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Swiss Agency for Development
and Cooperation SDC

Analysis & Policy

Programme Framework 2021–24



Cover Photo: *Imagining the future is a key aspect of the work of the Analysis and Policy Division.* © Terre des hommes

Preface



Over the last decades significant progress in poverty reduction has been made worldwide with important achievements in education, health and access to basic services. However, international cooperation still faces multiple complex challenges ranging from rising inequalities, climate change, protracted and new conflicts, increased authoritarianism, persistent gender-based violence and discriminations, weakening of human rights, to – more recently – dealing with the impact of the COVID-19 crisis. The latter further exacerbates these challenges and has led to a throwback in a number of areas of the 2030 Agenda for Sustainable Development.

As a neutral country and not being part of a big political or military alliance, Switzerland has been able to build long-term development programmes in many countries, based on partnership, poverty reduction and the 2030 Agenda. With an increasingly interconnected global economy, policy coherence for sustainable development is gaining in importance on the political agenda in Switzerland, with the need to balance short-term national economic growth with long-term sustainable development objectives and socioeconomic transformation.

The programme framework of the Analysis & Policy division (A&P) focuses on three key policy aspects that support credibility and efficiency of the Swiss international cooperation:

- Ensure that Switzerland's strategy and policies implement sound development principles supported by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) and work towards ensuring financial and human resources for our international cooperation
- Promote policy coherence on specific economic issues (responsible business conduct, taxes and investment for sustainable development, reduce illicit financial flows) towards sustainable development
- Support solution-oriented research partnerships between Swiss research experts and partners in the Global South, in order to improve development programme design and evaluate impact

I trust that A&P provides us with long-term thinking to best position our international cooperation and national policies to contribute to overall poverty reduction and world's sustainable development.

Patricia Danzi

Director General of the Swiss Agency for Development and Cooperation (SDC)

Bern, December 2020

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1. Context analysis

1.1. Global challenges

Despite significant progress in poverty reduction in the last decades, international cooperation faces multiple complex **challenges**, such as the impact of COVID-19, rising inequalities, climate change, protracted and new conflicts and fragilities, increased authoritarianism, a decreasing commitment to poverty reduction, persistent gender-based violence and discrimination, a weakening of human rights, unequal access to good-quality basic services (e.g. health, education), increasing forced displacement and irregular migration and the digitalisation of the economy. At the same time, international cooperation is tasked with leading a very ambitious international sustainable development agenda, which requires strong **political commitment** and an unprecedented **mobilisation of private and public funds**.

The impact of the COVID-19 pandemic on the world economy, especially in low and lower-middle income countries, on democratic governance and on social services and dynamics, are yet to be fully comprehended, but the overall perspectives are rather worrying: rising unemployment, a slow-down of entire economic sectors and activities (e.g. transport, services, tourism, culture, remittances), an increase in public debt, a decrease in foreign direct investments, a lower mobilisation of domestic resources and strained official development aid (ODA) funding levels. Experts are predicting increased poverty levels and dramatic setbacks in some countries' capacities to deliver on basic social services, often jeopardising progress made in the last decades towards inclusive and sustainable development. At the same time, COVID-19 might contribute to accelerating positive trends towards local production and consumption, green energy transition, protection of common goods¹, expansion of social safety nets, strengthening of financial market regulations, sustainable finance and sustainable value chains.

1.2. An evolving international cooperation context

Over the past years, **actors and providers** in the development field have **multiplied**. Consultancy firms, foundations, philanthropic institutions, countries which are no donors of the Organisation for Economic Co-operation and Development (OECD), civil society organisations, private companies and new development banks are challenging traditional aid relations and principles of development effectiveness such as alignment, harmonisation, coordination, coherence and country ownership. OECD donor countries are compelled to redefine their role in this new environment, especially as domestic political interests are more openly played out in their development policy priorities.

Modalities of engagement are also evolving, with OECD donor countries asked to demonstrate tangible results and value for money to their constituencies. Increased accountability and transparency are therefore expected from implementing partners and international organisations. This leads to more earmarked funds, less budget support or core contributions and more short-term commitments. A variety of **new approaches and instruments** are being developed and tested to use ODA to leverage other sources of financing. However, mobilising funds for the least developed countries and assessing the development impact of the different instruments remains a challenge.



The COVID-19 pandemic has a significant impact on the world economy, including in developing countries.

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¹ "Common good in political science refers to anything that benefits and is naturally shared by all members of a given community, compared to things that benefit the private good of individuals or sectors of society. In some cases, securing things serving the common good requires collective action and participation in the political process." (Source <https://www.thoughtco.com>). Examples of common goods: education, safe food and water, health, natural resources and stable climate.

1.3. Standards, coherence and partnerships beyond official development aid

While the international cooperation landscape is undergoing a significant transformation, principles and standards, **policy coherence and partnerships beyond ODA** remain essential for the implementation of the Sustainable Development Goals of the Agenda 2030 (SDG 17).

The **principles and standards** of international cooperation (IC) as set by the OECD Development Assistance Committee (DAC) remain a solid basis to ensure the credibility, efficiency and relevance of development assistance, thus responding to some critics on IC. It is therefore central to continue to promote and operationalise sound and broadly supported principles and standards of international cooperation while exploring new approaches and encouraging new forms of partnerships, in particular with the private sector, non-OECD/emerging donors and research institutions.

