

Government Bill

2002/03:122

Shared Responsibility: Sweden's Policy for Global Development

Gov. Bill
2002/03:122

The Government presents this Bill to Parliament.

Stockholm, May 15, 2003

Göran Persson

Jan O. Karlsson
(Ministry for Foreign Affairs)

Brief summary of the Bill

In this Bill, the Swedish Government presents a policy for global development, the proposed goal of which is to contribute to equitable and sustainable development. It is proposed that this goal should apply to all policy areas. Trade, agriculture, environment, security, migration and economic policy are examples of areas in which measures shall be devised in such a way as to promote global development. The focus of the Bill is on poor people and poor countries.

The proposal lays a foundation for a coherent and consistent policy in order to contribute to equitable and sustainable development in the world. The policy will also contribute to the achievement of the Millennium Development Goals.

It is proposed that two perspectives permeate all parts of the policy : a rights perspective based on international human rights conventions; and the perspectives of the poor. The content of the policy is formulated with respect to eight central thematic areas and component elements.

The Bill emphasizes the importance of closer collaboration with actors in all sectors of society, in particular public authorities at national level, local authorities, civil society and non-governmental organizations (NGOs), the private business sector and the trade union movement. The need for increased cooperation in the EU and at the global level is emphasized.

International development cooperation that is financed through development assistance allocations is dealt with in a specific section. The Bill proposes that the goal of Sweden's development cooperation will be

to contribute to an environment supportive of poor people's own efforts to improve their quality of life. It also proposes that cooperation with Central and Eastern Europe should be merged with international development cooperation. Development cooperation will be made more effective and efficient, inter alia, through closer collaboration and increased coordination with other countries, particularly within the EU, and with multilateral agencies.

Finally, the Bill deals with issues of management, administration and learning within the framework of the policy for global development.

The Government will present an annual Report to Parliament on outcomes and progress made with regard to implementation of the policy.

Note: This publication is an edited version. The annexes to the Bill, proposals made by the Parliamentary Committee and comments from the organizations asked to consider the proposals are not included in the English translation.

1	Proposals for parliamentary decisions.....	5
2	The Bill and its preparation	6
3	Shared responsibility: Sweden's policy for global development	6
4	New prerequisites and challenges for global development	9
4.1	Progress – but many are excluded.....	9
4.2	Differences among and within countries.....	10
4.3	Key challenges of our time	11
4.4	Global cooperation must be strengthened.....	13
4.5	A global development agenda.....	14
4.6	Opportunities through EU membership	15
4.7	Experiences to build on.....	16
5	Sweden's policy for global development	18
5.1	The need for a coherent policy.....	18
5.2	Motives: solidarity – shared responsibility	18
5.3	Goal: equitable and sustainable global development.....	19
5.4	Central component elements of the policy.....	22
5.4.1	Respect for human rights	23
5.4.2	Democracy and good governance	24
5.4.3	Gender equality.....	25
5.4.4	Sustainable use of natural resources and protection of the environment.....	26
5.4.5	Economic growth.....	27
5.4.6	Social development and social security	28
5.4.7	Conflict management and human security.....	29
5.4.8	Global public goods.....	30
5.5	Enhanced coherence of Sweden's policy	31
5.5.1	Legal issues and policy frameworks	33
5.5.2	Security and defence policy	34
5.5.3	Trade and business investment policy	36
5.5.4	Migration policy	39
5.5.5	Social welfare and public health policy	42
5.5.6	Economic and financial policy.....	43
5.5.7	Education policy	45
5.5.8	Agriculture and fisheries policies	47
5.5.9	Cultural policy	48
5.5.10	Environmental policy.....	49
5.5.11	Industrial and employment policy	51
5.6	Promoting enhanced policy coherence in the EU	52
5.7	The role of Swedish actors.....	54
5.7.1	Public sector actors	54
5.7.2	Civil society and non-governmental organizations (NGOs)	55
5.7.3	The private sector and the trade union movement.....	55
6	International development cooperation	57

6.1	Development cooperation and the policy for global development	57
6.2	The goal: to eradicate poverty.....	58
6.3	Directions for Swedish development cooperation	59
6.4	Different situations require different forms of development cooperation arrangements	60
6.4.1	The design of development cooperation	60
6.4.2	Development cooperation through the EU	65
6.4.3	Multilateral agencies.....	66
6.5	Cooperation with Central and Eastern Europe.....	68
6.6	Increasing the effectiveness of development cooperation.....	70
6.7	A shared commitment to increasing assistance volumes ..	73
6.8	Actors in international development cooperation	74
6.8.1	Public sector actors	74
6.8.2	Civil society and non-governmental organizations (NGOs)	74
6.8.3	The private sector and the trade union movement.....	75
7	Policy management, administration and learning.....	77
7.1	Policy management and administration	77
7.2	Learning	78

1 Proposals for parliamentary decisions

The Government proposes that Parliament:

1. approve the Government's proposals concerning goals and perspectives with respect to the policy for global development (section 5.3);
2. approve the Government's proposals concerning central component elements of the new policy (section 5.4);
3. approve the Government's proposals concerning international development cooperation and merge cooperation with Central and Eastern Europe with general international development cooperation (section 6.1);
4. approve the Government's proposals concerning the goals of international development cooperation (section 6.2);
5. approve the Government's proposals concerning guidelines for international development cooperation (section 6.3);
6. approve the Government's proposals concerning presentation of an annual Report to Parliament on outcomes and progress achieved with regard to implementation of the policy (section 7.1);
7. approve the Government's proposals concerning an independent unit for evaluation and analysis (section 7.2).

In a decision of December 9, 1999 the Government authorized Minister Maj-Inger Klingvall to appoint a committee of inquiry, the Parliamentary Committee on Swedish Global Development Policy, charged with the task of examining Sweden's global development policy. Pursuant to this authorization, the Government decided on February 18, 2000 to appoint members, experts and a secretariat to the committee. Maj-Lis Löw was appointed Chair of the Committee. The following members were also appointed: Viola Furubjelke (Social Democratic Party), Reynold Furustrand (Social Democratic Party), Sinikka Bohlin (Social Democratic Party), Ann Schlyter (Left Party), Marianne Samuelsson (Green Party), Åke Pettersson (Centre Party), Madeleine Sjöstedt (Liberal Party), Bertil Persson (Moderate Party), Göran Lennmarker (Moderate Party) and Anders Wijkman (Christian Democratic Party). Special Advisers were: Ragne Beiming, Bo Landin, Margaretha Ringström and Svante Sandberg, who was replaced by Alfild Petrén beginning with the meeting in September 2001.

Mia Horn af Rantzien was Principal Secretary of the Committee and, Agneta Johansson and Lars Ove Ljungberg and, in the final stage of the inquiry, Torgny Holmgren were Assistant Secretaries. Elisabet Åkerblom was Administrative Secretary. The Government Offices and the Swedish International Development Cooperation Agency (Sida) assisted the Commission by providing experts for specific issues. The following members were appointed: Lennart Båge, who was subsequently replaced by Gunilla Olsson, Lena Sundh, who was replaced by Marika Fahlén, and Anders Ahnlid, who was replaced by Kajsa Olofsgård, all from the Ministry for Foreign Affairs; Peter Westman, who was replaced by Per Thege, from the Ministry of the Environment; Stefan Emblad from the Ministry of Finance and Carin Norberg from Sida.

This Bill is based, inter alia, on findings and recommendations contained in the Committee's comprehensive report, *A More Equitable World without Poverty*, submitted in the Spring of 2002.

In the preparations of the Bill working parties in the Ministry for Foreign Affairs and the Government Offices as a whole held numerous meetings and discussions.

3 Shared responsibility: Sweden's policy for global development

The world is shrinking. National boundaries are blurring and interdependence is increasing. There are no longer any backyards where individual countries can do as they like out of sight of the rest of the world community. No country can ignore what is going on in the rest of the world. Today, everything is everybody's business. The effects of economic successes and setbacks spread like ripples on the water. Armed conflicts, pollution, terrorism and poverty are challenges that must be

confronted by all the countries of the world together. We have a shared responsibility for our world.

The end of the cold war and increasing globalization now make shared progress a real possibility for all. For the first time there is today an internationally agreed agenda for global development, the chief expression of which is the UN Millennium Declaration. Accumulated global wealth has never been greater. Increasing numbers of people the world over live in democracies. Scientific and technological advances have provided us with tools that we could never even have dreamt of only a few decades ago. But a large proportion of the world's population is excluded from this progress. For more than a billion people, life is a struggle for survival every single day. This is morally unacceptable. It is a huge waste of human energy and creativity. Development is more solid when everyone can take part in it. Life is better for everyone when no-one is excluded. This is true in Sweden and it is true in the world as a whole.

This Bill presents proposals for a Swedish policy for global development. It focuses on those who have not benefited from the prosperity generated by globalization. Poor people and countries, especially the poorest among them, must be empowered and have greater opportunity for benefiting from the advantages that increased global trade has yielded. The Bill deals mainly with Sweden's relations with developing countries and countries undergoing economic and political transition. The primary goal of the new policy is to contribute to equitable and sustainable global development.

Development can never be externally created or imposed on people. Development is created by people in their own society. We must therefore become better at listening, but also at making demands. Our policy must be based to a greater extent on the lives, experiences, capacity and priorities of poor people. We can in this connection draw on our own experience of reducing poverty, in which peace, democracy, good governance, investment in children and young people, economic growth, equitable distribution of income and resources and gender equality are vital elements.

In order to contribute to the achievement of the goal of equitable and sustainable development, all the components of our policy must be consistent with one another. We must make every effort to establish fair and transparent trade rules that increase poor countries' opportunities for participating in world trade on equal terms. We must improve the climate and conditions for investment in developing countries, and promote the development of domestic business and industry. This is crucial for the generation of economic growth. We must meet new threats by strengthening our efforts on behalf of peace and security, of which disarmament is an important element. We will draw on our experience of active policies with respect to social development, public health and care services. Culture is a mutually enriching force. In cultural exchanges, meetings among people can take place on genuinely equal terms. The role of development assistance is to make this possible and thus pave the way for new relationships.

Global development policy concerns everyone. Swedish society as a whole must be involved in these efforts. In the Swedish Government Offices, the responsibility for achieving these goals will be divided among all the ministries. Community organizations, popular movements and the private sector will be assigned a more important role.

Sweden is a small country. This should not prevent us from playing a significant role. Our strong support for the UN, commitment to international organizations and lack of colonial ties lends us credibility. Our prosperity is based on an open economy and free trade. We recognized our need of and dependence on other countries a long time ago. Our long and broad experience of development cooperation, not least the assistance channelled through popular movements and NGOs, has given us insights and knowledge. Swedish development assistance resulted from these experiences. It has been a product of commitments made early on and that we reaffirmed in Government Bill 1962:100, which lay the foundation for our development assistance policy. We enjoy great trust, and membership in the EU has strengthened our voice in the world. The power of initiative gives us great leverage. We shall use our best efforts to ensure that the EU assumes its full share of responsibility for equitable and sustainable development in its policies.

We have traditionally been among those in the forefront in the struggle for justice and sustainable development. The UN Conference on the Human Environment in Stockholm in 1972 and the follow-up conferences in Rio de Janeiro in 1992 and Johannesburg in 2002 have established a progressive agenda for sustainable development. Sweden has played a leading role in these efforts. We will continue to pioneer the shift to sustainable development.

Support for the UN and international law is a distinctive feature of Sweden's foreign policy. The 80,000 Swedish citizens who have taken part in UN operations and our contribution to UN mediation efforts are examples of our commitment to peace. Today, the linkages between peace, democracy, poverty reduction and development are clearer than ever before. For this reason security policy is also an important element of global development policy.

The UN ranks Sweden as one of the world's most gender-equal countries. Gender equality is not only right, it is also prudent. Measures to promote the education and health of girls is one of the most important investments that a society can make. Development is far more robust when women and men can participate in the life of their community and country on equal terms. Sweden considers it important to pursue the struggle for the rights and empowerment of women and girls in international fora.

International cooperation is becoming increasingly important. For Sweden, it is taken for granted that we should play a leading role in discussions on the reforms and renewed efforts required to enhance global leadership. We are loyal supporters of the UN and other international organizations. We were one of the initiators of the process of reforming the UN and other multilateral systems to more effectively meet new demands and needs. We shall continue to play an active role in the future.

Sweden will strengthen its international commitments. The proposals in this Bill would make Sweden one of the first countries in the world with a coherent policy for global development.

The Bill reflects a high level of ambition. Its implementation will require better coordination between all the ministries. The Bill does not regulate future policy in detail, however. The Government will be responsible for implementation, monitoring and evaluation of the policy. Evaluation and continual analysis of all our measures will be essential in the work of creating policy coherence. The Government will therefore report to Parliament on a regular basis on the measures being implemented to achieve the goal of equitable and sustainable development.

4 New prerequisites and challenges for global development

4.1 Progress – but many are excluded

As a result of developments in the last few decades more people than ever before have enough to eat, are in good health and have a roof over their heads. Infant mortality is decreasing and an increasing number of children are attending school. Life expectancy is increasing, as well as average income and freedom of choice. More people than ever before live in societies which have made significant progress towards democracy and where they have a say in their own lives.

But many are excluded from these developments. Over one billion people, most of them in rural areas, live in extreme poverty. Many of them do not have enough to eat and lack access to clean drinking water, as well as access to basic health care and education. Thousands of people are infected with HIV/AIDS, malaria, tuberculosis and other diseases every day. Tens of thousands of children die every day from diseases that are curable. Half a million women die every year from the injuries they sustain in connection with pregnancy, unsafe abortions and childbirth. Violations of human rights continue to be widespread and are severe in many places. The population of many countries is hard hit by pollution and armed conflicts.

Poverty has many dimensions. This becomes clear when poor women and men of various ages and belonging to various strata of society describe their own lives or when we compare the manifestations of poverty in different countries. The lack of income and material resources is a fundamental problem, but poverty also comprises other dimensions. Malnutrition, lack of health care, unemployment, child labor and hazardous work conditions for starvation wages are the lot of many people. In addition, abuse of power, violations of rights, violence and sexual abuse both within and outside the family add to their lack of safety and overall insecurity.

There are still great differences among countries and regions and there is an enormous gap between the richest and the poorest countries. At the same time, several developing countries are advancing rapidly, and catching up with the living standards of the traditional industrialized countries. There are also great differences among the developing countries themselves. Some of them are making significant economic and social progress that benefits the poor. In many former colonies, the situation at independence was anything but favourable for achieving rapid growth, and for policies focusing on poverty reduction. However, in spite of all the difficulties, a number of them have made considerable progress. Others have lagged even further behind owing to misdirected policies, corruption, economic mismanagement and weak government. Armed conflicts and natural disasters have aggravated the situation.

Most of the world's poor people live in Asia. However, this is also the continent where the greatest progress has been made towards development and improved living standards. There are enormous differences within the region. Many East Asian countries have, due to their investment in education and growth and their export-oriented policies, made unprecedented progress in reducing poverty, while others, especially in South Asia, have not made any appreciable progress. South Asia is still one of the poorest regions in the world. However, owing mainly to the significant reduction of poverty in China, the number of poor people in Asia as a whole is decreasing. A sizable Asian middle class is emerging, for example, in the world's two most populous countries, China and India. The two countries have the potential to become major economic powers – a development that would shift the centres of global political influence globally.

Most of the poorest countries in the world are in Africa. Many African countries, especially in sub-Saharan Africa, are becoming even poorer owing to misdirected policies, an untenable debt situation, social and gender inequality and corruption. Armed conflicts hamper development. Persistently high maternal and child mortality diminishes the prospects for development. The spread of HIV/AIDS is particularly alarming in Africa. In all these situations, it is poor women, the elderly and children who are affected most severely. At the same time, a number of African countries are now implementing reforms and drafting strategies to combat poverty. A group of African countries has initiated the New Partnership for Africa's Development (NEPAD), which is based on the idea that African countries themselves must take responsibility for their own development and for combating poverty. Democracy in the formal sense has made progress, but much remains to be done when it comes to deepening democracy and ensuring its sustainability.

The Middle East is marked by major economic and social differences between and within countries. Living conditions are deteriorating even in the oil-producing countries. Extensive deficiencies as regards democracy, gender equality and respect for human rights are an increasingly serious obstacle to development. Apart from causing untold human suffering, political tensions and armed conflicts hamper trade and investment

throughout the region. Measures must be taken in many areas to reverse this trend.

Many Latin American countries have made progress. Military dictatorships have been replaced by democracies. However, development is being slowed down by social and political tensions, unequal distribution of resources, economic instability, high crime rates and internal armed conflicts. The successes achieved are often fragile.

Development in Central and Eastern Europe, the Balkans and the former Soviet Republics is also fragmented. Several of these countries have made great progress and pursue closer relations with the EU. In other countries, for example in Southern Caucasasia, the future is more uncertain. The fall of the communist dictatorships gave many people the opportunity to improve their living conditions, while others were overwhelmed by social problems as a result of the drastic political and economic changes involved. Poverty has made people more vulnerable to e.g. trafficking in persons, drug abuse etc. HIV/AIDS is spreading rapidly.

In view of all these differences, it is no longer accurate to speak of the 'Third World' or the 'South' in terms of a uniform group of countries with similar conditions and interests. All countries and regions are different, and there are great variations among them in terms of their conditions and needs.

There are also substantial differences within countries. In many cases the distribution of income and resources is extremely unequal. Not everybody gets a fair share of prosperity. Major internal inequalities and gaps hamper social development.

4.3 Key challenges of our time

The key issues and challenges of our time concern all people and all countries. They must accordingly be addressed at all levels, i.e. at national, regional and global levels.

Without peace and security there is little prospect of development. The end of the cold war was a historic step towards disarmament and peace, but it also gave rise to new conflicts. Many of the victims of violence have been civilians. Terrorism, the proliferation of weapons of mass destruction and the availability of small arms and light weapons are serious security threats. It is important to take steps to prevent insecurity and fear from being exploited for the purpose of heightening suspicion and tensions between different population groups, religions and continents.

Sustainable economic growth is a requirement for all societies. Development is not possible without growth and equitable distribution policies. Societies therefore need a stable institutional framework, transparent and efficient management and administration systems, an independent and effective judicial system and policies that promote investment and poverty reduction. Domestic economic policy and political structures are thus crucial. Countries must also be open and receptive to the outside world, both with respect to trade and investments.

Countries that lack resources and capacity, or that try to shut out the outside world will be the losers in the globalization process. A great deal of progress has been made and transparency has increased, but the developing countries' de facto opportunities for participating in and benefiting from international trade and investment must be strengthened. The rich countries can do a great deal to support the integration of developing countries into the world economy. In this context, the EU must assume responsibility as a leading actor in the global arena, for such a policy.

Human activities are increasingly making an impact on natural ecosystems. Judicious management of the natural resource base is essential for sustainable development. Unsustainable patterns of consumption and production must end. There is growing realization of the fact that, faced by global environmental threats such as global warming, depletion of the ozone layer, water scarcity and the dissemination of hazardous chemicals, we will have to rethink the functioning of our societies and international cooperation. We must take action to relieve the pressure on the earth's resources. Changes must be made in accordance with the precautionary principle. Rich countries have a special responsibility in this connection.

Renewed attention needs to be paid to a number of other issues as well. In many rich countries the population is stagnating and ageing, at the same time as the young and adult population in developing countries continues to increase, albeit at a slower rate. Many rich countries face a labor shortage in the future, while the rest of the world has a surplus of labor. This affects the prospects for growth and development. Globalization has opened up the world to goods, services and ideas. But people's mobility – particularly if they are poor – is still limited. One important challenge will be to find new arrangements for organized migration so that people's desire to pursue a better life in a new country can become a positive force for global development to a greater extent than at present.

