespread corruption, mismanagement of public funds, lack of confidence in civil servants and other public employees, inadequate transparency and a crude view of the content and meaning of democratic development. At a more concrete level there are clear shortages in the number of trained personnel available.

A review of evaluation issues in Swedish development assistance was carried out by the Swedish Ministry for Foreign Affairs on commission from the Parliament during autumn 2001. The Riksdag requested that the government review the ways in which evaluation operations that exist outside the development assistance administration can be strengthened. In connection with the government decision that EGDI<sup>12</sup> should be evaluated five years

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<sup>10</sup> Forss, 2001.

<sup>11</sup> Forss, 2001.

<sup>12</sup> Expert Group on Development Issues.

after its inception, the government employed a group of consultants to carry out the evaluation and to put forward proposals for ways of reinforcing evaluation operations within development cooperation.

The group of consultants<sup>13</sup> states in its conclusions that in its opinion *EGDI* has only partly worked with the appropriate issues, and that the work could have been carried out more effectively with a more clearly defined Terms of reference. The group also feels that *EGDI* with its present organisation and operation is *not* suitable for the task as an *evaluating function*, irrespective of which of the studied alternative forms one might choose – temporary committee, research programme at a number of faculties or independent evaluation institute.

The consultation report proposes that *EGDI* concentrate in the future on *policy development and knowledge development*. The current report production, however, should cease, and activities should concentrate on advisory services, synthesising research reports and organising meetings between decision makers and researchers.

In a further study another expert<sup>14</sup> states that the boundary between evaluation and research is fluid, and that it is only in exceptional cases that researcher expertise is not required in order to carry out a credible evaluation. Evaluations can, according to this study, be carried out in principle by an internal evaluation unit, by an auditing body or by independent research groups. The differences will lie in the probability that certain questions rather than others will be asked, and in the way in which the acquired knowledge is used.

The study states that since the beginning of the 1990s, a number of independent evaluation authorities have been set up within Swedish public administration. All of these appear to have started from a perception on the part of the Government Offices that there was insufficient capacity for strategic analyses. Efforts have been made to guarantee credibility through association with the research world rather than through a strengthening of the Government Offices. According to the study, it would be logical to consider a similar solution in the area of development policy. This, however, does not reduce the need in the Government Offices for formulation of policy and strategies. According to the

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<sup>13</sup> Nilsson, et al, 2001.

<sup>14</sup> Molander, 2001.

study, many evaluation reports currently have no effect on policy formulation, since there is no self-evident recipient with the responsibility of ensuring that the report is taken charge of, studied and commented upon.

The Committee wishes to stress a few principles that should guide the formation of the future evaluation system. Since the Committee proposes a broadening of the policy area, the evaluation operation should also have this breadth. Monitoring and evaluation should be carried out in relation to the PGD objectives and the international operational objectives and targets. The development cooperation-related evaluation work will take a different form with regard to different country categories. In the category of countries with *general budget support and independent responsibility for results* the objective should be for the recipient to be responsible as far as possible for the evaluation work, with donors carefully following up this work. In countries with *selective support*, however, there will continue to be evaluation from Sweden or by another donor.

*Objectives-oriented and results-based management*, including evaluation, is increasingly being introduced in the various *international organisations*. The Committee feels that there is room for a more systematic follow-up of this work.

The Committee believes that *the evaluation function and analytical work* relating to global development issues in Sweden in general *should be enhanced*. How the work should be organised is not something the Committee feels needs to be specified in detail, but it emphasises the need for independent inspection and parliamentary control. Operations and activities should be carried out with a participatory perspective and in close collaboration with international experts and colleges and universities. Evaluations that measure the achievement of development assistance objectives must be supplemented by research that can identify unexpected factors and provide further understanding of the societal development that the development cooperation interacts with. For this, *collaboration with academic institutions* in Sweden and in the developing countries should be *strengthened*. At the same time, Sida's extensive internal evaluation operations must also continue. Reinforcement is, however, needed at ministerial level with regard to drawing conclusions from evaluations of development cooperation measures, development policy and evaluations of the work of the international organisations. Such work should be able

to constitute a valuable source of information in the formulation of Swedish policy. The absence of this is, in the view of the committee, a *weak link* in the current system of evaluation.

#### 8.1.6 Financing and effectiveness

Urgent discussion is needed to decide where the responsibility for and financing through development assistance appropriations begin, and where they end. When it comes to cooperation at country level, *the development assistance instrument* should be organised within the overall framework of foreign affairs administration, i.e. the Ministry for Foreign Affairs, Sida and the embassies. Collaboration with a wider circle of actors is also both pressing and necessary. International development cooperation has a range of positive side-effects for Swedish society, which should, of course, be sought and utilised, but they must be treated correctly as desirable side-effects and not allowed to come into conflict with the overriding development cooperation goal.

There is, however, great potential for *co-financing* activities that meet both the PGD objectives and those of the other policy areas, especially when it comes to different global public goods. The Committee believes that a method development initiative should be started to find new forms of work.

Greater importance shall be given to ensuring that a particular development assistance volume achieves maximum effect. Open competition and appropriate tendering procedures are generally always applied when procuring inputs from the private business sector, but not in other cases. One example is the activities of Swedish authorities and their consulting companies in connection with institution building. *The cost effectiveness* of such development assistance cannot be taken for granted, and increased use of open competition procedures should be aimed at. Another example is development assistance measures carried out by independent organisations on commissioned assignment. *Open competition principles and procedures* are not applied in these cases. Instead, funds are allocated on an application basis. It is important to develop models that promote effectiveness in achieving objectives that can be applied to all actors in the commissioned assignments where this is relevant and achievable.

### 8.1.7 Information and communication

Creating awareness of globalisation requires more information measures and activities about multilateral cooperation and global public goods. This work can be carried out advantageously in collaboration with multilateral organisations.

A realistic picture of how the world looks and what causes poverty also provides enhanced prerequisites for support for a Swedish PGD. Polls show that nine out of ten Swedes today want to see greater efforts made to halve poverty by the year 2015, but that only a few, just 14 per cent, believe that this will be achieved<sup>15</sup>. On the whole, Swedes are highly sceptical that it will be possible to achieve progress in the developing countries. The vast majority, 71 per cent, believe that there have been no substantial improvements in living conditions in these countries in the last 30 years. *The image Swedes have of the developing countries* is often one of catastrophes and misery. The outlook for the people in developing countries is gloomy. Long-term work is needed to nuance these images, which are often created or upheld by the media, fund-raising campaigns and poorly-updated textbooks.

As globalisation increases, so too does the importance of knowledge of information and communication processes. Such knowledge is necessary in all advocacy work. It is also becoming increasingly evident that knowledge and communication are *valuable tools* in direct *development assistance work*, i.e. communicative competence is an effective tool in project and programme collaboration. The new information and communication technology (ICT) is an important tool in all development work.

The Committee believes that information, communication and opinion mobilisation are important ingredients in a Swedish PGD for a number of reasons:

- As a way of making programmes and projects in development cooperation more effective.
- To create debate on policy issues.
- To strengthen the support for Swedish PGD and increase knowledge among the Swedish public for the purpose of enhancing Swedish opinion on development assistance.
- To increase awareness of Sweden's role in global development.

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<sup>15</sup> Sifo, 2001.

- To provide information on the results of development assistance and other measures.

## 8.2 Analysis and formulation of policy

### 8.2.1 Need for analysis and build-up of knowledge

National governments and authorities are facing new agendas and increasingly complex problems as a result of globalisation and increasing trans national activity. Ensuring Swedish involvement in the knowledge-intensive international networks that drive many of the issues forward requires access to expert knowledge on the part of officials and other civil servants. Often participation in these contexts depends on personal expertise, given that the networks are person-related, knowledge-intensive and informal. Increased awareness of this will probably have an effect on both staff policy and policy management, e.g. through conscious investments in *specialist expertise* within prioritised areas and the establishment of clear channels between the political level and the people who operate in these networks in a personal capacity. Sustainable structures and incentive systems must be established within Swedish authorities and ministries in order to build up the broad expert knowledge that is needed internally, in other words not just through consultants. Internal expertise will also be required to an increasing extent within authorities and ministries in order to assess proposals, consultancy reports and studies. The capacity of authorities and ministries to utilise experience acquired over a long period of time is often poorly developed, partly due to high levels of staff turnover and the emphasis on generalist competence. The area of genetic policy is an example<sup>16</sup>.

The proposed changes in terms of responsibility and the need for analysis and follow-up also lead to the conclusion that the ministries and authorities concerned need to be strengthened with regard to, among other things, knowledge about development, in the broad sense of the term. They probably also imply an increased need for *analytical expertise* within the proposed coordination function. This expertise should have as its purpose the ability to produce when so required background analyses for the ministries concerned, and to assist with the necessary basic data and evidence

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<sup>16</sup> Thornström, 2001.

when adjustments need to be made between strictly national targets and the targets for PGD within different policy areas. A further requirement would be the ability to assemble background data and provide a basis for decisions on the selection of prioritised global public goods and what the balance should be in cases of co-financing.

A lasting impression from the investigative work is that a large number of studies, reports and research reports are produced in Sweden and internationally on various important themes, yet the routines for making use of this material are undeveloped. A great potential for increased *cross-fertilisation of knowledge* has been noted in this inquiry's contacts with ministries and authorities. Within Sida a number of operations and preparations have been initiated to deal with cross-sector and cross-boundary issues. Prior to future preparation of Swedish positions on different cross-cutting issues it is important to create forms of preparation that allow *cross-sector exchanges* – not just within ministries but also between ministries and authorities. The Committee predicts that specialist expertise will be needed in several areas, partly at Sida, partly for development aspects in authorities and ministries that have responsibility for thematic issues from other perspectives. The Committee also proposes that a database be established for all reports and studies produced in administrative authorities for PGD. This archive should be accessible to all interested parties.

*Advanced training* of officials and other civil servants will probably become increasingly important in the future as a greater number of issues becomes more complex. Such training should be carried out in close collaboration with colleges and universities. The Committee believes that training measures with the participation of developing countries, other high-income countries and multilateral organisations, the private business sector and civil society in the North and South would be valuable, not just in terms of enhancing competence, but also as a method of building alliances with regard to certain prioritised thematic issues. The Committee would like to see a training programme relating to certain prioritised issues, e.g. HR issues and other international norms and regulatory frameworks.

A number of proposals have been submitted to the Committee with regard to how forward-looking planning and expertise in thematic and cross-cutting issues within PGD can be strengthened. The following proposals fall into this category:

- “Free thinking groups in staff positions” at ministerial level.
- The possibility of shared employment between ministry and university to ensure academic expertise in the administration.
- Training measures for how to deal with complex issues with the participation of developing countries.
- Increased support for policy analysis and research.

There is a need to develop both nationally and internationally *new forms of work* that contribute to increasing the exchange of knowledge and the build up of trust between different actors. This is especially important if we are to meet the pressures of change generated by globalisation and the development of experience and knowledge. These forms of work should be flexible and should involve broad participation. Some analysts believe that new forms of work could be a way of reinforcing preparedness for change in the Swedish administration, the EU and other international organisations. Greater collaboration with actors outside these organisations could help to break down institutional rigidities and make it easier for innovative proposals to take shape. Solutions and proposals put forward by a shared ownership promote greater efficiency and long-term sustainability.

For the work to be effective, sustainable and innovative there must be *strong political leadership*, a common agenda, explicitly formulated common objectives, and sound expertise together with trust and a willingness to listen. There must also be a realistic time frame and financial resources to support the process. The end result will probably be a blend of the process-oriented results thinking that is a feature of public administration and independent organisations, in addition to the need for concrete results that often characterises result thinking in the business sector.

## 8.3 Control and analysis at global level

### 8.3.1 Managing global problems

Most countries have a long tradition of dealing with changes at national level. The task of managing changes at global level is a much more recent one. The emergence of a global society and a global economy demands more effective global management. The solution to a long list of common global problems requires

international cooperation. Institutions have already been created for some of these, but others have no self-evident seat. Most people would probably agree at present that there are clear *discrepancies in the system for global control*. Various proposals for how the international community should handle this key problem for humanity have been discussed over a long period of time. A number of initiatives have also been put into effect for the purpose of dealing with common problems.

However, many of the problems facing the world require *very prompt action*. An international discussion is taking place on the subject of suitable forms of management and institutions based on the various alternatives that have emerged in recent years<sup>17</sup>. There are currently a number of mechanisms for handling global issues, all with their respective advantages and disadvantages:

- *Agreements and conventions* exist for some issues. Negotiating new ones for those without effective agreements and sanction systems, or for those with agreements and sanction systems that are considered too weak, will take time.
- *The texts and agreements of the UN conferences* often lack effective monitoring mechanisms and sanction systems.
- *The "agreements" and guidelines from the G7/G8 meetings* exclude a large proportion of the countries in the world, and are criticised for being too far removed from the actual problems.
- *Multilateral organisations* do not have the capacity to deal with the global challenges on their own.

There appear to be two main alternative paths with ideas and proposals for how these mechanisms should be supplemented.

The first path leads to the establishment of some type of *world government* with responsibility for all issues. It is, however, clear that the creation of such an institution would require a considerable amount of time – time that does not exist for many of today's burning issues. Moreover, the likelihood of the end result being an active and effective institution is probably very small.

The second path is based on the idea of taking forceful, limited initiatives and dealing with one global issue at a time. A number of different institutional frameworks with this starting point have arisen during recent years. Examples include informal *associations at government level* such as G20, FATF and the Financial Stability

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<sup>17</sup> Rischard, 2002; Swedish Ministry for Foreign Affairs, 2001.

Forum. These associations hold meetings for government representatives from a number of high-income and developing countries to discuss selected issues. A special association is created for each issue, or else the content of the issue determines who takes part. The association is usually non-permanent but through its formation excludes a large number of countries and other interested parties. The results of the work carried out by such associations are thought to affect the content of discussions conducted within the framework of G7/G8 and also, of course, the handling of issues within the framework of any ongoing international negotiations, including national legislation in different countries.

The emergence and growth of *global networks* for individual issues with participation of governments, civil society and the private business sector is another example. Until now the issues dealt with through this type of network have included such topics as forests and dams. Working procedures consist of a number of phases in which the initiative is often taken by a multilateral organisation<sup>18</sup>. The basic idea is that the initial phase should be so fundamental that it attracts participation that is perceived to be representative by all parties. After the initial phase comes the main task, i.e. the creation of norms and guidelines to steer the future work within the area concerned. The aim is to create a permanent organisation whose brief in the subsequent phase is to monitor compliance with the norms and guidelines. The sanction instrument is not, therefore, legislation or international agreements but rather pressure on governments and companies through threats to “name and shame” them if they fail to follow the agreed guidelines.

One example is the change in the form of collaboration with respect to large-scale investment projects such as dam construction. Failures and strong criticism have led to a readiness on the part of the industry and other parties to find new ways of collaborating.

The Dam Commission WCD, part-financed by, among other funding agencies and organisations, Sida, Skanska and ABB, is an example of a situation where efforts have been made to identify *new forms of collaboration* between different interested parties. It is an experiment from which the Committee has seen reason to learn

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<sup>18</sup> Halle, 2001.

from, both in terms of its positive as well as its negative experiences. The Commission's work has been an innovative process and the first international attempt to achieve multi-stakeholder arbitration<sup>19</sup> with participation from the world's largest entrepreneurs in dam construction, a large number of independent organisations and individual experts. All the participants support an independent process which involves the establishment of a common view of previous experiences and a common plan for future activities, including a number of fundamental principles for deciding on future measures. A number of weaknesses have, however, been discovered in the implementation and follow-up of the Commission's work and these have led to a break-up of support for the implementation.

Proposals for establishing global funds and global alliances for individual issues, e.g. free basic and primary school education, are increasingly being put forward. A number of initiatives have been started in the area of health; these are briefly summarised in Chapter 4.

