



Operational Strategy

2024-2026

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1. About the Operational Strategy

Sida – the Swedish International Development Cooperation Agency – is a government agency. It implements national policy pertaining to international development cooperation, reform cooperation and humanitarian assistance as decided upon by the Swedish parliament. These policies aim to create preconditions for better living conditions for people living in poverty and under oppression.

The purpose of this operational strategy is to clarify how Sida will contribute towards the achievement of the Swedish parliament's objective for development cooperation and the strategic direction set by the government in *Development Assistance for a New Era: Freedom, empowerment and sustainable growth*. The intended audience for the operational strategy is Sida's staff, partners, and the Swedish government and parliament. Chapter 2 describes both the global issues that affect Sida's work as well as how the agency is governed. Chapter 3.1 clarifies how Sida has interpreted and converted the Swedish government's thematic priorities into *external* objectives that the agency will contribute towards. These objectives set the preconditions for Sida's operations using results-based management.

Sida's *internal* objectives, introduced in chapter 3.2, reflect the agency's priorities during the upcoming three years. They will guide the agency's development. The operational plan will on an annual basis specify how Sida will contribute towards the internal objectives that year. Sida will place emphasis on the geographical context, and work together with the Ministry for Foreign Affairs, other government agencies, academia, civil society, and the private sector in order to achieve results. Sida operates in a global and increasingly complex context, and is well equipped to work with partner countries, and other development actors. Sida will further be strengthening its cooperation with the EU.

In chapter 4, the operational strategy highlights the agency's working methods in relation to the objectives described in chapter 3. Sida monitors all objectives outlined in the operational strategy using indicators, and makes sure to learn by evaluating the results that are achieved. Working in this way creates the necessary conditions that Sida needs to operate in a transparent and results-oriented way. During Sida's operational strategy's implementation period the governing board intends to simplify the agency's governance by providing clarity to the agency's mission, strong internal control and relevant reporting.

The Swedish International Development Cooperation Agency, Sida
2024-02-16

2. Sida's Context and Mission

2.1 Development Analysis

Sida is a government agency that carries out international development cooperation, reform cooperation, and humanitarian assistance on behalf of the Swedish government. In accordance with the government's strategies on development cooperation and humanitarian assistance, Sida aims to improve conditions for people living in poverty and oppression. As a result of global events, and the way that Sida is governed, the agency, in order to be effective and to achieve desired outcomes, needs to work in an adaptable way. This chapter begins by outlining the global trends that Sida expects to have an impact on its operations during 2024-2026, and finishes by summarising the agency's mission and governance.

World events and developments

People living in extreme poverty face increasingly complex issues consisting of multiple overlapping crises. In addition to escalating crises in different parts of the world, many low- and middle-income countries are coping with weak economic development, increasing hunger and malnutrition, shrinking democratic space, as well as insufficient development finance. The conditions in which development cooperation operates is affected by a changing global geopolitical situation which is heading towards multipolarity. Together this means, despite many long-term positive trends, that several of the Sustainable Development Goals (SDGs) that were adopted as part of the 2030 Agenda for Sustainable Development will not be reached.

Poverty is declining at a slow rate

Following an increase in extreme poverty during the COVID-19 pandemic, the trend of poverty reduction is pointing in the right direction again – but poverty is decreasing at an increasingly slow pace. The world had barely recovered from the pandemic when Russia launched its full scale invasion of Ukraine. Together with more than fifty conflicts around the world, the invasion has contributed to immense human suffering, increased poverty and forced displacement. The uncertainty around future poverty projections is exacerbated by increasing regional and global geopolitical tensions.

Insufficient economic growth in low- and middle-income countries

Despite overlapping crises, the global economy continues to grow. However, the predicted growth in low- and middle-income countries does not meet the necessary requirements to achieve effective poverty reduction. One third of low-income countries are expected to have lower GDP per capita in 2024 than 2019. Moreover, the employment rate in low-income countries is expected to remain below pre-pandemic levels. Women, people with lower education levels, young people, and those who work in the informal sector – which accounts for 2 billion, or 60%, of the global labour force – are especially affected. Historically, economic development that creates jobs has been a driving factor in rapid poverty reduction – when people who live in poverty can participate in, contribute to, and benefit from development.

The main uncertainties for global growth in the coming years are considered to be: an increased risk of a new financial crisis; persistently high levels of inflation; geopolitical tensions; conflicts and social unrest; and climate-related natural disasters. Ambitions to accelerate economic recovery and poverty reduction must to a higher degree be combined with ambitions for a green transition. However, at the same time, there is a widening gap between needs and available resources.

Negative trends in food security

There are several threats to food security in the world. However, the greatest risks are rising living costs and more frequent extreme weather triggered by climate change. Rapid changes in the climate leads to increased uncertainty about food production (both on land and in marine environments), the availability of fresh water, and the productive capacity of oceans to deliver ecosystem services. Future food security, especially for people living in poverty, will increasingly be affected by factors such as higher temperatures, rapid changes in precipitation, rising sea levels and ocean acidification. However, despite all of this, conflict continues to remain the main cause of hunger with 70% of people living in hunger staying in conflict zones. Russia's invasion of Ukraine and the COVID-19 pandemic both show how dependence on a few actors in the global food system affects the most vulnerable consumers. This is especially true for net importing countries (countries that import more than they export) due to increasing prices and difficulties in obtaining food.

Risks and opportunities relating to climate and environment

In the longer term, continued emissions, failure to adapt to climate change, and loss of biodiversity on land and in marine environments also pose threats to global development. Continued degradation, over-exploitation of natural resources, depletion of biodiversity and ecosystems, and increased pollution make it harder to achieve many of the SDGs. People living in poverty are the most affected by the effects of climate change. At the same time, a green transition offers great opportunities for more sustainable economic development that is expected to create more jobs. Development cooperation can play an important catalytic role in unlocking resources that can be used for example to support climate adaptation or in the energy transition.

Worsening conflicts increase poverty and forces displacement

By 2030, 86% of all people living in poverty are expected to be living in contexts that are characterised as fragile and affected by crisis and conflict. In recent years, the number of armed conflicts and deaths from organised violence has increased significantly. Indeed, 2022 was the deadliest year since 1994, and the negative trend continued in 2023. Furthermore, protracted and new armed conflicts are the main reason for the increase of refugees in the world over time. Prolonged conflicts makes repatriation difficult, and the worsened conflict and refugee situation has contributed to increased humanitarian needs and migration flows.

Shrinking democratic space

Democratic space has been shrinking for a long period of time. In addition, the quality of democracy has also deteriorated, rule of law has weakened, and confidence in democracy as a solution to global problems – such as climate change – has declined. Reduced democratic space affects people's rights and opportunities to organise, which can lead to increased oppression. Resistance to gender equality, sexual and reproductive health and rights, and LGBTI rights has increased in many countries. Furthermore, media, civil society as well as people who defend democracy and human rights are most at risk when trying to counteract autocratisation.

