

THE EBA AID REVIEW 2019

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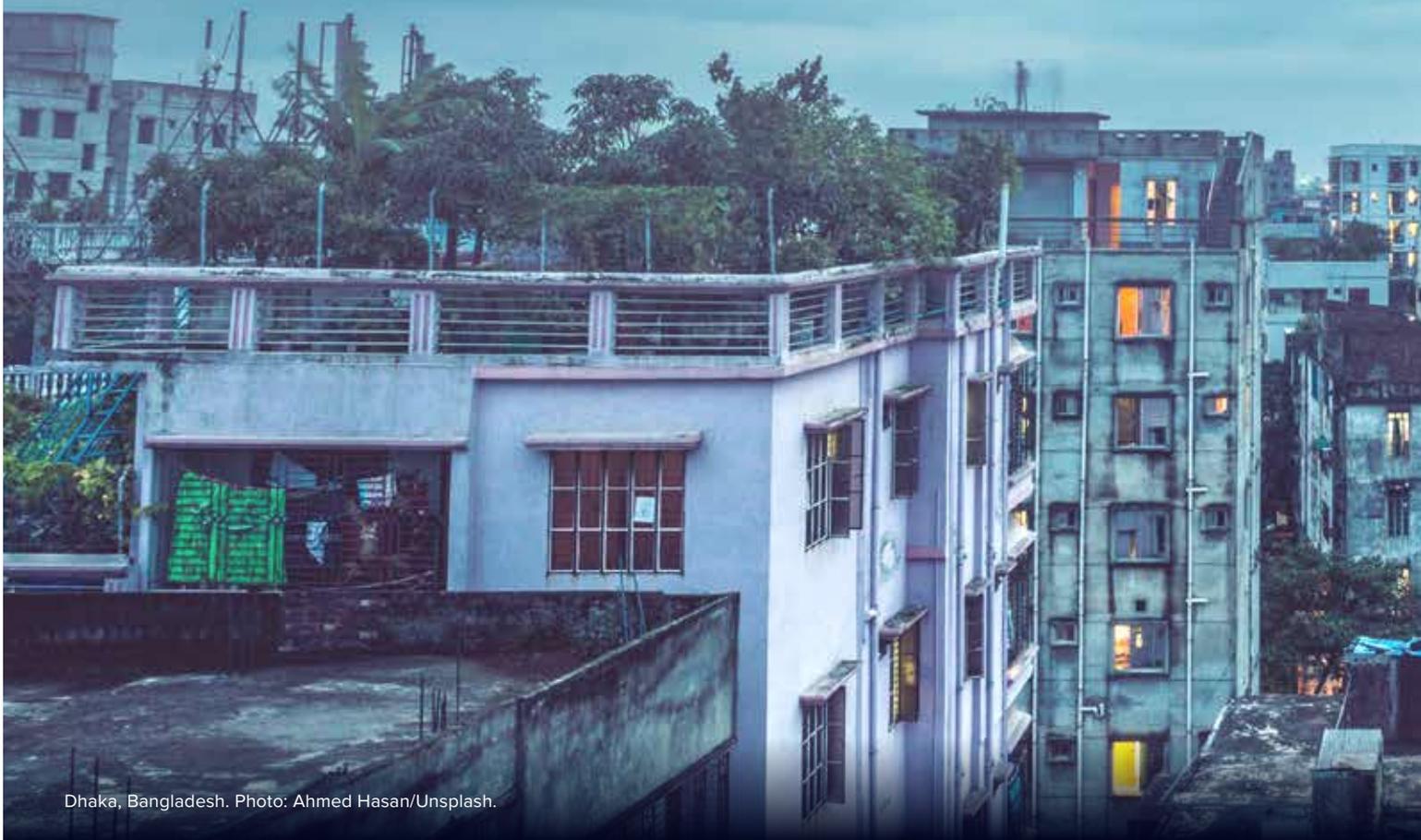
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THE EBA AID REVIEW 2019

Annual report from the Expert Group for Aid Studies for the year 2018

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PREFACE

By commissioning studies and disseminating knowledge, the Expert Group for Aid Studies (EBA) contributes to the advancement of Sweden's international development assistance. The aim is to offer clear added value to actors in this field by presenting new and synthesised knowledge in priority areas.

OVER THE PAST YEAR, the EBA has addressed some of the major and recurring issues of development assistance, such as those relating to ownership or the sustainability of aid. We have also looked into topics that may seem minor or technical, but have a clear impact on aid effectiveness, such as exchange rate volatility.

A common feature of the EBA's reports is that they study the direction, management or implementation of development assistance. Our mandate both to evaluate and to analyse enables us to answer a wide range of questions, based on the needs identified.

The EBA's remit is to contribute to an evidence base for the Government's efforts to develop and manage Swedish aid. To do this to a high standard, we need to engage in an active conversation with the various actors in the development assistance field, regarding both the studies we publish and ideas for future studies. To that end, the EBA has worked during the year to further develop its dialogue with key target groups.

At the same time, we have initiated activities that have a somewhat broader target audience. In the autumn of 2018, the EBA, together with the Swedish International Development Cooperation Agency (Sida), arranged Sthlm Evaluation Week: a week of seminars and networking on the role of evaluation in development assistance. The EBA podcast and participation in conferences

such as the Swedish Forum for Human Rights also enable our studies to reach a wider public.

In the *EBA Aid Review 2019*, our annual report, we highlight the most important lessons learnt from the reports and seminars of the past year. We hope that it will serve as an inspiration for further reading and dialogue about the effectiveness, choices and possibilities of Swedish development assistance.

You are most welcome to contact us with your reflections and ideas.