Another example is the idea from several different quarters of attempting to broaden the base for the global issues in national administrations, not just in terms of responsibility but financially as well<sup>20</sup>. In high-income countries it is proposed that *two budget lines for ministries* be set up, one for national issues and one for activities that require global collaboration. The proposals put forward above from the committee are in line with this reasoning. As has been stated above, the aim is not just to broaden the financial base but also to ensure "ownership" on the part of the responsible ministries and officials at national level.

To achieve a corresponding broadening of responsibility and involvement in national administrations in developing countries, various proposals have been put forward for the establishment of so-called "Global Participation Funds". One reason for this is to enable the *participation of developing countries* in international negotiations; another is to ensure that these countries have sufficient funds to implement agreements. Since both these factors are often crucial to success in the management of common global problems, the Committee finds it logical that contributions to

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<sup>19</sup> Negotiations between a number of different interested parties including representatives of the civil society and industry.

<sup>20</sup> Kaul, et al, 1999.

funds of this type should be partly taken from the budget items that are intended for the particular issue in question.

The number of question marks about how global problems should be dealt with and managed has, however, grown during the last year. Difficulties in obtaining sufficient active support for negotiated agreements on issues concerning our common global destiny, e.g. the issue of climate, and the growing number of protests at various international meetings, are evidence of the need for urgent discussion of the methodological issues. One of the issues that must be addressed in this discussion is whether it is the control functions, compliance issues or the forms of financing that need to be developed for each respective issue.

## 8.4 Considerations and proposals

### 8.4.1 Considerations

Globalisation is characterised by rapid changes in the world around us with the constant emergence of new issues which do not fit into existing structures. Dealing with this requires constant adjustment and *flexibility*, not only in the choice of prioritised issues, but also in terms of how they should be dealt with and which actors should be involved in policy formation concerning them.

A *coordination function* with a mandate to promote inter-ministerial cooperation is proposed. Proposals for work content have been mentioned earlier in this report. The forms of work should be characterised by breadth, they should cross boundaries in several dimensions, and they should have broad general expertise and in-depth thematic and specialist knowledge, flexibility, as well as active and systematic learning from experiences. One task should be to promote and hasten a transition from being passive, reactive actors to becoming proactive actors in a number of selected prioritised issues. Identification of possible synergy effects should be a key task.

Since PGD covers a wide range of policy areas, it is reasonable to record objectives and results both for the policy area as a whole, and on a sector basis. The *overall reporting* should, one might suggest, be in the form of a special document submitted to the Riksdag at least twice during a mandate period.

Cooperation at global level must be enhanced. With more powerful global regulatory frameworks, the elected representatives can take a firmer grip on global development and help to ensure that the balance between economic, social and environmental legislation is improved. The Committee believes that the time is right for Sweden, together with a selected group of countries and representatives from civil society and the private business sector, to take the initiative in bringing about a *new international discussion* on how *issues concerning our common global destiny* should be handled organisationally and methodologically. The need for leadership and credibility has been highlighted. Along with, among others, the other Nordic countries, Sweden has especially sound basis for pushing this issue forward. One initiative would be a logical follow-up to the work that the world community invested in, in the UN conferences of the 1990s, and now most recently in the processes within "Financing for Development" and the World Summit on Sustainable Development. A central starting point for a Swedish/Nordic initiative is the Carlsson-Ramphal Commission's report. The same applies to the various initiatives that have been taken within a large number of different international organisations and that have received financial support from Sweden.

The work should focus on *strengthening the implementation of* existing agreements within the framework of international law, and also on identifying the vacuum that currently exists with regard to norms, regulations and management mechanisms for a wide range of issues. The Committee believes that key issues in a task of this nature should be to examine how *democracy* can be formed and enhanced at *global level*, how an equitable distribution should be ensured and financing guaranteed, and how effective sanction instruments can be created.

Sweden should also continue to *give support to broad global networks* and actively support the global funds that are established for different thematic issues. A basic objective with these investments should be to create support for the multilateral work within PGD.

Global control, like national control, needs to be democratic if it is to be as fair and equitable as possible. Greater participation and involvement on the part of poor people and of small and poor countries is necessary to ensure that the right to participation can be realised. Increased and *enhanced participation* on the part of developing countries in the multilateral organisations and in

international negotiations is key – not just in terms of their formal parts but in their informal ones as well. Consideration must also be given to the limitations on capacity that exist in many developing countries when it comes to the possibility of taking part in international negotiations.

To make active involvement from developing countries possible in spite of their lack of capacity, a number of measures can be taken by high-income countries in connection with important international negotiations. High-income countries can<sup>21</sup>:

- Guarantee financing of *international high-quality expertise* without insisting on having any influence over the choice of experts. Experts should be able to function as a reinforcement of developing countries' negotiating delegations and help in establishing negotiating positions and strategies.
- Give support to the establishment of *analytical and research institutes* run by developing countries but staffed by experts from countries that have expertise to spare.
- Give support to regional collaboration.
- Ensure that all new institutions and regulatory frameworks that have been proposed to developing countries are evaluated on the basis of how much *capacity* they require.
- Initiate new negotiating models where most of *the preparatory work* is carried out by the secretariat concerned and by high-income countries, and where developing countries can come in later in the process with full negotiating freedom.

Effective *information and communication work* is essential when it comes to obtaining and maintaining strong support for PGD. The public's level of knowledge about multilateral global cooperation must be strengthened, and this requires increased investment in information and communication from the Government Offices. Opinion mobilisation should primarily be engaged in by independent, non-governmental and voluntary organisations.

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<sup>21</sup> Winters, 2001.

### 8.4.2 Recommendations

The Committee proposes the following:

- A coordination function for PGD should be established and supplemented by an analysis function from which all ministries can order basic data and background information.
- The Committee believes that further development of a way of thinking focused on objectives and results is of the utmost importance in making global development policy more effective in all its three components. Methods for strengthening objectives-oriented and results-based management and coordination in the operations of independent organisations should be developed.
- The Committee proposes that the evaluation function and the work of policy analysis be strengthened, and stresses the importance of independent inspection and parliamentary control. Operations should be run in terms of a participatory perspective and in close collaboration with international experts and institutions of higher education.
- The Committee feels that there needs to be a strengthening of knowledge about global development and the fight against poverty in authorities and ministries, partly to facilitate the analysis of a development perspective in different policy areas, and partly to pave the way for more fruitful and innovative collaboration between different ministries and authorities.
- Sida and the Ministry for Foreign Affairs should be strengthened with specialist expertise in prioritised areas.
- All policy areas within PGD should develop their information work with regard to international collaboration with the focus on PGD, its requirements, rationales for action, objectives, measures and results. Methods should be developed to stimulate and make use of the knowledge and capacity that exists in civil society organisations, the private business sector and in professional organisations in opinion mobilisation and adult education with regard to PGD.
- When formulating country strategies, external forces should be involved more, especially from partner countries, NGOs, professional organisations and the private business sector.

- There should be greater movement of qualified analytical, implementation-related and monitoring capacity from Sida's head office in Stockholm to the embassies and in-country offices in the partner countries.
- A citizens' forum should be set up with representatives from the government and its authorities, and also from the Parliament, the business sector, the research community, the media and from independent organisations. The purpose should be to enhance insight into, broaden the monitoring and control of and promote dialogue on the Swedish policy of global development.
- Sweden should establish international working groups with broad participation, both subject-related and institutional, for a selected number of prioritised, cross-boundary future issues that require a broad approach.
- Sweden should continue to give support to broad global networks and to the global funds that are being established for various common global issues.
- Sweden should take the initiative in bringing about continued, more far-reaching international discussion of how the issues concerning our common global destiny should be managed and financed.

# Reservations and special statements

## Reservations

By Göran Lennmarker (Moderate Party) and Bertil Persson (Moderate Party)

The fastest reduction of poverty in humanity's history has taken place in the past two decades. This is due to fast economic growth in the major part of the developing world.

Growth has also led to rapid social development; the average life expectancy has increased dramatically, to almost 70 years, infant mortality rates have been halved and birth rates are now considerably lower than three children per woman on average among developing countries. The experience of the past three decades has been very optimistic. A country can pass in a single generation from absolute poverty to relative prosperity. Even a country that has been previously very badly run governed can in a few years achieve rapid growth. It is possible to eradicate poverty at a fast pace. No country is doomed to become stuck in stagnation and misery.

This was illustrated during Globkom's visit to Vietnam. The rapid phasing out of socialism has enabled the country to go from hunger to a surplus of food supplies. Agriculture has been privatised, entrepreneurship encouraged instead of prohibited, central planning phased out, government-owned companies sold and trade and investment are flourishing. The most important task now is to build a state governed by the rule of law and to introduce democracy.

### **New gap among the developing countries**

However, although optimism is predominant, there are nonetheless pessimistic aspects of the situation. There are still over fifty low-income countries, primarily in Africa. In many cases, these are countries that are stagnating, and where the population is becoming increasingly poorer. A new gap is developing – between the developing countries that are catching up with the industrialised countries and those that are stagnating and become poorer. It is alarming that 250 years after humanity began development efforts in earnest that there are still so many countries where the population is starving, where not all girls and boys are able to go to school, where serious diseases go untreated and where most people have no rights. These are countries whose regimes prevent their people from developing. Feudalism, socialism and mercantilism, sometimes combined with fundamentalism or a caste system, are often responsible. The biggest problem is among Africa's 38 low-income countries with a tenth of the world's population. In many of these countries, poverty and diseases, in particular HIV /AIDS, still take a terrible toll with a dramatic decrease in the average life expectancy, often to under 50 years. The focus must now be placed on this category of stagnating developing countries. It is possible to eradicate poverty quickly. It must also be possible in the countries that are now stagnating.

### **Trade and investments are most important**

Export income is predominant among the developing countries' external revenues, followed by foreign investments and private development assistance, mainly remittances. The official development assistance (ODA) is responsible for around three per cent of revenues. Even if ODA has a marginal role, it is important for the transfer of knowledge in key areas. The most important action the industrialised world can take to promote development and reduce poverty is to remove barriers to trade and promote investments. For low-income countries, official development assistance is more important, since trade and investments are often not particularly developed. In the African low-income countries, which do not have major oil income, development assistance accounts for over ten per cent of their GDP. Certain countries have had extensive develop-

ment assistance (10-30 per cent of GDP) for several decades and have still not succeeded in reducing poverty. This experience indicates how important it is that development assistance is structured in such a way that it contributes to reducing poverty. It is therefore not correct to set up disbursement targets for development assistance. Poverty reduction must be the goal.

### **A new start**

In the past thirty to forty years, development cooperation has not been very successful in many of Africa's low-income countries. A lot of development assistance has for a long time not led to rapid progress, in fact it has sometimes even led to a reversal. A new start is therefore required to quickly break the vicious circle of stagnation so that poverty eradication can begin.

### **The goals**

The main goal for Swedish development policy at all levels shall be a rapid eradication of poverty. By commitment to the Millennium Development Goals and Targets, Sweden can also move in the same direction as the developing countries and other industrialised countries. However, the goal of promoting the rule of law, increasing respect for human rights, and development towards democracy should be included. This key point is not among the Millennium Development goals since a number of countries were opposed to formulations including democracy. This is unacceptable.

### **Debt write-off**

Sweden is to take the initiative to a total debt write-off in 2004 for highly-indebted low-income countries, most of which are in Africa. Four conditions are to be attached to a debt write-off of this kind: there should be no new borrowing, it should not promote corruption and bad governance, nor contribute to financing of wars of aggression, and it should benefit the poor.

### **Focusing on good experiences**

In its development cooperation work, Sweden must focus on experiences from countries that have succeeded in quickly eradicating poverty. Even a previously very poorly run economy can achieve development away from hunger to fast growth by a deliberate change of policy. Competence building with the participation of countries such as Vietnam, Taiwan and the more successful African countries can provide good examples. Sweden should invest in tripartite cooperation on this basis to a considerably greater extent.

### **Concentration on Africa**

Swedish development initiatives should in the first place be concentrated on the low-income countries in Africa. The problems are most severe there and inputs are also most significant there. These countries often have a very modest level of trade, and they cannot therefore enjoy or make use of the benefits of globalisation.

### **Compulsory education**

All girls and boys must receive basic education. Within five years after debt write-off, all children in an age group should start school within an education system that works properly. Compulsory education was introduced in Sweden in 1842. It is high time that the partner countries introduced compulsory education.

### **Focus on health care**

Sick and dying people cannot develop a country. Therefore, basic health care must be prioritised. A market should be guaranteed in order to develop effective medicines and vaccines against tropical diseases. Basic education is the most important health care investment.

## **Regional cooperation**

Trade and cooperation normally take place primarily between neighbouring countries. Tariff barriers and other protectionism in developing countries make regional cooperation more difficult and lead to persistent poverty. Weak, fragile economies need to work together with one another and build up common markets, common systems for promoting human rights and democracy, and not least, common security arrangements. European integration, which is changing the world's bloodiest continent into a model of freedom, peace and welfare, can set a good example. Without regional cooperation, many countries are doomed to eternal poverty.

## **Protectionism and the Tobin tax**

The poorest developing countries have a modest degree of trade and hardly any investments. Tax on movements of capital would be very expensive for many developing countries. A Tobin tax for Vietnam, for instance, would cost far more than the total amount of Swedish developing assistance. A Tobin tax should not be introduced.

## **Development unit in Africa**

Successful development assistance activities cannot be developed without contact with reality. Sida should therefore set up a development unit located in southern Africa. A lot of wrongly-targeted development assistance would be avoided if the inputs were designed in the setting where the problems exist.

## **Energy**

Every third person lacks electricity in their household. This is an important cause of poverty. It is difficult to study when there is no light. A lot of wood is used to cook food. When it is damp and cold, TB and other diseases spread.

The industrialised countries must reduce their competition for fuel if the electricity requirements of developing countries are to be solved. Therefore, Sweden should not decommission safe nuclear

power and thereby increase the use of fossil fuels. Swedish energy policy must be changed so that it does not counteract the developing countries' energy requirements.

**By Göran Lennmarker (Moderate Party) and Bertil Persson (Moderate Party)**

The work of the Committee began in an exemplary fashion. All those in Sweden interested in development assistance were involved in meetings and seminars, as well as through the Committee's website. Key partner countries were studied on site. Leading experts from all over the world participated in various ways.

However, the timetable was not viable.

When it was time to draw conclusions and the report was to be written, the Committee was extremely short of time. Some sections contain very commendable new and innovative thinking. However, the Committee has not been able to devote enough time to drawing conclusions from the experiences to date of development cooperation work at the level of close detail. Unfortunately, many difficult issues have been left relatively unexamined. This includes issues relating to prioritisation of global public goods, how concentration of resource transfers is to take place, how to work in countries with "bad governance", how development assistance should be designed in order to facilitate a successive phasing out apace with increasing growth, and how the allocation of funds within the coherent Swedish policy is actually to take place.

By Bertil Persson (Moderate Party), Göran Lenmarker (Moderate Party) and Anders Wijkman (Christian Democratic Party)

**Tax relief for private development assistance**

Voluntary initiatives should not be taxed. Tax relief should therefore be introduced for private development assistance inputs.

**By Anders Wijkman (Christian Democratic Party)**

A. The Committee's terms of reference and mandate were very broad. Some issues have been clarified with great exactitude, while only limited scope or attention has been devoted to others. The report contains a range of important arguments and proposals, and comprised new ways of thinking in a number of areas. These include proposals for the criteria that are to govern the choice of partner countries, greater coherence in international policy, on the application of a "South perspective" in development assistance and broad initiatives to support the production and management of global public goods, as well as the increased attention the Committee wants to give cooperation in the technical sectors, above all ICT and environmental technology.