New opportunities and risks resulting from digitalisation

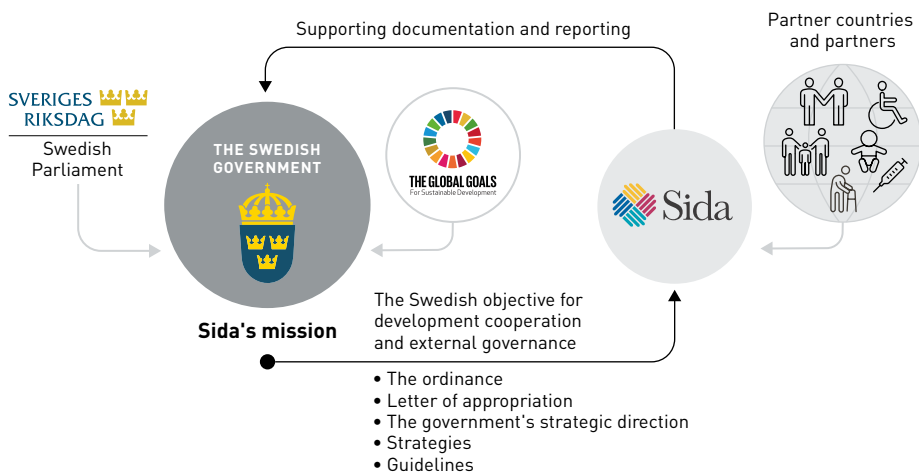
Digitalisation will increasingly become important in developing countries, and affects our ability to achieve the SDGs. In the area of democracy, digitalisation has the potential to increase freedom of expression and improve public services. At the same time, disinformation, polarisation and advocacy campaigns are listed as some of the main risks for negative societal development in the coming years, when a record number of national elections will be held. Combined with the race for technology and digitalisation, this may affect the geopolitical situation.

Increased need for development finance

The need to mobilise – and get more out of – all forms of development finance is increasingly important to meet the SDGs. This includes both domestic and foreign funding, as well as private and public funding streams. The UN estimates that development finance needed annually to fulfil the SDGs has increased from USD 2.5 trillion to USD 4 trillion. Tax revenues, which are the main source of funding in almost all countries including low-income countries, is gradually increasing. Despite this, it is not sufficient. These funding streams need to be complemented by other financing, where remittances and foreign investment play an important role. Opportunities to supplement the government budget with additional loans are limited, as a record proportion of low-income countries – as much as 60 percent – already have, or are approaching, unmanageable public debt. Over the past decade both the proportion of global exports and the proportion of recipients of foreign investment among Least Developed Countries have stagnated at around 1 percent and 2 percent respectively. Conversely, increased access to the global market and inclusion in global value chains is an important driver of economic development. This requires, among other things, the development of countries' capacity to implement trade agreements, production capacity, investment climate and negotiation skills.

2.2. Sida's Mission and Governance

Sida works with development cooperation and humanitarian assistance on behalf of the Swedish parliament and government. According to the agency's ordinance, Sida's mission is to help fulfil the government's objective for development cooperation *to create preconditions for better living conditions for people living in poverty and under oppression*. In doing so, Sida will contribute to the task of implementing Sweden's policies on development cooperation and Agenda 2030. In addition, the Swedish government's policies on development cooperation are also based on internationally agreed principles for development effectiveness, which focus on national ownership, results, inclusive partnerships, transparency and joint accountability.



The Swedish government's strategic direction for the coming years is described in *Development assistance for a new era - freedom, empowerment and sustainable growth*. The strategic direction clarifies the Swedish government's overall priorities, while the formal governance of Sida's operations is presented in the agency's ordinance, letters of appropriation, strategies and other regulations that all government agencies in Sweden must follow.

There are currently 46 strategies for international development (bilateral, regional and global/thematic). A strategy usually contains three areas of support, a number of strategy objectives and, in many cases, a number of requirements (referred to as "must" requirements). Currently, Sida is guided by 358 unique

strategy objectives. Sida works towards these objectives by managing over 1 800 contributions. Sida's development assistance reaches around 120 countries. Moreover, the agency receives a large number of assignments through an annual letter of appropriation.¹

The governance of Sida is thus complex and detailed. The many assignments and complex governance affects Sida's ability to work strategically and operationally. This operational strategy outlines Sida's governance. It presents the objectives set by the agency in order to ensure an effective implementation of development cooperation and humanitarian assistance, that is in compliance with the Swedish government's strategic direction and governance.

In the Budget Bill for 2023 and 2024, as well as in the strategic direction for development cooperation, the government has emphasised the importance of simplified governance of both development cooperation and Sida.