The 2030 Agenda for Sustainable Development (2030 Agenda) clearly recognises that **policy coherence**² is essential to achieve the SDGs. The 2019 OECD Recommendation on Policy Coherence for Sustainable Development sets the scene: policy coherence requires countries to (i) foster synergies and maximise benefits across economic, social and environmental policy areas; (ii) balance domestic policy objectives with internationally recognised sustainable development goals; and (iii) address the transboundary and long-term impact of policies, including those likely to affect low and lower-middle income countries.

The 2015 **Addis Ababa Action Agenda (AAAA)** on Financing for Development calls for the alignment of all government policies and public and private resource flows towards the SDGs. It recognises that private **investment** and **taxation** are central for the mobilisation of domestic revenue. While each country has the primary responsibility for its own sustainable development, the AAAA recalls that national efforts need to be supported by an enabling international environment and a strengthened global economic governance. **International policy frameworks** that shape and govern taxation and foreign direct investment therefore require specific attention so that they support sustainable development objectives. Companies that integrate the SDGs in their business models and act responsibly can have a transformative impact.

In summary, greater coherence between key policy frameworks (investment, taxation) and genuine action from the private sector in terms of the 2030 Agenda can have a much larger impact on the achievement of the SDGs than ODA alone. Hence there is a need for international cooperation to engage more systematically on those issues.

1.4. Switzerland's long-term interests

Switzerland's long-term interests, reiterated in its recent International Cooperation Strategy (IC strategy 2021–24), include a just and peaceful international order based on strong multilateralism; stable economic frameworks conducive to investment; the reduction of the root causes of poverty, conflict, irregular migration and forced displacement; and international sustainable development. These interests also contribute to a domestic economy able to adapt to the changing environment and international competition, with a clear focus on and compatibility with sustainable development.

Swiss international cooperation should contribute to Switzerland's overall domestic and foreign policy coherence. Switzerland acknowledges the impact that its sectoral national policies or support to international policies might have on low and lower-middle income countries and sustainable development. Using the 2030 Agenda as a reference framework helps identify the trade-offs between policies in the economic, financial, fiscal, environmental, migration, education, health and food security sectors.

The Analysis and Policy division (A&P) contributes to Switzerland's long-term interests by working on development policies, policy coherence and research on development through the following three key components:

ODA commitment for SDG progress: Swiss international cooperation needs to be strategic and efficient to ensure the credibility of ODA and its alignment with development principles and it needs to bring a clear value added and generate tangible results. Political support is required for the funding of Swiss ODA. Switzerland's contribution to the SDGs at the national and international levels should be ambitious and reflected in the Federal Council's Sustainable Development Strategy and in the IC strategy to track progress and be adapted if needed.

Policy and institutional governance: Policy coherence contributes to achieving better development results, as it ensures that policies in different fields reinforce (rather than contradict) each other. Governments, however, often need to manage conflicting objectives or reconcile contradicting interests and they have to balance short- and long-term interests. Policy coherence is easier to reach when international standards are strong and clear. Advancing towards sustainable development is a central objective that needs to be considered in all discussions about policy coherence.

Research partnerships: Swiss international cooperation strives to use the best knowhow available when designing programmes and assessing impact. Swiss academic and research expertise on development issues need to be supported, in order to provide solution-oriented knowledge to developments actors.

² <https://www.eda.admin.ch/deza/en/home/results-impact/policy-coherence.html>

1.5. Added value of Switzerland's international cooperation

As a neutral state that is not part of any major political or military alliance, Switzerland maintains good relations with all countries and has access to all actors, which is an asset for its development work. The reputation and quality of Swiss international cooperation was acknowledged during the 2019 DAC peer review. In this context, recommendations for enhancing policy coherence for sustainable development are regularly made by the OECD, including addressing the trade-offs and tensions between policy sectors. Like all countries, Switzerland is known to defend economic sectors that are not always conducive to sustainable development. Switzerland is a financial hub, and it has an open and globalised economy, with recognised innovation and research capacities.

A&P added value is to provide the following services to Swiss international cooperation.

Prospective unit (think tank) on selected topics

- A&P has an overview of and follows trends and political debates concerning international cooperation (ODA, 2030 Agenda, Sustainable Development Strategy of the Federal Council, as well as strategies of bilateral donors and emerging topics).
- A&P follows Swiss and international debates related to economic development policies which affect the sustainable development of and in low and lower-middle income countries (responsible business conduct, investment, taxation, illicit financial flows (IFF)). Many of these topics are under the responsibility of the State Secretariat for Economic Affairs (SECO) or the State Secretariat for International Finance (SIF), but the SDC through A&P brings in a different perspective, thereby fostering policy coherence in line with the 2030 Agenda. A&P also follows policy developments related to the governance of the extractive sector, taking into account Switzerland's position as a commodities trading hub. The extractive sector is impor-

tant for many low and lower-middle income countries and can play a role in terms of domestic resource mobilisation, environmental protection, working conditions and the risks of IFF. A&P does not have the lead on this issue either, but participates in the interdepartmental platform on commodities.

- A&P keeps close links with selected Swiss research institutions and those in the Global South as well as other think tanks to identify relevant knowledge and innovations and feed them into relevant policy fora.

A&P provides analyses and inputs on selected topics for the SDC Directorate and during consultations within the federal administration (Federal council reports, interdepartmental consultations and response to parliamentarians), including on the future orientation of international cooperation.