The spread of HIV/AIDS is one of the greatest threats to development in our time, particularly in poor countries. The situation is most serious in Southern Africa, where life expectancy has fallen dramatically and societies are under severe strain. The toll in terms of human suffering is enormous, especially for the many numbers of children who are orphaned. HIV/AIDS is also a growing problem in other parts of the world, including Eastern Europe and Asia, where the number of victims is rapidly increasing.

A shared foundation of values that unites people and cultures is needed more than ever in an age of global economies, information and mobility. Respect for human rights must therefore be strengthened. The UN Universal Declaration of Human Rights applies to everybody without distinction. The international community has provided itself with a comprehensive normative and legal framework in the various UN human rights conventions it has formulated.

Democracy is being put to the test, and renewed efforts must be made to strengthen it still further and to spread it. Political changes and the global dissemination of information have challenged closed societies and

provided fertile ground for democratic reforms. But the optimism that was stimulated by the global breakthrough of democracy has now given way in many places to political setbacks and pessimism. Populism and xenophobia are gaining ground in many countries.

4.4 Global cooperation must be strengthened

Several challenges that we now face must be met by action primarily at the national level. National policies and political decisions largely determine the extent to which countries can benefit from the advantages of globalization. But events in one part of the world – such as economic booms and recessions, pollution, epidemics, drug trafficking, armed conflicts or terrorism – often affect other places too. In view of our interdependence, the future must increasingly be shaped by concerted efforts and decisions.

Transboundary issues must be dealt with more effectively and forcefully. This applies to environmental issues such as protection of the ozone layer, reduction of greenhouse gases, management of water resources and preservation of biological diversity and fish stocks. But it also applies to the fight against HIV/AIDS and other diseases, conflict management and international organized crime such as, in particular trafficking in persons, drug trafficking and terrorism. These kinds of problems require regional and global cooperation. They affect all countries and call for broad collaboration and coordination between both rich and poor countries, as well as the participation of the private sector and non-governmental organizations (NGOs).

Sweden plays a leading role in international discussions on global public goods, i.e. transboundary resources and knowledge that benefits everyone, for example the promotion of global financial stability, a sound environment and disease prevention. In challenges such as these, there can be no sustainable solutions without shared responsibility.

The multilateral system must be strengthened. It reflects the world order of nearly 60 years past, and is in urgent need of revitalization. The legitimacy and representativeness of central bodies such as the UN Security Council, the World Bank and the International Monetary Fund (IMF) must be strengthened. The financing of the activities of the multilateral agencies must be secured. Cooperation between other multilateral agencies has improved in recent years, but must be further strengthened. The EU's voice in the multilateral system must be more concordant. All countries must address at the national, regional and global levels, issues relating to development.

Sweden has made a great deal of progress in formulating an integrated approach to globalization. The June 2002 report *An Integrated Swedish Globalization Policy for Equitable Economic Development* represents a coherent approach to a number of issues at the national, regional and global levels. The report reaffirms Sweden's aim to pursue a policy that will ensure that everyone in the world benefits from globalization. The present bill further develops this policy framework.

A global development agenda, agreed by all the world's countries, is now in place. It is based on the cumulative experience expressed in the conclusions adopted at the world summit meetings and UN conferences, particularly in the 1990s, that addressed many of the issues that are relevant to poverty reduction and global development. The agenda is set out in particular in the UN Millennium Declaration, which was adopted in 2000. It includes commitments to peace, security and disarmament, development and poverty reduction, environmental concerns, human rights, democracy and good governance, protection of the most vulnerable groups, as well as consideration of Africa's special needs. Concrete goals – the Millennium Development Goals – have been set on the basis of the Declaration. In addition, further components to a common development agenda were adopted at the fourth ministerial conference of the World Trade Organization (WTO) in Doha, Qatar in 2001; the International Conference on Financing for Development in Monterrey, Mexico in 2002; and the UN World Summit on Sustainable Development in Johannesburg, South Africa, also in 2002. Taken together, these agreements constitute a common global framework for development.

The Millennium Development Goals consist of eight time-bound, mutually-reinforcing and interrelated goals. They may be seen as step-by-step objectives on the way to achievement of the goal of eradicating poverty. The first, overriding goal is to eradicate extreme poverty and hunger and halve, between 1990 and 2015, the proportion of people who live in extreme poverty. The other goals relate to universal primary education, gender equality and the empowerment of women, maternal and child mortality, HIV/AIDS, malaria and other diseases, environmental sustainability and global development cooperation. In addition to the goals, specific targets and indicators are identified for monitoring progress.

The Doha conference concluded that world trade must be opened up still further and that special attention should be paid to the interests and needs of poor countries in future activities. In addition, the conference made extensive commitments to strengthening technical assistance and capacity building in most of the areas covered by the WTO Agreements. In launching a new negotiation round – the Doha Development Agenda – the world community accepted the challenge of improving the developing countries' terms of trade and further developing international trade regulations.

The International Conference on Financing for Development in Monterrey in 2002 was a breakthrough for an integrated approach to development. The developing countries undertook to create favourable domestic conditions for development, including good governance, pursuing sound macroeconomic policies and combating corruption. The rich countries undertook to increase the effectiveness and volume of development cooperation allocations, and to promote other resource flows, inter alia, through investment and trade. Special emphasis was placed on trade and the importance of the private sector to development.

The Johannesburg summit reaffirmed the three dimensions – economic, social and environmental – of sustainable development. A number of new global commitments were made with respect to water and sanitation, health, chemicals, agriculture and food supply, energy, biological diversity and sustainable production and consumption patterns. The summit emphasized the need for participation by the private sector and adopted a broader concept of corporate social responsibility.

Together, these agreements and the Millennium Development Goals establish a common foundation of values and a global development agenda. The challenge now is to implement the commitments that were made. Major efforts will be required by governments, organizations and the private business sector. The concerted political will of the world's countries to give global development priority over short-term national interests is decisive.

International development cooperation will continue to be very important. Its point of departure will be all countries' responsibility for their own development, but the poorest countries, in particular, will need substantial support for realization of development goals.

There are also important matters on which no global consensus exists. There are profound differences of views as regards democracy, human rights and gender equality. A particularly controversial issue is the sexual and reproductive health and rights of women and young people, as well as the rights of homosexual, bi-sexual and transsexual persons. Sweden will continue to raise and take initiatives with respect to difficult and controversial issues. Experience shows that progress can be made if we take a long-term view and work together purposefully with like-minded nations and groups.

4.6 Opportunities through EU membership

As a member of the EU, Sweden is party to a framework for cooperation based on common values with respect to human rights, democracy and the pursuit for peace and sustainable development. The EU has the power to influence change by expressing understandings and ideas on economic, social and political issues at the global level, that represent the common views of all the Member States. The EU's position will be further strengthened by the enlargement of the Union with new members.

Cooperation within the EU offers great scope for mutual learning. It provides opportunities for influencing the EU in the direction of more equitable and sustainable policies in relation to the developing countries. The EU's agricultural policy is perhaps the most obvious example of the lack of coherence in EU's policies and political measures that concern developing countries. In practice, these policies constrain developing countries' opportunities for production, exports and development. In this area as well as in others, continued and intensified reform efforts are needed. An important step in the EU's efforts to increase policy coherence is the sustainable development strategy that was adopted at the European Council Summit in Gothenburg in 2001.

As a member of the EU, Sweden also takes part in both the normative and operational aspects of the EU's development cooperation, i.e. the cooperation that takes place under the present Treaty within the framework of the European Community (EC). The vigour of the normative framework is reflected in the EU's constructive contribution in connection with the International Conference on Financing for Development in Monterrey and the Johannesburg summit. Sweden is one of the countries that has drawn attention to the weaknesses of the operational component, i.e. the EU's development cooperation that is administered by the Commission. Sweden has also taken initiatives on measures designed to remedy the problems. Among other things, the EU has adopted Sweden's view that poverty reduction should be an overall goal of development cooperation and that cooperation should concentrate on those sectors where the EU has a comparative advantage. In its policy declaration of November 2000, the EU declared that the fight against poverty would be an overarching goal of EU development cooperation. The EU's development cooperation focuses on a limited number of priority areas: the linkages between trade and development; support for economic reforms; transport; the provision and safeguarding of food security; and capacity-building, particularly as regards good governance and the rule of law.

Sweden also participates in the cooperation between the EU and a large number of countries in Africa, the Caribbean and the Pacific ('ACP countries'). This cooperation covers areas such as politics, trade and development. Sweden has taken an active part in the development of this cooperation, which resulted in the adoption of a new agreement – the Cotonou Agreement – in 2000.

4.7 Experiences to build on

Over the years, various theories about the driving forces of development have dominated the debate on how to achieve development. The main conclusion from this debate is that the concept of development has been broadened, and its content has become more complex. Development is more than mere economic growth. Investments in education and health play a crucial role for economic growth. Creating functioning market economies is important, but markets cannot solve all problems. There is a need for interaction between government and markets in order to achieve equitable distribution, and to secure people's access to basic services, such as education and health care.

There are often great expectations when it comes to the potential impact of international development cooperation. There is a tendency to overestimate the effects of external measures on both sides. Development must be pursued by the developing countries themselves, by their parliaments, governments, authorities, private sector business communities and organizations, and by individuals and groups who aspire to overcome poverty. What other countries can do is provide support and reinforce promising development efforts.

The development process is complex and takes time. Donors, including Sweden, have often made overoptimistic assessments. Some analyses appear to have been based on wishful thinking rather than realism, not least as regards the extent to which development cooperation actually benefits poor women, men and children.

Economic growth is crucial in overcoming poverty for both countries and individuals. This applies especially to rural areas, where poverty tends to be most widespread. Without growth, people in poor countries will never succeed in raising their standards of living. But growth must also be of a kind that benefits the poor. This means that there must be a functioning market economy that can meet the needs of poor people both as producers and consumers. There must be a stable macroeconomic framework and sound and transparent public finances, functioning institutions and effective tax collection. A reasonably equal distribution of income as well as investment in human resources and social development are also important factors in strengthening growth and combating poverty.

Open trade creates development opportunities for poor countries by giving them access to global markets and to cheap goods. Many developing countries comprise small economies. Transparency and trade are essential to meet needs and enhance growth and development. More and more countries are realizing the advantages of transparency, but protectionism still prevents many countries from taking advantage of the opportunities offered by globalization. It is therefore essential to continue to promote efforts to enhance transparency and to strengthen the ability of domestic private sector businesses to participate in trade. The rich countries have a responsibility to support such efforts and to improve the developing countries' opportunities for taking part in global trade.

Previous development efforts put too little emphasis on respect for human rights, democracy and good governance. The same applies to issues such as the sustainable use of natural resources, environmental protection, a child rights perspective, the perspectives of persons with disabilities, and social and gender equality. Nowadays we regard these factors as essential prerequisites for equitable and sustainable development. Thus, they should be seen not as an end in themselves, but also as a means for achieving development.

The Central and Eastern European region has undergone rapid transformation. The shift from communism to democracy and market economies has been accelerated by business interests, a well-educated population and, not least, closer links with the EU. The experience of transformative development in Central and Eastern Europe could to a greater extent, be used in the context of global development cooperation.

Regional cooperation is becoming increasingly important. Regional trade is expanding, and nowadays most direct investment takes place regionally. Political and cultural regional cooperation are also becoming increasingly important, a fact which also opens up new opportunities and conditions.

Foreign enterprises' investments in developing countries are at present many times greater than the total amount of international development assistance. But they are very unevenly distributed and very small in the

poorest countries. In other words, multinational enterprises are becoming increasingly important in many countries, but there is also a need to improve the conditions for investment – both domestic and foreign – that promotes growth and employment in the poorest countries.

Gov. Bill 2002/03:122

5 Sweden's policy for global development

5.1 The need for a coherent policy

The Government's assessment: Sweden should pursue a coherent policy for global development.

Sweden's policy for global development should be based on a holistic view of what drives development and of the measures that are required to achieve equitable and sustainable development on a global scale. It should embrace all areas of policy and of political decision-making.

Reasons for the Government's assessment: A coherent Swedish policy for global development should be based on an integrated approach to the various roles and contributions of different political and policy areas to the promotion of equitable and sustainable global development. It should be adapted to the new context and conditions that globalization and the global agenda on sustainable development and poverty reduction comprise. The concept of development must be broadened and a new framework must be created for a more coherent policy. Development does not depend on one or two factors alone but results from the positive interaction of a wide range of factors.

The policy will involve all ministries and activities in a number of areas of state and government affairs and policy. These areas must be coordinated in order to put a coherent policy for global development in place. This applies both to the national level and to the international levels of the EU and the UN. Enhanced collaboration and coordination are also required between various actors if a coherent policy pursued by e.g. Sweden and the EU is to succeed in promoting development. Closer collaboration is also needed among other sectors of society.

The efforts being made in poor countries themselves must continue to be supported through international development cooperation.

5.2 Motives: solidarity – shared responsibility

The Government's assessment: The policy should be based on the view that all human beings are equal in dignity and rights, on Sweden's solidarity with poor and vulnerable people in other countries and recognition of our shared responsibility for the future of the world.

Reasons for the Government's assessment: The primary justification and rationale for Sweden's policy for global development is solidarity with people in other countries.

This rationale reflects the basic values in accordance with which Swedish society has evolved and that are also expressed in the UN Charter and the Universal Declaration of Human Rights. The firm conviction that everybody has a right to a life in dignity is the basis of the solidarity with poor, oppressed and vulnerable people that has been an important element of Sweden's domestic and foreign policies for many years.

Solidarity is reinforced by the realization that security, equality and sustainable development are not an exclusively national concern. Nowadays, the world's countries are interconnected as never before. The major challenges of our own time and of the future concern everyone. This is particularly true for poverty and injustice. No part of the world is insulated from what happens in the rest of the world. Increasingly, we have common interests.

Responsibility must also be shared. Each and every country is responsible for creating favourable conditions for development within its boundaries. No progress is possible without development-friendly national policies. At the same time, the rich countries, for their part, must assume responsibility for supporting and complementing national efforts in poor countries, by pursuing a coherent development-promoting policy and by international development cooperation.

5.3 Goal: equitable and sustainable global development

The Government's proposals: The goal of the policy for global development will be to contribute to equitable and sustainable global development.

A rights perspective will permeate the policy, which means that the measures taken towards equitable and sustainable development are compatible with respect for human rights.

The policy will also be based on the perspectives of the poor, which means that poor people's needs, interests, capacity and conditions should be a point of departure in efforts to achieve equitable and sustainable development.

The Government's assessment: Sweden's policy should contribute to achievement of the UN Millennium Declaration and the Millennium Development Goals.

Reasons for the Government's proposals and assessment: The Government proposes achieving the goal of equitable and sustainable

global development by means of a more coherent policy and increased collaboration and coordination with other countries and actors. Gov. Bill 2002/03:122

The goal is formulated in such a way as to be applicable to different policy areas and activities. It can be broken down into concrete objectives and targets in various areas. Sweden should participate in broad international cooperation with regard to efforts to achieve development and eradicate poverty. Development must be equitable, which means that it must offer benefits to everyone. It must also be sustainable in social, economic and environmental terms. It should take place with respect for the productive capacity of ecosystems and without overexploiting non-renewable natural resources. In this way the needs of the present will be met without compromising the development prospects of future generations.

The Millennium Declaration and the Millennium Development Goals

Sweden's policy for global development should contribute to achievement of the UN Millennium Declaration and the Millennium Development Goals.

The Millennium Development Goals represent concrete step-by-step objectives and targets in specific areas. The overriding goal is to eradicate poverty and hunger in the world. The goals are of central significance in the context of international development cooperation and for the global monitoring and evaluation of the commitments made by Sweden and other countries. They may be related to several different areas of Swedish policy.

One of the Millennium Development Goals directly concerns rich countries, i.e. Goal 8 on enhancing global partnerships for development. Among other things, this means that the global volume of international development cooperation allocations must increase, that market access for poor countries must improve, and that a sustainable debt situation must be achieved for the poorest countries (LDCs).

A rights perspective on development

The pursuit of equitable and sustainable development must be based on a rights perspective on development. This means that poor people are not regarded as recipients of aid, but as individuals and actors with the power, capacity and the will to create development.

Ratification of the Universal Declaration of Human Rights and several subsequent human rights conventions has been almost universal. These conventions therefore represent a common global foundation of values. A rights perspective is based on these common standards and norms.

The recommendations drawn up by UN convention committees as regards application of the basic human rights conventions are important instruments for implementation of a global development policy. They establish an agenda and a common basis for dialogue, cooperation and monitoring and evaluation.

The rights perspective comprises democracy and respect for human rights. Democracy and human rights are mutually reinforcing, and one cannot exist without the other. The rule of law and good governance are also essential requirements for participation, influence and enjoyment of rights. Human rights cannot be fully respected without a democratic form of government. Conversely, human rights contribute to, and to a large extent are an essential condition for, democratization. The key element of the concept of democracy is the equality of all human beings in dignity and rights, as manifested in the principles of one person, one vote and equality before the law.

The rights perspective focuses on discriminated, excluded and marginalized individuals and groups. People must be able to enjoy their rights regardless of sex, age, disability, ethnic background and sexual orientation. This perspective helps to identify areas in which special actions are required to ensure that the effects of various decisions are as fair as possible. This renders the individual a subject and bearer of rights rather than the object of measures. The rights to influence, participation and a say in their own lives are often violated for disabled persons, who are frequently discriminated against by those in their surroundings. It is therefore important that the policy for global development should focus explicit attention on the rights of persons with disabilities.

Gender equality is a key element of the rights perspective. Attention must be drawn to the different conditions, interests, capacities and needs of women and men, girls and boys. Their equal rights and opportunities should form the basis of any measures that are taken. In spite of the efforts that are being made, there are still great differences in the situation of women and men, and of girls and boys. Oppression and discrimination of women and girls, both in society as a whole and in the family, are a major obstacle to equitable and sustainable development. Discrimination impedes development. Measures within the framework of global development policy must be characterized by explicit efforts to combat discrimination of women and girls. Women must be recognized as full citizens, with the same economic, social, cultural, political and civil rights as men and with the right to freely decide over their bodies, reproduction and sexuality.

The policy should also be based on the rights of the child. Children and young people should be regarded as competent and active individuals with civil, political, social, economic and cultural rights in their own right. They should be consulted to a greater extent in connection with both the planning and implementation of measures that concern them. The UN Convention on the Rights of the Child puts the focus on children's rights, interests and needs. It commits all states to take appropriate measures to implement the convention. Children and young people are important both as stakeholder groups and as actors. Their initiative and will to contribute to development should be regarded as an asset.

Development can never be externally created or imposed on people. It is an dynamic process. The perspectives of poor people should therefore complement the rights perspective. Poor people must shape their own development.

The poor must therefore be given a prominent place in Sweden's cooperation with other countries by our seeing to it that their voices and perspectives are rendered visible and explicit. The perspectives, needs, interests and capacities of poor people should determine the nature of the measures taken. Poor people are not a homogeneous group with identical experiences of poverty. Poverty, whether in a country, a local community or even an individual family or household, has many manifestations and causes. Various social and ethnic groups deal with the different dimensions of poverty in different ways. Women and men, young people and old have different perspectives on poverty and use different strategies to improve their lives. Popular organizations that work and are rooted among poor people can be important partners when it comes to ensuring that the perspectives of the poor are taken into account.