Stockholm, 31 March 2019



Helena Lindholm, Chair

Johan Schaar, Deputy Chair

Kim Forss

Torgny Holmgren

Sara Johansson de Silva

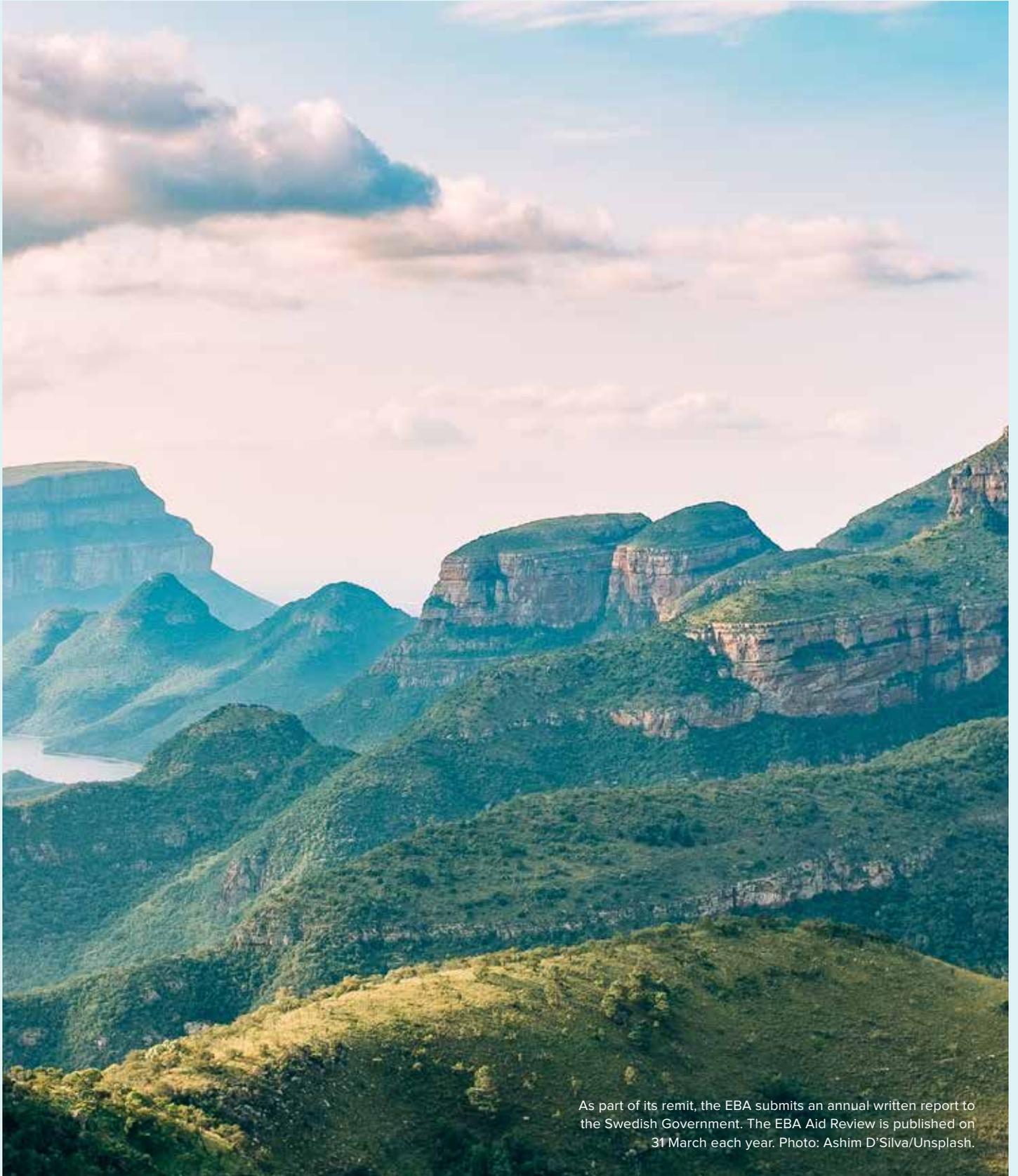
Magnus Lindell

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As part of its remit, the EBA submits an annual written report to the Swedish Government. The EBA Aid Review is published on 31 March each year. Photo: Ashim D'Silva/Unsplash.

“The EBA currently has two evaluations of Swedish climate change aid under way”



Helena Lindholm is Chair of the EBA and Professor of Peace and Development Research at the University of Gothenburg.

WITH A FOCUS ON RELEVANCE

During 2018, the EBA has sharpened the strategic focus of its reports. We've also developed our arrangements for meetings and dialogue, says Helena Lindholm, Chair of the Expert Group.

WHAT ARE YOUR THOUGHTS ON THE PAST YEAR?

Migration remains a burning issue around the world. The EBA presented a report on the relationship between humanitarian assistance and development cooperation in war-torn Syria, with a bearing on questions of forced migration and aid.

We also initiated a review of the role migration plays in development. The links are complex, and it's important to bring out all the different dimensions involved.

After the summer of 2018, it is impossible not to identify climate issues as important in the context of development assistance. The EBA currently has two evaluations of Swedish climate change aid under way.

ANY OTHER STUDIES YOU'D LIKE TO HIGHLIGHT?

One question the EBA has focused on is the design and management of development cooperation. A key report analyses general budget support and concludes that it can be an effective way of reducing poverty.

I'd also like to mention our study of aid under "shrinking democratic space", in countries with growing authoritarian tendencies. That report underlines the need to carry on supporting civil society in such a situation.

HOW DID THE EBA DEVELOP ITS WORK IN 2018?

We developed clearer strategic guidance for our reports, with the Expert Group identifying a number of focus areas that we wish to concentrate on. This is a way of ensuring relevance, while also looking ahead to take in the trends and changes development assistance could face in the years to come.

THE EBA, WHICH EVALUATES AID, WAS ITSELF REVIEWED IN 2018?

Yes, the Swedish Agency for Public Management's review of the EBA gave us an opportunity to take a critical look at ourselves and think about how best to ensure that our reports can be put to good use. It was linked to the discussions we always have ongoing.

We want both to be relevant and to achieve the highest possible quality in our studies. The review's conclusion that the EBA should retain its existing organisational form was one we welcomed, as it enables us to focus on the substance of what we do.

WHAT'S MOST IMPORTANT IN ACHIEVING RELEVANCE?

Having a regular, in-depth dialogue with our principal target groups, that is, the Ministry for Foreign Affairs and Sida, while maintaining our independence. During 2018 we strengthened our various arrangements for meetings and dialogue.

WHAT WAS THE MOST EXCITING FRESH INITIATIVE IN 2018?

Our newly launched podcast, EBA-podden, in which experts and practitioners discuss topical development assistance issues.

We chose the podcast format because it's one you can listen to on the way to work, while out for a walk, in the gym or cooking a meal. It's a simple way of keeping track of current developments for people with a professional involvement – or a general interest – in aid.

CHALLENGES IN DELIVERING AID

The international principles for more effective development assistance are concerned with ownership, alignment, long-term results, inclusive partnerships and transparency.

They were established at High Level Fora in Paris (2005), Accra (2009), Busan (2011) and Mexico City (2014).

Despite support for them from the Global Partnership for Effective Development Cooperation (GPEDC), these principles have been somewhat neglected of late.

The challenges in designing effective development assistance become greater as more countries shift towards their own priorities and depart from principles of effectiveness. In some cases, Sweden can act alone.

In others, there needs to be cooperation.

During the year, the EBA has drawn attention to several issues linked to the aid effectiveness agenda.

OWNERSHIP IN A NEW ERA

Ownership by the partner country is often held up as crucial in ensuring that development cooperation is effective. How can we promote this principle today? New conditions for international development assistance call for new approaches.

THE PRINCIPLE of ownership, emphasised inter alia in the Paris Declaration of 2005, has long held a prominent place in Swedish development assistance. Development cooperation should help to strengthen national responsibility and ownership. This can be done, for example, by supporting institutions, democratic processes, higher education and research, and by strengthening financial governance systems with anti-corruption measures.

”Existing modalities of aid are not easy to reconcile with local ownership. In the long run, this puts sustainability at risk.”

The EBA has addressed the concept of ownership in several studies over the years. Two reports from 2016 (*EBA 2016:09* and *EBA 2016:10*), for instance, discuss its importance in Sweden’s development cooperation with Tanzania and Uganda.

Therese Brolin’s PhD thesis on results and ownership in Swedish development cooperation

is summarised in an EBA Development Dissertation Brief (*EBA DDB 2017:10*). She points to the challenges of reconciling the results agenda and partner country ownership. If those challenges are to be met, it is essential to work on the basis of the development partner’s own conditions and objectives. To achieve sustainable results in line with intended goals, aid needs to shift from donorship to ownership.

In recent years, major changes have occurred in the structure and implementation of development assistance. Country-to-country cooperation has declined significantly, and multilateral and global initiatives have increased. The number of actors and stakeholders has grown. There are now many intermediaries on both the donor and the recipient side.

With the 2030 Agenda from 2015, there also more goals for sustainable development; these involve both national responsibilities and global challenges requiring cross-border cooperation.

IN THE STUDY *Seeking Balanced Ownership in Changing Development Cooperation Relationships* (*EBA 2018:08*), Niels Keijzer, Stephan Klingebiel, Charlotte Örnemark and Fabian Scholtes explore ownership in relation to the contemporary aid architecture. How can this principle be promoted when development assistance is increasingly channelled through international agencies, specialised vertical funds and civil society organisations?

Keijzer et al. conclude that ownership remains relevant and should continue to be a guiding principle. It is both an end in itself and a means

of achieving effective development cooperation. Existing modalities of aid are not easy to reconcile with local ownership. In the long run, this puts sustainability at risk. For that reason, it is vital to stress the importance of ownership and find approaches that work.

Far-reaching changes are needed, Keijzer et al. write. Actors should seek a balance between control by a few and wider consensus building. This calls for more openness, learning and adaptive approaches. Account also needs to be taken of other important characteristics of successful development cooperation, such as transparency, capacity building and division of powers. In addition, ownership is closely linked to trust.

One way forward, according to the report's authors, would be to include the concept of ownership more actively in a broader reflection on how development cooperation can be undertaken. They see the OECD's Development Assistance Committee (DAC) as a suitable arena for this.

Problems need to be locally defined and solutions locally owned, the study notes. Then the discussion can result in a more equitable way of working, with ownership at every link in the chain.

CONCLUSIONS

- Ownership should remain a guiding principle of international development cooperation.
- The trend away from country-to-country cooperation towards multilateral support through UN agencies, global funds and other intermediaries has created new conditions for ownership. New ways of working are now needed.

