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The rise and fall of budget support in Swedish development cooperation

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Abbreviations

AAA Accra Agenda of Action GBS General Budget Support

HIPC Heavily Indebted Poor Countries
IMF International Monetary Fund
JAS Joint Assistance Strategy
MFA Ministry for Foreign Affairs
NAO National Audit Office

NGO Non-Governmental Organization
PBA Programme Based Approach
PFM Public Finance Management
PGD Policy for Global Development
PRS Poverty Reduction Strategy

SBS Sector Budget Support

SPA Special Programme for Africa/Strategic Partnership with Africa

Summary

Budget support is the aid modality that best complies with the principles for aid effectiveness and it has been stated in several Swedish government documents since 2000 that its share of total Swedish aid should increase. It increased up to 2008, when it reached a peak, but after that it has decreased dramatically and in 2016 no general budget support was provided by Sweden. The aim of this study is to find explanations for this development.

One conclusion is that the decline of budget support is not due to lack of results regarding poverty reduction. On the contrary, all evaluations have concluded that it has contributed to increased budget expenditure for social sectors and improved macroeconomic policies and economic growth which has benefitted poor people. It has also contributed to improved systems for public financial management (PFM).

The problem with budget support is not mainly its effects in recipient countries but rather in donor countries. General Budget Support (GBS) has been regarded as a sign of trust of the recipient government and therefore a modality which is more political than other forms of aid. It was an important component of the partnership approach 2005–2008, when Sweden aimed to set a high threshold for a country to qualify for GBS, but also a high threshold for exit of budget support, something which was never implemented. On the contrary, suspension of budget support was used as an instrument for quick response to punish governments for corruption scandals or political decisions and events. One reason for this may have been that budget support (in contrast to project aid) is relatively easy to end in a short time.

The increased focus on visible results is another possible explanation for the decrease of budget support since it is difficult to specify results at micro level and results at macro level cannot be attributed to the Swedish funding. This has become even more important since the objectives of development cooperation have become more complex and multi-dimensional and GBS has been regarded as a special form of aid, related to all objectives.

Today budget support is not used as a modality in Swedish development cooperation. This is not based on any general decision by the government but rather due to lack of clear guidelines and a general feeling that non-earmarked support and full use of the systems of the recipient country is politically very sensitive. It is not likely that traditional GBS will be revived, but possibly sector budget support or other similar modalities which are more oriented towards specific issues and objectives.

1. Introduction

International development aid has been, and is still, mainly provided in the form of *projects*. A project is supporting ring-fenced activities, earmarked for a specific purpose and with a specific budget. But already in the 1970s, *non-project aid* emerged as an important form of providing aid. The major modalities were import support, balance of payments support and debt relief. The main objective of these modalities was to fill a foreign exchange gap and it was not until the 1990s that non-project aid was regarded as support to the state budget of the recipient countries.

During the 2000s, three modalities of non-project aid have been dominating: General Budget Support (GBS), Sector Budget Support (SBS) and Programme Based Approaches (PBA). GBS and SBS are both non-earmarked funding channeled through the national budget. The difference is that GBS is seen as a general support to the national development plan of the recipient country and includes conditionality and/or policy dialogue about general (mainly economic) issues. SBS is seen as support to a specific sector and conditionality and dialogue is mainly focused on sector issues. PBAs include many different modalities (also GBS and SBS), but common for all PBAs are: a) leadership by the host country or organization, b) a single comprehensive programme and budget framework, c) a formalized process for donor coordination, d) efforts to use local systems.²

This study will focus on GBS, but also consider SBS, since it has the same financing mechanism. The Paris Declaration on Aid Effectiveness in 2005 had a significant influence on the provision of budget support since it was the form of aid which best suited the principles of the declaration. Many European donors increased their GBS funding, in particular between 2006 and 2010,³ but it has decreased since 2011 and is today down to zero for many donors, including Sweden.

The main objective of this paper is to explain why Swedish budget support has declined, despite the important role it played in the aid effectiveness agenda and the mainly positive picture given by evaluations. The first section will present Swedish policy regarding budget support, with focus on the period since 2005. The second section will briefly present how budget support has been implemented during this period. The final section will present some conclusions and some proposals for further research.

¹For Swedish experiences, see Odén (1986) and de Vylder (1993)

² OECD/DAC (2008)

³ Koch et al (2016)

2. Development of Swedish policies and procedures for budget support

2.1 Short history of Swedish non-project support before 2005

Non-project support has been used in Swedish development cooperation in many forms and with different names. During the 1980s and early 1990s it was termed "import support". In the first stage this was motivated by an assumption that lack of imports, due to foreign exchange restrictions, was a key obstacle for development. Sweden provided foreign exchange for imports which was paid by the importers in local currency and thus provided support to the national budget. This was however in many cases quite limited due to the overvaluation of the currencies, and the main effect was instead subsidies to the importers (often State-Owned Enterprises).

Even if the term import support was kept, the motivation changed during the late 1980s. It became increasingly motivated by a general need of foreign exchange, primarily due to rising debt service, declining opportunities for commercial borrowing and stagnant export revenue. It also became more related to the economic reform programs. In the 1989 guidelines for import support,⁴ the sole purpose was stated as to "support ongoing reforms in the recipient country". In these guidelines, import support was also for the first time linked to structural adjustment programs and Policy Framework Papers approved by the World Bank and the IMF, although it was still possible to extend import support to countries without such programs.⁵

It is interesting to note that import support and balance of payments support constituted over 20% of total Swedish aid during the 1980s, but never caused much discussion (except for criticism, mainly from NGOs, of the Structural Adjustment Programs). Budget support that substituted these forms of aid in the late 1990s has on the contrary always been a controversial form of development cooperation, although its share of total aid has been only around 5%. One explanation for this may be that as long as the funding was seen as related to foreign exchange needs, it was not directly discussed as a support to the political priorities of the recipient government. However, when focus shifted towards budget allocation, it became regarded as more of a political support.

During the 1990s, the key issue for non-project support was to fill the "financing gap" of developing countries and was mainly linked to the "debt crisis" for most of these countries. The World Bank played a leading role in mobilizing resources for this support, in particular in Sub-Saharan Africa, through the Special Programme for Africa (SPA)⁷. The basis for this

⁴SIDA (1989) Note that the term was changed from import support to commodity assistance, which was quite illogical. The term was changed because the government felt that "commodity assistance" might be more acceptable to the general public.

