

Policy for Swiss implementation of Busan Commitments

1. Objective of document

The High Level Forum on Development Effectiveness in Busan (Korea, Dec 2011) was praised as the first truly multi-stakeholder and inclusive conference on development cooperation, including providers of South-south cooperation and the private sector. This evolution of the aid effectiveness agenda is positive since it responds to the changing international context, e.g. the emergence of new actors and different forms of development cooperation. As a result, the participants of this conference launched a "Global Partnership for effective development cooperation" with "common but differentiated responsibilities". Traditional donors like Switzerland basically reaffirmed the commitments taken in previous conferences on aid effectiveness, with some elements being further concretized. Moreover, the conference confirmed that implementation at the (partner) country level with partner country lead is the key to achieve better development results.

The present document aims at clarifying the Busan commitments for Switzerland, at identifying basic principles and the process for their implementation, and at defining priority areas in which additional measures will have to be taken. In doing so, it draws on the Swiss action plans for the Paris Declaration (2005) and the Accra Agenda for Action (2008).

2. General framework of the post-Busan process/ Global Partnership

Switzerland welcomes the new Global Partnership for development effectiveness and recognizes the importance of a truly inclusive dialogue between all relevant development cooperation actors. The governance structure of the Global Partnership reflects this multi-stakeholder approach and is certainly conducive to the exchange of experiences between the different providers of development cooperation. Therefore, it can also make a very valuable contribution to the definition of a post-2015 cooperation framework and Switzerland fully supports endeavours by the Global Partnership in this area. Switzerland is willing to engage in the Global Partnership and supports the work undertaken by the joint OECD-UNDP Secretariat.¹ Switzerland is willing to strengthen DAC's role as donor coordination forum and proposes that the DAC forum is used to create common positions among DAC members on certain aspects of the development effectiveness agenda. For the moment, Switzerland therefore identifies the DAC Chair as the way to channel messages in the Steering Committee of the Global Partnership. (Complementary channels not being excluded). At the national level, Switzerland is willing to implement the commitments reaffirmed in Busan in its development cooperation activities. Therefore it will identify gaps in its current system in order to improve its record on aid and development effectiveness (see points 3, 5).

3. General principles for implementation

The Busan conference stressed that implementation and monitoring of commitments should lie foremost at the partner country level, complemented by a light global structure and monitoring. Switzerland fully supports this principle and is committed to apply it for its own activities (see below point 5). It will further discuss the way its aid effectiveness measures are decided and implemented, giving a stronger role to field offices, so as to support the implementation of Swiss commitments on the ground and to support partner countries in their efforts to comply with their commitments (enabling activities). This will also depend on the initiatives in place in the respective partner countries. Headquarters will continue to define the general principles for action ("policy papers", "guidelines" valid for all priority countries) and should ensure an overview and dissemination of good practices in the field. Moreover,

¹ Financial contribution to DAC/OECD and UNDP budget items on development effectiveness.

headquarters should ensure that aspects of development effectiveness are taken into account in the discussions on the post-2015 agenda within the Swiss administration.

As for the monitoring, at the global level it will be ensured by the DAC/UNDP Secretariat, using the 10 indicators decided in June 2012. At the country level, the monitoring will be done through country results frameworks defined by each partner country, as well as mutual assessment reviews. Switzerland will support this process in its priority countries or via global initiatives aiming at strengthening partner countries capacities in this area (Paris21).

Finally, as for the planning of implementation, Switzerland will use a two step approach. This paper defines the general principles (first step) as initial measures, which will be updated and enriched – in close collaboration with field offices (principle of rolling plan of measures, second step). This approach also allows SDC/SECO to take obvious measures at national level, while observing how the Global Partnership is putting itself in place and moving forward including Building Block dynamics.

4. Strengths of Swiss engagement in favor of development effectiveness

In order to prepare for the Busan conference end 2011, SDC and SECO conducted a self-assessment at headquarters and field offices in order to identify the strengths and weaknesses of Switzerland's implementation of aid effectiveness commitments. Switzerland can draw on some concrete experiences to build its Busan implementation plan, and to engage in a dialogue with other stakeholders.

Switzerland took an active role in the Working Party on Aid Effectiveness, since it was Chair of the Cluster on Ownership and Accountability and took the lead on donor results reporting in the Cluster on Management for Development Results MfDR. Therefore, it is well placed to contribute to international discussions on topics of ownership, accountability and results, one of the main axes of the Busan Partnership.

