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2018/2019 DAC Peer Review of Switzerland Remarks on Swiss Development Cooperation

On Alliance Sud and the remarks

Background

DAC peer reviews assess the development cooperation efforts of each Committee member every five years. Switzerland was last reviewed in 2013. In addition, there has been a short mid-term review in 2016. Switzerland will again be peer reviewed in 2018/2019 and the preparatory phase for this peer review is on-going. The Memorandum of the Swiss Government to the Peer Review team, which is part of the preparatory phase, was transmitted by June 29, 2018.

Alliance Sud provided inputs for the 2013 review¹ as well as the 2016 mid-term review. The Swiss Agency for Development and Cooperation has asked Alliance Sud to provide an initial input alongside the Swiss Memorandum to the 2018/2019 DAC peer review of Switzerland. This we do with pleasure. We appreciate the opportunity to submit this input alongside the Memorandum. In addition, we are looking forward to having in depths discussions with the peer review team during their mission in Switzerland and are ready to provide additional written comments if needed.

On Alliance Sud

Alliance Sud is the umbrella organization of the six leading Swiss Development NGOs: Swissaid, Fastenopfer, Brot für alle (Bread for all), Helvetas, Caritas and HEKS. Furthermore, Alliance Sud is hosting the secretariat of the NGO platform of Swiss development organizations.

Alliance Sud strives to influence Switzerland's policies to the benefit of the disadvantaged people in developing countries. Its goal is sustainable development, as well as a more just, peaceful and environment-friendly world that offers equal rights and opportunities to all.

On the preparation and the structure of this input

The here included remarks were prepared based on consolidated position papers of Alliance Sud as well as comments by the NGO platform coordinated by Alliance Sud. It foremost reflects the opinions and assessments of Alliance Sud however the assessments are largely shared by the consulted NGOs.

In structure the report follows the structure of the DAC Peer Review (as established in the DAC Peer Review Reference Guide DCD/DAC(2017)10), with its seven dimensions and indicators. It does not aim at providing a comprehensive view on Swiss development cooperation but mainly highlights issues that are of concern to Swiss civil society organizations and NGOs that are engaged in

¹ See: Alliance Sud: Some Remarks on Swiss Development Cooperation, DAC Peer Review – Meeting with Swiss NGOs, 2013.
and: Alliance Sud: Weiterhin wenig Kohärenz in der Schweizer Entwicklungspolitik. Alliance Sud zum OECD-Länderbericht über die Schweiz. Medienmitteilung vom 11. Februar 2014.

development cooperation. The input focuses on issues related to the mandate of Alliance Sud and considered as of high relevance.

Remarks related to the different dimensions

Dimension 1: Global Efforts for sustainable development

Indicator: The member has a broad strategic approach to global sustainable development, encompassing global challenges, policy coherence and awareness raising at home

Within Dimension 1, the Peer Review puts a focus on (1) efforts to support global sustainable development, (2) policy coherence for sustainable development and (3) global awareness of related issues at home.

Of key concern to Alliance Sud and Swiss NGOs are particularly the last two issues. While Switzerland has continued its positive efforts to promote sustainable development globally, e.g. by actively working towards the adoption of the 2030 Agenda on sustainable development, we would also like to see Switzerland further enhancing its efforts within Switzerland for policy coherence and the raising of awareness on related issues.

Switzerland has a relatively comprehensive strategy for its development cooperation.

In 2016, the Swiss Parliament adopted the *Dispatch on Switzerland's International Cooperation*, the main strategy guiding Swiss aid activities for 2017 – 2020². The strategy for Swiss development cooperation is strongly oriented towards the Agenda 2030 for Sustainable Development.

With regard to policy coherence for (sustainable) development, Alliance Sud and Swiss NGOs consider the situation by far not satisfactory, yet.

Switzerland has continued the trend to include more of its development-related actors in the Dispatch. The Dispatch 2017-2020 includes not only SDC and SECO – as the previous dispatch – but encompasses also the Human Security Division (HSD) of the Swiss Department of Foreign Affairs (DFA). The dispatch leads to joined annual reporting of SDC, SECO and the HSD³. The dispatch emphasizes the commitment to improve policy coherence and in particular the related monitoring.

In line with the recommendation of the previous DAC Peer Review, the Federal Council started to include a chapter on policy coherence for development in its Annual Report to Parliament on Swiss Foreign Policy. In the report 2017, such a dedicated chapter is missing again⁴. Policy coherence is just briefly mentioned: the Foreign Policy Report emphasizes that the Agenda 2030 and its focus on sustainable development can serve as a bracket to promote policy coherence across sectors including international fiscal and economic policy, environment, health, energy, education, research and development, culture and communication (Foreign Policy Report, p. 1833). It identifies as important themes illegal financial flows, transparency in commodity trade (extractive industries), food security, and the inclusion of developing countries in international tax regimes. The Foreign Policy Report identifies the interdepartmental (interministerial) preparation of policies and their discussion in the Federal Council as well as the various strategies prepared by the DFA as main instrument to achieve policy coherence. However, it shies from spelling out the competing interests in these fields as well

² See: <https://www.admin.ch/opc/de/federal-gazette/2016/2333.pdf>

³ See for instance the SECO and SDC joined Annual Report 2016, Swiss International Cooperation, 2017.

