

DEVELOPMENT CO-OPERATION DIRECTORATE

Peer learning on Locally led development – DAC members deep dive: Switzerland

This Perspectives note provides key lessons for Switzerland's approach to locally development co-operation. It examines Switzerland's approach across four enablers. The first focuses on policy and strategies for locally led development. The second explores the institutional arrangements including the importance of human resources and stakeholder participation. The third interrogates the financing enablers, including the provision of overheads and engagement through a range of intermediaries. The fourth explores the management systems that enable better locally led development including risk management approaches and learning from programming.

Related case studies of member practices can be found on the OECD platform [Development Co-operation TIPs - Tools Insights Practices](#).

This note is part of a broader peer learning exercise on locally led development within the Development Assistance Committee [[DCD/DAC\(2023\)5](#)]. It can be read together with perspectives on Ireland and Canada on thematic issues, available [here](#).

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**Peer learning on locally led development -
DAC member deep dive
Switzerland**

1. Introduction

Locally led development co-operation is gaining momentum and traction, galvanised by recent policy commitments. Members of the OECD Development Assistance Committee (DAC) have long recognised the importance of local actors for achieving and sustaining development progress in partner countries. Many DAC members are now reinforcing their efforts in this area, but understandings and approaches vary considerably. Locally led development means that local stakeholders should have agency for development co-operation: in framing; design; delivery, including control over resources; and accountability.

Despite recent advancements, DAC members continue to face significant barriers to advancing development co-operation that is genuinely locally led. At least two key parameters influence the approach taken by DAC members in their development co-operation and the extent to which it enables locally led development. The first is the DAC member's (or another provider) domestic context. The second is the local context (country, regional, local, international) in which the intervention happens. The relationship between the two frequently determines the approach DAC members take.

This perspective note provides an in-depth institutional analysis of Switzerland's system for development co-operation. It aims to understand how its policies, institutional arrangements, financing, and management systems - the foundational enablers - are facilitating or constraining local actor agency in development co-operation (Figure 1). For each enabler, the perspective note unpacks what Switzerland's is doing and why, whilst highlighting existing good practices, opportunities, and critical barriers to locally led development co-operation. It can be read together with perspectives on Ireland and Canada. Complementary perspective papers delve into cross-cutting issues and analyse the influence of local contexts. These notes informed a comprehensive synthesis report identifying possible pathways towards more effective locally led development co-operation.

Figure 1. Understanding DAC Member Foundational Enablers¹



2. Policy

Locally led development forms a central part of Switzerland's development co-operation history.

As a federal and decentralised country with a robust tradition of citizen participation and consensus-driven decision-making, Switzerland understands development as a participatory process involving multiple stakeholders. This is reflected in an initial focus on promoting participatory planning and methodologies in the 1980s and, by the late 1990s and early 2000s, a more deliberate shift towards understanding and establishing more equitable partnerships with local actors. This process included the establishment of a working group to facilitate an internal learning process involving broad consultation.² The outcomes of this process are reflected in the integration of principles and practices to promote the role of local actors in Switzerland's development co-operation partnerships (e.g. focus on autonomy and subsidiarity within Strategy SDC 2010; partnership guidelines of the geographical sections).

Locally led principles are already embedded into Swiss Agency for Development and Co-operation (SDC), particularly in its commitment to long-term partnerships with diverse local actors, strong country presence (across 35 priority countries by 2024 for SDC and a set of additional countries from State Secretariat for Economic Affairs (SECO)),³ and its efforts to strengthen local systems and institutions. A particularly valuable feature of Switzerland's approach is its commitment and ability to partner with local actors at all levels, from Civil society organisations (CSO), private sector, to municipal, regional, and national governments. Switzerland does not have legal restrictions on the types of partners it can engage with, reflected in its range of local partners (Figure 3).