⁵ This is based on SIDA (1993)

⁶Odén (2006)

⁷ SPA was later changed to "Strategic Partnership with Africa"

was calculations of "financing gaps" for each country. Sweden and SIDA took active part in these discussions, which played a key role for allocation of Swedish import support and debt relief.

The discussion focused mainly on the foreign exchange situation. Another term for this support was "balance of payments support". The government budget of the recipient country was treated as a part of the economic reform programs but not explicitly discussed in relation to the resources provided by donors. One exception was discussions about the local (domestic) currency obtained from the sale of commodities or foreign exchange received as aid. Many donors restricted the use of this for specific purposes (counterpart funds). Sweden on the other hand never tied the counter value and thus the balance of payments support was equal to a non-earmarked budget support. It was however not seen as a support to additional budget expenditure, but as financing of the budget deficit. The term budget support was not used for this support.

In 1992, a special budget item for "support to economic reforms and debt relief" was established. This implied that the overall responsibility was handed over from SIDA to the Ministry for Foreign Affairs. The Ministry of Finance also participated actively in the preparation of decisions. The principles were outlined in guidelines adopted in 1999. This support was closely linked to the Heavily Indebted Poor Countries (HIPC) initiative for debt relief and to the Poverty Reduction Strategies carried out by the countries. Poverty Reduction Strategy Papers and programs approved by the IMF and the World Bank were in principle regarded as conditions for the support. In addition to debt relief, three forms of support were recognized: import support, balance of payments support and budget support. It was acknowledged that budget support was becoming a more important form, due to the liberalization of foreign exchange in most of the recipient countries. Human rights, democracy and good governance were also explicitly stated as pre-conditions for the support.

In 2003 Sweden presented the new Swedish Policy for Global Development. ¹¹ This formulated a framework for all policy areas and it also included a specific section on development cooperation in which it proposed that the goal would be to "contribute to an environment supportive of poor people's own efforts to improve their quality of life". The poverty reduction strategies of developing countries were seen as the framework for all international support and the best instruments for poverty reduction and effective

⁸This issue is further developed in Doriye, White & Wuyts (1993)

⁹SIDA (1993)

¹⁰ Regeringskansliet, Utrikesdepartementet (1999)

¹¹ Government Bill 2002/03: 122

development cooperation. An increased share of sector program support and budget support was foreseen.

2.2 The Policy for Global Development and the Paris Declaration: the partnership era 2005-2008

The Policy for Global Development (PGD) was important, not only because it introduced the issue of coherence between different policy areas, but also because it became a platform for changes in Swedish development cooperation. Some of the most important factors for budget support were:

- 1. Increased emphasis on the responsibility of the recipient country governments. This led to less direct conditionality and more focus on capacity development and local ownership.
- 2. Increased emphasis on effectiveness, including coordination and dialogue with governments and other donors.
- 3. Introduction of a more multi-dimensional goal structure. This was mainly built on the Millennium Development Goals. In addition to the main goal on poverty reduction, it included human rights, democracy, good governance, gender equality, sustainable use of national resources and protection of the environment, economic growth, social development and social security, conflict prevention and management and global public goods.¹²

One conclusion from this was that long-term, broad-based cooperation with individual countries should be prioritized. This was to be based on respect, trust, openness and a long-term approach as well as on a common foundation of values. This was what had been described by the term "partnership". A basic tool was the Swedish country strategies for the major cooperation countries, and in 2005 the government decided on *guidelines for cooperation strategies*. These included an appendix which clarified in detail the principles for budget support. Here

The earlier support to economic reform programs and debt relief had mainly been a support to economic reforms and for normalizing the countries' relation with the Bretton Woods institutions, even if poverty reduction was a basic motive. The implementation of the HIPC initiative led to a declining need for debt relief in many countries. This, in combination with liberalized foreign exchange policies, led to a shift in the support towards mainly budget support. The new guidelines were heavily influenced by the Policy for Global Development and by the Aid Effectiveness Agenda which was introduced at a high-level meeting in Rome 2003. Coordination of development cooperation led by the recipient

¹³ Regeringsbeslut den 28 april 2005 (UD2005/24624/GU)

¹² Ibid, p 61

¹⁴ Ibid, Appendix 2

¹⁵ Regeringens budgetproposition 2003/04

country was a key element in this and the Swedish assessment was that this should be implemented through a shift from project support to program support, defined as budget support or sector program support.¹⁶

The major change in the 2005 guidelines was that budget support became an integrated part of the country strategies for development cooperation. Every strategy had to include a decision on the eligibility for budget support. The government decided on the strategies, but a separate decision on budget support by the government was no longer needed. Sida made an assessment of the conditions for GBS as a background for the decision by the government on the possibility for budget support in the strategy. After that, preparation, decision, contractual arrangements and disbursement was the responsibility of Sida and the Embassies. The basis for providing budget support was the Poverty Reduction Strategy (PRS) and the capacity for Public Finance Management (PFM). As a rule, ongoing programs with the IMF were required, although a possibility for exceptions was included.

The main arguments for budget support were: increased country ownership, reduced transaction costs, incentive for reforms and coordination and opportunities for policy dialogue. The main risks were identified as: vulnerability (for fluctuations) for the partner countries; risks for donors to be accountable for general partner government policies; and use of funds and danger that funds may be used for other purposes than intended (fiduciary risks). The guidelines underlined the importance of thorough analysis of budget processes and efficient follow-up. But still budget support was seen as built upon a considerable degree of mutual trust. It was therefore concluded that the threshold for entering into a budget support commitment, or for withdrawing from one, must be relatively high. The concept of conditionality was replaced by the concept of dialogue, which reflected the emphasis on partnership. It was also strongly emphasized that budget support should be provided in close collaboration with other donors.

The assessment of the partner country was supposed to include all the factors mentioned in the PGD goal structure (see above). It was argued that the general nature of budget support means that special requirements apply which can be described as more rigorous than for other forms of assistance. Special weight was given to PFM systems and corruption. Results monitoring was recommended to mainly be linked to the PRS framework.

The guidelines were mainly considering general budget support, but two other forms were also mentioned: sector budget support (SBS) and temporary budget support. The second form was of more short-term nature, intended for emergency situations and will not be dealt with in this study.¹⁷ Sector budget support on the other hand is relevant since the

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¹⁶ Regeringens budgetproposition 2004/05.