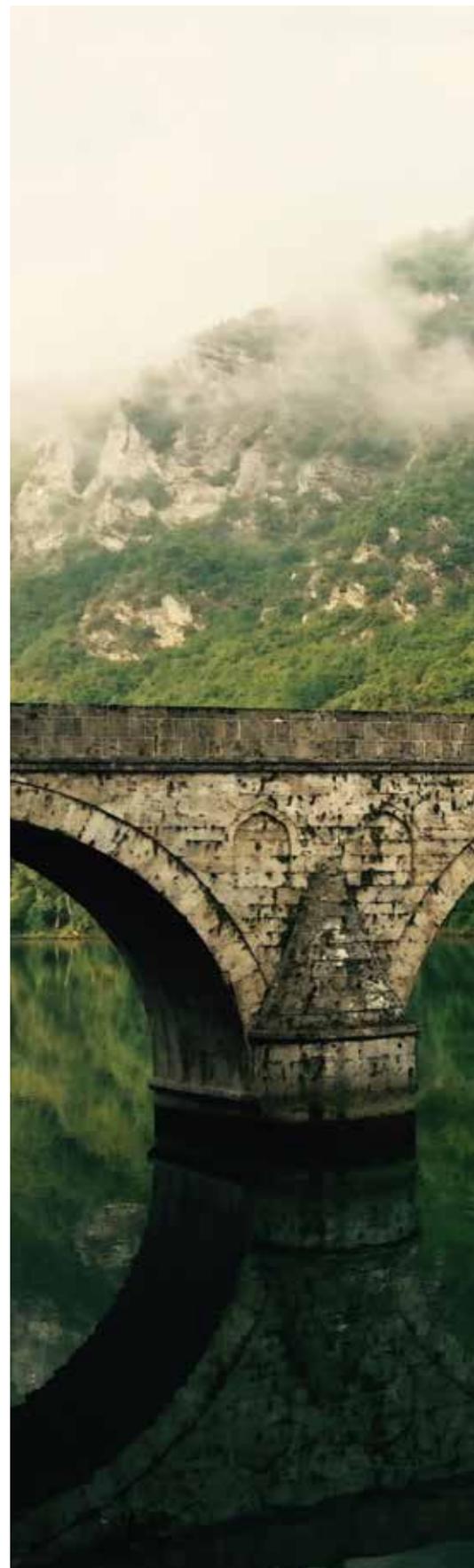
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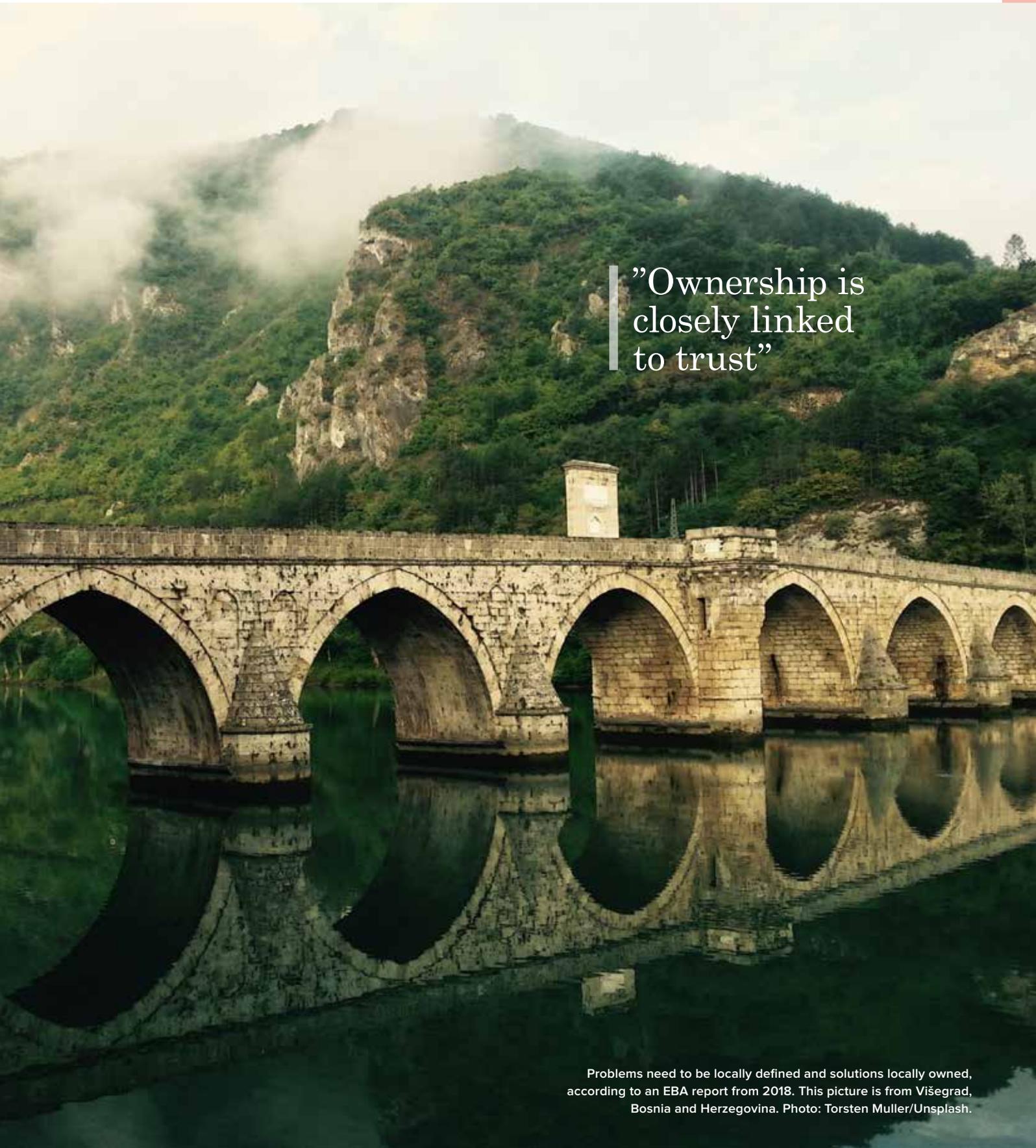
S-E. Kruse (2016), *Exploring Donorship - Internal Factors in Swedish Aid to Uganda*, **EBA 2016:09**

M. McGillvray, D. Carpenter, O. Morrisey and J. Thaarup (2016), *Swedish Development Cooperation with Tanzania – Has it Helped the Poor?*, **EBA 2016:10**

T. Brolin (2017), *Results and Ownership in Swedish Development Cooperation*, **EBA DDB 2017:10**

N. Keijzer, S. Klingebiel, C. Örnemark and F. Scholtes (2018), *Seeking Balanced Ownership in Changing Development Cooperation Relationships*, **EBA 2018:08**





“Ownership is closely linked to trust”

Problems need to be locally defined and solutions locally owned, according to an EBA report from 2018. This picture is from Višegrad, Bosnia and Herzegovina. Photo: Torsten Muller/Unsplash.



Swedish development assistance is usually contracted in Swedish kronor. As most recipients work in other currencies, this creates uncertainty about the resources actually available for projects. Photo: Nicolas Cool/Unsplash.

PREDICTABILITY FOR EFFECTIVENESS

Few activities benefit from surprise changes in funding. The EBA has looked at how exchange rate movements affect the predictability of Swedish development assistance – and hence the effectiveness and results of that assistance.

FLUCTUATIONS IN aid flows – volatility – may be expected, like when they are the result of political changes or a pre-announced reordering of priorities by a donor. They may also be more unexpected, for example after an election in a donor country, a sudden financial crisis, or when aid budgets are cut to meet other costs in the donor country.

In a working paper (April 2018), Matilda Svedberg summarises the literature in this field and shows that the volatility of Swedish development assistance varies between six partner countries, but is low compared with other donor nations.

”Aid could be contracted at fixed exchange rates”

VOLATILITY CAN BE a sign of flexibility and is not necessarily a bad thing. Few activities benefit, though, from surprise changes in funding. Predictability is therefore an important criterion of aid effectiveness.

One source of unpredictability is exchange rate movements. Swedish development assistance is usually contracted in Swedish kronor (SEK), and the value of the funding is thus tied to the value of the krona. As most recipients work in other currencies, this creates uncertainty about the resources actually available for projects.