Switzerland has endorsed various agreements aimed at advancing locally led development and humanitarian action, including the Paris Declaration, the Accra Agenda for Action, and the 2030 Agenda. Switzerland has actively participated in global initiatives such as the Global Partnership for Effective Development Co-operation (GPEDC), where it has served as a Co-Chair and facilitated discussions on locally led development. Additionally, Switzerland has supported initiatives like the Grand Bargain, aimed at enhancing locally led humanitarian action. As part of the DAC, Switzerland has adopted the [OECD DAC Recommendation on Enabling Civil Society](#) and the [DAC Recommendation on the Humanitarian-Development-Peace Nexus](#), as well as endorsing the [Principles for Locally Led Adaptation](#) and the [Donor Statement on Supporting Locally Led Development](#).

These frameworks provide a strong foundation but have yet to be fully internalised within SDC policies, systems and institutional arrangements. For instance, the Grand Bargain has provided a framework through which to pursue localisation in the humanitarian sector, but further work is needed to integrate such commitments more deeply into the system, including across the nexus to coordinate efforts around a common framework and goal.

While Switzerland lacks an explicit policy for locally led development, there is a demand, internally and amongst Swiss civil society, for a clearer political steer aimed at unifying the understandings of what locally led development entails, across the SDC, but also including reflections on the synergies with SECO and the Peace and Human Rights Division (PHRD). The inclusion of locally led development commitment in the draft of the International Co-operation Strategy 2025-28, currently being considered, could foster the formulation of more structured guidelines and systems for tracking progress.⁴

Locally led development has recently regained prominence within Swiss development co-operation, driven by several factors. Firstly, renewed attention arises from commitments made in the humanitarian aid sector, particularly stemming from the Grand Bargain, alongside challenges encountered in implementing these commitments (see Financing and Management Systems sections). Secondly, the changing dynamics in the regions where bilateral development co-operation operates, especially rising levels of conflict and fragility, have necessitated a reevaluation of working methods. Discussions surrounding the decolonisation of aid and the pursuit of equitable partnerships have also contributed to the renewed focus on locally led development.⁵ Amongst more senior staff with a historical perspective, there

is also a sense that changes in SDC's approach, especially the increasing use of multilateral channels with an orientation towards larger budget ceilings, have shifted SDC away from its earlier, more participatory approach, underscoring the need for renewed attention to locally led development, including in multilateral fora.

Despite Switzerland's commitments, challenges persist, including the lack of clear internal strategic goals and operational frameworks for locally led development at both the national and global levels. This is connected to a lack of specific objectives and consistent data to effectively track and support locally led development approaches. Progress on this front is affected by a challenging domestic political environment emphasising 'Swiss-ness'. Parliamentarians tend to favour Swiss expertise, quick results and cost efficiency, which can translate into a reluctance towards decolonisation efforts. Such challenges are particularly acute when political pressure mounts after events like coups, which can lead to external perceptions of failure and misspent resources.

Direct communication channels with parliament are limited and typically occur through the Minister, where the relevance of locally led development can align with narratives such as the importance of countries taking responsibility for their own development and the cost-effectiveness of development initiatives. Consequently, the degree to which SDC has limited space to advance locally led development leads to strategic choices about what they highlight and how they navigate political sensitivities carefully, and sometimes working discretely. SDC engagement with parliament involves a need to balance the communication of quick wins with the longer-term strategies that often characterise locally led development co-operation.

3. Institutional arrangements

Leadership and responsibility

Locally led development is being addressed in an ongoing internal process, focused on developing a coherent SDC positioning on locally led development, humanitarian action and peacebuilding. This continued learning process will potentially bring more clarity and direction to the ongoing work. Within SDC, locally led development has been specifically addressed as an area of work and reflection through the creation of locally led development task working group, including representatives from the Multilateral-H Section, the Peace, Governance and Equality Section, the Analysis and Research Section and the Swiss Non-governmental organisation (NGO) Section, which seeks to develop such a coherent view and operational orientation. This ongoing learning process can help galvanise interest and place locally led development higher within the political agenda, considering that currently it is relying on a bottom-up approach, building on pockets of good practice that are not yet connected to a systemwide change process.