- As a think tank, A&P is mostly reactive to needs and often provides analysis upon request, but it can also initiate reflections (e.g. on the issues of raw materials or sustainable finance, which are not covered by any thematic unit at the SDC).

Managing key processes of Swiss international cooperation and providing content (by coordinating, facilitating and drafting documents or positions):

- The IC strategy (the SDC has the lead, in close coordination with SECO and the Human Security Division (HSD) of the Federal Department of Foreign Affairs (FDFA))
- The OECD DAC (joint responsibility SDC/SECO)
- The DAC peer review for Switzerland (joint responsibility SDC/SECO)
- The SDC research concept
- Support to selected research initiatives
- The SDC position within the 2030 Agenda Steering Committee³ (composed of the directors of the most relevant federal offices and representing all federal departments)

³ In German: Direktionskomitee Agenda 2030.



Focused and future oriented IC strategy and partnerships are central to reach the Sustainable Development Goals (SDG).

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2. Results, lessons learnt and implications for 2021–24

A&P's 2017–20 strategic framework consisted of five strategic objectives:

1. Strategic orientation of Swiss international cooperation
2. Switzerland's implementation of the 2030 Agenda
3. Policy and frameworks for the financing of sustainable development
4. Policy coherence for sustainable development
5. Knowledge creation for sustainable development

It also included 15 specific objectives organised along three modalities: analysis, dialogue and policy influencing. While this comprehensive instrument helped to structure the A&P's work and reporting, it lacked a clear common denominator, was rather complex and did not sufficiently reflect the changing role of A&P towards Switzerland's implementation of the 2030 Agenda. A more streamlined and focused strategic framework will therefore guide A&P's work in 2021–24 (see chapter 3 and annex 2), focusing on three areas of work and combining the five previous objectives.

1) Strategic orientation of Swiss international cooperation (2017–20)

2) Switzerland's implementation of the 2030 Agenda (2017–20)

(will be combined into a new area of work for 2021–24: ODA commitment for SDG progress)

Results: The drafting and approval of the new IC Strategy 2021–24 was successfully conducted between summer 2018 and February 2020. A&P coordinated the 2019 DAC peer review of Switzerland (summer 2018 – spring 2019) and had the lead in preparing the first Swiss voluntary national report (VNR) on the implementation of the SDGs, which was presented at the UN High-level Political Forum on Sustainable Development in July 2018. Since mid-2019, the drafting of the VNR is under the responsibility of the Political Directorate of the FDFA, which will prepare the next report in close cooperation with all federal offices involved in the implementation of the 2030 Agenda. The FDFA will submit the next VNR to the Federal Council before May 2022. During 2016–17, a participative process (Lab2030) led by A&P mobilised colleagues from across the SDC to reflect on the future of development cooperation in 2030. The exercise was designed to be visionary and aimed at shaping the future of the SDC, using a participative approach with the support of the SDC Directorate. Due to changing priorities, the SDC Directorate ended this exercise in late 2017. However, it inspired the preparation work of the IC strategy 2021–24.

Lessons learnt: Engaging the SDC Directorate (and staff) around development policy trends and debates discussed at international level (OECD DAC, within international organisations, development agencies or think tanks) should be continued, with the appropriate format.

Implications: Regular involvement of the SDC Directorate (during retreats and weekly meetings) proved successful during the drafting of the new IC strategy, with clear instructions given, also thanks to the early involvement of the head of the FDFA.

3) Policy and frameworks for the financing of sustainable development (2017–20)

4) Policy coherence for sustainable development (2017–20)

(will be merged into a new area of work for 2021–24: Policy and institutional coherence)

Results: Cooperation between federal offices has intensified in the last years in the areas of IFF, international taxation, foreign direct investment (FDI) and trade. The extractive/commodities sector and related policy coherence discussions have also increased. These topics are led by SECO and SIF, but the SDC and other federal offices are becoming increasingly involved as these issues are key for mobilising revenues in low and lower-middle income countries and for the financing of development. A&P was able to introduce sustainable development perspectives into several official reports and positions of the Federal Council, and development considerations have been increasingly taken into account in the drafting of various policies. A&P also supported think tanks to gather new evidence and policy options with a view to informing Swiss policies and fostering international debate. Moreover, A&P actively participated in the development of the SDC private sector engagement strategy (*Leitbild Privatsektor*) and supported initiatives promoting sustainable and responsible business conduct (i.e. Global Compact Network Switzerland, B Lab).

Lessons learnt: A&P is in a position to bring in sustainable development perspectives into economic policy issues, identify conflicting objectives in Swiss official positions and advocate aligning Swiss policies with international development debates. Regular information sharing and dialogue with SECO and SIF is taking place, taking into account the different mandates and approaches. The topic of sustainable finance is attracting growing interest from the financial sector, politics and the general public.

Implications: Regular information sharing meetings and dialogue will be continued at several levels. The 2030 Agenda Steering Committee as well as other coordination mechanisms (e.g. SDC-SECO Steering committees, semi-annual SDC/SIF/SECO meetings, the interdepartmental platform on commodities, the business and human rights platform, the Corporate Social Responsibility *Bundeskerndgruppe*) should also be used to discuss and address policy coherence issues.

5) Knowledge creation for sustainable development (2017–20)

(will be renamed for 2021–24 as: Research partnerships (research and innovation))

Results: The 10-year Research for Development programme (r4d) (2012–22), a joint venture between the SDC (75%) and the Swiss National Science Foundation (SNSF) (25%), has raised a lot of interest in the Swiss academic community. It has enabled a diverse group of research institutions to engage in a partnership with researchers in the Global South. The consolidation and dissemination of the results started in 2020 and will extend into 2022.