In his report *How Predictable is Swedish Aid?* (EBA 2018:03), Númi Östlund shows that, over three years (a common contract period), the

uncertainty involved can be anything up to 25 per cent. Whether a disbursement of SEK 10 million is worth SEK 7.5 million or SEK 12.5 million greatly affects the prospects of effectively delivering results.

ÖSTLUND NOTES THAT options already exist for “hedging” development assistance implemented in major currencies. A substantial share of Swedish aid could be contracted at fixed exchange rates, probably resulting in more aid in the foreign currencies concerned.

For assistance provided in smaller currencies, a possible solution would be to use Sida’s guarantee instrument.

CONCLUSIONS

- Unpredictability makes planning difficult and creates uncertainty about the volume of aid.
- A large proportion of Swedish development assistance could be contracted at fixed exchange rates, resulting in more aid in foreign currencies.
- For aid in smaller currencies, Sida’s guarantee instrument could reduce the risk of exchange rate volatility.

REPORTS:

N. Östlund (2018), *How Predictable is Swedish Aid? A Study of Exchange Rate Volatility*, **EBA 2018:03**

M. Svedberg (2018), *Volatility in Swedish Aid - The Case of Six Long-Term Partner Countries*, **Working Paper, April 2018**

AID MODALITIES

Official development assistance (ODA) accounts for a decreasing share of resource flows to low- and middle-income countries. Remittances, foreign investment and grants from private funds and organisations now make up a much larger proportion of total flows. So how can development assistance be designed to bring the greatest benefits?

SEVERAL EBA REPORTS published in 2018 shed light on the design of development assistance. They include analyses of core support, budget support, aid through the UN system, support to civil society, agency-to-agency cooperation and the state investment fund Swedfund.

Budget support builds on confidence in the partner country's ability to manage, distribute and monitor funds through its own institutions. In her report *Budget Support, Poverty and Corruption* (EBA 2018:04), Geske Dijkstra shows that budget support has worked well in terms of reducing poverty, and in building capacity in the public sector. Dijkstra's analysis also shows that accountability – both horizontal (such as auditing) and vertical (through civil society, parliament and the media) – has improved in countries receiving budget support.

And yet, despite its track record in promoting the objectives of Swedish development assistance, general budget support has been almost entirely phased out in recent years. The question is why.

IN HIS WORKING PAPER *The Rise and Fall of Budget Support in Swedish Development Cooperation* (EBA 2018), Karl-Anders Larsson notes that, around 2012, Swedish politicians began to see budget support as a political high-risk project.





Core support is non-earmarked assistance to organisations. Budget support is non-earmarked assistance to a state. This picture is from Sagaing Region, Myanmar. Photo: Robert Collins/Unsplash.

They were concerned about corruption and lack of control, and felt that multilateral organisations were more suitable donors for this form of aid.

Larsson writes that results-based management, which was intended to increase control, made it harder to demonstrate links between Swedish budget support and concrete results. Instead, project support became more common, although according to Dijkstra this is a modality that tends to fragment aid and, moreover, does not strengthen public administration in the partner country, since it is generally handled by donors or civil society organisations.

Dialogue is an important instrument in Swedish development assistance, and Larsson shows that it has been crucial to the budget support Sweden has provided. Dijkstra, however, observes that the policy dialogue linked to budget support has not been effective in strengthening democracy and human rights.

”Aid to countries with shrinking democratic space should be kept flexible”

HOW, THEN, SHOULD AID to countries with authoritarian rule and little openness to dialogue be designed? In the report *Swedish Aid in the Era of Shrinking Democratic Space – The Case of Turkey* (EBA 2018:06), Åsa Eldén and Paul Levin analyse the challenges that development assistance faces in an environment characterised by arbitrariness and rapidly shifting conditions.

Sweden’s assistance to Turkey is targeted at civil society, with a focus on gender equality, freedom of expression and respect for human rights. Eldén and Levin underline the importance of providing long-term support to organisations through core funding, despite the risk associated with being a recipient of foreign aid. They also stress the need for a close dialogue with recipients, and to keep development assistance to countries with shrinking democratic space flexible.

In the Government’s Policy Framework (Comm. 2016/17:60), Sweden’s core funding for the United Nations is justified by the fact that it creates a

platform for the country to exert a normative and strategic influence. Nina Connelly, Stephen Browne and Thomas G. Weiss’s study *Sweden’s Financing of UN Funds and Programmes: Analyzing the Past, Looking to the Future* (EBA 2017:11) noted that 55 per cent of Swedish multilateral assistance is provided as core resources, a very high proportion by international standards. Given the trend towards more earmarked support, Connelly et al. recommend that Sweden should sponsor a new Independent Commission on UN Funding, and call on all UN organisations to be more effective in communicating the importance of core funding.

ONE FORM OF AID whose long-term effects and cost-effectiveness have received little attention in evaluations is Swedish government agencies’ cooperation with their counterparts in partner countries. An earlier study (EBA 2015:05) highlighted Swedish expertise as an asset that could be put to better use.

Inefficient tax systems, for example, are a major problem in many partner countries. Klas Markensten was commissioned to report on the Swedish Tax Agency’s work with partner countries from 1985 onwards, resulting in the working paper *Sweden’s Development Support to Tax Systems* (EBA 2018). Though there have been few evaluations, Markensten shows that support via the Tax Agency is relevant, cost-effective and appears to have long-term effects.

To gain a better understanding of the effects of support for public administration, the EBA is launching an evaluation in 2019 of assistance from Swedish government agencies to the western Balkans over the last 20 years.

A growing share of total ODA goes to development finance institutions such as the state-owned Swedfund. This assistance is invested in private enterprises, with a view to achieving development effects.

In their report *DFIs and Development Impact: An Evaluation of Swedfund* (EBA 2018:01), Stephen Spratt, Justin Flynn and Peter O’Flynn conclude that Swedfund has probably helped to reduce poverty, but that the lack of data makes it difficult to confirm such a link.

CONCLUSIONS

- Budget support has a major impact in terms of reducing poverty, but a limited impact when it comes to strengthening democracy and human rights.
- In repressive settings, development assistance to local civil society should be flexible and small-scale.
- As different forms of support to the private sector grow, further analysis is needed of how ODA can be designed to ensure the greatest value and benefits.

REPORTS:

G. Dijkstra (2018), *Budget Support, Poverty and Corruption: A Review of the Evidence*, **EBA 2018:04**

K-A. Larsson (2018), *The Rise and Fall of Budget Support in Swedish Development Cooperation*, **Working Paper, October 2018**

Å. Eldén, P. Levin (2018), *Swedish Aid in the Era of Shrinking Democratic Space – the Case of Turkey*, **EBA 2018:06**

K. Markensten (2018), *Sweden's Development Support to Tax Systems*, **Working Paper, April 2018**

S. Spratt, J. Flynn, P. O'Flynn (2018), *DFIs and Development Impact: An Evaluation of Swedfund*, **EBA 2018:01**

N. Connelly, S. Browne, T. G. Weiss (2017), *Sweden's Financing of UN Funds and Programmes: Analyzing the Past, Looking to the Future*, **EBA 2017:11**

M. Andrews (2015), *Has Sweden Injected Realism into Public Financial Management Reforms in Partner Countries?*, **EBA 2015:05**



Several EBA reports published in 2018 shed light on the design of development assistance. This picture is from Luang Prabang, Laos. Photo: Peter Hershey/Unsplash.

HUMANITARIAN ASSISTANCE – GROWING NEEDS, INADEQUATE RESOURCES

In 2017, 201 million people were in need of humanitarian aid – more than ever before. At the same time, this form of assistance, to people in acute need, is underfunded. The EBA has produced two reports exploring different challenges facing the humanitarian system.

IN THE LAST DECADE, humanitarian needs expressed in UN appeals have increased dramatically, from just under USD 6 billion to USD 25 billion. At the same time, the funding received has, on average, met an ever smaller proportion of those needs. In 2007, an average of 71 per cent of needs were met – ten years later, the figure was 59 per cent.

”There is a lack of monitoring, evaluation or learning in connection with humanitarian crises”

How can the rest of the world reach those in need and save lives, when resources fall short of what is required? And how can interventions in emergencies produce more sustainable outcomes for the people affected?