Integrating the perspectives of the poor will involve shifting the balance of power from rich countries to poor ones and from governments to individuals and groups. Governments, authorities and organizations in partner countries will have to analyze the different dimensions and manifestations of poverty in order to formulate national strategies to combat poverty. It will be necessary to enable the poor themselves and their legitimate representatives to take an active part in decision-making. The important thing is to ensure that the perspectives, interests, resources and capacities of poor women, men and children are represented in the national strategies and in the policy that is pursued. This approach also makes great demands on Sweden as a partner in cooperation. Sweden should, in close dialogue with partner countries, monitor the extent to which poverty analyses are carried out and whether or not the interests and needs of poor people are adequately taken into account.

These two perspectives should serve as a guide in connection with the setting of priorities and the design of Sweden's policy.

5.4 Central component elements of the policy

The Government's proposals: The policy will promote and be characterized by respect for human rights, democracy and good governance, gender equality, sustainable use of natural resources and protection of the environment, economic growth, social development and security. It will also be directed at areas in which an integrated approach and collaboration are now considered necessary, in particular conflict prevention and management and global public goods.

Reasons for the Government's proposals: Experience shows that there are no simple solutions when it comes to development. Each society must take control of its own future of its own will, utilizing its own

capabilities. Other countries can provide support, help to eliminate obstacles and make every effort to provide effective and equitable cooperation at the global level.

There are examples of both unsuccessful and successful development models. On the basis of this experience and current research, a number of central component elements of equitable and sustainable development have been identified: respect for human rights, democracy and good governance, gender equality, sustainable use of natural resources and protection of the environment, economic growth, and social development and security. These factors are mutually reinforcing. They manifest values that should be integrated into Sweden's policy for global development. These elements describe what the policy consistently shall promote and be directed toward, in terms of both measures and support for individual countries, and also at the global policy level.

In addition, two further elements are presented below that call for an integrated approach and collaboration. These are conflict prevention and management, whose importance to global development and intimate connection with other development efforts is increasingly being recognized; and the production and management of global public goods, an area in which Sweden plays a leading international role.

5.4.1 Respect for human rights

The Government's assessment: More attention should be paid to the dignity and rights of all human beings regardless of age, sex, ethnic background, beliefs, origins, sexual orientation or disabilities.

Reasons for the Government's assessment: Human rights are based on the principle of the equal dignity and rights of all human beings. They are based on the idea that individuals have rights and states have obligations. They adjust an unequal power relationship in favour of the weaker party. In other words, they represent a minimum level of rules for any society that aspires to fulfil the vision of a dignified life for all. With the growing realization that poverty also involves a lack of opportunities and security, attention has focused on respect for human rights as a starting-point for the development of a country. Countries that violate human rights sometimes defend themselves by reference to local traditions, religious precepts or low levels of education. None of these arguments are valid. Human rights apply to all human beings without distinction. Better understanding of human rights may enhance participation and democracy and thus be an important element in the pursuit of tolerant, gender-equal and equitable societies.

Promoting application of the basic labor-law conventions adopted by the International Labour Organization (ILO) helps to improve the situation of disadvantaged people. Among other things, these conventions emphasize freedom of association, the right to collective bargaining and the abolition of all forms of forced labor and child labor.

About one-third of the world's population are children and young people. Investment in education and good health increases their prospects

of development for themselves and for their communities. It is particularly important that young people should have access to information on sexual matters. Special attention should be paid to girls and young women, who are often more vulnerable than boys and young men. Support and encouragement should be given for measures to promote opportunities for children and youth to have a say in society. Child impact analyses could be used to determine how decisions and measures affect children.

Disabled persons are often among the poorest of the poor and their living conditions are often unacceptable. Enabling disabled persons to enjoy human rights will continue to be a high priority.

5.4.2 Democracy and good governance

The Government's assessment: Further efforts should be made to develop central political principles and procedures for issues such as accountability, participation, transparency and the distribution of power.

Forms and mechanisms for the prevention and peaceful resolution of social and political conflicts should be supported and further developed.

Reasons for the Government's assessment: Everyone must have the chance to participate, have a voice and be respected in efforts to eradicate poverty. This is only possible with a democratic form of government. The form of democracy will depend on the specific situation in each society, but it must be based on the view that all human beings are equal in dignity and rights. A judicial system that works and that is based on the principle of the rule of law is essential for democracy, as are free elections, functioning political parties, independent media and active NGOs that can operate freely. A participatory democratic culture, in which citizens are aware of their rights and are free to exercise them, is essential. Other components of a democratic culture are gender equality, tolerance and respect for all individuals and groups. Those in power should act responsibly and should be accountable. Education and access to information are also essential. A division of power and responsibilities among democratic institutions is another essential aspect of a functioning democracy.

Good governance and good public administration are important aspects of democracy. These concern the management and distribution of public resources, equality before the law and procedures to combat the abuse of power. Corruption, nepotism and kleptocracy undermine citizens' legal security and favour established elites at the expense of the masses. This weakens democracy.

There are conflicts and tensions in all societies. Often, indeed, these tensions stimulate social and political development. In a democracy tensions can be dealt with in a peaceful manner. Changes can then take place without threatening the general stability and cohesion of society. Sweden's history demonstrates the importance of having mechanisms, for example in the labor market, for managing and resolving conflicts. All societies need rules and regulations that foster responsibility and a

willingness to compromise among various interest groups. The experiences we have in this regard should be utilized in implementing the policy for global development.

Gov. Bill 2002/03:122

5.4.3 Gender equality

The Government's assessment: Women and girls should be guaranteed the same rights as men and boys. The participation and interests of women and girls should be assured in all policy areas. The practical work of mainstreaming a gender equality perspective into development efforts, and applying existing knowledge, information and methods should be intensified. Further development and refinement of methodologies and analytical tools should also be intensified in this area.

Reasons for the Government's assessment: Many women are among the poorest of the poor. Securing women's access to land, credit, clean water and other resources, good sexual and reproductive health, as well as their participation in decision-making is vital to their prospects of overcoming poverty. The Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and its Optional Protocol, and the Platform for Action adopted by the Fourth Conference on Women in Beijing in 1995 are key elements of these efforts. Combating gender-based discrimination and strengthening women's access to resources and women's empowerment in general are both important in themselves and crucial to effective poverty reduction efforts all over the world.

In accordance with the Government's policy on gender equality, systematic use should be made of various methods and assessment models for identifying and combating gender-based discrimination, and for promoting gender mainstreaming. Essentially, gender equality involves ensuring that all people are treated as equal in dignity and rights. Gender discrimination is one of the causes of poverty, and a major obstacle to equitable and sustainable global development. Discrimination must therefore be brought out into the open and combated. Men and women have different prospects due to the different economic, political and social roles that have been assigned to them. One point of departure for the policy for global development must be that the role of women and girls as actors and agents of change in development processes is just as important as that of men and boys. It must also be borne in mind that women and men often are affected by and react differently to events, processes and problems. Their capacities and strategies may therefore vary. Gender impact analyses can be used to illustrate this.

The differences in women's and men's circumstances, experiences and exercise of power tend to be greatest among the poorest and most marginalized sectors of the population. Women must be guaranteed participation and influence to a much greater extent than hitherto, and they must enjoy the same respect for their rights and interests as men. The notion that women and children are subordinate to men and have no rights, and can therefore be abused and exploited with impunity, must be combated. This situation may influence the setting of priorities and the

choice of measures in development policy. Analyses must be made and appropriate measures devised in each specific area, that take into account issues such as gender discrimination, violence against women and girls and sexual and reproductive rights, including access to contraceptives. In the long run, men and society as a whole benefit from increased gender equality. Efforts should therefore be made to ensure that men as well as women take part in efforts to achieve a gender equal society.

5.4.4 Sustainable use of natural resources and protection of the environment

The Government's assessment: A long-term approach to the development process should be promoted, in which environmental sustainability is fully integrated into the overall policy.

Reasons for the Government's assessment: Sustainable use of the environment and natural resources is a necessary condition for sustainable global development. Poverty arises and persists where pollution undermines people's livelihoods and health. The rural poor, especially women, are hit especially hard when ecosystems are depleted due to soil degradation, water scarcity, pollution, deforestation or other environmental impacts. Furthermore, poverty is often the cause of pollution and other forms of environmental degradation since poor people are forced to overexploit the limited resources at their disposal.

One of the greatest challenges in the pursuit of sustainable global development is to break the connection between economic growth on the one hand, and negative impacts on the environment, natural resources and human health on the other hand. Living conditions have deteriorated in many developing countries due to industrial processes and effects. In the cities, the environment and human health are threatened by emissions from traffic and industries, and by inadequate water supply, sewage and sanitation systems. Overconsumption, with the resulting loss of environmental space, often occurs in both rich and poor countries at the expense of the resources and needs of the poor, giving rise to the dissemination of toxic substances, depletion of biological diversity and climate change.

Sweden's policy for global development calls for taking environmental sustainability consistently into account in growth and development strategies, both at the national and international levels. By playing a leading role in efforts to achieve sustainable production and consumption patterns, Sweden can contribute to the development of new technologies and new fiscal incentives and policy instruments. Sweden's cooperation partners should take long-term national responsibility for ensuring that an environmental sustainability perspective is integrated into their legislation and strategies. Sweden's task is to support and complement these efforts.

The Government's assessment: Growth should be promoted by measures to establish a stable macroeconomic framework with sound and transparent public finances, low inflation, access to credit financing on reasonable terms, manageable debt levels and openness to trade and investment.

Reasons for the Government's assessment: The rate of growth is too low in many developing countries. The promotion of economic growth is dependent upon a stable macroeconomic framework, with sound and transparent public finances and low inflation. Good governance and functioning institutions are necessary for savings and investment. Openness to trade, investment and enterprise, and also manageable debt, are other important factors. By making it possible for the population as a whole, not least the poor, to contribute fully to economic development, economic growth is an effective tool in the fight against poverty. Often, the informal sector plays a vital part in poor people's livelihoods. Women to a greater extent than most men work in the informal sector. Integrating the informal sector into the formal sector is a major challenge for economic policy.

Economic growth is a necessary, although not sufficient, condition for equitable and sustainable development. Welfare and development cannot be measured in economic terms alone. Economic growth must be sustainable and must be combined with measures to promote equity and social welfare if it is to lead to development. Great income disparities are an obstacle to rapid and effective poverty reduction in many poor countries. There must be a system for redistributing resources, and consequently power, if growth is to benefit everybody. Reasonably equitable income distribution promotes growth and can also reduce the risk of conflict.

Trade with other countries is necessary for growth. This is especially important for developing countries, which are small economies in the global context. Open and free trade, as regards both exports and imports, is necessary to speed up development, increase resource mobilization, develop business and industry, and to create jobs.

Apart from providing the institutional framework, central governments can also contribute to growth by strengthening the domestic resource base by means of investments, either alone or in cooperation with the private business sector. Good infrastructure is of key importance for development, both in individual countries and regionally. Populations must also be healthy and skilled in order to be able to take advantage of economic opportunities, which demonstrates the need for good quality health care and education. In many cases, strengthening women's reproductive rights is necessary in order for them to be able to take up paid employment.

Rural development is necessary in many developing countries in order to create growth and jobs. The role of agriculture, including small-scale farming, is especially important. Agricultural policy measures also help to promote food and livelihood security. It is also important to provide

support for developing countries and poor people to encourage agriculture that is environmentally sustainable, just as it is important for rich countries to convert to more sustainable forms of agriculture.

Gov. Bill 2002/03:122

5.4.6 Social development and social security

The Government's assessment: Sweden should make efforts to ensure that sustainable development is characterized by equitable distribution.

Measures should be taken to promote broad and active participation by civil society in decision-making.

Sweden's experience of social security policies should be utilized in realizing the purposes and goal of the policy for global development.

Reasons for the Government's assessment: Development that makes it possible to overcome poverty involves major changes. For many people these changes open up new opportunities in the form of education, better housing and health, higher yields in agriculture, or better-paid work in emerging economic sectors. But changes may also lead to less food security, higher rates of unemployment, health problems and environmental degradation. Often, moreover, they are a strain on the social relationships and networks that individuals rely on for security and support.

A policy for social development and social security strengthens people in their struggle against poverty. It must be universal, based on broad and active participation in civil society and adapted to the conditions prevailing in each society. Healthy, well-educated and secure individuals are well-equipped to take advantage of the available opportunities for improving their living conditions. It is therefore important to address the causes of ill-health, including environment-related causes. Special attention should be paid to women and children and groups with special needs, such as people with disabilities and elderly persons. Good, equitable health development is also strategically relevant to economic growth and reduced poverty.

The promotion of social development and social security is based on the view that people are actors with motives and resources of their own, as well as the knowledge, capacity and will to embrace change. A condition for social development in rural areas, as well as in urban areas, is that people can work together to build up and manage risks and their social capital. Shared standards, values and trusting and reciprocal social relationships are important for cooperation and security, and thus for development. HIV/AIDS, armed conflicts, demographic changes and depleted natural resources are a strain on traditional social networks and make people more vulnerable. Poor urban areas are vulnerable owing to the risk of natural disasters, the higher cost of housing, food and transport, unemployment, and the difficulties involved in maintaining functioning social networks. There is a growing need for a formal policy that makes security available to all as a complement to informal systems of social security and care.

Sustainable development, in social, economic and environmental terms, is created and maintained by people who are healthy and have access to information and knowledge and to social services and livelihood opportunities, and who can also take an active part in decision-making processes in various societal sectors. A particularly important factor for social development and security is a policy that promotes growth and employment, which in turn opens up opportunities for investment in water and sanitation systems, health and medical services, education, infrastructure and a sound environment.

Political will is needed to translate economic growth into social development by means of an equitable distribution policy and functioning, democratic institutions and regulatory frameworks. Persistent gaps are not only inequitable but also economically inefficient, and in the long run even dangerous. When some people are excluded from the benefits of development or are threatened by change, this may arouse resistance even to sound reforms. Social unrest and frustration are a breeding ground for political populism and extremism.

Therefore, Sweden should also support the building up of social security systems that can both enhance people's own capacity, and also provide support and protection for people in precarious situations. Social welfare and security policy in Sweden is closely linked to economic policy. Although ready-made models cannot be exported, we have throughout our modern history devised programmes and acquired experiences that justify a special Swedish commitment to and active involvement in this area.

5.4.7 Conflict management and human security

The Government's assessment: An integrated approach to conflicts, security and development should be refined by continued methodological development and practical implementation.

Reasons for the Government's assessment: Armed conflicts are the most serious obstacle to development in many poor countries. Countless conflicts are in progress around the world, and apart from the loss of life and injuries that they cause they lead to a deterioration of the population's living conditions and undermine the prospects for future economic development. The poverty caused by war, together with the availability of weapons, is also a dangerous breeding ground for terrorism and is likely to contribute to the flaring up of new conflicts.

Preventing armed conflicts and conflict management and resolution are therefore important components of the policy for global development. Increasingly, security policy today is about reducing poverty, closing gaps and ending oppression and tensions between different groups, alongside measures to safeguard national territorial security.

It has become increasingly important to take early preventive action. The Government seeks to ensure that the instruments that are available to international organizations and fora in which Sweden participates are properly used to prevent crises and manage conflicts. This includes the

instruments that are available to the EU, including those within the framework of its Common Foreign and Security Policy, as well as in the UN, the Organization for Security and Co-operation in Europe (OSCE) and other organizations.

Coordination between diplomatic, civil and military crisis management measures, humanitarian assistance and development cooperation is becoming increasingly important. The available instruments need to be focused more effectively and methodically on the underlying causes of conflicts. Further methodological development is important in this area. Gender equality perspectives should be integrated.

Democracies tend to be able to deal with internal tensions by peaceful means. Efforts to promote democracy are therefore also a form of conflict prevention and management. The same applies to measures in a number of other areas, such as human rights and reforms in the security sector, the police and judiciary systems. Environmental measures, for example with respect to shared water resources, may also help to prevent conflicts. Disarmament, non-proliferation of weapons of mass destruction and the prevention of illegal flows of military equipment and small arms and light weapons are other important security issues.

5.4.8 Global public goods

The Government's assessment: Sweden should continue to play a leading role in international discussions on global public goods, especially as regards regional and global regulatory frameworks for economic cooperation and with regard to the environment and human health.

Reasons for the Government's assessment: A broad consensus has emerged during the last few decades of international cooperation and debate on development issues when it comes to formulating a policy for equitable and sustainable development. The developing countries themselves are in control of many factors that are necessary for development, but as a result of globalization there is also an increased need for normative and regulatory frameworks for systematic cooperation between countries and people. Owing to the interdependence of countries, problems in one part of the world tend to spread and pose a threat to security and development in other parts.

An increasing number of issues must be addressed across national boundaries. Knowledge, resources and practical solutions to these problems must be mobilized by sharing responsibility and establishing a new kind of cooperation between countries, regions and issues. A sound environment, financial stability, the prevention of infectious diseases and the fight against international terrorism are examples of transboundary issues.

International air safety is an example of a global public good which is safeguarded by internationally agreed rules and standards that govern communications all over the world. But there are many other global public goods that are not sufficiently well protected to meet the criteria

for equitable and sustainable development. These include safety at sea, which, together with marine wildlife, is threatened by the lack of clear rules. Another example is the issue of financial stability. The financial vulnerability and marginalization of developing countries is liable to contribute to widespread financial uncertainty and turbulence.

The question of how the international community can work together more fruitfully to improve cooperation on transboundary global issues is high on the international agenda. Sweden should continue to play a leading role and maintain a high profile in this area. Together with France, Sweden has co-sponsored the setting up of the International Task Force on Global Public Goods, which seeks to identify effective and pragmatic solutions to some of the most urgent issues in fields such as the environment and human health. The Government also intends to review the measures currently being taken by different ministries and authorities, including the Swedish International Development Cooperation Agency (Sida), to contribute to the production, management and financing of global and regional public goods. This task should include setting priorities in Sweden's policymaking with respect to the most relevant global and regional issues. Sweden has made substantial progress in other areas that are relevant to the discussions about global public goods, in particular as regards health, environment, conflict prevention, malaria research and water resources.

5.5 Enhanced coherence of Sweden's policy

The Government's assessment: Coordination and coherence between different policy areas should be improved in order to make policies better able to promote development. Conflicting objectives should be identified, and should be the focus of well-informed and well-considered strategic choices.

The Government should support ongoing efforts to develop an international 'Coherence Index' that can be used as an instrument for Swedish and international efforts towards more effective policies.

Reasons for the Government's assessment: The Millennium Development Goals confirm the necessity of strengthening global cooperation for development.

Present day political issues span several policy areas and the responsibilities of several ministries. To some extent, this is due to increasing interaction between policy areas and the growing realization that issues are interconnected. But it is also due to the fact that national, regional and global perspectives are increasingly interwoven. More and more, national policy must address transboundary issues, and national decisions have an international impact.

This trend calls for greater coherence in the political courses of action that are pursued at both the national, regional and global levels. This applies to all countries, and as far as Sweden is concerned, this means that both national policies and policies formulated and pursued through

the EU must be coherent. Linkages must be established, for example, between security, trade, agriculture, public health and migration policy on the one hand and global development on the other. What Sweden says and does in one forum must be consistent with Swedish actions in others.

Better coherence also improves effectiveness, partly because knowledge and experience from different areas are put to use, and partly because measures can then reinforce one another instead of contradicting one another.