⁴ See: <https://www.admin.ch/opc/de/federal-gazette/2018/1791.pdf>

as from identifying concrete steps and measures to harmonize policies in favor of sustainable development.

Much of Switzerland's efforts for policy coherence for development takes place among the development related actors within the DFA, where also awareness of the issues and challenges is greatest. However, the most crucial challenges related to policy coherence and sustainable development stem from competing interests related to promoting sustainable development and other interests of Switzerland and its key economic players. Many aspects of Swiss foreign interests are in tension with the interests of developing countries (e.g. the interest of developing countries to have access to affordable medication and the interests of Swiss pharmaceuticals). Clashing interests are also visible when considering Bilateral Free Trade Agreements and Bilateral Investment Treaties, policies related to extractive industries and commodities trading, arms exports (military equipment and military goods), illicit capital (financial flows from developing countries), and stolen assets.

As expressed in the Agenda 2030: "The interlinkages and integrated nature of the Sustainable Development Goals (SDG) are of crucial importance in ensuring that the purpose of the new Agenda is realized" (Agenda 2030, para 55). The targets of the SDGs require that all policy decisions, whether in trade, tax or security, must promote sustainable development. In consequence, trade-offs between single SDGs must not be accepted. Currently Switzerland still gives preference to economic interests even if they negatively impact on the potential for development, on human rights or the environment. The recent decision taken by the Federal Council (Swiss government) in June 2018 on facilitating the export of arms to countries in conflict is a prominent example. By doing so, it gives precedence to the interests of the Swiss national arms industry over sustainable development and human rights protection.

With regard to the alignment of Swiss policy with the Agenda 2030, the official report of Switzerland to be presented at the High-level political forum in July 2018 is a disappointment. Instead of presenting the results of the gap-analyses undertaken with the support of numerous non-state actors, the report paints a generally very positive picture of the implementation and challenges ahead. In particular, the report of only 24 pages does not take into account the input provided by NGOs in various consultation procedures⁵. As the parallel report submitted by the Swiss CSO platform Agenda 2030 shows, there remain serious challenges in numerous fields⁶.

A major concern in the context of the Agenda 2030 is the fact that the Swiss government is not prepared to put additional financial resources to support the implementation of this Agenda. According to the Federal Council (Swiss government), the Agenda must be implemented with the funds currently available. As shown in the analysis below, the current reality shows decreasing means for international cooperation, pitting the costs for climate finance and other obligations against the funding for development cooperation.

The ambitious global objectives set out in Agenda 2030, and their adoption by the Swiss government, will remain a paper tiger, in the absence of the appropriate funds and the political will for strong policy coherence for (sustainable) development.

⁵ See for the report: <https://www.are.admin.ch/are/en/home/media-and-publications/publications/sustainable-development/die-umsetzung-der-agenda-2030-fur-nachhaltige-entwicklung-durch-.html> and for the media announcement: <https://www.eda.admin.ch/eda/en/home/news/news-fdfa.html/content/eda/en/meta/news/2018/6/20/71189>

⁶ See: Platform Agenda 2030: How Sustainable is Switzerland? Implementing the Agenda 2030 from a civil society perspective. 2018

NGOs demand that Swiss-based multinational businesses take responsibility for human rights and environmental rights violations throughout the value-chain.

There is a high risk of human rights and environmental violations by Swiss companies or multinational companies with link to Switzerland. Because of the relative inactivity of Swiss political institutions, civil society launched a Responsible Business Initiative (<https://konzern-initiative.ch>) which wants to achieve a constitutional amendment introducing an obligation for large corporations and corporations with potentially high negative impact on human rights and the environment to report on impact and measures taken related to human rights and environment and introducing the applicability of Swiss legal standards and liability before Swiss courts. The constitutional initiative has already shown some effect. Opinion polls show that the initiative has chances to succeed in a referendum – Swiss parliament is debating whether to include the main demands of the initiative in the law on stock corporations in order to avoid the referendum. The initiative and/or respective legislation can have an important impact on improving policy coherence in favor of developing countries.

As Alliance Sud and representatives of Swiss civil society, we would like to see further “examples of policy change or enforcement which benefit developing countries” as suggested in the DAC Peer Review Reference Guide DCD/DAC(2017)10 (p.6), in particular examples of changes that are adopted without outside pressure by Swiss civil society or the international community.

The official Switzerland should substantially increase its efforts to raise awareness of the general public on the Agenda 2030.

Awareness-raising on sustainable development, including on the impact of Swiss policies on developing countries, is still largely done by Civil Society Organizations and NGOs. However, with the adoption of the Agenda 2030, Switzerland took the commitment to public access to information (Target 16.10) as well as to establishing the conditions of public accountability (para 73). This and the overall commitment to the implementation of the Agenda 2030 presupposes proactive public information, awareness-building and engagement by the government with citizens. We consider the current communication and awareness building of Swiss authorities on the Agenda 2030 and policy coherence for development as insufficient (see also further comments on communication below).

