

# Discussion Paper

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## **Monitoring and Reporting on Policy Coherence for Sustainable Development (PCSD): the example of Switzerland**

*Mit Zusammenfassung in Deutsch*

**Study commissioned by the Swiss Agency for Development  
and Cooperation (SDC)**

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# Monitoring and Reporting on Policy Coherence for Sustainable Development (PCSD): the example of Switzerland

## Case studies on Food Security, Illicit Financial Flows and Migration & Development

### Key messages

Switzerland is committed to promote Policy Coherence for Sustainable Development (PCSD). A monitoring and reporting system is indispensable to guide this effort and to track and report progress.

As a pilot study, this paper proposes a structured and thorough approach, with a focus on three Swiss PCSD priority areas: food security, migration and development, and illicit financial flows.

This paper proposes an analytical framework for a consistent analysis of government policies from a PCSD perspective. To measure these policies, it looks at their own normative and political ambitions, in a pragmatic manner and based on indicators likely to be valid for several years.

The main focus of the analysis is on the Government's Annual Work Plan and its related Annual Report to the Parliament

April 2016

Study commissioned by the Swiss Agency for Development and Cooperation (SDC)



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## Status of document and acknowledgements

This paper has been drafted by the European Centre for Development Policy Management at the request of, and with the financial support of, the Swiss Agency for Development and Cooperation (SDC).

The study has been done in a joint and interactive manner with SDC, specifically Section 6, which presents goals, intermediate objectives and indicators proposed by SDC staff. This section benefitted from comments of ECDPM, while the other sections drafted by ECDPM benefitted from SDC comments.

This is not an academic exercise. The monitoring and reporting system should be anchored in and derived from the Swiss institutional set-up, the political framework and the policy agenda. It implies that the goals, objectives and indicators as proposed in Section 6 may be distorted, incomplete and analytically limited. It also means that the use of terminology such as 'commitment', 'target', 'objective', 'outcome', 'output' and 'activity' is not fully consistent throughout the document, mirroring the inconsistencies across policy documents. What prevailed is the effort to ensure that PCSD monitoring and reporting is tailored to the Swiss (institutional, political and policy) context, in order to effectively inform policy-making.

The paper is part of an iterative process to strengthen SDC's PCSD monitoring and reporting framework. Based on the paper, in particular the proposed matrices (Section 6) which capture SDC's current state-of-thinking, SDC will continue to engage with academics and stakeholders to assess the relevance and robustness of the framework and, importantly, conduct further technical work, to refine it.

ECDPM staff who have contributed to the paper are: Jeske van Seters, Didier Alia, Greta Galeazzi, Cecilia Gregersen, Damien Helly, Anna Knoll, Brecht Lein and Andrew Sherriff. The authors would like to thank Werner Thut, Sara Frey and other SDC staff for their inputs and useful comments on earlier drafts.

## Acronyms

ABIA	Advisory Board for Irish Aid`
BMZ	Federal Ministry for Economic Cooperation and Development Germany
CAP	Common Agricultural Policy
CDKN	Climate and Development Knowledge Network
CID	Comité interministériel pour la coopération au développement
COP21	21st Conference of the Parties on Climate Change
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DAFM	Department of Agriculture, Food and the Marine
EC	European Commission
ECDPM	European Centre for Development Policy Management
EPA	Economic Partnership Agreement
ESRF	Economic and Social Research Foundation
EU	European Union
FLEGT	Forest Law Enforcement, Governance and Trade
FAC	Foreign Affairs Council
FAO	Food and Agriculture Organisation
FATF	Financial Action Task Force
FDI	Foreign Direct Investments
FPA	Fisheries Partnership Agreement
G20	Group of 20
GDP	Gross Domestic Product
GFMD	Global Forum on Migration and Development
GHG	Greenhouse Gases
GPFS	Global Programme Food Security
GPG	Global Public Goods
GPMD	Global Programme Migration and Development
GSP	Global System of Preferences
IFF	Illicit Financial Flows
IMF	International Monetary Fund
IOM	International Organization for Migration
KNOMAD	Global Knowledge Partnership on Migration and Development
LDC	Least Developed Country
MASP	Multiannual Strategic Plans
MDG	Millennium Development Goal
MFA	Ministry of Foreign Affairs
MFN	Most Favoured Nation
MS	Member State
NGOs	Non-governmental organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PCD	Policy Coherence for Development
PCSD	Policy Coherence for Sustainable Development
REDD	Reducing Emissions from Deforestation and Degradation
SE4ALL	Sustainable Energy For All
SME	Small and Medium-sized Enterprises
StAR	Stolen Asset Recovery Initiative



TIEA	Tax Information Exchange Agreements
TRIPS	Trade Related Aspects of International Property Rights
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
WG PIC	Working Group on Policy and Institutional Coherence
WTO	World Trade Organization

## Executive Summary

Switzerland is committed to promote Policy Coherence for Sustainable Development (PCSD), in line with the Agenda 2030 for Sustainable Development. According to the OECD, PCSD is an approach and policy tool to integrate the economic, social, environmental, and governance dimensions of sustainable development at all stages of domestic and international policy. This requires governments to: i) identify trade-offs and reconcile domestic policy objectives with internationally agreed objectives; ii) foster synergies across economic, social and environmental policy areas; and iii) address spill-overs of domestic policies.

In this context, the Swiss Agency for Development and Cooperation (SDC) seeks to strengthen its PCSD monitoring and reporting system to inform and guide PCSD efforts of its own and beyond. As a pilot study this paper proposes a structured and thorough approach, with a focus on a selected number of Swiss PCSD priority areas: food security, migration and development, and illicit financial flows. Once fully established, the monitoring and reporting system should cover all thematic areas identified by the Federal Council in his Dispatch on Switzerland's International Cooperation 2017–2020 as strategically relevant from a PCSD perspective.<sup>1</sup>

The subject of the planned monitoring and reporting system are the Federal Council's Four Years-Legislature Program that itself is partitioned in four Annual Work Plans, covering legislative projects as well as relevant activities within the Executive's competences (implementation; foreign policy activities). Key elements of each thematic priority area to be observed will be a limited number of policy goals, related fields of action, objectives and indicators being organised along chains of causality. The indicators should serve as an instrument to assess the Government's PCSD efforts and progress, as well as SDC's contribution to this. Indicators will capture policy changes rather than development results; based on the assumption that if an indicator score improves, betterment of the development outcome will follow.

While taking into account lessons drawn from other European countries, the proposed PCSD monitoring and reporting system is fully embedded in Switzerland's institutional, political and administrative realities, and conceived to respond to specific needs of the Government and potentially beyond.

Contrary to monitoring and reporting systems of several other countries, the pilot study chooses an approach which gives preference to conceptual consistency over broad inter-agency and inter-ministerial consultation and negotiation. And this for two main reasons: (1) So-called whole-of-government approaches, implying inter-agency negotiations on various conceptual and substantive issues, tend to negatively affect the level of ambitions and the consistency of goals, intermediate objectives, and indicators. (2) Switzerland's institutional and organisational set-up of its executive, under the circumstances it operates, offers at different stages of the chain of decision opportunities for negotiations, search for consensus, and compromise for all strategic issues. Policy development, therefore, happens rather in an incremental way. As a consequence, in Switzerland, PCSD tools to promote, guide, and assess low-level administrative action are likely to be more effective than tools agreed at high-level.

In an effort to focus on practically relevant results, each priority area is analysed and structured in a policy-related, inclusive manner, with a medium-term perspective of the Government's Legislature Programme. The main focus of the analysis is on the Government's Annual Work Plan and its related Annual Report to the Parliament twelve months later. Government action as planned and then executed over one year within

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<sup>1</sup> For the significance of PCSD in Switzerland's Strategy of International Cooperation 2017-2020 see [https://www.shareweb.ch/site/Development-Policy/Documents/Die%20Volkswirtschaft\\_Thut\\_EN\\_neu.pdf](https://www.shareweb.ch/site/Development-Policy/Documents/Die%20Volkswirtschaft_Thut_EN_neu.pdf)

these priority areas, is screened in a selective way, with a focus on the most important activities (legislative and others), that is, policy inputs, policy outputs, and policy stances. For all the selected Government decisions, nexus issues between different sectoral policies are focused upon from a PCSD perspective.

This framework allows to measure PCSD progress against officially recognised normative and political ambitions in a pragmatic manner, and likely to be valid for a number of years. For an officially recognised baseline to concretize policy standard for sustainable development, to identify fields of actions and intermediate objectives, as well as indicators and means of verification, it is referred to approved multi-annual strategic frameworks of SDC's Global Programmes (such as Food Security; Migration and Development).

At this early stage of conceptual work, the proposal as presented is an approach rather than a tool. More conceptual and empirical work is needed to further refine and test the practical usefulness of the approach in the Swiss context. The next step envisaged by SDC is to examine its feasibility by a consortium of three academic institutions, which already undertook a rapid assessment of the monitoring framework presented in the annex of this paper. Ultimately, a decision in principle will be needed with regard to its launch and its expansion to more thematic areas.

## Kernbotschaften

Die Schweiz hat sich offiziell bereit erklärt, sich konsequent für mehr Politikkohärenz für nachhaltige Entwicklung einzusetzen (PCSD). Um entsprechende Anstrengungen zu planen, zu steuern und über Fortschritte Bericht zu erstatten, ist ein Monitoring- und Reporting-System eine grundlegende Voraussetzung.

Anhand von drei Themen schlägt die vorliegende Pilotstudie einen strukturierten und umfassenden Ansatz zur weiteren Förderung der Politikkohärenz vor. Die Themenbereiche sind: Ernährungssicherheit, Migration und Entwicklung sowie unlautere und illegale Finanzflüsse.

Es wird ein Rahmen vorgeschlagen, der eine konsequente Analyse der Regierungspolitik aus PCSD-Sicht ermöglicht und es erlaubt, anhand von Indikatoren mit einer Geltungskraft von mehreren Jahren die Politik pragmatisch an ihren eigenen normativen und politischen Ambitionen zu messen.

Im Zentrum der Analyse stehen das jährliche Arbeitsprogramm der Regierung und der zugehörige Rechenschaftsbericht zuhanden des Parlaments.

## Zusammenfassung

Die Schweiz hat sich offiziell bereit erklärt, sich – in Übereinstimmung mit der Agenda 2030 für nachhaltige Entwicklung – vermehrt für Politikkohärenz für nachhaltige Entwicklung einzusetzen (Policy Coherence for Sustainable Development, PCSD). PCSD ist laut OECD ein Ansatz und ein politisches Instrument zur gleichmässigen und durchgängigen Integration wirtschaftlicher, sozialer, ökologischer und institutionell-politischer Gesichtspunkte in der Innen- und Aussenpolitik. Er erfordert, dass Regierungen: i) Zielkonflikte identifizieren und einen Ausgleich zwischen Zielen innerstaatlicher Politik und international vereinbarten Zielen vornehmen, ii) Synergien zwischen Politikbereichen mit wirtschaftlicher, sozialer und umweltbezogener Ausrichtung fördern und iii) grenzüberschreitende Wirkungen innerstaatlicher Politiken nutzen und allenfalls negative Effekte bewältigen.

Vor diesem Hintergrund will die Direktion für Entwicklung und Zusammenarbeit (DEZA) ihr Monitoring- und Reportingsystem für PCSD stärken, um ihre eigenen diesbezüglichen Anstrengungen gezielt auszurichten und zu steuern und Anstrengungen anderer Akteure zu unterstützen. Im Rahmen einer Pilotstudie schlägt das vorliegende Arbeitspapier einen strukturierten und umfassenden Ansatz mit Fokus auf folgende ausgewählte Schwerpunkte für Bemühungen der Schweiz für mehr Politikkohärenz vor: Ernährungssicherheit, Migration und Entwicklung sowie unlautere und illegale Finanzflüsse. Einmal vollständig etabliert, würde das Monitoring- und Reportingsystem alle Themenbereiche umfassen, die der Bundesrat in seiner Botschaft zur internationalen Zusammenarbeit 2017–2020 aus PCSD-Sicht als strategisch relevant bezeichnet hat.<sup>2</sup>

Gegenstand des geplanten Monitoring- und Reportingsystems ist das vierjährige Legislaturprogramm des Bundesrats, das sich in vier Jahresprogramme unterteilt. Diese decken die vorgesehenen Gesetzesprojekte und weitere relevante Aktivitäten ab, die in die Befugnisse der Exekutive fallen (Gesetzesvollzug, aussenpolitische Aktivitäten). In den ausgewählten Schwerpunktthemen sollen anhand von Indikatoren ausgewählte politische Ziele, zugehörige Handlungsfelder und Unterziele beobachtet werden, wobei die Indikatoren entlang von plausiblen Kausalketten identifiziert werden. Die Indikatoren sollen dazu dienen, Anstrengungen und Fortschritte der Regierung sowie des entsprechenden Beitrags der DEZA im PCSD-Bereich zu bewerten. Sie sollen Änderungen in der Politikausrichtung erfassen und nicht die Auswirkungen beschlossener Politiken (implizit wird davon ausgegangen, dass mit besseren Messwerten auch eine entsprechende Wirkung verbunden ist).

Das vorgeschlagene Monitoring- und Reportingsystem für PCSD ist auf die institutionelle, politische und administrative Realität der Schweiz zugeschnitten, unter Berücksichtigung der Erfahrungen anderer europäischer Länder. Es ist so konzipiert, dass es den spezifischen Bedürfnissen von Regierung und Verwaltung dient, gegebenenfalls aber auch weiteren Akteuren von Nutzen ist.

Im Gegensatz zu Monitoring- und Reportingsystemen anderer Staaten wurde für die Pilotstudie ein Vorgehen gewählt, bei welchem konzeptioneller Kohärenz der Vorzug gegeben wurde gegenüber einer breit abgestützten Lösung auf der Basis eines umfassenden, ämter- und departementsübergreifenden Konsultations- und Aushandlungsprozesses. Dies hauptsächlich aus zwei Gründen: (1) Bei sogenannten «Whole of Government»-Ansätzen, die ämterübergreifende Verhandlungen über verschiedene konzeptionelle und inhaltliche Fragen umfassen, besteht die Gefahr, dass die allgemeinen Zielsetzungen nach unten nivelliert und die Konsistenz von Zielen, Zwischenzielen und Indikatoren negativ beeinflusst

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<sup>2</sup> Für die Bedeutung der PCSD in der Strategie der internationalen Zusammenarbeit der Schweiz 2017–2020 siehe [http://dielvolkswirtschaft.ch/content/uploads/2016/02/10\\_Thut\\_DE1.pdf](http://dielvolkswirtschaft.ch/content/uploads/2016/02/10_Thut_DE1.pdf).

werden. (2) Institutioneller und organisatorischer Aufbau der Schweiz sowie heutige Regierungs- und Verwaltungspraxis bieten in verschiedenen Phasen der Entscheidungskette Gelegenheit für Verhandlungen, Konsenssuche und Kompromisse in allen strategischen Fragen. Politikentwicklung erfolgt daher eher schrittweise. Deshalb sind mit Blick auf die Förderung von mehr Politikkohärenz Instrumente zur Förderung, Steuerung und Beurteilung von Verwaltungsaktivitäten auf niedriger Stufe wahrscheinlich wirksamer als programmatische Erklärungen auf hoher politischer Ebene.

Im Bemühen, zu praxisrelevanten Resultaten zu kommen, wird bei jedem Schwerpunktbereich die politische Agenda ins Zentrum gestellt, aus der Perspektive des bundesrätlichen Legislaturprogramms heraus analysiert und anhand vorhandener, miteinander verknüpfter Daten kommentiert. Der Hauptfokus der Analyse liegt auf dem Jahresprogramm des Bundesrats und dem entsprechenden (Geschäfts-)Bericht zuhänden des Parlaments zwölf Monate später. Die geplanten Regierungsaktivitäten, die während des Jahres in diesen Schwerpunktbereichen erfolgen, werden selektiv geprüft, wobei der Fokus auf die wichtigsten Politikanpassungen gelegt wird: Anpassungen in Recht und Politik (policy outputs), Entscheide betreffend personelle und finanzielle Ressourcen (policy inputs), Positionsbezüge (policy stances). Besonderes Augenmerk gilt dabei Fragen, wo besonders enge Verknüpfungen zwischen verschiedenen sektoriellen Politiken bestehen.

Dieser Rahmen soll eine konsistente Analyse der Regierungspolitik aus einer Kohärenz-Perspektive ermöglichen und es erlauben, auf stabiler, über mehrere Jahre hinaus gültiger Grundlage die Politik pragmatisch an ihren eigenen normativen und politischen Ambitionen zu messen. Als offizielle Grundlage und Ausgangspunkt zur expliziten Umschreibung der Zielsetzungen pro Schwerpunktbereich sowie zur Identifizierung und Konkretisierung der zugehörigen Handlungsfelder, Zwischenziele, Indikatoren und Kontrollinstrumente dienen die geltenden Globalprogramme der DEZA (wie Ernährungssicherheit sowie Migration und Entwicklung).

In diesem frühen Stadium der konzeptionellen Arbeit ist der hier präsentierte Vorschlag eher als Ansatz denn als Instrument zu verstehen. Mehr konzeptionelle und empirische Arbeit ist notwendig, um den Ansatz weiter zu verfeinern und seinen praktischen Nutzen im Schweizer Kontext zu testen. Die DEZA plant als nächsten Schritt, die Machbarkeit von einem Verbund von drei akademischen Institutionen prüfen zu lassen, die bereits den Monitoringrahmen in der Beilage summarisch analysiert haben. Gestützt darauf soll schliesslich ein Grundsatzentscheid in Bezug auf die Einführung des Ansatzes und dessen Ausdehnung auf weitere Themenbereiche gefällt werden.



