



SDC/SECO statement: OECD Peer Review 2013 on Switzerland's international cooperation

I. Context

The OECD's Development Assistance Committee (DAC) conducts a peer review every four years to assess the quality and quantity of international cooperation by its 29 member countries. Switzerland was once again subjected to such a review in 2013, the last one having been in 2009. The review team comprised two development cooperation representatives each from South Korea and New Zealand, supported by the DAC Secretariat. In addition, China provided an observer. As well as visiting the headquarters of the SDC and SECO, the team carried out two field visits to our partner countries Kyrgyzstan and Burkina Faso.

A Swiss delegation led by SDC Director-General Martin Dahinden discussed the peer review of Switzerland with the DAC in Paris on 4 December 2013. DAC Chair Erik Solheim presented the report to the public in Bern on 11 February 2014. A meeting took place with the President of the Swiss Confederation and the State Secretary of SECO, a press conference was held, and there was also a discussion with representatives of the Advisory Committee on International Development Cooperation. The peer review was then discussed with the two Foreign Affairs Committees on 24 and 31 March.

II. Main findings of the report

The DAC acknowledges and underscores the significant progress made since the last review in 2009:

- The improvement of the strategic framework underpinning international cooperation by the SDC and SECO, in particular the merging of the four framework credits into a single dispatch under a common strategy with the overarching aim of reducing poverty and mitigating global risks;
- The increase in official development assistance (ODA) to 0.5% of gross national income by 2015 – especially impressive in the wake of the international financial crisis;
- The increased focus on reducing poverty, combined with an increasing focus on fragile contexts;
- The five thematic global programmes to mitigate global risks, an innovative approach to influencing policy;
- The decision to enshrine "policy coherence for development" in the Dispatch 2013-16 and the prioritisation of seven relevant policy fields;
- Clear multilateral strategies and rigorous prioritisation of 13 partner organisations with a commitment to making core contributions and using funds in a predictable way;
- Innovative, high-quality humanitarian aid from Switzerland by international standards and positive interaction between humanitarian aid and development cooperation;
- Effective cooperation between the SDC and SECO as well as the successful reorganisation of the SDC and organisational reforms within SECO.

The report states that there is an emphasized need for action in the following areas in particular:

- The lack of systematic monitoring of the impact of Switzerland's national and international policies on developing countries – "policy coherence" (recommendation 1.1);
- An excessively broad portfolio in both thematic and geographical terms and insufficient economies of scale in individual programmes/projects – "concentration" (recommendation 3.1);
- The lack of an FDFA human resources policy and medium-term human resources planning (recommendation 4.2);

- The lack of a sufficiently targeted medium-term strategy for external communication on development cooperation (recommendation 6.2);
- Unclear application of the selection criteria for longer-term humanitarian aid commitments (recommendation 7.1).

III. General view of the report

Switzerland has made a considerable effort since the last OECD review in 2009 to adapt its international cooperation in line with new challenges and organise it in an even more effective manner. In this respect, the OECD makes a very positive assessment of Switzerland: 95% of the recommendations made in 2009 have been fully or partially implemented. This is a very high success rate, particularly when compared with other member countries of the OECD's Development Assistance Committee.

The OECD concludes that Switzerland is taking account of the changed global environment with its efforts to strengthen not only its focus on reducing poverty and mitigating global risks, but also its commitment to fragile contexts and its cooperation with the private sector. The report reserves special mention for the increase in official development assistance to 0.5% of gross national income by 2015.

Overall, it can be seen as an external validation of the relevance of Switzerland's approach to international cooperation. Both the results achieved and the areas of action listed largely match our view of the situation. We are very pleased with the report as a whole and believe that it supports us in our endeavours to bring about further improvements in the effectiveness and efficiency of Switzerland's international cooperation.

IV. Comments on the individual recommendations

The OECD's 13 recommendations have been discussed intensively in recent months by the SDC and SECO and have formed the basis for drawing up initial action plans in conjunction with the Advisory Committee on International Development Cooperation.

The current proposals may appear vague on certain points, but they are being continually refined, particularly in connection with the drafting of the next Dispatch on International Cooperation 2017-20.

The SDC/SECO responses to the individual OECD recommendations are as follows:

1. *Towards a comprehensive Swiss development effort*

1.1 **Reporting on the impact of national/international policies on developing countries (coherence)**

Switzerland has made considerable progress on coherence in the area of development, but it acknowledges the need for action with regard to reporting. Switzerland's Foreign Policy Report has contained a section on development coherence since 2013, which will be expanded further. Switzerland is playing an active role in international discussions on coherence issues and using these as a basis to draw up proposals for assessing development coherence more accurately in the future, for example by means of indicators.