Dimension 2: Policy, vision and framework

Indicator: Clear political directives, principles and strategies shape the member’s development cooperation and are in line with international commitments, including the 2030 Agenda

Within Dimension 2 the Peer Review aims at putting a focus on the following three aspects: the overall vision and framework for development cooperation, the principles, priorities and approaches, including to poverty and fragility, as well as the guidance provided for decision-making within the organization. Alliance Sud has only minor comments in this regard.

SDC has a developed system of different strategy, policy and guidance frameworks.

In particular SDC has a developed system of strategies, policies and different kinds of guidance papers. While SDC continues to work in an impressive number of countries in its newer strategies it

focuses itself on up to three focal topics per context. In addition, there are several issues that can be a specific focal topic but are also considered as transversal themes, e.g. governance or gender. Several of the guidance notes are also used by NGOs and Civil Society organizations. In general, they are useful and there seems to be a trend towards consolidating approaches, methodologies and instruments instead of multiplying them.

Alliance Sud is welcoming that SDC is developing a governance policy and would appreciate for key NGOs to be consulted in the process.

During the last years, several policies have been developed and adopted by the directorate, however the DFA still does not have a governance policy. Already in its comments for the 2013 DAC Peer Review of Switzerland, Alliance Sud had strongly suggested that SDC should adopt a governance policy that includes a vision of good governance. Therefore, we welcome that the existence of a governance policy is one of the indicators for this Peer Review (DAC Peer Review Reference Guide DCD/DAC(2017)10. Point 2.2.). To our knowledge, an SDC governance policy is currently being developed building on the existing guidance and best practice notes. However, Alliance Sud and civil society organizations did not yet have the opportunity to comment.

Dimension 3: Financing for development

Indicator: The member's international and national commitments drive its ODA volume and allocations and its other financing efforts to support the 2030 Agenda.

Within Dimension 3, the DAC Peer Review focusses on the overall ODA volume, bilateral ODA allocations, multilateral ODA allocations, as well as additional resource mobilization for development assistance. The overall allocation of resources for development assistance as well as certain aspects of the use of these funds is of great concern to Alliance Sud and Swiss NGOs⁷.

Alliance Sud and Swiss NGOs are concerned about the decrease of volume of overall ODA.

In 2011, the Swiss parliament set the target of 0.5% of Swiss ODA performance as a share of gross national income (GNI). This goal was achieved in 2015, with higher budgets for development cooperation programs but most particularly, by increasing expenditures for asylum seekers in Switzerland. According to DAC standards, costs for asylum seekers can be counted as a development expenditure. Since 2004 Switzerland has been including refugee costs in its calculation of ODA, and on average these costs make up 14% of ODA, increasing to 16% since 2008. In 2016, every fifth franc (20%) that was declared to be development funding actually went to cover refugee costs in Switzerland. Due to recent decreasing asylum applications, the proportion fell to 9.2% in 2017 and with it also the overall volume of ODA decreased⁸.

In addition to decreasing asylum applications and with it in-country refugee costs, overall ODA was further affected by austerity programs and budget cuts. A large-scale austerity program was launched (stabilization program 2017-2019). With the first austerity program, the ODA target was adjusted downwards. The Federal Council set itself the target of an ODA/GNI ratio of 0.48% until 2020. In 2017, some members of Parliament called for a complete break with an ODA target, and for

⁷ See also: Alliance Sud, Reality of aid Report 2018, Chapter Switzerland, Switzerland: decreasing ODA funds increasingly spent on migration and public-private partnerships, forthcoming.

⁸ For data as provided by the Swiss Department of Foreign Affairs, see https://www.eda.admin.ch/deza/de/home/aktivitaeten_projekte/zahlen_und_statistiken/schweiz-apd.html.

expenditure on development cooperation to be based purely on the state of the federal finances. In September 2017, however, a clear majority of the National Council rejected this demand and implicitly re-confirmed the ODA target of 0.5%⁹.

Current figures reveal that Switzerland has actually fallen back to 2013 levels, with the overall ODA ratio falling to 0.46% of GNI in 2017. The ratio for development cooperation itself (excluding support for asylum seekers) has also declined for the third year in a row. In 2015 this ratio was still 0.44%, and in 2016 it fell to 0.43%. In 2017 it fell again to 0.41% of GNI¹⁰. The most recently published data clearly indicates where the austerity programmes have hit hardest: In 2017, SDC had almost CHF 120 million less available for long-term development cooperation than in 2015, a decline of 8%.

Development cooperation is affected in a disproportionate way by austerity and further budget cuts in Switzerland. Austerity cuts and further budget cuts have led to a serious mismatch between strategy and financial resources for development aid.