## 1. Introduction

Switzerland has committed to strive for its domestic and foreign policies to be coherent with development goals. The Federal Council's Dispatch on Swiss International Cooperation 2013 – 2016 states that all federal departments are expected to work for peace and sustainable development nationally and internationally. It specifies that synergies between sectoral policies are to be promoted, while at the same time recognising that conflicting objectives may imply that trade-offs need to be made. The dispatch identifies seven priority policy fields to enhance 'Policy Coherence for Development' (PCD): agriculture, environment, health, the financial sector, security, education/research and migration (Swiss Federal Council, 2012). The new Dispatch 2017-2020, whose approval is planned for early 2016, is expected to re-state the overall commitment and further refine its implementation.

PCD is increasingly replaced by the term 'Policy Coherence for Sustainable Development' (PCSD), in light of the internationally agreed 2030 Agenda for Sustainable Development (UN, 2015a). The OECD (2014a) defines PCSD as an approach and policy tool to integrate the economic, social, environmental and governance dimensions of sustainable development at all stages of domestic and international policy making. It aims to increase governments' capacities to: i) identify trade-offs and reconcile domestic policy objectives with internationally agreed objectives; ii) foster synergies across economic, social and environmental policy areas; and iii) address spill-overs of domestic policies.

Whereas the institutional system to promote PCSD is deeply rooted in the Swiss political culture of consensual decision-making and strong interdepartmental cooperation, the Swiss Agency for Development and Cooperation (SDC) has in recent years increased its engagement and capacity to ensure that domestic decision-making in non-aid policy areas is 'development-proof'. In the context of these increased efforts to strengthen its PCSD strategy and tools, SDC previously commissioned the European Centre for Development Policy Management (ECDPM) to conduct a study on the Swiss PCSD system, its structure and procedures, as well as to do a series of thematic PCD dossiers aimed at mapping ongoing policy discussions and trade-offs within a selection of global development areas, notably in commodities and trade, tax policy and illicit financial flows, migration and food security.<sup>3</sup>

To further bolster these efforts, and in line with the 2013 DAC Peer Review recommendation for Switzerland to "undertake systematic monitoring and analysis of its national policies, and the international policies, that affect developing countries" (OECD, 2013a), SDC seeks to strengthen its PCSD monitoring and reporting system, to guide its PCSD efforts and track progress through consistent, long-term oriented monitoring and reporting. This paper aims to inform this process by proposing a structured and thorough PCSD monitoring and reporting approach.

The PCSD monitoring and reporting system is intended to be Swiss specific, embedded in the Swiss institutional, political and policy context, focussing on tracking and informing Swiss policy measures rather than assessing development outcomes. This is different from the sustainable development goals and targets developed at the global level, for which indicators are still being defined (a process to which Switzerland contributes). Therefore, the PCSD monitoring and reporting system and the SDG framework are designed in parallel, to avoid losing time. Nevertheless, similarities and synergies may occur, e.g. some proposed indicators for Switzerland have been inspired by the emerging SDG agenda and the future Swiss PCSD monitoring and reporting system can potentially provide insights in Swiss efforts to contribute to the SDGs.

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<sup>3</sup> This series of thematic PCD dossiers can be found in Knoll et. al, 2013 (for commodities and trade, tax policy and illicit financial flows, and migration), and in Lein et. al, 2014 (for Food Security).



The study is organised in the following manner: **Section 2** explains the approach to PCSD monitoring and reporting as envisaged by SDC. **Section 3** presents key lessons from PCSD monitoring and reporting experiences and indicators elsewhere, to take into account in the further process, particularly the definition of indicators. It is based on a selection of OECD countries and international organisations. While PCSD indicators are derived from PCSD objectives and are therefore by definition country specific, experiences in other countries and multilateral fora can provide inspiration and bring useful lessons for Switzerland to take into account in the design of its own tailor-made PCSD monitoring and reporting system. **Section 4** gives an overview of PCSD challenges in the areas of food security, migration and illicit financial flows, which are the first three areas to which the monitoring framework will be applied. **Section 5** sheds light on Swiss strategic priorities in these areas, as both PCSD challenges and priorities should underlie the monitoring and reporting framework. This indeed feeds into **Section 6** that presents indicator proposals. The paper concludes with **Section 7** that gives an overview of the next steps.

This is a novel approach, building on what currently exists in Switzerland and elsewhere. It proposes to explicitly take PCSD challenges and policy priorities as a basis for regular and structured PCSD monitoring and reporting at different levels. It has potential to considerably contribute to enhancing Swiss efforts to strengthen PCSD.

## 2. Monitoring and assessing trends in PCSD: the approach of the Swiss Agency for Development and Cooperation

SDC seeks to develop a PCSD monitoring and reporting system with the aim of:

- guiding empirical work and systematic analysis allowing a self-assessment;
- **allowing to address a number of differing reporting requests**, emanating from the international debate, domestic accountability requirements, and requests for management information from inside the Government.

In particular, this approach should serve SDC's engagement in interministerial consultations (see Box 1).

### Box 1: Consultation of Offices

The Swiss governance structure involves strong interdepartmental coordination, with an important role for the 'consultation of offices' process. This implies that the competent office leading on a dossier orchestrates a consultation process in advance of any government decision. It invites other federal offices to comment on proposals to the Federal Council. Given its mandate, SDC is tasked to pay specific attention to the sustainable development perspective in their engagement in such interdepartmental consultations. The PCSD monitoring and reporting system should support these efforts. In most recent years, SDC usually comments between 70-90 cabinet items per year. For more details on the coordination mechanism see Knoll et al (2015).

At the same time, the use of this approach does not necessarily have to be limited to Government bodies but could be of interest to other stakeholders as well.

For a number of reasons, SDC in designing the approach did not choose a whole-of-government approach as done by some other countries that work with an inter-ministerially negotiated set of objectives and indicators (as described in Section 3.1 below). SDC bases this approach on the following considerations:

1. Experiences in these other countries show that while a **whole-of-government approach** serves to enhance a certain ownership beyond the international development agency/department, it **negatively affects the level of ambitions and consistency of targets and indicators**. This is due to the fact that the outcome is necessarily the result of a negotiation process where different interests beyond sustainable development are at play, with the effect of lowering down informative value and explanatory power of the monitoring and reporting system altogether;
2. The sophisticated **Swiss interagency consultation mechanism** as described in Box 1 represents a bargaining mechanism, which allows for a constant search for consensus and compromise for all strategic issues at any time. This offers considerable **potential for SDC to ensure that its PCSD monitoring and reporting system informs policy-making processes** on a daily basis, in an incremental way – likely to be **more efficient than any programmatic document** within the Swiss governance system would allow for;
3. As per the date of completion of this study, the future **strategy for international cooperation 2017-2020** is likely to represent a document with strategic goals and outcome measuring objectives also for PCSD. The indicators of the PCSD monitoring and reporting system can be subsidiary to this politically negotiated overall framework.

In short and as a fundamental feature, in SDC's approach and system, emphasis and priority are given to negotiating and shaping individual strategic decisions in a continuous process rather than to an individual overall strategic policy statement.

The way SDC currently monitors its PCD efforts is quite basic:

- Ex-ante, SDC identifies relevant policy initiatives that may affect developing countries, which other ministries have planned for the next year. As a basis for SDC to identify and prioritise development-relevant Cabinet items serves the Federal Council's Annual Work Plan, which is thoroughly analysed at the beginning of each year.<sup>4</sup>
- Ex-post, it tracks the number of times SDC provided input in interdepartmental consultation processes and whether or not that input has been taken into account in the final decisions of the Federal Council. It shows that in 2014, SDC has been consulted 423 times (i.e. on average 10 times a week, in a net period of 40 weeks a year with Cabinet meetings), which resulted in 69 submitted comments, of which 45 have been taken into account in one way or another.

While useful, these monitoring efforts are not sufficient to thoroughly inform SDC's positioning and assess the policy outcomes. Hence, SDC seeks to refine its monitoring and reporting system. This study starts with a focus on the Swiss PCD priority areas food security, migration and development and illicit financial flows, given their PCSD relevance and high priority on the international agenda, as illustrated by their inclusion in the 2030 Agenda for Sustainable Development. Once fully established and approved, the monitoring and reporting system should cover all thematic areas identified by the Federal Council as strategically relevant from a PCSD perspective, which it usually does in its credit-framework for International Cooperation submitted to the Parliament.<sup>5</sup> By combining different thematic areas (such as illicit financial flows and trade policies), including via the selection of indicators in a complementary way, SDC shall further strengthen the comprehensiveness and analytical depth of the monitoring and reporting system.

The **subject of the planned monitoring and reporting system** are the Federal Council's Four Years-Legislature program<sup>6</sup> and its Annual Work Plans (pictured in Box 2), covering legislative projects as well relevant activities within the Executive's competences (implementation; foreign policy activities).

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<sup>4</sup> See for the Federal Council's annual planning:  
<https://www.bk.admin.ch/dokumentation/publikationen/00290/00928/index.html?lang=fr> (in French) and  
<https://www.bk.admin.ch/dokumentation/publikationen/00290/00928/index.html?lang=de> (in German)

<sup>5</sup> The Message on Switzerland's International Cooperation 2013-2016 mentions: i) agriculture, ii) environment, iii) health, iv) finance, v) security, vi) education, research, culture and vii) migration (Swiss Federal Council, 2012).

<sup>6</sup> See for the Federal Council's legislature program 2011 -2015 in German  
<https://www.bk.admin.ch/dokumentation/publikationen/00290/00878/index.html?lang=de> (in German) and  
<https://www.bk.admin.ch/dokumentation/publikationen/00290/00878/index.html?lang=fr> (in French)

**Box 2: Subject of the PCSD system: the Federal Council's Legislature Program and Annual Work Plans**

<https://www.bk.admin.ch/dokumentation/publikationen/00290/00878/index.html?lang=de> (German)

<https://www.bk.admin.ch/dokumentation/publikationen/00290/00878/index.html?lang=fr> (French)



<https://www.bk.admin.ch/dokumentation/publikationen/00290/00928/index.html?lang=de> (German)

<https://www.bk.admin.ch/dokumentation/publikationen/00290/00928/index.html?lang=fr> (French)

**Key elements of the monitoring and reporting system** will be a limited number of policy goals (stretching over several year), related fields of action, goals and indicators being organised along chains of causality for each thematic area. The indicators should serve as a perspective and standard to assess the Government's efforts and progress from a PCSD perspective and SDC's contribution to this. As such, indicators will capture primarily policy changes rather than development results, based on the assumption that if an indicator score improves, betterment of the development outcome will follow.<sup>7</sup>

Government's policy efforts will be analysed on an annual basis. **Hence, data availability and the nature of information** should allow discussing developments within a one-year perspective. In order to guide data collection in a meaningful way, indicators will be described in technical notes, including specifications of qualitative aspects of chosen indicators. Information on indicators need to be publicly accessible so that data collection and analysis can be done both inside and outside of governmental institutions. **Each year**, quantitative and qualitative data and information collected will be presented in thematic reports.

As such, the PCSD monitoring and reporting system will also be fed by, and feed into, the Government's Annual Report to parliament on the implementation of the legislature programme and work plans. More broadly, it can serve reporting needs at different levels: SDC, the Federal Department of Foreign Affairs, the government and international fora. The focus is equally on domestic policy objectives as well as commitments at the level of international relations (international initiatives; compliance with international standards, frameworks).

<sup>7</sup> See Section 4.3 for a discussion on the choice of this and other types of indicators.

### 3. Lessons on PCD monitoring

This Section presents lessons from experiences of other OECD countries and international organisations.<sup>8</sup> It covers experiences of relatively small Member States with a history of engaging on development issues, i.e. Belgium, Denmark, Ireland, Finland and Luxembourg, on the assumption that they share similar challenges and opportunities to Switzerland. Germany, as a larger OECD country, was also added to provide a different perspective. It furthermore includes the Netherlands and Sweden as countries with a strong track record in promoting PCD over a longer period of time. Together they offer a variety of PCSD monitoring experiences. International organisations include the OECD, with ample experience in developing indicators. It also covers the United Nations, which is the platform where the 2030 Agenda for Sustainable Development has been defined, for which relevant indicators are currently being proposed.

Additionally, Annex 1 gives an overview of relevant indicators developed by those countries and organisations in the area of food security, migration and development, and illicit financial flows.

#### 3.1. Advantages and disadvantages of a whole-of-government approach

Some countries have officially defined a whole-of-government PCD monitoring framework with indicators, like Denmark (Danida, 2014), the Netherlands (MFA The Netherlands, 2011a) and Sweden (Government Offices of Sweden, 2008). This is also the case of the PCD Work Programme of the European Union (EC, 2010). This has involved a process of interdepartmental consultations, often with additional contributions from civil society organisations and research institutes.

Such a whole-of-government approach enhances ownership beyond the international development agency/department, which is of great importance to advance the PCSD agenda. However, this participatory approach of the formulation process influences the level of specificity and ambition of the monitoring framework, as other interests than international development may prevail in setting PCSD priorities and indicators. When adopting a whole-of-government approach with strong inter-departmental participation, the resulting indicators are more general due to compromises to balance different interests.

A framework that is developed and adopted by the international development entity only is likely to contain more specific and ambitious indicators, and as such can be a clearer tool to guide PCSD efforts and ensure accountability. It may be a strategic choice to use these indicators to inform individual policy processes, rather than to arrive at an overall whole-of-government, and therefore consensus-based, PCSD framework. It does imply that broad-based interdepartmental ownership is not assured and that delivering on the targets and indicators may require stronger advocacy efforts, as agreement on the level of ambition is not a given.

As research on PCD issues and practitioners experiences illustrate (Galeazzi et al, 2013), the specific institutional set-up in a country plays a key role when it comes to designing effective strategies, processes, and instruments to promote PCSD. Particularly in countries with a strong centre of government (presidential systems or systems with a strong prime minister) whole-of-government approaches can provide fertile ground for encouraging PCD. In contexts where political systems including the executive are fragmented and whole-of-government approaches, therefore, are for institutional reasons particularly challenging and/or less politically viable, it may be more opportune to anchor a PCSD monitoring system at

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<sup>8</sup> This section draws from an ECDPM Discussion Paper that gives a more comprehensive overview and analysis of PCD monitoring systems of a selection of EU Member States, focussing in particular on the use of indicators. See [www.ecdpm.org/dp171](http://www.ecdpm.org/dp171).

a lower level. Designing PCSD instruments and monitoring and reporting processes are a country-specific exercise.

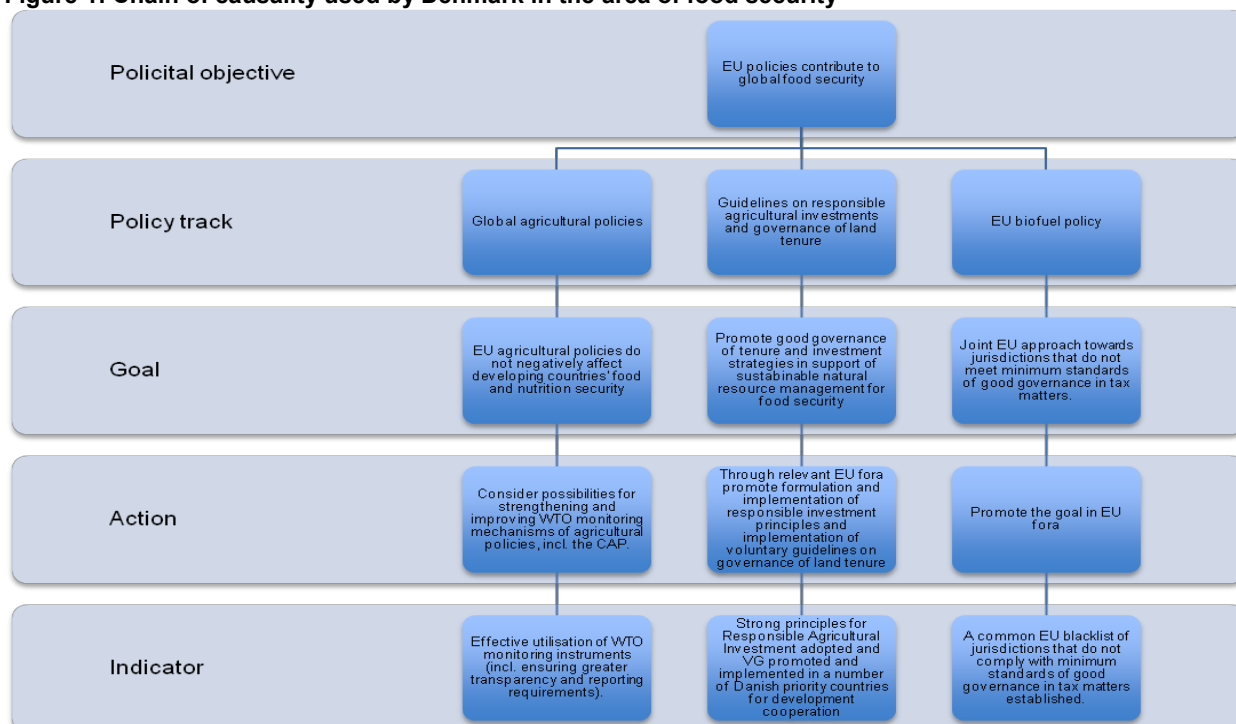
### 3.2. Need to develop sound chains of causality to underpin indicators

Indicators are meant to provide insights in progress towards PCSD objectives. They are proxies to measure efforts and results with regard to sustainable development. There is a need therefore to develop explicit chains of causality to underpin specific indicators. Individual indicators make little sense unless they are linked to a logical chain of desired development outcomes, policy reforms and actions. In that chain, the assumption is that if an indicator score improves, then betterment of the development outcome will follow.