During the year, the EBA published two studies analysing these challenges. Sophia Swithern’s report *Underfunded Appeals: Understanding the Consequences, Improving the System* (EBA 2018:09) describes the impacts of underfunded UN appeals. Alexander Kocks, Ruben Wedel, Hanne Roggemann and Helge Roxin, in *Building Bridges between International Humanitarian and Development Responses to Forced Migration* (EBA 2018:02), explore the lack of synergy between

humanitarian assistance and long-term development cooperation during the Syrian crisis.

What happens when only just over half of identified needs are funded? Sophia Swithern’s study shows that that question is not entirely easy to answer. One of her findings is that the information available is limited.

From case studies in Chad, Somalia and Haiti, Swithern sees that the cuts humanitarian organisations are forced to make affect all sectors. Food needs are best met, while least support is provided for needs in terms of water and sanitation, and protection and education of child refugees. Some parts of the countries affected receive no aid at all.

The lack of resources means that smaller quantities of essential supplies can be purchased, resulting in higher unit prices. Fewer people can thus be helped with the resources available. At the same time, organisations are forced to cut staffing, making it harder to reach out. The population groups affected have had their food rations halved and cash distributions significantly reduced.

ANOTHER CHALLENGE for humanitarian assistance is tight earmarking of funding by donors. Sophia Swithern stresses the importance of non-earmarked funds that can quickly and flexibly be used to meet new needs.

It is difficult, then, to draw firm conclusions about the impacts of underfunding on those affected. Poverty and deprivation can have other causes than shortcomings in the humanitarian system. Swithern points out that there are major problems with information sharing within the system. She notes a lack of monitoring, evaluation and learning in connection with humanitarian crises.



The UN issues international appeals for funding in response to humanitarian crises. These appeals set out the scale of humanitarian needs and the level of funding required. This picture was taken in Kenya in June 2018. Photo: Anouk Delafortrie/EU Civil Protection and Humanitarian Aid Operations.

There is also a need, according to Swithern, to improve the way UN appeals are designed and used. For them to be effective as a strategic tool, and not just as a basis for fundraising, there should be regular monitoring of and reporting on the overall humanitarian strategy.

In addition, the most urgent needs must be more clearly identified, along with what can be given priority, assuming different levels of funding.

With growing numbers of emergencies, more effort needs to be put into preventing them and strengthening the resilience of societies and individuals. That is not something humanitarian assistance can do on its own; it needs to be linked to longer-term development cooperation.

That linkage is an important challenge that has been studied by a group of researchers at the German evaluation institute DEval (*EBA 2018:02*). They note that progress has been made, but much remains to be done.

Bureaucratic rules, rigid funding cycles, lack of cross-boundary expertise on the part of staff, and geographical distances are some of the key obstacles to effective coordination between humanitarian organisations and actors in long-term development cooperation.

The authors of the report, Kock et al., hold up Sida as a model in terms of both holistic programming and interaction between different categories of staff.

Discussions inspired by this EBA report have emphasised the importance of maintaining humanitarian principles, such as impartiality, to ensure that aid reaches intended groups in conflict situations.

CONCLUSIONS

- Inadequate monitoring of the consequences of underfunding creates a risk of confidence in the humanitarian system being undermined.
- Underfunding and lack of coordination between donors reduce the system's effectiveness.
- Linking humanitarian assistance and long-term development cooperation remains difficult, despite decades of discussions.

REPORTS:

A. Kocks, R. Wedel, H. Roggemann and H. Roxin (2018), *Building Bridges between International Humanitarian and Development Responses to Forced Migration*, **EBA 2018:02**

S. Swithern (2018), *Underfunded Appeals: Understanding the Consequences, Improving the System*, **EBA 2018:09**



Swedish cooperation with the private sector is limited compared with that of other donor countries. This picture is from Koh Rong, Krong Preah Sihanouk, Cambodia. Photo: Alex Person, Unsplash.

SWEDISH AID – OPEN FOR BUSINESS?

The business sector is playing an increasingly important role in international development cooperation. Private sector funding, innovative power and competence are needed to achieve the global goals. At the same time, challenges remain when it comes to evaluating the results of some elements of development assistance involving the business sector.

THE HIGH LEVEL FORUM on aid effectiveness held in Busan in 2011 was a turning point as regards views on collaboration with business and other new actors. Non-public actors (such as companies, civil society and private foundations) now play a bigger part in the value chains of development assistance.

Aid and business can interact in two different ways. On the one hand, it can be a matter of developing the private sector in partner countries, for example through technology transfer, building institutional infrastructure, research and development, legal frameworks or funding mechanisms. On the other, business is an important supplier of goods and services in virtually every sector of development assistance.

Regarding the first of these roles, Sweden has long experience of mobilising Swedish business and strengthening the business sector in low- and middle-income countries, and several major official studies have been conducted of results and goals linked to this.

In their report *Now Open for Business: Joint Development Initiatives Between the Private and Public Sector in Development Cooperation* (EBA 2015:06), however, Sara Johansson de Silva, Ari Kokko and Hanna Norberg expressed the view that “Sweden’s private sector collaborations are modest both as a share of development cooperation and with respect to other countries”.

According to the report, in 2014 Sida’s direct and indirect collaborations (excluding guarantees) amounted to 0.8 per cent of Sweden’s total development cooperation budget. Swedfund’s capital injection for the same year accounted for another 1.3 per cent.

These figures can be compared with humanitarian aid and cooperation with civil society through Sida, each of which accounted for 10 per cent of the overall development budget.

”Respect for human rights represents a particular challenge”

The report also points out that business programmes through Danida (Denmark’s counterpart to Sida) represented 4 per cent of that country’s total budget for bilateral and multilateral cooperation. Swedfund is one of the smallest European Development Finance Institutions (EDFIs).

WHAT CHALLENGES does involving business in development assistance pose? Johansson de Silva et al. (EBA 2015:06) note that private companies have much to offer in terms of expertise and innovation, but one risk is that profit interests and development goals could be confused. Contradictions may arise between commercial pressures and principles of aid effectiveness, such as transparency, broad systemic change and harmonisation of programmes.

Respect for human rights represents a particular challenge. Rasmus Kløcker Larsen and

Sandra Adler, in *Business and Human Rights in Development Cooperation – Has Sweden Incorporated the UN Guiding Principles?* (EBA 2015:08), explored how the Swedish state had integrated norms for business and human rights into a number of institutions involved in development cooperation together with the business sector.

The conclusion was that Swedish government agencies and state-owned companies needed to adapt their procedures to avoid violations of human rights. According to the authors, the actor that had made most progress in that direction was Swedfund.

Regarding the second of the roles mentioned above, there has previously been a discussion about “return flows” of development assistance funds. Researchers are largely agreed, however, that tied funding makes aid less effective. One strength of Swedish development cooperation is that it is not tied to specific suppliers or procurement requirements. According to the OECD, 99.6 per cent of Swedish aid in 2016 was untied.

WHAT DO WE KNOW, then, about outcomes in terms of developing the private sector in partner countries? Claes Lindahl, Julie Catterson Lindahl, Mikael Söderbäck and Tamara Ivankovic’s evaluation of long-term assistance in support of inclusive economic growth in Bosnia and Herzegovina, *Nation Building in a Fractured Country – An Evaluation of Swedish Cooperation in Economic Development with Bosnia and Herzegovina 1995–2018* (EBA 2018:10), points to relatively meagre results from a number of projects in agriculture, finance, regional development, and promotion of small and medium-sized enterprises.

Explanations for this, according to the report’s authors, include the difficult political and institutional environment in the country, a focus on the wrong sectors, dysfunctional governance, and the fact that some projects have created unhelpful incentives and distorted markets.

In their study *DFIs and Development Impact: An Evaluation of Swedfund* (EBA 2018:01), Stephen Spratt, Peter O’Flynn and Justin Flynn

found indications that Swedfund’s investments have had a positive impact in terms of reducing poverty, but were unable to reach a firm view on the question based on the data available. There were also indications that Swedfund may have positively affected companies’ ESG (environmental, social, governance) performance.