The strategy for Swiss development cooperation as expressed in the Dispatch on Switzerland's International Cooperation 2017 – 2020 is oriented towards the Agenda 2030 for Sustainable Development and particularly focuses on sub-Saharan Africa, North Africa and the Middle East and on fragile contexts. The Dispatch sets priorities and pledges funds allocated in the federal budget for the implementation of the Swiss aid program. However, the austerity program has had a disproportionate impact on development cooperation. With a share of just under 4% of the federal budget, it contributed 28% of the austerity measures. Compared to the original financial plan, the implementation of the strategy in the years 2017-2019 has therefore been reduced by CHF 143.5 million, CHF 200.5 million, and CHF 243.4 million per year respectively¹¹. Based on the austerity measures alone, the strategy will need to be implemented with a cut of almost CHF 600 million. Development cooperation was also hit in a disproportionate way by the cuts beyond the austerity measures in the 2018 budget and the financial plans 2019-2021, bearing approximately 20% of these savings measures. This means that between 2018 and 2020 there will again be a shortfall of CHF 150 million per year.

Bilateral cooperation is particularly affected by cuts of financial resources.

The austerity measures have affected the various instruments of Swiss development cooperation in varying degrees. The Swiss Agency for Development Cooperation's (SDC's) bilateral cooperation has been massively cut back, with austerity measures translating to an absolute cut in resources. This has resulted in a mismatch between planned activities and available funds at the beginning of the implementation period. Instead of being able to expand programs as planned, programs have had to be significantly reduced.

Compared to the total amount originally planned, more than one billion Swiss francs are missing for the implementation of the strategy defined in 2016, or approximately 8% of the funds originally allocated. The strategy has not been adjusted to take into account the significantly reduced resources.

⁹ The National Council rejected the proposal of its Finance Commission to abandon the 0.5% ODA-target, cf [Motion 17.3362 „Fixation du montant du financement de l'aide publique au développement“](#)

¹⁰ For data as provided by the Swiss Department of Foreign Affairs, see https://www.eda.admin.ch/deza/de/home/aktivitaeten_projekte/zahlen_und_statistiken/schweiz-apd.html.

¹¹ [Bundesgesetz über das Stabilisierungsprogramm 2017–2019](#), March 17, 2017, in: Federal Gazette 2017, p. 2449.

In its Foreign Policy Report 2017, the Federal Council pointed out the consequences of these austerity measures: "For this reason, Switzerland must cut back existing programs ahead of schedule and can only expand its commitment to stabilization and conflict prevention in fragile contexts more slowly than planned. There will also be cuts in the education portfolio. The withdrawal from Bhutan, Vietnam and Pakistan must also be initiated early¹²." Currently, the Federal Council additionally considers stopping development cooperation with Latin American countries¹³.

Cuts in ODA also negatively impact on the predictability of development funding.

The decrease of ODA through austerity measures and further budget cuts without adaptation of the Dispatch 2017-2020 as main development strategy also has negative impact on the predictability of Swiss development assistance. The trend to reconsider the funds allocated for development cooperation in each annual budget cycle seriously hampers the ability of all development actors, to do longer term strategic planning, to adhere to their global and country strategies, which normally are adopted for four year periods, and to be predictable development partners.

ODA is used for climate finance without sufficient exploration of additional or innovative sources of financing.

Civil society organizations have repeatedly criticized the use of shrinking ODA for climate finance without any exploration of additional or innovative sources of financing.

With the ratification of the Paris Climate Agreement in 2017, Switzerland agreed as part of it to support the poorest and most vulnerable countries and communities in the fight against climate change and its growing impacts. This Agreement obliges "developed country parties" to scale up their financial support "to achieve the goal of jointly providing USD 100 billion annually by 2020¹⁴." Each country must determine and communicate its individual contribution "on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities¹⁵".

In February 2018, the Swiss Federal Statistical Office published new data, stipulating: "More than 60% of the greenhouse gas footprint originates abroad¹⁶." This statement confirms that Switzerland is directly responsible for 2.5 times as many emissions as was reported in the national greenhouse gas inventory. It corresponds to approximately 1% of the world's total emissions, which is about the same magnitude of Switzerland's respective (economic) capability (e.g. GNI) compared to other developed countries.

In spite of the fact that Switzerland's fair share contribution to international climate finance amounts to approximately US\$1 billion per year, the government intends to mobilize only CHF 450 million to CHF 600 million (US\$470 million – US\$635 million) per year as of 2020. Furthermore, the government appears to be ignoring the climate framework convention's call for "new and additional funding". In its May 2017 report, the government proclaimed – for the first time explicitly – that funds will be sourced from *existing* development cooperation budgets and (up to now unspecified)

¹² Bundesrat, [Aussenpolitischer Bericht 2017](#), in: Federal Gazette 2017, p. 1836 [author's translation].

¹³ Alliance Sud in general welcomes the concentration of development cooperation on a limited number of target countries. However, Alliance Sud would be highly concerned about a withdrawal from Latin America if this is done as a measure to reduce development funding, does not include a transparently communicated multi-year exit strategy, and if, in effect, it will hamper the efforts of Swiss Civil Society organizations to remain active in this region.