Externally, Switzerland has led efforts to influence and shape multilateral intermediary channels as co-convenor of the Grand Bargain localisation workstream and in its role as co-chair of the OCHA Country Based Pooled Funding Mechanism working group. The latter has led to the presence of local humanitarian actors in working group meetings for the first time, as well as the establishment of a dedicated funding and capacity strengthening mechanisms to facilitate their continued engagement.⁶ Switzerland's efforts have involved successfully advocating for simplified and streamlined due diligence requirements of Country-Based Pooled Funds (CBPFs) (e.g. in Ukraine and Myanmar), and localisation has become a central priority in strategic discussions with major international humanitarian partners (WFP, UNHCR, UNICEF, OCHA, ICRC, IFRC). Switzerland might also consider more systematically applying equitable principles for locally led development in these partnerships. For example, in Ukraine, such principles have been integrated into contracts with intermediaries, which is a practice that can be replicated elsewhere, including with non-humanitarian multilateral organisations (Box 1).

Box 1. Ukraine Fair Partnership Principles⁷

1. **Aligned goals:** A fair partnership accommodates the strategic goals of both international and local partner.
2. **Duty of care:** The partnership agreement should ensure that staff and volunteers of the local partner receive the training and equipment to do their jobs.
3. **Full cost coverage:** Project budgets should cover full expenses of local partners, in particular a fair share of the costs of leadership, programme management, financial administration, premises.
4. **Volunteer stipends:** Partnership agreements should recognise that volunteers cannot work for extended periods without an income to cover their living costs.
5. **Capacity building:** The partnership should aim at strengthening the local partner, so it can build its way to a position where it can plan, fundraise for and implement its own strategies and activities. The partnership should include a budget for capacity building training and support.
6. **Alignment on humanitarian principles:** International humanitarian actors adhere to humanitarian principles such as impartiality and neutrality and should partner with local actors who adopt and adhere to these principles, and safeguarding.
7. **Simple grant application and reporting:** Grant applications and grant reporting should be adapted to the ability of the partner and the size of the grant, and should be as simple as possible.
8. **Participation and promotion:** The international partner should involve the local partner in humanitarian coordination meetings and even provider discussions. The international partner should credit the work and contribution of the local partner.

SDC's Fit4Purpose restructuring, with the shift towards nexus-based integration, offers an opportunity to progress towards a common position on locally led development across its development, humanitarian and peace programming, complementing the work of SECO and PHRD. The Fit4Purpose reorganisation aims to foster an enhanced nexus approach by integrating humanitarian and development personnel within the same geographical units. The goal is to increase agility, particularly in crisis-affected and fragile contexts. Additionally, the restructuring aims to deploy more SDC staff to partner country locations, although this process is still ongoing and has faced challenges. For example, as also highlighted by the Swiss mid-term review, like other providers SDC continues to face the challenge of attracting international staff to country offices in fragile contexts.⁸ Addressing this challenge could contribute to empowering country offices.⁹

Human resources, capacities and skills

SDC benefits from a decentralised system with significant autonomy at the mission level. Switzerland maintains a robust field presence in its priority countries integrating its offices into embassies where possible. These offices typically include a head of co-operation position along with specialised development and humanitarian personnel. Over recent years, SDC has further decentralised its programming, with co-operation programmes being developed, negotiated, and approved at the country office level.¹⁰ While Switzerland benefits from relatively large country teams (e.g. Ukraine and Myanmar) that draw on the technical expertise of strong national staff, SDC no longer has direct authority in the area of human resources, which has implications on its ability to respond to the demands of working more

directly with local actors.¹¹ Aiming for a locally led approach with more direct support to local actors increases the management complexity at country level and requires greater human resources.

National Programme Officers play a vital role in programme development, execution, and dialogue with national stakeholders and governments, 70% of whom are in technical roles. There is a recognition of the value of national staff within SDC and SECO teams, including their participation in decision-making processes. However, there are limitations in the extent to which national staff can represent Switzerland in certain contexts due to diplomatic and political sensitivities. Similarly, approval remains in the hands of Swiss national staff. SDC places importance on increasing the political diversity of its staff, particularly in countries where differing perspectives are beneficial (e.g. from different geographies, minority groups, different political or religious affiliations). Specific human resources (HR) policies, such as diversity initiatives, are implemented at certain offices, for example the diversity policy in Nepal, which favors underrepresented groups. SDC is seeking options and learning from others to foster mobility of national staff between countries, especially to overcome challenges regarding legalities and visa requirements.