At corporate level, Switzerland has strengthened its approach to Management for Development Results. Both, SDC and SECO have a yearly Country Reporting with a strong focus on outcomes achieved at the country level and concrete result statements on how Switzerland contributed to such achievements². This is one area where Switzerland can "lead by example".

At partner country level, Switzerland was very active in capacity building and conducted many activities with the objective of empowering and enabling partner countries, e.g. by strengthening partner countries' institutions and CSOs. SDC was very active in strengthening the environment for CSOs and SECO is particularly active in building capacities of state institutions dealing with economic issues (Ministries of Finance and Economic Development, Central Banks, Supreme Audit Courts, Export promotion platforms, etc) and improving the framework conditions for the private sector.

During the last years, Switzerland actively participated in donor coordination mechanisms with various stakeholders in the partner countries. This provides a good basis for a dialogue on development effectiveness.

At a thematic project level, Switzerland can draw on its extensive experience and participation in international dialogue forums on: Fragility (INCAF), Public financial management, private sector development, climate change mitigation and adaptation projects, etc.

² Thus, fully in line with Busan, Switzerland is not imposing any additional results frameworks or data collection systems by partner countries.

Regarding transparency, SDC has just launched an electronic platform providing key information on all its programs that have been launched since May 2012.

The Swiss priorities and general commitments of Busan are coherent with the objectives of the Swiss "Message on International Cooperation 2013- 2016".

5. Identification of priority fields of action

The main focus of the Swiss engagement will be addressing the unfinished business of the aid effectiveness agenda, foremost improving *Transparency, Aid predictability* and *Use of Country Systems* and addressing the four priority issues: *Results and Accountability, Fragility/New Deal, Climate Change Finance* and *Public-Private Cooperation*. Switzerland will engage in these issues in policy dialogue activities in the context of the Global Partnership in areas where it has a strong track record and based on its engagements in the line up to Busan.

Busan Commitments linked to unfinished business on aid effectiveness:

- *Transparency and Aid Predictability*: Implementation of IATI and the "Common open standard for electronic publication of timely, comprehensive and forward-looking information" through which SDC will communicate periodically up-to-date data and information at activity level. This requires adaptations in the IT system and workflow, Quality improvement of Forward Spending Survey (Level of detail and covered countries).
- *Use of Country Systems*: The use of the principle "default approach" needs clarification, especially within SDC, the use of country systems in fragile states, cf. New Deal. There is also a need to establish a risk-management system addressing, contextual, programmatic, institutional and fiduciary risks. SECO: Implement lessons learnt from the corresponding Guidelines; continuation of General Budget Support projects and of institutional strengthening (mainly Public Finance Management and Audit Institutions).

Priorities for Swiss engagement in policy dialogue within the Global Partnership

- *New Deal for Engagement in Fragile States*: An SDC plan of implementation is established. INCAF with the g7+ focus on the implementation of the New Deal as well as on a definition of indicators for monitoring. Contribution to New Deal implementation in selected pilot countries of the New Deal.
- *Results & Accountability*: The Implementation of the Results Management has to be improved at corporate level (donor) and at partner country level (Capacity Building, Use of Country Results Frameworks). Active participation in the respective Building Block and hosting of the first Building Block meeting in Switzerland (February 2013 meeting).
- *Climate Change Finance*: SDC and SECO are already very active in their respective themes at project and at policy dialogue level, currently no engagement in Building Blocks.
- *Public-private cooperation*: SDC and SECO strengthen their cooperation with the private sector when development objectives such as poverty reduction, economic development or resolution of global issues can be reached in a more significant and efficient way, currently no engagement in Building Blocks.

6. Next Steps - responsibilities and timelines

At the level of the **Global Partnership**, its implementation will be monitored at the country level based on country specific results agreements, and at the global level on the basis of the 10 indicators and complemented by other relevant elements of the Busan declaration.

At the international level, the Global Partnership GP with 3 Co Chairs, 15 Steering committee members of different constituencies, supported by DAC/UNDP will be in charge of the process. A first steering committee meeting is scheduled for December 2012 and a Ministerial Meeting during the second half of 2013.

Switzerland will use a two-step approach (rolling plan). This paper defines as first step the general principles and priority areas for initial measures, which as a second step, will be updated and enriched in close collaboration with the field offices. A stock-tacking is foreseen at the end of 2013. There will be a yearly progress report until 2015.

There is one Swiss implementation plan specifying contributions to be made by SECO, SDC or both. In order to enhance quality and coherence of Swiss implementation, SDC will coordinate in depth discussions through an Aid and Development effectiveness network

Communication: SDC and SECO will engage in discussions with other Swiss actors like Federal Administration, Private Actors and Parliament.

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