However, in my opinion, the review and its report should have devoted considerably more attention to a number of issues that must have very important consequences for the choice of development strategy and relationship to both globalisation and cooperation with developing countries:

1. As early as 1992, the Rio Conference established that present patterns of consumption and production are not sustainable in the long-term. The well-known biologist E.O. Wilson writes in the latest number of *Scientific American* : "For every person in the world to reach present U.S. levels of consumption with existing technology would require four more planet Earths." The reason for this is not primarily shortage of finite resources such as minerals, but the ecosystem's ability to cope with a continually increased demand for meat, fibre, fresh water, etc. and not least, to handle all the waste and other residual products that modern society generates. The great challenge consists of changing behaviour and technology so that energy and resource use becomes many times more efficient. Experts have described this in terms of a factor of 10, i.e. to develop consumption and production systems which are at least ten times more efficient over a number of decades.

The report comments on this problem complex, partly in terms of proposals for increased support for the production of global public goods, and partly through proposals for increased technical cooperation with developing countries to support investments in environmentally compatible technology. This is good, but it's not sufficient. We must also dare to ask the question of whether the current very shortsighted economic systems which are moreover

highly sectorised in their organisation and structure – really contain the incentives and driving forces that are required to lead development towards greater efficiency in resource management. Some limited progress has been made in recent years, for instance, within the framework of concepts such as “eco-efficiency”, although the efficiency improvements made in the handling of energy and materials have been regularly “eaten up” due to increased incomes and a continued rapid increase of the world’s population. Consequently, the large majority of important ecological indicators are pointing downwards. The only limited advance that has been achieved after the Rio meeting is that the use of ozone-depleting substances has decreased. However, the situation appears today as far more serious as regards climate issues, deforestation, soil erosion, overfishing, destruction of large coastal areas, the fresh water crisis, the undermining of biological diversity, the weakening of ecological services in many regions such as climate and water control, the purification of air by plants, etc. Globalisation accentuates many of these problems, in particular when our non-sustainable production and consumption patterns spread forcefully all over the world. Paradoxically, it is globalisation that also offers good opportunities to attack the problems gradually through close collaboration, not least as regards knowledge and technology, between industrialised and developing countries. However, the prerequisite is then that technology and knowledge have direction and a focus that makes it possible to master the environmental threats, and not as at present worsen it. The rich countries bear great responsibility here. Ultimately, the issue is about how we can take the step from a model with a pronounced reductionist or vertical perspective and organisation to a model with a far greater holistic vision and approach. At present, an enormous process of denial is taking place of this type of problem. It should be Sweden’s task to far more powerfully than to date pursue these issues internationally, also as part of the development cooperation discussion. What type of capacity and competence is it that we are contributing to building up? In my opinion, the Committee does not take these issues sufficiently seriously and I hope that there will be scope for comments and proposals when the report is circulated for comment.

2. Another weakness is that the report in all essential respects accepts that free trade is the best recipe in every situation for promoting growth in a poor country. Free trade has in some way become a goal in itself. I am an enthusiastic advocate of free trade.

However, I think that there is a lot of research that indicates that a trading system that is essentially symmetric, e.g. WTO, is not the organisation best suited to assist the very poorest countries. Rodrik and Amsden have both shown, amongst other things, that poor countries with little to offer the world market other than raw materials, need special terms in the sphere of trade if they are not to be completely marginalised. Subsidies may be needed both for domestic industry during a build-up phase as well as for domestic agriculture, not least small-scale farmers. I feel that the Committee should have studied these issues in greater detail in order to be able to make proposals for a rather different approach on the part of Sweden in trade policy.

3. A further weakness is that the Committee does not make any real analysis of how development assistance works in closer detail. The analyses that are referred to are of a general character. The report makes few attempts to establish the type of development assistance which has functioned well or poorly respectively. It therefore gives relatively little guidance to the Ministry for Foreign Affairs and Sida for future approaches and actions.

## **B. The multilateral system**

The report is permeated by a strong belief in multilateralism and proposes a stronger role for the UN. I agree wholeheartedly with that view. However, I consider that it is absolutely essential that the UN system is thoroughly reformed. There are serious weaknesses in the UN's organisation, coordination and management. Important parts of activities are characterised by ineffectiveness, bureaucracy and difficulties of obtaining any insight into what is happening whatsoever.

The general position of the UN has improved in recent years. This is much due to Kofi Annan. He has implemented a number of reforms that have led to some modernisation in working routines. With his sensible approach, his well-balanced statements and feeling for diplomacy, he has strengthened the UN's influence, not least in various crisis situations. My criticism does not then apply to everything the UN does. Parts of its operations work well, such as its norm-building activity and the peacekeeping operations. The UN has a quite unique role in peacekeeping work, and largely does this well. To the extent that criticism can be targeted, it is above all

against the members of the Security Council for their sometimes late or unclear decisions. In other areas, above all in development cooperation, the organisation has a long way to go before it can be described as effective, transparent and result-focused. There are deficiencies at a number of levels. It may be difficult for an outsider to put their finger on the problems. It is probably the case that you have to have worked within the system or extremely close to it in order to really understand how great the needs for change are.

Sweden has, together with the Nordic countries, attempted on a number of occasions, to shed light on the organisation as regards control, management and supervision. Various proposals for improvements have been presented and partly taken up for discussion in conjunction with the reform processes that have taken place since the end of the 1990s. However, the UN structural organisation and management is still characterised by considerable weaknesses. Care should, of course, be taken not to avoid criticism being too general. So, for instance, both WHO and UNICEF under Gro Harlem Brundtland and Carol Bellamy's leadership respectively have made clear changes for the better as regards organisation and efficiency. However, the deficiencies are very evident in other parts of the organisation.

My proposal is that the government in the EU sphere – or together with the other Nordic governments – initiate without delay an extensive review of the UN work with the focus on development assistance activities. However, this review should apply only to the UN system as a whole, since a large part of the organisational culture, staff policy, etc. is common to all bodies and subsidiary organisations.

The most important issues to take up by far are work on the boards of the various UN bodies, recruitment principles, the organisational culture as a whole, the rivalry between different UN bodies and the issue of how other important actors at the international level – such as civil society, the private sector and research – could be given a greater formal influence over the work of the organisation.

## **Board work**

UN boards are generally far too large. To be effective and to create a feeling of participation and responsibility, a board should not be more than 10-12 people. In addition, members should be appointed in their personal capacity. In the majority of UN bodies, the situation is diametrically opposite. The boards consist of 30-36 members from different member states. Each member state participates as a rule with 3-5 representatives at board meetings, which gives the boards the character of large meetings. The issues discussed are seldom of a strategic nature. Sensitive issues concerning projects that function in a questionable way as well as important staff and management issues are not discussed either. Due to the character of the meetings, the managements of the respective UN body do everything they can to avoid important or contentious issues being dealt with by the board. It becomes a type of cat and mouse game. Since the persons who represent their respective governments on the boards often lack real expertise and experience of the specialist area that the particular organisation is intended to be responsible for, the boards very seldom act as a useful "sounding board" for the management. UNDP's board which I know well, should, of course, consist of people with documented experience of development work, or researchers specialising in development economics. Board work would then be meaningful. Instead, the board consists of diplomats who only exceptionally have the requisite experience of development issues.

## **Recruitment principles**

The member state governments have a great influence on the selection of senior officials. This means that political merits weigh heavily. There are many instances where clearly unsuitable people, not infrequently professional diplomats or ex-ministers have been appointed as heads or assistant heads of organisations such as WHO, UNDP, FAO, etc. The requirements on leadership in this type of organisations are exceptionally great. The working environment is complex, and operational tasks often extremely difficult. In addition, there is often an uneven struggle to acquire resources for operations.

As the system works at present, it is often only by chance that the head has the qualities that reasonably are required for the task. Since the respective organisation is moreover very top-governed – with formally practically all power in the hands of the head of the organisation – the choice of top official is very important. Sometimes, this works out well, as in the case of WHO under Gro Harlem Brundtland. Harlem Brundtland succeeded in a few years in reversing WHO's long downward trend. However, it is very possible that a less suitable head will replace her – of the same quality as her predecessor who during a ten-year leadership period contributed to WHO being largely marginalised. Bearing in mind the important role that most UN bodies have to play, it is unreasonable for the recruitment process not to be characterised by greater professionalism.

### **Rivalry between different UN bodies.**

Everyone who has worked close to the UN system is aware of the high level of competition and rivalry that marks the relations between different UN bodies. The marked guarding of one's own territory makes cooperation difficult and often leads to a sub-optimisation of activities. A review of the present structure is absolutely necessary to achieve rules and frameworks that compel better cooperation and to consider the extent to which the existing UN bodies are really needed. There are for example strong reasons for a merger of e.g. UNDP, UNIDO, FAO and UNEP.

### **Management culture**

The strongly hierarchical organisational structure has already been mentioned. There are too many levels of posts and salaries. This is one of many problems with the internal culture. Too many persons tend to think in terms of level instead of competence.

Another major problem is the time that it takes after a decision has been made on, for instance, project support before funds are disbursed. The decision process is quite simply far too cumbersome. In order, for instance, to reduce the risk of funds being misappropriated, a number of different rules of a control character have been introduced over the years. This means that a large num-

ber of signatures are often needed on one and the same decision for it to be executed. The intentions may have been good, but the system is made to appear a parody of management and responsibility. The decision-making rules are so complex that a fast decision-making process is an impossibility. Everywhere in society, the requirements for flexibility and swiftness in management culture have been increased. However, in many ways, the UN is standing still on the same spot. There is an incredible inertia in the system. This also means that various types of partnership to tackle serious problems, for instance with the private sector, find it difficult to take shape and become reality. Arrangements for this kind of cooperation often have to be made outside of the UN administration for it to happen at all.

### **Influence for civil society organisations, the private sector, research etc.**

Today, the UN is a body for governments. In the modern world, it is becoming increasingly evident that decisions in various issues at the international level that do not also include NGOs of various kinds or the private sector, will hardly receive the desired legitimacy. Governments represent important players, but not the only ones.

In addition, many governments are not regarded as being representative of their population.

Kofi Annan has taken a number of initiatives to broaden participation in UN work in recent years. This is positive but needs to be followed up by a more formal process where the whole governance issue is subject to formalised review.

To summarise: I believe strongly in the UN idea and in the value of multilateralism. At the same time, after many years of work in international organisations, I cannot disregard the serious deficiencies in today's UN with regard to organisation, management, effectiveness, scrutiny from outside, and achievement of results. These deficiencies must be remedied. The responsibility for the old-fashioned and ineffective organisation lies both with the UN leadership and the governments that are the UN's principals. In my view, in order for the necessary reforms to take place, considerable pressure must be brought to bear on both the leadership and member states. We live in a country with proud humanitarian traditions.

The UN idea and vision has strong support. However, this support should not be used as a pretext for concealing and glossing over or covering up the serious deficiencies in the UN's organisation. This is the background to my now, in conjunction with this review of Swedish development assistance, taking the initiative to an immediate review of the UN organisation and its activities. As one of the staunchest proponents of the UN idea and UN's activities, we have a great responsibility for the organisation. The best support the organisation can have at present is help to develop the organisation and management towards greater efficiency, openness and focus on results! At the same time, finances must be strengthened. Many of the UN bodies have been on a starvation diet for a long time while their tasks and responsibilities have increased. This is not sustainable in the long term!

### By Madeleine Sjöstedt (Liberal Party)

In a time when an ever-increasing number of international issues also become national, and an increasing number of national issues have international consequences, it is high time for Sweden to re-examine closely its policy for global development. When the Liberal Party demanded that this committee of enquiry be set up, we did so in the light of many years of experience of Swedish development assistance after its breakthrough in the early 1970s, the shift by many countries to export-led growth since the 1980s, and the consequences of the fall of the Berlin Wall in 1989. Conclusions can be drawn today from the fact that certain countries have succeeded in pulling themselves up out of poverty while others force their citizens to continue to live in dehumanising misery. Few Parliamentary reviews and reports have therefore been more timely than Globkom.

Many so-called globalisation issues pose new challenges for Swedish policy. The ambition in the enquiry has been at a high level. The report wishes to reflect discussions in Sweden and also, by linking the Swedish discussion to international discussions, to attempt to contribute new insights and conclusions from a Swedish perspective. This high ambition could unfortunately – due to inadequate time planning – not be achieved, which I find very regrettable. An excessively long-term perspective of globalisation and development assistance issues has also resulted in the enquiry not leading to the concrete results that I had hoped for.

In this statement, I wish to draw attention to the following points of view where I consider that the report is incorrect or misleading, or could have been clearer:

#### **The individual perspective**

On one important point, Globkom's report signifies a breakthrough for liberal values. In the discussion of the consequences of Swedish policy, Globkom takes as a starting point the question of how policy affects the individual's situation, the individual's perspective and conformity to rights issues and frameworks. Few shifts of perspective in Swedish policy can be more important than this for the twenty-first century.

In my opinion, this – seeing to the best interests of the individual regardless of the country in which the person is born – is the Committee's really important new orientation. If the proposals of the report are allowed to have an impact in the policy actually carried out, it would entail a new trend in Swedish foreign and development assistance policy. To date, policy has been far too dominated by an official, authoritative perspective shaped through the cooperation of states working together at government level.

Problems and difficulties with this international government perspective are well-known. Good relations have been maintained despite the partner country sometimes being responsible for grave breaches of human rights in relation to their own population. With the road that Globkom is now recommending for Swedish development assistance policy, such palliative and excusing policy would be impossible. Other important liberal advances in the work of the enquiry are that the majority of the persons on the Committee have strongly indicated at a number of places in the report that a partner country must choose the road of democracy and representative government if bilateral cooperation with Sweden is to be possible.

### **Gender equality**

With a marked individual perspective, the ambition to allow gender equality to mainstream Swedish policy for global development could finally become a reality. Despite the goal of equality between women and men for Swedish development cooperation having existed for several years (since 1996), it has been difficult to show concrete results to any significant extent. A basic prerequisite for a better world to be possible is that the widespread discrimination of the world's women and girls should cease. Not only for reasons of principle, such as the equal treatment of all people, but also for practical reasons: women are often those who support their families, and also those who are bearers of cultural values. The position of women is fundamental for how future generations will be able to develop,

## **The goal of Sweden's development policy**

To my disappointment, the Committee has not wanted to pursue fully the idea of the individual's right to power over their own situation. A democratic form of government is the only one that makes it possible to realise human rights. It is, through popular participation in elections and openness in voicing criticism and alternatives, the only form of government that can overcome the mechanisms that today keep billions of people in poverty and human degradation.

I therefore consider that the introduction of democracy should be defined as the overall goal for Swedish policy for global development. I therefore here register a reservation in favour of this goal as regards that part of the report that deals with the overall goal of Swedish policy for global development.

The need for a review of the objectives for Swedish development cooperation was one of the Liberal Party's reasons for demanding this report. We hoped that it would lead to more concrete guidance in the delicate work that is being carried out within development cooperation. This will not be the case if the proposals in the report are implemented.

It is deeply regrettable that democracy is not included among the goals for Swedish policy for global development that the majority of the Committee propose.

The rights perspective is a consistent theme in the report. This is new and welcome although some clarifications are in order. The rights perspective is the basis which guarantees the individual's basic human rights. These are best pursued in a democratic process.

Due to differences in political orientation, it has been difficult to agree on a common view of human rights. These differences of opinion have not been put aside in the case of Globkom. In reality, a division between political and economic rights is often appropriate.

The communist regimes which only a decade ago controlled half of Europe claimed that civil and civic rights, in other words individual rights focused on guaranteeing the personal freedom of the individual and the ability to take part in political life on the same terms as others, were irrelevant "under socialism". Instead, these regimes claimed to have realised rights of another kind, the right to work, the right to health care, etc. In reality, the claims were false, since these "social rights" were generally more poorly catered for

under socialism than in democratic market economies. "Social rights" of the kind that these regimes incorrectly lay claim to realising are of another character than the rights that aim to protect the individual against various forms of abuse. Most civil and citizen's rights are absolute and can and should, even in poor countries, be implemented immediately, while social, economic and cultural rights are to a greater extent process-related - i.e. they are implemented over time as opportunities are created. They often require prioritisation and are not infrequently dependent on changed economic conditions.