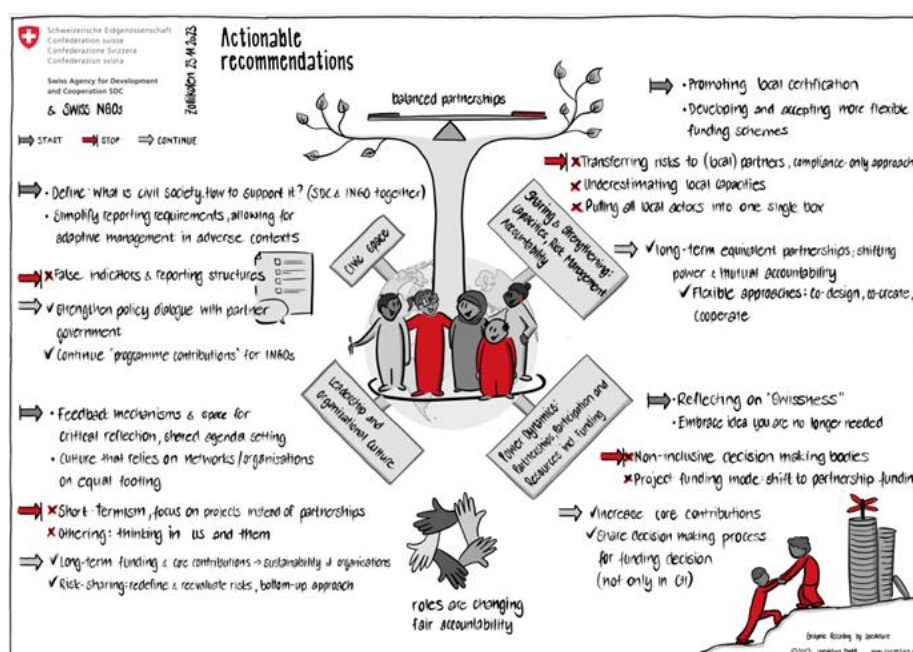
Stakeholder participation

The importance of systematically collaborating with local actors is emphasised in SDC's Guidance for Engagement with Swiss NGOs and the provision process for programme contributions. Under these guidelines, Swiss NGOs seeking funding for international programmes are expected to enhance locally led development, humanitarian and peace efforts, as outlined in the Criteria for Programme Contributions.

The 2030 Agenda for Sustainable Development and Switzerland's international co-operation strategy serve as the wider framework for collaborating with NGOs. Swiss civil society are largely committed to the locally led development agenda, but still face challenges in terms of building trust with local actors and moving from short-term project-based approaches to developing longer term partnerships.

Swiss civil society have been playing an active role in shaping and creating space for national dialogue on locally led development. The SDC Swiss NGO Section supported a strategic dialogue with Swiss NGOs on strengthening civil society and country ownership. This initiative led to the organisation of a conference – "Localisation: Strengthening Civil Society and Changing Power Relations" – in November 2023, which generated key recommendations for advancing the localisation agenda (Figure 2). This included reflecting on how to increase core contributions to partners, redefining risks with a bottom-up approach, addressing non-inclusive decision-making bodies, and strengthening long-term partnerships, while promoting power shifts and mutual accountability. These reflections were echoed in the Community of Practice (CoP) of the OECD DAC Recommendation on Enabling Civil Society biannual meeting, co-hosted by Switzerland and the Netherlands in Reykjavik in November 2023. Building on the locally led development peer learning deep dive on risk management,¹² it was found that, despite progress in policy development and awareness-raising among CoP members, there is a need to harmonise provider requirements, establish minimum standards, foster trust among stakeholders, and mitigate risks to civic space.