Lessons learnt: The research portfolio, which previously supported selected institutions, was radically reshaped back in 2012, when A&P pooled all its support into a joint venture (r4d) with the SNSF. Despite the promising design of r4d, the translation of scientific evidence into policy and practice has been modest. The modality and design of the SNSF calls resulted in i) the preference of scientific quality over development needs or relevance, ii) some fragmentation i.e. spreading funding over 57 research projects involving 50 countries and iii) limited transfer of evidence into recommendations for action for development policy makers and practitioners, including SDC country offices and thematic focal points, as it was not an initial requirement.

Implications: The research portfolio was redesigned in 2019 based on a new approach fully involving non-academic development practitioners from the start and throughout the partnership. The assumption is that the involvement and support of development practitioners will ensure that the research is oriented towards needs and solutions.

Main changes proposed for 2021–24

- A new and simplified strategic framework (see annex 2) will guide A&P, structured around three areas of work.
- A&P will adapt to its different role in the 2030 Agenda, given the creation of the 2030 Agenda Steering Committee at federal level and the nomination by the Federal Council of two delegates (from the Federal Office for Spatial Development (ARE) and the Directorate of Political Affairs (DP) of the FDFA) for the 2030 Agenda. A&P will take over from the Global Institutions division (GI) some SDG 'scaling-up' projects based in Geneva and consider developing other partnerships with Geneva-based organisations.
- In the field of policy coherence, A&P has an increased interest in the tax and investment nexus and in leveraging private sector contributions for the 2030 Agenda. After reviewing its priorities, A&P will focus less on commodities trading and tools to track policy coherence. A&P has intensified exchanges with SECO and SIF and will pursue this engagement.
- The research portfolio is currently being reoriented, with a new emphasis placed on solution-oriented research with the involvement of development practitioners. Having Swiss partners on board is now a prerequisite in A&P's research portfolio, and there shall be fewer but larger projects that are supported. A new partnership with the SNSF will also be considered.



Gender is a key aspect of the reduction of poverty and inequalities.
© DEZA, 2016

3. Our commitment

Overall goal

A&P's overall goal is to foster coherent policies and partnerships to accelerate the realisation of the SDGs.

A&P's work is aligned with **SDG 17** in particular (see annex 2 and 3), which calls for strengthening the means of implementation and revitalising the partnerships for sustainable development, in particular beyond the traditional sphere of international cooperation.

A&P's overall goal contributes to the objective of the so-called Guidelines of the SDC's global instruments for Development and Cooperation 2021–24, which reads as follows:

“Starting from the global level, the SDC's global development cooperation instruments will combine policy-making, multi-stakeholder partnerships and thematic-operational expertise at various levels to change socio-economic systems towards sustainable development in line with the development cooperation strategy and the 2030 Agenda. The focus on global challenges requires cross-border solutions. The global instruments of development cooperation will promote cross-sectoral and cross-border approaches and scalable innovations.”

Priorities and specific objectives for 2021–24

A&P works along the following three strategic lines that mutually support each other:

1. International cooperation strategies and policies follow sound principles for sustainable development (ODA commitment for SDG progress)
2. Better alignment of key economic governance frameworks with the SDGs (*policy and institutional coherence*)
3. Solution-oriented research and innovation partnerships for development (*research partnerships*)

Theory of change

If A&P as a prospective unit and as a manager of key institutional processes (i.e. Swiss strategy for development cooperation) follows and promotes long-term thinking on the future of development cooperation, then the Swiss international cooperation will better contribute to overall poverty reduction and world's sustainable development, because of a focused strategy, evidence-based programmes and stronger national and international policy coherence for sustainable development, favouring long-term sustainable development objectives over short-term national economic growth.

3.1. Official development aid commitments for SDG progress

The specific **objectives** are:

1. Switzerland's IC strategy is focused and future-oriented, receives political support and contributes to Switzerland's foreign policy strategy
2. Switzerland contributes to and follows good practices, trends and standards of international cooperation and explores the potential of International Geneva to promote exchanges, innovation and cooperation between different types of actors to support the 2030 Agenda, SDG scaling-up initiatives or other topics relevant for A&P
3. The Sustainable Development Strategy of the Federal Council and its action plans are in support of Switzerland's development objectives

Theory of change: If strategic instruments related to the SDC's work (e.g. IC strategy, DAC peer review of Switzerland, the Sustainable Development Strategy of the Federal Council) consider future trends and are aligned with the SDGs, good practices and principles promoted by the OECD and geared towards better partnerships and more effective approaches, then Swiss ODA contributes more effectively to the achievement of the SDGs and political support for Swiss ODA will be easier to achieve, because the Swiss ODA will be more focused and evidence-based, and impact will be easier to demonstrate.

This area of work contributes to all the sub-objectives of the IC strategy and mainly to SDG 17.

Description: A&P leads the process of the next IC strategy and provides content. This comprehensive process usually lasts around two years. The next cycle will start in summer

2022 (for the IC strategy 2025–28). A&P’s role is that of a facilitator between all parties involved (SDC, HSD, SECO and FDFA General Secretariat), bringing proposals, analysis and ideas for the future and acts as the penholder. The internal process is difficult to predict as it depends on many factors external to A&P. A&P also follows and analyses global trends in international cooperation, including looking at other donors’ policies and priorities and reflecting on emerging topics.