In the view of the Liberal Party, it is in any case unacceptable to try to defend the absence of, for instance, the right of freedom of the press, the right to an impartial trial or the like with reference to a so-called social right being maintained. It is important for me that this basic liberal distinction has been made in the report.

It is important to point out that all rights are carefully detailed and interpreted as to their content. Nonetheless, a misinterpretation often takes place of economic, social and cultural rights. They are often alleged to have a broader scope than there is basis for in conventions and legal usage. It is therefore important now that the rights concept be mainstreamed in the Swedish policy for global development, that it is a well-defined view based on international law and that political wishes at a general level are not permitted to dominate the interpretation of what a rights perspective involves.

### **Partnership**

Further clarifications are also needed on what is called the partnership idea. The focus in Swedish development assistance policy and discussions should be on how development assistance can be made as effective and as well-suited to its purpose as possible in the long term. The quality of development assistance is of crucial importance for the recipient but also for the donor. Just as in the case of other tax-financed activities, the aim must be to gain as much as possible from each invested krona. The effectiveness and appropriateness of development assistance has been called into question many times, and criticism against development assistance activities has at times been justifiably strong, also from the Liberal Party. Nevertheless, a continued ambitious level of development assistance to developing countries is necessary. Individual failures can-

not be permitted to be an excuse for reducing the level of ambition for support to those in need.

In this context, it is of fundamental importance that the donor of development assistance feels confidence in the policy pursued in the recipient country. This is the case both for policy as a whole and for policy in the sector concerned. We know quite a bit today about the methods that actually work for promoting development. The element of conditions or demands, so-called conditionality, thus becomes essential for Swedish development assistance activity. Lack of clarity is disastrous in all forms of cooperation. The partnership idea is important but it must not lead to Sweden attempting to treat, for instance dictatorships as equal partners. It provides legitimacy to those wielding power who should not be supported.

The report emphasises the responsibility of every country for its own development. What is best for the individual country is arrived at through a democratic process. However, there are far too many countries which do not allow their population to have a say. It goes without saying that Sweden should also bear responsibility for all people enjoying human freedoms and rights. Since Sweden's responsibility – in my view – is to the individual poor person – other ways must be sought to reach these individuals. There is unfortunately far too little discussion in the report on the practical consequences of a tough Swedish policy focusing and being on the side of the individual. There is a tension, both between state and individual, and between international and national influence. Both these areas of tension should have been analysed and discussed at the practical, political level in the report.

Enlightened self-interest has been drawn attention to in the report although it has its limitations. This is, of course, a reason why we should become involved in global development. However, even if this interest did not exist, commitment for people regardless of where they live is sufficient reason for Sweden to pursue a forward-looking international policy for development and lead the way in a generous development assistance policy.

### **The volume of development assistance**

Globkom's majority avoids discussing the volume of development assistance. It emerges from the report that development assistance will in future be an important part of Swedish development policy, although not the single most important part. Globalisation, in particular freer trade and openness towards the surrounding world, will probably be the single factor that plays the most important role for the development of poor countries. However, globalisation will not solve all our problems. Hundreds of millions of people have been left by the wayside, and have to date not shared in the benefits of globalisation. They will continue to need development assistance. Unfortunately however, the rich countries' development assistance continues to be at a shamefully low level. Only four EU Member States achieve the goal of 0.7 per cent of GNP set by the UN. Sweden does not have a lot to be proud of. During the 1990s, the social democrats implemented a historic reduction of the level of development assistance. 1999 was a real low-water mark when the level fell below 0.7 per cent of GNP. Sweden is not particularly far above that level today, and the ambition on the part of the Parliament's majority to increase the level is modest. It would have been important for the report to confirm that the one per cent target should be complied with.

Right to tax relief for donations to international development assistance activities

Globkom's majority do not address the important issue of an increased encouragement of grants to NGOs. They should have done this. A right to income tax relief for donations to international development assistance activities should be introduced. Voluntary development assistance activities are significant. They are primarily important since they often provide a way to circumvent unjust governmental regimes, and can thus serve as a direct channel to individuals in the recipient country, unlike government-to-government development assistance in many countries. In certain cases, the NGOs are in fact the only channel for the provision of foreign development assistance. Those active in these organisations are often driven by a strong idealist commitment and are able to achieve considerable results with relatively small resources. Voluntary support is also important to gain support for international solidarity among the Swedish people.

The child sponsoring activities, the Red Cross, Amnesty, Save the Children and Diaconia are examples of activities and organisations which not only make fantastic contributions in distant countries, but which also bring developing countries into our everyday Swedish activities. The Swedish people make donations in the range of one and a half billion Swedish kronor each year to international aid activities.

The right to tax relief should be designed so that it applies to gifts to NGOs which engage in international development assistance activities, or in some other way work for international understanding, democracy or respect for human rights.

### **International tax on currency flows**

Globkom refers to Parliament's consideration of the so-called Tobin tax and other proposals to increase the stability of the international financial system. The Globkom Committee could have been clearer on this point. A so-called Tobin tax has been put forward as a solution, inter alia, to the global challenges we are confronted with. However, it is not lack of tax bases or even tax revenues that hinders the development assistance of the richer countries. It is quite simply a lack of firm political will. If there was a genuine will to increase international solidarity investments, it would of course be possible to achieve this, without inventing a new source of tax. Increased development assistance is the most important input. However, there are reasons for continuing to discuss whether the various objects that are taxed are the right ones, and whether the distribution between different objects is optimal.

The Liberal Party – and also other liberal parties around the world – have put forward the idea that the emission of greenhouse gases, in the first place, carbon dioxide, is a source of revenue that should be subject to higher taxation, with a view to reducing the use of fossil fuels. If a global carbon dioxide tax was introduced, it would make possible a tax shift of at least the same magnitude as the Tobin tax. If one believes that tax increases are necessary to increase development assistance, such a tax would suffice for at least as much development assistance as the Tobin tax. There are accordingly more objective reasons to introduce a global carbon dioxide tax than a Tobin tax.

In the view of the Liberal Party, neither would the introduction of a so-called Tobin tax be a measure that would increase stability in the international finance markets. However, on the other hand it could have a number of harmful effects. Practically all evaluations show that the Tobin tax would not prevent acute financial and currency crises.

The introduction of a Tobin tax risks above all affecting developing countries, i.e. the countries that the advocates of the tax say that they wish to help. If a tax is introduced on currency transactions, it means in all probability increasing capital costs and a reduced supply of capital, which would primarily affect developing countries, since they are often the recipients in transactions with investment capital.

The importance of trade for development is to be given a key role in Swedish policy for global development. Unfortunately, Globkom is not crystal clear on this point and clarification is required. Poverty in the world can be alleviated by economic growth, in particular if it is combined with measures at the national level that improve the distribution of income and wealth. One of the most important measures for increased growth is to open up for free foreign trade, and then maintain trade that is truly free. This is the reason why free trade is key in all discussions on globalisation and development even if it is in no way the only issue.

When the report puts forwards arguments that asymmetry in development towards increased free trade is desirable, such a contention can lead in the wrong direction. The fact that the majority of the Committee do not believe in the ability of free trade to create prosperity has been shown in the process of the enquiry by, for instances, sentences such as "it is undoubtedly the case that free trade as a principle confers many benefits" being deleted from the text by the majority. Likewise when the majority of the Committee allege that "free trade should not be superordinate to other objectives". Free trade is a crucial instrument to achieve liberal goals of prosperity and freedom, and, for me, this conclusion has only been confirmed over the decades and years since the (old) colonialism was abolished. Introducing free trade and a stronger international regulatory system in WTO is a measure for increased growth and reduced poverty. Both these measures are crucial steps towards being on the side of the individual poor person against, for example, big international companies and corrupt domestic holders of power who have their interests to safeguard.

Development in past decades has shown that the developing countries that open up to international capital and trade flows have had higher growth and greater prosperity compared with the developing countries that have applied extensive foreign currency regulation, capital restrictions and other types of protectionist measures. This is also the road that Sweden has followed since the 1870s. Should Sweden in 2002 deny the poor countries of today a policy that Sweden used to lift itself out of poverty?

Globalisation of production, consumption and foreign trade means that a country can increase its total income in a number of ways:

In the first place, this would take place by the country concentrating its production on the goods and services that it is good at in a comparative sense. A country which has plenty of untrained labour, thus specialises on production and export of goods and services that require a large input of untrained labour. A country which has plenty of capital specialises on production and export of capital-intensive goods and services. Specialisation in line with countries' "comparative advantages" thus means that the total resources of the world are used in a more productive way, and the higher productivity means higher income and prosperity. All countries quite simply do what they are relatively best at. An international division of labour of this kind would be impossible without extensive foreign trade made possible by low tariffs and other barriers to trade.

A second economic benefit is that businesses can make use of scale advantages and thus produce at lower costs and prices. In many contexts, for instance, the automobile industry, the cost per unit is lower the more cars that are produced. If Swedish companies like Volvo and Saab and Scania had not been able to produce for the world market, but had had to rely on the small Swedish market, the cost per car would perhaps have been two to three times as great, quality poorer and the companies would perhaps not have existed at all.

A third benefit of foreign trade is that consumers have a wider range of goods and services to choose from. They do not only have to rely on goods and services that could be produced domestically.

A fourth benefit is the free or very cheap transfer of knowledge, if, for instance, technology, organisation and quality requirements accompany trade.

A fifth benefit is that freer trade removes an important basis for corruption, nepotism and wheeling and dealing. An example is that persons involved in foreign trade under free trade regulations are not tempted to give bribes to obtain import or export licences. Corruption can also be given more attention if there are foreign companies in the country that suffer from it or that are discriminated against in competition with domestic companies.

A sixth benefit is the security of livelihood. If the harvest fails in a country, it is possible to import food; if the water reservoirs are empty, to import electricity, etc. It is thus not the case as many at first seem to think that self-sufficiency leads to security. On the contrary, it is trade and mutual solidarity that lead to security. This is a security that is especially needed in many poor countries.

Free trade does not at all mean unregulated international trade, just as governance under the rule of law does not mean a society without legislation and courts. Free world trade assumes both a multilateral system of rules and regulatory mechanisms, and systems for resolving disputes in order for free trade to work for companies and to serve consumers. Therefore, the WTO plays an extremely important role for politically weak countries. (The WTO has, for instance, a demand for consensus in decision-making). The WTO is a forum in which both poor and rich countries can have a say and make their opinions known. It should certainly be further developed and reformed to further strengthen poor countries' ability to participate in negotiations with a strong influence.

Can the difficulties in the adjustment phase be reason to choose a more protectionist policy?

It may possibly seem considerate for the poor countries to wait with removing their barriers to trade until the EU and USA do the same. The conduct of the industrialised countries is reprehensible in many ways, although this does not mean that the same things should be recommended for developing countries. The idea of protection during a build-up or transformation phase is really not a new idea, but was widespread during the 1970s and 1980s. Since development has scuttled this idea, it has been abandoned. It was this idea that originally motivated Latin America's import substitution policy which is an important component of Argentina's deep crisis today – India's protectionism, etc. It is remarkable that this idea, through the slippery formulations of the majority, should turn up in the free trade country Sweden.

The majority of the Committee risks doing developing countries a disservice with this attitude. A policy with trade barriers will above all be an excuse to protect producer interests – and not consumers who also exist in the poor countries. The discussions on fair trade in the USA are illustrative: which are used to protect national companies against competition! Those who win from protectionism in poor countries are the established, ineffective enterprises, politicians and bureaucrats who can be bribed to grant export permits. This can be seen, for instance, in developments in Marco's Philippines or Suharto's Indonesia. Consumers in the poor country are forced to be content with poor quality products or to pay prices that are higher than they need to be.

Referring to the so-called tiger economies as examples that a protectionist policy might be desirable is quite simply incorrect. Export-led growth has been the main principle in their policies for thirty years. Others in Asia and Latin America have followed in their footsteps. The most spectacular example is China, which recently became a member of the WTO. Hong Kong and Singapore have not supported through special measures any section of their businesses. Taiwan has invested in small-scale enterprises and Korea in large enterprises. However, both have protected agriculture. Korea has subsidised parts of industry with severe political and economic reverses as a consequence. Asserting that a significant protection has been positive for them is factually incorrect. If Korea had chosen this path, South Korea might have avoided a number of crises. It must also be understood that communism's economic fiasco with its economic introversion and protectionism in 1990 has served as a both effective and horrifying model of development. It has not passed without notice in the Third World that Eastern Europe after 1989 immediately went over to free trade and WTO membership, or Russia's new free trade approach and hope for entry into WTO in the near future.

Today, there is a large system for "positive discrimination" (asymmetry). in the trade policy treatment by industrialised countries of developing countries (GSP, General System of Preferences). This has given minimal economic benefits to developing countries. The systems that industrialised countries use to particularly benefit developing countries (GSP, etc) are often almost insignificant since there are so many exceptions and counteracting rules in other areas (anti-dumping, etc.) that the end result is a great deal of bureaucracy and minimal benefits. Another effect is

that certain developing countries are favoured at the expense of others. If a country is sufficiently successful, it rapidly loses its benefits. When the poor countries have demanded equal treatment and stability, they have therefore succeeded in putting pressure on the industrialised countries. Poland and Estonia have done so, which caused the EU to put internal EU protectionists to shame.

In conclusion, it can be noted that Globkom has started important work in compiling and stimulating new Swedish and international findings around development issues. With a policy based on experiences and analysis, hopefully more people in future will have the opportunity of leading dignified lives.

## Special statements

By Ann Schlyter (Left Party)

### **Globalisation, power and justice**

The report views globalisation as a basically positive process, the benefits of which have not reached everyone. I would rather view globalisation as a basically neutral concept, which describes both positive and negative processes. The different approaches have consequences for how one views problems, trends, and the room for manoeuvre for a policy for global development.

I wholly agree with the report that global justice should be an overriding goal for a Swedish policy for global development. However, since few of globalisation's negative processes are subjected to analysis, the injustices are rather interpreted as a lagging behind or tradition, which leads to global power relations remaining invisible.

### **On equality between women and men**

I wholly agree with the report that gender equality should be a profile issue in Swedish development assistance. Sweden took equality between women and men into consideration at an early stage in its development assistance work. Progress has been made, although pursuing gender equality is a difficult task, and many observers share my impression that work has stagnated. Nevertheless, the fact that equality was raised to one of the overall objectives for Swedish development cooperation, served as an inspiration for equality activists worldwide. It is important now to demonstrate that the goal formulation for global development policy does not mean that gender equality is to be given less weight in development work, that it is an important aspect of the third goal and that it is one of the international development objectives.

I would have liked the report to have more clearly pointed out gender discrimination as an important cause of poverty. Instead of suggesting gender analyses and work with equal opportunities for women as well as men as tools for combating poverty, this is reduced to one of a number of dimensions that are to be mainstreamed. Mainstreaming, i.e. the permeation, or consistent integration of equality aspects in all sectors of work is important, although it

entails the risk that the issue will be rendered invisible or disappear altogether instead. This was also seen during the work on the report. The issue tended to become invisible despite good intentions, and the fact that this danger was pointed out many times. The mainstreaming strategy has proven to be inadequate. It should not be abandoned but complemented with special gender analyses and measures, programmes and projects, the overall aim of which is to support processes towards gender equality.

The human rights perspective can be particularly applicable as regards coming to grips with discrimination, although the gender equality work in development cooperation is broader than this. It must be based on the fact of the whole of society's most fundamental organising principle being based on sex and gender, and that gender equality is a development issue that challenges power structures.