Figure 2. Localisation Conference Actionable Recommendations



Partnering with multilaterals is not in contradiction with supporting locally led development, therefore it is important for Switzerland to build on its current influencing work to better incentivise the multilateral actors they partner with and to enable locally led development. In 2021, 30% of gross bilateral Official development assistance (ODA) was channelled through multilateral organisations (earmarked contributions). Switzerland allocated 24.2% of total ODA as core contributions to multilateral organisations.¹³ Building on the learnings from the Grand Bargain and the work done with humanitarian multilateral agencies, Switzerland is leveraging their leadership role by expanding the good practices to the multilateral development actors. One way Switzerland is doing this is through an “elevator approach” of knowledge sharing and coordination from the local level to the boards to influence policy. Switzerland is also working to strike the balance between providing core support to multilaterals and at the same time ensuring, from country offices and headquarters, that multilaterals are not being implementors and are respecting the principle of country ownership. This is often done by closely collaborating at the country level where they have a presence. However, more could be done to influence the behaviour of multilaterals to be in line with locally led development in contexts in which SDC does not have a country presence, also by collaborating with other DAC members. Switzerland, like other DAC members, faces challenges in terms of tracking and identifying the alignment with locally led development of the activities and financing given to intermediaries and multilaterals such as the World Bank. Switzerland could leverage their role as an international convener to prioritise locally led development principles.

SECO project steering committee arrangements can promote systematic inclusion of diverse local actors, to promote co-responsibility for strategic, operational and financial decisions during the implementation of SECO projects. SECO’s historical focus on Private Sector Engagement (PSE) is an approach that has developed to consider the local private sector as an equal partner in development projects. This level of partnership is fostered through various multi-stakeholder initiatives (e.g. Sustainable Cocoa, SeCompetitivo), which focus on a co-operation between Swiss private sector and local producers to support integration into international value chains. An innovative modality has been the “Sustainable Landscape Approach” which addressed the issue of ownership by promoting initiatives that need to be agreed upon by all relevant stakeholders concerning the sustainable development of a landscape. In these multi-stakeholder arrangements, which bring together a variety of actors (from the public sector, local and

international private sector and civil society) SECO plays a facilitating role, which supports locally led development by providing the space for local actors to collaboratively come to their own solutions.

4. Financing

Financing approaches and instruments

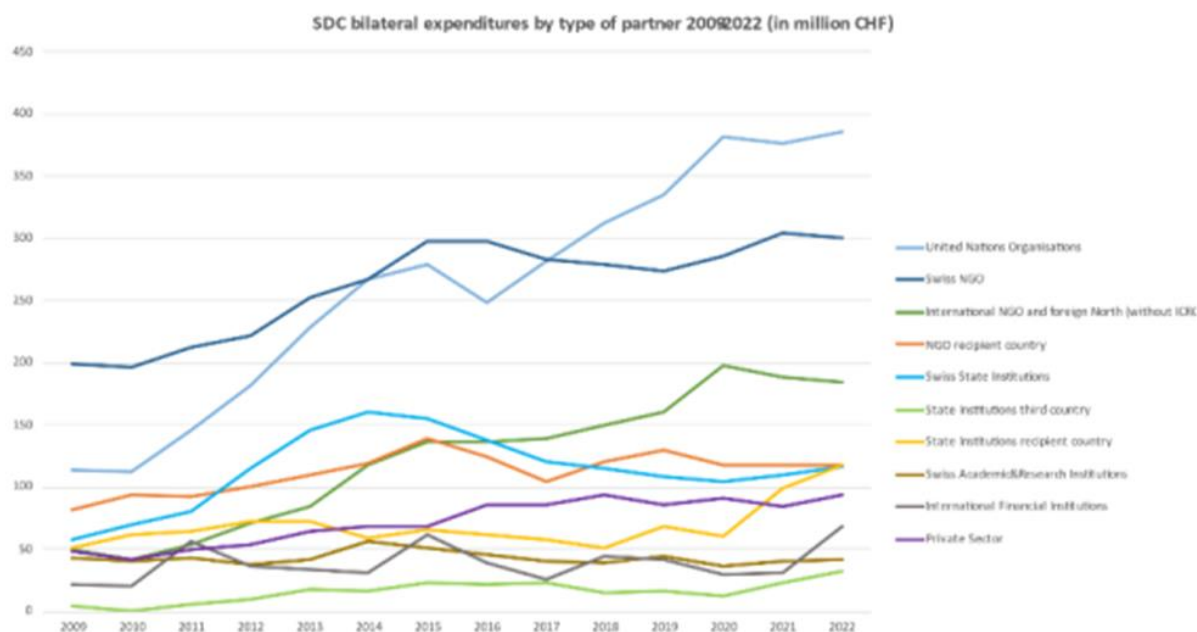
Compared to other DAC members, Switzerland has a considerable advantage in the ability to partner with a variety of different local actors. Not having legal restrictions on the types of partners it can work with allows for a significant degree of flexibility and provides a good entry point for developing modalities of partnership in line with contextual needs and ultimately locally led development. An example of this is how in Myanmar, following the coup and the erosion of civic space, SDC was able to transfer funds directly to local organisations, despite challenges related to a new Organization Registration Law (more strict) and increased scrutiny on money transfers to bank accounts in Myanmar. There are ways in which SDC could better leverage this flexibility to increase direct funding partnerships with a range of local actors. Doing this requires constant testing, based on context, and should be part of future strategic discussions.