¹⁴ UNFCCC (2015): [The Paris Agreement](#), COP Decision CP1/15, Art. 115, p. 17. FCCC/CP/2015/10/Add.1.

¹⁵ UN (1992): [UN Framework Convention on Climate Change](#), Art. 3.1, p. 4. FCCC/INFORMAL/84.

¹⁶ UN (1992): [UN Framework Convention on Climate Change](#), Art. 3.1, p. 4. FCCC/INFORMAL/84.

“private contributions.” This contradicts the findings of a 2011 study, where the Swiss government identified potential innovative financial sources adhering to the polluter-pays principle, concluding that mobilizing adequate new and additional public climate finance was, in principle, possible.

In view of continuing cuts in ODA and its growing diversion of these funds to climate finance, there is great risk that Switzerland’s climate finance allocations will undermine other commitments to poverty reduction. In the absence of any viable private funding sources, the once proclaimed allocation of 12.5% of the ODA for climate-related interventions (CHF 300 million per year) may soon be surpassed¹⁷. Further, if Switzerland responds to growing international pressure by increasing its contributions to climate finance so that they are more aligned to its true responsibility and capability, the growing diversion of existing ODA towards climate finance may eventually reduce SDC’s budget by up to 35-40%.

Dimension 4: Structure and systems

Indicator: Organizational structures and management systems for development co-operation are fit for purpose, with appropriate capabilities.

Within Dimension 4, the Peer Review is primarily looking at whether the institutional arrangements and the overall system are suited for sustainable development cooperation and the organization has the needed capacities.

Since 2008, the Swiss Department of Foreign Affairs has undergone an important process of step-wise restructuring. One of the main objectives has been to integrate the Swiss Agency for Development and Cooperation closer into the Swiss Department of Foreign Affairs. While the restructuring has some positive effects, we continue to see challenges. In the following we will only comment on potential conflicts of interest because of existing accountability lines, the impact of the centralization of central services (e.g. communication), and challenges for building and maintaining capable development staff.

Because of reporting and accountability lines, Heads of Development Cooperation can be faced with conflicts of interest.

Since 2013, the Swiss Department of Foreign Affairs has adopted an approach of integrated embassies through mergers of SDC offices and embassies. Such an integration can have positive impact on policy coherence in general, but not necessarily on policy coherence for development, as it increases the risk that political and development considerations become fused. For instance, the integration of an SDC office into an embassy or the transformation of an SDC office into an integrated diplomatic mission changes accountability lines and assessment criteria for the Head of Development Cooperation away from SDC with the risk that the Head of Development Cooperation might feel inclined to give preference to non-development related aspects or potentially has to face negative consequences for his or her performance evaluation¹⁸.

Centralization of central services did not necessarily bring more transparency and limits flexibility, esp. in communication.

¹⁷ [Dispatch on Switzerland’s International Cooperation 2017-20](#), in: Federal Gazette 2016, p. 2389.

¹⁸ The findings of the independent evaluation of integrated missions (<https://www.admin.ch/gov/de/start/dokumentation/studien.survey-id-791.html>) has been inconclusive in this respect but suggests the need for a further clarification of roles and responsibilities.

In addition, the unification of central services (human resources, legal services, communication) might have brought certain needed harmonization and new checks and balances, however, also shows drawbacks. For instance, SDC has less influence on the hiring of its own personnel. Furthermore, contacts with media is less direct and thus SDC as the main development actor has less possibilities to raise awareness of the public. Legal services have become more independent but with it also more removed making it more difficult for outsiders to comprehend decisions.

Especially the decision to centralize communication at the DFA central services is detrimental to wider public's knowledge of SDC's activities. According to a public survey of 2014¹⁹, support for international cooperation in general increased from 53% to 60%. (This large support by the public is confirmed by the annual study Security: The Trend of Opinions on Foreign, Security and Defense Policy, a joint publication by the CSS and the Military Academy at ETH Zurich²⁰: 59% of those questioned are in favor of increasing development spending.) However, the information gap of people who would like to know more about development cooperation increased from 27% to 34%. There is also a significant decrease of people who know SDC as an actor (down from 57% to 43%). According to the ordinance on international cooperation and humanitarian aid²¹, informing the public is one of the special tasks of cooperation actors. In consequence, SDC should be re-attributed the competency to communicate on its activities.

The Swiss government extended the rules for public procurement to development expenditures, even though the WTO procurement rules do not prescribe this. While this has helped to increase control over funding decisions and in general is laudable for the purpose of competition it also has some side-effects. Amongst others because of the time and effort needed for the conduction of tenders there is the trend towards bigger mandates which exclude the majority of smaller, specialized providers of development expertise. The interpretation by legal services of which services are legally and content-wise connected and thus have to be considered jointly when determining if a call for offers or a public tender is needed²² does not correspond to the (relatively decentralized) planning processes of SDC, again with adverse effects on competition among smaller service providers. There have been several newspaper articles criticizing that the tendering in fact is disadvantaging Swiss organizations and thus also carries the risk of decreasing development know-how in Switzerland. The issue was also taken up in the parliamentary debate²³. There is some concern that without effective communication by the Swiss Department of Foreign Affairs the current practice will negatively affect the public's awareness and support of development cooperation.