Defining causal chains can be challenging, as explained by Kings et al. (2012). First, this is the case because trade-offs between different development objectives can occur. Second, heterogeneity between and within developing countries can create both winners and losers, e.g. traders may benefit from increased EU imports, while it may harm local producers. Third, the impact of OECD members’ policies on third countries is influenced by the domestic regulatory and policy context of those countries.

Different EU Member States with PCD monitoring frameworks have structured and named the causal chains in different ways. In Denmark’s Action Plan for PCD, for example, indicators are specifically linked to ‘actions’ and ‘goals’, which are then linked to ‘policy tracks’ guided by an overarching political objective of which there are five in total, see Figure 1 for one of the five (Danida, 2014).

**Figure 1: Chain of causality used by Denmark in the area of food security**



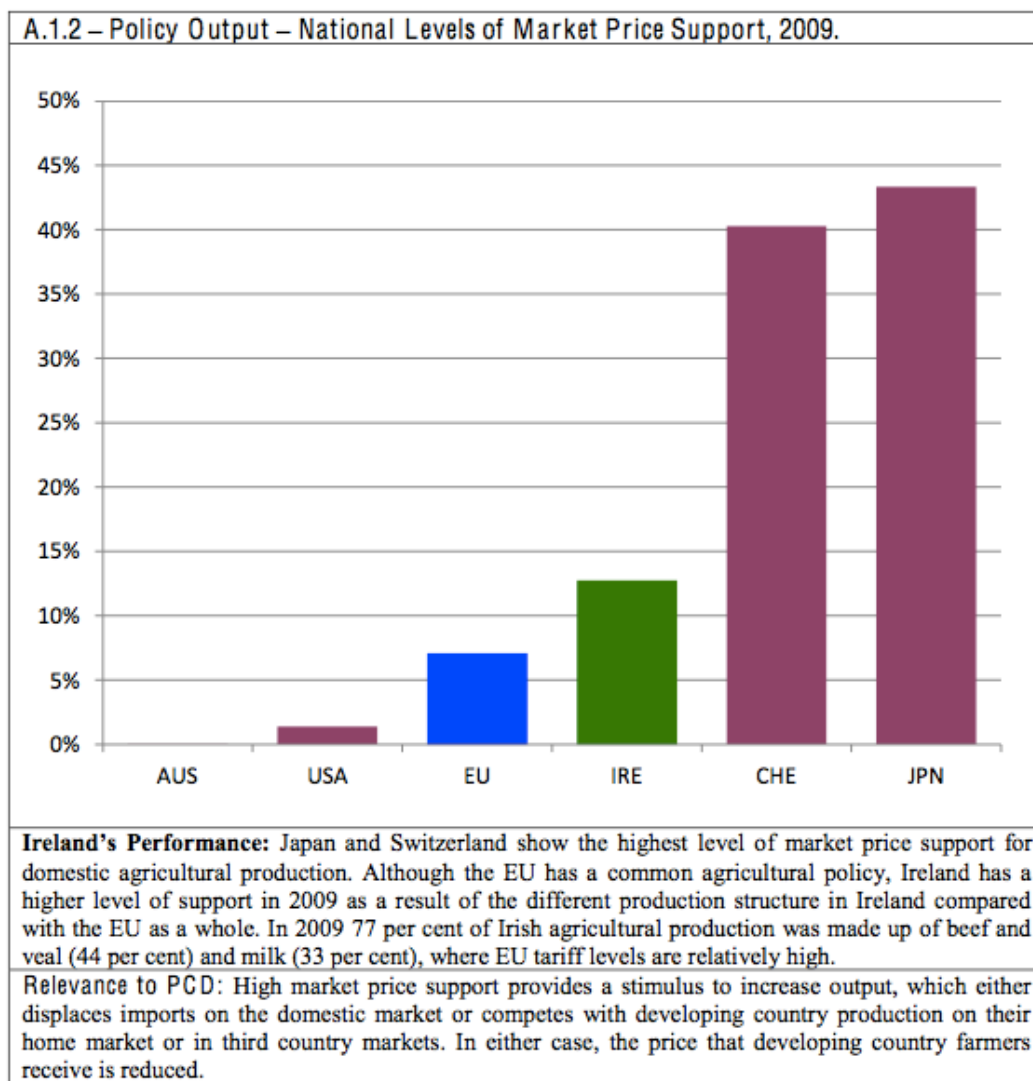
Source: Danida 2014.

The Swedish Policy for Global Development (Government Offices of Sweden, 2008) has a somewhat similar structure, although with four instead of five levels (global challenges, policy areas, objectives and actions), as is the case of the EU PCD Work Programme (global challenges, policy areas, targets and

indicators). The Dutch Global Goods Agenda is structured somewhat differently, moving from ‘general’ (i.e. international) goals to action points for the Netherlands (MFA The Netherlands, 2011a). Indicators are defined for both the general goals as well as the actions to be undertaken by the Netherlands.

Interestingly, the PCD indicators proposed for Ireland are not explicitly linked to objectives, development outcomes and/or actions (Kings and Matthews, 2012). Instead, a descriptive text explains the rationale of the indicator, see for example Figure 2 that presents an indicator on agricultural market prices support.

**Figure 2: Example of an indicator proposed for Ireland on agricultural market prices support**



Source: King and Matthews. 2012.

In some cases the different logical frameworks **mix up objectives, targets, actions and indicators**. Taking the example of the EU PCD Work Programme, the distinction between indicators and targets is occasionally blurred. For instance, “*successful mainstreaming of gender in migration-related programmes*” is defined as an indicator, while it seems a target for which an indicator would still need to be defined (i.e. an indicator clarifying *when* we consider gender to have been successfully mainstreamed in migration-related programmes). The overall objectives in terms of development outcomes are even missing from the PCD Work Programme, i.e. what it is the EU is actually trying to achieve. By way of illustration, the target “*conclusion of WTO-compatible and development-oriented Economic Partnership Agreements*” fails to set

a clear PCD agenda, as long as it remains undefined what ‘development-oriented’ entails. This is more clearly defined in the Swedish Policy for Global Development, which also contains a commitment to “*work, primarily within the EU, for a favourable conclusion to the 2008 Doha Round*” and has specified in the causality chain that this should contribute to the objective of “*increased export of agricultural products from developing countries*”. In a similar vein, the Danish PCD action plan specifies that PCD efforts in the area of trade serve the objective of “[...] *greater economic inclusion of least developed countries*”.

The Swiss PCSD monitoring and reporting system needs to be based on sound chains of causality as much as possible, while taking into account existing Swiss policy objectives related to sustainable development.

### 3.3. Selection of indicators

A set of criteria to keep in mind when developing PCSD indicators is presented in Box 3. Some relate to the causal chains between the indicator and a relevant development outcome. Others are related to the quality and availability of data.

#### Box 3: Criteria for selection of PCD indicators

<p><b>Transparency:</b> Can a layperson understand what is happening? Does the index hide or reveal facts?</p> <p><b>Policy relevance:</b> Does the indicator/index relate to important societal debates?</p> <p><b>Analytical soundness:</b> Does the indicator measure the problem, or rather something else?</p> <p><b>Responsiveness:</b> Does a politician have any chance to improve the indicator/index?</p> <p><b>Time horizon:</b> How quickly can results be expected?</p> <p><b>Non-ambiguity of “welfare message”:</b> Does everybody agree that “more is better”, or vice versa?</p> <p><b>Accountability:</b> Does the indicator/index point at those who should be held responsible?</p> <p><b>Robustness/ independence of assumptions:</b> Could the value of the indicator change drastically by fumbling with some assumptions?</p> <p><b>Measurability, data availability:</b> Will we see comparable figures in the next ten years?</p>
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Source: King, M. et al. (2012).

When developing a PCD monitoring and reporting system, it is important to be aware of different types of indicators, in order to formulate suitable ones. A useful distinction is between outcome, policy output, policy input and policy stance indicators (see Box 4 for an explanation of these different types).

#### Box 4: Categorisation of indicators

<p><b>Outcome Indicators:</b> Policy indicators focussing on outcomes. Outcomes are defined as socio-economic variables such as income per capita, school enrolment rates or child malnutrition rates. They measure real trends that are a result of <b>both</b> policy and societal changes and may only be partly influenced by policy instruments. As such, they may therefore not accurately measure policy efforts. For example, countries in close proximity to developing countries and sharing a language are likely to have a higher proportion of immigrants for/with a given immigration policy.</p> <p><b>Policy Outputs Indicators:</b> Policy output indicators capture concrete changes in efforts designed to make policy more „development-friendly“. They are attractive measures because they are directly under the influence of policy-makers. A policy output might for example include the level of tuition fees for students from developing countries or a tariff rate for beef imports. The key challenge in identifying output indicators is the need to have a clear „story“ linking the indicator to success in development.</p> <p><b>Policy Inputs Indicators:</b> Policy input indicators are useful where it may be hard to quantify or summarise the output of a policy in a single indicator. Input indicators usually monitor donor expenditure on a particular policy area. The extent of financial contributions can be considered an important proxy for commitment to a policy area. Examples</p>
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include financial contributions to aid for trade or biodiversity. Input indicators have the advantage that they are easily measurable and comparable across countries. However, because the effectiveness of expenditure in meeting development goals may differ across countries, rankings using policy input indicators must be interpreted cautiously.

**Policy stance** indicators: Policy stance indicators arise because of the nature of decision-making within multilateral agencies such as the UN or the European Union. For example, EU decision-making is a process of compromise between Council, Parliament and member states and the position defended by member states may not be reflected in the final outcome. A similar situation occurs in multilateral negotiations, where country positions may differ from the final agreement. To capture the negotiating position of countries in such negotiations rather than the agreed outcome, the transparent publication of pre-negotiation positions is required.

Source: King, M. et al. (2012).

In international fora, outcome indicators are popular, as illustrated by the Millennium Development Goals (MDGs). Proposed indicators for 2030 Agenda for Sustainable Development replacing the MDGs indicate that outcomes will continue to receive considerable attention, while policy output and input will also be covered to some extent (United Nations 2013 and 2015b). Contrarily, when it comes to EU Member States' PCD monitoring and reporting systems, most indicators named as such measure policy inputs, policy outputs or policy stances, very few provide information on outcomes. There are some rare exceptions, such as the Netherlands' indicator of *"higher tax revenues (tax/GDP ratios) as a result of more effective tax systems and administration (legislation, policy and implementation)"* which can be considered an outcome as Dutch policies do not directly control tax collection in developing countries. The set of indicators proposed for Ireland by King and Matthews (2012) is different, as it includes quite a few policy outcome indicators, in combination with other types of indicators. This approach seems to have inspired the PCD statement of the Irish Department of Agriculture, Food and the Marine, which includes one input, one output and one outcome indicator (DAFM, 2013). In Sweden and Denmark, outcomes do feature, but at objective rather than indicator level, e.g. *"to improve the situation of women in conflict and post-conflict situations"*.

Another useful distinction within the group of policy indicators, is measurement of national versus international policy initiatives. Indeed, in most cases, PCD monitoring frameworks cover both national and international policy initiatives. The latter often concerns the WTO, but also other international fora such as the OECD, the United Nations and international financial institutions. In the case of EU Member States, many also cover the EU-level extensively.<sup>9</sup>

A third useful distinction to be aware of is between quantitative and qualitative indicators. Experience shows that it's advisable to use a mix of quantitative and qualitative indicators. Defining quantitative indicators only can bias policy efforts towards what is measured and away from qualitative dimensions (King et al, 2012).

As regards Switzerland, in line with most examined EU Member States, and as indicated earlier, SDC seeks to identify policy (output, input, stance) indicators, not outcome indicators. This is not inferior to a mixed approach, but in that case it is important to regularly review the assumed causal links between policy

<sup>9</sup> Indicators related to international policy initiatives can be formulated in two different ways. Denmark's indicators focus on policy decisions at these levels, e.g. *"a common EU black-list of jurisdictions that do not comply with minimum standards of good governance in tax matters established"*. Others also include policy stance indicators representing the negotiating positions taken by national governments, e.g. *"actively promote a harmonized EU asylum and migration policy that will enhance Europe's ability to provide protection to those needs"*. This stems from the fact that multilateral decision-making is a process of compromise and that the position of a Member State may not be reflected in the decisions taken.

initiatives (defined as indicators, possibly with related actions and/or outputs) and the desired development outcomes. Paying attention to international policy-making when defining PCSD indicators is important also for Switzerland, given its characteristic of being a small open economy and its strong engagement in international fora. It is worth including both quantitative as well as qualitative indicators.

## 4. Main PCSD challenges in the thematic areas

PCSD efforts, and their monitoring, should address key PCSD challenges. This section therefore presents key challenges in the areas of food security, migration and illicit financial flows. It particularly draws from the thematic PCD dossiers that ECDPM has produced at the request of SDC on these topics, which can be consulted for a more comprehensive overview (Knoll et al, 2013; Lein et al; 2014).

### 4.1. Food security

Food security is a global challenge in the world with nearly one out of eight persons suffering from chronic hunger and millions of children still dying every year from an inadequate intake of nutrients. The underlying causes of food insecurity are various and complex and can be classified within its four main dimensions: availability, access, utilisation and stability. Ensuring that people have sufficient and adequate food all the time requires a crosscutting, holistic approach to address the multiple challenges of food insecurity. But most importantly, it requires all actors to act coherently and complementary. From a PCSD perspective, this entails that policies in developed countries, including Switzerland, should be supportive of international development goals in the area of food security.

Nearly all policy areas could have a direct or indirect spillover effect - positive or negative - on food security. Widely accepted key areas include agriculture, trade, research and investments. Across all these areas, there are many challenges that need to be addressed in an effective and efficient PCSD monitoring and reporting system.

#### **Agriculture**

Agricultural policies, particularly domestic support in agriculture, constitute important instruments that governments use to modify the economic, environmental and social framework that shape agricultural production. However, they can negatively impact the food security situation in developing country, if they are trade distortive. According to OECD estimates, Switzerland retains a high level of producer support, above the OECD average (OECD 2013b). Much of this support is “potentially trade distortive”. However, Switzerland, like most developed countries, has been gradually moving to less trade distortive agricultural policies to support its farmers while not hurting developing countries. From a PCSD perspective, the challenge is to pursue more strongly these reforms and move to policies that could achieve the targets domestically, while becoming more development-friendly and support the effort to reduce global hunger.

#### **Trade**

Trade policies related to the agricultural sector have important implications for food security as most of the poor in developing countries rely on agriculture as a source of food and income. From a PCSD perspective, tariffs and non-tariff measures such as standards and quotas matter therefore. Multilateral and bilateral trade agreements may promote greater access of developing countries to international markets enabling them to expand production and attract investment while also providing space for measures of protection to developing countries' less competitive agricultural sector. Switzerland, like most developed countries, grants special preference to developing countries under the Generalized Systems of Preferences (GSP). However, a large percentage of agricultural tariff lines, particular for products from non-LDCs, are not included in its GSP scheme. Furthermore, there has been a substantial increase in the use of standards, both public and private, which act as strong barriers to enter developed countries' markets. Small-scale producers and exporters in developing countries often lack the technical and financial capacity to effectively comply with the increasing complex requirements of these standards. Although countries are free to set, based on scientific evidence, the level of standards they deem fit, the challenge is to set the

adequate level of standards to safeguard domestic consumers while not unnecessarily restricting market access for developing countries' farmers and agribusinesses. For private standard, out of the control for public policy, the challenges is to provide the incentives for adequate standard setting, while also supporting developing countries' efforts to comply with these standards.

### **Research and innovation**

Developed countries are technologically well ahead of least developed countries. This advance could be key in supporting their development efforts if the technologies and know-how are transferred and properly channelled toward improving food security and development outcomes more generally. Innovation can benefit smallholder farmers and consumers and improve their livelihoods, including incomes and nutrition, while strengthening their resilience to the impacts of climate change (EC 2010). Research and innovative solutions in the areas of health, education and water are also important for food security. From a PCSD perspective, the challenge is to ensure that Swiss policies support developing countries' efforts to strengthen their research systems and increase their capacity to uptake research innovation and adapt them to local conditions to serve the needs of smallholder without compromising biodiversity.

### **Investments and food price speculation**

Foreign Development Investment (FDI) is increasingly directed to the agricultural sector in developing countries. This growing inflow of FDI while welcomed as it could bring greater prospects for productivity increase, production expansion and subsequently the reduction of poverty and hunger has also brought new issues and challenges. The issue of 'land grabbing' is one of the most contentious aspects of agricultural FDI. While there is no consensus on the benefits or negative impacts of such large scale land acquisition, there has been some localised evidences of mismanagement of land deals especially where land rights are weak, leading to competition and reduced access to resources by small famers and pastoralists. From a PCSD perspective, the challenge is for governments as well as international organisation through incentives and regulations to encourage for FDIs to benefit the food security situation of the vulnerable in the host countries. Biofuel mandates in the EU and the US, as well as the recent food crisis of 2007-2008 are most commonly pointed for causing the rush over fertile land. Examples of initiatives to regulate FDI include the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) and the recently adopted Principles for Responsible Investment in Agriculture and Food Systems. Switzerland has been active in the negotiations of these guidelines and could also play an active role in promoting their application.