One recommendation made was to focus on concrete, reliable follow-up of a much smaller number of core indicators, such as tax and employment.

CONCLUSIONS

- Globally, business is a growing presence in international development cooperation. In Sweden, its role in aid is much more limited than in many comparable countries.
- There needs to be a broader discussion of how, when and why business should be involved in development cooperation.
- We need a better understanding of the long-term effects of support for the private sector.

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S. Johansson de Silva, A. Kokko and H. Norberg (2015), *Now Open for Business: Joint Development Initiatives Between the Private and Public Sector in Development Cooperation*, EBA 2015:06

R. Kløcker Larsen and S. Adler (2015), *Business and Human Rights in Development Cooperation – Has Sweden Incorporated the UN Guiding Principles?*, EBA 2015:08

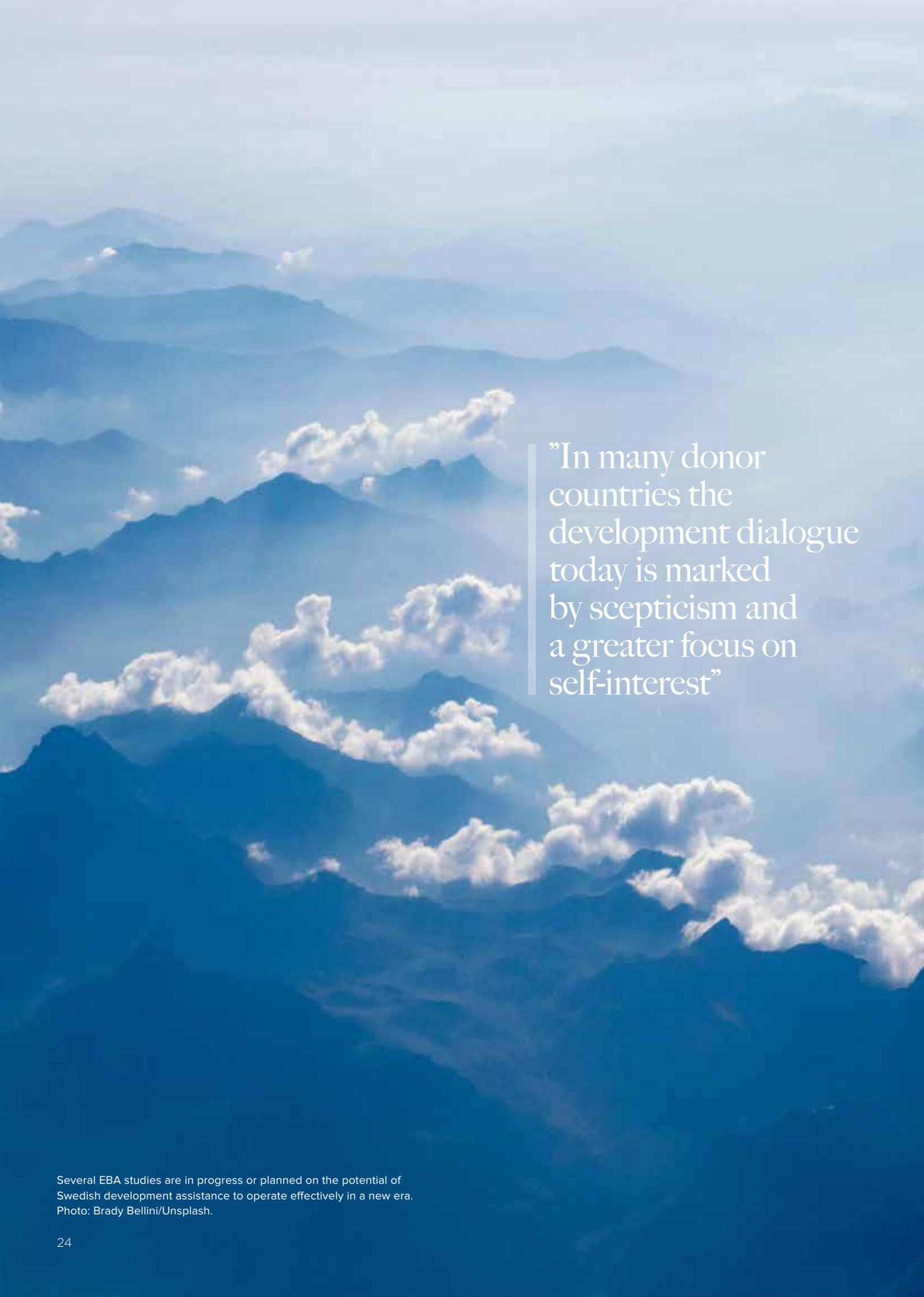
C. Lindahl, J. Catterson Lindahl, M. Söderbäck and T. Ivankovic (2018), *Nation Building in a Fractured Country – An Evaluation of the Swedish Cooperation in Economic Development with Bosnia & Herzegovina 1995-2018*, EBA 2018:10

S. Spratt, P. O’Flynn and J. Flynn (2018), *DFIs and Development Impact: An Evaluation of Swedfund*, EBA 2018:01

”They found indications that Swedfund’s investments have had a positive impact in terms of reducing poverty”



One strength of Swedish development cooperation is that it is not tied to specific suppliers or procurement requirements. This picture is from Kakuma Camp, Kenya. Photo: Barbara Minishi/EU Civil Protection and Humanitarian Aid Operations.



”In many donor countries the development dialogue today is marked by scepticism and a greater focus on self-interest”

Several EBA studies are in progress or planned on the potential of Swedish development assistance to operate effectively in a new era.
Photo: Brady Bellini/Unsplash.

LOOKING AHEAD

The objective of Swedish development cooperation is to create better living conditions for people living in poverty and under oppression. But a changing world, in which maps of both poverty and oppression are being redrawn, faces future development assistance with a series of difficult choices.

THERE IS MUCH to suggest that, a decade from now, the majority of poor people will not be living in the poorest nations, but in middle-income countries. To what extent should development assistance operate in countries that could be said to be “able to afford” to combat poverty with funds of their own? How does this fit in with principles of ownership? And how will ownership be defined in the future?

For some middle-income countries, continued aid is easy to justify. When the state is not seen as representing the population, when there is oppression or shrinking democratic space, there is good reason to maintain efforts to strengthen vulnerable groups’ chances of achieving better living conditions. At the same time, there are major challenges in implementing such programmes effectively.

It is not self-evident what part international development assistance has to play in these contexts, and discussion of that question – and of how aid can supplement other financial flows – will therefore remain necessary in the years to come.

IN PARALLEL WITH THIS, growing numbers of poor people will be living in fragile situations and states. Continuing assistance to countries in armed conflict or in post-conflict situations, with a focus on reconstruction, is therefore to be expected. Here, too, the challenges of effective implementation are considerable.

Tendencies like those described could result in a relative decrease in aid to traditional recipients – comparatively stable low-income countries, with an emphasis on education and health. On their own, though, many of these countries will not be able to provide even half the funding needed for education, health and social security. Unsustainable debt burdens is a problem that could resurface. Rapid economic growth will not automatically be enough to prevent such a trend.

SEVERAL EBA STUDIES are in progress or planned with a focus on the ability of Swedish development assistance to operate effectively in a new era.

Internationally, there is currently a discussion, in which the EBA is participating, about reforming the criteria for evaluating aid. At present, they are relevance, effectiveness, efficiency, impact and sustainability. In applying these criteria, account should continue to be taken of both the costs of evaluation and what is being evaluated. Certain criteria, for example, are better suited to project evaluations than for those at a more overarching level.

The EBA is well placed to produce independent analyses of the added value of Swedish development cooperation in the longer term, in various settings and situations.

In many donor countries the development dialogue today is marked by scepticism and a greater focus on self-interest. In Sweden, political support for the Riksdag’s development policy objectives and the level of development assistance remains strong. This is a reflection of Swedish public opinion.

Sida’s annual surveys of attitudes to development and aid issues show strong backing for Sweden’s support to development in poor countries. Growing numbers also take the view that Swedish aid is effective.

NONETHELESS, THERE ARE certain signs in 2018 of a decline in public support for development assistance, although differences over the past decade are small. Many feel that they do not know enough about Sweden’s approach to providing aid. Over half those surveyed had not heard of the global Sustainable Development Goals.