The existing modalities for partnering can create significant constraints to locally led development. Amongst the various funding modalities, SDC mostly employs mandates and contributions. International mandates can discourage direct local actor participation due to the large disbursement amounts and high procurement standards. For this reason, mandates tend to de facto be granted to Swiss CSOs, International non-governmental organisations (INGOs), or only well-established “elite” local organisations. The use of local (restricted) mandates aimed at targeting other local actors in a specific context is exceptional, requiring General Director agreement. While Swiss CSOs are required to partner with local actors, they still face challenges to do so effectively through international mandates. Including local actors from the start of the process can require overhead costs that are often too large. Including local actors later in the process, instead, often reduces them to being subcontracted for procurement, making it more difficult for Swiss CSOs to work with smaller organisations and to build an equitable partnership. While contributions can be more accessible to local partners, they require at least 20% (more commonly up to 50%) counterpart funding, thereby limiting access, especially in more fragile contexts. A third modality for partnering is through small action grants, which are disbursable directly to local organisations but have a duration of 18 months and are limited to one phase and have a ceiling at CHF 200 K. As this modality does not support the building of long-term, trust-based partnerships, it is most often used for piloting projects.

Despite the general appreciation for direct local funding, the bilateral co-operation amounts reaching local actors directly has seen a slight decrease over the past decade (Figure 3). The share of bilateral ODA to developing country-based NGOs in 2022 was 3.6%, representing the lowest point of the decade. Core, flexible funding to local actors also appears to be the exception, not the rule. While Switzerland has good examples of partnerships with local and national governments, general budget support has also seen a decline in use. Sectoral budget support is also limited (0.4% of bilateral ODA in 2022) but sometimes used by SDC in specific contexts.

Pressure to reduce the number of contracts and increase budget ceilings is a central obstacle. This creates a tension within the system in relation to pursuing locally led development objectives centered on funding local actors more directly. Ensuring instruments and modalities are designed to support strategic objectives (rather than hinder them) may prompt reflections on a wider palette of alternative financing models.

Figure 3. SDC bilateral expenditures by type of partner 2009-22



Programming

Switzerland's strong recognition for the role of government in locally led development builds on its long-term commitment to supporting subnational governance in its governance portfolio, including in challenging contexts marked by political volatility. The SDC programme in Burkina Faso, for example, showcases how a sustained long-term approach (SDC has been present since 1974), combined with supporting decentralisation, has led to a de facto locally led approach. As identified in an external evaluation, supporting subnational governance has been Switzerland's primary approach to sustaining engagement in fragile and conflict affected contexts.¹⁴ In Burkina Faso, SDC has been able to continue its operations working and funding directly local and regional authorities and local CSOs, despite the political instability caused by the two military coups of 2022. An external evaluation has identified high levels of local relevance and alignment with the needs and rights of local target groups in its governance portfolio, via a 'people centred approach' in its subnational governance work that balances engagement with duty bearers and rights holders.¹⁵