The recent food crisis showed that higher but also more volatile food prices can lead to food insecurity and malnutrition of vulnerable groups. Volatility in food price clearly impacts negatively net consumers but also creates variability and uncertainty in the real income of producers. The prices of commodities, particularly agricultural products, are inherently volatile due to climate-related events, and supply and demand shocks. However, these factors alone have not been sufficient to explain the magnitude of the surges and swings in food prices observed during the past years. Many studies increasingly pointed to financial speculation in commodity markets, the lack of regulation in agricultural markets and various trade policies and government intervention as important causes of high food price volatility. Switzerland as the world leading commodities trading hub could play a significant role in most of the ongoing initiatives addressing these issues.

## **4.2. Migration**

Migration is a crosscutting issue, which affects and is affected by a number of sectoral policy areas going beyond the regulation of human movements across borders. This is coupled with the fact that the relationship between migration and development is complex. Migration is part of a broader social and

demographic process and can have both positive and negative implications for development – whether human or economic development at the micro-, meso- and macro-level – depending on contextual factors.

Based on the exploration of main PCD issues that the literature identified in relation to migration, ECDPM, in 2013, has identified issues playing a role in Swiss policy discussions on the matter in order to support Switzerland's promotion of PCD in this area, which were published in a Policy Dossier (Knoll et al, 2013). In the Dossier, different issues and a non-exhaustive list of potential incoherencies as regards migration-related policies have been presented<sup>10</sup>. The dossier mainly focuses on incoherencies of developed countries and their effect on the human development of migrants themselves as well as their contribution to the development of the country of origin. The Swiss supported Global Knowledge Partnership on Migration and Development project (KNOMAD) is currently advancing the work on policy and institutional coherence for migration and development as a concept with relevance for all countries through the *Working Group on Policy and Institutional Coherence (WG PIC)*.<sup>11</sup>

Drawing on the Dossier (Knoll et al, 2013) and the work of the KNOMAD WG PIC (Hong and Knoll, forthcoming; Siegel, McGregor and Cebatori, forthcoming) the following presents a brief summary of potential PCSD challenges for migration-related policies of developed receiving countries.

### **Facilitation of safe legal migration and recruitment / reducing the costs of migration**

Current immigration policies of developed countries primarily aim to attract high-skilled workers while restricting access to lower-skilled workers. The lack of legal channels for migration can raise the costs of migration for certain skill-categories of migrants and may translate to higher levels of irregular migration, which is more costly than effective. Recruitment agencies and practices as well as bilateral migration agreements play a role in ensuring that migration takes place in a safe, orderly and regular way. As regards visa policy, from a PCSD perspective, possibilities for circular migration are viewed as positive for maximising beneficial development impacts. Yet, while some countries put schemes for circular or temporary migration in place, these are often restricted to certain skill categories and do not offer possibilities for multiple entries. There are few or no possibilities for migrants to establish their 'locus' of circularity in the host-country itself. Measures supporting migrant integration in destination countries through existing legislative frameworks that regulate employment conditions, the right to dual citizenship, access to permanent residency, social welfare provisions or tax regulations for example can be beneficial to promote social cohesion and development and maximise positive contributions that migrants can make.

Strict border management and visa policy have been used by developed countries to curb irregular migration. With regards to visa policy, there can be potential incoherence if admission requirements become too restrictive, so that even for business travellers, students or health "tourism" visa are difficult and costly to obtain. This neither benefits the sending nor the destination country.

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<sup>10</sup> Due to the absence of an international agreement on where migration policy stops and non-migration policy begins the authors acknowledge that any categorization or scoping of issues presents but a snapshot of the development-dimension of this evolving policy field.

<sup>11</sup> See Hong, A. and Knoll, A. (forthcoming); Siegel et al. (forthcoming) are currently working on a dashboard of indicators to measure Policy Coherence for Migration and Development for both countries of origin and destination in the categories 'Reducing cost of migration', 'Effectively protect the rights of migrants and families', 'promote social cohesion by facilitating integration and reintegration' and 'Enhance the development impact of migration for countries of origin'.

## Migration and Development Agenda

### Brain drain- brain waste – brain gain

From a PCSD perspective, other challenges relate to the issues of Brain Drain and Brain waste. The skills and knowledge of migrants in developed countries are often not recognised and under-utilised, a phenomenon that has been titled 'Brain Waste'. This is mostly caused by the fact that degrees or diplomas of migrants from developing countries are not automatically formally accepted or accredited in the country of destination. Brain waste diminishes the positive contributions through for example financial transfers those migrants could make for development. Brain drain – the depletion of highly skilled and educated individuals, may be a serious concern for some developing countries or regions, for example in health sector occupations. Yet, the discussion on brain drain has become more nuanced with possibilities to reduce negative impacts of high-skilled migration without restricting opportunities for certain professions, such as setting up skill-partnerships or education cost-sharing models.

### Remittances and Non-Economic transfers

The system to send and receive remittances is characterised by high costs of cash transactions, inefficient processes and fragmentation of delivery chains. Banks as well as non-bank financial institutions offering remittances services encounter high regulatory barriers in many countries, which leads to high transfer fees of up to 20% the amount sent. A very large amount of remittances is sent through informal channels, which, though incurring less formal costs, bears a greater risk. Developed countries have committed to reduce the costs for sending remittances but adopted targets have not yet been met. From a PCSD perspective, high remittance sending costs still reduce the developmental and poverty reduction effect remittances could have.

### Engaging Diaspora

From a PCSD perspective, the engagement of the Diaspora can have a positive impact on the development of the country of origin. Developed countries with a migrant population at times promote diaspora organisations and aim to create networks to link better-performing segments in the country of origin with diaspora groups. Research on the positive and potentially problematic effects of such engagement is scarce but growing. Despite many positive examples of diaspora engagement for sustainable development and peace, some examples have shown that certain diaspora groups may attend to the interests of local elites and can reinforce established power-bases of elite individuals. This may lead to entrenched 'traditional authority' and reinforcement of power imbalances. Prior to supporting certain diaspora groups, potentially important political economy effects could be assessed.

### Protecting Migrants' rights and Integration of migrants

The rights situation of migrants in the countries of destination can positively or negatively affect development prospects of migrants. Migrants who find themselves in precarious jobs or less secure situations may be able to remit less, develop less skills and gain less beneficial experience, and thus have less potential to contribute to development. From a PCSD perspective, especially the right to health and education access is important.

The level of socio-economic rights given to legal migrants determines the capacity to positively contribute to development outcomes in the countries of origin, through remittances or skill/knowledge transfer etc. Countries of destination at times restrict the rights to work, the right for family reunification, the right to access social security protection, the portability of work permits and others. From a PCSD perspective, a balance has to be found between receiving countries' interests to restrict certain rights of immigrants and the rights that are able to improve or maximise the developmental impact on the migrant as well as on its country of origin.

### 4.3. Illicit financial flows

Every year, significant gaps within national tax legislation and mismatches between tax legislations internationally pave the way for large illegal outflows of capital (i.e. illicit financial flows) from countries where it is already relatively scarce. Illicit flows from developing countries were estimated at US\$ 549 billion on average per year in the period 2000-2010 (Kar and Freitas, 2012), far exceeding the US\$ 92 billion of net ODA disbursed per year for the same period. Loss of tax revenues and capital in developing countries substantially reduces the scale and scope of government expenditure, and holds a strong multiplier effect on domestic economic activities – draining domestic bank accounts, curtailing investments, increasing poverty and inequality and thus contributing to political instability.

#### **Tax evasion and avoidance**

The issue of illicit financial flows has in recent years risen to the forefront of the international agenda, including in fora such as the OECD, G8 and G20. The debate on ways to control and reduce IFFs targets transparency requirements and legislature in specific, yet not discrete, areas, including: tax evasion and avoidance; trade and transfer mis-pricing; bribery, corruption and stolen assets; and money laundering.

The G-8 world leaders, meeting in July 2009, recognised “the particularly damaging effects of tax evasion for developing countries”. While tax evasion is the illegal non-payment or underpayment of taxes, tax avoidance, is the practice of seeking to minimise tax payments by complying with the tax code while exploiting loopholes. Loopholes allowing for the application of such methods are less likely to be closed easily or quickly in developing countries given the lower capacity of local tax authorities and administrations. Furthermore, a critical challenge that tax authorities in both developed and developing countries are faced with is the lack of transparency on financial flows both internally and across borders. This necessitates bilateral tax information exchange agreements (TIAEs) and double taxation treaties to facilitate the effective exchange of information. Policy discussions in the EU and other multilateral fora thus call for support to build effective, efficient, fair and sustainable tax systems in developing countries and strive to promote the implementation of internationally agreed standards to promote the availability of and access to information for tax authorities, through e.g. the Global Forum on Transparency and Exchange of Information for Tax Purposes, of which Switzerland is a member.

#### **Trade and transfer mispricing**

Evidence suggests that trade mispricing accounted for the vast majority, i.e. 77.8%, of all cumulative illicit financial flows from developing countries during the period 2003-2012 (Kar and Spanjers, 2014). This phenomena most commonly occurs when multinational enterprises manipulate trade internally in order to shift profits (also known as transfer mis-pricing), and is notoriously difficult to identify and measure. This is due not only to the fact that such illicit flows are willfully disguised as official transfers, but also the different statistical methodologies for valuing trade between countries, as well as between international organisations (OECD, UN, World Bank and IMF). Crucially, legal frameworks on the taxation of international asset movements are bound to national tax systems and incongruencies between these systems allow for aggressive tax planning such as base erosion and profit shifting (BEPS).

#### **Bribery, corruption and stolen assets**

It is estimated that US\$ 20 to 40 billion are paid in bribes in the developing world each year, and an equal sum worth of public assets are stolen each year from developing countries (UNODC/World Bank, 2007). Developing countries’ incomplete legislative frameworks and weak regulatory institutions facilitate such illicit financial flows but it must be noted that bribery and corruption have both a supply- and demand-side. The UN Convention Against Corruption (represents high-level commitment, and the OECD Anti-Bribery Convention is a legally binding instrument to criminalise the supply-side of bribing. However such Conventions’ weaknesses are evidenced by the fact that almost half of the signatories of the OECD Convention did not report a single bribery case in the past 10 years. Policy discussion in the EU, OECD

and the G20, which has since 2010 adopted two-year G20 Anti-Corruption Action Plans, promote the accession, implementation and compliance with these Conventions. The lack of comprehensive policies and an effective legal framework and tools for tracing, recovering and repatriating stolen assets furthermore exacerbates capital flight from developing countries. Policy discussions in this area can be seen in the G20 Anti-Corruption Action Plan, and the OECD and the World Bank-UNODC Stolen Asset Recovery (StAR) initiative which all target the facilitation of asset recovery.

### **Money laundering**

Finally, money laundering refers to the process through which illegally acquired funds are made to appear legitimately acquired. Countries worldwide generally do not explicitly criminalise money laundering, allowing various forms of tax crimes to persist, and international tax havens and loopholes in OECD countries' tax laws are critical for the facilitation of money laundering. Notably several prominent developed countries could also be noted as tax havens, including the United States, Luxembourg, Switzerland, Austria, Germany and the UK. International tax havens facilitate money laundering by 1) not providing effective exchange of information, 2) making no requirements of business for transparency, and 3) making no requirements of businesses for substantial activities. The principal tool for overcoming money laundering are so-called anti-money laundering and counter terrorist financing (AML/CTF) regimes. These consist of a national legal framework of obligations for financial institutions in order to detect and deter money laundering and terrorist financing. The most comprehensive proposal for fighting money laundering are a set of 40 recommendations proposed by the Financial Action Task Force (FATF) which constitute the international standard for AML/CTF. However, despite being FATF members, both developed and developing countries have so far not compelled financial institutions to follow AML requirements. OECD discussions on 'harmful tax competition initiative' have reportedly been weakened by Switzerland and Luxembourg and 'sovereignty' concerns, but 'naming and shaming' is increasingly seen (e.g. US tax haven blacklist - while the European Parliament and European Commission have proposed a European blacklist and sanction, the European Council has not endorsed this).

The overall objective of promoting PCSD in this area is to curtail illicit financial flows (principally capital outflows from developing countries) and to improve the effective use of an increased domestic resource base in developing countries. As evidenced above, the phenomena of IFFs concerns various policy areas, from crime control to regulations in the financial sector, and tax regimes, and its implications require cross-sectoral and cross-national responses.



## 5. Swiss strategic orientations in these areas

Strategic orientations of Switzerland in the areas of food security as well as migration and development are primarily defined in the strategic frameworks 2013-2017 of the Global Programme Food Security and the Global Programme Migration and Development (SDC, 2013 & 2014a). As all SDC global programmes, they seek to strengthen linkages between foreign affairs, economic diplomacy and domestic policies, to contribute to a coherent policy framework for sustainable development. As such, promoting PCSD is at the heart of these programmes.

Both programmes are divided in different ‘components’, which are linked to targets, expected outcomes and activity lines (in the case of food security programme) and impacts, expected outcomes and ‘fields of observation’ (in the case of the migration programme).<sup>12</sup> Both have a specific component focussing on PCD. These components, with their related results, are depicted in Figure 3 and 4. It illustrates that SDC does not escape from the methodological confusion noted in PCD monitoring frameworks elsewhere (Section 3.2). By way of illustration, the fact that *‘The key actors of the Swiss migration policy include development aspects into their strategies and into the bilateral dialogues with countries of origin’* can’t be claimed to be a development outcome. The figures also show that these ‘causal chains’ are quite broad. For example a target to ‘promote the integration of a food-security lens in Swiss policy sectors’ and the related activity to ‘contribute to policy coherence for development on food security issues within the Swiss Federal Administration’ are little precise. This represents a challenge as well as an opportunity. It complicates the design of a PCD monitoring framework, as they provide little focus to guide the definition of indicators. At the same time, it creates space to take this broad framework as a basis and further define more specific desired results and related indicators.

### Box 5: SDC’s Global Programme Food Security and the Global Programme Migration and Development

#### Global Programme Food Security

The Global Programme Food Security (GPFS) is aimed at *‘addressing food security and nutrition challenges on global level’*. The programme is based on the core mission of SDC to reduce poverty and the overarching goal of achieving global sustainable development. The key commitment of Switzerland in the area of food security is to contribute to *‘a world free of hunger and malnutrition to which smallholders contribute with healthy food accessible to all while increasing their income and safeguarding the environment’*. The GPFS approach to address the challenges of hunger has four components: i) Sustainability of agricultural innovation; ii) Competing claims on natural resources; Stable access to sufficient nutritious food; and iv) Policy coherence for food security and nutritious.

#### Global Programme Migration and Development

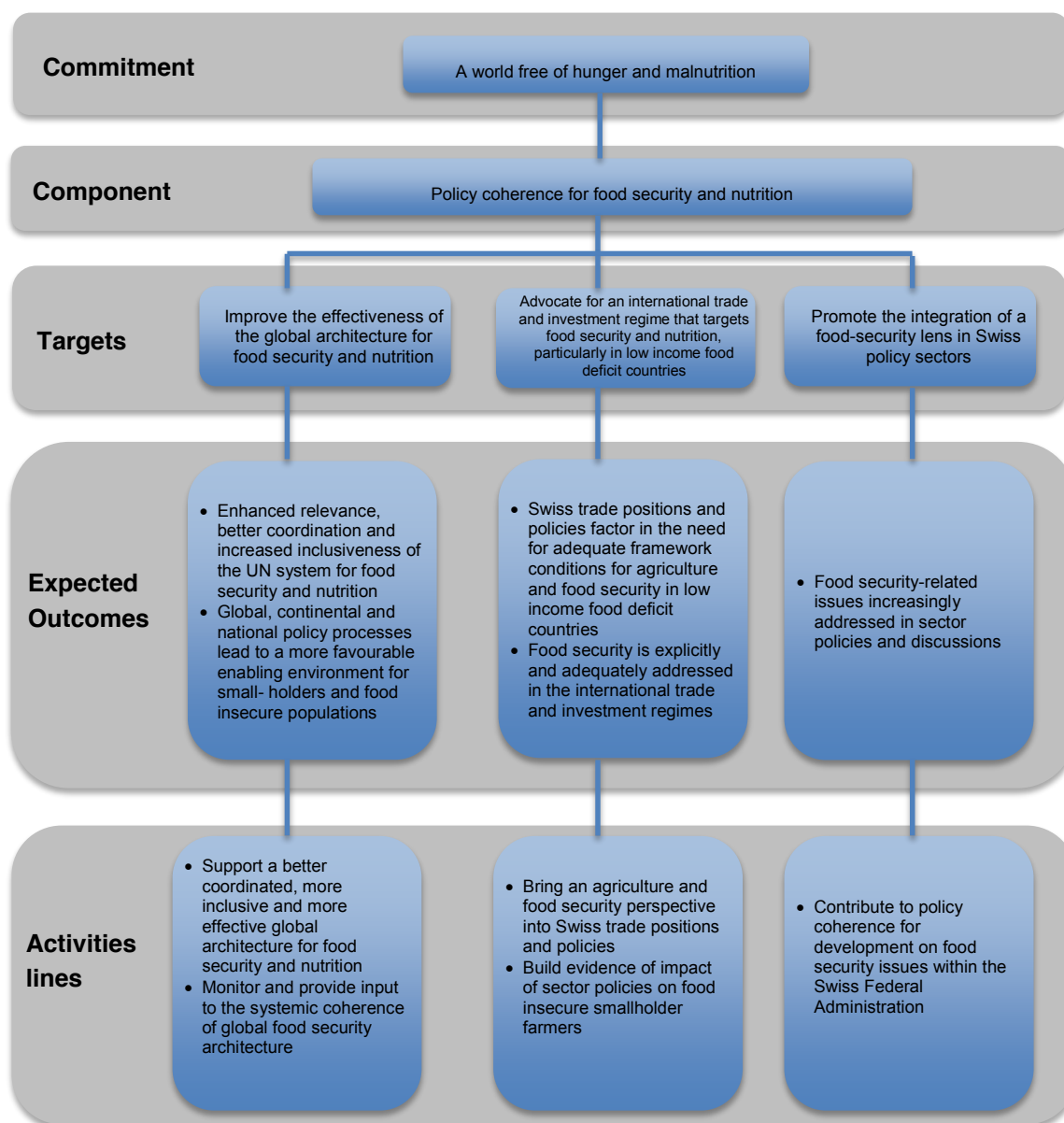
The overall goal of the programme is *‘to contribute using the potential of migration for equitable, inclusive and sustainable development as well as for poverty reduction in developing countries, by optimising the benefits and minimising its adverse consequences’*. International migration is seen as an opportunity with regard to poverty reduction (through remittance flows and transfer of knowledge and skills by migrants to their countries of origin), while there is a recognition of risks linked to international migration (such as brain drain and brain waste, precarious working conditions and the lack of access to basic rights, *unsafe* migration routes as well as smuggling and trafficking). To achieve the programme’s goal, there are four components: i) shaping the global migration and development agenda; ii) labour migration – support to the decent work agenda; iii) enhance migrants’ contribution to development; iv) integration of migration into development planning; v) coherence for development in Swiss migration policy.