### **On coherence**

It is a big step forward that attention has been drawn to the need of coherence between Swedish policy areas in all activities that affect global development. However, the report is content often to point out that goal conflicts will always arise and that these must be dealt with in democratic order. I would have liked to see a clearer taking of position in a number of issues that concern the EU. A difficult coherence issue such as the arms trade is not even mentioned. The demands for coherence in Swedish policy should lead to the same demands being made on countries that buy weapons, as the countries that are to qualify for budget support.

The report wishes to support the South's capacity to take part in WTO and other international negotiating fora, but should with its south perspective take factual arguments on specific issues and demands from the South more seriously.

### **Global public goods and their financing**

The market cannot solve all problems at global level (either). The global public goods include financial stability and avoidance of economic shocks. Nevertheless, the report is not especially concerned about the risks of rapid global flows of money and does not

stress the importance of finding measures to reduce the risks in the “global casino”. Some form of global taxation of currency transactions could be a tool for financial stability although far from sufficient. A global tax is needed to finance global public goods. It is excellent that the need for global public goods is underlined in the report, although, as a direction for action, it remains nebulous since no strategy for global financing is proposed.

### **Debt write-off, budget support and parliamentary control**

I of course agree with the demands for faster debt write-off. I would have preferred to have a demand for total, immediate debt write-off for the poorest countries. Since the size of the debts is quite small from the perspectives of the claimants and the costs for the debt relief programmes high, it can be suspected that they are propelled more with a view to exercising power than to recover money invested. Conditions have been attached to the limited debt write-offs that have taken place to date in the form of economic reforms that have not always been democratically based and placed under the control of parliament. In this way, there is a risk of democracy being undermined.

An advantage of development assistance in the form of budget support is that development assistance funds are then subordinated to the parliament of the recipient country, which can then decide on their use. Support to the development of democracy is important and emphasised in the report, which however devotes quite a lot of space to the need to build democratic structures from below to strengthen the social cement.

### **Commercialisation of development assistance?**

It is somewhat unclear in this regard, but the report can be read as if the South perspective adopted is taken as a pretext for more development assistance to be commercialised by being offered through a market. Without having evaluated the sectors of development assistance that function in this way already, the report embraces the pious belief that development assistance will be more effective. There is a great deal of evidence to indicate the contrary. There is considerable risk that the possibility for a long-term build-

ding-up of trust, intensification of relationships and continuity on both sides will be lost. All experience indicates that a key feature of successful development cooperation is long-term partnership and trusting relations. It cannot be reduced to short-term services. It would have been desirable if the report had investigated in more detail development assistance in relation to the ways in which consultancy services are defined, and to competition legislation, and if it had made proposals as to how mutual, long-term cooperation could be strengthened regardless of the organisations through which it is channelled.

### **A Swedish fund for global cooperation**

The South perspective should instead lead to forms of cooperation being developed which ensure a mutual, long-term exchange. This exists within culture and research, although to far too small an extent. Some municipalities have developed twinning in which administrations, schools and associations take part in exchange activities. Twinning with cities in the South is unfortunately uncommon and should be encouraged. Cooperation can also be developed in the form of twinning between organisations, entrepreneurial associations, etc. The report makes a strange distinction between development cooperation and cooperation between people, i.e. sub-national cooperation at the level of organisations. Meetings between people on an equal footing comprise the most effective form of transfer of knowledge and know-how.

Unfortunately, the report does not develop ideas around so-called international cooperation at sub-national levels, different forms are not identified and comparisons with similar approaches have not been made. A Sida consult report from August 2001 points to the positive aspects of exchange activities, although it considers that it is sufficient with the Sida department that supports NGOs taking care of such exchanges. I do not consider this to be sufficient. Nor does the report discuss how the costs which should not be met by development assistance funds, are to be covered. Experience has shown that it is very difficult in many sectors (local government, culture, research, etc.) to obtain funds for other than so-called core operations.

The report proposes that this should be investigated. I consider that a report of this kind is necessary, since, in my opinion, a gra-

dual transition to budget support in development assistance must be complemented by a gradual increase of international cooperation at sub-national levels at the same time. The new report enquiry should be directed to investigate how a fund for global cooperation should be set up and how mutual exchanges can be encouraged in other ways.

### **Solidarity and self-interest**

Solidarity, unlike charity, is based on common interest. In the workers' movement, as in the women's movement and other popular movements, solidarity develops over borders in light of awareness that the situation for a "brother" or "sister" organisation in another country is eventually important for oneself. Within international development assistance, the solidarity concept was applied during a period when Sweden as a small country supported liberation movements and nation-building in other small countries which also had to exist in the context of and deal with the tension between the major powers.

In Globkom's report "enlightened self-interest" is emphasised as a basis for a new relation in global policy and development assistance. Self-interest is in the awareness that there is only one world. I wish to note that enlightened self-interest does not conflict with solidarity and that it entails a global policy that looks to the interest of the whole world, not to Sweden's or Europe's narrow short-term interests. The one-per cent goal should be restored both for reasons of solidarity and for self-interest.

**By Åke Pettersson (Centre Party)**

Globalisation and the rapid development of information technology loosens up boundaries and eliminates distances, although, at the same time, it reveals serious problems, growing gaps and the severe poverty of a large part of the world's population. Over a billion people live on less than ten kronor per day. Many lack elementary human rights and have no opportunity whatever for democratic influence. Women are especially vulnerable in all respects.

The progress that has been made in recent decades shows that it is possible to influence development. It is possible to strengthen human rights. It is possible to develop democracy. It is possible to improve educational levels, the state of health and material existence. At the same time, experiences show that support to countries with authoritarian or corrupt regimes often counteract its purpose. Globalisation, development assistance and other development inputs must go hand in hand with the demand for democracy as a universal human right.

In many important respects, Globkom has valued globalisation, the principles for trade and assistance in a way that I share as a representative of the Centre Party. The enquiry has been conducted with great openness and a large contact area, and it has been possible to obtain a response for proposals and points of view in many respects. In this special statement, I would like to make some additional comments of my own and some criticism.

The report has evaluated the experiences of the current development assistance objectives and noted that the overriding goal of Swedish development assistance, poverty reduction, has sometimes been sidelined by the more specific supporting objectives. This situation is clearly unfortunate. I therefore share the view that the poverty goal needs to be reinforced and clarified. According to the Committee's proposals, a more equitable global development will become the objective for, for instance, trade principles. A preventive and sustainable management of common global concerns will be the objective for producing and managing global public goods such as the environment, health issues and the international economy.

An improvement of the living conditions of poor individuals will be the objective for all development policy activity. The objective

includes not only material issues but also human rights and the demand for democratic influence.

Civil society must be strengthened as a protection for diversity, freedom of expression, and for people to organise to safeguard their rights. Civil society has a key role in the struggle against corruption and abuse of power. According to the Centre Party, an increased share of development assistance should be used to support the development of democracy and strengthening of civil society. I recommend in this context a collaboration between organisations and popular movements on the model of Norsk folkehjelp, where many work together for common development assistance inputs but where everyone makes their own contribution.

A development of industry and sectors such as agriculture, forestry and fisheries are necessary for every poor country. Development assistance inputs can never replace the role that the private business sector plays in a developing market economy. The experiences of Swedish industry not least with regard to environment-friendly technology, biotechnology and information technology must be taken into account in development work. The Committee proposes an untying of all Swedish development assistance. It is important that this process takes place in many countries, which motivates international collaboration.

The necessary development of agriculture in the poor countries must first and foremost aim at satisfying the country's own need of food supplies, at the same time as it is an important basis for economic and social development in the rural areas. It requires, as the report points out, great changes in the developing countries' own regulatory framework for food production and considerable educational inputs. But it also requires changes in the EU's and other trading blocks' agricultural policies. The EU and USA must, for example be able to establish demands for the quality of food, animal protection and other environmental demands for their agriculture and food, although the systems of export subsidies must be abolished if the poor countries' food production is to be developed.

Sweden is now renewing and strengthening its system for crisis management to meet the demands of modern society for preventive and operational inputs in severe periods of strain. In my view, it is important that the system for crisis management be organised to be a resource that can function at short notice for use in international crises and disasters as well. Both the UN and the EU must

moreover take greater responsibility than to date for coordinating international aid initiatives.

The report is far too taciturn as regards the consequences of the Committee's proposal for, e.g. the activities of the multilateral development assistance organisations, Swedish development policy in relation to the EU's development policy activities, the view of the UN organisation and the Bretton Woods institutions, the World Bank and the International Monetary Fund. I regret that the Committee has been unable to develop its arguments and make more concrete proposals in these sections. In my view, further considerations are required before a Swedish policy for globalisation can be fully implemented.

The Swedish development assistance body, Sida, has had the predominant part of its staff at the authority's headquarters in Stockholm. Few resources exist in the recipient environment, in the field and in the countries that are the main recipients of Swedish development assistance. An extensive travel activity cannot wholly create the South perspective that the Committee intends for Swedish development assistance. Sida moreover lacks its own expertise for the important area of human rights. In my view, a review of Sida's structure and organisation should be carried out based on the enquiry's proposals. In this context, I recommend a location of parts of Sida's activity to one or two development centres, for instance, in Africa.

The EU's development assistance organisation and development interventions have proven to be weak as regards goal fulfilment and the EU has been strongly criticised internally as well. It would have been desirable if the report had made more explicit its view on the changes required in the EU's development assistance organisation, and the important coordination with the Member States' own direct, bilateral development assistance.

The relation between the World Bank and the role of the IMF on the one hand, and the UN organisations on the other, should be made clearer in the report. This concerns, for instance, issues relating to influence, but also the question of collaboration. This would have been valuable at a time when both the World Bank and the International Monetary Fund have been exposed to strong contradictory criticism. This necessary analysis and clarification must now take place in another form.

By Marianne Samuelsson (Green Party )

### **A. General comments**

The review carried out by the Committee of the prerequisites for the development of developing countries is both extensive and interesting, but it also shows how complicated development issues and development assistance are. The situation varies a great deal from country to country, and from one point in time to another. Global justice and a vision of a world where all people have their basic social, economic and political rights respected is self-evident, but political ambitions are required in all industrialised countries as regards global justice to achieve the vision.

The new definitions of poverty in the report provide the prerequisites for great progress in development assistance issues and aid to poor countries, as well as the proposals for coordination of national policy and forceful action in the international organisations.

### **B. The Environment**

However, I am critical to how environmental and natural resource issues have been dealt with, and I think that the Committee has as a whole devoted far too little space to dealing with water resources and agricultural issues. The environmental aspects of both sets of issues and their importance for development in poor countries can hardly be overestimated.

Water is a prerequisite for all life and is a crucial condition for possible development. Despite the fact that 2/3 of the world's population will have a shortage of water by 2025, this has almost been passed over in the Committee's work. 160 billion tonnes of fossil (non-renewable) water is consumed every year. The groundwater level under the plains in northern China is falling by 1.6 metres per year. 60 per cent of the world's fish stocks are overexploited. A large amount of soil is lost each year due to water and wind erosion. Large agricultural areas are toxic. More and more of the world's conflicts concern and arise due to the need for access to and use of natural resources. The issue of water access and use of common water resources risks increasing conflicts between countries and contradictory interests in development work.

Rather than the insight that environmental and natural resource issues constitute the basic conditions for all life and human development, the Committee communicates an outdated point of view, where these issues are referred to as a separate sector in the same way as gender equality previously was confined to its own sphere.

An example of this can be found in section 5.3 on policy for economic development which pays scant attention to environmental aspects. Environmental aspects are instead addressed in a separate section 5.4, concerning environment-friendly technology which takes up important aspects such as energy and transportation. Section 1.9 deals with sustainable development from the perspective of economic, environmental and social sustainability. Environmental and natural resource issues often disappear behind general phrases such as “sustainable management” of “global public goods”, end up at the end of the list, or are absent as “basic prerequisites” for poverty reduction. Among the criteria for choice of partner countries proposed in Chapter 6, for instance, the recipient country’s attitude to environmental and resource issues is not mentioned at all as a selection criterion.

Environmental and natural resource issues must, on the contrary, be the starting point and permeate all development thinking.

It is thus important that other arguments be based on the issue of ecological sustainability in parallel with equitable global distribution, and it should go without saying that economic thinking must include an environmental dimension. The limits set by natural resources for our possibilities for choosing policy in the way that the Committee discusses, should also be illuminated as a basis for reasons why development should be sustainable from the point of view of the environment and natural resources.

The “restrictions set by nature” as the Committee states, must, however, be viewed not only as restrictions, but also as a natural part of a positive development that improves the environment and makes more effective use of resources. One of the most important aspects of development efforts for poor people is that inputs must be environmentally friendly and sustainable from the beginning. Otherwise, investments are built into an incorrect pattern of development, which is difficult to get out of.

The Committee should also have been much clearer in Chapter 3 on the environmental demands that should be made on private business sector investments from Sweden among other countries. In the discussion on the rights perspective in Chapter 2, the issue

of obligations should be highlighted more clearly as regards environmental and natural resource dimensions.

In Chapter 7, Actors with new roles, arguments and proposals are lacking as regards the opportunities for influencing EU's development assistance policy. There must be an ambition to integrate environmental issues better in EU development assistance. Sweden should take on the task of being a driving force within the EU and internationally, both as regards integration within the different policy areas and also work for global public goods. In particular in the field of the environment, Sida has been successful in integrating environmental issues in development assistance. Sweden should take responsibility for both developing and spreading this knowledge in global cooperation.

### **C. Country selection, Sida's capacity and development assistance by popular movements**

In order to achieve a good result in development assistance work, we in the Committee consider that the number of recipient countries should be limited. The selection of countries then becomes particularly important.

The proposed categorisation of countries that meet the selection criteria (poverty, suitable strategies, democratisation process, realisation of HR objectives) means investing in countries that are actually best equipped to solve their own poverty problems. Other countries (which perhaps do not comply with the criteria but which have extensive poverty) will thus be referred to support in other forms: in relation to global public goods, through NGOs/private organisations and via multilateral institutions. In other words, government-to-government development assistance will take least responsibility for those that are least well-equipped to come to grips with poverty, and leave this to the popular movements and organisations.

As a consequence of this, civil society and its popular movements will need additional resources for more responsible tasks in the project work of development assistance, but also to cope with the important roles of observers and rapporteurs in the poorer developing countries where the government development assistance authorities will not be involved.

When one of the objectives is to be able to focus government development assistance on budget support instead of concrete projects and programmes in the rural areas, there is a long-term risk that the Swedish development assistance authorities will lose contact with reality and with the recipients of development assistance. This should be avoided. Individual field visits can never replace longer sojourns and work in projects in the recipient country. Sida staff at the in-country assistance offices and above all during long sojourns in the field have been crucially important for understanding people's poverty and development efforts. Sida risks in the long term losing the intimate country and problem knowledge as work in the field is transferred to consultants or NGOs.

Knowledge and experience of this kind must be guaranteed in the government-to-government assistance so that we retain the highest possible competence on poverty and development problems when the number of actors increases. Coordination must take place between ministries, and contacts with multilateral organisations as well as with the civil society will increase. A coordinated policy for global development must include a high level of competence within all the areas that affect development opportunities in the countries.

#### **D. Arms and the Tobin tax**

A coordinated policy with a demand for coherence should also lead to at least the same demands being placed on the countries that are permitted to purchase arms in the EU Member States' common arms export programme, as the demands made on countries that are to qualify for budget support. Despite the Committee's demand for a coordinated policy, the Committee has avoided taking up the issue of arms export and the role of arms in development contexts.

In section 4.1.3, the Committee should have taken up the discussions around the Tobin tax in greater depth. The Committee notes that a system of financial inertia is required to limit the damaging effects of swift, short-term capital flows, and for financing joint undertakings in poor countries. I consider that this is an important challenge in what is called globalisation, and that it should be self-evident for Sweden to find solutions and to take action to meet it.