1. The statistics presented are as of January 2024.

3. Strategic Objectives for Sida's Operations 2024-2026

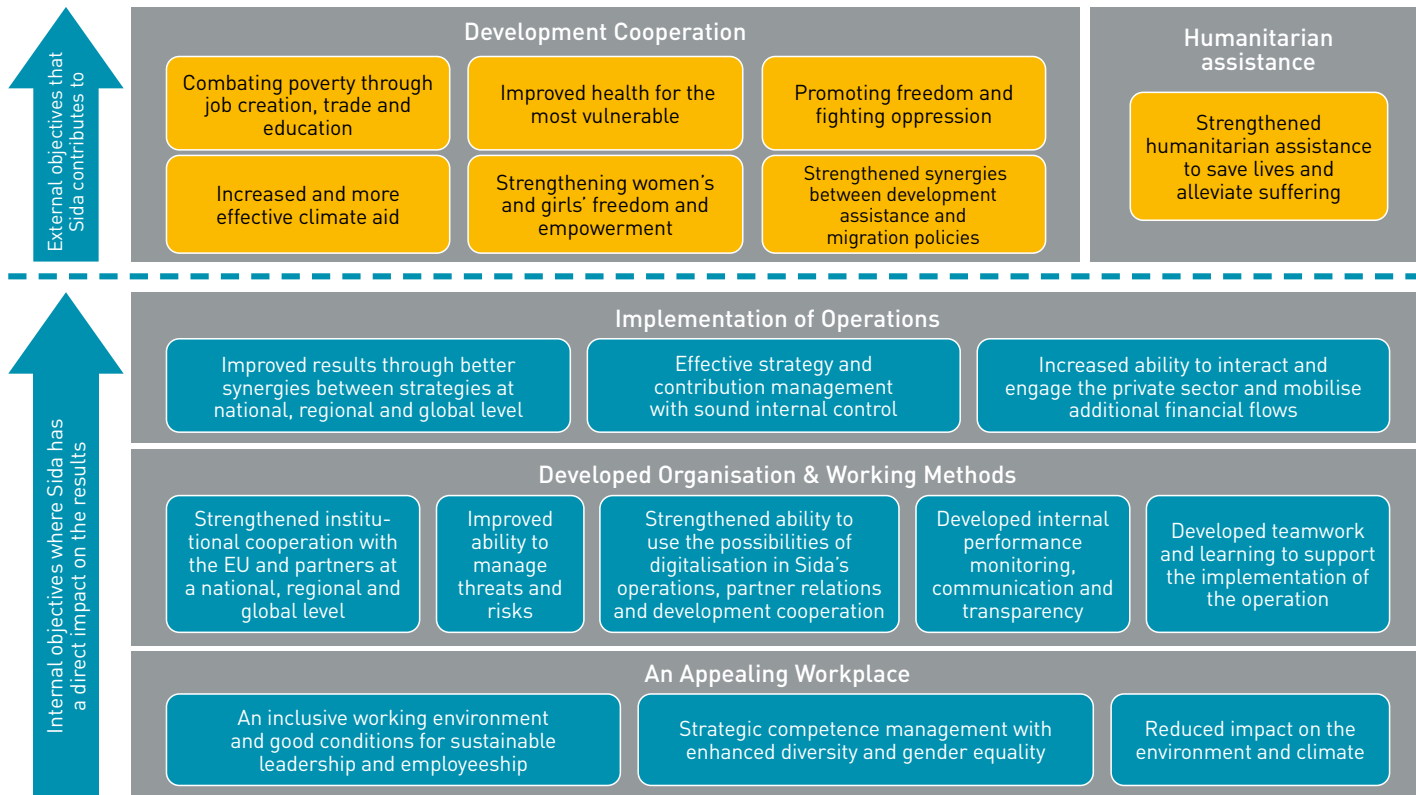
In order to use resources effectively, in the best way possible, as One Sida that works in coordination across departments and jointly with Sweden's missions abroad, the agency applies a results-based management approach. This is summarised through a number of external objectives that Sida will contribute to, and a number of internal objectives where the agency can directly influence results. For both external and internal objectives, the desired state in 2026 is described.

Sida's objectives provide the foundation for the agency's operations and how it works to contribute to Sweden's overall objective for international development. The external objectives are expected to make a difference for people living in poverty and oppression in the long term with impacts anticipated beyond 2026. The internal objectives, on the other hand, will lead to changes that improve the efficiency in its operations during the period of the operational strategy.

In Sida's operational plan, operational objectives - which are based on the operational strategy, letters of appropriation and other priorities decided by the government and interpreted by Sida's management - are formulated on an annual basis. The internal and external objectives build on one another. The internal objectives clarify how Sida works in order to contribute to the external objectives. Additionally, the agency's work is also based on the six common principles for a good administrative culture. The priority areas for the internal objectives can be seen as a chain in a theory of change where the six common principles for a good administrative culture is the start that leads to an attractive workplace where the organisation and its methods are continuously developed. This will enable an effective implementation of Sida's operations, which in turn leads to results that effects the external objectives, and contributes towards achieving the objectives set by the Swedish government.

Indicators will be developed for all objectives during the operational strategy period, these will be used to monitor and promote learning (the indicators are presented separately). In the annual operational plans, Sida operationalises the operational strategy with follow-up occurring on a quarterly basis.

To improve living conditions for people living in poverty and under oppression



Common Principles for a Good Administrative Culture

Democracy • Objectivity • Rule of Law • Respect • Free Formation of Opinion • Efficacy and Service

3.1 External Objectives

In order to contribute to Sweden's objective for international development, Sida will focus on the seven thematic priorities as outlined by the government in the strategic direction *Development assistance for a new era – Freedom, empowerment and sustainable growth*. The seven thematic priorities have been formulated as external objectives in order to clarify how Sida will create value in partner countries, and on a regional and global level. The results from Swedish development assistance will be described at these three levels on an annual basis.

Previous experience says, that conflicts of interest may arise in the implementation. In order to handle these, Sida will have an increased geographic focus where theories of change are developed on national, regional and global level. In doing so, Sida will strategically select contributions that align with its objectives. An increased dialogue with public representatives in partner countries is a prerequisite for ownership and durable contributions. Collaboration, complementarity and transparency should also be sought in dialogue with other donors that are active in the same area, and Sida should also benefit from synergies between humanitarian, development and peace building contributions. These types of collaborations will prevent conflict, strengthen societies' resilience to crises and reduce humanitarian needs. This is further expanded upon in the agency's internal objectives and working methods in the operational strategy (chapters 3.2 and 4).

Priority Area: Development Cooperation

Development Cooperation is long term support to countries in order to combat poverty and to promote free well-functioning societies. It is sometimes the case that development cooperation and humanitarian assistance work conjointly. Sida's cooperation with its partners is based on strategies that are decided by the government and last over several years.

Objective E.1: Combating poverty through job creation, trade and education

Desired state: Economic development in Sweden's partner countries is both inclusive and sustainable. They have a well-functioning market system and a dynamic private sector that creates jobs, better working conditions and reduces poverty, both in the formal and informal sector. They have a favourable business climate, and participate and benefit from sustainable trade and value chains through increased capacity to implement trade agreements and meet international market demands. Improved, equivalent, inclusive, equal education and lifelong learning of good quality decreases poverty and secures individuals

livelihood possibilities. This also leads to democracy, equality, improved health, women and girls self-determination and economic empowerment, and improved competitiveness in the private sector. Synergies between trade and development assistance is developed. Sida is a natural part of Team Sweden's work to strengthen Swedish actors.

Objective E.2: Improved health for the most vulnerable

Desired state: Healthcare systems in Sweden's partner countries are improved through strengthened governance (e.g. anti-corruption and accountability), finance, research, innovation, digital systems and human resources. To achieve improved health, including sexual and reproductive health and rights (SRHR), there are clearer connections between the healthcare system, water and sanitation, climate and environment, rights and girls education and economic self-determination. A functioning, equitable and resilient healthcare system is crucial to prevent disease, malnutrition and health threats. It also contributes to improved health and promotes SRHR for the most vulnerable, including people in crisis situations.

Objective E.3: Promoting freedom and fighting oppression

Desired state: Democratic institutions are key actors that are in place to counteract conflict and democratic decline. These institutions include electoral institutions and the judiciary, a vibrant civil society including defenders of democracy and human rights and free and independent media. Ongoing democratic development and respect for human rights are strengthened, especially for the most vulnerable. Good public governance contributes to domestic mobilisation of resources, predictability and openness, and contributes to social coherence. Freedom of speech and access to independent facts and information in a more safe and equal digital environment has been strengthened. Not least in conflict areas where countering information influence and hate speech, as well as countering democratic regression, contributes to peace and security.