1.2 **Expansion of the whole-of-government approach to other partner countries**

Since 2009, Switzerland has expanded the whole-of-government approach, which provides for close cooperation between the agencies concerned. The possibility of applying the approach in further partner countries is being investigated. The decision on whether to apply it will be made for each country individually when a strategy for that country is worked out.

2. *Switzerland's vision and policies for development cooperation*

2.1 **A clear rationale for selecting new partner countries and exiting other countries**

Switzerland already has a decision-making basis for selecting partner countries. The question of whether these criteria need to be amended is being looked into as part of the work on the new Dispatch 2017-20. In addition, efforts will be made to define the exit criteria more precisely.

3 *Allocating Switzerland's official development assistance*

3.1 *Increased geographical and thematic focus (concentration)*

Switzerland sees no immediate need for action with regard to increased geographical focus. It has reduced the number of priority countries/regions from 41 to 37 since the last peer review, even though the total budget has increased markedly during that time. Switzerland attaches a lot of importance to its ability to adapt the country portfolio flexibly to the changing global and political context (e.g. with new commitments in North Africa and Myanmar). Any further need for geographical/thematic adjustment will be determined in 2015 as part of the groundwork for the Dispatch 2017-20. The amount of funding allocated to each priority country/region will also be reviewed at that stage.

4. *Managing Switzerland's development cooperation*

4.1 *Clearer assignment of roles (SDC) and further decentralisation (SECO)*

Over the next year, the SDC will provide its staff with targeted information and training to ensure compliance with the revised division of roles and responsibilities between field offices and headquarters. With regard to decentralisation, SECO is looking into further optimisation of the division of roles between headquarters and the country offices opened in 2008.

4.2. *Finalisation of FDFA human resources policy and implementation of medium-term human resources planning*

Appropriate measures have already been initiated. The SDC is drawing up a quantitative and qualitative HR plan that will be integrated into the FDFA HR plan. Furthermore, a working group is developing proposals for HR policy reforms with a view to eradicating inequalities between SDC and core FDFA staff.

4.3 *Clearer priorities and guidance on scaling up innovative projects*

Scaling up innovative projects poses a challenge for all donor countries. The SDC and SECO will address this issue as part of the groundwork for the Dispatch 2017-20 and determine whether further guidelines need to be issued. In this context, for example, Switzerland will investigate whether additional clarification is needed in the early stages of a project as to its thematic and geographical scalability.

5. *Switzerland's development cooperation delivery and partnerships*

5.1 *Greater use of country systems and sector-wide approaches*

Switzerland remains committed to using development funds through country systems where these are sufficiently stable and resistant to corruption. In general, local institutions are strengthened in order to enable future use of the country systems.

5.2 *Provision of comprehensive forward-looking data on aid flows*

Switzerland is continuing its efforts to comply with the OECD transparency standard as per the implementation schedule. In addition to information on SDC projects, details of SECO projects will also be available online in future.

6. *Results and accountability of Switzerland's development cooperation*

6.1 *Further strengthening of the results culture*

Switzerland gears its development projects to results and fosters a results-oriented culture. Planned measures include in particular further improvements to the indicators in use. Greater efforts are also being made to ensure that results are evaluated in line with the partner country's evaluation principles.

6.2 Development of a medium-term strategy for communicating about development cooperation

As recommended by the OECD, a medium-term communication concept is being developed (subject of the new 2014 service level agreement between the SDC's Communication Management Unit and FDFA Information). SECO will review its strategic communication on development policy issues this year and then take appropriate action to strengthen it.

7. Switzerland's humanitarian assistance

7.1 Clear communication of criteria for humanitarian operations and funding

The SDC's Humanitarian Aid already employs scenarios and risk analyses to identify potential options for its operations. In future, however, it will aim to communicate better how these criteria founded on humanitarian principles are applied in each specific case.

7.2 Clear focus on comparative advantages of humanitarian assistance

The SDC's Humanitarian Aid programme planning generally seeks to ensure that the focus of bilateral activities matches Switzerland's comparative advantages. This aspect will be considered in more depth in the drafting of the Dispatch 2017-20.

V. Next steps

The SDC and SECO will continually review this initial catalogue of measures and amend or add to it as necessary. The OECD will assess the implementation of its recommendations as part of a mid-term review which is expected to take place in 2016.

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