**By Bo Landin, expert (Private Business Sector)**

A main undertaking for Swedish global development work must be to contribute to sustainable and enduring growth and economic development primarily in the partner countries.

For me, inputs which create industrial and business development in the partner countries appear to be the most important means. The Swedish private business sector can play an important role in this regard. The report points out the importance of making use of the competence that exists in the Swedish resource base, not least in the private sector. At the same time, the report lacks concrete proposals as to how this is to be used to support the new objectives that are put forward in the report.

Swedish policy for global development, which is based on the competence of the Swedish resource base, is cost-effective and creates a two-way relationship that benefits both donors and recipients. It is therefore important that the areas where Swedish competence is best developed and internationally competitive are identified and serve as an important basis for the direction of Swedish development inputs. Areas that can be mentioned here are energy, water, telecommunications, transportation, food production, construction and environmental technology, as well as cutting-edge, specialist competence in new areas such as IT and biotechnology.

Such an approach also creates an important flow back to Sweden of the economic development assistance inputs. The flow back is not to be based on tied assistance but on industry's international competitiveness in prioritised areas. The Swedish business sector supports an international untying of development assistance, but does not support the proposal of the Committee for a Swedish untying before there is broad international support for, and a realisation, of such a change. A unilateral Swedish untying would not favour the developing countries but would discriminate against Swedish industry in international competition.

I would like in this context to underline the importance of long-term partnership. The basis for effective partnership is continuity. This means forms of financing and procurement that do not jeopardise continuity in the logical chain that a project often consists of.

A developed partnership between the business sector, trade policy and development cooperation is also of the greatest importance. An important part of this is participation on the part of the

business sector in preparing strategies and plans for development assistance and individual projects.

The Swedish business sector strongly supports the Swedish commitment for a liberal, open trade policy, as a support for increased export opportunities from the developing countries. We consider that the report should also indicate the importance of active support to export from the recipient countries and should even make proposals as to such export promotion activities.

We also consider that the report should have proposed solutions to the issue of access to risk capital, not least for smaller, often privately-funded projects in the recipient countries. We are also opposed to conditions being put on Swedish export credits that differ from the ordinary international conditions.

Businesses, like all parts of society, have rights and obligations as well as responsibility for their actions. The report describes the demands of development cooperation, taking into consideration democracy, human rights, gender equality, etc. It is self-evident to perceive the responsible role of companies within the framework of this complicated area, in the same way as for other actors. Unfortunately, the report seems to be based on an idea or assumption that Swedish business interests act in conflict with the fundamental values mentioned above. However, no evidence of this is presented. Within the Swedish business sector, there is a strong awareness of these issues. Many internationally active Swedish companies work practically with these issues and the market-driven voluntary work in this area is undergoing dynamic expansion. An international regulatory framework, which can be applied by individual companies, based on their own situation, is a solution which we advocate and work for. In the light of this, we cannot support the report's approach and the proposals that aim at creating a special Swedish regulation in this area.

**By Alfhild Petrán, expert (NGOs)**

The Committee has had an extensive task to investigate further development of Swedish development policy in a period of globalisation. The policy area is by nature infinitely broad and complex. The task of synthesising the recent years' policy development, reviewing development policy objectives and defining strategic tasks requires analyses and considerations both as regards overall policy and points of view on implementation, and with respect to the organisation of work. The Committee's approach to this task has enabled a large amount of background material consisting of reports and other expert knowledge to be obtained in many areas, while there has been limited scope for striking a balance between this material, drawing conclusions, tying together and developing proposals. The report leaves a number of complexes of issues relatively open or half-digested for continued work and discussion. I would like to point out some of these.

1. As regards an overall policy platform for the future policy for global human and sustainable development for all on the basis of earlier policy documents, this mainly concerns integrating the international development policy approach to combating poverty with the realisation of human rights and a rights-based perspective. Both traditions have the same purpose of safeguarding every person's right to freedom, prosperity and a dignified life with non-discrimination, participation, and a holistic view as the bearing principles. The rights perspective's view of the state as ultimately responsible for guaranteeing human rights coincides with the development tradition's demands for democracy and good governance. It will take time to integrate the individual approach that is inherent to the rights perspective, and the macro perspective of the development discourse. The report is an expression of the fact that this is a process that is underway. Different perspectives are combined with some attempts at weaving them together. However, the task remains to integrate the different traditions consistently, which is both an educational task and a task for operational application.

2. As regards the application of the integrated poverty concept, which is emphasised in the report, there continues to be a bias towards the economic aspects. The political dimension needs to be developed beyond the formal arrangements of parliamentary democracy. In the light of the experiences from more long-lived

democracies, there are reasons to examine both in depth and breadth contributions to democratic culture at every level. The ability and will to solve conflicts of interest is relevant in all global development and development assistance activity. With the rights and poverty perspectives, issues relating to power and influence will be crucial and therefore need to be developed more systematically. Among other things, there is a need to discuss decentralisation of formal decision-making and the responsibility of decision-makers. The genuine influence of people over political decisions, and their prerequisites and their capabilities to examine the implementation of decisions.

The requirements to deal with the social and cultural dimensions of poverty in the form of discriminatory attitudes, stigmatisation and exclusion also demand attention and need to be developed. This also applies to the security dimension with respect to violence and lack of security in the everyday lives of poor people.

3. The report's South perspective can be regarded as a clarification of the partnership concept which emphasises the freedom of choice, independence and integrity of the partner organisations – they are often independent actors in a market. With globalisation, other components of mutual cooperation such as exchange, dependency, a common vision and solidarity will be at least as important. Relations of cooperation between governments, and relations between organisations need to be further analysed to make visible and understand the complexity of the situation. An increasing mutual dependence and the need for common solutions will make it of key importance to bring about dialogue characterised by trust and with respect for differences, and we therefore need to deepen our knowledge and enhance our competence to see how we can contribute to achieving this.

4. Starting from a globalised world requires a coherent analysis of the various aspects of the ongoing development which also shows how they may affect the individual. Further clarification is needed of several phenomena here, and a balance needs to be struck between various aspects of development.

For example, the report draws attention to how the new information technology affects large parts of the community's life and will create new mentalities. It will entail new leaps in growth but also risks of intensifying and creating new gaps between and within countries. At the same time, the world's population is increasing, in particular in the poor regions of the world. The ability of the

revolutionary development of technology to generate income and prosperity for the poor is a crucial issue that needs to be developed.

The continuous structural transformation is going faster than ever, bringing migration and urbanisation in its wake. Work and livelihoods have a bearing on social relations, violence and oppression. Questions relating to future work must be clarified as well as the survival strategies of poor peoples, so that their microperspectives and the macroperspectives of the development politicians meet.

The growing role of the media in the globalised economy and policy as well as the spread of lifestyles should also be clarified and taken into account.

A security policy analysis needs also to be taken into account. Relative military strengths and the character and spread of military violence, as well as the development of the arms market are factors that should be clarified and taken into account in an overall analysis.

5. As regards the coherence between different policy areas, security and defence policy should be mentioned among the most important.

As regards the coherence between the different components of foreign policy, space has been devoted to foreign trade considerations in the report although further discussion is needed on integration of global development policy in traditional foreign policy work and diplomacy.

6. As regards the actors and instruments of global development policy, it is noted in the report that the multilateral actors and channels for Swedish development assistance have become more important with globalisation, although better coordination is required. Discussion is required here on the special prerequisites and assets of each actor as regards their policy, resources and forms of development assistance, and how Sweden can best combine policy and concrete programme inputs through different actors and channels to make the overall impact of limited inputs more effective.

Future assistance will need to be adapted increasingly to a context involving many actors.

The directive underlines the increased importance of the EU's contribution to a global policy. Bearing in mind the growing role of the EU, the assessments and comments of the report need to be further developed.

7. As regards bilateral development assistance to a few selected countries, the report needs to be complemented by a discussion of how this form of development assistance – in addition to the primary aim of supporting a country's development policy – can serve as a complement and reinforcement to multilateral and other foreign policy initiatives, and as a Swedish fund of experience that can be mobilised for international policy dialogue.

The division of the country-based bilateral assistance into general budget support and selective support that is proposed in the report is to some extent artificial since hardly any country meets the criteria set. In practice, the forms of support will probably have to be combined as at present. Moreover, the proposal focuses on transfers of financial resources rather than the knowledge-based support and dialogue that many developing countries also express a need for.

The problem complex around support to countries that do not at all comply with the report's criteria for support also needs to be developed.

# List of abbreviations

ACP countries	Africa, The Caribbean and the Pacific Ocean
BITS	Swedish Agency for International Technical and Economic Cooperation
CBD	Convention on Biodiversity
CCA	Country Common Assessment
CDF	Comprehensive Development Framework
CDM	Clean Development Mechanism
CIS	Commonwealth of Independent States
DAC	Development Assistance Committee/OECD
DfID	Department for International Development
EBA	Everything But Arms
EBRD	European Bank for Reconstruction and Development
EC	European Community
ECHO	European Community Humanitarian Office
EDF	European Development Fund
EGDI	Expert Group on Development Issues
EKN	Swedish Export Credits Guarantee Board
ESC	European Security and Cooperation Conference
EU	European Union
FAO	Food and Agriculture Organisation
FATF	Financial Action Task Force on Money Laundering
FfD	Financing for Development
G20	Collaboration between 20 countries <sup>1</sup> on finance sector issues
G7/8	Group of countries USA, Canada, Japan, France, United Kingdom, Germany,

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<sup>1</sup> Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, UK, USA

	Italy/Russia (8)
GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GNP	Gross National Product
GPG	Global Public Goods
GSP	Generalized System of Preferences
HCNM	High Commissioner on National Minorities
HIPC	Heavily Indebted Poor Countries
HR	Human Rights
HRP	Human Reproduction Programme
ICT	Information- and Communication Technology
IDA	International Development Association (World Bank)
IDEA	Institute for Democracy and Electoral Assistance
IDG	International Development Goal
IDS	International Development Studies
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
ITC	International Trade Center
LDC	Least developed countries <sup>2</sup>
LSU	Country Council for Swedish Youth Organisations
MDG	Millennium Development Goal
MDT	Millennium Development Target
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
OAS	Organisation of American States
OAU	Organisation of African Unity
OCHA	Office of the Coordinator for Human Affairs
ODA	Official Development Assistance

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<sup>2</sup> Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, The Comoros, Democratic Republic of the Congo (Congo Kinshasa), Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar (Burma), Nepal, Niger, Rwanda, Samoa, Sao Tomé and Príncipe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tanzania, Tchad, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia

OECD	Organisation for Economic Cooperation and Development
OSSE	Organization for Security and Cooperation in Europe
PGD	Policy for global development
PRSP	Poverty Reduction Strategy Paper
R&D	Research and development
SALA/IDA	Swedish Association of Local Authorities/International Development Agency (The Swedish Association of Local Authorities and the Federation of Swedish County Councils twinning cooperation)
SC	Supreme Commander of the Armed Forces
SAREC	Sida's department for research cooperation
SNGO	Swedish Non-Governmental Organisations
SHIA	The International Development Assistance Association of the Swedish Organisations of People with Disabilities
Sida	Swedish International Development Cooperation Agency
SIWI	Stockholm International Water Institute
SNS	The Centre for Business and Policy Studies – SNS
SPA	Strategic Partnership for Africa (World Bank)
TDR	Tropical Disease Research Programme
TRIPS	Trade-Related Aspects on Intellectual Property Rights
UD-GC	Swedish Ministry for Foreign Affairs section for global cooperation
UD-GU	Swedish Ministry for Foreign Affairs section for global development (from. 2002)
UD-IC	Swedish Ministry for Foreign Affairs section for international development cooperation, multilateral
UD-IH	Swedish Ministry for Foreign Affairs section for international trade policy
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS

UNCED	United Nations Conference on Environment and Development (Rio de Janeiro 1992)
UNCHS	United Nations Center for Human Settlements
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WCD	World Commission on Dams
WDR	World Development Report (World Bank report)
WDR	World Disasters Report (Red Cross report)
WHO	World Health Organisation
WRI	World Resources Institute
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

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## Committee directive



Parliamentary committee of inquiry into  
Sweden's policy for global development

Dir.  
1999:80

Decision at the Government meeting on 9 December 1999

### Summary of the assignment

A parliamentary committee is to be appointed with the task of investigating how Sweden's policy for global economic, social and ecologically sustainable development should be further developed in the context of an approach based on solidarity in a time of ever-increasing global interdependence. The committee shall make a comprehensive proposal as to how policy should be formulated in key areas on the basis of the overriding goal of combating poverty and the new conditions created by globalisation. Continued improvement of development cooperation and its role and effectiveness as a special expression of Sweden's international solidarity are to constitute a key part of the task.

### Background

In response to motions by a number of parties in Parliament and Viola Furubjelke's question (1998/99:60) on development cooperation on the threshold of the twenty-first century in December 1998, it was announced that a parliamentary review of the tasks and responsibilities of development cooperation would be carried out (Minutes of Parliament 1998/99:30). The government has now decided to conduct a broad review of the areas that are important for success in development efforts.

Globalisation and the new forms that this phenomenon has taken during the past 10–15 years serve as the point of departure for this review. The concept of globalisation refers to a number of processes where local and national issues must increasingly be viewed in a global context. This means that countries, groups of

people, institutions and companies are confronted with questions that have to be answered in a joint manner. Globalisation changes the prerequisites for the influence of states. It also makes increased demands on both international collaboration and interaction with civil society, as well as the private business sector also at the international level.

The discussion on globalisation has to a large extent centred on trade and the movement of capital, although technological development, international exchange of culture, information and ideas, support for human rights, striving for democracy and environmental effects are equally important.

The increased participation of developing countries in global exchanges as well as changes in national policies have led to a positive development in large parts of the world and to better living conditions for many of the world's poor. However, we see also risks and problems today whereby development in many countries is impeded or prevented by conflicts, mismanagement by governments, corruption and difficult transitions or adaptations in the face of new conditions, whereby environmental pollution threatens health and livelihood, and whereby demands for adjustment and other reformed structures become too overwhelming and poor people are excluded. Approximately one fifth of the world's population still live in conditions of extreme poverty.

Globalisation poses new challenges to international collaboration between states. Norms and rules of play are required for the increasingly intensive exchanges in different areas, which both facilitate for, include and protect the poor. The need for a holistic approach has become increasingly apparent with regard to how conditions and policies in different areas affect the possibility of development for all. Development cooperation and a willingness to assist comprise an important expression for collectively taking responsibility at a global level, and thereby contributing to solutions of common problems that take into consideration the interests of poor people.

Cooperation and initiatives in many areas are required in order to achieve a general positive development that also includes the poorest communities. Trade and economic relations are especially relevant. A discussion is also taking place about the kind of "architecture" required to make financial flows more accessible and less instable. Insurmountable debts must be dealt with. Environmental and health risks are often best counteracted by cross-border

collaboration. Although migration is often a source of development, it sometimes entails – particularly in mass flight – social strains that are better tackled by working together. The ability of the UN and other bodies to maintain peace and security is always a part of the picture. If the poor people of the world are not benefited by cooperation in these areas, progress will not be sustainable. At the major UN conferences on these issues during the 1990s, the international community came a long way in achieving a common view of what is required for sustainable development.

One key task is to reinforce the prerequisites of the poorest countries to participate in dialogue and negotiations at international levels. Relations in development cooperation must be based on an intensified and genuine partnership in both bilateral and multilateral work. Partnership aims at more egalitarian relations within a broader area based on mutual interests and explicitly stated goals. Partnership must be based on mutual trust and common values.