Objective E.4: Increased and more effective climate aid

Desired state: Sida contributes to Sweden's work on reducing greenhouse gas emissions and pollution, reducing the loss of biodiversity, terrestrial ecosystems, freshwater and marine ecosystems and increasing resilience to the impacts of climate change. Sida contributes through a larger share of targeted contributions and investments in fossil-free energy, energy efficiency and adaptation measures and by integrating a climate and environment perspective to all Sidas operations. Climate development assistance is catalytic and mobilises capital to accelerate

the transition and to contribute to partner countries having more well-functioning institutions, financial systems, markets and policy frameworks that promote an equal green transition. This includes resource mobilisation for sustainable investments, in which Swedish actors play an important role based on their area of expertise and added value.

Objective E.5: Strengthened women's and girls' freedom and empowerment

Desired state: To strengthen freedom and empowerment of women and girls, their human rights, economic empowerment and agency, SRHR, education and participation in digitalisation, political decision-making and peace processes are promoted. Freedom from sexual and gender-based violence is central. Accountability for violence is strengthened, not least in conflicts. Women's rights organisations and other actors are strengthened to address growing resistance to gender equality. Transformative results are achieved that change the norms and customs that limit the self-determination of girls, women and LGBTI people. Discrimination is countered by taking an intersectional perspective. Freedom of women and girls to determine their own lives and opportunities to participate in society on the same terms as men and boys is a basis for Sweden's development assistance.

Objective E.6: Strengthened synergies between development assistance and migration policies

Desired state: Development cooperation creates conditions for better living conditions for people living in poverty and oppression and affects the root causes of irregular migration and forced displacement. Through peacebuilding efforts, Sida counteracts the root causes of forced migration and displacement. Through interventions in countries of origin, transit and host countries strengthen the capacity of partner countries and contribute to safe, orderly and regulated migration, promote returns and contribute to sustainable reintegration. In collaboration with Swedish and international actors, Sida develops innovative approaches to use development assistance to promote returns or the positive contribution that returning migrants can make in partner countries.

Priority Area: Humanitarian Assistance

Humanitarian assistance is immediate support in emergencies. Sida's humanitarian assistance is guided by the four humanitarian principles: humanity, neutrality, impartiality and independence.

Objective E.7: Strengthened humanitarian assistance to save lives and alleviate suffering

Desired state: Humanitarian assistance contributes to saving lives, alleviating suffering and upholding human dignity in humanitarian crisis situations. Humanitarian assistance and protection are clearly based on needs-based priorities, international humanitarian law and the humanitarian principles. Increased humanitarian access ensures that support reaches more of the most affected and vulnerable people. Increased direct and indirect funding to local organisations strengthens local ownership and influence in the coordination of humanitarian action. At the same time, targeted methodological and policy support and an active systematic dialogue contribute to a more efficient and flexible humanitarian system with clearer priorities using limited resources.

3.2 Internal Objectives

The purpose of the internal objectives is to clarify and prioritise Sida's working methods so that the operations are efficient, and can be followed up, thus contributing to the external objectives. With a developed organisation and methods, Sida will be able to implement our operations as *One Sida*, where the agency works in a coordinated manner across departmental boundaries and jointly with Sweden's missions abroad. The six common principles for a good administrative culture permeate everything Sida does and form the basis for the implementation of Sida's mission. This creates the conditions for sound administration at the agency.

Priority Area: Implementation of Operations

Sida's core mission is to implement the government's strategies by financing operations for partners based on a holistic perspective where Sida starts from the development conditions of partner countries, regional change processes and global thematic work. Taking a geographic approach, Sida's contribution management will increase the ability to engage the private sector and mobilise capital, as well as taking advantage of the opportunities of digitalisation. Sida implements its operations as part of Team Sweden and collaborates well with the Government Offices of Sweden, Sweden's missions abroad and other Swedish authorities. Sida is also part of Team Europe where Sida collaborates with the EU and other Member States.

Objective I.1: Improved results through better synergies between strategies at national, regional and global level

Desired state: Sida has a developed capacity to offer development cooperation to deliver in changing contexts at three geographical levels: national, regional and global. Theories of change for all geographical levels will ensure that Sida's role in implementing the government's strategies supports an integrated Team Sweden approach. Sida thus has the ability to systematically and continuously conduct context analyses and participate in a coordinated development offering together with Swedish authorities, companies and civil society. Collaboration and synergies between humanitarian assistance, development cooperation and peacebuilding, a so-called nexus approach, are strengthened in order to make overall development assistance more effective and to prevent and mitigate humanitarian crises. Sida coordinates between the head office and Swedish missions abroad and ensures the division of responsibilities at all levels within the agency. Effective monitoring of results and internal governance and control ensure monitoring of results and learning at three geographical levels. Sida coordinates its work so that the agency's partner countries and development partners meet an actor with the ability to identify opportunities for development based on an efficiency perspective and relevant strategies. Sida is part of Team Sweden - a collective Swedish leadership that collaborates on global development issues, investments and trade, and is inter alia grounded on the EU's "Global Gateway" strategy.

Objective I.2: Effective strategy and contribution management with sound internal control

Desired state: Sida has strengthened contribution management and strategy implementation through a developed model for contribution management where governance and support are clarified. Internal governance and control have been strengthened to ensure that development assistance reaches the right recipients. This process ensures that contribution management and strategy implementation meet internal and external requirements and are guided by knowledge of effective development cooperation. There are developed and transparent methods for selecting partners that support performance management and reporting. Based on the results reported, Sida draws conclusions and makes changes, both in the management of individual contributions and of entire portfolios of contributions, so that the best possible results are achieved for people living in poverty. In this way, Sida also contributes effectively to the objectives set by the government. With effective and transparent strategy and contribution management, Sida is a professional and respected organisation that others listen to and want to work with.

Objective I.3: Increased ability to interact and engage the private sector and mobilise additional financial flows

Desired state: Sida has the ability to use the transformative power of private sector actors and their priorities, in market systems and in trade, to create conditions for better living conditions for people living in poverty and oppression. With the help of the multidimensional poverty analysis (MDPA), Sida has a good understanding of different financing flows including the role and importance of the private sector for development and poverty reduction in the contexts where the agency works. In decisions that are part of operationalisation and contribution management, Sida always explores the possibility of using development assistance to catalyse further engagement and resources for development. To identify opportunities for collaboration with private actors, Sida has a well-developed ability to understand the conditions of the private sector and a high level of thematic and technical knowledge in areas where the private sector can primarily contribute with solutions. Sida contributes to extensive and sustainable mobilisation of private actors' commitment and capital for poverty reduction, by contributing to a favourable business climate, innovation and by issuing government guarantees. Sida has a developed capacity to strengthen the ability of partner countries and companies to meet increased demands for transparency and sustainability in supply chains, support the development of investment projects, more efficient preparation of guarantees and methods for results-based financing. Sida has a developed collaboration with Team Sweden and methods to interact with the Swedish private sector resource base.