¹⁷Temporary budget support has never been implemented in Swedish development cooperation.

funds are provided in the same way as for general budget support, i.e. as non-earmarked financial contributions to the national budget. The difference is that assessment, dialogue, conditions and evaluations focus on a particular sector. It was not discussed at any length in these guidelines and has not been undergoing any general review or evaluation, partly because it has normally not been classified as budget support but as support to a specific sector.

In 2005, donors and partner countries endorsed the *Paris Declaration on Aid Effectiveness*. This was a declaration that confirmed the common views on coordination and harmonization of aid from the Rome conference but also went deeper into the issues about aid modalities. It had substantial influence on policies during the coming years, not least thanks to the agreed targets for 12 indicators of progress. Some of these were of special relevance for budget support:

- a. Aid flows are aligned on national priorities
- b. Use of country PFM systems
- c. Use of country procurement systems
- d. Use of common arrangements and procedures
- e. Results-oriented frameworks
- f. Mutual accountability

A special target for budget support was discussed, but no agreement was reached. Use of country systems was of course closely related since budget support by definition is using these systems to 100%. It was also agreed that donors should increasingly use the country systems when their quality was improving. The target for common arrangements and procedures was agreed as 66% of aid flow, provided in the context of programme-based approaches (PBAs) by 2010. The concept of PBAs is however a bit unclear, and can include a number of other aid modalities in addition to budget support. Even if budget support is a PBA, the concept is mainly used for other modalities, such as pooled funding through special mechanisms for special sectors or areas.

The Swedish government used the Paris Declaration to announce its ambitions in the budget proposal for 2006.¹⁸ Regarding budget support it was clearly stated that a larger share of development assistance shall be channeled as budget support or sector-program support when the capacity of the partner countries to implement and report on their activities is increased. It was also stated that budget support is related to the rights perspective and poor people's perspective on development and must be followed up by a

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¹⁸ Regeringens proposition 2005/06

multidimensional view on poverty, and that it can contribute to increased democracy and participation.

2.3 Focus on basic prerequisites, 2008-2010

The new Swedish (conservative/liberal) government which took office after the 2006 elections concentrated mainly on two issues within the area of aid effectiveness: 1) concentration of the number of recipient countries and of sectors for development cooperation and; 2) improved results based management. The issue of aid modalities did not play any significant role, but budget support and program based approaches were mentioned as important mechanisms for increased aid effectiveness. The government stated that it viewed budget support as an effective form of aid, as long as the conditions are right. It also referred to several evaluations which had shown positive results of budget support. The volume of budget support increased in 2007 and 2008, but the number of recipient countries was reduced (see table 1).

The Swedish National Audit Office (Riksrevisionen) presented a review of Swedish budget support procedures in 2007.²⁰ It concluded that in seven out of eight decisions on budget support, the government had delegated too much responsibility to Sida for management of budget support, from preparation to disbursement. Follow-up of Sida's management had also been insufficient. In general, the guidelines were considered to lack clarity on methodology for assessments which led to insufficient attention to the risks of budget support in presentations to the Parliament. It was further noted that Sida did not have clear internal guidelines for all the assessments which it was expected to carry out, e.g. regarding Public Finance Management (PFM) and corruption. The existing manuals almost entirely focused on project support. Based on recommendations in the report, Sida presented an action plan on changes in its internal guidelines and procedures.²¹

Partly as a response to the NAO review, the Government decided in April 2008 on *changes* of the guidelines, in order to clarify and sharpen them.²² The main changes were:

- The definition of budget support was specified to include three components: a) the financial contribution; b) conditions and dialogue between the donors and the recipient country; and (if needed), c) technical assistance and complementary support to capacity development.
- More emphasis on that the links between results, conditions and disbursements shall be clear and predictable and a recommendation to use a combination of fixed and variable tranches.

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¹⁹ Ibid.

²⁰ Riksrevisionen (2007)

²¹ Sida (2008)

²² Regeringsbeslut III:3, UD2008/12128/USTYR, 2008-04-10

- Clarification on the importance to implement complementary projects for anticorruption, procurement, control, domestic revenue mobilization, capacity development, statistical development and development of the roles of parliament and civil society.
- More focus on that budget support must be result based and that result indicators must be used.
- Five "basic prerequisites" that had to be met for a country to be eligible for GBS were specified:²³
 - Fundamental respect for human rights and democracy, as well as clear commitments and measures taken to strengthen human rights and democracy.
 - A national strategy for development and poverty reduction (PRS or equivalent) that has democratic support and that is viewed, in an overall assessment, as relevant, credible and feasible.
 - A growth-enhancing and long-term sustainable economic policy with the objectives of development and poverty reduction that includes macroeconomic stability as a necessary prerequisite.
 - O Systems for public financial management which are sufficiently transparent, robust and efficient to reach the objectives of the support along with a positive development of these systems.
 - A clear commitment from and measures taken by the government of the partner country government to combat corruption in public sector.

These fundamental prerequisites were clearer and broader than in the former guidelines, in particular since human rights and democracy were given the same role as the economic and institutional conditions. GBS therefore became a special political form of development assistance. The new guidelines also included sharpening of the requirements for Sida's assessments and management which resulted in very complex procedures. A former director of Sida concluded that no other form of aid had such a complex structure for decisions, and that the five "underlying principles" were more complex and far reaching than in other donor countries.²⁴

In September 2008, the Paris Declaration was followed up in Accra and resulted in the Accra Agenda for Action (AAA). It was based on the same principles and even went further on some issues. The indicator on use of country systems was strengthened since it was no longer connected to a condition about the quality of the systems. Result based management

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²³ Ibid.

²⁴ Bjerninger (2013)

(management for results) was given higher priority. In the follow-up of the AAA, the government stated that the program based approaches shall be the first choice for Swedish development cooperation and that its share of total aid shall increase. But the term budget support was not used in the Government Bill for 2010.²⁵

The Ministry for Foreign Affairs and Sida presented a joint action plan on aid effectiveness in June 2009. ²⁶ This plan further outlined the principles for Swedish development cooperation in line with the aid effectiveness agenda. It was stated that Sweden will seek to use country systems as much as possible in all recipient countries. Deviations from this principle always had to be motivated. As a principle, the MFA and Sida should – as a first option – give direct, non-earmarked support to development programmes.

In 2010 the government decided on *new guidelines for cooperation strategies*.²⁷ These included specific guidelines both for GBS and for sector programme support. The GBS guidelines confirmed the changes made in 2008, including the five basic prerequisites.