The principles of partnership for bilateral work are generally recognised, although much remains to be done to implement them in actual practice. This work includes greater sensitivity to the cooperation partner, increased participation by and consultations with civil society and the private business sector, and openness and flexibility of the cooperation.

It also requires increased coordination of initiatives and procedures between donors of assistance, and the integration of development assistance resources in the partner country's own administrative and political systems. Considerable progress has been made in recent years by donors, the UN and the World Bank in developing instruments for coordination. A large part of the overall bilateral development cooperation today takes place in a multilateral context. One of the key documents is the strategy, *Shaping the 21st Century: The Contribution of Development Cooperation*, which has been adopted within the framework of the OECD Development Assistance Committee (DAC) and which is based on conclusions from the major UN conferences in the 1990s. The main objective of this strategy is to at least halve the proportion of the extreme poor by 2015.

In recent years, both the government and Sida have carried out extensive changes in development cooperation work. The Swedish Parliament has both requested and confirmed this policy renewal. Parliament has developed guidelines for development cooperation in a number of documents, taking into consideration both changed

conditions and increased experience of what is required to achieve good societal development. This work has also resulted in new plans of actions and manuals for the implementation of development cooperation. At the same time, an extensive reorganisation of development assistance administration has taken place.

A broad spectrum of issues that are of key importance for the development of particular countries and for international collaboration has been brought together in the new organisation of the Ministry for Foreign Affairs. This, as well as the enhanced integration of the Government Offices has created favourable prerequisites for greater accord between development cooperation and, e.g. security, trade, environmental, agricultural, refugee and migration policies.

In a number of areas, Sweden's relationship with poor countries is formed by cooperation within the EU, and in international bodies such as the UN system, the World Bank and other, regional development banks, WTO, OECD and OSSE. EU joint trade policy, development cooperation and agreements with developing countries are of key importance. Sweden's ambitions in the field of development assistance therefore require activity and farsightedness in EU cooperation in the same way as Sweden has worked for a long time in other fora.

The holistic approach to development policy in the twenty-first century is based on the documents and the bill submitted by the government to Parliament on combating poverty, democracy and human rights in development cooperation, human rights in foreign policy, gender equality, sustainable development and on cooperation with Africa and Asia, as well as other relevant strategy documents, for instance, on Swedish trade policy on the threshold of a new WTO round and the action programme for conflict prevention (Ds 1999:24). The government is furthermore investigating child-rights related issues in the context of international development cooperation.

In these documents, the government has given an account of how the struggle against poverty as well as work with democracy and human rights can be given a sharper, clearer profile in development cooperation, strategically and methodologically, in Swedish bilateral development cooperation and in collaboration with the UN, EU, the World Bank and the regional development banks.

The document on poverty *The Rights of the Poor – Our Common Responsibility* (*De fattigas rätt – vårt gemensamma ansvar* (skr

1996/97:169) shows how combating poverty by development cooperation is essential to promote peace and global security, democracy, human rights, and an economically, socially and environmentally sustainable development.

The document *Democracy and Human Rights in Sweden's Development Co-operation (Demokrati och mänskliga rättigheter i Sveriges utvecklingssamarbete (skr 1997/98:76)* clarifies the prerequisites, possibilities and strengthened support for a sustainable democratic development and respect for human rights through development cooperation.

The Government Bill 1995/96:153 *Gender Equality as a New Goal for Sweden's International Co-operation (Jämställdhet som ett nytt mål för Sveriges internationella utvecklingssamarbete* led to "the promotion of equality between women and men" being accepted as a new goal for development assistance. Work on supporting the efforts of developing countries to put an end to discrimination of girls and women and to create equal conditions for women and men has thereafter been developed in a number of areas. Women are a resource in development efforts.

The document *Sweden's International Co-operation for Sustainable Development (Sveriges internationella samarbete för hållbar utveckling (skr 1996:97:2)* provides an overview of Sweden's international priorities for monitoring the 1992 Rio UNCED Conference's recommendations, and guidelines for how these priorities should be followed up in development cooperation. The importance of integrating environmental aspects in all operations is confirmed and emphasised.

Trade policy, as described in the document *Swedish Trade Policy in a new WTO-round (Svensk handelspolitik inför en ny WTO-runda)* aims at creating an international regulatory framework for free world trade. Development cooperation aims at strengthening the ability of poor countries to take part in free trade.

The documents were not designed with globalisation as a point of departure, although they concern to a greater or lesser extent its effects for development cooperation and other important areas in a coherent policy for development. Certain issues are only partly dealt with or not at all in these documents. There is therefore a need for a summary, a synthesis, which also broadens the discussion within certain areas. Development cooperation as a special expression of Sweden's international efforts to eradicate poverty needs to be clarified. The ambition is that Sweden should again

meet the one per cent target for development assistance when central government finances so permit.

### **The purpose of the review**

The review is intended to propose measures on the basis of a vision of solidarity in an era of globalisation to further develop a coherent policy to promote global, economic, social and ecological development and to eradicate poverty. All relevant areas are to be clarified. The role of development cooperation as a catalyst for development for the benefit also of poor people in a world of ever stronger mutual interdependence is to be especially highlighted and made explicit, as well as the partner countries' own opportunities and responsibility. A holistic concept must permeate relations with the world's poor so that activities within different areas of policy can mutually support one another. The review shall at the same time aim at increasing understanding and commitment to these issues.

The committee shall have a poverty and rights perspective whereby the rights of the poor are clarified. Poverty can be eradicated and a broad participation in democratic systems be achieved within the foreseeable future. Power over the future shall be shared between an increasing numbers of people. This reinforces the prerequisites for peace and security, which in turn are necessary for a positive development in other areas. Sustainable development also requires functioning institutions and development that promotes norms and regulatory frameworks. On the basis of experiences and lessons learned concerning the role and effectiveness of development assistance, the proposals shall provide guidance for development-promoting cooperation based on partnership and increased equality.

The review shall adopt a global perspective that clarifies the needs and opportunities in all societies with major poverty and development problems, even those that have not been the subject of more extensive Swedish development initiatives. The cooperation of the 1990s with the transitional economies in Central and Eastern Europe shall be studied, and the validity of the experiences for general development policy shall be considered. Aspects that particularly affect Central and Eastern Europe should be clarified where relevant, even though this region is not to be a major focus for the review.

## **The terms of reference for the assignment**

### *Synthesis of policymaking in recent years*

The committee shall produce a synthesis that can serve as a platform for future development policy and the role of development assistance on the basis of the documents and strategies of recent years. This synthesis shall:

- develop a holistic view of Swedish and European development policy in a time of increasingly strong global interdependence;
- clarify the role of development cooperation in relation to how activities and policies in other areas determine the conditions for international cooperation and the prerequisites for the development of poor peoples and countries;
- provide a basis for a broad agreement in Parliament and among popular movements and the general public as to how development policy and development cooperation are to be organised in the Twenty-First century.

### *The development assistance goals*

The committee shall review the goals for development cooperation both as a whole as well as from the point of view of the language used in their formulation. The present development assistance goals have broad parliamentary support and control the direction of development assistance. However, the goals have undergone a long process of development since the overall goal “raising the standard of living of poor people” was formulated in 1962. The sub-goals are interpretations of the overall goal. The independence goal originally aimed at decolonialisation but it has acquired another meaning in the era of globalisation when the issue of universal interdependence has come to the fore. Humanitarian aid and the importance of development assistance for conflict prevention and conflict management are not made explicit in the goals, nor the overall goal of sustainable development, promotion of human rights or the integration of developing countries in international trade.

The goals for collaboration with countries in Central and Eastern Europe, primarily around the Baltic Sea, have been formulated later and in the context of a specific political and economic situa-

tion. A comparison is to be made, although proposals are not to be made concerning this particular area. A special bill relating to development cooperation with Central and Eastern Europe will be submitted to Parliament in 2001.

### *Strategic tasks*

The task of the committee is to develop a holistic approach to Sweden's development policy in light of the changes in the world previously described. On the basis of a development perspective, the committee shall analyse and where appropriate shall propose measures with regard to:

- increased concordance between areas of policy, for instance, security, trade, environment, agriculture, refugee and migration policies, and between different areas within development cooperation, e.g. investments and business sector issues, development financing and debt issues,
- the role of development cooperation in conjunction with conflict prevention and conflict management,
- the rights perspective, including children's rights, in development cooperation with the aim of combining the normative systems and frameworks, above all the international conventions on human rights and respect for international humanitarian law, with operational activities,
- the consequences for development cooperation of the content of and methods for partnership in both bilateral and multilateral cooperation,
- the consequences of the undertakings Sweden has made in OECD's development policy strategy *Shaping the 21st Century*,
- the prospects for promoting knowledge, capacity and institutional development, by inter alia modern information and communication technology, on the basis of the demands made on often far-reaching social reforms aiming to create a modern economy, and a vigorous democracy,
- how Sweden can best contribute to EU common policy in different areas, including within development cooperation, thereby to improving the European contribution to global development,

- how Swedish development cooperation can contribute to increase the prerequisites for participation by developing countries in world trade.

### **Organisation and working procedures**

The inquiry shall also be carried out by a committee consisting of representatives from all parliamentary parties, as well as experts and special advisers. It will have a secretariat, which will be able to use external expertise. It is assumed that the committee will engage in close dialogue with representatives of different policy areas, as well as the concerned ministries and agencies.

The work shall be carried out in ways that strengthen and deepen commitment and understanding for the vision expressed in Sweden's overall development policy. Consultations and hearings shall be held with business sector and working life organisations, with popular movements and NGOs, as well as and with other parties and stakeholders in the Swedish public with experience of and commitment to development issues.

The committee shall consult the ongoing projects at the Government Offices (see annex).

During the EU Presidency, Sweden will hold a consultation *inter alia* with other EU Member States and international experts on globalisation and development cooperation. The inquiry is to contribute material for that consultation.

Work with the inquiry is to be completed at the latest by 31 October 2001.

*Annex* to the Terms of Reference for the Committee (Commission of Inquiry) on Sweden's policy for global development (Dir 1999:80)

### **Documents, Government Bills, Commissions of Inquiry and Projects in Process**

#### **Government documents**

Sveriges internationella samarbete för hållbar utveckling (skr 1996/97:2)

*Sweden's International Co-operation for Sustainable Development, in Swedish*

De fattigas rätt – vårt gemensamma ansvar Fattigdomsbekämpning i Sveriges utvecklingssamarbete (skr 1996/97: 169)  
*The right of the poor – our common responsibility. Combating poverty in Swedish development co-operation. This publication is available in English*

Demokrati och mänskliga rättigheter i svensk utvecklingssamarbete (skr 1997/98:76)  
*Democracy and Human Rights in Swedish Development Assistance, in Swedish*

Mänskliga rättigheter i svensk utrikespolitik (skr 1997/98:89)  
*Human Rights in Swedish Foreign Policy, in Swedish*

En förnyad svensk Afrikapolitik inför 2000-talet (skr 1997/98:122)  
*A renewed Swedish Africa Policy on the threshold of the twenty-first century, in Swedish*

Öppen handel – rättvisa spelregler. Svensk handelspolitik inför en ny WTO-runda (skr 1998/99:59)  
*Open trade, fair rules of play. Swedish trade policy on the threshold of a new WTO round, in Swedish*

Framtid med Asien. En svensk Asienstrategi för 2000-talet (skr 1998/99:61)  
*The Future with Asia. A Swedish Asia Strategy for the Twenty-First Century, in Swedish*

### **Government Bills**

Svensk migrationspolitik i globalt perspektiv (Government Bill 1996/97:25)  
*Swedish migration policy in global perspective, in Swedish*

Jämställdhet som ett nytt mål för Sveriges internationella utvecklingssamarbete (Government Bill 1995:86:153)  
*Equality between women and men as a new objective for Sweden's international development assistance, in Swedish*

**Reports**

Hållbart bistånd – det svenska biståndet efter UNCED (Ds 1994:132)

*Sustainable development assistance – Swedish development assistance after UNCED. This publication is available in English*

Konfliktbyggande verksamhet – en studie (Ds 1997:18)

*Conflict prevention activities – a study, in Swedish*

Civilpolisutredningen (SOU 1997: 104)

*Plain-clothes Police Report, in Swedish*

Framtid med Asien – Förslag till en svensk Asienstrategi

(Ds 1998:61)

*The Future with Asia – Proposal for a Swedish Asia Strategy, in Swedish*

**Other material**

Humanitärpolitiska perspektiv – om det humanitära imperativet i politiska kriser, UD 1998

*Humanitarian policy perspectives – the humanitarian imperative in political crises, in Swedish*

*Report from a seminar on International Solidarity & Globalisation: In Search of New Strategies, Oct 27-28, 1997*

Kulturpolitik för utveckling, Swedish Unesco Council publications series no.3, 1998

*Cultural Policy for Development, in Swedish*

Att förebygga väpnade konflikter – ett svenskt handlingsprogram (Ds 1999:24)

*Preventing armed conflicts – a Swedish action programme, in Swedish*

**Projects in process**

*Financing Project, Development Finance 2000*

*Children's Project. Review of Children's Issues in International Development Co-operation*

*IT investment in development co-operation, Information and Communication Technologies in Development Co-operation  
Study of Swedish Strategy for the Middle East and North Africa.*

# Globkom's committee meetings and activities

## Globkom committee meetings – topics and external presentations

2000

- 23 February**      **Committee meeting, discussion on the organisation of work**
- 27 March**        **Trade-related issues**  
 Presentations:  
 Ulf Hjalmarson, NCC  
 Karl-Anders Larsson, UD-IC  
 Arne Rodin, UD-IH
- 19–20 May**        **General development assistance issues and conflict issues**  
 Presentations:  
 Bo Göransson, director-general, Sida  
 Anders Bjurner, ambassador at the Representation in Brussels  
 Bengt Herring, Sida  
 Mattias Iveborg, Swedint  
 Peter Wallensteen, professor, Department of Peace and Conflict Research, Uppsala University
- 13 June**          **Globalisation**  
 Presentations:  
 Anders Ahnlid, UD-IH  
 Svante Axelsson, Swedish Society for Nature Conservation

Erik Eldhagen, Stockholm School of Economics  
 Björn Fritjofsson, Ministry of Finance  
 Maud Jonsson, Forum Syd  
 Börje Ljunggren, UD-ASO  
 Åke Magnusson, International Council of Swedish Industry  
 Alice Petrén, Swedish Television

**22–23 September Poverty**  
 Presentation:  
 Ravi Kanbur, professor, Cornell University

**23 October EU/Agriculture**  
 Presentation:  
 Bo Norell, Swedish Board of Agriculture

**27 November Partnership** (during visit in Kenya)  
 Presentations:  
 Hans Andersson, ambassador, Kampala  
 Inga Björk-Kleveby, ambassador, Nairobi  
 Ingrid Löfström-Berg, development assistance counsellor, Kigali  
 Sten Rylander, ambassador, Dar es Salaam  
 Lennart Wohlgemuth, Nordic Africa Institute

2001

**19 January Democracy and the DAC Study**  
 Presentations:  
 Inger Axell, Sida  
 Mikael Boström, Sida/DESO/DESA  
 Ingrid Wetterqvist, UD-IC  
 Torgny Holmgren, UD-IC  
 Kelly Kammerer, Vice-Chairman, DAC, US  
 DAC Delegate  
 Kaori Miyamoto, Administrator  
 Martyn Roper, UK DAC, delegate  
 Pietro Veglio, head of PRPM

<b>25 February</b>	<b>Committee meeting, idea discussion</b> (during visit to Bangkok)
<b>12 March</b>	<b>Human Rights</b> Presentations Ulf Edström, Swedish Trade Union Confederation Tomas Hammarberg, UD-FMR Lars Ronnäs, UD-FMR
<b>6 April</b>	<b>Global Governance</b> Presentation: Pierre Schori, Swedish Ambassador to UN New York
<b>4 May</b>	<b>The rights perspective</b> Presentation: André Frankovits, Human Rights Council of Australia Inc. <b>The demographic perspective</b> Presentation: Lena Sommestad, Institute for Futures Studies
<b>12 June</b>	<b>Text discussion meeting</b>
<b>29–30 August</b>	<b>Text discussion meeting</b>
<b>24–25 September</b>	<b>Text discussion meeting</b>
<b>14–15 October</b>	<b>Text discussion meeting</b>
<b>18–19 November</b>	<b>Text discussion meeting</b>
<b>23 November</b>	<b>Text discussion meeting</b>
<b>6–7 December</b>	<b>Text discussion meeting</b>

2002

**28 January**                      **Text discussion meeting**

**29 January**                      **Final adjustment meeting**

### Activities

*During the extensive process of consultations, Globkom met with representatives of many NGOs, persons from authorities, researchers and committed individuals. The following section is a list of the conferences, seminars and hearings that Globkom initiated, in some cases together with other actors, during the period of inquiry.*

### Seminars & conferences

2000

#### *1. Open discussions at Kyrkans Hus*

Open discussion at Kyrkans Hus, Uppsala. "Partnership and coherence in Swedish global development policy". Co-arrangers: Globkom, Kyrkans Hus, Cemus (student organisation for environmental and development studies). Moderator: Bengt Gustafsson, The Sigtuna Foundation. The discussion took place on 19 May.