Priority Area: Development of Organisation & Methods

To be effective in its core mission, Sida needs to constantly develop its organisation and methods to ensure that the agency works efficiently and service-oriented at all times.

Objective I.4: Strengthened institutional cooperation with the EU and partners at a national, regional and global level

Desired state: Sida has a closer, and more structured, cooperation with EU institutions. Sida contributes strategically to the implementation of the EU's "Global Gateway" strategy. Contacts between Sida and Brussels are well established. Cooperation between Swedish missions abroad and EU delegations has been deepened within Global Gateway, for example in the area of analysis and through prioritised Team Europe Initiatives and large projects where Swedish competencies contribute. Sida's capacity to achieve impact for Swedish priorities within

the multilateral cooperation that Sida implements has increased through strategic and systematic dialogue with multilateral organisations at various levels. Sida has a clear strategy for when, and how, the agency cooperates with multilateral actors such as the UN, development banks and other organisations, and when it supports initiatives at national, regional and global level to ensure clear results.

Objective I.5: Improved ability to manage threats and risks

Desired state: A strong internal security culture is in place. Appropriate security measures including the ability to manage threats and risks provide good safety and security for operations and employees and ensures that the agency achieves its objectives. This work includes physical and digital operational protection for Sida and security protection for Sweden's security in line with the laws and requirements for the operations. Governance, systematics, and organisation have further developed its work with risk and security, in a way that ensures both efficiency and that the agency's objectives are met. Sida has a good ability to collaborate with the Swedish Government Offices, the Ministry for Foreign Affairs and Sweden's missions abroad, as well as agencies in the security and crisis preparedness area, in order to learn and increase the ability to prevent and manage imminent threats and risks.

Objective I.6: Strengthened ability to use the possibilities of digitalisation in Sida's operations, partner relations and development cooperation

Desired state: Sida has a clear management model for digitalisation internally, at the agency, and when working with partners and in development assistance, that contributes to the effective implementation of Sida's mission. The agency's information assets are managed securely in accordance with applicable legislation. A coherent model for development and management is in place. The agency's ability to deliver secure and appropriate system support as to ensure support to Sida's implementation of its mission. The agency has the ability to describe, classify, make visible, make available, and manage the life cycle of the information that Sida owns. Sida also works actively to ensure, so called, interoperativity, in collaboration between agency and supports national and European solutions for exchanging data between IT-systems.

Objective I.7: Developed internal performance monitoring, communication and transparency

Desired state: Sida has developed qualitative and quantitative indicators regarding operations for development assistance which strengthen the follow-up of results and can be visualised. This clarifies how development assistance contributes to creating conditions for people living in poverty and oppression to improve their

living conditions in order to increase the financing of additional resources for development. Sida has an appealing agency communication and publication of Swedish-funded development assistance contributions on the agency's website Sida.se and on Openaid. Sida focuses on user-friendliness, searchability and data visualisation in all of its communication and is a leader in transparency regarding its contributions and working methods. Sida has a developed performance reporting that is available to Sida's clients and the public and that supplements the annual report that the agency produces in accordance with the applicable regulation.

Objective I.8: Developed teamwork and learning to support the implementation of the operation

Desired state: Sida has effective teams at national, regional, thematic and global level that work in a coordinated manner so that contributions from all relevant strategies reinforce each other. Sida supports its geographic and global teams through internal thematic networks that promote joint learning based on experience exchanges and make research results, analysis and methodological support available to the teams. Experiences from other expert agencies, academia and the business community are also used for the same purpose. Sida's agile approach means that the agency prioritises and plans the work in shorter periods in order to focus the work on what creates value and results.

Priority Area: Attractive Workplace

Sida's mission is multifaceted and requires the agency to be able to attract, recruit, retain and develop competent employees and managers with a variety of experiences, abilities and backgrounds. Sida aims to create a workplace that employees want, remain in and engage with.

Objective I.9: An inclusive working environment and good conditions for sustainable leadership and employeeship

Desired state: Sida's organisational culture and leadership are guided by the six common principles for a good administrative culture and are characterised by professionalism and collegiality. Sida works systematically to ensure a good organisational, physical, social and digital work environment with premises and systems that are accessible to everyone, including people with disabilities. Sida's managers contribute to a good working environment through trust-based leadership that creates participation, room to manoeuvre, and opportunities for employees to develop. Sida's employees also contribute to a good working environment by applying self-leadership and taking responsibility.

Objective I.10: Strategic competence management with enhanced diversity and gender equality

Desired state: Sida has a good ability to manage change and to develop. Sida adapts the agency's competencies to deal with the new demands placed on the organisation, with changes in the external environment and new governance. In the long term, Sida strengthens both diversity and gender equality in the organisation. Sida's competence supply strategy ensures that the organisation has the capacity and competence required for the mission in the short term and over time. The agency's working methods are developed and use Sida's collective competence where it is needed in the organisation. Sida has an increased breadth of competence for staff at Sweden's missions abroad with stronger support in thematic and methodological issues from Sida's head office as One Sida. Sida's work is integrated within Team Sweden and Team Europe at country and regional level.

Objective I.11: Reduced impact on the environment and climate

Desired state: Sida promotes conscious and balanced decisions to reduce the direct impact arising from its own administration, such as the operation of premises, IT and office equipment, procurement and travel. Sida strives to reduce its climate footprint by making conscious choices when travelling for duty-trips, considering travel-free alternatives and conducting necessary travel in a climate-smart way with the appropriate number of participants. In the agency's work on direct environmental impact, it is considered important that the entire agency is involved. The agency regularly informs employees about the work carried out and involves them in, for example, waste sorting and recycling.

4. How Sida Operates

This chapter outlines how Sida operates and works towards its mandate of reducing poverty and oppression around the world.

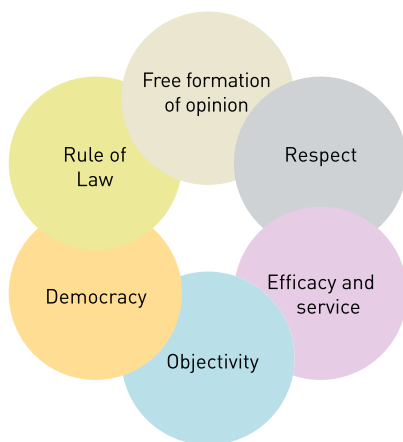
Sida provides the necessary conditions for an administration that is efficient, legally secure and free from corruption by ensuring that the six common principles for a good administrative culture permeate all work, and working methods at the agency. Derived from the Instrument of Government, as well as other laws and regulations, the six common principles for a good administrative culture: democracy, rule of law, objectivity, free formation of opinion, respect and efficacy and service. Sida works towards reducing poverty and oppression by financing development cooperation and humanitarian

assistance; mobilising capital through guarantees and collaborations with financial institutions; as well as engaging in dialogue with development actors.