The guidelines stated that there must be clear outcome targets for budget support which are linked to the national development plan and the joint results framework. A graduated response, with fixed and variable tranches for disbursement, was recommended. The variable part should mainly focus on good governance and PFM issues. Multi-year commitments were recommended. Conditions, dialogue and monitoring should as much as possible be coordinated with other donors. The guidelines gave more attention than before to complementary support for capacity development, accountability and financial control. These were seen as parts of an integrated package. Also support to civil society and media could be included.

The process was unchanged: Sida made an assessment of the eligibility for budget support and, based on this, the government decided on this in the country strategy. After this, Sida prepared, decided, agreed and disbursed the budget support.

The guidelines also included a special section on sector programme support. This was mainly devoted to sector budget support. It was recommended that concerning support to the public administration, Sweden should give priority to sector budget support when conditions allow. Regarding factors to take into consideration, only two were mentioned: the conditions for PFM and anti-corruption. These were seen as important factors for assessment but not as basic prerequisites. The other three basic prerequisites for GBS were not considered applicable for SBS. The assessment of conditions for SBS was therefore

²⁵ Regeringens budgetproposition 2009/10

²⁶ Regeringskansliet/Sida (2009)

²⁷ Regeringskansliet (2010)

substantially softer than for GBS, even if the strategies also included a decision regarding SBS.

More detailed statements on budget support were presented in the Swedish Government's response to the European Commission Green Paper "The Future of EU Budget Support to Third Countries", COM (2010) 586.²⁸ This response pointed at some key differences between Sweden and the Commission in regard to budget support. The most important concerned the view on political dialogue. While the Commission saw this as a general dialogue applied to the entire partnership with the country, the Swedish view was that it must also be an integrated part of the budget support dialogue. The Swedish government argued that the budget support dialogue should be a major vehicle for dialogue on human rights and democracy as well as for key cross-cutting issues such as gender equality, the environment and climate change. The idea of budget support as a special instrument for overall policy dialogue was a radical change from viewing it as being one of many aid modalities. ²⁹ The Swedish response had a substantial influence on the Council Conclusions. ³⁰ One example was that the EU "Good Governance and Development Contracts", which are the conditions for GBS, were explicitly linked to the human rights/democracy situation.

2.4 A U-turn in Swedish policy, 2011-2012

In the budget bill for 2012, the strategic choices of modalities for bilateral Swedish development cooperation were discussed.³¹ In this, some fundamental changes can be noted. It was stated that general budget support included a number of challenges, mainly of political nature, for a bilateral donor. As a consequence, it was noted that in cases where GBS could be an effective aid modality, multilateral actors could have a comparative advantage in relation to bilateral donors. The concept of programme-based approaches was also discussed in a different perspective than earlier. It was stressed that alignment and use of partner country systems was not only a technical issue regarding the capacity of these systems but that it was closely related to the degree of partnership and trust in the political system of the country.

These changes were reflected in the view of aid effectiveness. Sweden had been very active in the preparations of the Paris Declaration and the Accra Agenda of Action.³² But in the preparations for, and the follow-up of, the meeting in Busan 2011, the Swedish position

²⁸ Regeringskansliet, (2011)

²⁹ This was against the DAC principles which were formulated: "political conditionality should not be specifically linked to budget support or any individual aid instrument, but rather should be handled in the context of the overarching political dialogue between a partner country and its donors" (DAC/OECD 2005).

³⁰ Council of the European Union (2012)

³¹Regeringens budgetproposition 2011/12

³² Sweden co-chaired the working group on aid effectiveness in OECD/DAC.

changed drastically, although the importance of "aid effectiveness" was still mentioned in official documents. This however referred to some selected issues in the agenda, while some of the fundamental pillars were rejected or redefined.³³ The pillar about national ownership was questioned since it could be used for support to corrupt governments. Alignment was questioned since it was seen not only as a technical, but also a highly political issue. Even if use of country systems was regarded as leading to more effective aid delivery, it was stated that it was a political risk since it could imply a too close relation with the recipient country government. This was regarded as a risk also for all kinds of programme support. Another questioned pillar of the Paris Declaration was harmonization, since it was assessed that it had caused an increased bureaucratization of aid. Instead, simplification and division of labour was recommended. The pillar on mutual accountability was appreciated, but mainly concerning recipient country accountability.³⁴ The pillar that the Swedish government really wanted to upgrade was on managing for results.

During 2012, budget support was discussed a lot in media. The Minister for development cooperation announced in an interview in February that the government planned to stop providing budget support.³⁵ In October, however, she proclaimed that she had changed her mind after discussions in the government, but that budget support would only be given to the four countries which already received it (Mali, Burkina Faso, Mozambique and Tanzania) and only after careful assessment. She maintained that the political risks with budget support were substantial. ³⁶

2.5 Result strategies and more political GBS decisions, 2013-2014

The Swedish government intensified its efforts to develop an improved results-based management of development cooperation in 2011-2012. It instructed the Swedish Agency of Public Management (Statskontoret) to carry out an evaluation of the effects of the systems for results-based management on efficient, clear, strategic, long term and result-focused steering of Swedish aid.³⁷ The report criticized the management for results in Swedish development cooperation. The conclusions were that the system was too complex and unclear and it recommended that the large number of strategies and goals should be replaced by a platform for all development cooperation. It was also recommended to use evaluations more strategically for long term steering of development cooperation.

Partly as a result of this evaluation, the government decided to make a radical change of the country strategy process. The country cooperation strategies were renamed "results strategies for aid in countries". The strategies were (and are still) based on a few clearly

³³ This is mainly based on Regeringskansliet/UD (2011a)

³⁴Regeringskansliet/UD (2011a), p. 6

³⁵ Interview with Gunilla Carlssson in Sveriges Radio 11 February 2012

³⁶ Interview with Gunilla Carlsson in Sveriges Radio 11 October 2012

³⁷ Statskontoret (2011)

stated expected results (or rather results areas) formulated by the Swedish government. This had a decisive effect on the structure of Sida's monitoring and reporting of its activities.

More emphasis was laid on transparency, anti-corruption and risk assessments. It was stated that Sweden must be clear and set high demands for their partners. The degree of trust in the government of the partner country was afforded greater weight in considering what type of cooperation Swedish aid could finance in an individual country. Human rights, democracy and good governance were of particular importance in these assessments. All this had implications for budget support.