A&P is the SDC’s institutional focal point for the OECD DAC, in charge of defining and consolidating Swiss positions for the monthly DAC delegate meetings and other high level meetings in coordination with SECO’s economic cooperation and development. It also overlooks the SDC DAC Network composed of all SDC staff involved in DAC working parties and networks. The development of clear Swiss institutional objectives for 2019–20 towards the DAC may have helped foster growing interest from the SDC divisions in DAC-related work (which has materialised in increased SDC funding). Switzerland positions itself as a solution-oriented donor that follows sound development principles, with substantial and consistent positions and a senior-level presence in Paris. A&P will continue to encourage increased cooperation between the DAC and other relevant OECD bodies such as the Directorate for Financial and Enterprise Affairs (DAF) or the Centre for Tax Policy and Administration (CTPA), including through targeted contributions. In 2022, a mid-term review on the implementation of the DAC peer review 2019 recommendations should take place. The next DAC peer-review of Switzerland is planned in 2025.

Two Geneva-based initiatives related to the scaling up of the SDGs (i.e. SDG Lab with the International Geneva, Right Livelihood Hub) were transferred from GI to A&P in the course of 2020. A&P will further maintain contact with the International Geneva to promote exchanges, innovation and cooperation between different types of actors (United Nations (UN), NGOs, private sector and academics) to support the 2030 Agenda and a scaling-up of the SDGs.

A&P will follow the work of the World Economic Forum (WEF) – considering its role within the Geneva ecosystem – with regard to the implementation of the 2030 Agenda and its capacities to mobilise a large variety of stakeholders to address emerging and current economic, environmental and social issues.

A&P will capitalise on the various actors, organisations and initiatives based in International Geneva with the aim of developing new strategic partnerships covering all its areas of work.

A&P has the overall lead in the preparation of the IC strategy; institutional lead with the OECD DAC Development Centre, Switzerland’s DAC peer review and its mid-term review; participation in a number of foresight exchanges; lead in the SDC’s contribution to the Sustainable Development Strategy of the Federal Council and the 2030 Agenda discussions in Switzerland; support to selected initiatives in Geneva for SDG scaling-up.



The extractive sector is an important economic activity for many developing countries that can impact domestic resource mobilization, environmental protection, working conditions and illicit financial flows. © William Vest-Lillesøe/IBIS

3.2. Policy and institutional coherence

The specific **objectives** under this area of work are to:

1. Foster responsible business conduct
2. Support efforts towards FDI and international taxation policy frameworks that are conducive to the realisation and the financing of the SDGs
3. Identify and propose measures to reduce IFF and their negative impact on sustainable development⁴

Theory of change: If international and domestic economic frameworks and sectoral policies are better aligned with sustainable development objectives, then the financing of and support for sustainable development, beyond ODA, will increase, because SDGs will be better integrated in global economic development.

This area of work contributes to sub-objective 1 (Strengthening framework conditions for market access and creating economic opportunities), 2 (Promoting innovative private sector initiatives to facilitate the creation of decent jobs) and 10 (Promoting good governance and the rule of law and strengthening civil society) of the IC strategy and mainly to the SDGs 5, 8, 9, 10, 12, 16 and 17.

Description: A&P’s work on policy coherence for sustainable development focuses on IFF, frameworks guiding FDI and international taxation, the extractive/commodities trading sector, free trade agreements and responsible business conduct.

A&P promotes internationally recognised standards and practices of responsible business conduct by supporting rel-

⁴ While A&P supports knowledge and evidence gathering, policy proposals and inputs for debates in Switzerland and at the international level, related capacity building programmes or projects in low and lower-middle-income countries are supported by the SDC’s geographic divisions and embassies/cooperation offices.

evant policy initiatives and private sector platforms such as the Global Compact Network Switzerland. A&P also strives to encourage the Swiss private sector, both multinational enterprises and SMEs, to assess their core business operations in light of the SDGs and to take concrete measures towards improving different aspects of sustainability, including by exploring new business opportunities and fostering innovation. Further opportunities to incentivise the private sector to better align its business operations with the 2030 Agenda ('do good' approach) or to at least minimise its negative impact ('do no harm' approach) will be explored.

The objective of A&P's policy coherence engagement is to bring sustainable development perspectives into key sectoral policy debates in Switzerland and at international level, to disclose trade-offs and to identify potential negative spill-over effects of non-aid national/international policies on low and lower-middle income countries. The above-mentioned policy fields remain highly relevant for the 2030 Agenda and its financing and will therefore continue to be in the focus of A&P.

Generally, A&P will remain flexible and agile and will continue to test different/innovative approaches and policy options (through single phase contributions) while also fostering selected longer-term partnerships. Coordination with other federal offices (mainly SECO, SIF and the HSD) and internally within the SDC (global programmes, geographical divisions and relevant networks) is key and will be continued.

3.3. Research partnerships

The specific **objectives** are:

1. Generate needs-based, solution-oriented knowledge and innovation, including for left-behind populations
2. Encourage the utilisation and scaling-up of new solution-oriented knowledge and technologies, including for left-behind populations, by development practitioners and policy makers
3. Enhance capacities in Switzerland and partner countries to foster joint research and practitioner cooperation⁵

Theory of change: If scientific evidence-based and practice-oriented knowledge and innovation are developed through partnerships between Swiss and researchers from low and lower-middle income countries as well as development practitioners, and if they can be replicated and scaled, and if they will be available to and used by development practitioners and policy makers, then international cooperation will have more impact, because better knowledge, solutions and approaches for the international cooperation action will be available.