According to the agency's ordinance, Sida should integrate five perspectives into its operations. Those perspectives are that of people living in poverty, rights holders, climate, gender equality and conflict. Through integrating these perspectives Sida ensures that its operations contribute to sustainable results that add value to people who live in poverty and oppression; reaches the most vulnerable and excluded people in society; all the while, reducing risks for unforeseen and unwanted side-effects.

In order to make sure that Sida's humanitarian action is efficient and as far as possible reaches those who have been affected by war, natural disaster and other crisis situations, the agency is guided by the humanitarian principles of humanity, neutrality, impartiality and independence.

Sida also considers the four principles for development effectiveness: country ownership, focus on results, inclusive partnerships, transparency and mutual accountability. In addition, Sida values increased support to civil society, as the agency aims to ensure that its contributions are executed with an understanding of, and proximity to, people who live in poverty and conflict settings.



Common Principles for a Good Administrative Culture

Implementing strategies

As a Swedish government agency Sida is part of the democratic chain of governance. Implementing the decisions made by parliament and government, Sida works on behalf of Sweden's citizens by contributing towards Sweden's objective for international development cooperation. Sida does this by implementing government strategies pertaining to development cooperation and humanitarian assistance.

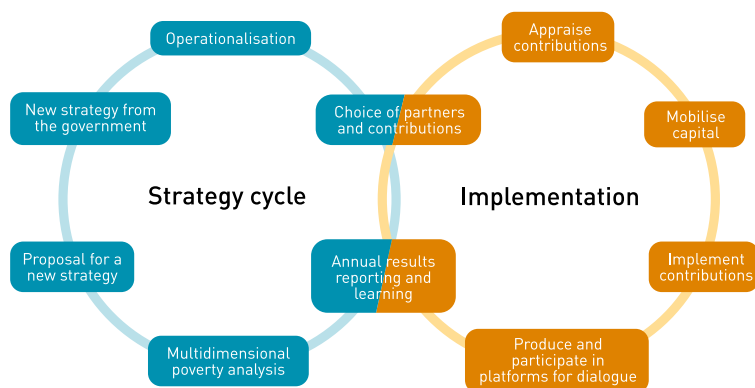
Strategies are developed and evaluated through a process which, whilst continually evolving, is set by the government.

In its current form the process includes collaboration between the Government Offices of Sweden and Sida. Through these strategies the government determines what geographic and thematic areas that Sida should focus on, and what objectives the agency should contribute to. The government's geographic strategies apply either to a country, in which case they are bilateral, or a region. Bilateral strategies are gradually going to be replaced by country strategies in which Sweden's development assistance commitment is put into a broader context. The government's regional strategies aim to strengthen regional cooperation in order to find mutual solutions to cross-border problems. The current thematic strategies, on the other hand, are mostly global. They either focus on principles and values which Sweden wants to make more prevalent globally, or specific actors. Sida's humanitarian assistance is governed by its own strategy. Most strategies have a five year duration.

Democracy

Sida is part of the democratic chain of governance. It works on behalf of Sweden's citizens, and thus ensures to always promote democratic values in its work.

Once the Swedish government has decided on a new strategy, Sida takes steps to operationalise it. Amongst other things, this include developing theories of change that explains how Sida will contribute to the strategy objectives. It also means that Sida outlines how results are to be evaluated and learning consolidated, as well as assessing whom the agency needs to partner with, and what contributions are necessary to contribute to strategy objectives as effectively as possible. The results of Sida's strategy implementation are reported back to the government on an annual basis. During the final year of a strategy, Sida writes a more in-depth report on the results of the implementation including proposals for new strategy objectives. The proposed strategy objectives are developed based both on a multidimensional poverty analysis and an assessment as to how Swedish development cooperation can contribute, and add value, to the lives of people who live in poverty and oppression. In order to highlight synergies between different strategies, Sida shall ensure to situate them within a geographic context considering a domestic, regional and global level.

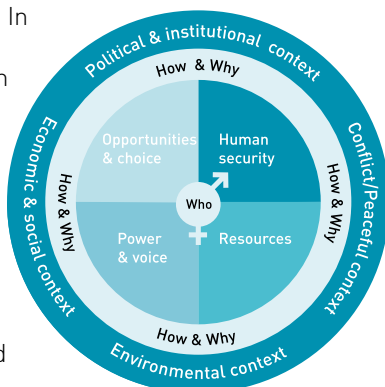


The illustration depicts Sida's strategy and contribution management, and how these cooperate

Multidimensional poverty analysis

When implementing government strategies, and developing theories of change, Sida draws on a multidimensional poverty analysis (MDPA). Sida understands multidimensional poverty as occurring when people do not have access to certain basic resources, at the same time as one or more of the following holds true – circumstances mean that they are unable to exercise their voice, they lack the means to be able to make choices and access certain opportunities in life, and/or lack human security. These four conditions, referred to as dimensions, often co-exist and as such can increase the severity of peoples' suffering.

Drawing on an understanding of poverty as multidimensional enables an analysis which highlights the importance of considering who the person living in poverty is, how different groups are experiencing poverty, and why people find themselves in that situation. In other words, an MDPA gets at the root causes of poverty, exploring the obstacles people face when attempting to change their situation. The MDPA also speaks to the significance of both private and public, as well as domestic and foreign, financial flows to poverty alleviation in a country (including taxes, private investments, remittance and development assistance). As such, an MDPA is an important building block for efficient results-oriented development cooperation where both its challenges and added value is identified.



Financing development cooperation and humanitarian assistance

Sida implements government strategies by financing development cooperation and humanitarian assistance conducted by partner organisations. A contribution could refer to Sida providing financial support to an organisation in order to complete a singular project or programme, to conduct its entire operations, or to establish a challenge fund, guarantee, or engage in other innovative ways to reach the government's strategy objectives.

Sida ensures that the agency's contributions are conducted efficiently and in accordance with relevant legislation through a robust framework for internal control. Sida will only approve a contribution following rigorous quality checks and an exhaustive appraisal process. Sida's framework for internal control builds on, and promotes, impartiality and objectivity in the agency's operations.

Objectivity

Sida uses pre-established processes to assess potential partners and contributions. These processes help ensure an impartial and objective assessment that is derived from facts.

In order to receive funding a potential partner has to contribute towards at least one objective in a government strategy that Sida is tasked to carry out. There also has to be available funding attached to the strategy in question. A potential partner that wants to find out more can contact Sida directly.

Rule of law

Sida adheres to applicable legislation that regulates how it completes its mission, such as the agency's ordinance, the annual letter of appropriation, government strategies and the administrative procedure act.