Young persons face challenges to enter a career in the development field. Career paths for experts remain limited.

The budget cuts as well as personnel policies of previous years impact on the next generation of development specialists. In 2017 and in 2018 no selection process for the junior staff programme has/is taking place²⁴. The vibrant networks within SDC manage to maintain and promote capacities within SDC. However, the overall career paths provide still limited possibilities for specialization or

¹⁹ gfs.bern im Auftrag der DEZA: [Monitorstudie "Entwicklungszusammenarbeit 2014"](#). August/September 2014

²⁰ ETH Zürich: [Sicherheit 2018. Aussen-, Sicherheits- und Verteidigungspolitische Meinungsbildung im Trend](#)

²¹ Verordnung über die internationale Zusammenarbeit und humanitäre Hilfe (974.01), Art. 27

²² Art. 14a of the Decree on Public Procurement of 1995 SR 172.056.11.

²³ [17.3411 Interpellation](#) by Elisabeth Schneider-Schneiter: Appels d'offres OMC pour des projets de coopération au développement

²⁴ See the announcements on [SDC Junior Staff Programme in International Cooperation](#) on the SDG website.

limited career opportunities for experts with the consequence that outside knowhow, e.g. from NGOs and civil society organizations remain essential.

Dimension 5: Delivery modalities and partnerships

Indicator: The member's approach to delivering in partner countries and through partnerships is in line with the principles of effective development co-operation.

Within Dimension 5, the peer review is supposed to look primarily at approaches to partnering and the engagement in the partner country in light of mutual accountability and ownership, effectiveness, responsiveness and inclusiveness, as well as conditionality. From the perspective of Alliance Sud and Swiss NGO's we want to comment on the still limited transparency of Swiss development cooperation, on negative effects of conditionalities, private-public partnerships as well as - last but not least-, institutional partnerships between NGOs and SDC.

Switzerland can still improve the transparency of its development cooperation.

The generally good quality of Swiss development cooperation is widely recognized. However, Switzerland still lacks behind in implementing transparency targets of the Busan development effectiveness partnership. As one of the first states signatory to the International Aid and Transparency Initiative (IATI), Switzerland performance is still not satisfactory. In the 2018 Aid Transparency Index Switzerland is rated as fair with 50.9 points of 100. In 2016 IATI (Publish What You Fund) concluded that Switzerland has not met the Busan commitment in aid transparency. The 2018 report does not note any substantial improvements. It recommends amongst others to improve the comprehensiveness of published information, in particular in respect to project budget information, contracts and tenders and to prioritize the publication of performance-related information, including pre-project impact appraisals, reviews, evaluations and results. Furthermore, the report recommends to Switzerland to make better use of the existing data, internally for coordination and effectiveness as well as externally to invite feed-back²⁵.

Alliance Sud and Swiss NGOs see a high risk for negative consequences of ODA-conditionalities related to migration.

There is a strong demand from right-wing politicians to link migration and development cooperation. In 2016, there was a fierce debate on whether to establish explicit and direct links between the provision of development assistance and the willingness of partner countries to re-admit rejected asylum seekers. A motion to this effect was very narrowly defeated in Parliament. However, a majority in parliament succeeded in adopting a softer-formulated motion combining development cooperation and migration. This motion calls for strategically linking development cooperation and migration policy - where it is in Switzerland's interest – by addressing the causes of conflict and migration. It remains unclear, how this motion will be concretely implemented.

While so far political parties did not manage to establish explicit conditionalities at the federal level, right-wing bourgeois parties in the Canton of Zurich have narrowly pushed through a similar demand in their cantonal law. This recently adopted law requires that the Canton of Zurich makes its support for development projects dependent on whether the government of the developing country is

²⁵ Publish what you fund 2018: <http://www.publishwhatyoufund.org/the-index/2018/switzerland-sdc/>.

prepared, at least in principle, to re-admit rejected asylum seekers. There is concern that the adoption of this cantonal law will give new impetus to demands at federal level.

A clear example of linking migration considerations and development cooperation is the push to make Eritrea a priority country for Swiss development cooperation. Certain politicians hope to use development cooperation to negotiate re-admission agreements with the Eritrean authoritarian regime. Essentially, this would mean that Switzerland would make development funds dependent on whether Eritrea agrees to take back its refugees. SDC had stopped development cooperation with Eritrea in 2006 because they did not see the conditions for effective development cooperation fulfilled. In November 2016, the Federal Council (Swiss government) requested SDC to consider the continuation of development cooperation with Eritrea – hand in hand with negotiations on a re-admission agreement with Eritrea. In recent years, Eritreans have represented the largest group of asylum seekers in Switzerland. Under pressure from government and parliament, in 2017, SDC started a pilot programme in the field of education that shall be assessed in 2019²⁶. Politicians who are calling for establishing Eritrea as a priority country fail to recognize that this could be fraught with difficulties. Development cooperation with Eritrea solely based on the aim of obtaining a readmission agreement for rejected asylum seekers does not necessarily lead to meaningful development cooperation. Instead it is likely to primarily finance projects in the interests of the authoritarian regime, but not those in the interest of the disadvantaged population. Development cooperation must not be instrumentalized in this way.