The EBA is convinced that the design of development assistance stands to benefit from a fact-based conversation that includes a critical perspective. We hope that, in addition to the instrumental benefits of the knowledge we produce, we can also contribute to this important conversation.

REPORTS AND SEMINARS IN 2018

STUDIES IN PROGRESS AS OF 31 DEC 2018

WORKING TITLE AND DESCRIPTION	REFERENCE GROUP*	AUTHORS
<p>Credible Explanations of Development Outcomes: Improving Quality and Rigour of Theory-Based Evaluation</p> <p><i>A methodological study with a focus on theory-based evaluation aimed at assessing development impact.</i></p>	<p>Derek Beach Gustav Petersson Nancy Cartwright Rick Davies Chair: Fredrik Ugglå</p>	<p>Barbara Befani</p>
<p>Trust and Trust based Management in Aid. A Study on Embedded Challenges and Core Insights from Literature and Practice</p> <p><i>A study of challenges and insights relating to trust-based management, with a focus on actors that are both donors and recipients of aid funding, i.e. intermediaries.</i></p>	<p>Dan Honig Elliot Stern Karin Metell Cueva Louise Bringselius Chair: Kim Forss</p>	<p>Janet Vähämäki Susanna Alexius</p>
<p>Evaluation of Swedish Central Government Authorities' Reform Cooperation on the Western Balkans</p> <p><i>An evaluation of the effects of Swedish government agencies' development assistance projects in the western Balkans.</i></p>	<p>Finn Hedvall Mo Hamza Monika Bauhr and others Chair: Eva Lithman</p>	<p>Richard Allen Dejana Razic Illic Krenar Loshi Númi Östlund Giorgio Ferrari</p>
<p>Sida's Administrative Appropriation: Review, Analysis and the Way Forward</p> <p><i>An evaluation of the balance and dividing lines between Sida's administrative and programme appropriations (the report will be in Swedish).</i></p>	<p>Lennart Båge Vilhelm Persson and others Chair: Johan Schaar</p>	<p>Daniel Tarschys Johanna Lindgren-Garcia</p>
<p>Joint Nordic Evaluation of the NDF</p> <p><i>A joint Nordic evaluation of the Nordic Development Fund (NDF), with a focus on how the Fund is delivering on its mandate and what value added it currently offers and could offer in the future.</i></p>	<p>Anu Saxén Balbir Singh Eric Buhl-Nielsen Geeta Batra Hannes Hauksson Henning Nøhr Chair: Eva Lithman</p>	<p>Stephen Spratt Michael Lickefett Tino Smal</p>
<p>Evaluation of the Swedish Climate Change Initiative 2009-2012</p> <p><i>An evaluation of the Swedish Climate Change Initiative, using a range of methods to study bilateral and multi-lateral programmes and projects at the macro, meso and micro levels.</i></p>	<p>Elisabeth Folkunger Joakim Molander Kim Forss Lisa Schipper Nicolina Lamhauge Stefan Isaksson Ulrika Åkesson Chair: Johan Schaar</p>	<p>John Colvin Mehjabeen Abidi-Habib Mutizwa Mukute Karl van Orsdol Jane Burt Rasmus Larsen</p>
<p>Fit for Fragility? An Examination of the Politics of Risk Management Inside Swedish Aid</p> <p><i>A review of the formal risk management systems governing Swedish development assistance to fragile and conflict-affected states.</i></p>	<p>Eva Lithman Magdalena Tam Lindell Mikaela Gavås Patrik Johansson Chair: Johan Schaar</p>	<p>Nilima Gulrajani Linnea Mills</p>

* EBA reference groups are strictly consultative. Their members are not responsible for the content of reports and do not necessarily agree with the reports' conclusions and recommendations.

WORKING TITLE AND DESCRIPTION	REFERENCE GROUP*	AUTHORS
<p>Democracy, State and Development in Africa: New Challenges for Donors</p> <p><i>A study of variations in governance and nuances of democratic development, with reference to Kenya, Rwanda, Tanzania and Uganda.</i></p>	<p>Brian Levy Lise Rakner Muthoni Wanyeki Per Nordlund Staffan Lindberg Chair: Eva Lithman</p>	<p>Göran Hydén Marina Buch</p>
<p>Aid, Development and Migration</p> <p><i>A research review of positive and negative links between migration and development (joint with Delmi, the Migration Studies Delegation).</i></p>	<p>Alan Winters David Khoudour Ingela Winter-Norberg Kristof Tamas Ninna Nyberg Sørensen Chair: Helena Lindholm</p>	<p>Robert E.B. Lucas</p>
<p>Evidence Summaries in Support of SDG 14 “Life Below Water”</p> <p><i>A review of what we currently know about development cooperation interventions related to fisheries, in support of progress towards targets for this area under SDG 14.</i></p>	<p>Alexandra Collins David Lymer Neal Haddaway Olof Lindén Richard Abila Chair: Torgny Holmgren</p>	<p>Gonçalo Carneiro Raphaëlle Bisiaux Mary Frances Davidson Tumi Tómasson</p>
<p>Impact Evaluation of a Sida-sponsored Public Infrastructure and Local Governance Program in Cambodia</p> <p><i>An evaluation of the long-term impacts on local economic development of decentralisation and local democracy projects in Cambodia supported by Sweden and other donors.</i></p>	<p>Ann-Sofie Isaksson Joakim Öjendal Maria Perrotta Berlin Chair: Arne Bigsten</p>	<p>Ariel BenYishay Brad Parks Rachel Trichler Christian Baehr Daniel Aboagye Pram Punwath</p>
<p>Evaluation of Swedish Long-term Development Cooperation with Cambodia</p> <p><i>An evaluation of Sweden’s role in the development of democracy and human rights in Cambodia.</i></p>	<p>Astrid Norén-Nilsson Brittis Edman Börje Ljunggren Göran Holmqvist Chair: Fredrik Uggla</p>	<p>Henny Andersen Karl-Anders Larsson Joakim Öjendal</p>
<p>Men and Masculinities in Social Protection Strategies for Women’s Economic Empowerment</p> <p><i>A study of how men can be included in efforts to strengthen women’s economic empowerment, with a focus on social protection.</i></p>	<p>Andrea Cornwall Love Nordenmark Ravi Verma Amber Peterman Chair: Julia Schalk</p>	<p>Gary Barker Ruti Levtov Kate Doyle</p>
<p>Swedish Aid and Views of Risk-Taking in a Media-tised Society</p> <p><i>A study of the mediatization of aid and its consequences for aid management and decision-making (the report will be in Swedish).</i></p>	<p>Bengt Jacobsson Dan Svanel Hanne Kjöllner Joachim Beijmo Chair: Gun-Britt Andersson</p>	<p>Karolina Windell Maria Grafström</p>
<p>Impact of Civil Society Anti-discrimination Initiatives</p> <p><i>A survey of anti-discrimination initiatives implemented by civil society organisations.</i></p>	<p>Camilla Lundberg-Ney Moa Bursell Birgitta Weibahr Chair: Julia Schalk</p>	<p>Andrew Shepard Rachel Marcus</p>

* EBA reference groups are strictly consultative. Their members are not responsible for the content of reports and do not necessarily agree with the reports’ conclusions and recommendations.

EBA REPORTS 2018

The EBA makes its own decisions on what studies are to be undertaken. The authors of EBA Reports bear sole responsibility for the analyses, conclusions and recommendations they contain. Final quality assurance is the responsibility of the Expert Group.