Source: SDC (2013 and 2014a)

<sup>12</sup> These thematic global programmes work complementarily to food security and migration-related work of humanitarian aid and bilateral and multilateral cooperation. However, as humanitarian aid and bilateral and multilateral cooperation seem to lack clearly defined expected results in the area of food security and migration, the global programmes’ results framework seem most suitable to inform the development of indicators.

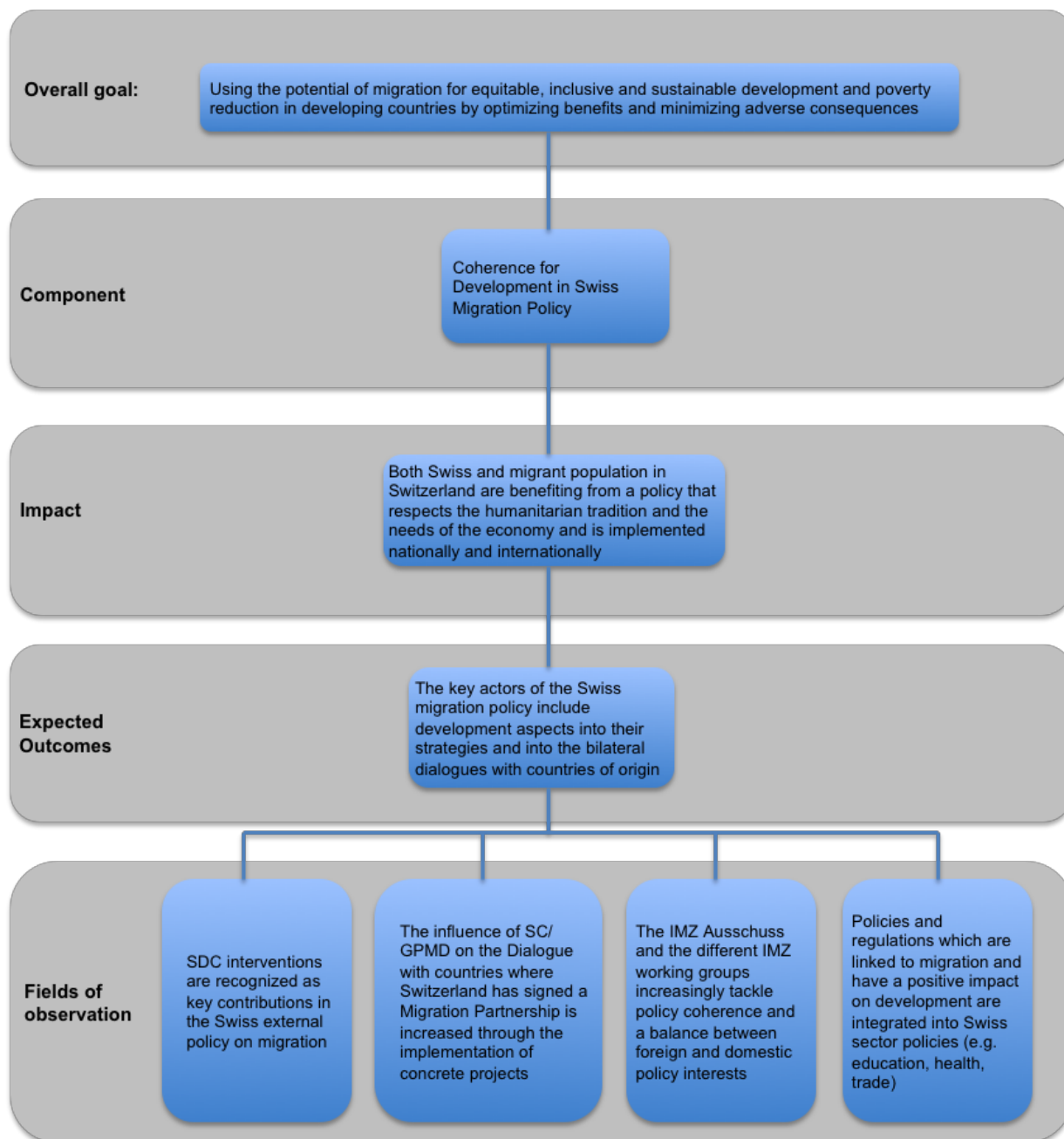
No global programme exists in the area of illicit financial flows that clarifies Switzerland’s strategic orientations. On a higher level, the Federal Council does recognise that illicit financial flows constitute a fundamental obstacle to economic growth and good governance in developing countries and that Switzerland as a leading financial centre has a particular responsibility and development policy interest in preventing the outflow of funds abroad from developing countries (SDC, 2014b). This is in line with the international sustainable development agenda and financing for development efforts. The Federal Council aims to achieve this goal with a wide range of instruments including measures to counter tax evasion and tax avoidance, corruption, the restitution of stolen assets of politically exposed persons to the countries of origin, money laundering and to reinforce the capacities of developing countries to promote improved governance and internal mobilisation of resources. No specific expected results have been defined. However, a Development Policy Brief (SDC, 2014b) and a note (SDC, 2014c) on Illicit Financial Flows offer additional guidance for the design of indicators, as they propose more specific measures. Based on these documents, a chain of causality as depicted in Figure 5 can be constructed.<sup>13</sup>

**Figure 3: PCD in the Global Programme Food Security**



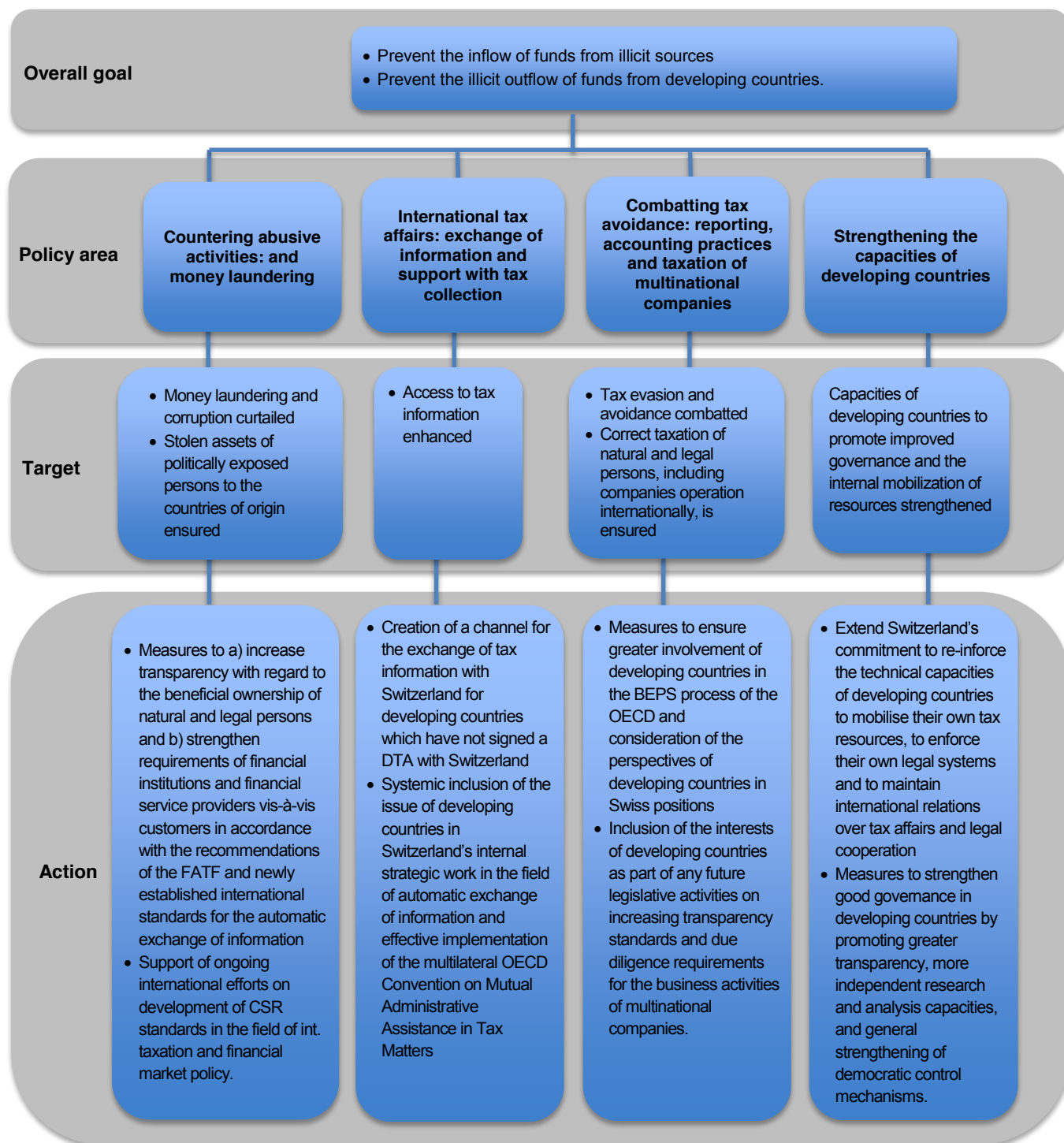
<sup>13</sup> The authors don’t pretend to have constructed a chain of causality that can’t be criticized. It takes SDC’s descriptions in these two documents of results and measures in the area of IFF as a given.

**Figure 4: PCD in the SDC Global Programme Migration and Development**



It should be noted that other components and related targets of the global programmes can provide additional guidance to inform the formulation of indicators (see Box 5 for a short description of the programmes and their components). Taking a food security example, the target to “*strengthen agricultural research for development*” can be pursued not only through the provision of Official Development Assistance (ODA), but also other means, such as knowledge sharing. The target to “*improve the formulation and implementation of regulatory frameworks on governance of land and other natural resources from a food security perspective*” also goes beyond ODA, as is illustrated by the programme’s activity to “*engage with public and private sector investors on the implementation of the principles for responsible agricultural investment*”.

Figure 5: Chain of causality for Switzerland in the area of IFFs



Source: SDC (2014b and 2014c), constructed by the authors based on results and measures presented in these documents.

## 6. PCD Indicators for Switzerland – initial attempt by SDC

Based on the previous sections and the annex, this Section presents the heart of the matter: the actual framework of goals, intermediate objectives and indicators, applied to the three PCSD areas.

Different from earlier sections drafted by ECDPM, these matrices have been developed by SDC staff. SDC has sought to apply the lessons learned elsewhere and insights in the PCSD challenges and strategic priorities, to formulate Swiss specific indicators, providing insights in progress towards intermediate objectives and an overall goal. The matrices have benefitted from comments of ECDPM on earlier versions.

The matrices are composed of the following elements:

Heading	What it entails
Goal	Long-term result that is sought to be achieved
Fields of action/ intermediate objective	Policy areas and (within those areas) policy outcomes that should contribute to the overall goal
Indicator	Indicators measuring progress on policy outputs
Data sources / means of verification	Indication where the required information to track the indicator can be found
Policy impact hypothesis	Clarification of the assumptions, which should regularly be checked for continued relevance

Both the goals and intermediate objectives are deducted from existing policy documents. SDC did not seek to invent new goals and objectives, as the intention is to track progress on results that the Federal Council and SDC have set out to achieve. In the same vein, SDC has formulated indicators, but has not specified numerical targets in relation to these indicators, as no such targets exist in policy documents.

As noted earlier in the paper, this implies that it is not a scientific and comprehensive approach. It is anchored to, and derived from, the Swiss institutional, political and policy context.

The focus lies on the policies planned by the federal council and on the executive's action to implement existing policies and laws. Apart from its specific legislative agenda, this includes taking into account Switzerland's engagement in international cooperation as well as processes leading to international standards, agreements, soft laws and hard laws. The monitoring and evaluation system aspires to measure (a) how far this policy agenda and its implementation include the legitimate interests of developing countries and countries in transition in a globalised economy. SDC, furthermore, wishes to have indications on (b) how far action by the Federal Council takes into account the planetary boundaries of certain natural resources and the delicate balance required for sustainable development. A third element is to have evidence to which degree the executive's action is conducive (c) to maintain or enhance the freedom to adopt a Swiss approach by further taking into account positions and standards of the most important global players, building on that, and integrating binding international frames of reference (for example in the area of human rights).

These draft matrices reflect the current state-of-thinking of SDC, for further discussion and refinement. This requires technical in-depth studies, to explore how some important technical issues can be addressed. E.g. how can the chains of causality be improved, while remaining true to existing commitments presented as goals and intermediate objectives? More information will need to be provided on the indicators, including qualitative dimensions of facts represented by numbers, as well as a description of the baseline.

## 6.1. Food Security

<b>Goal 1</b>		<b>Improve food security in developing countries through a more enabling international environment and sustainable development-friendly domestic policies</b>		
<b>Fields of action / Intermediate objective</b>		<b>Indicators (to be refined)</b>	<b>Data source/ Means of verification</b>	<b>GPFS policy impact hypothesis</b>
<b>Focus</b>				
<b>International level</b>  <b>and</b>  <b>Partner Country level:</b> - Developing countries - Transition Countries - Emerging economies	Research, access to technology and agricultural development  <i>1.1 More knowledge is available to support sustainable agricultural production and access to diversified nutrition by smallholder farmers</i>	<b>1.1.1</b> Number and nature of efforts/total financial investment in agricultural research that responds to the needs of smallholder farmers in partner countries;  <b>1.1.2</b> Number and nature of positions, agreements and initiatives related to access to genetic resources and transfer of agricultural technology to partner countries.	Official reports of the Swiss Government, its Ministries and Offices  Official statistics, including on research-for-development program activities Independent studies of non-governmental bodies (academia, civil society organisations)  Statistics, analysis and monitoring instruments of international organisations, Forums and processes (e.g. World Bank)	Agriculture research and innovation systems that respond to the needs of smallholder farmers can contribute to improve their livelihoods
	International trade and trade governance  <i>1.2 Swiss trade policies encourage adequate framework conditions for agriculture and food security in low income food deficit countries.</i>	<b>1.2.1</b> Number of bilateral and multilateral trade agreements involving developing countries with provisions on food security/agriculture <sup>14</sup> ,  <b>1.2.2.</b> Overall Trade Restrictiveness Index (optional, for further examination);  <b>1.2.3</b> Tariff-Only Overall Restrictiveness Index (optional, for further examination); <sup>15</sup>  <b>1.2.4</b> Number and nature of national and international initiatives to strengthen transparency and accountability in the food chain (including the use of harmful chemicals);  <b>1.2.5</b> Number and nature of Govt. interventions and initiatives to influence food price volatility.		International trade agreements may be conducive to food security and nutrition, particularly in low income food deficit countries if they included the adequate measures to protect from otherwise harmful side effects. Increased openness to developing countries' agri-imports can benefit food security in those countries
	Investment, access to land and land allocation for production	<b>1.3.1</b> Number and nature of Govt. efforts to promote implementation of Guidelines of international organisations on responsible governance of tenure and		Public and private sector agricultural investment improves food security and the livelihoods

<sup>14</sup> It is proposed that this will include an analysis of the inclusion of food security / agricultural safeguard clauses and/or if the agreement provides space for tariff rate quotas and variable and seasonal tariff rates.