The guidelines for results strategies³⁸ did not include any new guidelines for budget support. The process changed however. The strategy process started with a meeting with Swedish ministries and government agencies. This was followed by a short document from the government, outlining "entry values" or directives for the country strategy. This document specifies prioritized areas for cooperation and it may also include directives regarding restriction of certain forms for cooperation, including budget support.

Not until these directives had been formulated it was delegated to Sida to, based on an analysis, present a proposal for expected results of the country strategy. This should also include a discussion of ways to achieve these results. The Sida process started with a meeting with "Swedish actors" (civil society, private sector etc.). After Sida's proposal was presented, it was up to the government to formulate the final results strategy. This was a fundamental change of the process and the roles of the MFA and Sida regarding budget support. The eligibility for budget support did no longer have to be based on an assessment of the situation in the country, but instead became primarily a Swedish political decision. As a consequence, the steering role of the former guidelines and the basic prerequisites became unclear.

Between the years 2006–2013, the government's requests for results reporting from Sida increased drastically. ³⁹ As a response, Sida prepared a new system for "contribution management", which was introduced in 2012. The main motive was to comply with the requests, but Sida also went further and developed a new, computer based system in which results reporting played a major role. Every contribution was required to have a results summary matrix according to a standardized format, although this raised substantial problems in implementation by Sida. ⁴⁰

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³⁸ Regeringsbeslut (2013)

³⁹ Vähämäki, Janet (2017)

⁴⁰ Ibid p 163 ff

A main interest for the government (and for Sida) was the communication of results to the public, politicians and media. This led to a focus on visible, individual results – something which presented a special challenge regarding budget support and other general forms of support. In the Government Bill 2014, concrete examples of results for each thematic area were presented. Although the share of GBS of total aid was 5.6%, only one out of 78 results examples explicitly related to this form of support (education in Tanzania).

In March 2014 the government presented a *new policy framework* or "platform" for development cooperation.⁴³ The overarching objective for Sweden's international aid was formulated as: "To create preconditions for better living conditions for people living in poverty and under oppression". Under this, six sub-objectives were formulated:

- 1. Strengthened democracy and gender equality, greater respect for human rights and freedom from oppression.
- 2. Better opportunities for people living in poverty to contribute to and benefit from economic growth and obtain a good education.
- 3. A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters.
- 4. Improved basic education.
- 5. Safeguarding human security and freedom from violence.
- 6. Saving lives, alleviating suffering and maintaining human dignity.

With regard to forms of bilateral aid it was stated that it was the Government's intention to channel an increasing proportion of Swedish aid through innovative forms of aid and financing. "Innovative forms" was partly referring to results-based forms of aid where aid is disbursed ex post, on the basis of the results achieved, instead of traditional forms which normally finances a particular operation in advance, which is expected to lead to particular results. During 2011–2012, Sida had prepared a proposal on a new form of results-based aid which could complement budget support. This was based on experience such as "Cash on Delivery" and the World Bank instrument "Program for Results". The new form was proposed to be based on a Results and Transparency contract and funds would be disbursed after the results had been delivered.

With respect to aid effectiveness, programme-based approaches were mentioned, but with the addition that in countries where Sweden provides PBAs (including budget support), it

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⁴¹ See for example, Regeringens skrivelse 2009/10: 214

⁴² Regeringens budgetproposition 2013/14

⁴³ Regeringskansliet (2014)

⁴⁴ Petri-Gornitzka, Charlotte (2012)

has to work to ensure that civil society actors have an opportunity for participation, transparency and accountability vis-à-vis those in power and in overall national and local political processes and efforts to reduce poverty. Regarding GBS, the five basic prerequisites from the 2010 guidelines were confirmed. The high risks of providing traditional GBS were however underlined and it was recommended to focus more on results-based contracts that link payments made to result indicators agreed in advance in line with the partner countries' own priorities.

2.6 The death of GBS in Swedish development cooperation, 2015-?

The new Swedish (social democratic/green party) government which took office in 2014 presented a *new policy framework for development cooperation* in 2016,⁴⁵ to replace the former government's framework from 2014. This contains no news related to budget support as such, but seems to be less focused on results-based management than the 2014 framework.⁴⁶ The Agenda 2030 and the goals for sustainable development play key roles for the framework and as a consequence the proposed goal structure for Swedish development cooperation becomes even more complex than before. It is stated that five perspectives (poor people's perspective on development, rights perspective, environment-and climate perspective, gender equality perspective and conflict perspective) shall be integrated in all areas of development cooperation.

This development creates special challenges for all general aid modalities and for budget support in particular. It leads to stronger incentives for a bilateral donor like Sweden to focus on a larger number of projects or programs with specific goals, like human rights, climate/environment, gender equality etc., instead of general support to economic growth and poverty reduction.

Since 2013 only two countries (Mozambique and Tanzania) have received GBS. It is too early to say if the attitude has changed. The policy framework, presented in 2016, is a bit more positive to alignment and use of country systems. It is also noted that risk-taking is often a pre-condition for results in development cooperation.⁴⁷ Nothing specific is however said about GBS, SBS and other forms of PBAs, and for 2017 there were no plans for GBS in any country. Whether this signal the end of this form of development assistance for Sweden remains to be seen.

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⁴⁵ Regeringens skrivelse 2016/17:60

⁴⁶ One illustration may be that the country strategies are no longer labelled "results strategies".

⁴⁷ Ibid., p. 53

3. Development of implementation of Swedish budget support

As can be seen in Table 1, disbursements were at a similar level in 2013 as in 2005, with a peak in 2008. The number of recipient countries was however constantly decreasing, from 10 in 2005 to 2 in 2013.

It is worth noting that Swedish budget support has almost entirely been concentrated to African countries. The focus on African countries may be explained by their poverty and background in the SPA and HIPC initiatives. Three main recipient countries (Tanzania, Mozambique and Zambia) are traditional Swedish recipient countries while Burkina Faso, Mali and Rwanda are more recently established as cooperation countries where budget support was one way to start cooperation without much Swedish experience and expertise. In Burkina Faso, GBS accounted for 55% of total Swedish aid the first three years, 2001–2003, and in Mali the share for the same years was 67%. In Rwanda, the share of GBS during these years was 41%. 48

This section includes a presentation of budget support in one country, Tanzania, and some notes about budget support in other major recipient countries.