- 2018:10** **Nation Building in a Fractured Country – An evaluation of the Swedish Cooperation in Economic Development with Bosnia & Herzegovina 1995-2018**
Claes Lindahl, Julie Catterson Lindahl, Tamara Ivankovic
- 2018:09** **Underfunded Appeals: Understanding the Consequences, Improving the System**
Sophia Swithern
- 2018:08** **Seeking Balanced Ownership in Changing Development Cooperation Relationships**
Nils Keijzer, Stephan Klingebiel, Charlotte Örnemark, Fabian Scholtes
- 2018:07** **Putting Priority into Practice: Sida's Implementation of its Plan for Gender Integration**
Elin Bjarnegård, Fredrik Uggla
- 2018:06** **Swedish Aid in the Era of Shrinking Space – the Case of Turkey**
Åsa Eldén, Paul T. Levin
- 2018:05** **Who Makes the Decisions on Swedish Aid Funding? An Overview**
Expert Group for Aid Studies
- 2018:04** **Budget Support, Poverty and Corruption: A Review of the Evidence**
Geske Dijkstra
- 2018:03** **How Predictable is Swedish Aid? A Study of Exchange Rate Volatility**
Númi Östlund
- 2018:02** **Building Bridges Between International Humanitarian and Development Responses to Forced Migration**
Alexander Kocks, Hanne Roggeman, Helge Roxin, Ruben Wedel
- 2018:01** **DFIs and Development Impact: An Evaluation of Swedfund**
Justin Flynn, Peter O'Flynn, Stephen Spratt



Expert Group members Janet Vähämäki (left), Magnus Lindell, Johan Schaar and Sara Johansson de Silva at one of the Group's monthly meetings. Photo: Kristian Pohl.

DEVELOPMENT DISSERTATION BRIEFS (DDB) 2018

The EBA's DDB series gives newly graduated PhDs an opportunity to summarise their dissertations, with a focus on their relevance to Swedish development cooperation. The aim is to keep the Government, public authorities and other stakeholders updated on both new research and new researchers. DDBs are not subject to quality assurance by the Expert Group.

- 2018:05 **The Impact of Abortion Legalization on Fertility and Female Empowerment – New Evidence from Mexico**
Damian Clarke, Hanna Mühlrad
- 2018:04 **Health Systems Bottlenecks and Evidence-based District Health Planning. Experiences from the District Health System in Uganda**
Dorcus Kiwanuka Henriksson
- 2018:03 **Closing the Quality Gap – Investigating Health System Bottlenecks and Quality Improvement Strategies for Maternal and Newborn Care in Sub-Saharan Africa, Focusing on Tanzania**
Ulrika Baker
- 2018:02 **The Rise and Fall of "results initiatives" in Swedish Development Aid**
Janet Vähämäki
- 2018:01 **Beyond an Instrumental Approach to Religion and Development – Challenges for Church-Based Healthcare in Tanzania**
Josephine Sundqvist

WORKING PAPERS 2018

EBA Working Papers consist of brief syntheses of current knowledge, reviews and analyses. Interim reports from major projects are also published in this series, as are examined Masters theses for which the EBA acted as assistant supervisor. Working Papers are not subject to quality assurance by the Expert Group.

In Pursuit of Per Diem – Donor and Recipient Practices of Per Diem Payment, December, 2018
Arne Tostensen

ICT in Swedish Development Assistance (in Swedish), October, 2018
Eva Mineur, Richard Sannerholm

The Rise and Fall of Budget Support in Swedish Development Cooperation, October, 2018
Karl-Anders Larsson

Weather and Conflicts in Afghanistan, June, 2018
Monir Elias Bounadi

Volatility in Swedish Aid – the Case of Six Long-Term Partner Countries, April, 2018
Matilda Svedberg

Sweden's Development Support to Tax Systems, April, 2018
Klas Markensten

Rule of Law Principles and Swedish Development Cooperation (in Swedish), April, 2018
Anna Jonsson Cornell

On-going Evaluation of Gender Mainstreaming at Sida – Second Report, April, 2018
Elin Bjarnegård, Fredrik Ugglå, Hanna Barvaeus



1. Hanna Renkel, Eva Mineur, Anna Bäckman and Lena Johansson de Chateau. 2. Jan Pettersson. 3. Johan Schaar. 4. Kim Fors, Eva Lithman and Torgny Holmgren. 5. Jan Pettersson and Pernilla Sjöquist Rafiqui. 6. Seminar at the Ministry for Foreign Affairs. 7. Paul Levin, Georg André, Nina Solomin and Helena Lindholm. 8. The EBA podcast. 9. Númi Östlund and Catharina Cappelin. *Photos 1, 2 and 4: Kristian Pohl.*

SEMINARS IN 2018

EBA seminars offer a natural forum for debate on important aid issues. At these events, EBA reports are placed in a wider perspective and discussed from both a policy and a practitioner point of view.

- 22 Jan **Public–Private Cooperation and the Right to Health in Tanzania** (in Swedish)
(DDB 2018:01)
- 13 Feb **The Politics of the Results Agenda: What Can We Learn from Development Cooperation History in Sweden and the UK?**
(DDB 2018:02)
- 21 Feb **Longevity and Viability – What do Evaluations Say about the Sustainability of Swedish Development Assistance Interventions?** (in Swedish)
(EBA 2017:12)
- 9 May **Swedfund, DFIs and Development Impact**
(EBA 2018:01)
- 28 May **The (fluctuating) Value of Aid**
(EBA 2018:03)
- 12 June **Overcoming Barriers to Sexual and Reproductive Health and Rights**
(DDB 2018:03, 04 and 05)
- 15 June **Mind the Gap! How Can Humanitarian and Development Aid Work Together? The Case of Syria**
(EBA 2018:02)
- 24 Sept **Swedish Aid in Shrinking Democratic Spaces** (in Swedish)
- 15 Oct **What Can Swedish Development Cooperation Learn from the Budget Support Era?**
(EBA 2018:04)
- 16 Nov **Swedish Development Assistance to Turkey – a Shrinking Democratic Space** (in Swedish)
(EBA 2018:06)
- 18 Dec **Ownership in a New Era of Development Cooperation**
(EBA 2018:08)

THE EBA PODCAST (IN SWEDISH)

Episode 1 – Does Development Assistance Need to be Sustainable?

Episode 2 – The Gap between Emergency Assistance and Long-Term Development

Episode 3 – Giving Aid to Shrinking Democracies – Right or Wrong?

Episode 4 – On the Art of Giving

Episode 5 – How Important is it to Provide Aid in the Right Currency?

Episode 6 – Who Should Own Development Cooperation in a New Era?

THE EXPERT GROUP FOR AID STUDIES



HELENA LINDHOLM

Chair

Professor of Peace and Development Research at University of Gothenburg. Research interests include the Palestine question.



JOHAN SCHAAR

Deputy Chair

Chair of ALNAP, Assoc. Senior Fellow SIPRI. Formerly in charge of Sw. aid to Palestine and head of department at Sida.



KIM FORSS

Member

Consultant in evaluation, with broad international experience of evaluating development assistance.



TORGNY HOLMGREN

Member

Exec. Director SIWI. Previously ambassador, head of department at Ministry for Foreign Affairs, Vice Chair of OECD/DAC.



SARA JOHANSSON DE SILVA

Member

Consultant in evaluation and analysis, including for World Bank, UNDP and UNIDO.



MAGNUS LINDELL

Member

Previously Head of International Department of Swedish National Audit Office and Head of Operations at Sida.



EVA LITHMAN

Member

Consultant. Previously Head of Evaluation at Sida, Director of Internal Audit at Swedish National Audit Office.



JULIA SCHALK

Member

Deputy Director of RFSU's International Department. Member of Steering Committee of EuroNGOs network.



FREDRIK UGGLA

Member

Associate Professor of Political Science and Professor of Latin American Studies at Stockholm University.



JANET VÄHÄMÄKI

Member

Researcher at SCORE, with focus on public management and aid. Formerly at Sida and Ministry for Foreign Affairs.

The Expert Group for Aid Studies also includes an expert appointed by the Swedish Ministry for Foreign Affairs. Decisions taken by the Expert Group are carried out by a Secretariat with eight full-time equivalent employees: Anna Bäckman, Eva Mineur, Iris Luthman, Jan Pettersson (Managing Director), Lena Johansson de Chateau, Lisa Hjelm, Markus Burman, Mats Hårsmar and Nina Solomin.

The Expert Group for Aid Studies (EBA) is a government committee tasked with independently analysing and evaluating Sweden's international development assistance. It comprises ten members and has a Secretariat with a staff of eight.

The EBA's remit is to contribute to an evidence base for the management of Swedish development cooperation. It produces reports and arranges seminars and meetings to disseminate knowledge among aid practitioners and decision-makers.

The EBA publishes an annual report, *The EBA Aid Review*, which takes as its starting point the studies published over the past year.

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