

Audit of criteria for the country-specific allocation strategy of bilateral development assistance projects

Swiss Agency for Development and Cooperation

Key facts

Bilateral development assistance is one of the instruments in Switzerland's international cooperation strategy. Part of this assistance takes the form of national and regional programmes of the Swiss Agency for Development and Cooperation (SDC). The total amount for the period from 2017 to 2020 is CHF 2,613 million.

The SDC has defined thematic and geographical priorities to enable its resources to be used effectively. This results in programme concentration on 10 themes and on 21 priority countries and regions. The Organisation for Economic Co-operation and Development (OECD), for its part, criticised Switzerland on account of the high number of countries receiving this aid.

Applying precise criteria reduces the number of countries and should be documented

The dispatch on international cooperation for 2017 to 2020 now presents more precise criteria for involvement in the priority countries and regions. For the first time, there are also exit criteria. However, the SDC has not explicitly shown its choice of countries and regions chosen according to the criteria set out in the dispatch. The Swiss Federal Audit Office (SFAO) recommends doing so in the future.

The SDC already reduced the number of beneficiary countries in 2017. Nine countries which had previously been included in the priority regions were thus withdrawn for the period from 2017 to 2020. Among the remaining countries, some no longer meet the majority of the involvement criteria (Nicaragua, Bolivia, Cuba and Mongolia) and others at least partially meet the exit criteria (Kenya, Bolivia and Mongolia). However, they have been retained for reasons of continuity in assistance work. For these countries, the SDC must bring up their possible exit for discussion when the next corresponding country strategy is formulated before the next dispatch is prepared. In the case of the countries included in a priority region (Kenya and Nicaragua), the regional backdrop must be considered.

The annual budgets do not allow the integral commitment of the credit facility

Because of the time lag between the contractual commitment and the actual payments, CHF 1075 million from the 2013 to 2016 credit facility for national and regional programmes will be spent during the following period. These payments are subject to annual budgetary constraints. As a result, the SDC cannot commit the credit facility in its entirety without endangering the implementation of the subsequent credit facility. The sum which cannot be committed in this way for national and regional programmes amounts to CHF 125 million for the period from 2013 to 2016.

Finally, reporting is highly developed in the SDC and relates to different geographical and thematic levels. However, these reports are not yet based on standardised data. In order to facilitate the reporting process, the SDC has defined 40 reference indicators to be gathered from each project concerned from 2017.

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