Table 1: Disbursement of general budget support 2005-2016, million SEK

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Tanzania	200	300	350	425	390	315	375	420	400		275		3450
Mozambique	135	200	300	350	330	320	315	295	337	315	315		3212
Mali	70	80	80	80	130	120	133						693
Burkina	50	50	60	70	90	108	106	108					642
Faso													
Zambia		49	96	103									248
Rwanda	120	80	80										280
Nicaragua	60	70											130
Ethiopia	50												50
Malawi	40												40
Uganda		34											34
TOTAL	725	862	966	1028	940	863	929	823	737	315	590	0	8778

Source: openaid.se

3.1 The case of Tanzania

Tanzania is the country which has received most general budget support from Sweden and the share of GBS was very high, around 50%, in the period 2005-2015.⁴⁹ When a general

⁴⁸ Openaid.se

⁴⁹McGillivray, M. et al (2016)

budget support framework was signed in 2005, Sweden took a leading role in both funding and policy dialogue.

The country strategy for Tanzania 2006–2010 was probably the most GBS-friendly ever in Swedish development cooperation. It was stated that the principal change under the new strategy will be the transition from project- to programme support and increased use of GBS. The reason was that Swedish assistance needed to be adapted to the new aid architecture based on a common donor strategy, the Joint Assistance Strategy (JAS), with GBS as the principal modality. Thus, GBS should not be viewed as a residual aid modality that can be replaced by project or programme support. The ambition was that GBS should constitute around 50–70% of the country allocation at the end of the strategy period.

The agreement on GBS stipulated that a gradual increase of Swedish GBS, starting in the second half of 2006, should replace the Swedish support to primary education and, with start from 2008, Swedish support to HIV/Aids Care and Treatment. Support to these areas were then to be channeled through GBS.⁵¹ This was implemented regarding education, where the only aid modality was GBS, while programme officers were kept at the Embassy to be active in dialogue. The GBS in fact became a SBS in this case.

Even with this very positive attitude there was some caution about how far a transition to GBS could be implemented, and in 2007 Sweden withheld funds because of mismanagement of the energy crisis and the threat to ban an NGO. In 2008 Sweden withheld funds because of a stagnant PFM reform and poor sector reviews.⁵² For a new budget support agreement 2009–2012, an assessment on the eligibility for budget support was made.⁵³ It concluded that Tanzania fulfilled the five preconditions for GBS. Corruption and the political situation on Zanzibar were identified as the most important risks. The volume of Swedish GBS was forecasted at 315–450 MSEK per year, which was substantially lower than the target set out in the cooperation strategy, but still around the same volume as 2006–2008. The new budget support included variable tranches linked to areas of specific concerns (primarily PFM and decentralization).

In 2009 it was concluded that Tanzania had reached the targets regarding social sectors, but not regarding good governance. Tanzanian leadership of the poverty reduction strategy was assessed as weak, partly due to far-reaching interventions by donors in formulation and implementation. Budget support from all donors declined as portion of total aid and even more pressure was put on the Tanzanian Government. Sweden decided not to disburse the variable tranches 2009 and 2010, due to stagnation in the reforms of public administration,

⁵⁰ Samarbetsstrategi för utvecklingssamarbetet med Tanzania 2006-2010

⁵¹ Sida (2009), p. 27

⁵² Sida (2009), p 33

⁵³ Sida (2009)

reduced media freedom and insufficient anti-corruption measures.⁵⁴ In a background paper for a new country strategy 2012-2016, it was noted that the budget support dialogue had not contributed to the policy influence that donors had expected and that it was in doubt if the use of variable tranches had been effective.⁵⁵ In 2011 the GBS was increased however, due to improvements in some areas. The assessment was that most indicators showed a positive development.⁵⁶ Again in 2012, the variable tranche was not disbursed, due to lack of progress in the Local Government Reform.⁵⁷

A new country strategy was formulated for the period 2013–2019, in line with the Swedish government's guidelines for "Results Strategies". In contrast to former strategies, this did not go into any detail about the forms for cooperation, except that it stated that "there are no limitations with regard to forms of cooperation and partners".⁵⁸ Instead three result areas were formulated:

- 1. More jobs and developed energy and agricultural markets
- 2. Improved education and increased entrepreneurship
- 3. Strengthened democratic accountability and transparency, and increased awareness of human rights.

Even if there was no direct link between these result areas and the forms of cooperation, the impression from Sida's reporting is that budget support was mainly related to the third result area. Also in this strategy it was stated that Sida was encouraged to actively identify new, innovative methods and forms of financing and that Sida may use general budget support for poverty reduction with the gradual introduction of results and transparency contracts for development, where payments are made once the agreed results have been achieved.

The budget support for 2013-2015 was prepared according to the new Sida system for contribution management. 59 The contribution was based on the new Tanzanian poverty reduction strategy and had three outcome objectives: a) Growth for reduction of income poverty, b) Improvement of quality of life, c) Governance and accountability. The Results Summary contained in total 34, mostly quantitative, targets. The targets related to all the three areas in the results strategy, including energy, education, lands, agriculture, accountability and transparency and domestic resource mobilization. The volume was planned to be a total of 850 MSEK for two years.

⁵⁴ Sida, Strategirapport för Tanzania 2010

⁵⁵ Sida (2011)

⁵⁶ Strategirapport för Tanzania 2011

⁵⁷ Strategirapport för Tanzania 2012

⁵⁸ Results strategy for Sweden's international development cooperation in Tanzania 2013-2019

⁵⁹ Sida (2012)

In late 2014, Tanzania was affected by a corruption scandal in the energy sector (the so-called 'IPTL scandal'). Because of this scandal Sweden and a number of other donors withheld GBS payments for 2014. This scandal had no connection to budget support funding mechanisms, but it was assessed as an indication that a fundamental condition on combat of corruption was not met. It was commented by the Swedish Embassy as if this was the end of traditional budget support. ⁶⁰ Sida also assessed that a new budget support instrument, more clearly focused on accountability and strengthening of PFM systems, could be a better option. ⁶¹ Sweden initially withheld the budget support in 2014/15. In 2015 Sweden paid out firstly the variable results based tranche, based on the actions to investigate and address IPTL and, on the basis of further action, half of the fixed tranche was paid. The remaining part was never paid out as the conditions set was not met before the agreement ended.