In Bosnia and Herzegovina (BiH), the programme **has a strong focus on ensuring equitable partnership modalities with a variety of actors.** By applying the locally led development Framework developed by OECD,¹⁶ the BiH head of co-operation was able to map out how most of the projects and programmes under the portfolio include multiple dimensions of local agency at different levels. All projects were classified as at least engaging in consultations with local actors; five projects were deemed to have the local stakeholder as co-responsible; and two projects were classified as having local actors as primarily responsible across the dimensions of framing, design, delivery and accountability. The work done in BiH in the health sector (e.g. Healthy Communities Programme) is considered a pioneer example of locally led development within SDC due to the high degree of local agency and ownership. For instance, the Ministry of Health approached SDC with this project idea and the proposal of having the project implemented with the support of the Institute for Population and Development (IPD), a national NGO very active in the health field. However, in other contexts, the OECD DAC 2022 mid-term review indicated that Switzerland's use of country systems can be increased, highlighting the peer review finding that national stakeholders are in

most cases only invited to comment on country programmes at a late stage and country programmes are not officially endorsed by partner countries.¹⁷

To progress further on its locally led development ambitions, Switzerland will need to place **greater emphasis on understanding and leveraging existing local capacities, including in its design processes**, rather than seeing local capacity as a barrier to locally led development. This may involve rethinking what ‘success’ looks like in certain contexts, balancing political pressures for quick results with a long-term view to promoting sustainability and institutional strengthening. For example, Switzerland has developed some good practices for locally led capacity strengthening that can be built on to further advance locally led development. In its governance programming it has been moving away from a deficit approach – identifying capacity gaps – to responding to local actor’s own capacity priorities (e.g. Farmers Association in Mongolia and in Benin)¹⁸. These models can be built on to promote capacity strengthening focused on locally defined priorities that lead to wider systems strengthening. In the climate sector, Switzerland has been leveraging local knowledge and co-designing adaptation initiatives with local actors, including those that act as ‘cultural translators’ between traditional and scientific knowledge (Box 2).

Box 2. Leveraging local knowledge in climate programming

The integration of scientific knowledge with local knowledge and understanding is crucial in various communities where Switzerland is supporting climate adaptation and mitigation through its Climate, Disaster Risk Reduction (DRR) and Environment Programme. This is exemplified by work on weather pattern analysis and monitoring in Peru, where traditional beliefs came into tension with the technology being introduced, necessitating collaboration with local actors to effectively ‘translate’ scientific knowledge into locally appropriate language and meanings. Switzerland also regularly partners with national universities and research institutions to implement their climate activities, drawing on national expertise and contributing to institutional capacity strengthening in these institutions. In evaluations, SDC projects have been found to empower communities to manage local resources sustainably, as observed in the Nature and Community-Based Solutions (NCBS) approach. This approach addresses the interconnected challenges of climate change, biodiversity loss, and poverty, bridging the nexus between humanitarian assistance and sustainable development. Approximately half of SDC projects involve empowering local communities to organise and manage resources for their long-term benefit, contributing to environmental security and carbon storage. The NCBS approach is recognised as pivotal in addressing these challenges by organisations such as the United Kingdom’s Joint Nature Conservation Committee.¹⁹

5. Management systems

Systems and processes

While SDC has a great deal of freedom to set policy and systems frameworks, it appears that current systems have become progressively less conducive to locally led development. There is a ‘self-inflicted harm’ in the rules applied in its funding modalities that could be addressed, even within a constrained domestic political environment that has fostered greater risk aversion and reduced flexibility. Addressing these barriers will require both political commitment and sustained system-wide effort, which will include considering options for the revision of administrative barriers.

Risk management

Switzerland can set a clear risk appetite for SDC, to create more space for enabling locally led development. While discussions have started with regards to adapting the modalities of contributions, there appears to be more resistance to reframe and adapt SDC's approach to risk to enable locally led development. While the shifting domestic political environment may have increased risk aversion, there remain good examples of SDC managing political risks, staying engaged and realigning programming at a portfolio level (e.g. Mali, Burkina Faso, Myanmar, Ukraine). In Ukraine, for instance, gaps in relation to frontline response were identified that increased security risks for local humanitarian actors; the SDC co-operation office worked to mitigate risk transference to local actors by partnering with a private insurance company that provided local frontline responders with life insurance coverage.²⁰ Another notable approach is found in the Framework for Risk Governance and Adaptive Programming (FRAP), which represents the first SDC pilot in third party monitoring, allowing it to manage risks differently and partner locally (Box 3). Nevertheless, in other regions with political risks, like the Middle East, collaboration with multilateral organisations might be favoured over direct engagement with local NGOs, due to a higher risk associated with partnering locally.