However, it is important to note, that it is not possible to apply for funding from Sida as a private citizen. Sida only collaborates with organisations, government agencies, companies, and other legal entities.

A thorough assessment is made of potential partners before Sida chooses and decides to launch collaboration with a partner or support a contribution in a specific context. The following are three ways in which Sida identifies potential partners and contributions.

1. Initiate dialogue with a potential partner. A potential partner might be an organisation that Sida is already collaborating with, or another organisation within a relevant field, a government agency, institute or multilateral organisation that Sida has identified for example through a study or by examining the field.
2. Have a call for applicants to identify potential new partners. A call for applicants is based on an assessment of what is needed to achieve the strategy objectives.
3. Procure new partners. The procurement is based on an assessment of what is needed to achieve the strategy objectives.

Sida makes several considerations when deciding whether or not to collaborate with a potential partner. These include, but are not limited to, whether the proposed contribution is relevant to the strategy and strategy objectives that the government have set; how it fits with other contributions in the portfolio; as well as available funding. The potential partner also has to fulfil Sida's other requirements pertaining to what actors are eligible to receive funding. Further, Sida assesses proposed objectives, theory of change, potential risks, and anti-corruption for each potential contribution.

The agreement that Sida signs with its partner sets out conditions regulating how to carry out the contribution. It also sets out requirements on monitoring and evaluation, including both financial reviews and reporting of results. Any collaboration between Sida and a partner has to fulfil foundational values in development cooperation. This means that Sida does not support things that counteract the objectives for development cooperation, such as weapons, illegal drugs, and pornography.

Results-based management

In order to reach maximum impact for people living in poverty and oppression both Sida and its partners are expected to use results-based management. Applying results-based management is a way to ensure that both Sida and its partners learn from, and adapt their work based on prior successes and failures.

Sida's partners are expected to apply results-based management by setting clear objectives that enable monitoring and reporting on results. Sida also requires its partners to implement results-based management by using methods, tools and practices to improve their chances of reaching the objectives that have been set.

Additionally, Sida uses evaluations to answer questions about how, and why certain results were or were not reached, as well as considering significance and sustainability of said results.

Efficacy and service

Sida manages the Swedish government's finances in a prudent manner by ensuring to work in a way that leads to maximum impact. The high quality of Sida's work is maintained through results-based management.

Mobilising capital

By collaborating with the Swedish business sector Sida makes use of the private sector's financial resources, problem solving and innovation skills, as well as their interest in market expansion. Through this cooperation Sida is able to further

address issues such as working conditions, access to employment and environmental and climate impacts in Sweden's partner countries. To accomplish this, Sida has several methods, for example Public Private Development Partnerships (PPDPs), the guarantee instrument, and challenge funds. These methods enable positive changes that are out of reach to traditional development cooperation. When combined with public actors and civil society's ability to, at a systemic level, address social, economic and environmental difficulties, collaboration with the private sector further enables Sida to create conditions that improve the lives of people living in poverty and oppression.

The guarantee instrument is Sida's most common method to mobilise additional private capital towards development in Sweden's partner countries, and aligns with the nation's commitment to development financing towards, and implementation of, Agenda 2030. Sida is at the forefront of donors globally in combatting poverty using guarantees. Working with the guarantee instrument Sida incentivises private actors to invest in, what might be considered more high risk, opportunities in order to contribute towards development.

Sida is also accredited as an implementing partner of the European Commission's guarantee frame, the so called EFSD+ programme. As of 2024, Sida still has available funding to use as part of its own guarantee frame, and as such has not yet deployed the European Commission's guarantee instrument. However, it is noteworthy that Sida has been accredited to do so given the high standards that the European Commission holds its implementing partners to. Indeed, Sida's accreditation is a proof of the quality of its monitoring, evaluation and appraisal processes for guarantees.

Providing and participating in platforms for dialogue

Participating in, and providing platforms for, dialogue and networking allows Sida to connect with its partners and to encourage partners to engage in activities and seize opportunities that promote development cooperation. The aim of Sida's dialogue with its partners - whether they are civil society actors, government agencies, investors, bankers, companies, or cooperatives - is to help them manage global challenges and achieve results. Collaboration can have catalytic effects. For example, cooperating with the Swedish business community could lead to mobilisation of resources towards sustainable

Respect

Sida's aims to promote dialogue with partners and other development actors at different levels. In doing so, Sida lays the foundation to be able to incorporate new perspectives, partnerships and collaborations that are useful to its mission.

development in Sweden's partner countries. Dialogue also provides an important opportunity for mutual learning between Sida and its partners. In addition to other platforms, Sida participates in dialogue through established networks that the agency's Swedish partners are members of.

Furthermore, Sida partakes in networks with international donors and stakeholders. In these networks Sida aims to build mutual trust between different stakeholders as well as welcome new donors. Sida has allocated resources to be able to address new donors' curiosity and willingness to learn from its experiences.

Sida engages in strategic dialogue as part of Team Sweden. Drawing on its thematic expertise and dialogue skills, Sida acts collaboratively, in unison with the Government Offices of Sweden, Sweden's missions abroad, and other Swedish agencies.

Sida's strategic dialogue with the EU, UN and multilateral development banks is supported by information gathered through the agency's internal Multilateral Coordination Network. Through this network observations made at Sweden's missions abroad are shared, as well as experiences exchanged, and learning accomplished.

Efficacy and service

Sida manages the Swedish government's finances in a prudent manner creating catalytic effect for priorities in development cooperation and humanitarian assistance by engaging in strategic dialogue.

Risk management

Risk management plays an important role in ensuring that Sida uses, and manages, government funds wisely. Hence, Sida applies a risk management model that increases the effectiveness of the resources it handles. Sida conducts risk assessments in accordance with relevant laws and regulations.

Risk assessments are conducted at all levels within the organisation. This is a prerequisite for Sida's management to be able to deal with unforeseen influences and consequences. At Sida, risk assessment refers to the process by which risks are identified, analysed, assessed, delegated, dealt with, and if necessary escalated to the senior management team or governing board in order to limit consequences for the agency and its work towards its mission. Sida revisits its risk assessments on a regular basis to ensure that relevant measures are in place to limit negative consequences for the organisation.

Efficacy and service

Sida applies a risk management model that increases the effectiveness of the resources it handles.

Anticorruption

Corruption is both a risk to Sida's operations and one of the biggest obstacles to achieving sustainable results through development cooperation. Sida handles this by taking a holistic approach by continuously working towards minimising corruption in its own operations, and ensuring to support a wide range of contributions that aim to minimise corruption in its partner countries.