In 2015 Tanzania elected a new President, with strong focus on making the public administration more effective and on anti-corruption. But the donor situation has changed in recent years and the coordinated budget support mechanism has been dissolved.⁶² The government has been able to mobilize increased domestic revenue and the space for policy dialogue has diminished. The funds for GBS have partly been allocated for a programme support for social protection.

3.2 Other countries

Mozambique has received more Swedish GBS than any other country, with the exception of Tanzania, in total over 3400 MSEK. In the country strategy for 2008–2012, the target was set to channel 50% of the support to implementation of Mozambique's development strategy, in the form of budget support for poverty reduction. This plan was implemented (although the share of GBS was less than planned). In 2014 an international evaluation was presented and this was mainly very positive. It also contained several recommendations. One conclusion was that, despite the positive results, there was a common "budget support-fatigue" among donors and it was recommended that donors should find their way back to the core of budget support and renew their commitment to this aid modality.

The Swedish Embassy did not share these recommendations and stated that it was not possible to invest more in the budget support process and that it was not realistic to scale up GBS. Instead it recommended to focus on a limited number of economic policy reforms

⁶⁰ Sverige fryser budgetstödet till Tanzania (2014)

⁶¹ Strategirapport för Tanzania 2014

⁶² Embassy of Sweden, Dar es Salaam (2017) Result strategy for Sweden's international development cooperation in Tanzania 2013-2019 Mid-Term Review, 2017-01-31

⁶³ Samarbetsstrategi för utvecklingssamarbetet med Mocambique september 2008-december 2012.

⁶⁴ Lawson et al (2014)

rather than to follow up the total development plan.⁶⁵ This was a basis for the new GBS for 2014–2016. The volume of this was reduced in order to provide space for complementary sector contributions.⁶⁶ During 2015 Sida started the preparations for a new budget support for 2017–2020.⁶⁷

In April 2016 a scandal was revealed in which senior officials secretly provided government guarantees on several billion dollars' worth of loans. The money was then reportedly used to purchase a range of maritime goods, including military equipment for the state security services. This scandal drastically changed the donor's views of Mozambique, and all budget support was suspended. The Swedish contribution for 2016 was not disbursed and plans for future budget support were paused.

In *Burkina Faso* the Swedish cooperation started in 2000 and GBS was a major part (around 50%) of the program from 2001 to 2012, when the Swedish government decided to phase out long-term support to the country. This decision was however changed by the new Swedish government in 2014. In a deepened strategy report for 2011–2015, Sida concluded that GBS was a fundamental component for poverty reduction which has not been possible to replace.⁶⁸ This positive assessment was primarily based on evaluations and performance reports. But despite this, no recommendation is made about budget support in a future strategy. In the instructions from the government on a new strategy for 2017–2021, it was stated that Sida shall assess the conditions for support to poverty reduction through e.g. budget support, sector budget support, result-based approaches or support to systems for social security.⁶⁹

Swedish budget support to *Mali* also started in 2001 and in total 883 MSEK has been disbursed. It was a major part of the cooperation up to 2011. The Embassy assessed the results as mainly positive, based on an independent evaluation, although the corruption risk was underlined.⁷⁰ The military coup in 2012 however led to suspension of all aid to the government and GBS has not been provided since then, even if cooperation with Mali has resumed, including state-to-state cooperation. In the new strategy for 2016–2020, it is stated that budget support is not considered, although a lot of emphasis is laid on support to governance and capacity development in the public sector. ⁷¹ This was a political assessment by the government, probably based on reports from the Embassy and coordination with other donors.

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⁶⁵ Strategirapport för Mocambique 2014

⁶⁶ Sida (2013)

⁶⁷ Strategirapport för Mocambique 2015

⁶⁸ Fördjupad strategirapport for Burkina Faso 2011-2015

⁶⁹ Regeringskansliet, UD, (2017)

⁷⁰ Strategirapport för Mali 2011

⁷¹ Strategi för Sveriges utvecklingssamarbete med Mali 2016-2020

Also in other countries, there were specific reasons for suspension of budget support. In Zambia Sweden suspended GBS in 2009 after a corruption scandal in the health sector. The government decided in 2010 to revise the country strategy to discard budget support as a modality for development cooperation with Zambia. 72 The motive was negative development regarding corruption in general and respect for human rights. Sida assessed however in 2011 that budget support, with reference to improvements in many areas and positive evaluations, could be reconsidered.⁷³ However, the government concluded in the new strategy for 2013–2017 that GBS was not an option.⁷⁴ In Rwanda budget support was suspended in 2008 after it was revealed that the government supported rebel groups in Eastern Congo. It has not been resumed since then, although the country strategy 2010-13 opened up for budget support if the regional conflict situation improved. In the strategy for 2015–2019 it was however stated that budget support was not an option. 75 Nicaragua received GBS up to 2006. In 2007 the Swedish government decided to phase out the longterm support and a phasing-out strategy was implemented 2008–2011. In this it was stated that the complexity and the institutional weaknesses implied that the conditions for sector budget support were still not in place. This was a bit contradictory considering that Sweden provided GBS two years earlier.

4. Concluding remarks: Why is GBS declining and can it be revived?

Can the declining volume of Swedish GBS be explained by proven low and/or declining effectiveness? The answer must be no. All evaluations have concluded that it is an effective form of aid, at least considering effects on poverty. The effects of governance may be less clear, but not negative. No Swedish government has ever stated that GBS is ineffective, but on the contrary mostly referred to the positive effects. The problem has been that GBS is (by donors) given a special role, as a support to a government and has therefore often been seen as responsible for all decisions taken by this government, even if they are not at all related to the GBS mechanisms as such.

GBS has increasingly become regarded as a sign of trust in the recipient government and therefore a modality that is more political than other forms of aid. This was a reason for the government to set a high "threshold" to qualify for this type of support. But as a consequence, as it was stated in the 2005 guidelines, it should also set a high threshold for exit of budget support. During the partnership era, it was regarded as an advantage of budget support that it was a long-term and predictable source of funding. But this is not confirmed by the Swedish experience. On the contrary, it has in all countries been used as

⁷² Regeringsbeslut, Revidering av samarbetsstrategin med Zambia, UF2010/68569/AF, 2010-11-25

⁷³ Bedömningsunderlag för ny samarbetsstrategi med Zambia 2012-2016

⁷⁴Resultatstrategi för Sveriges internationella bistånd i Zambia 2013-2017

⁷⁵ Strategi för Sveriges utvecklingssamarbete med Rwanda 2015-2019

⁷⁶ Utfasningsstrategi för det svenska stödet till Nicaragua, juni 2008 – december 2011

an instrument for quick response to punish countries for corruption scandals or political decisions and events.