The following communications and bills that the Government has presented to Parliament comprise an important point of departure for policy formulation: *The Rights of the Poor – Our Common Responsibility* (Comm. 1996/97:169), *Democracy and Human Rights in Sweden's Development Cooperation* (Comm. 1997/98:76), *Human Rights in Swedish Foreign Policy* (Comm.1997/98:89), *Gender Equality – A New Goal in Sweden's International Development Cooperation* (Gov. Bill 1995/96:153, Report 1995/96:UU18, Parl. Comm. 1995/96:272), *Sweden's International Cooperation for Sustainable Development* (Comm.1996/97:2 and Comm. 2002/03:29), *The Rights of the Child as a Perspective in Development Cooperation* (Comm. 2001/02:186), *Africa on the move – Revitalising Swedish Policy towards Africa for the 21st Century* (Comm. 1997/98:122), *Our Future with Asia – A Swedish Asia Strategy for 2000 and beyond* (Comm. 1998/99:61), *Europe in Transition – Sweden's Development Cooperation with Central and Eastern Europe* (Gov. Bill 2000/01:119, Report 2000/01:UU09, Parl. Comm. 2000/01:261), *Johannesburg – the UN World Summit on Sustainable Development* (Comm. 2002/03:29) and other relevant strategy documents, such as *An Integrated Swedish Globalization Policy for Equitable Economic Development*, the action programme on conflict prevention, the report on trade and development and the action programme against trafficking in persons.

A great deal has been done by the EU to increase its policy coherence, not least as a result of the Cotonou Agreement and within the framework of the Lisbon process. The results of the WTO's fourth ministerial conference in Doha, the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development in Johannesburg are other examples of efforts to enhance coherence at the global level.

International discussions on coherence must move forward. The policies of poor countries have been examined by the international community for many years. There is also a need for candid international examination of the rich countries' policy choices, and of fulfilment of their commitments. International research on enhanced coherence is evolving, and various models for measuring coherence are being developed. International efforts are in progress to devise an index for the degree of coherence in the conduct of development policies by the member states of the OECD (Organization for Economic Co-operation and Development). Several technical and methodological challenges will have to be overcome in this connection. There is a possibility that an instrument will eventually be developed, similar to the UN's Human Development Index and the Corruption Perception Index developed by

Transparency International, that may prove a useful tool for international debate and opinion formation. Sweden should take an active part in the development of such an index, and seek to ensure that it is subsequently used as a tool for Swedish and international efforts to improve coherence.

The Bill proposes more active and deliberate efforts to strike a balance between different policy areas in order to improve coherence. The main goal, i.e. that Sweden will contribute to equitable and sustainable development, which embraces and is common to all policy areas, is a tool for dealing with conflicting objectives. It is hardly possible to formulate general guidelines for solving conflicts of objectives that may arise. However, a coherent policy for global development should help to harmonize objectives in different policy areas to a great extent. Activities in one policy area should preferably reinforce activities in other areas. The aim is to pursue effective, credible and coherent policies.

In order to illustrate the broad range of development issues and the need for greater policy coherence, an account is given below of how the policy for global development will affect various policy areas. On the one hand, these areas can contribute to global development, and on the other, development cooperation can act as a catalyst for progress in various areas. Some of these policy areas are the focus for coordination in the EU. However, for the sake of clarity, they are included in this section alongside other areas. The general aspects of policy coherence in the EU are dealt with in section 5.6.

Section 5.5 of the Bill describes how measures that are already being implemented or planned, and that are relevant to global development can be further developed and strengthened. In cases where new tasks are assigned to policy areas, they will be financed by reallocations within the existing financial framework.

5.5.1 Legal issues and policy frameworks

The Government's assessment: International cooperation in the field of legal systems should be strengthened. Measures should continue to be devised to strengthen the judicial systems of poor countries.

Reasons for the Government's assessment: Equitable and sustainable development cannot be achieved in societies with weak systems of jurisprudence. One precondition is an independent and effective judiciary system that upholds the rights and obligations laid down both in national legislation and in international instruments. Public administration is of vital importance in a state governed by the rule of law. An effective judiciary system and good governance are necessary for the proper functioning of the economy.

Equitable and sustainable global development is dependent upon awareness of, respect for and methodical development of international law. The international judicial system has been strengthened in the last few years. Following the end of the cold war, the United Nations and the UN Security Council now have more scope for action. An International Criminal Court has been set up.

In addition, important experience of truth and reconciliation processes has been acquired in individual countries. The purpose of these processes is to combat impunity, give the victims redress, heal wounds and move on without repressing painful memories. Sweden should continue to offer a forum for exchanges of experiences and knowledge with respect to reconciliation processes.

There is increasing demand for the participation of the Swedish judiciary system to strengthen the rule of law in other countries within the framework of international cooperation. Swedish efforts to strengthen the rule of law internationally are consistent with our commitment under the EU's Common Foreign and Security Policy "to develop and consolidate democracy and the rule of law, respect for human rights and fundamental freedoms." Just as legal issues have been integrated into the EU's foreign and security policy, they are now being integrated into Sweden's foreign and security policy as a result of the international efforts made by Sweden on behalf of the rule of law and the freedoms and rights it is supposed to uphold.

Efforts to strengthen the rule of law can have considerable significance for development and poverty reduction, gender equality and the rights of persons with disabilities and children, in particular by making individuals aware of their rights and giving them access to the judicial system.

5.5.2 Security and defence policy

The Government's assessment: Efforts to prevent and manage conflicts should continue and be further developed on the basis of an integrated approach to conflicts and development.

There should be closer and more effective coordination between various policy areas when it comes to the management of crises and armed conflicts.

International peace-building efforts should be further developed as one of the main tasks of the Swedish Ministry of Defence and the Armed Forces.

The EU's Common Foreign and Security Policy should be made more consistent with other elements of the EU's external relations.

The UN and international law should be strengthened.

The fight against international organized crime should be stepped up.

Sweden should continue to play a leading role in promoting transparency and accountability with respect to the international trade in military equipment.

Reasons for the Government's assessment: Ever since the end of the cold war more attention has been paid to human security alongside the traditional focus on national territorial security and the sovereignty of states. Increasingly, conflicts are being linked to injustices, inequality, oppression and antagonisms between different population groups. There is growing realization of the fact that security depends on democracy, respect for human rights, gender equality, economic and social development, equitable distribution of resources, environmental

protection and enhanced international cooperation. Conversely, peace and security are essential to development. They are clearly interconnected. Upholding international law, including human rights, and promoting the global role of the UN are two of the most fundamental principles of Sweden's foreign policy.

The threats to our security are becoming increasingly complex. International terrorism and the proliferation of small arms and light weapons, and weapons of mass destruction are the most serious threats to security, but global crime syndicates also pose a threat. According to the UN, trafficking in persons, especially women and children, is the most rapidly increasing crime perpetrated by organized crime syndicates. It is closely linked to other types of international crime such as drug trafficking and arms trading. Poverty is one of the main reasons why those involved in illicit drug trafficking are recruited to illegal organizations in the first place. There are clear links between drug trafficking, terrorist groups and organized crime. Weak, non-representative and disintegrating states also represent a serious problem in this regard.

Poverty, oppression and discrimination have a bearing on security. International development cooperation helps to strengthen security, both in the immediate region and globally. Security policy measures can also contribute to the achievement of development cooperation goals. As far as Sweden is concerned, participation in international peace-building missions is an important aspect of security policy. Peace-keeping and peace-building missions have become one of the main tasks of the Swedish Armed Forces. International actions today comprise many components. Apart from military and diplomatic activities, they may involve rescue operations, mine clearance, reconciliation and trust-building measures, reconstruction and institutional measures in order to build up a democratic state ruled by law that can guarantee human rights. In the last analysis, the aim is to promote development by improving safety and security.

All countries have the right to a military defence. The capacity for preventing and averting armed conflicts and other threats to security is vital to development. At the same time, high military expenditure and military intervention in the exercise of civil power are often serious obstacles to development. Civil and democratic control is needed to balance narrow military interests and check distrust between neighbouring states. Other countries should offer their support for this kind of legitimate, transparent and democratic defence and security policy.

There must be responsible, transparent and confidence-inspiring arrangements for the procurement of defence equipment. Sweden's restrictive legislation on export controls and the EU's European Code of Conduct on Arms Exports constitute important frameworks in this connection. Sweden should continue to play a leading role in promoting transparency and reporting with respect to the international trade in military equipment. Sweden should also continue to actively promote an international dialogue on conflict, security and development, which strives to strengthen international regimes for control, and to bring about

non-proliferation, disarmament and arms control agreements. Foreign assistance may be needed for land mine clearance, disarmament and weapons destruction following an armed conflict, disarmament agreements or bans on certain types of weapons, as has been the case with landmines and weapons of mass destruction. Both normative instruments, implementation of these, and direct measures such as weapons destruction must be applied to promote disarmament and prevent the proliferation of weapons of mass destruction as well as of small arms and light weapons.

Attention must continue to be paid to the linkages between security and sustainable development. It will still be necessary to take measures within the framework of international development cooperation for the purpose of promoting peace and security. The Government will continue to give priority to measures designed to prevent and manage conflicts, for example, support for mediation missions, the establishment of an international presence in a conflict situation, *inter alia* by supporting the participation of developing countries in UN-sponsored peace-promoting efforts, or support for projects that promote peace and security. The linkages are also clear when it comes to human security and development. Reforming the security sector, i.e. the military, police and the judiciary, will create security and safety for individuals. A safe and secure environment offers amenable conditions for citizens to participate in the development of their country. A holistic view should be applied to military, humanitarian, peace-building and development-related measures, and coordination between various instruments must be improved.

5.5.3 Trade and business investment policy

The Government's assessment: Sweden should promote and further develop open, robust, equitable and legitimate framework conditions for international trade and investments.

Open global trade in agricultural and fisheries products, industrial goods and services should be pursued.

Subsidies and export aid that have an adverse effect on the environment and that distort trade should be dismantled in the case of agricultural and fisheries products.

Developing countries' access to markets in OECD countries should be improved.

Sweden should continue its efforts to persuade the EU to remove the obstacles that deny developing countries access to its markets.

A review of import promotion arrangements should be launched as soon as possible. It should also consider ways of developing import promotion.

The developing countries' trade policy expertise and ability to meet technical and sanitary requirements, as well as their capacity for producing and selling goods and services, should be strengthened.

Sweden should strengthen trade-related development cooperation.

Reasons for the Government's assessment: Free and open trade based on agreed rules is a powerful instrument for achieving development and distributing the fruits of economic progress. Freer trade is supportive of greater purchasing power among the broad masses of the people. Simplified import procedures promote new ideas and investment, and also make available cheaper consumption and input goods in production. Increased competition is central for the promotion of effectiveness of the economy. Exports generate foreign currency, stimulate industry and create new jobs. Open trade can mean a great deal to poor people, especially women, who often work in export-oriented sectors. It is therefore appropriate to integrate trade initiatives into a broader development strategy that also promotes health and education, physical infrastructure and competent institutions in a stable macroeconomic framework. Trade can help to improve the efficiency of the economy and finance other important activities.

Many developing countries have not been able to benefit from global trade. One of the main reasons for this is the persistence of the view that extensive trade restrictions are the best way of promoting development. It has gradually been recognized in the last few decades that tariffs, subsidies and other trade barriers impede rather than promote development. Developing countries that have pursued more open economic policies have often achieved higher economic growth. Apart from this, barriers to trade, whether imports or exports, encourage corruption. Trade barriers often benefit groups that are already well-off while depriving poor people of the possibility of raising their income by means of trade. Governance has improved in countries where trade is freer and income and productive employment opportunities are more fairly distributed. All remaining border barriers and other unnecessary trade barriers should be abolished in order to promote sustainable growth in the developing countries. This also applies to barriers in the markets of the OECD countries. Many developing countries that have introduced more open trade regimes would make better progress if it was not for the OECD countries' trade policies, especially with regard to agricultural products and textiles.

Long-term global results in the field of trade policy can be achieved through the WTO. Sweden continues within the EU framework to work for more open trade based on the robust, fair and legitimate rules that benefit poor people in particular, and that promote sustainable use of natural resources. This is the basis of Sweden's overall trade strategy, which is reported in detail in Government Communication 1998/99:59. It is also Sweden's objective in the negotiation round – the Doha Development Agenda – that was launched at the WTO's fourth ministerial conference in Doha in 2001. The strategy includes the Government's positions on tariffs, services (the General Agreement on Trade in Services – GATS) and intellectual property rights (the Agreement on Trade-Related Aspects of Intellectual Property Rights – TRIPS), and new trade-related issues such as trade procedures, transparent public procurement routines, investment and competition.

The fact that the specific focus of the new WTO negotiations is on development issues is a step forward. The developing countries'

capacities and development interests should be taken into account so as to make it possible to integrate them into the world economy. One important objective with respect to agricultural products and industrial goods is to dismantle trade-distorting subsidies and export aid. Sweden is also making efforts to ensure that the WTO rules are developed in such a way as to support good governance and anti-corruption measures. In addition, Sweden is making efforts to ensure that the WTO rules on differential and more favourable treatment for developing countries will be more trade-friendly and adapted to these countries' needs.

A great deal can be done in fora other than the WTO to strengthen the links between trade and development. Ever since joining the EU Sweden has advocated that the EU should unilaterally open up its market for exports from developing countries. During the Swedish presidency in 2001 a decision was taken on duty- and quota-free access for all exports to the EU from the least developed countries (LDCs). However, a great deal remains to be done. Sweden therefore continues to pursue more generous market access for developing countries both within the framework of regional negotiations and through the EU's unilateral preferential treatment for developing countries. First and foremost, the developing countries must gain wider access to the markets of the OECD countries. But freer trade also offers great potential gains in trade between the developing countries themselves. Closer regional economic integration could be very important in this regard.

Although developing countries generally have formal access to the markets of the OECD countries, they often lack products to sell as well as the capacity to take advantage of market access. In order to take advantage of trade opportunities these countries need to concentrate on producing and selling goods and services that are in demand and accepted by foreign markets. Measures that support such ventures are important. Business and industry development, institution-building and infrastructure are crucial factors. There is a need to build capacity for more efficient trade procedures in developing countries. More expertise is required to meet the standards of quality, as well as the sanitary and technical requirements for exports to the OECD and other markets. Sweden possesses expertise with regard to technical rules and can offer this kind of competence to developing countries.

In addition, Sweden could increase its imports from developing countries by pursuing a policy of active promotion of these countries' exports. Immigrants from developing countries could play an important part in this connection by sharing their knowledge and arranging contacts. A review of import promotion arrangements should be set up without delay, and could also investigate ways and means of developing import promotion activities.

A number of developing countries play a very active and prominent role in international trade and the WTO. However, many developing countries do not have sufficient skills and institutional capacity to formulate an effective trade policy, to analyze trade negotiations, to effectively pursue their own interests and fulfil trade commitments. Sweden urges that special consideration should be given to the developing countries' problems when it comes to the performance of

agreements on trade-related matters. They must be given the chance to meet their commitments at a pace that is consistent with their general development agenda. Sweden takes part in multilateral efforts to strengthen developing countries' trade-related capacity and is one of the biggest donors to the WTO's technical assistance and capacity-building activities. Sweden also seeks, in the context of bilateral development cooperation and through the EU, to increase and improve the trade-related support given to developing countries. Sweden should strengthen its trade-related activities. These should be integrated into development cooperation, whether bilateral or multilateral.

The volume of trade-related development assistance is rather small at the international level. Sweden therefore advocates increased resources, improved coordination and higher quality with regard to overall international assistance in this area. The aim is to enhance the capacity of the international donor community for providing long-term and effective trade-related support.

Sweden should strengthen its trade-related development cooperation. One possibility, which should be investigated, would be to set up an institute for trade-related capacity-building. The institute would focus on enhancing and disseminating knowledge with a view to building capacity in developing countries, on methodological development, simplification of the rules, a stronger resource base and improved coordination with the international donor community.

5.5.4 Migration policy

The Government's assessment: Sweden should take an active part in global cooperation to establish better arrangements and rules for orderly migration.

Sweden should contribute to the shaping of a long-term EU policy for effectively managed labor mobility, and should in particular draw attention to the benefits of such a policy for developing countries.

Sweden should continue to uphold the right of asylum by pursuing a legally correct and humane asylum and refugee policy, and by giving substantial political and economic support to the United Nations High Commissioner for Refugees (UNHCR).

Sweden should make efforts to strengthen the development impact of remittances sent by migrants to their countries of origin.

Reasons for the Government's assessment: Migration is a development issue. When people cross borders to seek work, study or do research, this creates opportunities for development. We face the challenge of creating a system for international mobility that protects immigrants' rights, and also takes advantage of the opportunities for promoting development to which migration contributes in various countries.

Just as a policy for equitable and sustainable global development promotes free and rule-based trade, in the same way we must find ways to make migration freer and rule-based. More than 50 years ago, the

Geneva Convention established international rules to protect the rights of refugees. It is now high time to unite the international community in drafting corresponding global rules for migration. Sweden supports the work on migration and development that has been initiated by the UN Secretary-General, and shall take an active part in global cooperation on migration issues.

It has been realized during the last few years that global population growth is slowing at a faster rate than anticipated. One reason for this is the devastating effects of the HIV/AIDS pandemic in many countries in Africa. In other parts of the world the population is decreasing because progress has allowed women to give birth to fewer children. The rich countries face new, difficult challenges now that lower birth rates and larger numbers of increasingly elderly pensioners are leading to a dramatic reduction in the able-bodied working population. At the same time, there will continue to be a surplus of labor in many developing countries. This should enhance the mutually beneficial development effects of managed labor mobility for people between different continents.

Sweden supports the EU's efforts to devise a more responsible and active policy on labor immigration. It is important to focus on the developing countries' interests when formulating such a policy.

Emigration can lead to a loss of human resources and waste of the investments made in education ('brain drain'). This problem should be addressed by development efforts that increase opportunities and make it more attractive for people to study and work in their country of origin. More effort is needed to improve opportunities for people in developing countries to study abroad and then return home with an education and professional qualifications. Measures must be taken to enhance the contribution to development made by migrants in their home countries in the form of business contacts and experience of other types of societies. In aggregate, the money sent home by migrants greatly exceeds expenditure on international development assistance. Sweden should seek to ensure that transaction costs are reduced, and that these resources enhance development effects. The action plan adopted at the International Conference on Financing for Development in Monterrey needs to be followed up by concrete measures.

Most migrants who emigrate or are forced to flee do so from one developing country to another. This kind of migration is extensive and vital to economic development in several regions. On the other hand, tensions between various groups have sometimes led to political unrest, and in several cases to armed conflicts. Measures to guarantee everyone, regardless of their ethnic background, the same rights and opportunities and to combat discrimination, xenophobia, racism and social and political differences are an important element of cooperation for global development. Successful integration in the country of immigration is often essential for successful reintegration of the migrants who return. Continued efforts should be made to combat all forms of discrimination, xenophobia and racism in Sweden and the rest of the EU.

When asylum is the only alternative for people in poor countries to live in a richer country, the asylum system is subjected to great strain. The

incidence of trafficking in persons shows clearly that there is a need for an international framework on orderly migration. Trafficking in persons, especially women and children, for purposes of sexual exploitation and other forms of modern-day slavery is a growing problem that must be combated by forceful, concerted international efforts.

The vast majority of today's refugees and asylum seekers are from countries that suffer from armed conflicts, dictatorship and misrule, as well as violations of human rights. Our refugee policy seeks to prevent people being forced to leave their country on account of conflicts and oppression. Protecting and supporting refugees is an important task for the world community. In addition to states' responsibilities, the UNHCR has a mandate from the international community to assist and support the world's refugees and internally displaced persons. Sweden should make efforts to ensure that the UNHCR receives the support it needs, including increased funding. All countries must respect the right of asylum. Sweden should help to build functioning asylum systems in countries where they are lacking. People who seek protection in Sweden must be given a legally secure and humane reception as asylum seekers.