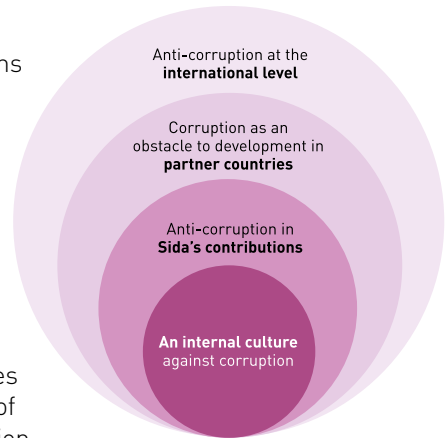
Sida has a rigorous process that includes different sets of control measures as part of the appraisal, implementation and evaluation of a contribution. These control measures allows the

agency to identify and act on warning signs in due time.

Before an organisation receives funding from Sida they are carefully scrutinised in order to ensure that they are able to handle and follow-up how the money is being used.

Rule of Law
Sida takes a holistic approach constantly working to minimise the risk of corruption both in its operations and by ensuring to support a wide range of contributions that aim to minimise corruption in its partner countries.

All Sida's cooperation partners have a contractual obligation to promptly report any indication of corruption. Sida also has an external whistleblower function where anyone can report suspicions of corruption to the agency. Through Sida's contribution management system, and external audits, Sida is able to identify, handle, and report indications of corruption and other irregularities.



Security, information security and crisis preparedness

Sida's work regarding security, information security and crisis preparedness includes operational security for the agency and security protection for Sweden's security. It is based on needs analyses in operations and legal requirements that will be strengthened in the coming period. Systematic work is done to comply with laws and regulations and to take effective, appropriate and cost-effective security measures in order to maintain good security, information security and crisis

preparedness. The measures include organisational as well as human, technical and physical protection measures.

The purpose of Sida's systematic work with information security is to maintain confidentiality, accuracy, availability and traceability in order to protect operations from disruption and limit damage. This work concerns the entire agency and is an integral part of its operations. In order to protect the supply of information and thus the agency's ability to reach its objectives, all employees must maintain a high level of security awareness and contribute to a satisfactory security culture. During the coming period Sida will systematically work on further developing its security culture.

Efficacy and service

Sida believes that safety and security are a prerequisite to reach its objectives and ensure a good working environment.

Rule of Law

Sida applies systematic working methods in order to comply with legislation and ensure good level of general and protective security

Communication of results and transparency

The results of Swedish development assistance can be of various kinds; some are concrete and easy to explain while others, such as support for long-term changes in a society, are more challenging to describe. Through personal stories, Sida gives the individual a voice and makes it easier for the recipient to understand its communication, whether it is about how the agency supports independent media in Ukraine or how climate-smart agriculture increases income for small farmers in Rwanda.

Transparency in development cooperation means showing what is spent where, why, by whom and with what results. Working with transparency and communicating results are therefore closely linked tasks. Transparency promotes external evaluation and enables Swedish taxpayers to get an overview of Sweden's publicly funded development assistance and to claim accountability. By publishing information and data that Sida itself uses in the execution of the agency's mission, the recipients of Swedish development assistance can also follow initiatives that affect them, and review the delivery of development assistance.

Free formation of opinion

Sida enables free formation of opinion by adhering to the principle of public access and by publicising information about the agency's contributions and results in a systematic manner.

In addition to the principle of public access, which means that all public documents can be requested by anyone, since 2010 there has been a transparency guarantee in place which states that all public information about Swedish development assistance must be made available on the internet. All employees at Sida who manage contributions contribute by being aware of the obligations arising from the transparency guarantee. There is a balance between high accessibility to information and data on the one hand and security for Sida's partners on the other. In many countries, cooperation with Swedish actors is associated with danger, and the security of Sida's partners is therefore always a top priority.

Through its membership in the International Aid Transparency Initiative (IATI), Sida contributes to maintaining and developing international standards for open data to increase global transparency in development cooperation. Sida also regularly reports data on Swedish development assistance to the OECD's Development Assistance Committee (DAC). Sida must also systematically promote that recipients of development assistance at all levels publish information in accordance with international standards.

Learning for strengthened relevance and effectiveness in Sida's operations

The fact that Sida is a learning organisation means that those working at the agency acquire new knowledge and that decisions are based on experience, analysis and evidence. By learning and drawing conclusions from their own and others' work, Sida's employees lay the foundation for more innovative and effective development cooperation assistance. Through Sida's internal thematic networks, the latest research results, analyses and methodological support are also made available to teams. This creates conditions for Sida to remain a relevant actor that can deliver on the agency's mission in a complex and rapidly changing world. It also provides better conditions for being even more proactive in global development issues.

Appraisal, monitoring and evaluation of contributions also offer opportunities for learning that can be used in the continuing cooperation and dialogue with partners. Evaluations are also a tool for learning in strategy implementation and at the thematic and organisational level. By taking advantage of the lessons learned from evaluations, Sida improves quality and increases the effectiveness of its development cooperation.

Efficacy and service

Sida maintains a high quality by investing time in learning, converting conclusions into new practice or decisions.

Monitoring of Sida's operational strategy and operational plan

Operational planning focuses on the prioritised areas for the current year. Sida's operational plan clarifies subsidiary objectives to the operational strategy's internal objectives. In order to adjust Sida's work, follow-up will be reported quarterly to the senior management team, bi-annually to the governing board and annually in the annual report to the government. The operational plan is continuously adapted based on the current work situation, resource allocation and performance. Sida needs to optimise operations in the best possible way which means that operational planning, additional assignments, and changes in the agency's resources, including human resources, need to work together for flexible governance.

In addition to the follow-up of the operational plan, Sida's governing board, the senior management team and line managers in their various roles have responsibility to assess the internal governance and control through systematic and regular follow-up within their respective operations and processes. The Chief Controller compiles an annual report to the board that describes Sida's work with internal governance and control and makes an assessment whether it's satisfactory. Sida's inspector and the agency's internal audit function also review the operations based on their respective mandates. The follow-up of the operations also includes, on a recurring basis, to follow up and take relevant measures as a result from findings and recommendations from the National Audit Office, the internal audit function and from the inspector.

Efficacy and service

Sida maintains the quality of its operation by engaging in regular monitoring and adaptation in order to reach results.

Internal sub-strategies

The internal sub-strategies at the agency provide support and are practical documents based on Sida's operational strategy, and they guide the planning of activities within the framework of Sida's annual operational plan and the departmental planning. The purpose of the sub-strategies is to provide a common and clear picture of the strategic themes. Sida ensures that a sub-strategy acts as an approach and guidance within the framework of the agency's operational development. Furthermore, it acts as a basis for active dialogue with external parties, this includes government and parliament as well as partners. The impact of the sub-strategy is evaluated every three years.

Efficacy and service

Sida uses internal sub-strategies in order to efficiently implement the governance of the agency and achieve its mission.

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