One reason for this may have been that budget support is relatively easy to end in a short time. Agreements always include indicators which can be reasons to stop disbursements and, in contrast to projects, no Swedish institutions, organizations, companies or advisers will be affected. Further, the effects on Swedish aid administration is limited. It should be added that it is administratively easy to start up, and spend large volumes of aid on, budget support. However, this is not a good motive for doing so.

GBS has been a special form of aid since it has been related to all objectives of development cooperation through the concept of "basic prerequisites". There is no such relation for other forms of support. In Sweden the GBS eligibility became an even more political decision when the result strategies were introduced and the decision was taken by the government without reference to underlying assessments.

It is a fact that budget support is not used as a modality in Swedish development cooperation today. This is not based on any general decision by the government. It is rather due to lack of clear guidelines and a general feeling that non-earmarked support and full use of country systems is politically very sensitive. The government decides on the possibility for budget support in the cooperation strategies and this decision ("assessment") is not motivated in the strategy document.

There is need for a thorough analysis of the experiences and lessons learned from Swedish budget support. One key issue is if the policy and implementation has been considering the negative effects of reduced budget support and of the way it has been used. One question that should be analyzed is the use of variable tranches. The assumption has been that they can work as incentives for governance reforms, but it can be questioned if this has been effective. This is also closely linked to the policy dialogue where it has been assumed that variable tranches can strengthen the position of donors. This may however contradict the partnership principle, if it is not based on jointly agreed reform measures but rather could be seen as old-fashioned conditionality.

The increased focus on visible results is another possible explanation of the reduced interest in budget support, although the government and Sida have always stated that they regard it as an effective, and sometimes even preferred, form of aid (given certain conditions). It is difficult to specify visible results at the micro-level of the Swedish funding, and results at macro-level are not always accepted since they cannot be attributed to Swedish funds. This is in particular the issue regarding GBS. In the case of SBS, reference can always be made to the specific sector results, even if the funding modality is exactly the same as for

GBS. This discussion very seldom takes place regarding earmarked support, even if this can have very similar effects as budget support, due to fungibility of resources.⁷⁷

Added to the increased focus on results, the goals for all development cooperation, including budget support, have become ever more complex and multi-dimensional. This makes general forms of support less attractive for donors since they have to show results related to all of the goals. This will probably lead to a return to a larger number of projects which can each be limited to specific goals.

Many donors have avoided budget support with the motivation that the fiduciary risks of using country systems are too high. This argument has not been used explicitly by Sweden. Of course, the quality of PFM systems and the corruption situation has always been part of the basic prerequisites, but this has mainly been seen in a general political context. The Swedish view has generally been that the country systems can be strengthened by using them in combination with support for capacity development. The direction of change, rather than the absolute level, has been used for assessment of eligibility. This should not lead to decline in GBS, since in most countries the PFM systems have improved over time. Corruption is more difficult; even if there is no reason to believe that it has generally increased, more scandals may be revealed due to increased openness and therefore play a role for political decisions.

As a summary, development of Swedish budget support can be explained by a combination of Swedish policy changes, general assessments of development in recipient countries and specific events in the recipient countries. In the period 2005–2011, positive development and reform trends were motives for increased GBS in some countries (Tanzania, Mozambique, Burkina Faso and Mali). This was the period when Swedish policy was in general positive towards budget support. From 2012 this policy changed and political- and corruption events motivated Sweden to cease budget support.

All this must of course be seen in the overall donor context. Wheeler has always joined with other donors in providing GBS. In many cases GBS has been the basis for overall aid coordination. Swedish decisions to suspend GBS have been coordinated with other donors, but donors have not always responded in the same way. Overall allocation of budget support differs substantially between donors. As one example, the EU today has a more positive attitude than bilateral donors, including Sweden.

Even if budget support has been more controversial than other aid modalities, it has not been subject of any substantial political debate in Sweden. The social democrats have

⁷⁷Fungibility here refers to the fact that earmarked funding by a foreign donor can support a project which would have been funded by other resources (e.g. the government budget) in absence of this support. The real effect in such a case the same as budget support for additional expenditure.

⁷⁸ This will be further elaborated in a forthcoming EBA-report by Geske Dijkstra.

probably been more positive than the conservatives, but the liberals and most NGOs have also defended budget support in general. The conservative/liberal government even increased budget support, before the U-turn in 2011–2012. On the other hand, the social democratic/green party government has not presented any new approach to budget support since 2015, but in practice contributed to further decline.

There are however two other arenas where conflicts regarding budget support have probably sometimes been influential. The first is in media. Often budget support has been used in criticism of aid in general. It has been presented as unconditional support to repressive and corrupt governments. One extreme example was an article titled "Budget support is used for killing people",⁷⁹ but not much of serious debate has been published. More important is maybe that views on budget support within the aid administration are diverging. This is an old conflict, not least within Sida, mainly between economists who favor general forms of aid and project officers and accountants who prefer earmarked support.

This paper is mainly dealing with general budget support (GBS). There is however no clear distinction between GBS and SBS. Both are non-earmarked support to the government budget. The difference is regarding the pre-conditions, the policy dialogue and the follow-up. All this is determined by the donor, so GBS can easily be transformed into SBS. This can be a way to solve the problems with the political sensitivity of providing GBS. Sweden has used this opportunity and treated the two forms differently, with "softer" conditions for SBS. Unfortunately, it is difficult to say how frequently this has been implemented, since SBS is normally classified as sector support and not as budget support. This is even more difficult with other forms of programme-based approaches which may be similar to GBS. This is an interesting subject for future research.

Another relevant issue is if GBS should be defined as only funding and policy dialogue, or if it should be seen as a "package" also including complementary projects or programmes. This has been done in several cases, in particular regarding capacity development for governance systems. This is one way to return to the original role of GBS to support government budget systems in becoming more effective for poverty reduction. Such a package could be labeled SBS for PFM-reform. It would still be related to some overall assessment of political and economic conditions, but with dialogue and follow-up concentrated on PFM-indicators.⁸⁰

⁷⁹ Nilsson (2012)

⁸⁰ An interesting example where Sida is involved in such a program, is in Cambodia where EU has delegated a complementary program to its SBS for PFM-reform, to be managed (and partly financed) by Sida.

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