The majority of people who are forced to flee do so inside their own country or take refuge in a poor country near the source of conflict. In addition to physical protection, they often require extensive humanitarian assistance. When the situation improves, support is needed for reconstruction so that refugees can return. Such efforts are required both for returnees and for the population that remains in the country. Management of the effects of conflicts and refugee situations is very important for reconciliation and the prevention of new conflicts. In such cases efforts must be launched both by humanitarian organizations and development agencies.

Sweden should be involved at all stages of the migration chain. This includes preventing involuntary migration, supporting the UNHCR, efforts to ensure that migrants' rights are respected, support for the building of legally certain asylum systems, support for the reception and integration of migrants, and efforts to facilitate the voluntary return to and reintegration of migrants in their countries of origin.

At present we know too little about how people move within countries and across international boundaries. We need to know more about the economic importance of migration and what effects it has on the country of origin and the host country. We need to improve our ability to prevent and predict refugee disasters. Sweden should play a leading role in acquiring knowledge and sharing its experience in this area.

The Government's assessment: Sweden should support efforts to improve the developing countries' own ability to take responsibility for providing equitable basic social welfare and health care systems.

Sweden should urge that forceful international measures be taken to prevent and limit the spread of HIV/AIDS and alleviate the consequences.

Sweden should continue to play a leading role in international fora on issues relating to sexual and reproductive health and associated rights.

Sweden should work to increase the availability of reasonably-priced drugs to the populations of developing countries.

Reasons for the Government's assessment: Health promotion activities are vital to economic development and poverty reduction. Health issues have been given an increasingly prominent place on the international agenda in recent years. This applies in particular to measures to promote sexual and reproductive health, especially efforts to combat HIV/AIDS.

Public health issues are an important element of Sweden's policy for global development. The aim in this connection is to prevent abuse and adverse effects due to the consumption of alcohol, tobacco and drugs and to prevent sexually transmitted diseases and promote good sexual and reproductive health. Sweden promotes a stronger and coherent EU policy on public health. Public health issues now play a more prominent role in the UN's efforts on behalf of sustainable development under international agreements concluded during the 1990s, and the agreements made at the World Summit on Sustainable Development in Johannesburg in 2002. International cooperation on drugs is led by the UN and its International Drug Control Programme (UNDCP).

The World Health Organization (WHO) has assumed an increasingly important role as a result of the increasing prominence of health issues in global cooperation. Through its contribution to the WHO, Sweden supports international efforts in the fight against ill-health, as well as the development of equitable basic health care systems. The WHO takes an active part in the struggle against HIV/AIDS, malaria, tuberculosis and tobacco-related diseases – transboundary diseases that are contracted mainly by the poorest inhabitants in the poorest parts of the world. The WHO's efforts on behalf of sexual and reproductive health and associated rights, public health programmes, the health and rights of persons with disabilities and the health of children and young people are equally important.

An important element of these efforts is strengthening countries' own ability to take responsibility for basic social services such as health care. It is vital in this connection to develop the organization of health services in order to offer basic health care and drugs to everybody at reasonable prices. Greater importance must be attached to preventive health care, including measures to improve hygiene and air quality, provide clean water and control insect vectors.

Those who care for the sick in poor families and poor areas are usually women or girls, who thus sacrifice their own chances of productive work and education. A functioning social security system makes a significant contribution to economic development and thus to socially sustainable development.

Increasing attention has been paid in international fora in recent years to demographics and the demographic challenges ahead. The UN has adopted a global action plan on ageing, the purpose of which is to guarantee that the world's population can grow old with security and dignity and that the equal rights of the elderly are respected. The situation of elderly women requires special attention. Children are another group that is affected by the current demographic trend. HIV/AIDS is often a double disaster for children since they may be infected themselves, and their parents and other people in their immediate community may fall ill and die. This also applies to children with disabilities, children who are subjected to sexual exploitation, and children who live in institutions.

Rich countries must support poor countries' struggle against ill-health, and ensure that poor people gain access to drugs at reasonable prices. Drugs for other diseases that are common in developing countries are not cheap enough to be available to the poor. There is a great need to promote research and development on drugs for neglected diseases that mainly affect poor people. Poor countries must also be allowed to impose exceptional measures, such as compulsory licensing of patented drugs, in order to assure a supply of necessary drugs in the event of national health crises.

5.5.6 Economic and financial policy

The Government's assessment: Debt issues should continue to be a high priority.

Sweden should take measures to ensure that all creditors take their share of responsibility for reducing the poorest countries' debts to a manageable level.

Sweden should support and take measures to ensure debt cancellation for the most indebted countries within the framework of existing mechanisms in order to create a sustainable debt situation for these countries.

Sweden should intensify its cooperation with the Heavily Indebted Poor Countries initiative (HIPC) in order to raise these countries' capacity for managing financing and borrowing.

Increased support should be given to countries that have recently been involved in armed conflicts, in order to promote their efforts to deal with economic imbalances and start the work of reconstruction.

Efforts to improve financial stability should be intensified and developed, in particular, by increasing the participation of the private sector in connection with the prevention and management of financial crises.

Sweden should support the establishment of an international bankruptcy mechanism.

Sweden should make efforts to ensure that the influence of poor countries increases and that their interests are better served by the international financial system.

Reasons for the Government's assessment: It is essential for all countries, including poor countries, that their governments should take responsibility for formulating and conducting sound economic policies. In many countries substantial contributions in the form of development cooperation are needed as a complement to effective fiscal policies and increased domestic savings. Sweden's support for the efforts of poor countries is delivered mainly through the international financial institutions and the EU. Lending and policy dialogue are two of the main vehicles of support.

A new kind of financial crisis has affected various countries and regions since the end of the 1990s. These crises have been a severe blow to the populations of these countries, and large groups of people who previously have had a decent standard of living have become poor. The causes of financial crises differ from one country to another, but in most cases domestic factors are at the root of such crises. The IMF has played an important role in managing these crises, but it has also been criticized for forcing a standard crisis management recipe on the affected countries. The IMF has responded to this criticism by formulating its recommendations in a way that is more appropriate in a world characterized by advanced economic and financial integration. The IMF's adjustment and innovation process must continue. Sweden can contribute, together with like-minded nations, by utilizing the opportunities that arise for influencing the IMF and other institutions.

Regardless of their economic policies, developing countries are often vulnerable to sudden changes in world market prices, large capital flows and international financial crises. Sound, credible economic policies and other crisis prevention measures, such as proper financial supervision, are essential in order to reduce their vulnerability. Sweden seeks, primarily by active participation in the international financial institutions, to promote international financial stability. The most important tools when it comes to promoting financial and macroeconomic stability are prevention and management of financial crises. It is also important to encourage private lenders to take a more active part in managing financial crises. For this reason Sweden supports the establishment of a bankruptcy mechanism for countries.

The poorest countries must be more closely integrated into the international financial system. Increased influence for poor countries in the bodies, especially the IMF, that have a mandate to regulate the international financial system is an important element of this integration process. It is especially important to seek to improve the capacity of poor countries for managing debt and crises.

Sweden should continue to play a leading role in promoting debt cancellation and equitable burden-sharing between lenders. Many poor countries have substantial external debts. Debts are a major obstacle to development in several countries, especially the poorest countries, and must be reduced. This was the rationale for launching HIPC initiative

with a view to writing off a substantial proportion of the poorest countries' foreign debt. The resources released by this means are to be used for poverty reduction and the promotion of sustainable development. National poverty reduction strategies have been prepared for this purpose. Sweden supports and actively contributes to implementation of this initiative. The aim is for the countries concerned to achieve a sustainable debt situation. The discussion of what constitutes a sustainable debt situation and what measures need to be taken to achieve such a situation should continue. It is important to evaluate and analyze the initiative. The national poverty reduction strategies are an important tool. The goal is also to strengthen the partner countries' capacity for and popular participation in the formulation and implementation of national poverty strategies.

Debt cancellation is not sufficient in itself to achieve growth and poverty reduction. In the case of countries that have achieved a sustainable debt situation, the best form of support is not always to cancel even more debt, but may rather be budgetary support. The Government intends to support and enable these countries to implement their poverty strategies. One way of doing this is to increase the proportion of budgetary support provided within the framework of Sweden's development cooperation.

It is also important to support poor and indebted countries that have recently emerged from armed conflict, and that wish to pursue peace and development so that they can become eligible for debt cancellation as soon as possible and thus move towards economic stability and growth.

Debt cancellation is only effective where it is an integral part of a development strategy. For countries to avoid relapsing into an unsustainable debt situation, they must pursue a clearly defined, equitable, sustainable and development-friendly domestic policy. This should continue to be a condition for eligibility for debt relief. The international community can support these efforts by strengthening the countries' ability to negotiate reasonable conditions for new loans and manage debt repayment.

Striking a balance between cancelling debts and maintaining the poor countries' credit ratings is a delicate undertaking. Especially in the case of developing countries it is important to retain the possibility of financing necessary future investment by means of loans on suitable terms. Often, domestic taxes and international development cooperation alone are not sufficient to supply the resources required for development.

5.5.7 Education policy

The Government's assessment: Contacts with other countries should be expanded through scientific exchanges, exchange programmes for students and increased admission of foreign students to Sweden.

Support should be provided for the building up of education systems and research institutions in developing countries.

Measures should be taken to internationalize education in upper secondary schools, colleges and universities.

Reasons for the Government's assessment: Sweden's policy for equitable and sustainable global development must be founded on basic values such as solidarity and the equality of all human beings in dignity and rights, which must be instilled at an early age. Teaching basic democratic values is therefore an important task for education policy. Democracy is only possible where there are citizens who seek knowledge and a well-educated population who want to exert influence, take responsibility and are curious about the outside world.

Sweden's education policy is ultimately based on the view that everyone has the right to grow and develop their potential. The right to education is also laid down in the UN Convention on the Rights of the Child. Sweden aims to be a leading nation when it comes to knowledge and learning. A broad-based education policy and lifelong learning are therefore high on the globalization policy agenda. Such a policy also encourages the widest possible contacts with the outside world. We should take advantage of the opportunities offered by the multicultural population of our classrooms, while also emphasizing the value of seeking contacts in other countries. Many schools have twinning arrangements with other schools and take part in exchange programmes.

The Government will introduce new opportunities for exchanges with developing countries for students in upper secondary school vocational programmes. Outside influences encourage new thinking and development. The internationalization of higher education has resulted in scientific exchanges between teachers and researchers, as well as student exchanges.

The new Degree Ordinance will encourage exchanges even more. A generous system of financial support and cooperation with the EU's education programmes offers about 30,000 students every year opportunities to study in other countries and environments. The number of foreign students in Sweden has also increased. The Government aims to increase mobility still further. Cooperation under the Framework Programme for Research and Technological Development helps to intensify cooperation between researchers both through participation in research projects and through fellowship arrangements.

Many scholarship holders from low-income countries often choose to find work or continue their studies in rich countries after taking a degree for lack of attractive environments in their home countries. The validation of degrees from other countries is therefore very important. Establishing viable and independent education and research environments in lower-income countries is therefore a major challenge.

Sweden will continue to give substantial support within the framework of development cooperation to strengthening the education systems in poor countries. Grants are provided for measures to strengthen basic education, including informal and adult education. An increasing proportion is provided within the framework of sectoral programme assistance in the form of contributions to the country's own plans for development of the education sector. Raising the level of education is one of the most effective development measures in poor countries. Priority areas include contributing to achievement of the Millennium

Development Goals and the goals adopted at the Dakar World Education Forum on Education For All in 2000. Substantial international support is needed to achieve these goals. Sweden contributes both through development cooperation and by continued internationalization of education in Sweden. Sweden plans to hold an international seminar on education for sustainable development in 2004. The seminar will hopefully provide a significant contribution to the United Nations Decade of Education for Sustainable Development 2005-2015.

Research contributes to knowledge-driven development. Only a small proportion of all research is carried out in developing countries or deals with the development or specific problems of poor countries. The lack of information and researchers in many developing countries makes it difficult for them to provide higher education and build up research institutions of their own. Another obstacle is the increasing privatization of knowledge, for example in the form of patents. Only a fraction of the world's patents are taken out in developing countries. At the same time, their contribution in terms of raw materials is of great importance for the patenting of crops, drugs etc.

Sweden should support the development of research and the utilization of research findings in developing countries. Support should also continue to be given to Swedish development research and to the establishment of a resource base for development cooperation in Sweden.

5.5.8 Agriculture and fisheries policies

The Government's assessment: Sweden should intensify its efforts to enable developing countries to produce and export agricultural products, for example by promoting a reform of the EU Common Agricultural Policy.

Sweden should make forceful efforts to ensure that tariff protection, export refunds and trade-distorting subsidies are abolished with respect to agricultural and fisheries products.

Sweden should continue to urge that measures be taken to ensure sustainable use of global fish stocks by strengthening biological advisory services and regional fisheries organizations and by eliminating illegal fishing.

Reasons for the Government's assessment: The EU Common Agricultural Policy is an obstacle to equitable and sustainable development. The EU's export refunds reduce world market prices and make production in developing countries uncompetitive. Direct assistance and price support lead to overproduction and contribute further to the EU's marketing of subsidized food in the world market. At the same time, tariff protection prevents poor countries from selling agricultural products in the EU market. The total value of the OECD countries' support for their own agriculture is now estimated at more than SEK 2,500 billion on an annual basis. This corresponds to about five times the value of worldwide annual global development cooperation. In the WTO and other fora Sweden therefore advocates a reform of the EU's and other OECD countries' agricultural policies.

EU rules designed to promote public health, animal health and plant protection also tend to reduce poor countries' export opportunities. It is important to ensure that these rules are justified and do not represent disguised barriers to trade. Measures should be taken to help the poorest countries to meet the technical requirements by assisting capacity-building, providing technical assistance and strengthening representation in international standardization organizations. Measures also need to be taken in the rich countries to eliminate disguised trade barriers and unnecessary administrative rules and procedures.

Rural development is vital to development in many developing countries. A majority of the world's poor people live in rural areas. There is considerable potential for reducing poverty by increasing employment, production and exports in the agricultural sector. In parallel with trade liberalization and demands for reform of the EU Common Agricultural Policy, action should be taken to promote rural development in poor countries. The point of departure for such measures should be to establish environmentally sustainable agriculture and economically and socially sustainable development in rural areas, which in turn could create the conditions for food production that is adequate to meet needs. These measures should be supported by development cooperation. Hunger is a consequence and a contributory cause of poverty, and poverty reduction is therefore closely linked to food security.

Several hundred million people, mainly in developing countries, are directly or indirectly dependent on fishing for their livelihood. An even greater number depend on fish as their main source of protein. Fish exports are central to the economies of several developing countries and one of the most important sources of income for poor countries. The economic and social importance of sustainable global fisheries management, in particular the restoration of overexploited fish stocks, cannot be underestimated. In accordance with the conclusions from the Johannesburg summit Sweden should play a leading role in multilateral and regional efforts in this area. Special priority should be given to application of the precautionary principle, strengthening the developing countries' regional fisheries organizations, improving the relevant scientific evidence and abolishing subsidies that distort trade or encourage illegal fishing and overcapacity. The results of the WTO negotiations should include substantially increased market access for the developing countries' fish exports, reduction of the escalation of tariffs on processed fish products and disciplinary measures for trade-distorting and environmentally harmful subsidies.

5.5.9 Cultural policy

The Government's assessment: Sweden should promote cultural diversity.

Sweden should intensify cultural exchanges with developing countries.

Sweden should continue to promote the development of cultural policy in partner, countries and to give support to independent media.

Reasons for the Government's assessment: In cultural exchanges we can meet people on equal terms. There are no donors or recipients in cultural exchanges. They are mutually enriching. Cultural policy therefore has a special role in developing and strengthening relations with other countries. Sweden wishes to foster cultural diversity and media pluralism and to facilitate enriching cultural exchanges that increase our understanding of cultural differences. It is important to continue to promote and develop the cultural dialogue at all levels, in particular with and between developing countries. Cultural exchanges enrich all those involved, not least Swedish society. Meetings between people in other countries, either directly or indirectly through literature, drama, art, music, film and cultural heritage, can help to overcome cultural differences and strengthen mutual understanding between peoples and countries. Sweden's cultural life clearly has a role to play when it comes to contributing to global development policy.

For many years cultural policy has been linked to international development cooperation through measures to improve democracy and social, economic and cultural development. Sweden was one of the first countries to integrate cultural issues into its development cooperation. The UNESCO action plan adopted at the world conference in Stockholm in 1998 states that "sustainable development and the flourishing of culture are interdependent. One of the chief aims of human development is the social and cultural fulfilment of the individual". Globalization not only increases cultural exchanges, but also commercialization. This may pose a threat to diversity, particularly in developing countries which often have fragile cultural institutions.

The media sector is an important element of cultural policy, as well as being vital to sustainable development. Freedom of expression and free access to media are essential conditions for democracy. Sweden's development cooperation should therefore continue to support free and independent journalism and measures to promote the role of the media in providing information to the public and to public debate. It should also combat media concentration.

5.5.10 Environmental policy

The Government's assessment: Sweden should seek to limit climate change, phase out toxic chemicals and preserve biological diversity.

The pursuit of sustainable production and consumption patterns should be an important element of global development policy, and Sweden should assist the UN system in the preparation of a 10-year framework of relevant action programmes.

Investments should be made in the development of environmental technologies and renewable energy in order to meet future global energy and transport needs.

Special attention should be paid to the connection between pollution, poverty and conditions for women.

Measures should be taken to strengthen global implementation of international environmental conventions.

Sweden should urge relevant international institutions to further develop methods and analyze their environmental impacts.

Gov. Bill 2002/03:122

Reasons for the Government's assessment: The chief task of environmental policy is to protect natural resources and the environment. More attention should be paid to global environmental problems, in particular climate change, the dissemination of toxic chemicals and the depletion of biological diversity.

Development of international environmental cooperation takes place mainly within the United Nations Environment Programme (UNEP) and within the framework of the international environmental conventions. From a global development point of view it is very important that all countries, even the poorest ones, should be able to participate in multilateral environmental cooperation and Sweden should take measures to promote this aim. The perspective of poor countries could contribute to the development of new approaches and solutions to global problems.

A fundamental issue in global development policy is the question of whether it is possible to combine economic and social development with environmental sustainability. There are widespread doubts about the possibility of combining growth and environmental considerations. Sweden's policy is based on the view that a development strategy that combines growth and environmental considerations is both feasible and necessary. In the long run, environmental considerations are a precondition for rather than an obstacle to growth and prosperity. Economic growth and environmental protection can be combined in both poor and rich countries.

In order to promote development that is sustainable in both economic, social and environmental terms, Sweden gives priority to measures to develop sustainable production and consumption patterns, nationally and in connection with global cooperation. Energy saving and ecolabelling can promote more ecologically sustainable production and consumption. The commitments made by Sweden at the Johannesburg summit illustrate the link between our role in promoting global poverty reduction and our experiences with the development of prosperity and welfare in Sweden, including the issues of climate change, biological diversity, waste management and the production, use and dissemination of chemicals. Sweden should assist the UN system in the preparation of a 10-year framework of action programmes for sustainable production and consumption patterns.

The contribution made by the private business sector and its importance for the environment and sustainable development was acknowledged at the Johannesburg summit in 2002. The Plan of Implementation emphasizes the value of partnerships between market operators and the public sector. Sweden gives priority to the development of environmental technologies and renewable energy. One of Sweden's positions in the ongoing WTO negotiations is that tariffs and other trade barriers to environmental products and services should be abolished. International trade and environmental agreements should be mutually supportive.