The increase of partnerships with the private sector can be welcomed, however, a comprehensive analysis on opportunities and risks is still lacking.

As in other countries, the Swiss development agency is increasingly seeking partnerships with the private sector. The current Dispatch 2017-2020 explicitly states that the number of such partnerships will double by 2020. While partnerships with the private sector can be beneficial, the objective as set in the Dispatch is problematic for several reasons. Instead of seeking out local partners in the South and supporting Southern small and medium enterprises, SDC is among others partnering with Swiss multinationals, such as Nestlé, Holcim, Swiss Re or Syngenta. Projects created through these partnerships are usually based in middle income countries such as Vietnam, India or Latin American countries rather than in the poorest places that should be a priority for development aid. Rationales for partnerships with the private sector are centered around incentives for Swiss based private companies, ones that decrease risks associated with unknown, less stable markets in developing countries. This approach essentially subsidizes the entry of Swiss companies into new markets, under the generally positive umbrella of development cooperation. In the worst-case scenario, a big Swiss player takes over a market segment, undermining the possibility for a local market to develop and grow. To date, a comprehensive analysis of these risks is lacking.

Alliance Sud and Swiss NGOs promote a focus on the respect of human rights and environmental rights through-out the value chain of Swiss-based multinationals.

Instead of offering incentives to Swiss multinationals to enter markets in developing countries, in our view a better approach would be to insist that Swiss-based multinationals respect human rights and environmental rights throughout their value chain. Offering decent jobs, respecting people's rights and providing for a healthy environment would greatly contribute to meaningful development and peoples' agency (see above on the Responsible Business Initiative).

²⁶ Bundesrat: [Aussenpolitischer Bericht 2017](#), in: Federal Gazette 2017, p. 1837.

Alliance Sud and Swiss NGOs welcome that a new strategic framework for institutional partnerships with civil-society based development organizations is being developed in a participatory way.

The cooperation between official Swiss development actors and NGOs is an important element in the Dispatch 2017-2020. The Dispatch emphasizes amongst others the important role of civil society based development organizations for the implementation of the Agenda 2030. In 2017, an independent evaluation of SDC partnerships with Swiss NGOs took place²⁷. The evaluation stressed the high quality of development work of NGOs, including in fragile contexts, their adaptability and capacity to learn. The evaluation finds that in international comparison NGOs derive only a relatively small amount of their overall budget from state sources. SDC finances a maximum of 50% of project costs. The strategic partners of SDC generate an additional CHF 4.- from donations for each CHF 1.- that the Swiss Confederation invests in their capacities, programmes and projects. Partnerships with NGOs function as an important catalyst. Swiss NGOs contribute about CHF 500 Millions annually to development cooperation.

Indirectly the evaluation also showed that strategies and policies on institutional partnerships with NGOs are not up to date. Several of the recommendations in the evaluation had already been realized in practice – some of them based on recommendations from previous DAC Peer Reviews. For instance, result-based reporting requirements of NGOs are an integral part of partnership agreements. As also SDC points out in their management response to the evaluation, NGOs provide detailed information about the use and impact of contributions.

Therefore, SDC launched an initiative to update and revise the strategic framework for institutional partnerships with civil society organizations. NGOs are participating in the process and welcome the initiative. In the framework of a consultation for the strategy process, NGOs developed a vision of their role in international development cooperation, highlighting amongst others their legitimacy through solidarity with disadvantaged groups and their anchorage in Swiss society, their continuous dedication for professionalism, to build and share know-how, to develop innovative context-specific approaches, assess results and impact, and promote accountability. They emphasize their overall focus on development cooperation in general, e.g. in respect to the promotion of policy coherence for (sustainable) development, on development in the countries they work in, including in crisis situations and fragile contexts as well as on the awareness-building and transformation process in Switzerland, e.g. on the Agenda 2030. For the outcome of the strategy process, Swiss NGOs express their hope, that the Swiss Confederation will consider the important role of Swiss NGOs as a catalyst for development cooperation and that reporting requirements ensure transparency by taking into account the multiplicity of funding sources of NGOs and avoiding too resource-intensive forms of reporting. They further hope that the Swiss Confederation will take into account that Swiss NGOs that have a strong anchorage in the Swiss population are contributing decisively to the sensitization of the public on sustainable development and thus will continue institutional partnerships with NGOs that are well-anchored in Swiss society and fulfill quality criteria, as for instance reflected in ZEWO certification.

Dimension 6: Results management, evaluation and learning

²⁷ [Independent Evaluation of SDC Partnerships with Swiss NGOs](#), Evaluation 2017/3, Commissioned by the Evaluation and Corporate Controlling Division of the Swiss Agency for Development and Cooperation (SDC).