#### *2. Globkom's visit to Geneva*

The Committee visited Geneva on 26–29 June 2000 and participated in the social summit meeting "Geneva 2000" and met a number of UN organisations.

#### *3. Local perspectives on Foreign Aid to the Justice Sector*

Globkom invited to a hearing on 23 August in conjunction with a visit by David Petrsek from International Council for Human Rights in Geneva. He presented a newly-published book on the topic "Local perspectives on Foreign Aid to the Justice Sector" and answered questions.

#### *4. The start of the outward-directed work*

On 6 September 2000, a meeting took place with 100 participants for the start of Globkom's outward-directed work. Maj-Inger Klingvall, Gun-Britt Andersson, Maj-Lis Löow and Peter Örn were among those taking part.

#### *5. Meeting with young people*

Globkom held a public hearing in Gothenburg on 21 September with political youth associations, the Africa groups, etc.

#### *6. Seminar on poverty*

On 22 September, Globkom, together with the Gothenburg School of Economics and Business Administration, arranged a public seminar on the theme: "Workshop on Poverty. Participants included Ravi Kanbur, Cornell University, Arne Bigsten, Gothenburg School of Economics and Business Administration, Björn Hettne, Department of Peace and Conflict Research in Gothenburg.

#### *7. The Association for Development Issues (FUF) meets Globkom*

FUF's members and NGOs put forward important development issues and points of view to Globkom on 27 September.

#### *8. Ecological Footprints*

On 2 October 2000, Globkom arranged a seminar in Gävle in collaboration with Gävle University College. It was entitled "Ecological Footprints, Seminar on local and global environmental responsibility" and was about environment and lifestyle issues. The participants included Mats Segnestam, Sida, Göran Tannerfeldt, Sida, Tomas Sterner, professor and head of the Environmental Economics Department at Göteborg University (Gothenburg), Göran Eklöf, Swedish Society for Nature Conservation. A debate was arranged in Folkets Hus in the evening.

#### *9. IT and poverty*

On 6 October, Globkom arranged a seminar with Gabriel Accascina, head of UNDP's programme "IT and poverty" in Asia. Accascina described the methods used in information technology today in development cooperation, gave examples of how IT contributes to reducing poverty and the factors that are crucial for IT being able to serve as a tool for poverty reduction.

### *10. Human rights*

Sakiko Fukuda Parr, UNDP, visited Globkom on 16 October to speak at an open hearing about human rights, human development and the Human Development Report.

### *11. Conference arranged by the World Bank and Globkom*

Together with the World Bank, Globkom arranged a conference on 20–21 October “Poverty and the International Economy” in Stockholm with the participation of a number of internationally prominent researchers. The conference was about the link between trade liberalisations and distribution effects at household level. A large number of invited experts, officials, NGOs, and foreign guests participated. The participants included David Dollar, World Bank, Dani Rodrik, Harvard University, Anne Case, Princeton University, Jim Levinsohn, University of Michigan, Alan Winters, University of Sussex.

The discussion continued at a meeting arranged by the World Bank and the EU Commission on 6 March 2001 in Brussels, partly based on a background paper financed by Globkom.

### *12. Global Public Goods*

An open hearing was held at Globkom’s office on 6 November with Inge Kaul, director of the Office of Development Studies, UNDP. She presented the book *Global Public Goods* and questions and discussion following on there from.

### *13. IT and global development*

The seminar, which was held in Umeå on 10 November, tried to shed light on how information and communication technology affects development viewed from a poverty perspective, and how IT is used and can be used in development cooperation. The arrangement was in collaboration with Umeå University and the participants included Anders Wijkman, Christian Democrat member of Globkom and member of UN’s expert panel in IT-related issues, Mohan Thazhatu, regional manager, Plan International Central America, and Lena Palmqvist, Department of Computing Science, Umeå University.

### *14. Human rights and the rights perspective*

Globkom arranged a conference with the Raul Wallenberg Institute in Lund on 17 November. At the meeting, HR and the rights per-

spective were discussed. The participants included Gudmundur Alfredsson, Göran Melander and Alfred Chanda from the Institute.

*15. Discussion with the head of UNDP*

Globkom met the head of UNDP Mark Malloch Brown in Stockholm on 21 November.

*16. Globkom visits Africa*

The Committee visited Kenya and Mozambique between 24 November and 3 December 2000. The purpose of the visit was, amongst other things, to study partnership and a South perspective.

*17. Seminar in Nairobi with African researchers*

A seminar was held in Nairobi on 25 November on the topic "Making Globalization work Better for Africa". Participants included Prof E.V.O. Dankwa (Ghana), Dr Amina Mama (Nigeria), Ms Spes-Gaudence Manirakiza (Burundi), Dr Guy Mhone (Malawi), Dr Angela Lamensdorf-Ofori-Atta (Ghana), Dr Adebayo Olukoshi (Nigeria), Lennart Wohlgemuth (director, Nordic Africa Institute), Inga Björk-Klevby, ambassador Nairobi and Sten Rylander, ambassador Dar es Salaam.

*18. Development policy through the EC – opportunities and the dilemma*

Globkom, the Swedish Institute of International Affairs and Diakonia invited to a seminar on 12 December. Participants included Arne Ström and Anna Holmryd, Ministry for Foreign Affairs, Carl B. Hamilton, professor, Stockholm School of Economics, Pernilla Malmer, Swedish Society for Nature Conservation, Magnus Walan, Diakonia.

*19. Financing development in the least-developed countries*

On 14 December, Charles Gore, from UNCTAD, presented at Globkom's office the report: The Least Developed Countries. 2000 Report; Aid, Private Capital Flows and External Debt: The Challenge of Financing Development in the LDCs.

## 2001

### *20. Meeting disasters from humanitarian initiatives for sustainable development*

The conference was held at Karlstad on 18 January 2001 in collaboration with Globkom and the Swedish Rescue Services Agency. Participants included Nils-Arne Kastberg, head of UNICEF's disaster work, Anders Wijkman, member of the EU Parliament and Christian Democrat member of Globkom, Margareta Wahlström, former Under-secretary General for Disaster Response and Coordination at the International Federation of Red Cross and Red Crescent Societies in Geneva.

### *21. Popular education hearing with Globkom*

The Popular Education Council, folk high schools and study associations with an international focus met representatives from Globkom on 23 January.

### *22. Hearing and follow-up of some of the autumn's poverty conferences*

Sida, the Olof Palme's International Centre, and the Sigtuna Foundation held several seminars during the autumn on poverty. Globkom followed this up by arranging a hearing on 24 January on the experiences of this work. Participants included Carl Tham, secretary-general of Olof Palme's International Centre, Carin Jämtin, development assistance manager, Olof Palme's International Centre, Kristina Bohman, advisor in poverty issues for Sida, Bengt Gustafsson, director, Sigtuna Foundation.

### *23. Public meeting on "Why starvation when there's sufficient food"*

"How and with what means can a policy for global development contribute to improving the supply of food in the world?"

The meeting was arranged by Globkom in collaboration with the Swedish Board of Agriculture, and took place at Kulturhuset, Jönköping on 1 February. Participants included Stefan de Vylder, consultant, Karin Wallenstein, political expert, Ministry of Agriculture, Åke Pettersson, Centre Party member of Globkom.

*24. Lunch meeting with the Department of International Development, UK*

On 13 February, member of Globkom met David Batt from the UK Department of International Development in Stockholm to discuss DFID's White Paper on "Making Globalization Work Better for the Poor".

*25. Hearing on people with functional disabilities in development cooperation*

The hearing took place at the Riksdag on 21 February. Participants included Bengt Lindqvist, UN's special rapporteur in disability issues, Malin Ekman-Aldén, secretary-general SHIA, and other representatives of people with functional disabilities.

*26. The Committee's visit to Asia*

The Committee visited Asia between 23 February and 4 March 2001. One group of the Committee visited Vietnam and the other group East Timor and Australia. The purpose of the visit to Vietnam was primarily to study economic development and children's rights. In East Timor, construction work after the conflict was studied and the UN's role in this work and future conflict solution mechanisms.

*27. Seminar in Bangkok with representatives from Asia*

A seminar was held in Bangkok on 25 February on sustainable development, combating poverty and children's rights. Participants included Professor Lawrence Surendra (Bangalore), Professor Vinod Vyasulu (Bangalore), Professor Hadi Soesastro (Jakarta), Professor Pasuk Phongpaichit (Bangkok), Professor Cris Baker (Bangkok), director Mehr Khan (UNICEF), senior advisor Robert Bennoun (UNICEF) and senior advisor Margie de Monchy (UNICEF).

*28. Gene issues – risks or opportunities for developing countries*

A seminar was held on 19 March in collaboration with Sida. How can Swedish policy support the interests of developing countries? Can genetically modified crops (GMO) contribute to alleviating world starvation? Participants included Carl-Gustaf Thornström, associate professor, Swedish University of Agricultural Sciences, and advisor to Sida's department for research cooperation SAREC, Ulf Pettersson, professor of Genetics at Uppsala University,

Annika Åhnberg, vice-managing director, Samhällskontakter Alfa-Laval Agri.

*29. Hearing with the Red Cross*

A hearing was held with the Swedish Red Cross on 20 March.

*30. Women in development assistance*

Globkom arranged a lunch meeting on 20 March with women who are or have been active in international development assistance. Participants were former members of KIB which has been discontinued – Sida's Advisory Women's Council with representatives of Swedish women's organisations. Discussions concerned gender issues, democracy and women's organising.

*31. Hearing with the Swedish Christian Council*

The Swedish Christian Council, politicians, the general public and Globkom met at the Riksdag on 21 March. The discussion was based on the document the Swedish Christian Council had submitted to Globkom, *The Globalisation of Solidarity – An Active Swedish Globalisation Policy*.

*32. Civil Society and Development Issues*

Forum Syd and the Church of Sweden, together with Globkom, invited Swedish NGOs to a conference on 30 March 2001 to discuss the role of the civil society as an agent of change in a policy for global development.

*33. Meeting with the Swedish Adult Educational Association*

Globkom and the Swedish Adult Educational Association met on 4 April 2001.

*34. Internal hearing with Sida*

Sida personnel and Globkom met on 24 April and discussed the questions Globkom had put to Sida.

*35. Meeting with the Swedish Association of Local Authorities and the Federation of County Councils*

The Swedish Association of Local Authorities and the Federation of County Council were invited to take part in a discussion on twinning between municipalities, etc.

### *36. The social responsibility of companies*

On 27 April 2001 SNS and Globkom arranged a seminar on the social responsibility of companies. The discussion was based on the work that had taken place for about six months in a reference group linked to the writing of the book "Human Rights – the Social Responsibility of Companies?" published later in September by SNS and Amnesty. Representatives of a number of Swedish companies and Globkom's secretariat took part in the reference group among others. The same company representatives took part in the seminar with Globkom and reported on their experiences.

### *37. Swedish Missionary Council met Globkom*

The hearing with the Swedish Missionary Council was held at the Riksdag on 3 May. The discussion was based on SMC's document submitted to Globkom, "Att värna trovärdigheten för Sveriges politik för global utveckling" (Safeguarding the credibility of Sweden's policy for global development).

### *38. LSU and Forum Syd submitted their reports to Globkom*

On 7 May, LSU and Forum Syd invited to a workshop on development issues and organisation. Both organisations also submitted their reports "Ungas delaktighet i utvecklingspolitik" (The participation of young people in development policy) and "Framtidens organisation kring globala frågor" (The Organisation of the Future around Global Issues) which had been commissioned by Globkom.

### *39. Civil-military collaboration*

The preliminary meeting on 7 May for the conference on 8 May "Briefing on operational meetings for CIMIC". Information was provided on a NATO meeting on the same topic. A co-arrangement between Globkom and the Council for Development Assistance and Development Studies.

### *40. Kosovo and the Changing Face of Humanitarian Action*

The conference on civil-military collaboration on 8 May at Uppsala: "Kosovo and the Changing Face of Humanitarian Action". The discussion concerned civil-military collaboration for preventive purposes and in conflict situations. Participants included Raymond Apthorpe, professor, Australia National University, Lesley Abdela, consultant, and John Rollins, Ltc NATO/SHAPE. Arranged by: Globkom, the Council for Development Assistance

and Development Studies at Uppsala University and the British Council.

*41. Globkom visits to Guatemala and Colombia*

The Committee visited Guatemala and Colombia between 19 and 27 May 2001. The purpose of the journey was, among other things, to study the promotion of democracy and human rights in the region, peace processes and the narcotics problem.

*42. Seminar in Guatemala with researchers from the region*

On 20 May, the seminar "Promoting Human Rights and Democracy in Latin America" was arranged, which was held in Antigua, Guatemala. Researchers and opinion makers from various Latin American countries took part and discussed with Globkom. Participants included Dr. Edelberto Torres-Riva (Guatemala), Director Diana Urioste (Bolivia), Prof. Mariclaire Acosta Urquidi (Mexico), Director Marta Lagos Cruz Coke (Chile), Prof. Edmundo Jarquín (Nicaragua), Director Ivan Doherty (Ireland), Executive Director Roberto Cuéllar (El Salvador).

*43. Meeting with youth organisations*

On 29 May, the Chairperson of Globkom met the Swedish Association of Field Biologists, Rättviseakademin, and the network "No one is illegal" to listen to their points of view. The discussion was based inter alia on the document that Rättviseakademin and the Field Biologists had submitted to Globkom.

*44. The Committee's visit to Washington*

On 3–5 September 2001, Globkom visited the IMF and the World Bank in Washington.

*45. Seminar with three Nobel prizewinners in economics (cancelled)*

At the invitation of Globkom and the Nobel museum, the Nobel prizewinners in Economics Robert W. Fogel, Robert E. Lucas, Jr and Douglass North were to have held a seminar on 13 September, Issues in Global Development in Aula Magna at Stockholm University for students, researchers, foreign guests, NGOs, officials at various ministries, etc. Unfortunately, this arrangement had to be postponed due to their terror attacks in the USA 11 September. Professor Fogel who had arrived in Stockholm prior to the attack

held a seminar at the Department of International Economics on 12 September on the topic of the seminar.

*46. The business sector meets Globkom*

On 24 September, representatives for the Swedish business sector presented ideas as to how synergies can be achieved in collaboration. Participants included Lars Elvhage (ABB), Katarina Eriksson (Tetra Laval), Ulf Hjalmarsson (NCC), Ulla Holm (Tetra Laval), Göran Norén (Svensk näringsliv) and Börje Risinggård (Svensk Handel)