Environmental policy in poor countries should be integrated more closely into national poverty and development strategies. Special attention should be paid to the links between the environment, poverty and the conditions for women, since women are more directly dependent on the natural resource base and are often excluded from the money economy. They have most of the responsibility for putting food on the table and for the household and they are directly affected by inadequate water supply and sanitation systems, as well as by problems such as soil erosion and deforestation. A gender equality perspective enhances both environmental and poverty reduction measures.

5.5.11 Industrial and employment policy

The Government's assessment: Measures should be taken to promote a good investment climate in developing countries. This should be undertaken in close cooperation with Swedish business enterprises and trade unions.

Efforts to combat corruption and to promote corporate social responsibility should be intensified.

Efforts to promote the expansion of and access to IT infrastructure should be strengthened.

Reasons for the Government's assessment: A great deal can be done to improve the business climate in poor countries and thus their economies' prospects for growth. It is necessary to draft legislation and regulations that promote investment and enterprise. It is also necessary to have functioning institutions in the legal and bank sectors. Public administration should comply with the principles of transparency and the rule of law. Markets must be effective and procurement procedures must comply with proper legal practices. This encourages the development of domestic business and industry and improves the climate for foreign investment.

Due to globalization, private capital flows greatly exceed the aggregate value of international development cooperation. Private investments from rich countries are very important for creating jobs, transferring technology, building capacity and for fuelling growth in many poor countries. Furthermore, an increasing proportion of investment is regional and is provided between developing countries. Countries that can manage and take advantage of these investment flows are in a good position to develop successfully.

The contribution to poverty reduction made by domestic private sector investment and by international investment is reinforced when enterprises assume social responsibility, *inter alia* due to the resulting respect for fundamental human rights in the workplace.

Corruption is an obstacle to development. It is nearly always a case of the ruling class feathering their nests at the expense of vulnerable and marginalized groups. The OECD's Guidelines for Multinational Enterprises, which entered into force in 1999 are an important instrument for preventing enterprises in OECD countries from colluding in

corruption in developing countries. This is a high priority for Sweden. Negotiations have been in progress for the past few years concerning a UN convention against corruption. The negotiations will be completed in 2003, and the convention may enter into force a year or so later. It is expected to strengthen the fight against corruption and promote good governance at the global level.

It is important for developing countries to exploit the potential of information technology (IT) for economic and social development and for attainment of the Millennium Development Goals. IT is important as a means of establishing a knowledge-based economy, accelerating economic growth and promoting democratization. The existing obstacles, for example inadequate infrastructure, investment and education, must be addressed.

Favourable development in developing countries benefits not only these countries and regions but also enterprises in Sweden. This is one of the areas in which the interests of global development policy and industrial policy coincide. The opportunities for Swedish enterprises to become involved in development processes in the poorest countries could be further improved by enhanced cooperation between public authorities and the private business sector, better exchanges of experience and knowledge and more effective integration of development and industrial policy. Measures taken within the framework of international development cooperation, for example measures to strengthen the judicial system, might improve conditions in general for the private sector in developing countries, and thus indirectly create new opportunities for Swedish know-how and Swedish goods. Such measures might also pave the way for more equal business relations between Sweden and other countries in the future.

5.6 Promoting enhanced policy coherence in the EU

The Government's assessment: Sweden should actively promote better coherence in EU policies relating to developing countries and the integration of development aspects into all EU policy areas.

Sweden should seek to ensure that international commitments to equitable and sustainable global development are effectively monitored and evaluated by the EU.

Reasons for the Government's assessment: The EU could be an important force for equitable and sustainable global development in the world. The fundamental values that unite its Member States, such as respect for human rights, democracy and the rule of law, gender equality and the pursuit of peace and sustainable development, must be promoted not only in the EU and its neighbouring region, but also globally. The EU is the primary partner in trade for many developing countries. Its Member States account for more than half of all international development cooperation. The EU's development policies must be based on a long-term approach.

The size and reach of EU cooperation allows concerted mobilization in many areas for the purpose of promoting global development. A decisive factor for the effectiveness of the EU's actions is, just as for Sweden's policy, that more is done to achieve better coherence between different policy areas. Sweden should contribute to achieving a more coherent EU global development policy and to ensuring that development aspects are taken into account in all EU areas of policy and politics.

The EU has a number of instruments in the field of external affairs that could help to promote global development policy. These include common approaches and instruments whose purpose is to strengthen the EU's conflict prevention capacity. Some important areas were dealt with in section 5.5, including trade and the EU's agricultural and fisheries policies. It is important to ensure that global development is given a prominent place in the new constitutional treaty that is currently being negotiated by the Convention on the Future of Europe, and that will subsequently be adopted by the heads of state and government at the next intergovernmental conference.

The Cotonou Agreement is a good example of how the EU's Member States, the Commission and the partner countries can work together in a concordant manner. The Agreement represents a framework for political dialogue, trade and development cooperation, among other things. It is based on the conviction that human rights, democracy and the rule of law are an integral part of sustainable development. In the Government's opinion, the EU's cooperation with other countries and regions should be more consistent with the spirit and breadth of the Cotonou Agreement. The country strategies, which should cover all relevant policy areas, including trade, migration, the environment and development cooperation, are important instruments in this respect. The participation of the Member States in these strategies should increase both in the third countries concerned and at the level of the Member States' capitals.

The EU's commitments in connection with the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development in Johannesburg are examples of efforts to enhance policy coherence. The EU has undertaken, among other things, to reduce trade barriers and strengthen the developing countries' opportunities for participation in international decision-making and to increase its financial commitments and ODA commitments. The EU Member States have undertaken as a group to achieve an average contribution of 0.39% of gross national income (GNI) by 2006 and at least 0.33% of GNI for each Member State the same year. The Government will seek to ensure that these commitments are followed up in the EU, both in the Member States themselves and the Commission and the Council.

The future Member States will play an important part in continuing discussions on and implementation of the EU's common global development policy.

The efforts to achieve greater policy coherence must continue at the global level. In the Government's view, the EU should strengthen its dialogue in the OECD, with developing countries and with other regional

5.7 The role of Swedish actors

Global development policy requires the broad participation of a variety of different Swedish actors. The impact of the policy should be enhanced through a larger role for public sector actors, the education sector, NGOs, popular movements and the private sector.

Equitable and sustainable global development can only be achieved if many different forces work together. Society as a whole must be involved. In the developing countries, NGOs, voluntary organizations, popular movements, cooperative associations, religious organizations, trade unions and the private sector will have key roles. All sectors of society should be more closely involved in order to develop ideas, form opinion and contribute to the practical implementation of global development policy. Many different sectors can play a part. Public authorities, local authorities, the education sector and other public sector actors can contribute important knowledge and experience. The continued involvement of organizations and popular movements is necessary. The private sector and the trade union movement have an important role to play.

5.7.1 Public sector actors

The Government's assessment: Public sector actors at national, regional and local levels should be more involved in global development policy.

Reasons for the Government's assessment: Efforts towards equitable and global sustainable development require broad participation by different public sector actors, as well as from among the general public. Naturally, Parliament has played an important role in promoting democratization and establishing contacts with elected representatives in other countries. Many government agencies and state authorities already take an active part in the work of international organizations. In addition, these bodies should contribute to achieving the policy goals within their respective fields of political decision-making and operations. The same applies to local authorities and other public sector actors at the regional and local levels. The involvement of local and municipal authorities must be consistent with the Local Government Act. As regards Central and Eastern Europe, there is already a great deal of useful experience of cooperation between Swedish local authorities and their counterparts in the region. Increased cooperation between Swedish public sector actors and their counterparts in the developing countries is valuable in itself, and has had a positive impact both in Sweden and in the partner countries. This also applies to researchers and educational institutions. The Government considers it appropriate and advantageous to increase and deepen cooperation between civil society actors as equal partners.

The Government's assessment: There should be increased collaboration with Swedish organizations and popular movements.

The role of organizations as international promoters of solidarity and cooperation should be strengthened.

Reasons for the Government's assessment: There should be increased collaboration with Swedish organizations and popular movements.

There is a long and strong tradition of international solidarity in Sweden. Popular movements, churches and other religious organizations, research institutions, trade unions, cooperative associations and many other organizations involved in solidarity and development work have played a vital role in the emergence of Sweden's international development cooperation. These organizations are indispensable as lobbyists and formers of public opinion, awareness raisers and public educators. They have played a very significant role when it comes to the general population's willingness to support international development cooperation. Furthermore, many organizations are important actors when it comes to the practical implementation of development programmes either within the framework of development cooperation between Swedish and foreign organizations or because of their long experience in various developing countries. Swedish organizations make a valuable contribution in this connection, not least in countries afflicted by armed conflict. The role of organizations as international promoters of solidarity and cooperation should be strengthened.

Public interest in global issues is greater than ever before, especially among young people. Global networks of new social movements are emerging, and are making an ever greater impact on the global agenda by international exchanges of information and worldwide alliances and mobilization. Contacts are made and experiences exchanged. This trend inspires hope for the future. It promotes increased global awareness and understanding, and strengthens international solidarity.

5.7.3 The private sector and the trade union movement

The Government's assessment: There should be closer collaboration with Swedish business and the trade union movement, for example on what enterprises can do to contribute to achievement of the Millennium Development Goals and on issues relating to corporate social and environmental responsibility.

The Government should continue to work in the OECD on the issue of ethical and social criteria in connection with government-aided export credits. The Concessionary Credit Ordinance should be revised in this respect, and in response to the recommendation to untie aid to the poorest countries. The Government supports this recommendation.

Sweden's experience of close and constructive cooperation between the labor market parties should be utilized in cooperation with other

Reasons for the Government's assessment: Swedish private sector enterprises have considerable experience and expertise with respect to developing countries. The Government intends to pursue closer collaboration with the business community on policy design and development cooperation. Measures should also be taken to further promote the ability of Swedish private sector enterprises' to assume greater social responsibility and to develop products and solutions that address the problems of the poor.

Close and responsible cooperation between the labor market parties has played a crucial role in the development of Swedish society and stability. This experience is important in a global perspective as well. Nordic experiences of how contributions made through responsible trade union activities not only improve the situation of wage-earners, but also promote companies' ability to take social and environmental responsibility, must be utilized. The Government will continue to support the trade unions' cooperation and exchanges of experience with their counterparts in developing countries.

The Government will also strengthen cooperation with Swedish enterprises and trade union associations as regards social and environmental responsibility and achievement of the Millennium Development Goals. The UN Global Compact, which was launched in 1999, is one international initiative in this field that invites enterprises to cooperate on issues such as human rights, working conditions, social responsibility and environmental concerns. The Government will take an active part within the framework of international cooperation, for example through the UN Commission on Sustainable Development (UNCSD), in following up the objectives on corporate responsibility set out in the Plan of Implementation that was adopted at the Johannesburg World Summit in 2002. The OECD has adopted guidelines in these areas and also concerning corruption. The Government supports these initiatives. It has also launched a Global Responsibility Initiative, which is a further development of the UN Global Compact and the OECD's Guidelines for Multinational Enterprises, the purpose of which is to promote Swedish enterprises' implementation of the principles and guidelines set out in those documents. Child labor is an important issue in this connection.

For many years Sweden has argued in international fora for untying development aid, i.e. partner countries should not be required to use assistance to buy goods and services from the same donors that provide the assistance. The reason for this is that untied aid is considered to be considerably more effective than tied aid. The Government therefore supports the recommendation adopted by the OECD's Development Assistance Committee (DAC) to untie aid to LDCs, and Sweden's aid to LDCs should consequently be untied as of January 2002. The use of concessionary credits and the applicability of the Concessionary Credits Ordinance, which relates to the financing of purchases of Swedish goods

and services, has therefore changed fundamentally in the countries in question. Gov. Bill 2002/03:122

Government export credit guarantees provided through the Swedish Export Credits Guarantee Board can play an important part in facilitating Swedish business transactions, inter alia, with developing countries. Under this system enterprises pay a premium to transfer political and commercial risks that are often associated with such projects. Most OECD countries have drafted guidelines recommending greater consideration of environmental concerns in connection with export credit guarantees. The Swedish Export Credits Guarantee Board's policy implementation is based on these guidelines. Apart from the external environment, the Board's environmental assessments also cover social aspects. It has also adopted guidelines on the provision of guarantees with respect to LDCs. The Board has been instructed to further develop the work on ethical considerations, including anti-corruption measures and social issues. It is also instructed to inform its clients about the Global Responsibility Initiative and the OECD guidelines. Under an agreement with the OECD, the Board has also adopted guidelines for combating corruption in connection with the provision of guarantees. The Government considers it important to continue within the OECD framework to work on the issue of ethical and social considerations in connection with state-aided export credits.

6 International development cooperation

6.1 Development cooperation and the policy for global development

The Government's proposals: Sweden will continue to engage in effective development cooperation with special emphasis on the poorest countries.

Cooperation with Central and Eastern Europe will be merged with international development cooperation.

The Government's assessment: International development cooperation should complement the developing countries' own efforts to achieve development.

Reasons for the Government's proposals and assessment: The developing countries have agreed to take more responsibility for their own development, to implement reforms and to create favourable domestic conditions for development. These undertakings are embodied in international agreements. At the same time, the rich countries, on their part, have undertaken to promote resource flows, investment and trade for the benefit of the developing countries. They have also committed themselves to strengthening international development cooperation.

Development cooperation and assistance allocations will continue to be very important to many developing countries in the foreseeable future, particularly the poorest countries, which have been even further marginalized during the last decade. Well-designed development cooperation can be a catalyst for development and poverty reduction.

The transfer of knowledge and building up of sustainable institutions is at the core of development cooperation. The aim is to enable poor people and countries to take control of their own development. As described in previous chapters, Sweden can contribute to this effort in a number of different sectors. Cooperation can, for example, take the form of support for public administration, universities, the private sector and popular institutions and movements.

Many poor countries have been far too dependent on external support. The crucial importance of national policies and national ownership of the development process has now been realized. Development cooperation can support national policies, but cannot replace them. The measures taken within the framework of development cooperation must be based on the countries' own poverty reduction or other national strategies. Sweden will continue to engage in ambitious and effective development cooperation with special emphasis on the poorest countries. To make this possible, it is essential that the resources available for management of Sweden's assistance are adequately adapted to allow effective administration of development cooperation, and to monitor and evaluate policy performance. The goals and focus of, and arrangements for development cooperation are dealt with in sections 6.2-6.4.

It is proposed that the goal for international development cooperation proposed below, i.e. that it should contribute to an environment supportive of poor people's own efforts to improve their quality of life, should also apply to cooperation with the countries of Central and Eastern Europe; this should be achieved by merging policy areas 8 and 9. This is discussed in greater detail in section 6.5. Any of the proposals below relating to expenditure area 7, International development cooperation, that may involve increased expenditure should be financed by reallocation of the appropriation for this area.

Merging policy areas 8 and 9 means that activities that fall outside the OECD/DAC criteria for official development assistance (ODA) will be included in the same policy area as ODA-funded activities. The primary goal of Sweden's international development cooperation, "to contribute to an environment supportive of poor people's own efforts to improve their quality of life", applies to the new policy area as a whole.

Activities in this new policy area that fall outside the OECD/DAC criteria for ODA can be linked to the use of the Swedish resource base to the same extent as previously.

6.2 The goal: to eradicate poverty

The Government's proposals: The goal of Sweden's development cooperation will be to contribute to an environment supportive of poor people's own efforts to improve their quality of life.

Reasons for the Government's proposals: Worldwide poverty continues to be the greatest scourge of humankind. Sweden subscribes to the Millennium Development goal of halving the proportion of poor people in the world by 2015. The ultimate goal is to eradicate poverty altogether. In order to achieve this goal Sweden will, in cooperation with other countries, help to promote poor people's prospects of improving their own lives and thus overcoming poverty. The goal of Sweden's development cooperation will be to contribute to an environment supportive of poor people's own efforts to improve their quality of life. The purpose of this formulation is to identify poor women, men, girls and boys as active subjects and agents of change, rather than as passive objects. Development cooperation supports and complements the efforts made by poor people and countries themselves to overcome poverty. It is one instrument among many others within the framework of global development policy, and its goals comprise a part of the overriding goal of the promotion of equitable and sustainable global development.

The six subgoals that were previously adopted for development cooperation policy tended to overshadow the primary goal of poverty reduction. The effects of this were that poverty reduction in reality, was not able to serve adequately as either the focus or the goal of development cooperation. This was also noted by DAC in a review of Sweden's development cooperation, according to which poverty reduction has not been the main focus of projects and programmes supported by Sweden, despite the fact that this was supposed to be the primary goal. In order to emphasize that poverty reduction is the main goal of development cooperation, the Government considers a poverty-oriented goal to be a more effective policy instrument than a division into several subgoals.

6.3 Directions for Swedish development cooperation

The Government's proposals: Development cooperation will promote and be characterized by respect for human rights, democracy and good governance, gender equality, the sustainable use of natural resources and protection of the environment, economic growth and social development and social security. Special efforts will be made to strengthen activities related to conflict prevention and management, and global public goods.

Reasons for the Government's proposals: The central component elements of the policy for global development will also apply to activities in the international development cooperation political and policy area. These activities will promote and be permeated by respect for human rights, democracy and good governance, gender equality, the sustainable use of natural resources and protection of the environment, economic growth and social development and social security. Special efforts will also be made in connection with development cooperation to strengthen

activities related to conflict prevention and management, and global public goods (section 5.4). Gov. Bill 2002/03:122

One important function of development cooperation is to complement and support measures that are taken in various political areas within the framework of global development policy. The role of development cooperation and its potential as a catalyst in the fields of legal frameworks, security and defence, trade, migration, social welfare and public health, economic and financial affairs, education, agriculture and fisheries, culture, the environment and industry are described in section 5.5.

Development cooperation will be based on a rights perspective and on the perspectives of poor people. This means that people's rights will be the starting-point for activities and that the main focus will be on poor people's needs, interests, capacity and conditions.

6.4 Different situations require different forms of development cooperation arrangements

6.4.1 The design of development cooperation

The Government's assessment: Development cooperation should be based on the realization that conditions, needs and interests vary between different countries. It should be adapted to the perspectives, interests, capacity, conditions and needs of poor women, men and children.

All international efforts should be based on the developing countries' own national poverty reduction strategies and priorities.

Support should continue to be given to strengthening the developing countries' capacity to further develop and improve these strategies.

Sweden's long-term cooperation should be based on agreement with the partner countries as regards the main features and central component elements of an effective poverty reduction policy. The emphasis should be on the poorest countries.

Support should continue to be given for learning and the development of knowledge on the basis of the developing countries' own efforts.

Sweden's overall development cooperation should be broadened and made more flexible. Programmes and projects could be concentrated to fewer areas.

The planning instruments formulated with respect to cooperation with individual countries should provide an overall picture of Sweden's policy and cooperation with the country concerned. They should reflect the measures that Sweden intends to take in various political and policy areas.

Where conditions are not conducive to broad, long-term cooperation, targeted measures should be applied in specific areas.

Humanitarian assistance efforts should be strengthened, in particular as regards coordination in the countries concerned, and management of the transition from crisis to recovery. Increased efforts should be made to

strengthen international humanitarian law and the protection of civilians in crisis situations.

Bilateral and multilateral cooperation should be seen in a holistic, coherent perspective. Collaboration within the EU framework and with other donors and multilateral agencies should be intensified.