This area of work contributes to all the sub-objectives of the IC strategy and mainly to SDG 17.

Description: A&P will provide direct contributions to a selected number of important or selected research and innovation initiatives (that have a critical mass and work with implementing partners) and will support with smaller amounts additional research proposals on a competitive basis (to support the diversification and competence of Swiss research partners on sustainable development).

A&P's research and innovation portfolio will strongly involve both development practitioners (non-academic) and academics from Switzerland and the Global South/Eastern Europe to provide support to development work. The SDC's development work needs to be guided by the knowledge and new approaches that research can produce. Strong research partners in the Global South/East, Swiss researchers engaged in the SDGs and the provision of answers to practitioners can significantly improve the impact of Swiss international cooperation and international cooperation actors in general. Cooperation between A&P and the SDC thematic focal points and networks for knowledge dissemination is key and will be continued to ensure the transfer from research to practice and policy dialogue.

A&P's support to research represents a small part (about 20%) of the overall SDC funding for research. The majority of the research supported by the SDC is carried out by the global programmes, in their respective fields and mostly through international coalitions. Bilateral cooperation also supports research programmes and initiatives. A&P focuses on supporting research to raise interest among and expertise from Swiss scientific communities, building north-south partnerships. A&P supports solution-oriented knowledge that answers the needs of development practitioners to support more effective, efficient and sustainable development projects and programmes.

3.4. Transversal themes

A&P works mostly at conceptual level, gender equality is an important aspect of its analysis and is, for example, included as an evaluation criterion in calls for research proposals. At the same time through the providing of direct contributions to a selected number of important or selected research and innovation initiatives one important criteria will be the foreseen impact of these initiatives on the left-behind population groups. Regarding governance, power relations and politics (political economy) are at the centre of A&P's work and systematically taken into consideration. In addition, a number of A&P-supported initiatives focuses on increasing accountability, transparency and participation.

⁵ Taking into consideration the Swiss research principles of excellence, competition and mutual interest.

4. How we act – joint actions on global challenges

4.1. Cooperation

Cooperation with other global instruments of the SDC

Several of the research partnerships supported by A&P are working on one of the five themes of the global programmes, involving therefore the respective focal points for the dissemination of the results and knowledge within the SDC.

GI, with its multilateral perspective, follows several topics in a complementary manner to A&P, such as the 2030 Agenda (GI follows the discussions and international representations in New York; A&P follows the discussions within the federal administration), the private sector (GI supports the UN Global Compact in New York; A&P supports the Swiss local chapter), financing for development (GI follows the debate within the multilaterals including Geneva; A&P focuses on the OECD and Swiss policies) and IFF (GI follows the topic at the UN; A&P focuses on taxation-related IFF as well as IFF risks in the Swiss-based extractive/commodities trading sector).

Most of A&P's work resembles that of a think tank helping shape Switzerland's future international cooperation. Global trends and policy coherence issues followed by A&P are relevant for the global programmes and for multilateral discussions in general. The broad geographical perspectives of the global programmes and the political economy of multilateral institutions make them receptive to new global trends and policy analysis. A&P follows and participates in discussions taking place at the OECD (in several committees, including the DAC), which is a key multilateral institution dealing with issues related to development and economic policies.

Cooperation within the SDC

As the SDC division in charge of analysis and policy related to development issues, A&P engages regularly with all the SDC's departments regarding ODA commitments (IC strategy, DAC discussions and peer review, 2030 Agenda), policy coherence (private sector engagement, extractive sector, IFF/corruption, free trade agreements) or under its research partnerships. A&P leads or participates in a number of networks and groups, namely the Swiss DAC network, the working group on corruption within the SDC democratisation, decentralisation and local governance network, the SDC gender network, the SDC fragility, conflict and human rights network, and the private sector group.

Cooperation within the federal administration

A&P coordinates its work with the Sectoral Foreign Policies Division of the DP (2030 Agenda), the HSD (business and human rights, extractive sector, IC strategy), with SECO (IC strategy, DAC, extractive sector), SIF (on IFF, taxation, investment, extractive sector, trade, responsible business conduct/ Global Compact Network Switzerland, 2030 Agenda Steering Committee) and the State Secretariat for Education, Research and Innovation (SERI) (on research policy). A&P will continue to engage in the many existing coordination mechanisms, such as the SDC-SECO steering committees, the semi-annual SDC/SIF/SECO meetings, the interdepartmental platform on commodities, the business and human rights platform, the Corporate Social Responsibility *Bundeskerngruppe* and the sustainable finance group. Moreover, A&P is in relation with the Swiss Mission in Geneva and others.

Other partnerships

In the research field, A&P is in partnership with the SNSF and with several Swiss universities of applied science, academic and research partners (École Polytechnique Fédérale de Lausanne (EPFL), Eidgenössische Technische Hochschule Zürich (ETH), Wyss Academy for Nature, Université de Lausanne (UNIL), Swiss Tropical and Public Health Institute (STPH), Graduate Institute Geneva, Commission for Research Partnerships with Developing Countries (KFPE)). A&P is also in partnership with civil society and private sector initiatives.