<sup>15</sup> The Overall Trade Restrictiveness Index and the Tariff-Only Overall Restrictiveness Index developed by the World Bank, both calculated for agricultural goods, seem promising indicators. The World Bank indicates on its website that these indices are calculated each year and feed into the World Bank/IMF Global Monitoring Report. However, we've only seen 2009 figures online, so availability would need to be further examined. Alternative indicators could be to track the "percent change in import and export tariffs on agricultural products" or the "worldwide weighted tariff-average" which can be disaggregated by product sector and country and allow for cross country comparisons (data source: WTO), both featuring in the latest indicator priority list drawn up by the UN Statistical Commission, summarising the current state of discussion on SDG indicators (advantage: in line with proposed SDG monitoring, disadvantage: do not cover non-tariff barriers). See <http://unstats.un.org/sdgs/2015/05/29/first-proposed-priority-indicator-list/>

	1.3 Swiss FDI in agriculture in developing countries and MICs is responsible.	on responsible investment in agriculture; 1.3.2. Number and nature of Govt. efforts to promote transparency regarding investment activities; 1.3.3. Number and nature of Govt efforts to balance land use for food production and production of bio-energy 1.3.4 Amount of financial incentives for private investment in the agro-food sector in developing countries through various instruments available.		of local communities if respecting legitimate tenure and resource use rights
	Food aid, agricultural structures and producers  1.4 Swiss food aid does not undermine the livelihoods of smallholder farmers by creating disincentives for local food producers.	1.4.1 Number, context-specificity ex-ante analysis of food aid intervention of Swiss Humanitarian Aid		Food aid helps smallholder farmers including the most vulnerable and marginalised to have access to nutritious and diversified diets
Domestic level (Switzerland)	Domestic agricultural policy  1.5 Development-friendly domestic agricultural policies are pursued.	1.5.1 OECD Producer Support Estimate (PSE) <sup>16</sup>		Food security-related issues are increasingly addressed in agricultural policies



Related themes dealt with in other PCSD Matrix	Food waste	Level of Action: domestic Contribution to food security in partner countries: uncertain In the lead: Office of the Environment
	Climate change – reduction of global emissions as a contribution to food security	SDC Global Programme Climate Change (GPCC)

Policy Areas	Annual Work Plan Federal Council 2015 - Relevant items (to be replaced in early 2016 )	Federal Council's Four Years Legislature Program 2016-2019 – Relevant items <sup>17</sup>
Domestic policies in support of the Swiss agricultural sector	Botschaft zur Volksinitiative „für Ernährungssicherheit“ Vernehmlassung zur Agrarpolitik 2018-2021 (BR-Ziel 4) Botschaft zur Volksinitiative „Keine Spekulation mit Nahrungsmitteln“	
International and Partner Country level	Agrarbeschlüsse der 9. WTO-Ministerkonferenz vom Dez.13 in Bali: Message concernant la coopération internationale 2013-2016; Message concernant la coopération internationale 2017-2020	

<sup>16</sup> King and Matthews have proposed a more refined indicator to track PCD progress in Ireland in this area, which could also be considered for Switzerland: PSE, taking into account the value of agricultural output at producer prices (for better cross-country comparisons, to assess how Ireland performs compared to other countries) (King & Matthews, 2012).

<sup>17</sup> Currently being elaborated and expected to be approved by the Federal Council in early 2016.

## 6.2. Integrated approaches to Migration and Development for global development outcomes

Goal	Enhance development-friendly conditions of regular, safe, and growth-supportive migration between developing and developed countries			
Fields of action/ Intermediate Objective	Indicators ( <i>to be refined</i> )		Data Source/ Means of verification	Policy impact hypothesis (adapted from GPMD)
Focus				
<b>Global level</b>	<p>Swiss contribution to improved global governance in the field of migration</p> <p><i>2.1 Switzerland's contribution to improve global rules and standards, and address specific issues continues to be significant; joint with other parties,</i></p> <p><i>2.2 Switzerland abides by established international regulations and conventions.</i></p>	<p><b>2.1.1</b> Number, intensity and content of Swiss contributions to existing cooperations regimes; and to current processes and existing global institutions and fora in the UN and beyond relevant to migration and development.</p> <p><b>2.2.1</b> The government has ratified and is implementing / acting upon the relevant ILO Conventions (97,143), UN Conventions (Convention on the protection of all migrant workers and members of their families, human rights convention), as well as relevant EU law (Dublin Convention)</p>	<ul style="list-style-type: none"> <li>• Official Reports of the Swiss Federal Government, its Ministries and related agencies, and Federal Courts</li> <li>• Official Reports, Reviews and statistical information of International Organisations, Forums and processes</li> <li>• Independent studies of non-governmental bodies (academia, civil society organisations)</li> <li>• Statistics, analysis and monitoring instruments of international organisations, forums and processes</li> </ul>	<p>Informal dialogues, formal discussion within the UN, and improved knowledge on migration lead to more comprehensive migration governance and development strategy for the benefit of countries of origin, transit and destination and migrants. Migrants and communities in countries of destination and origin benefit from migration and use knowhow and resources for development.</p> <p>Implementation of International Agreements and Conventions contributes to improved global governance of migration.</p>
<p><b>Linking</b></p> <ul style="list-style-type: none"> <li>• <b>receiving country Switzerland</b></li> <li><b>with</b></li> <li><b>countries of origin</b></li> </ul>	<p>Access to and integration of migrants on Swiss territory - protection of their rights</p> <p><i>2.3 International law and humanitarian standards for refugees and asylum seekers' access to Swiss territory are maintained and implemented.</i></p> <p><i>2.4 Socio-economic rights of migrants, asylum seekers and refugees and access to services are regulated in a balanced way between receiving country's and migrants' interests.</i></p>	<p><b>2.3.1</b> Number and nature of efforts at national and sub-national level to determine regulatory and jurisdictional issues related to asylum and residency of foreign population.<sup>18</sup></p> <p><b>2.4.1</b> Number and nature of migration-related bilateral agreements with countries of origin of migrants: migration partnerships, readmission agreements, development cooperation framework agreements, others<sup>19</sup></p>	<p>Refugees and Asylum seekers are protected according to international agreements, have decent conditions and rights enabling them to contribute to the development of their countries of origin and of residence.</p>	

<sup>18</sup> Indications given by numbers (and their developments) of foreigners by residence permit /numbers (and their developments) of foreigners in asylum processes and the length of the process

<sup>19</sup> An alternative more specific indicator could be 'Number of migration agreements in which the development and migrants' rights dimensions are explicitly considered and integrated in migration agreements'



		<p><b>2.4.2</b> Number and nature of efforts at national and sub-national level:</p> <ul style="list-style-type: none"> <li>- to improve regulated access to labor market (work permits; systems for skill recognition and validation of foreign degrees and skills);</li> <li>- to improve regulated access to health and education systems and social security protection.</li> </ul>		
	<p>Integration of migration into development policies – of development perspectives in migration policies</p> <p><i>2.5. Synergies between development policies and migration policies are leveraged in a mutually supporting, non-conditional way, at policy as well as operational level.</i></p> <p><i>2.6. Financial resources in the context of migration policies are mobilised in line with institutional responsibilities and allocated in a criteria-based manner.</i></p>	<p><b>2.5.1</b> Number, substance and orientation of strategic and operational decisions of the Government and government bodies related to the selection of intervention countries and thematic issues:</p> <ul style="list-style-type: none"> <li>- Decisions take into account both migration and global development perspectives in a balanced way</li> <li>- Policies are mutually supporting of each others' objectives and non-conditional (relevant issues include socio-economic rights, skilled/temporary migration; role of diaspora, return and re-integration in countries of origin)</li> </ul> <p><b>2.6.1</b> Budget structure and institutional origin of sources to fund domestic policy measures; nature, amount and percentage of migration-related expenditures charged to Swiss ODA (e.g. refugee costs in first year, re-integration programs) and their link to development objectives; frequency and nature of budget decisions where migration and development policies overlap.</p>		<p>Development strategies and sector policies that take into account opportunities and risks of migration lead to more effective and sustainable development. Migrants, Refugees and communities in countries of destination and origin benefit from migration and use the knowledge and resources for development.</p>

Policy areas	Annual Work Plan Federal Council 2015 Relevant items (to be replaced in early 2016)	Federal Council's Four Years Legislature Program 2016-2019 – Relevant items <sup>20</sup>
<p><b>Linking receiving country with countries of origin</b></p>	<p>Rapport 2014 sur les activités de la politique migratoire extérieure Beantwortung Postulat Amarelle. Evaluation Migrationspartnerschaften Umsetzung der Masseneinwanderungsinitiative Rückübernahme-Abkommen / Migrationsabkommen Dispatch International Cooperation 2017-2020...</p>	
<p><b>Global level</b></p>	<p>International Post-2015 development agenda Dispatch International Cooperation 2017-2020...</p>	

<sup>20</sup> Currently being elaborated and expected to be approved by the Federal Council in early 2016

### 6.3. Illicit financial flows

<p><b>Goal 3</b></p>	<p><b>Systematically prevent</b></p> <ul style="list-style-type: none"> <li>• the inflow of funds from illicit sources;</li> <li>• the outflow of funds abroad from developing countries</li> </ul> <p>by means of tax avoidance, tax evasion, money laundering, bribery and corruption.</p>			
<p><b>Fields of Action/ Intermediate Objective</b></p>		<p><b>Indicators (<i>to be refined</i>)</b></p>	<p><b>Means of verification</b></p>	<p><b>Policy impact hypothesis</b></p>
<p><b>Focus</b></p>				
<p>Host Country level  (Source countries IFF - in particular developing countries)</p>	<p>Exchange of information and support with tax collection.</p> <p><i>3.1 The access to information by host countries is enhanced</i> →</p>	<p><b>3.1.1</b> Number and nature of efforts to facilitate access of developing countries to tax information in a phased manner;</p> <p><b>3.1.2</b> Number and nature of tax information exchange agreements of different types (at request, spontaneous and automatic) with developing countries;</p> <p><b>3.1.3</b> Number and matter of exchange activities.</p>	<ul style="list-style-type: none"> <li>• Official Reports of the Swiss Federal Government, its Ministries and related agencies, and Federal Courts</li> <li>• Official Reports, Reviews and statistical information of International Organizations, Forums and processes</li> </ul>	<p>Enhanced access to tax information will inform developing countries' efforts to curtail IFF</p>
	<p>Strengthening of capacities in developing countries (domestic resource mobilisation, governance)</p> <p><i>3.2 Capacities in developing countries (domestic resource mobilisation, governance) are strengthened</i> →</p>	<p><b>3.2.1</b> Amounts, nature/orientation and percentages of total ODA commitments and expenses at a country level related to strengthen capacities and accountability processes in tax matters<sup>21</sup>, investigative/prosecutorial capacities to curb corruption and money-laundering, and capacities for international legal cooperation.</p>	<ul style="list-style-type: none"> <li>• Independent studies of non-governmental bodies (academia, civil society organisations)</li> </ul>	<p>Lack of capacities partly explain difficulties of developing countries to counter IFF</p> <p>Incentives exist for stakeholders to put enhanced capacities to effect to counter IFF</p>

<sup>21</sup> This will include capacities to address transfer and trade mispricing.

International level and Home County level (Switzerland)	Non-financial and financial reporting, accounting practices and taxation of multinational companies and financial → <i>3.3 Transparency in the financial and non-financial sector is improved</i>	<b>3.3.1</b> Number and nature of Government's non-legislative and legislative initiatives at national and international level that explicitly address due diligence, reporting and transparency/ accountability issues (including transfer pricing and trade mispricing) in taxation matters.	•	Enhanced transparency can contribute to reduce IFF, as a result of companies' reputational concerns and (anticipation of) punitive measures
	Corruption, bribery, money laundering, restitution of stolen assets – preventive, legal, and judicial measures → <i>3.4 The inflow of money gained through corruption, bribery, money laundering is curtailed</i>  <i>3.5 The return of stolen assets is enhanced</i>	<b>3.4.1</b> Number and nature of Government's non-legislative and legislative initiatives at national and international level to make the current Swiss legal AML framework equivalent to OECD and EU standards in terms of ownership information and due diligence requirements in financial services;  <b>3.5.1</b> Numbers of notifications of procedural action in pending or new cases, as well as returned amounts, of stolen assets frozen or confiscated by Switzerland.		OECD and EU standards in terms of ownership information and due diligence requirements in financial services are effective frameworks to contribute to addressing money laundering worldwide.

Policy Areas	Annual Work Plan Federal Council 2015 - Relevant items (to be replaced in early 2016)	Federal Council's Four Years Legislature Program 2016-2019 – Relevant items <sup>22</sup>	
International financial and tax matters  (International and level of Swiss jurisdiction)	<ul style="list-style-type: none"> <li>- Umsetzungsgesetz zum <b>Automatischen Informationsaustausch</b></li> <li>- Gesetz zur Ausweitung des <b>OECD-Standards zu Informationsaustausch bei Doppelbesteuerungsabkommen</b></li> <li>- Übereinkommen OECD/Europarat betr. gegenseitige <b>Amtshilfe in Steuersachen</b></li> <li>- Umsetzungsentscheid zu Empfehlungen des OECD-G20-Projekts <b>BEPS (Base Erosion and Profit Shifting)</b></li> <li>- <b>Unternehmenssteuerreform III</b></li> <li>- <b>Finanzdienstleistungsgesetz, Finanzinstitutsgesetz</b></li> <li>- <b>Finanzmarktinfrastruktur-Gesetz</b></li> <li>- Botschaften zu <b>Doppelbesteuerungsabkommen</b> nach OECD-Standard und TIEAs</li> <li>- Revision des OR (<b>Aktienrecht</b>)</li> </ul>		
	<ul style="list-style-type: none"> <li>- Schweizer Strategie zur Umsetzung der UNO Leitlinien für Wirtschaft und Menschenrechte (<b>Nationaler Aktionsplan Ruggie</b>)</li> <li>- Umsetzung des Rechtsvergleichenden Berichts. <b>Sorgfaltsprüfung bezüglich MR und Umwelt</b> im Zusammenhang mit Auslandsaktivitäten von Schweizer Konzernen (Po. APK-N, 12.3980/ Mo.14.3671)</li> </ul>		
Domestic Resource Mobilization (Level of developing countries)	<ul style="list-style-type: none"> <li>- Message concernant la <b>coopération internationale 2017-2020</b></li> <li>- ...</li> </ul>		

<sup>22</sup> Currently being elaborated and expected to be approved by Federal Council in early 2016.

## 7. Summary and next steps

This paper is part of an iterative process to strengthen SDC's current PCSD monitoring and reporting practice, in line with the DAC Peer Review of Switzerland 2013, recommending to undertake systematic monitoring and analysis of its national policies, and the international policies that affect developing countries.

SDC seeks to develop a PCSD monitoring and reporting system with the aim of (a) guiding empirical work and systematic analysis allowing a self-assessment, and (b) allowing to address a number of differing reporting requests, emanating from the international debate, domestic accountability requirements, and requests for management information from inside the Government.

The subject to be monitored, analysed and assessed is the Federal Council's Annual Work Plan, covering legislative projects as well as relevant activities within the executive's competences. This Annual Work Plan represents an annually updated slice of the Four Year Legislature program which is always submitted by the Government at the beginning of each new Legislature period.

While conceived also as an approach for self-assessment by Government institutions, the approach does not necessarily have to be limited to Government bodies but could be of interest to other stakeholders as well.

Key elements of this monitoring and reporting system are a limited number of policy goals, related fields of action, targets, and indicators to measure policy efforts. At this early stage of conceptual work the proposal as presented in this document is an approach rather than a tool. More conceptual and empirical work is needed to further refine and test the practical usefulness of the approach.

The next step envisaged by SDC is to further refine the approach and to examine the feasibility of the different indicator sets by a consortium of three academic institutions. In reaction to a previous version of this paper, the consortium as already conducted a 'rapid assessment', which is presented in [Annex 2](#).

As a next step, notably the following technical issues and conceptual questions need to be explored:

- Examining the chains of causality and ways to improve them, while remaining true to existing commitments presented as goals and intermediate objectives;
- Refining the indicators (e.g. specifying which qualitative aspects of facts represented by numbers are of particular importance);
- Providing insights in the baseline of indicators;
- Assessing data availability;
- Exploring options and presenting recommendations on institutional and organisational aspects of the system (structure, processes, stakeholders as well as their roles and responsibilities, financial aspects, etc.).

This work will be done in a phased manner. As a first step, the consortium will focus on the theme of Illicit Financial Flows, followed by work on the themes of Food Security and Migration and Development. This is scheduled to take place in the remaining months of 2015 and the first quarter of 2016.

In 2016, based on this work, a decision in principle is expected by SDC senior management on the set-up of a PCSD monitoring and reporting system, its design and possible future expansion to more thematic areas.

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## Annex 1: Overview of indicators

This annex presents a selection of PCD indicators related to food security, migration and illicit financial flows, which are used by a selection of other OECD Member States or developed by international organisations. Within each of the three thematic tables, the indicators are categorised according to the challenge areas presented in Section 4.

The tables contain the following columns:

- **Indicator:** shortly describes the indicator;
- **Type:** indicates if it concerns an outcome, policy output, policy input or policy stance indicator;
- **Used/proposed by:** reveals which country or international organisation this indicator originates from. This may be the EU and/or its Member States that have included the indicator in their PCD monitoring framework: Denmark (Danida, 2014), Netherlands (MFA The Netherlands, 2011a), Sweden (Government Offices of Sweden, 2008) and the European Union (European Commission, 2010). In the case of Ireland, these indicators have been proposed by academics at the request of the government, but have not been officially adopted (King & Matthews, 2012). International organisations may also have proposed these indicators. It includes amongst others indicators that have been proposed (not yet adopted) at UN level to monitoring the implementation of the post-2015 development agenda (UN, 2013 & 2015), as Switzerland is committed to contribute to the materialisation of this global agenda. It also covers indicators developed at the request of the Policy and Institutional Coherence Working Group of the Global Knowledge Partnership on Migration and Development (Siegel et al, forthcoming);
- **Data source:** specifies where the data can be found, if known;
- **Clear relevance/risks:** provides information on weaknesses, risk and/or assumptions related to the indicator ;
- **Related Swiss targets/objectives/ observations:** relates the indicator to development results that Switzerland pursues in the area of food security, migration and illicit financial flows. In the case of food security, it concerns 'targets' that have been defined as such in the results framework of the Global Programme Food Security (SDC, 2014). In the case of migration, it concerns 'fields of observation' specified in the results framework of the Global Programme Migration and Development (SDC, 2013). For illicit financial flows, objectives defined by the Federal Council are presented (SDC, 2014b). As such, this column shows the relevance of the indicators in relation to the objectives Switzerland has set for itself in these areas. The authors have left the wording unchanged, even in cases of methodological incoherencies in the definition of these targets/objectives/fields of observation.

