

# Results strategy for global action on economically sustainable development 2014–2017

## 1. Expected results

This strategy governs the use of funds allocated under appropriation item ‘Global action on economically sustainable development’ in Sida’s appropriation directions for each financial year. The strategy will apply for 2014–2017.

Activities within the strategy are intended to contribute to sustainable economic growth with improved conditions for women and men living in poverty, especially in rural areas, to support themselves. This is to be achieved through contributions that increase their opportunities to participate in, and benefit from, economic growth. Contributions that are important for food security are of particular significance.

Activities are expected to contribute to the achievement of sub-objective 2 in the Government’s aid policy framework (Government Communication 2013/14:131): Better opportunities for people living in poverty to contribute to and benefit from economic growth and obtain a good education.

The following results are expected:

### Better opportunities for people living in poverty to contribute to and benefit from economic growth

#### *Focusing on improved food security*

- Increased productivity and sustainability of smallholder farming.
- More sustainable use of fisheries resources.
- Strengthened ownership, use and inheritance rights to land, water, forests, fisheries and other natural resources.
- Strengthened women’s entrepreneurship.

#### *Focusing on inclusive and efficient markets*

- Greater access to local markets, especially for small-business owners.
- Greater access to capital and financial services for women and men, and for small-business owners including in agriculture.
- More income-generating job opportunities with decent working conditions.
- Enhanced capacity of countries to implement effective tax legislation.

#### *Focusing on improved access to open and secure information and communication technologies (ICT)*

- Greater access to, and increased use of, open, secure and free information and communication technologies.
- Greater capacity for innovation, entrepreneurship and security in ICT for the promotion of economic development.
- Enhanced capacity to take part in the dialogue on the global development of the

internet and its contribution to economically sustainable development.

*Focusing on more liberalised trade and sustainable business practices:*

- Strengthened opportunities for countries to derive benefits from market openings and increase their exports.
- Enhanced capacity of countries to formulate, negotiate and implement trade policies.
- Enhanced ability of countries to integrate trade into national and regional strategies for poverty reduction and sustainable development.
- More companies implementing sustainable business practices into their operations.

## **2. Activities**

The strategy covers activities that provide clear global added value and that are not specific to a particular continent, region or country. Global contributions are intended to help Swedish priorities gain recognition and have an impact on international normative policy-making in the areas covered by the strategy. Support may therefore be given to normative organisations, networks or other standard-setting actors playing a key role in issues prioritised by Sweden. Contributions may also be given to regional and global organisations or funds when it is more effective for them to channel support to several countries in the area than for Sweden to provide contributions via bilateral agreements. Divisive issues, where Sweden represents fundamental values not sufficiently emphasised by other actors in international cooperation, should be considered.

A very large proportion of people living in poverty are economically active in the private sector, mainly in agriculture and the informal economy. A majority of them are women and many are young people. Agriculture, especially the contributions of women, is an engine for economically sustainable development and food security. Women, young people and people with disabilities often encounter discrimination and exclusion, as well as obstacles to economic participation.

Food security, within the context of functioning ecosystems, is a prerequisite for enabling people living in poverty to improve their living conditions. Contributions to increase productivity and sustainable use of land and water resources in agriculture, as well as sustainable use of fisheries resources are therefore of great importance.

More inclusive, open and efficient local, regional and global markets contribute to creating opportunities for the private sector, including the agricultural sector, to develop and thus contribute to more products and services, employment opportunities, market outlets and financial services. Growth of this kind strengthens opportunities for individuals to lift themselves out of poverty. Good access to different forms of infrastructure contribute to economic diversification and patterns of growth that benefit both individuals living in poverty and marginalised regions.

Making the private sector more dynamic and creating a favourable business climate providing equal opportunities for women and men is essential to poverty reduction and therefore an important role for aid. The growth of the formal economy as well as reduced barriers to participating in it, creates more secure and better paid jobs. Formalisation of the economy does not automatically lead to improved living conditions for individuals

living in poverty. Aid can contribute to a formalisation process conducive to genuine improvements for women and men living in poverty, where the benefits they perceive in the informal economy are taken into account.

In many countries, widespread corruption is an obstacle to a favourable business climate. Sweden can contribute to global action to promote increased transparency and to preventing and combating corruption.