4.2. Principles for action and modalities

- A&P engages actively in interdepartmental platforms and consultations with a view to enhancing policy coherence within the federal administration; A&P contributes to the shaping of Swiss policies taking into account international debates and standards, when relevant, through contributions to the coordination platforms of the federal administration.
- A&P combines evidence-based analysis, support to inclusive dialogues and policy influencing.
- A&P uses support in single phases to test different/innovative approaches and policy proposals as well as longer-term partnerships.
- A&P supports, through contributions or mandates, policy-oriented analysis and solution-oriented research, policy platforms and think tanks, as well as international networks and initiatives (Anti-Corruption Task Team, foresight, International Research for Development Funders Forum).
- A&P also carries out the operational management of a large research portfolio.

4.3. Monitoring, evaluation and steering

The SDC directorate supervises all processes related to the IC strategy and the DAC peer review, which involve all SDC departments. For its remaining activities, A&P reports to the head of the Global Cooperation department. Regular bilateral meetings with the head/deputy head of department, weekly departmental and division staff meetings, mid-year reviews and annual reports (structured along the A&P results framework) provide the basis for A&P strategic steering and monitoring. External evaluations are usually conducted for multi-phase projects and programmes only.

Monitoring of financial planning: The monitoring of the planned and effectively realised disbursements observes the compliance of the target values during the period of validity of the programme. The status is yearly illustrated and commented in the internal Annual Report.

A&P will regularly monitor and evaluate the risks linked to its portfolio. The latter include financial risks in terms of budget disbursement, knowledge loss due to the human resources changes, risks linked to partners in the Research Portfolio (regular risks partners' assessment). Those risks are taken into account and analysed regularly through the annual Internal Control System (ICS) review.

The projects' and programmes' mid-term or end of phase reviews will enable A&P to learn from its experiences and account for its achievements.



International debates around economic policies and trade can have a strong economic impact on developing countries.

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5. Resources

The financial allocation and human resources are indicative and may be amended based on external influence or the SDC internal decisions.

5.1. Financial resources

The total expenditure of around CHF 56 million or an average of CHF 14 million annually are proposed for the next four years (cf. overview financial planning in annex 5).

This corresponds to the average yearly level of disbursement during the previous years; this budget includes the fund transfer from GI corresponding to transferring two projects to A&P in 2020.

5.2. Human resources

As with any organisation dedicated to human development, human resources are the cornerstone of success. A&P promotes thematic expertise and aims for sufficient, qualified and motivated staff resources to fulfil the outlined mandate and to assure that Switzerland can make a difference. Where suitable, fewer but larger projects will help ease the work load and pressure on A&P staff. A&P is committed to using best working practices by continuously seeking out new efficiency gains and optimisations.

The team at the SDC head quarter consists of 9 employees or 7.9 full time equivalents (FTE). At the time of publication of this framework, no major changes in human resources allocation for A&P are foreseen. One academic intern (FTE 0.4) completes the team. A&P is the counterpart for the DAC delegate position at the Swiss representation to the OECD in Paris.

Annexes

Annex 1: List of abbreviations

A&P	Analysis and Policy division (in the SDC's Global Cooperation department)
DAC	Development Assistance Committee (of the OECD)
DP	Directorate of Political Affairs (of the FDFA)
FDFA	Federal Department of Foreign Affairs
FDI	Foreign Direct Investment
FTE	Full time equivalent (of a staff position)
GI	Global Institutions division
HSD	Human Security Division (in the Directorate of Political Affairs of the FDFA)
IC	International Cooperation
IFF	Illicit Financial Flows
ODA	Official Development Aid
OECD	Organisation for Economic Co-operation and Development (based in Paris)
r4d	Research for development programme
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SECO	State Secretariat for Economic Affairs
SIF	State Secretariat for International Finance
SNSF	Swiss National Science Foundation
VNR	Swiss voluntary national report

Annex 2: Results framework 2021–24

Overall objective:

Foster coherent policies and partnerships to accelerate the realisation of the SDGs.

Targeted Sustainable Development Goal (SDG): Goal 17 of the 2030 Agenda: strengthen the means of implementation and revitalise the global partnership for sustainable development

Strategic components	Official Development Assistance (ODA) commitments for SDG progress	Policy and institutional coherence	Research partnerships
Contribution to IC 21-24	International cooperation (IC) strategy and policies follow sound principles	Economic governance frameworks aligned with SDGs	Solution-oriented research and innovation partnerships for development
Specific objectives or outcomes	1) Switzerland's IC strategy is focused, future-oriented and politically supported	1) Foster responsible business conduct	1) Generate needs-based, solution-oriented knowledge and innovation, including for left behind population
	2) Switzerland contributes to and follows good practices, trends and standards of international cooperation and explores potential of International Geneva to promote exchanges, innovation and cooperation between different types of actors to support the 2030 Agenda	2) FDI and international taxation policy frameworks are conducive to the realisation and financing of the SDGs	2) Encourage the utilisation and scaling-up of new solution-oriented knowledge and technologies, including for left behind population, by development practitioners and policy makers
	3) Switzerland's Sustainable Development Strategy and action plans are in support of Switzerland's development objectives	3) Identify and propose measures to reduce IFF risks	3) Enhance capacities in Switzerland and partner countries to foster joint research and practitioner cooperation
Approaches	Articulation of Swiss policies with international debates and objectives; focus on analysis, inclusive dialogues and policy influencing; focus on demand-driven research; engagement with all SDC domains; coordination with other federal departments; promoting a development perspective in 'non-aid' sector policies (national and international levels).		
Methods	Support (contributions and mandates) to policy-oriented analysis and solution oriented-research/innovation; support to inclusive policy platforms and think tanks; lead and participation in networks (SDC and international); participation in interdepartmental consultations and platforms; dialogue with academic partners.		
Main partners	Direct partners: OECD, Swiss universities, SNF, think tanks, platforms... Contact and information with federal offices: HSD, SECO, SIF, SEFRI		

Annex 3: Outcomes and indicators

Overall objective:

Foster coherent policies and partnerships to accelerate the realisation of the SDGs.