**A. Food security**

Indicator	Indicator type	Used/Proposed by <sup>23</sup>	Data source	Clear relevance/risks	Related Swiss targets <sup>24</sup>
Policy Area: Agriculture					
National levels of market price support	Output	Ireland	OECD Producer Support Estimate, FAOSTAT database and Eurostat database		Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Promote the integration of a food-security lens in Swiss policy sectors</li> </ul>
Trade-distorting support	Output	Ireland EU	Switzerland's notifications of domestic support to the WTO, national statistics' office estimate of agricultural output	This relates to domestic subsidies which encourage additional farm production, as it can lower world prices and prices received by farmers in developing countries.	Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Promote the integration of a food-security lens in Swiss policy sectors</li> </ul>
Review impact of the Common Agricultural Policy on developing countries, in terms of food security, environmental and social effects (with EC and MS)	Output	Netherlands	Impact assessments		Policy coherence for food security (GMFS 4): Promote the integration of a food-security lens in Swiss policy sectors

<sup>23</sup> The indicators used by the EU and some of its Member States that are presented in these tables have been drawn from Danida (2014), European Commission (2010), Government Offices of Sweden (2008) and Ministry of Foreign Affairs The Netherlands (2011a). The indicators of Ireland come from King and Matthews (2012). It should be noted that the latter have been developed by academics at the request of the Irish government, but have not been officially adopted.

<sup>24</sup> The cells in this column present the relevant component (1 to 4) and related 'target' (with bullet point) that have been defined as such in the results framework of the Global Programme Food Security (SDC, 2014).

Policy Area: Trade					
Growth in agricultural imports from development countries	Outcome	Ireland	UN Comtrade data	Many factors other than the facilitation of market access may influence the growth rates of imports	Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>
Value of LDC exports as a percentage of global exports	Outcome	Post 2015 (UN, 2015)		Many factors other than the facilitation of market access for developing countries may influence the value of LDC exports as a percentage of global exports	Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>
Average tariffs on agricultural imports	Output	Ireland Post 2015 (UN, 2015)	International Trade Centre		Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>
Trade restrictiveness indicators for agricultural goods	Output	Ireland	World Bank Institute (World Trade Indicators)		Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>
Eliminate agricultural export subsidies by year X	Output	Netherlands EU	Department of Economic Affairs		Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>

Bilateral trade agreements concluded by Switzerland with food insecure countries contain a special food security safeguard clause	Output	EU	Bilateral trade agreements		Policy coherence for food security (GMFS 4): <ul style="list-style-type: none"> <li>• Advocate for an international trade and investment regime that targets food security and nutrition, particularly in low income food deficit countries</li> </ul>
<b>Policy Area: Research and innovation</b>					
More investment in knowledge and innovation in and for the benefit of developing countries	Output	Netherlands	Federal Department of Economic Affairs, Education and Research		Sustainability of agricultural production and innovation systems (GPFS 1): <ul style="list-style-type: none"> <li>• Strengthen agricultural research for development</li> </ul>
Identify and share with the research community in Africa research needs on malnutrition	Output	EU			Sustainability of agricultural production and innovation systems (GPFS 1): <ul style="list-style-type: none"> <li>• Strengthen agricultural research for development</li> </ul>
Number and value of research projects launched under the Framework Program 7 on agricultural production	Output	EU			Sustainability of agricultural production and innovation systems (GPFS 1): <ul style="list-style-type: none"> <li>• Strengthen agricultural research for development</li> </ul>
Policy efforts to allow food-related technologies to transfer to developing countries.	Output	OECD (2013b)	Legislation	Not specific and difficult to measure.	Sustainability of agricultural production and innovation systems (GPFS 1): <ul style="list-style-type: none"> <li>• Strengthen agricultural research for development</li> </ul>
Creation of/subscription to the Technology Bank and Science, Technology and Innovation Capacity Building Mechanism	Output	Post 2015 (UN, 2015)		It is indicated that this indicator is to be further developed.	Sustainability of agricultural production and innovation systems (GPFS 1): <ul style="list-style-type: none"> <li>• Strengthen agricultural research for development</li> </ul>
<b>Policy Area: Investment</b>					
Strong principles for Responsible Agricultural Investment adopted and Voluntary Guidelines on governance and land tenure promoted and implemented in a number of Swiss' partner countries for development cooperation	Output	Denmark	SDC country strategies, reports and evaluations		Competing claims on natural resources (GPFS 2): <ul style="list-style-type: none"> <li>• Improve the formulation and implementation of regulatory frameworks on governance of land and other natural resources from a food security perspective</li> </ul>

Policy Area: Aid					
Agricultural ODA expenditure	Input	Ireland OECD (2013b)	OECD International Development Statistics		Sustainability of agricultural production and innovation systems (GPFS 1), Competing claims on natural resources (GPFS 2), Stable access to sufficient nutritious food (GPFS 3)

## B. Migration

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
Policy Area: Legal migration, mobility, recruitment and circular migration					
Labour policy helps to enhance the developmental effects of migration in developing countries through, inter alia, measures aimed at promoting circular migration	Output	Sweden	Labour Market Policy		Labour Migration – Support to the Decent Work Agenda, Coherence for Development in Swiss Migration Policy (GPMD 2/5)
Agreements with countries of origin include broad cooperation on migration, including on return procedures, labour market needs and the implementation of decent work standards	Output	Netherlands, UNFPA Post-2015	Bilateral and regional agreements on i) the recognition of qualifications of international migrants; ii) the portability of social security.		Labour Migration – Support to the Decent Work Agenda, Enhance Migrants' Contribution to Development (GPMD 2/4) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved</li> <li>Standards for decent work are respected and respective policies are implemented</li> <li>Migrants' contributions, competences and skills are acknowledged</li> </ul>
Number of countries with which bilateral agreements are discussed or signed (as % of relevant migration partner countries)	Input (discussed)/ Output (signed)	Proposed by KNOMAD TWG PIC – Commissioned Paper	Bilateral agreements with partner countries	Bilateral migration agreements have the potential to ensure safe and regulated migration. However, the implementation of the agreement and its provisions need to be monitored	Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>
Multiple entry visa are available, utilised (X% of eligible requests granted) and do not impact on achieving long-term residence status	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper	Visa Policy, Country statistics	Multiple entry visa may increase circulation and the benefits of migration	Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>

<sup>25</sup> Own classification

<sup>26</sup> The cells in this column present the relevant components (1 to 5) and related 'fields of observation' (with bullet point) that have been defined as such in the results framework of the Global Programme Migration and Development (SDC, 2013).

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
Promotion of temporary access and residence for highly skilled labour migrants with the knowledge and skills required in specific segments of the host country's labour market	Input	Netherlands			Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>
Awareness of and adherence to codes of conduct on ethical recruitment, e.g. WHO Global Code of Practice on the International Recruitment of Health Personnel	Output	WHO KNOMAD (PICMD Working Group – proposed dashboard)		Risk: Restriction of migration possibilities for certain individuals on basis of profession – Alternative ways to reduce risk of Brain Drain (e.g. skills partnerships) could be explored instead.	Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>
Number of arrangements for freedom of movement/labour migration and mobility under bilateral agreements, what group of migrants is allowed to migrate and how this compares to eligibility to enter Schengen borders.	Output	Legal frameworks		A balance between facilitating access for lower skilled migrants compared to higher skilled can be beneficial for inclusive and sustainable development. Ensuring that no incoherencies with international public law exists.	Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>
<b>Policy Area: Migration and development agenda</b>					
Reduced costs of transferring remittances Remittance costs are reduced to an average of 5% (3%) across main corridors	Output	Netherlands KNOMAD World BANK SDGs (proposed)		The G20 committed to reducing global average remittance cost by 5%, so enhanced statistical methodology is needed to improve data collection for monitoring of remittance costs.	Enhance Migrants' Contribution to Development (GPMD 4) <ul style="list-style-type: none"> <li>Framework conditions for the use of resources and knowhow of migrants for development are improved on local and national level and in the countries of origin, transit and destination.</li> </ul>

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
All main remittances corridors are serviced by multiple providers	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper		Multiple providers in a remittance corridor can increase competition resulting in a reduction of costs	Enhance Migrants' Contribution to Development (GPMD 4) <ul style="list-style-type: none"> <li>Framework conditions for the use of resources and knowhow of migrants for development are improved on local and national level and in the countries of origin, transit and destination.</li> </ul>
Existence and effectiveness of existing frameworks to reduce brain drain within certain professional areas.	Output/ Outcome	Proposed in post-2015 discussions		Data limitations, Measurement would need to be developed.	Labour Migration – Support to the Decent Work Agenda, Enhance Migrants' Contribution to Development, Coherence for Development in Swiss Migration Policy (GPMD 2/4/5) <ul style="list-style-type: none"> <li>Governments and private sector organisations have agreed on fair recruitment incentives and decent labour conditions/standards are in use.</li> <li>Framework conditions for the use of resources and knowhow of migrants for development are improved on local and national level and in the countries of origin, transit and destination.</li> <li>Policies and regulations which are linked to migration and have a positive impact on development are integrated into Swiss sector policies (e.g. education, health, trade).</li> </ul>
There are opportunities for diaspora members to return temporarily to share knowledge/ know-how through special programmes (e.g. TRQN)	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper		This can lead to knowledge transfer	Enhance Migrants' Contribution to Development, Coherence for Development in Swiss Migration Policy (GPMD 4/5) <ul style="list-style-type: none"> <li>Migrants' contributions, competences and skills are</li> </ul>



Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
					<p>acknowledged</p> <ul style="list-style-type: none"> <li>• Framework conditions for the use of resources and knowhow of migrants for development are improved on local and national level and in the countries of origin, transit and destination.</li> <li>• The influence of SDC on the dialogue with countries where Switzerland has signed a Migration Partnership is increased through the implementation of concrete projects</li> </ul>
Voluntary returnees have the option of assisted returning programmes	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper		Return programmes like those that help returning migrants set up businesses can give migrants the support they need to establish small businesses upon return.	<p>Labour Migration – Support to the Decent Work Agenda, Enhance Migrants' contribution to development, Coherence for Development in Swiss Migration Policy (GPMD 2/4/5)</p> <ul style="list-style-type: none"> <li>• The access to justice and services for migrants is improved</li> <li>• The framework conditions for the use of resources and knowhow of migrants for development are improved on local and national level and in the countries of origin, transit and destination</li> </ul>
Increase knowledge about diasporas in the host country and their contribution to development in countries of origin	Output/ Outcome (increased contribution)	Sweden		It is complex to monitor and measure, both quantitatively and qualitatively	<p>Enhance Migrants' Contribution to Development (GPMD 4)</p> <ul style="list-style-type: none"> <li>• Comprehensive Diaspora policies are in place and implemented</li> </ul>
Increase transfer of knowledge from individual labour immigrants and diasporas to their countries of origin, through initiatives in private sector development, trade, development	Output	Sweden	(Number of migrants returning to their country of origin through the UN's Transfer of		Shaping the Global Migration and Development Policy, Enhance Migrants' Contribution to Development, Coherence for Development in Swiss Migration Policy (GPMD 1/4/5)

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
cooperation and other policy areas as well as through active involvement in these issues internationally			Knowledge Through Expatriate Nationals Programme - TOKTEN)		<ul style="list-style-type: none"> <li>Comprehensive Diaspora policies are in place and implemented</li> <li>Migrants' contributions, competences and skills are acknowledged (e.g. through innovative skill transfer schemes and other projects)</li> </ul>
Support to activities that will encourage entrepreneurship among migrants in the host country who want to contribute to development in their countries of origin.	Input	Sweden	Diaspora associations. Federal Department of Economic Affairs, Education and Research		<p>Enhance Migrants' Contribution to Development (GPMD 4)</p> <ul style="list-style-type: none"> <li>Migrants' contributions, competences and skills are acknowledged (e.g. through innovative skill transfer schemes and other projects)</li> </ul>
Support to state-led programmes facilitating temporary or permanent return of skilled and qualified diaspora members	Input	UNFPA	Bilateral agreements		<p>Enhance Migrants' Contribution to Development (GPMD 4)</p> <ul style="list-style-type: none"> <li>Migrants' contributions, competences and skills are acknowledged (e.g. through innovative skill transfer schemes and other projects)</li> </ul>
Support efforts to better link migration and development issues in EU and international forums (GFMD, IOM and UN),	Input	Netherlands	Policy directives at EU and international level take a development-oriented approach to migration issues.		<p>Shaping the Global Migration and Development Policy (GPMD 1)</p> <ul style="list-style-type: none"> <li>Strengthening cooperation and knowledge creation</li> <li>More Policy Coherence for Development in international fora</li> </ul>
Support developing countries in their policies to involve the diaspora in development and aid projects	Input	Netherlands	Country Strategies by SDC and Multilateral development organisations		<p>Integration of Migration into Development Planning, Enhance Migrant's contribution to development (GPMD 3/4)</p> <ul style="list-style-type: none"> <li>International and Swiss organisations have integrated migration into their operational strategies</li> </ul>

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
					<ul style="list-style-type: none"> <li>Migrants' contributions, competences and skills are acknowledged</li> <li>Framework conditions for migrants organisations are improved</li> </ul>
Migration is endorsed as key development enabler and is explicitly referenced in the post-2015 global development agenda	Output	EU, HLD International Migration & Development	Outcome document post-2015 negotiations.	The assumption is that improved attention and knowledge on migration and the explicit integration of migration in the development agenda, would lead to more coherence on migration and development (Assumption Swiss GPMD)	Shaping the Global Migration and Development Agenda (GPMD 1) <ul style="list-style-type: none"> <li>Migration is endorsed as a key factor influencing the post-2015 agenda and its implementation</li> </ul>
<b>Policy Area: Protection of Migrants' Rights</b>					
Promote laws that ensure equal access to health services and justice for international migrants	Input	UNFPA	Legislation and Policy Frameworks		Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved</li> </ul>
Percentage of migrants, regardless of status, with effective access to health care the same as natives / Percentage of migrants with access to education (enrolment the same as natives)	Outcome	Proposed by KNOMAD TWG PIC – Commissioned Paper			Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> </ul>

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
Proportion of children of foreign citizenship residing in country who attain equivalent qualifications and grades as compared with native born children	Outcome	Proposed in post-2015 discussions as indicator for eliminating inequalities in education (proposed by EC).			Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> </ul>
Increased proportion of non-DAC (to total) students in tertiary education	Output	Ireland	OECD, Education at a Glance, 2014: OECD Indicator C4.		Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> </ul>
Migrants (including asylum seekers) that have access to formal labour markets, i.e. the right to work	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper	Legislation, Labour Market Policy		Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> </ul>
Family reunification is allowed without barriers to entry and labour market	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper	Legislation, Practice		Labour Migration – Support to the Decent Work Agenda (GPMD 2) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> </ul>

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
Portability of Social benefits - Migrants have access to portable pensions (e.g. proportion of migrant workers having access to transfer mechanisms for social benefits)	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper Post-2015 debate	Legislation, Practice		Labour Migration – Support to the Decent Work Agenda, Enhance Migrant's contribution to development (GPMD 2/4) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> <li>The skills, the knowledge and the resources of migrants are acknowledged as important factors for sustainable economic and social development</li> </ul>
Policy Area: Integration					
Dual citizenship is allowed	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper		Having citizenship can contribute to integration and facilitate circulation	Labour Migration – Support to the Decent Work Agenda, Enhance Migrant's contribution to development (GPMD 2/4) <ul style="list-style-type: none"> <li>The access to justice and services for migrants is improved (Migrants, including their families with them or left behind in the country of origin, have better access to justice and to their rights).</li> <li>The skills, the knowledge and the resources of migrants are acknowledged as important factors for sustainable economic and social development</li> </ul>
Citizenship or permanent residency can be gained within at least 5 years of residency	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper		Having citizenship can contribute to integration and facilitate circulation	Coherence for Development in Swiss Migration Policy (GPMD 5) <ul style="list-style-type: none"> <li>SDC's impact on Swiss migration policy is strengthened</li> </ul>

Indicator	Indicator Type <sup>25</sup>	User/Proposed by	Data source	Clear relevance/risks	Related Swiss targets/objectives/ observations <sup>26</sup>
Country has a system for recognition of foreign degrees and skills.	Output	Proposed by KNOMAD TWG PIC – Commissioned Paper	Legal Framework / Practice		Labour Migration – Support to the Decent Work Agenda, Enhance Migrant’s contribution to development (GPMD 2/4) <ul style="list-style-type: none"> <li>• The skills, the knowledge and the resources of migrants are acknowledged as important factors for sustainable economic and social development</li> </ul>

### C. Illicit financial flows

Indicator	Indicator type	Used / Proposed by	Data source	Clear relevance/risks	Related Swiss objectives <sup>27</sup>
Basic measures from an integral perspective					
Improved coordination between all players (OECD, IMF, World Bank, EU, UN) and bilateral aid programmes (for the goal of greater international consensus on fiscal standards relating to transfer pricing, tax treaties, information exchange, and financial reporting by multinationals)	Output	Netherlands		Not specific and difficult to measure	Outflow of funds abroad from developing countries by means of tax evasion, money laundering and corruption prevented
Higher tax revenues (tax/GDP ratio's) as a result of more effective tax systems and administration (legislation, policy and administration)	Outcome	Netherlands			Outflow of funds abroad from developing countries by means of tax evasion, money laundering and corruption prevented
Policy Area: Tax evasion and avoidance					
Modified international standards for automatic information exchange and less stringent requirements for administrative assistance in tax matters	Output	Netherlands		Outdated, as a new Standard for Automatic Exchange of Financial Account Information in Tax Matters has been approved by the OECD Council in July 2014	The access to information by host countries is enhanced
Automatic exchange of information becomes a mandatory part of the adopted EU Directive on Administrative Cooperation	Output	Denmark		EU-specific	The access to information by host countries is enhanced
Compliance with the Standard of Exchange of Information on Request of	Output	OECD (2014b)	Peer review process of the		The access to information by host countries is enhanced

<sup>27</sup> The cells in this column present the objectives defined by the Swiss Federal Council, as presented in a SDC Development Policy Brief on illicit financial flows (SDC, 2014b).