International trade plays an important part in creating opportunities for growth. Aid has an important role to play in contributing to low-income countries in particular being able to reap the full benefits of trade and more open markets. Adaptation to international standards is often a prerequisite for increased trade.

A general requirement for economically sustainable development is macroeconomic stability. The activities as a whole are to contribute to the achievement of the Millennium Development Goal to halve poverty and hunger (MDG 1 or its successor).

### **Better opportunities for people living in poverty to contribute to and benefit from economic growth**

#### *Focusing on food security*

Activities will aim to contribute to increased productivity and sustainability, primarily in smallholder agriculture, forestry and fisheries, but also in other natural resource-based production. Contributions are to help increase awareness of, access to and use of technologies and methods for increased productivity and sustainable production methods in agriculture and forestry, and the sustainable use of fisheries resources. This can be achieved, for example, through appropriate extension services. The contributions are to primarily benefit individuals living in poverty in low-income countries, as well as helping poor women and men derive greater benefit from land-related investments.

Contributions are to help increase the economic and environmental sustainability of agriculture, forestry and fisheries. It is particularly important to strengthen the capacity of smallholder farmers to withstand temporary shocks, such as drought, flooding, outbreaks of plant pests, contagious animal diseases and food price changes, as well as long-term changes, such as global warming. Particular attention is to be paid to smallholder farmers' capacity, participation and ability in managing both temporary and long-term challenges.

In addition, contributions are to help strengthen smallholder farmers' rights and the rule of law, focusing on women. Special priority is to be given to strengthened ownership, use and inheritance rights to land and other natural resources.

#### *Focusing on inclusive and efficient markets*

Activities will aim to contribute to more inclusive, open and efficient markets that are of particular relevance to the employment and income of individuals living in poverty. Activities will also aim to create income-generating job opportunities, especially for women and young people, by stimulating economic diversification, business development, innovation and entrepreneurship. Increased access to input and output markets for smallholder farmers in poor areas is very important.

Contributions are to stimulate business development, promote an improved business climate and enhance opportunities for economic participation and entrepreneurship among people living in poverty, and particularly women and young people. This can be supported in a number of ways, including by promoting corporate social responsibility, and through business models that include in the value chain people currently living in poverty. Increased access to capital and financial services related to market inadequacies that particularly affect poor people is to be supported along with increased use of local financial systems that lead to more investments. As women generally have less access to the capital and financial services and systems mentioned above, their specific needs must be addressed.

Contributions are to promote capacity development that is specifically relevant to private sector development, including laws, regulations and their application, taking into account the role of the informal sector in the lives of people living in poverty. Key areas include strengthened public systems of ownership and user rights to land as the basis for investment, corporate social responsibility, implementation of tax legislation, anti-corruption measures, barriers to formalisation of enterprises and barriers in sectors of the economy where the potential for job creation is particularly high.

*Focusing on improved access to open and secure information and communication technologies (ICT)*

With a view to promoting inclusive economic development, activities will aim to contribute to improved and more equitable access to information and communication technologies (ICT) and a reduced digital divide between and within countries.

Support is to be given to strategically important contributions in the area of ICT to promote access to and use of free, open and secure information and communications technology, particularly for individuals currently excluded from the information society. As women generally have less access to ICT tools, their specific needs are to be identified and supported.

Contributions are to increase countries' ability to contribute constructively to the global debate on the development of the internet and to draw on existing experience to promote an open internet that will advance economically sustainable development.

Activities must also aim to improve countries' capacity for ICT innovation and entrepreneurship and cyber security. Particular emphasis is to be placed on promoting the use of open technologies.

*Focusing on more liberalised trade and sustainable business practices*

Activities will aim to contribute to a more inclusive global trading system where low-income countries have greater access to international markets. Activities are to support the countries' opportunities to derive benefits from market openings and to support initiatives to promote exports, in particular countries' capacity and participation in formulating trade rules, including the ability to meet international standards and to report that they are met. Activities are also to support well-functioning and modern customs administrations, which are important prerequisites for efficient trading. Activities will also aim to influence the social responsibility of businesses and markets in a positive direction.

Contributions are to strengthen the capacity of national and regional organisations to identify, formulate and express their interests, shape, negotiate and implement trade policies and strengthen the countries' capacity to use dispute resolution mechanisms.

### **3. Follow-up**

Follow-up procedures are outlined in the Government's Guidelines for results strategies within Sweden's international aid.