The increased opportunities for collaboration with other actors should be used in order to improve coordination. Sweden should increasingly act in collaboration with the EU, other donors and multilateral actors, for example for the purposes of analysis, financing and evaluation. Advantage should be taken of opportunities for implementing cooperation through other actors.

Gov. Bill 2002/03:122

Reasons for the Government's assessment: Conditions and requirements vary over time. Development cooperation cannot conform to a single model; it must be adapted to the specific situation in different countries. Needs and the prospects of achieving desired results should determine the extent and forms for development cooperation with individual countries.

Despite the difference in situations and cooperation arrangements, Sweden's development cooperation should be based on certain core values and on experience of and lessons learned from specific development processes. The different measures should form a coherent policy with a common goal and common central component elements. Long-term, broad-based cooperation with certain countries should be based on the same vision as more limited measures in other countries. The same approach should be applied to Sweden's actions in bilateral contexts as well as in the EU and multilateral agencies. A coherent, integrated approach, and a more holistic view are necessary in this connection. The common global development agenda and the growing international focus on poor countries' own strategies will lay a solid foundation for this concordant approach.

Increased emphasis on collaboration

Sweden is only one of many actors in international development cooperation. Results can only be achieved through collaboration and coordination with others. The conditions for collaboration between countries, organizations and other actors have improved in the last few years. The Millennium Declaration and other agreements have established a platform and firm foundation for international consensus and a common global development agenda. The increasing international focus on the developing countries' own strategies offers a point of departure for a new approach and opens up opportunities for enhanced coordination. Multilateral cooperation arrangements are becoming more important, for example when it comes to implementing measures with respect to global public goods. An intense international debate is in progress on the global system and the division of roles and responsibilities between various actors. Collaboration, effectiveness and

harmonization are high up on the agenda. There are good prospects of making further progress towards increased effectiveness overall.

As a result of the new situation, especially the emphasis on the perspective of the developing countries, the demarcation lines between various forms of cooperation – bilateral and multilateral – are disappearing. It makes little difference to a developing country whether the programmes and resources are delivered by Sweden, other countries, the EU, the UN or financial institutions. The important thing is that they are well-coordinated, based on a common, coherent approach and a well-developed dialogue, and that they effectively support the countries' strategies.

This means that Sweden's development cooperation as a whole is now broader and more flexible. More programmes and projects are implemented jointly with other actors, and are of a complementary nature. Owing to such collaboration, Sweden's programmes in a particular developing country can be concentrated on fewer areas and sectors. Close cooperation with other actors also increases our understanding and prospects of making an impact on aggregate development activities in the country.

Long-term, broad-based cooperation with individual countries

Long-term development cooperation will be based on close partnerships under the primary responsibility and leadership of the developing country. Cooperation must be based on national needs, priorities and development strategies. Sustainable results cannot be achieved without strong national responsibility. Effective partnerships must be based on respect, trust, openness and a long-term approach, as well as on a common foundation of values. This applies particularly in the context of poverty reduction and areas such as respect for human rights, democracy, gender equality and the rights of the child. But it also applies, for example, to the reduction of income disparities by means of a more equal distribution policy. Consensus must be built through dialogue.

Sweden's development cooperation should be based on the perspectives of the poor. The partner countries' governments will be required to ensure that the interests, experience and resources of poor people are represented and taken into account in national policies. National poverty reduction strategies have already been formulated or are currently being formulated in about 60 of the poorest countries. Today, these strategies comprise the best instrument for reducing poverty, and are a point of departure for more effective and coordinated development cooperation. There is a varying degree of popular participation in the formulation of these processes. They should be based on the country's own capacity for combating poverty. The Poverty Reduction Strategy instrument is still new and needs to be refined both with respect to the process, the content and popular support. It is particularly important to define priorities and to strengthen the link with budgetary processes, trade and production. One important element of development cooperation is therefore to strengthen the countries' own capacity for improving their

strategies. This calls for support for central government administration, national parliaments and civil society. Gov. Bill 2002/03:122

Where there are good prospects for long-term cooperation, this may be based on the comprehensive responsibility of the recipient country's government. Such cooperation may include general budgetary or sectoral support with independent responsibility for financial performance on the part of the recipient country. Responsibilities, goals and means must be clearly defined. The parties' respective obligations and the possibility of continuing, changing, terminating or suspending cooperation must also be clearly specified. Dialogue must be open and straightforward. If there is no prospect of meaningful cooperation, it should be suspended.

The Swedish country strategies have been an important tool for our development cooperation. There is still a need for a strategic steering instrument for cooperation. Owing to the growing need for coherence and collaboration with other actors, this instrument needs to be improved. Future planning instruments should increasingly reflect cooperation as a whole, and include, among other things, cooperation with the private sector, NGOs, universities and other educational institutions. They should also contain guidelines for various kinds of support, including budgetary support and credits. They should include measures that Sweden intends to implement in other policy areas. The planning instruments should also deal with the question of phasing out development cooperation through assistance, and instead changing over to other arrangements and forms of cooperation.

Other forms of cooperation with individual countries

There are many developing countries with which Sweden will not be engaged in traditional bilateral development cooperation, but this does not preclude the possibility of cooperation. Sweden may collaborate with other donors or multilateral agencies with a presence in these countries. Cooperation can also take place in other forms.

In developing countries with substantial growth, an increasing number of rich people and widening gaps between rich and poor the main focus should be on dialogue about income distribution policy and other measures to reduce poverty. These countries should be in a position to take greater responsibility themselves for poverty reduction, and for meeting humanitarian needs. In countries that have made so much progress that they can no longer be regarded as low-income countries, cooperation should gradually evolve into more equal political, trade and cultural relations.

Regional cooperation arrangements and cooperation between developing countries can make a dynamic impact in many cases. Drawing on its experiences of Nordic and European regional cooperation, Sweden should seek to ensure that regional arrangements and cooperation between developing countries are promoted in development efforts for those countries that desire this. In some countries long-term, broad-based development cooperation is not possible. Various kinds of targeted measures that support positive processes may nevertheless be feasible. This also applies in countries where there may

seem to be little scope for cooperation, for example in countries with dictatorship rule, or other authoritarian regimes. Sometimes the marginal benefits of development efforts in such countries can be significant. Support may, for instance, be delivered through NGOs in the fields of conflict management, promotion of democracy, trafficking in persons, protection and promotion of human rights, including the rights of the child, gender equality and HIV/AIDS.

The possibility of development cooperation should also be considered in countries undergoing transition or crisis. There may, for example, be good prospects for promoting favourable developments in countries in conflict, and in countries undergoing reconstruction or transition.

Humanitarian operations

Humanitarian operations have an important task in development cooperation. These efforts must respond to the needs in acute, often life-threatening situations, in which rapid assistance may also reduce detrimental effects for long-term development. Humanitarian operations can promote development, especially in protracted crisis situations where there are no domestic institutions to manage local development. Development efforts can play an important part in building domestic preparedness and capacity for preventing, managing and resolving crises, and should also support long-term development.

At the same time, some features of humanitarian work distinguish it from long-term development cooperation. Humanitarian operations cannot be subordinated to the political priorities of the recipient countries or other actors. Instead, they are based on international humanitarian law and basic humanitarian principles of impartiality, neutrality and independence. Such operations must be geared entirely to the needs of the victims. Strict neutrality must be observed in armed conflicts and the operations must be carried out without regard to the political, military, economic and other interests of donors and recipients.

The humanitarian assistance provided by Sweden and the international community as a whole has increased substantially in recent years. At the same time, conditions have become more difficult in many ways. Assaults on civilians in armed conflicts have increased. Women, children, persons with disabilities and elderly persons are especially vulnerable. The situations in which aid is delivered are increasingly complex. Lastly, there is still a serious shortage of funding for international humanitarian efforts.

Humanitarian assistance is a significant element of the policy for global development. It is particularly important to uphold international humanitarian law, to strengthen the protection of civilians, financing and the management of transition phases between crisis and reconstruction, and to improve coordination and the UN's capacity for action and leadership. The Government will also seek to ensure that the EU's humanitarian assistance develops in conformity with the UN's humanitarian operations.

The Government's assessment: The quality and effectiveness of the EU's development cooperation should be strengthened. Sweden should continue to play an active role in these efforts.

Country level coordination and collaboration should be improved between Member States, the European Commission and other actors. The aim should be to establish joint field representations for all the EU institutions.

Sweden should work for incorporation of the European Development Fund into the EU budget in accordance with the principles of the Cotonou Agreement.

The effectiveness of the budget process should be improved and cooperation with countries and regions should be consistent with the approach to development, diversity and coherence on which the Cotonou Agreement is based.

Reasons for the Government's assessment: The EU's development cooperation is an important component of Sweden's development cooperation. The EU's Member States account for more than half of the world's development cooperation. At the same time, however, EU development cooperation has been criticized for being ineffective. Reform efforts are in progress and must continue. Effectiveness and efficiency be improved and there must also be a more explicit focus on poverty reduction. The Government intends to continue to play a leading role in efforts to improve the quality and effectiveness of the EU's development cooperation.

The Government considers continued decentralization necessary. The aim should be a single field representation for all EU institutions in the partner countries. Coordination, collaboration and policy coherence in these countries, both between the Member States, the Commission's delegations and other actors, are particularly important when it comes to increasing the effectiveness of development cooperation. It is necessary to develop common country strategies, harmonized procedures and administrative and budgetary reforms to make it easier for the partner countries to make the most of the development cooperation. Cooperation with the UN and other actors should also be improved in this connection.

The Member States should exercise more effective management and control of the EU's development cooperation. Increased decentralization, together with better overall control by means of country strategies, will increase both the partner countries' and the Member States' commitment to and participation in EU development cooperation. The common goal should be effective and dynamic cooperation on global poverty reduction. The Government therefore considers it appropriate to incorporate the European Development Fund into the EU budget. This will only be possible if the budget process is streamlined, importance is attached to transparency and cooperation with individual countries and regions is consistent with the approach to development, diversity and coherence on which the Cotonou Agreement is based. Incorporating the European

Development Fund into the EU budget must not involve any reduction in the amount of aid provided for countries under that Agreement. Gov. Bill 2002/03:122

6.4.3 Multilateral agencies

The Government's assessment: Sweden should continue to contribute to the improvement of the efficiency of the multilateral agencies' operations, and should call for closer cooperation between them.

The developing countries' influence in the international financial institutions needs to be strengthened. Special measures should be taken to increase these countries' capacity and capability to have a stronger voice in these fora.

The developing countries' capacity for participation in international trade and negotiations and their opportunities for benefiting from the WTO rules should be strengthened.

The UN's development efforts should be strengthened, in particular by means of long-term, stable financing plans based on shared responsibility, clearer mandates, better management and better coordination.

The activities of the regional development banks should be strengthened by continuing internal reforms, promoting a broader-based approach to the fight against poverty, and by means of better coordination and harmonization.

Reasons for the Government's assessment: The multilateral agencies are important vehicles for Sweden's development cooperation. They should be used as a means to implement Swedish policy on a broad front. Our contacts with them broaden our horizons and enrich our own thinking. Sweden's policy should be based on a holistic view of the global system and the work of the various bodies. The comparative advantages of the parties involved should be exploited. Sweden should have effective representation, appropriate instruments and a higher profile on the governing bodies of these institutions, thereby contributing to progress with regard to the policy for global development. The question of policy coherence and the need for better coordination and collaboration between the various actors, including the EU and the UN, should be a recurring theme. Effectiveness and efficiency should also continue to be improved.

The UN plays a leading political role in global efforts to achieve the Millennium Development Goals. The UN combines efforts on behalf of peace and security, human rights, gender equality, democracy and environmental concerns with efforts to achieve global development and reduce poverty. Moreover, the UN is unique in its global legitimacy and

the link that exists between its normative and operational activities. Sweden should continue to maintain a high profile when it comes to providing political support and resources for the UN's development efforts. The links between its normative and operational activities need to be further strengthened. The coordination between the bodies that make up the UN system has improved, but further steps need to be taken. The same applies to coordination with other multilateral actors, especially the international financial institutions, and with the efforts made by individual, bilateral donors. The UN has modest resources for operational activities on a global scale and they must be increased if the often high expectations on the UN are to be fulfilled.

Owing to their mandates and their substantial resources, the international financial institutions are of vital importance for many developing countries. Their influence is both direct, through lending and advice, and indirect since their activities contribute to international financial stability.

Developing countries must have access to loans and venture capital in order to implement the reforms and investments that are needed for real growth and poverty reduction. The World Bank has broadened its approach to development from growth in terms of GNP alone to growth in terms of quality, consideration of the environment and distribution of growth. This has led to more wide-ranging efforts towards development and poverty reduction. The World Bank has made great progress and is now an acknowledged and important centre of knowledge in the field of development.

Macroeconomic and financial stability is an essential condition for economic growth and poverty reduction. The IMF assists member countries by offering economic and political advice, lending and capacity-building measures. It is important to consolidate and develop the IMF's role in promoting macroeconomic and financial stability. The IMF, whose role was originally to provide short-term crisis financing and advice, now has a virtually permanent role in the poorest countries. Sweden intends to play an active part in the ongoing debate on the role of the IMF in poor countries. The IMF's assessment of the macroeconomic framework in developing countries is crucial, not least for various donors, and it should continue to fulfil this function. The developing countries should acquire more influence in the IMF and the World Bank both as regards loan programmes and general policymaking.

The different roles and mandates of the regional development banks reflect the differences between the different regions. In some cases they are larger financiers in their region than the World Bank. The main advantage of the regional banks is their knowledge of the region and their capacity for contributing to more effective regional cooperation arrangements. The institutions are owned by the regional members, who have shareholder and voting majorities. The borrowing countries therefore have a strong voice and great influence in the regional development banks. Consequently, these banks often have a close and good dialogue with the borrowing countries on key issues, which makes them important cooperation partners in Sweden's development cooperation. The regional development banks should intensify their

efforts to broaden their approaches to poverty reduction and development. They too should base their activities on the national poverty strategies that are prepared in broad consultation processes.

To the dual roles of the World Bank and some of the regional banks as lenders and knowledge centres has been added the role of concessionary grant donors in recent years. The large sums available, in particular to the World Bank have an impact on global development cooperation as a whole, not least the UN's operational activities. There is a need for continuing international discussion of the consequences of this change for global development policy.

The international financial institutions have for many years been the subject of international debate and criticism of their roles, orientation and legitimacy. The World Bank and the IMF have responded to this criticism and changed their policies in several areas, including greater transparency, deconcentration of their activities and a clearer focus on poverty reduction as a primary goal. Nevertheless there is a need for continuing discussions, not least in the light of the importance of these institutions when it comes to creating conditions for development. Further measures need to be taken, moreover, in order to strengthen the influence of the developing countries in these organizations in various ways.

Multilateral organizations also play a decisive role when it comes to strengthening the developing countries' capacity for pursuing their own interests in international trade negotiations. Sweden and other rich countries have, within the WTO framework, undertaken to provide the necessary support. Alongside the directly negotiation-related support provided by the WTO secretariat to the developing countries, Sweden continues to support a number of multilateral organizations and other organizations set up for the purpose of assisting developing countries in connection with policy formulation, dispute settlement and application of the international rules.

6.5 Cooperation with Central and Eastern Europe

The Government's assessment: Development cooperation with the countries of Central and Eastern Europe should, as an important element of the struggle against poverty, focus on measures to promote closer links with European cooperation structures and common values.

Reasons for the Government's assessment: The enlargement of the EU will shift the main focus of cooperation with Eastern Europe. The countries in the Western Balkans, which at present are assigned to policy area 8 (General international development cooperation) in Sweden's development cooperation will be linked more closely to the EU in a process towards the eventual goal of joining the EU. For many of these countries the differences in living standards and economic and social development are a major obstacle to real integration into the rest of Europe. The fight against poverty is closely linked to the countries'

capacity for integration into the rest of Europe. Closer European integration is also the main political aim of the majority of these countries themselves. In the case of Russia, Ukraine, Moldova and, provided that there is evidence of democratic development, Belarus, the aim is better developed cooperation with the EU on the basis of the Partnership and Cooperation Agreements (PCAs). This means that it is therefore appropriate to place cooperation with Eastern Europe and the Western Balkans in the same context, in which European integration is a powerful force for development and poverty reduction.

As in other regions, there is great variation between the countries of Central and Eastern Europe and their levels of development. Even though these countries are now developing fast, several of them will have to deal with major problems, including poverty, for many years to come. There are thus some similarities between several Eastern European countries and developing countries in other parts of the world. Therefore, Central and Eastern Europe should not be isolated from other development cooperation.

In light of this situation the Government proposes in section 6.1 that cooperation with Central and Eastern Europe (policy area 9) should be merged with international development cooperation (policy area 8). The goal of international development cooperation, i.e. to contribute to an environment supportive of poor people's own efforts to improve their quality of life, will in that case also apply to cooperation with Central and Eastern European countries. Development cooperation with the European countries should concentrate on measures to promote their adjustment to European cooperation structures and European values in accordance with their own priorities.

The main areas of cooperation with the countries of Central and Eastern Europe, which up to now has been covered by policy area 9, will continue to be common security, the deepening of democracy, economic transformation, social security, the environment, as well as education and research. A gender equality perspective should be integrated into this cooperation. In connection with efforts towards closer integration with the EU, the cooperation should promote the countries' relations with Sweden. Taking account of the partner countries' needs, measures will focus on areas in which Sweden has recognized and relevant expertise. Support for exchanges between Swedish public authorities and their counterparts in Central and Eastern Europe will play an important part in this respect. Where appropriate, the Swedish resource base should be used.

Relationship-building with Sweden is also a step on the way to normal neighbourly cooperation and close cooperation in an enlarged EU.

Conflicts may arise between the instruments that govern European integration efforts and national poverty strategies. Sweden should therefore use its influence to ensure that the national poverty strategies in each country are aligned with European integration efforts.

The Government intends to return to the questions of development cooperation with Central and Eastern Europe and the Western Balkans, respectively, and European integration in future budget bills.

The Government's assessment: Sweden should urge that the effectiveness of international development cooperation be improved by untying aid, improving coordination, simplifying procedures and ensuring more careful monitoring and evaluation.

The developing countries should be responsible for coordination between bilateral and multilateral donors. Sweden should support and strengthen the partner countries' capacity for organizing coordination.

Sweden should urge the multilateral institutions and other actors to adapt their measures to the developing countries' own priorities and national poverty reduction plans.

Sweden should take an active part in future efforts in the EU and OECD/DAC to untie development aid.

Sweden should play a leading role in the efforts to harmonize procedures and routines and should pursue these issues on a broad front in all relevant fora. The aim should be to ensure that all development actors adapt to the systems in the partner countries.

Reasons for the Government's assessment: Efforts must be made to make Sweden's development cooperation more effective. Its programmes and projects should be relevant, goal-oriented and cost-effective. An important principle is that development cooperation should normally be linked to national poverty strategies. Efforts to make development cooperation more effective also include many other components, including untying aid, harmonization of procedures, simpler forms of aid and increased evaluation of results so that the experience gained and best practice can be utilized in future. The OECD/DAC is an important forum for continuing success in these areas.

Untied development cooperation

Goods and services in connection with development should be procured in open competition. Cooperation partners should not be tied to purchasing from Swedish enterprises. This is a question of effectiveness. Generally speaking, tying aid increases the costs for the partner country. It may force the country into situations where it cannot purchase goods and services at the lowest price. With a view to efficient use of resources, therefore, all international development cooperation should be untied. Untying aid leads to freer trade and free markets. It also sends a signal to the developing countries about the importance of deregulating their own markets to encourage free competition.