Outcomes	Suggested selective indicators of 'success'
Official Development Assistance (ODA) commitments for SDG progress	
1) Switzerland's IC strategy is focused, future-oriented and politically supported	→ Swiss IC strategy largely approved by the Parliament
2) Switzerland contributes to and follows good practices, trends and standards of international cooperation and explores potential of International Geneva to promote exchanges, innovation and cooperation between different types of actors to support the 2030 Agenda, SDG scaling-up or other topics relevant for A&P	→ Positive DAC mid-term review (2022) of the implementation of the DAC peer review 2019 recommendations → New initiatives or synergies developed with different types of actors of the International Geneva
3) Switzerland's Sustainable Development Strategy and action plans are in support of Switzerland's development objectives	→ The main objectives of the IC strategy are well reflected in Switzerland's Sustainable Development Strategy 2030 and its action plans
Policy and institutional coherence	
1) Responsible business conduct is fostered	→ Number of Swiss companies engaging in A&P supported private sector initiatives promoting responsible and sustainable business conduct domestically and abroad increased significantly (e.g. Global Compact Network Switzerland and Liechtenstein, Swiss Triple Impact Programme)
2) FDI and international taxation policy frameworks are conducive to the realisation and financing of the SDGs	→ Increased interest, research and analysis articulating investment and tax (INV/TAX) → Pertinent analysis/research translated into policy proposals → Evidence and policy proposals discussed in relevant international and national fora and influencing national policies
3) Measures to reduce IFF risks are identified and proposed	→ Improved policy framework to reduce the risks of IFF in the extractive sector and related policy review process implemented (OECD anti-corruption tasks team) → Improved legal framework and its policy implementation in relation to corruption and state capture in the extractive sector

Outcomes	Suggested selective indicators of 'success'
Research partnerships	
1) Needs-based, solution-oriented knowledge and innovation, including for left behind population, are generated.	→ Needs-based, solution-oriented innovations and approaches generated out of A&Ps research program, are also benefiting left behind population
2) The utilisation and scaling-up of new solution-oriented knowledge and technologies, including for left behind population, by development practitioners and policy makers are encouraged.	→ Solution-oriented approaches and technologies are available and ready for scaling-up in similar contexts
3) Capacities in Switzerland and partner countries to foster joint research and practitioner cooperation are enhanced.	→ Fair, productive and equitable joint research and practitioner cooperation in Switzerland and low and lower-middle income countries are established and strengthened

Annex 4: A&P Contribution to SDG 17: Revitalise the global partnership for sustainable development

The targets to which A&P contributes are marked in Red-brown

Targets

Finance

17.1

Strengthen **domestic resource mobilisation**, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.2

Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

17.3

Mobilise additional financial resources for developing countries from multiple sources

17.4

Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate and address the external debt of highly indebted poor countries to reduce debt distress

17.5

Adopt and implement **investment promotion regimes** for least developed countries

Technology

17.6

Enhance North-South, South-South and triangular regional and international cooperation on and access to **science, technology and innovation and enhance knowledge sharing** on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

17.7

Promote the **development, transfer, dissemination and diffusion** of environmentally sound **technologies** to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8

Fully operationalise the technology bank and science, **technology and innovation** capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

Capacity-building

17.9

Enhance international support for implementing effective and targeted **capacity-building** in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation

Trade

17.10

Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda

17.11

Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

17.12

Realise timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access

Systemic Issues

Policy and Institutional coherence

17.13

Enhance global macroeconomic stability, including through policy coordination and **policy coherence**

17.14

Enhance policy coherence for sustainable development

17.15

Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Multi-stakeholder partnerships

17.16

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17

Encourage and promote effective public, **public-private** and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability

17.18

By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.19

By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product and support statistical capacity-building in developing countries

Annex 5: Financial planning

Financial planning 2021–24

Programme framework of the Analysis & Policy division

Annual budget allocation according to components (tentative), in CHF

	source	2021	2022	2023	2024	2021–24	in %
Component 1:							
ODA commitments for SDG progress	bilateral	2,400,000	2,400,000	2,400,000	2,400,000	9,600,000	17%
Component 2:							
Policy and institutional coherence	bilateral	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000	8%
Component 3:							
Research partnerships	bilateral	10,500,000	10,500,000	10,500,000	10,500,000	42,000,000	75%
Total budget allocation		14,000,000	14,000,000	14,000,000	14,000,000	56,000,000	100%

Annual budget allocation (tentative), in CHF

	source	2021	2022	2023	2024	2021–24	in %
	bilateral	14,000,000	14,000,000	14,000,000	14,000,000	56,000,000	100%
Total budget allocation		14,000,000	14,000,000	14,000,000	14,000,000	56,000,000	

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Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC
3003 Bern
www.sdc.admin.ch

Specialist contact:
Analysis & Policy division
E-mail: analyse.politik@eda.admin.ch
www.sdc.admin.ch

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