Indicator	Indicator type	Used / Proposed by	Data source	Clear relevance/risks	Related Swiss objectives <sup>27</sup>
the Global Forum on Transparency and Exchange of Information for Tax Purposes			Global Forum on Transparency and Exchange of Information for Tax Purposes		
Number of Tax Information Exchange Agreements (TIEA) between Switzerland and developing countries, which meet the Global Forum's Standard of Exchange of Information on Request	Output	OECD (2014b)	Peer review process of the Global Forum on Transparency and Exchange of Information for Tax Purposes		The access to information by host countries is enhanced
Compliance with the Standard for Automatic Exchange of Financial Account Information on Tax matters	Output	OECD (2014c)	Monitoring mechanism of a Working Group on Automatic Exchange of Information of the Global Forum		The access to information by host countries is enhanced
Existence of double taxation agreements with Swiss priority countries	Output	Ireland	Ministry of Finance	<p>Double taxation agreements (DTA) do not automatically ensure a fair division of tax revenues between states nor contribute automatically to more effective and transparent tax systems, as unequal bargaining powers in DTA negotiations can be exploited</p> <p>More specification could be useful e.g.</p>	Tax evasion and avoidance countered



Indicator	Indicator type	Used / Proposed by	Data source	Clear relevance/risks	Related Swiss objectives <sup>27</sup>
				DTA concluded with developing countries which are in line with the OECD model tax convention	
New tax treaties with poor developing countries meet the specific starting requirements of the memorandum on the application of tax treaties 2011 (e.g. allow taxation withheld at source and include targeted provisions to combat misuse of treaties)	Output	Netherlands	Ministry of Finance		Tax evasion and avoidance countered
Improved international agreements on transparency in financial reporting by multinationals	Output	Netherlands	OECD agreements		Transparency in the financial and non-financial sector is improved
Assets and liabilities of BIS reporting (Swiss) banks in international tax havens (as per OECD definition)	Outcome	Post 2015 (UN, 2015)	International reporting		Transparency in the financial and non-financial sector is improved
Establishment of an international panel of experts on transfer pricing (that can evolve into a panel to settle transfer pricing disputes)	Output	Netherlands			Tax evasion and avoidance countered
Policy Area: Bribery, corruption, stolen assets and money laundering					
Level of foreign bribery enforcement by Switzerland in accordance with the OECD Anti-Bribery Convention <sup>28</sup>	Input	<ul style="list-style-type: none"> <li>- Ireland</li> <li>- OECD (2014 a &amp; b)</li> <li>- Post 2015</li> </ul>	- Transparency International's annual progress reports on states' compliance with OECD Anti-Bribery		Inflow of money gained through corruption, bribery and money laundering curtailed

<sup>28</sup> Ireland & OECD (2014a & b) use the score on the Transparency International Bribery Index. OECD (2014b) also examines the status of implementation of the Phase 2 recommendations of the Working Group on Bribery

Indicator	Indicator type	Used / Proposed by	Data source	Clear relevance/risks	Related Swiss objectives <sup>27</sup>
			Convention - OECD Working Group on Bribery annual reports & country reports		
Compliance with Financial Action Task Force (FATF) recommendations for tackling money laundering (established in 2003, revised in 2012)	Output	OECD (2014b)	- FATF mutual evaluation process		Inflow of money gained through corruption, bribery and money laundering curtailed
Tax crimes are made a predicate offence and provisions for public access to information about beneficial ownership are included in the adopted EU anti-money laundering directive	Output	Denmark		EU specific	Inflow of money gained through corruption, bribery and money laundering curtailed
Volume of frozen and returned assets	Output	OECD (2014b)	Stolen Asset Recovery Initiative (StAR) <sup>29</sup>	Regularity of data availability may be an issue	The return of stolen assets is enhanced
Policy Area: Aid					
Bilateral fiscal capacity building in one or more poor developing countries	Input	Netherlands	Country strategy documents		Capacities in developing countries (domestic resource mobilisation, governance) are strengthened
ODA spent on anti-corruption organisations and institutions; support to legal and judicial development; public financial management; and support to civil society		OECD (2014a & b)	OECD International Development Statistics		Capacities in developing countries (domestic resource mobilisation, governance) are strengthened

<sup>29</sup> The Stolen Asset Recovery Initiative (StAR) is a partnership between the World Bank Group and the United Nations Office on Drugs and Crime (UNODC) that supports international efforts to end safe havens for corrupt funds. It published a report with the OECD in 2011 that measures the progress of 30 donor countries, including Switzerland, to track corruption by individuals or corporations, and to track, freeze, and recover stolen assets (StAR and OECD, 2011).

Indicator	Indicator type	Used / Proposed by	Data source	Clear relevance/risks	Related Swiss objectives <sup>27</sup>
Swiss ODA for leading transparency initiatives <sup>30</sup>	Input	OECD (2014c)			Capacities in developing countries (domestic resource mobilisation, governance) are strengthened
Tax treaties concluded with developing countries include a provision for assistance in tax collection	Input	OECD (2014b)	Ministry of Finance		Capacities in developing countries (domestic resource mobilisation, governance) are strengthened

<sup>30</sup> This can include financial support to international initiatives such as the Oslo Dialogue, Extractive Industries Transparency Initiative, Global Forum on Transparency and Exchange of Information, Open Government Partnership, Kimberley Process for combating conflict diamonds and the International Aid Transparency Initiative.

## Annex 2: Rapid Assessment of SDC Policy Coherence for Sustainable Development Monitoring and Reporting System

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This Rapid Assessment builds on the following bases:

- ECDPM, Draft Report (July 2015), Monitoring and Reporting on Policy Coherence for Sustainable Development (PCSD) in Switzerland– Approach and use of indicators to promote PCSD in the Federal Council’s Four Years Legislature Program,
- PowerPoint presentation by Werner Thut (9. July 2015),
- Discussion during the meeting between SDC and Swiss universities (9. July 2015). This Rapid Assessment constitutes a consolidated version of the individual responses provided by the authors. Consequently, some elements of this document might not represent the views of all of the authors.

### General Feedback

The basic question for SDC should be, whether Swiss policies do not negatively but rather positively impact on poor developing countries. Given the rule of law, the monitoring project would gain if it was based on already existing legal norms in a consistent way: identifying which constitutional provisions ask for policy coherence, which international treaties, which are the legal objectives of laws under review. Additionally, this monitoring should be aligned with strategic objectives of the government and with internationally recognised strategic frameworks (eg. SDG). In order for these arguments to get visibility, direct quotes should be used: *eg. Aussenpolitischer Bericht 2014, Politikkohärenz für Entwicklung Der OECD-Entwicklungsausschuss beurteilte [...] empfahl der Schweiz, für den Bereich Politikkohärenz für Entwicklung ein systematisches Monitoring und entsprechende Analysen durchzuführen; als Gefäss hierfür nannte der Bericht insbesondere eine regelmässige Berichterstattung zuhanden des Parlaments im Rahmen des Aussenpolitischen Berichts. Die DEZA und das SECO hielten in ihrer Stellungnahme vom 7. April 2014 fest, dass bei der Stärkung der Politikkohärenz Fortschritte erzielt worden seien, dass aber weitere Schritte notwendig sind. Dazu gehört unter anderem, dass im Aussenpolitischen Bericht zu dieser Thematik Bericht erstattet wird.“*

A basic question is also whether SCD should focus on PCD rather than PCSD, since SDC’s role is to bring in the perspective of developing countries.

### 1. Focus on the executive’ action (measuring policy efforts and not outcomes/impacts)

Focusing on policy efforts (= output monitoring) is a realistic approach for monitoring endeavors of the executive to improve policy coherence over time. It captures the major steps of the evolution of the governance architecture without getting involved with all players of the policy making process. It also avoids some of the methodological and practical challenges that face any attempt to assess policy impact on SDC’s constituency.

Ideally we would like to focus on outcomes, i.e. on the impact of Swiss policies on developing countries. The link between policy decisions/implementation and sustainable development outcomes should be made explicit, which requires clarity on key assumptions regarding causal relations. Yet, this would require establishing causal relationships on the basis of rigorous inference methods, backed by appropriate data. However, when it comes to global food security, illicit financial flows or migration issues, such causal links are extremely challenging to establish. Due to the complexity and to time constraints, the SDC should not aim at monitoring the impacts of Swiss policies before monitoring policy coherence. Hence, focusing on the Swiss (donor) government's action, i.e. on policy decisions seen as outputs, looks like an approach that is reasonable and feasible.

The importance of evidence-based decision making should nevertheless be emphasised. What is politically and legally coherent in a substantive way, very much depends on the impact a policy/legal statute/international treaty/international action has. Does it impact on poor countries, and if so, how does the impact negatively or positively specific dimensions/sectors (environment, society in its diversity, economic sectors etc)?

The PCD-monitoring can, however, emphasise the need of evidence based decision making by introducing process indicators such as the following ones:

- Does the Swiss government measure impacts on developing countries where impacts seem to be significant (eg. of trade policy, tax policy, climate policy)? Are impact assessment instruments already in place? To which extent is the potential of para. 141, 2, g of the Parliament Act already exploited?<sup>31</sup>
- Which is the quality of consultation processes of the federal administration: to which extent were recommendations of SDC heard/effectively taken into account?

In addition, substantive indicators should be nurtured by empirical knowledge as established by the science community. This knowledge is partly reflected in internationally recognised documents. In addition, consultation with the science community is required when choosing/prioritising indicators. Thereby, it should be considered whether the respective science community applies participatory approaches which allow to echo effective needs of developing countries' citizens.

The focus on the executive only misses decisions taken by the legislative, i.e. parliamentary decisions regarding the adoption of relevant legislation, as well as major steps taken by policy entrepreneurs. This would give a more comprehensive picture of the policy dynamics (e.g. to plan policy interventions by different stakeholders) but would also require more monitoring efforts. Additionally, monitoring non-governmental actions that are supported by the government aiming at improving policy coherence, including commitment in science (SNF, R4D etc), support of civil society (support of development organisations) etc., would improve track record. This might however be politically sensitive.

## **2. Monitoring and Reporting cycle of one year;**

The frequency of the monitoring is a strategic question which has to be responded by SDC: the advantages of a yearly monitoring include maintaining issues continuously on the agenda and providing regular update

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<sup>31</sup> Art. 141 of the Parliament Act reads: **Dispatches on bills:** (2.) In the dispatch, the Federal Council shall provide justification for the bill and if necessary comment on the individual provisions. In addition, it shall explain the following points in particular, on condition that it is possible to provide a substantial amount of information thereon: (g.) the consequences for the economy, society, the environment and future generations;

to the “ausserpolitischen Bericht” published every year. On the other hand, disadvantages of such a monitoring cycle might include regularly re-opening a Pandora box.

The pace of executive decisions on particular coherence issues mainly depends on how high the topic is positioned on the political agenda. The level of activity differs significantly between the policy arenas (e.g. illicit financial flows is currently a very dynamic policy field) and with this the interest in the update-frequency. With this in mind, the proposed one-year cycle seems reasonable as it allows regular update on the process and should be enough to inform stakeholders involved in the policy making process.

Annual monitoring and reporting has been undertaken by the GI-IDS for many years with the *Annuaire suisse de politique de développement* (ASPD): experience has shown that this is both feasible and relevant, as long as the monitoring and reporting exercise is carried out over several years to provide a mid- to long-term perspective on progresses and set-backs.

Once the methodology and data gathering process are established and proved effective, one could also consider updating the “policy monitoring cockpit” regularly as new decisions are made and communicated.

### 3. Indicators:

- **stability/durability over time (approx. 5 years) of the selected intermediate objectives and indicators of the three selected areas;**

Given the relatively slow process of policy change, a solid set of indicators has a good chance to remain stable over about five years. The proposed indicators are a valuable starting point and they address relevant areas.

However, based on a first review, many of them appear to be vaguely defined measured by criteria that characterise solid indicators; hence some of them are subject to interpretation and measurement methods are not clear. Also, the underlying results chain that informed the selection of the indicators is not visible which makes it difficult to assess their completeness. The indicators need to relate to clear causal mechanisms and/or theory of change with regard to sustainable development outcomes. To render the indicators more solid, we propose to review the methodology as follows: first, develop a detailed results chain for a given policy field; second, review and complement the indicators against this results chain; third, define different parameters of each indicator according to state-of-the-art (measurement method, scale, data source etc.). This needs to be made explicit and, if and when appropriate, refined or redefined. In addition, indicators should to be as SMART as possible to reduce subjectivity.

Finally, the ‘Political stability’ of indicators depends to a large extent on whether indicators are recognised in the Swiss development community: Consultation process (workshop) on pre- selected indicators is needed (s. above ‘impact and science community’).

- **consistency of indicators within and between intermediate objectives;**

The consistency of indicators – within and between objectives – should be assessed for each policy area on the basis of intermediate objectives via a clear description of the underlying causal relationship with sufficient granularity. Smart and simple criteria for indicator selection should be elaborated. Criteria should guide the following questions: Where are the indicators derived from? According to which criteria are the indicators prioritised?

#### **4. Sufficiency of data basis; data availability (limitation to publicly accessible data).**

Working with publicly available data seems adequate with the stated monitoring goal since executive decisions are communicated publicly (and since the scope of the monitoring is focused on the activities of the executive (and legislative) branches of the Swiss government.

SDC should provide the relevant information when it is not publicly available and close cooperation with the relevant scientific community will be essential.

Whether this is sufficient to supply data for all indicators can only be assessed once the indicators are revised and might differ depending on the policy area. However, from a methodological perspective it is not advisable to reduce the number of indicators based on assumed data shortages. Rather, a methodologically sound results chain and indicator set should be developed first. If some indicators prove that they cannot be supplied with data, second-best options should be identified and used in a pragmatic manner.

One additional concern is that we may not have access to co-report (Mitbericht) processes nor to the minutes of the debates within the Federal Council, where critical issues from a PCD perspective are decided. We may thus have to rely on the final output only, i.e. the eventual decisions by the Federal Council.

#### **5. How do you assess the approach in terms of**

##### **– its technical feasibility (questions 1-4);**

The approach to go for something 'simple' and easily applicable is certainly very practical and pragmatic and has a good chance to deliver reliable and meaningful data. The experience with the *ASPD* has shown that this is feasible.

However, the system will have limitations as well: as always with qualitative assessments, aggregation of the assessment of the different lines of intervention into one single statement might be difficult and should be treated with caution. The quantification and weighing of PCSD indicators may require relying on qualitative evaluations of individual 'efforts': coming up with a clear assessment of overall progresses and setbacks risks being subjective. The approach implemented should be based on a sound criteria framework in order to be less attackable.

Since there is still some work to be done at the methodological level we propose to develop the system through a pilot project in the policy arena of illicit financial flows, as well as possibly on migrations or food policy.

##### **– its relevance (in terms of suitability to meet SDC's reporting needs)?**

The proposed approach is considered relevant and is expected to allow SDC fulfill its reporting needs. Beyond that, the monitoring tool could also contribute to the planning of SDCs contribution to the policy making process.

However, some of the indicators should be framed in a more nuanced way, inspired by (sustainable) development research in eg. agricultural trade, migration or finance. For instance, reduction in domestic support in agriculture does not necessarily lead to increased 'qualified' res. 'sustainable' market access for developing countries, indicators should be derived from a 'nuanced thinking' in order not to be counterproductive.

- Indicators should be adapted from time to time, according to the progress made in sustainable development related policy debates; a well structured PCD-procedure will be required which ensures adaptation.

The SDC should also clarify what leeway we, as academics, have in the analysis and reporting (e.g. publishing results in open access?).

## **6. What are the most important risks/weaknesses of the approach?**

1. If not based on sound criteria and indicators which are recognised by science and in the development community, the risk is high that the monitoring process will not be endorsed by all major stakeholders. A sound monitoring procedure on the basis of publicly available data including SDC-internal and external consultation (in the form of workshops) will be key. The objective of ensuring a relatively simple monitoring process should not come at the expense of accuracy and consultation.
2. A risk is also related to the challenge to make sure that the system does not only monitor the “level of activity” but indeed monitors the “progress towards improved policy coherence”. The latter implies a judgment about whether a certain decision marks an improvement, no difference or even makes policy coherence worse. A significant part of the currently proposed indicators implicitly contain such a judgment. However, such judgments must be made explicit and become part of the indicator definition. Otherwise the monitoring system would not be transparent and remain behind standard methodological requirements. Based on its specific institutional mandate SDC has to define (as part of the indicator definition) how a decision shall be assessed qualitatively in order to come to a conclusion whether progress has been made. The risk is, that such clarity is avoided for political reasons. There is a potential mitigation measure at the methodological level: It is possible to just monitor and report the policy decisions of the executive together with the key content of each decision. This way, stakeholders – including SDC – can then make their own qualitative assessment. However, this would make the monitoring system weaker as it would not anymore monitor progress towards increased policy coherence but rather list decisions taken.
3. Expanding the scope of the monitoring to include the activities of the parliament or other policy agents would add additional workload.
4. There may further be policy incoherence between different sustainable development goals, e.g. between poverty alleviation, industrialisation and environmental protection.
5. By focusing solely on Swiss domestic debates, we risk ignoring major trends influencing Swiss PCSD at regional and global levels.
6. Over time, there is a risk that the monitoring and reporting exercise does not result in any action, change or reaction, and is ignored by policy makers or is not seen as credible to warrant policy change.



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