Decisions and measures designed to open markets and abolish barriers to free competition should be taken under organized and agreed arrangements. Europe is a major trade partner for many developing countries, and the EU's decisions are therefore crucial. The OECD and other organizations have already issued recommendations regarding

untying aid. It will be further discussed in both the EU and the OECD. Sweden should argue for untying aid in these discussions.

As far as Sweden is concerned, less than 10 per cent of its development cooperation is tied. This is a low figure compared with many other OECD countries. Untying all international development cooperation would therefore open up business opportunities for Swedish enterprises by increasing market access.

In ongoing international efforts with respect to untying aid, it is important to make a distinction between normative policymaking and practical implementation. Implementation must take place by coordinated measures in the EU and the OECD. This is the only feasible way of ensuring that all Member States support untying aid. Unilateral untying by individual countries is liable to distort competition, which is not the purpose of untying aid.

While the efforts to implement untying are in progress, effective control mechanisms are needed to ensure that existing tendering rules are complied with. Tendering procedures must be transparent and open and offer all tenderers a level playing field. The rules for such procedures also need to be developed. It is important for developing countries to base procurement on quality and lifecycle costs for products and services, rather than to automatically apply the lowest price as the sole criterion at each procurement.

Better coordination

Apart from the developing countries, about 30 donors, 20 international financial institutions, approximately 50 UN agencies and thousands of NGOs and private actors are involved in international development cooperation worldwide. Many of these actors are present in the same countries and work in the same areas. Their efforts are often based on different approaches, conditions and procedures. The different procedures and conditions required by different donors with respect to documentation, budget processes, accounting, reporting and visiting delegations lead to ineffectiveness. The partner country's conditions, structures, plans and administrative routines must be the starting-point. Better coordination is needed if development cooperation and humanitarian operations are to be effective. Otherwise there is a great risk of duplication, conflicting objectives and lack of coherence.

Sweden and some other bilateral donors have strengthened coordination at country level on their own initiative. Considerable effort has also been made in recent years, in particular by the UN system, the World Bank, the IMF, the regional development banks and the EU, to improve coordination. But a great deal still remains to be done. Experience shows that coordination works best in the developing countries themselves and under their leadership. This should be a guiding principle for all parties involved. The national strategies, based on the developing country's own priorities and poverty reduction plans, are an important instrument. Ideally, the developing country itself should take the lead in any coordination that is required, which will involve a transition to more generalized support for sectors and programmes. For

such a transition to be possible there must be clearly formulated national plans for these activities and the capacity to implement them. The greater the capacity to implement and report on activities, the greater the proportion of support that can be channelled to the country in the form of sectoral programme support or budgetary support. Sweden therefore intends to increase these development cooperation arrangements in countries which have the necessary capacity.

Until a cooperation partner has the capacity to coordinate the donors, coordination between the donors is one way of simplifying the work of the country. A more detailed division of labor can help to achieve considerable efficiency gains. In humanitarian crises the UN is often best equipped to assume leadership. In practice, it may take time to achieve smoothly functioning aid coordination and developing countries may need support for their coordination efforts.

A great deal of work has been done, in particular in DAC, when it comes to harmonizing procedures and requirements, but more effort is still needed. The aim should be to implement harmonization agreements and make sure that all donors adapt themselves to the developing countries' routines in accordance with DAC's recommendations. Sweden should assume a leading role in the efforts being made by DAC to simplify and harmonize procedures.

Results-based management

Sweden wholeheartedly supports the UN and the World Bank in the important task they have undertaken of increasing management by results, and monitoring and evaluation in connection with global development cooperation. As a result of this work, donors will have to show more tangible results in their development cooperation, particularly as regards its impact on the poverty situation in the poor countries. With results-based management, it is more important to show how the goals set out in international commitments and national poverty strategies are to be achieved in practice.

The development process is complicated and involves a great many different kinds of measures, particularly by the developing country itself, but also by a large number of external actors. Even if external efforts can be followed up in various ways, it is difficult in practice to measure the concrete results of the efforts made by individual donors. The lack of data in many developing countries makes this even more difficult. What can be done is to measure the overall effect of all the measures taken in a certain country over a period of time. The Millennium Development Goals and their associated targets and indicators, can be an important tool in this connection.

Therefore, the results of development cooperation should be reported in two ways. First, there should be a review of Swedish measures within the framework of the broad international agenda in relation to the eighth Millennium Development Goal and the undertakings made by the International Conference on Financing for Development in Monterrey. Second, reporting should be by means of periodic general assessments of the impact on poverty of domestic and external measures in specific

countries and regions. The second kind of assessment should be made in collaboration with other actors. Concerted efforts still need to be made to improve indicators and statistics.

Gov. Bill 2002/03:122

The developing countries' own efforts when it comes to monitoring results should be strengthened. Wherever possible, this should therefore be done in close cooperation with the countries concerned and be left to the countries' own auditing bodies.

6.7 A shared commitment to increasing assistance volumes

The Government's assessment: Sweden should actively pursue an increase in international development assistance (ODA) and achievement by more countries, both in the EU and other OECD countries, of the UN's 0.7% target.

The goal of allocating 1% of Sweden's GNI for international development cooperation remains unchanged.

Reasons for the Government's assessment: Sweden is one of a small number of countries that for many years have followed the UN's recommendation that rich countries should allocate at least 0.7 per cent of their GNI to international development cooperation. This reflects the importance that Sweden attaches to poverty reduction and global development, and to the role of development cooperation as a catalyst for development. Most other countries have a lower level of ambition.

As a result of the commitments made at the International Conference on Financing for Development in Monterrey it may now be possible to reverse the downward trend as regards the total volume of international development cooperation allocations. The conference emphasized the importance of development cooperation alongside other national and international measures and sources of financing. The role of development cooperation in a broader perspective was emphasized, as well as the importance of increasing volumes. The parties agreed that both quality and quantity are essential to development cooperation. Both the EU and the USA undertook to increase their volumes. The EU undertook to achieve an average target of 0.39 per cent of GNI as a group by the year 2006. Sweden already contributes more than 0.7 per cent of GNI. The 1 per cent target for Sweden's development cooperation remains unchanged. At least 0.25 per cent of GNI will go to the least developed countries in accordance with the UN's recommendation.

Commitments at the Monterrey conference were made by many countries. Several middle-income countries and poor countries already contribute to international development cooperation. The responsibility for increasing the total volume of international development cooperation rests upon the rich countries as a group. A great deal more must be done, and by a larger number of rich countries in order to meet these commitments. Rigorous political efforts must be made in future to influence other countries in the EU and OECD when it comes to fulfilling

their promises. Shared commitments must be followed by shared responsibility. Gov. Bill 2002/03:122

6.8 Actors in international development cooperation

6.8.1 Public sector actors

The Government's assessment: Cooperation between Swedish public sector actors and their counterparts in developing countries should be further developed within the framework of international development cooperation.

Reasons for the Government's assessment: Twinning arrangements have attracted renewed attention within the framework of cooperation with Central and Eastern Europe. The experience of cooperation between Swedish local and municipal authorities, county councils, county administrative boards and their Eastern European counterparts has been encouraging. There is also a long tradition of successful cooperation in other regions. In the Government's view, this type of cooperation should be expanded and deepened. Increased cooperation at various levels contributes to meetings between people, contacts and long-term, lasting cooperation.

6.8.2 Civil society and non-governmental organizations (NGOs)

The Government's assessment: Cooperation with NGOs, at both national and international level, should be strengthened.

Cooperation with Swedish NGOs should continue both as regards the practical implementation of development cooperation and development policy formulation aimed at strengthening efforts to combat poverty.

Reasons for the Government's assessment: Experience shows that NGOs in developing countries often play a very important part in the development process, both through practical work and in terms of opinion formation and public awareness-raising. Organizations with a broad democratic base and organizations that work among the poor are particularly important. Often, these organizations are bearers of fundamental values as regards human rights and democracy. A diversity of organizations contributes to the pluralism that is important in all democratic societies. Many NGOs and voluntary organizations also contribute to the development of social capital, which is very significant when it comes to facilitating collective and individual action. The role of organizations may be especially important in countries where there is little respect for human rights and democracy. Such organizations may be trade unions and political parties, or professional and other special

interest associations, cooperative associations, religious organizations, consumer organizations, women's organizations, youth organizations and networks that represent disadvantaged or discriminated groups.

There has in recent years been a proliferation of organizations and networks that have no clear constituency, particularly in developing countries. Many of these do good work, but there is a risk of their being entirely dependent on external financing and representing individual interests and opinions without any real democratic legitimacy or control.

The Government would like to see broad cooperation with Swedish, national and international organizations engaged in poverty reduction efforts. The experience and insights acquired by Swedish NGOs in cooperation with organizations in other countries are an important source of information for Swedish authorities and decision-makers. NGOs, popular movements and religious organizations are often involved in a wide range of activities and issues. Many of them are important opinion formers and implementers of cooperation. Continued cooperation with NGOs is vital to the achievement of development policy goals. A close dialogue with NGOs is of key importance in connection with the formulation and implementation of Sweden's policy for global development.

6.8.3 The private sector and the trade union movement

The Government's assessment: Support should be provided for developing countries' efforts to establish regulatory frameworks and institutions that promote private sector enterprise and investment. Support should continue to be given for industrial development in developing countries.

Experience and knowledge in Sweden's business and trade union sectors should be utilized for the purposes of development cooperation.

Guarantees and credit instruments should be refined in order to promote domestic resource mobilization in the Least Developed Countries.

Reasons for the Government's assessment: A broad consensus has emerged in the last few years on the key role of the private sector and business enterprises in development. This applies both to the private sector in developing countries, which plays a decisive role as regards jobs and growth, and multinational enterprises that play an increasingly important role when it comes to investment in developing countries. One conclusion of the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development in Johannesburg 2002 was that all countries should intensify their efforts to encourage the cooperate sector to take an active part in development cooperation.

The developing countries' development prospects depend largely on the extent to which they succeed in creating favourable domestic conditions for the private sector. Laws and rules must be formulated in such a way as to promote enterprise. Functioning judicial and banking

institutions are necessary. Corruption must be fought and good governance promoted. This encourages not only the development of domestic business and industry, but also opportunities for foreign direct investment in developing countries. The developing countries' efforts in these areas should be supported.

There is no conflict between the developing countries' needs and priorities and broad utilization of Swedish resources. Swedish enterprises contribute to growth in many developing countries. Swedish business possesses knowledge and experience, both in policy matters and practical implementation, that could be an asset to Sweden's development cooperation. The partnerships and other kinds of networks that are established between Swedish enterprises and enterprises in developing countries and countries in Central and Eastern Europe could reinforce cooperation still further. Nowadays, many Swedish enterprises are among the world leaders in the fields of environmental policy, corporate social responsibility and non-corrupt business relations. The Swedish trade union movement's experience in these areas should benefit the developing countries.

Together, the private sector and the trade union movement can do a great deal to contribute to the policy for global development. The Government, the private sector and the trade union movement in Sweden should therefore, even if they operate in different ways, complement and reinforce one another in development efforts. Collaboration arrangements should be developed. Swedish authorities' contacts with business and the trade union movement in the field of development should take place in the spirit of interest and openness, and opportunities for cooperation should be utilized in order to strengthen the fight against poverty.

The policy presented in this Bill is based on the new approach to development that has emerged in recent years. The importance of freer trade and functioning market economies and the advantages of a diversity of actors in development efforts, national and international, public and private, are important features of this policy. It is emphasized that measures and programmes should be based on the partner countries' own priorities and plans and that they themselves should assume responsibility for development. It is in the partner countries that policy dialogue and donor coordination should take place, and it is there that measures and programmes should be designed and procurement carried out. Foreign programmes and projects, whether public or private, should complement the partner country's own development efforts. However, this does not mean that bilateral cooperation will offer less opportunity for building long-term, strategically important intergovernmental relations with developing countries.

Sweden can combine a firm belief in the role of business and the private sector, and of the trade union movement in development efforts with the above approach to development and poor countries' own development efforts. Advantage should be taken of the knowledge and experience of international development cooperation acquired both by Swedish enterprises and many other sectors of Swedish society. Existing collaborative models should also be studied and analyzed. Swedish enterprises and public authorities should monitor developments in order

to take advantage of new opportunities and should develop instruments that are likely to promote Swedish interests. It is still important to promote the Swedish knowledge base in order to maintain Sweden's position in an environment that is often dominated by considerably larger and more influential countries. This will help to disseminate forward-looking models and solutions in the partner countries. Consultations and cooperation should take place between development cooperation providers and state export and import promotion agencies so that a variety of experience, skills and resources are utilized and can interact.

Where business risks are too high, they can be an obstacle to private investment in many developing countries. New kinds of partnerships are therefore needed between the private and public sectors in order to reduce commercial and political risks, thus ensuring that investments are made. Mechanisms are needed to facilitate access to necessary domestic and external risk capital. Innovative guarantee and credit instruments should be tried in order to generate new risk capital for investments that contribute to sustainable development. This will also contribute to the development of local capital markets.

7 Policy management, administration and learning

7.1 Policy management and administration

The Government's proposals: Progress on the implementation of global development policy will be reported to Parliament in the form of an annual Report. The Government Offices as a whole are responsible for attainment of the goal.

The Government's assessment: Conflicts of goals and objectives should be identified and solved by means of well-founded political choices.

The Ministry for Foreign Affairs should be responsible for the report to Parliament.

Reasons for the Government's proposals and assessment: This Bill does not propose concrete measures as regards organization of the general conduct of global development policy. The organizational arrangements for implementation of the policy will be considered at a later stage.

Generally speaking, the organization set up for implementation of the policy will need to be coherent at all levels. An integrated approach will be adopted. All components of the organization will have to be aware of the goal and content of the policy, and be familiar with development issues. The various elements of the policy must be connected, and Sweden must speak with one voice in international fora.

The policy for global development must be guided on the basis of effective management by results and monitoring and evaluation. Continuous control will be exercised through appropriation instruments, cooperation plans and dialogue. The responsibility for implementation of global development policy will be shared by all policy areas and ministries. Results-based management calls for precisely-defined objectives and description and analysis of the effects of the measures that are taken, for example in relation to the internationally agreed development goals.

The Government has a number of instruments at its disposal within the framework of global development policy. However, different goals will be set for different political and policy areas, and conflicts may arise. It is scarcely possible to formulate general guidelines that will solve all conceivable goal conflicts all at once. Such conflicts must, however, be identified and solved by well-founded political choices. A common goal has been set for all areas of global development policy – equitable and sustainable global development. The Government Offices as a whole will contribute to attainment of this goal. This means that efforts in one policy area towards attainment of equitable and sustainable development are not cancelled out by efforts in another area. The international Coherence Index that is being developed will be an important instrument for this purpose (see section 5.5).

The Government intends to present an annual report to Parliament on implementation of the policy for global development. The report will cover measures taken in different policy areas to strengthen the policy for global development and Swedish efforts to enhance the coherence of the EU's total effort.

Operational targets set in specific planning instruments for various countries, multilateral agencies and areas will complement the goal of the international development cooperation policy area. These will be based on the country's or organization's own national poverty reduction and development plans. The operational goals will be formulated with reference to the Millennium Development Goals. As regards long-term cooperation in the form of budgetary support, performance monitoring will be undertaken by the country itself or in cooperation between donors. Reviewing and measuring the results of development cooperation presents significant challenges. Further development of management by results will be an important task in future in this field.

7.2 Learning

The Government's proposals: An independent structure is needed for evaluation of international development cooperation. A commission of inquiry will be appointed to consider suitable arrangements.

The Government's assessment: Collaboration with other countries, especially in the EU, should be strengthened in the field of monitoring and evaluation.

In order to enhance learning about coherence between different policy areas, support should continue to be given for the development of an international Coherence Index and international research on coherence.

The developing countries' own evaluation capacity should be strengthened.

The Government Offices should continue to have access to a structure with international expertise for analysis of global development issues.

A citizens' forum with representatives of Parliament, organizations, the private sector, researchers, groups of experts and other stakeholders, as well as central government and public authorities, should be set up in order to promote a broad public dialogue on Sweden's policy for global development.

The Government's external information and communication activities should be strengthened in order to disseminate knowledge and stimulate debate on global development.

Reasons for the Government's proposals and assessment: Learning with regard to the effects and consequences of policies is usually based on assessments in individual political and policy areas. The commitment to improved policy coherence calls for a better understanding of the effects of all policies. International efforts are being made to develop an index to assess the degree of coherence in the rich countries' development policies. In addition, a number of research activities are being planned in order to improve our understanding of coherence, of how various policy areas individually and jointly contribute to development, and of how individual developing countries can gauge the overall effects of the rich countries' policies. It is very important for the sake of our own learning to take an active part in these processes.

Evaluation is a central element of goal-based and results-based management. All aspects of global development policy should be evaluated on a continuous basis. To some extent this should take place by means of internal evaluations in order to make it possible to recycle experience of successful and less successful practice, thus ensuring that the conduct of policy is appropriate and effective.

Furthermore, in order to increase the credibility of evaluation activities, evaluations should be performed by an independent body. Steps will be taken to ensure that an independent structure for evaluation of development cooperation is available. Appropriate arrangements for this important function will be investigated. It should evaluate performance and carry out strategic analyses. Monitoring and evaluation should be kept separate from the activities that are to be evaluated and analyzed.

Concerted activities by active and interested countries can offer great advantages when it comes to evaluating international development cooperation. Such evaluations could deal with different kinds of activities, including issues relating to coherence, coordination and harmonization. Sweden should propose closer cooperation with other countries on this matter. Development cooperation should as far as possible be evaluated in close cooperation with the developing partner country itself. As a general principle, the developing countries' own capacity for evaluating the effects of development cooperation should be

strengthened. Support should be given to improve their capacity for monitoring, learning from and evaluating the results of development measures.

To ensure that monitoring measures and evaluations have the desired effect on policymaking, they must be analyzed and used in an effective manner. This calls for enhanced capacity. Global development issues are complex and a variety of skills are often needed to make comprehensive analyses. The Government Offices and authorities will undertake efforts to broaden the general level of skills in the field of development. The Expert Group on Development Issues (EGDI), which has been set up in the Government Offices, plays an important role for analysis and learning in this area. There continues to be a need for a structure with international expertise to carry out long-term analyses of global development issues. The knowledge and data on development that are generated should be made available to developing countries, organizations and the general public.

Globalization and ongoing changes in other countries are making increasing demands on knowledge and analysis. This is important in political decision-making, but also for a constructive and open public debate. A planned inquiry into the need for broader political analysis will provide important decision guidance data for consideration of the management of the proposed policy. Exchanges of experience and skills with other countries and organizations should also be developed in various forms.

There is a need for an open public dialogue on global development issues. Authorities and other public sector actors can play an important part when it comes to representing various sectors and perspectives. The arrangements for collaboration with organizations and the private sector should be strengthened. Closer cooperation is needed with research institutions and the academic community. Such collaboration offers great potential for mutual learning. The public debate on global development can be further developed, and the media play an important part in this regard. Various actors need to meet and exchange experience and perspectives. The Government therefore intends to set up a citizens' forum consisting of representatives of Parliament, organizations, the private sector, researchers, other groups of experts and central government and public authorities. The purpose of this forum is to promote a dynamic dialogue between various sectors of Swedish society on Sweden's policy for global development.

Information, communication and opinion formation are important tools for disseminating knowledge and stimulating public discussions about the policy, and will strengthen it in the long run. The dissemination of information about Sweden's policy for global development should be strengthened in relation to developing countries, other donors and multilateral organizations. Collaboration should take place in this connection with NGOs, the private sector and other actors.