Indicator: The member plans and manages for results, in line with the SDGs, building evidence of what works and using evidence to learn and adapt.

Within Dimension 6, the Peer Review is supposed to mainly look at how Switzerland focuses on and uses results and evaluation for decision-making, accountability and learning as well how they assist partner countries to manage for development results. It focuses in result-based management systems, evaluation systems and institutional learning. From the perspective of Alliance Sud and Swiss NGOs we want to use the opportunity to emphasize the need to concentrate on the quality of aid, and we want to express our dedication to participate in knowledge sharing and development activities.

Alliance Sud welcomes the result based management and expresses its hope that the quality of aid remains the focus.

Swiss development cooperation puts an important emphasis on results-based approaches. Results-based approaches form part of institutional partnerships with NGOs and other partners. SDC adapted its planning, monitoring and evaluation processes, as well as its reporting processes (with aggregated reference indicators)²⁸ in order to make its development cooperation result-oriented. It developed several guidance documents to assist staff and partners in applying the respective methodologies. We welcome this development as long as the quality of aid and the sustainability of development remain at the focus. This requires systemic and context-adapted approaches based on a solid theory of change, taking due consideration of positive and negative impacts and engaging with a long term perspective. We want to emphasize the importance that in addition to the focus on measurable results and short term impact a long term vision and a realistic assessment of the actual contribution of the intervention to change over time is maintained, considering Switzerland's own actions as well as all influencing outside factors.

NGOs appreciate the possibilities of joined learning and encourage thematic networks to reach out to NGOs.

SDC and Swiss NGOs have an active learning culture. Often with the help of external experts, SDC conducts learning journeys, e.g. on development and fragility, capitalizes its own and international experiences, and develops new approaches. The thematic networks of SDC have become an important forum for developing and sharing knowledge and know-how. Most of the networks actively reach out to NGOs and Civil Society Organizations and integrate them in the discussions, e.g. in learning journeys and e-discussions. These forms of joined learning among development actors is very much appreciated, mutually enriching and could even be further developed.

Of special interest for the NGOs is the current joint work stream and learning process on *Enabling Environment for CSOs*. A first joint learning event was organized in September 2016, a second event will follow in September 2018. Alliance Sud and Swiss NGOs are worried with regard to the shrinking space for CSOs in different contexts. The joint analysis in the countries with SDC and NGO presence and the sharing of experiences and strategies both at headquarter and in the field are very much valued by the Swiss NGOs. Considering the global developments in this field, we consider it of utmost importance for all actors of development cooperation to intensify their activities in favor of an enabling environment for CSOs.

²⁸ See e.g. Swiss Agency for Development and Cooperation: The SDC contribution. Report on the result of Swiss international cooperation 2013-2016. Published in 2017.

Dimension 7: Humanitarian assistance

Indicator: The member contributes to minimizing the impact of shocks and crises; and saves lives, alleviates suffering and maintains human dignity in crisis and disaster settings.

Within the Dimension 7 the Peer Review is supposed to look at the strategic framework, the effectiveness of programming for targeting the highest risk to life and livelihood, delivery modalities and partnerships for quality assistance, the organizational set-up as well as results-orientation, learning and accountability.

Humanitarian aid is also part of the Dispatch 2017-2020 thus many of the comments above also apply to humanitarian aid. In general, humanitarian aid encounters more support by Swiss right wing parties than other fields of development cooperation. Humanitarian assistance is facing less of a political push back than other forms of development assistance.

Permeability between humanitarian aid and development cooperation limits reliability of planning of development actors.

The Dispatch on Switzerland's International Cooperation 2017–2020 provides for permeability between long-term cooperation and humanitarian aid of up to CHF 120 million²⁹. While this instrument seems to increase flexibility, in practice it decreases reliability of planning for long-term development activities, as the financial means for emergencies must be available, at the costs of long-term activities (while the clause in the dispatch in theory provides for flexibility to both sides, in practice, it is used for emergency assistance only). Experience so far shows, that in case of emergencies the Swiss parliament is ready to grant supplementary credits for relief and assistance. Therefore there is no need and it is even counterproductive to provide for permeability that works at the expenses of long-term development activities and decreases reliability of planning of development actors.

The trend towards more coordination between humanitarian aid and development cooperation is positive.

We appreciate that there is a trend towards better coordination between humanitarian aid and development coordination, including of more systematic considerations of the development perspective in the approaches to humanitarian aid. This efforts still have to be strengthened. The thematic focus areas of humanitarian aid include aspects that require more long term engagement than for instance the distribution of food or the rebuilding of infrastructure. The current focus areas based on the Dispatch 2017-2020 are the protection of civilians, the mitigation of conflict risks, water and settlement hygiene, as well as gender-based violence. Because of the more long-term orientation of humanitarian aid, humanitarian aid and development cooperation have to work in continuum. However, in the context of shrinking financial resources, this must not come at the expense of long-term cooperation.

²⁹ Bundesrat: [Botschaft zur Internationalen Zusammenarbeit 2017-2020](#), Bundesblatt S. 2521