Box 3. The Framework for Risk Governance and Adaptive Programming (FRAP)²¹

The FRAP is the first pilot at SDC on an innovative approach to third party monitoring. It has received an Entry Proposal for 12 years and a budget of CHF 22.3 million. SDC is partnering with a Kenyan organisation (Kulmis) to conduct third party monitoring in Somalia, a constrained context with multiple interacting security, fiduciary and programmatic risks. This Kenyan organisation is developing a trust-based approach with the local Somali organisations involved in the monitoring, relationship building that takes time and requires contextual and cultural sensitivity. Due to the heavily constrained context of Somalia, the use of a local (Kenyan) third partner monitoring is seen as increasing fitness for fragility. SDC aims to use FRAP not only as a risk verification method; it also hopes to build a “third-generation third party monitoring, evaluation and learning” system, based on digital technologies, that will also inform adaptive programming, capacity strengthening and overall project steering. FRAP aims at improving the performance and sustainability of Swiss Horn of Africa programmes, hence contributing to stability, poverty reduction and increased wellbeing in the region. The expected outcomes are: i) improved monitoring and risk governance of SDC programmes in Somalia; ii) increased benefits for most vulnerable people including in hard-to-reach areas in Somalia through better targeting; iii) increased number and improved quality of partnerships with local actors in Somalia; iv) improved state-led monitoring in Somalia.

While SDC's risk management values trust and communication with partners, it appears that **the risk-based approach built into the Partner Risk Assessment (PRA) for CSOs has constrained rather than enabled the taking of considered risks that would allow for better locally led development.** Often, the PRA is described as a strict exercise that does not allow for a sufficient level of flexibility. It is also used to assess levels of capacity of the partner, following a deficit mindset, and therefore often being conducted in a way that would privilege well established intermediaries. While PRA is a respected instrument for accountability, Switzerland could improve the way it is used and deployed. This would require a shift in culture, signalling that taking risks is a welcomed approach, which could be integrated into staff training.

Further examples pointed to country offices not feeling sufficiently empowered to make balanced decisions. Where good examples of risk taking arise, it is often based on the head of co-operation acceptance and good navigation of grey zones. Often, good locally led development approaches in SDC have been driven by individuals who have personally an inclination for locally led development practices, rather than being enabled by the system. This indicates the need for a clearer articulation of the risk appetite to work with new and different partners. It has emerged that a lack of incentives for individuals at

headquarters and country level also hinders the willingness to take more risks. Switzerland could potentially benefit from strategic discussions on integrating locally led development-related objectives in staff job descriptions or performance objectives, to better incentivise individuals to follow locally led development practices.

Measurement and learning

The current absence of a common understanding of what locally led development means in practice reduces opportunities to incentivise shifting practices. If the inclusion of a commitment to locally led development in the 2025-28 strategy could lead to the inclusion of a monitoring of locally led development, SDC should reflect on what are the aspects most relevant for the internal system. At the same time, Switzerland has been consistently reporting against the Grand Bargain indicators on workstream 2 of localisation. The strategic results framework with some standard indicators could provide SDC an avenue to further embed locally led development. This could include tracking performance (including for intermediaries, by for instance, inserting locally led development requirements to report on in contracts), reporting on both quantity (on-granting and direct funding) and quality of local funding (e.g. flexibility, provision of overheads). Given its previous position as chair of GPEDC, Switzerland could also reflect on how to best leverage the results from the monitoring exercise, which could provide contextual evidence on progress made on locally led development.

Mainstreaming locally led development parameters and principles across evaluations may also help to provide an evidence base for learning and tracking change. The majority of SDC evaluations are decentralised, and currently they do not include locally led development elements in a systematic manner. However, guidelines on evaluation exercises recommend that the team conducting the evaluation includes at least one local actor. The expectations of external evaluations, both in terms of quality standards and in serving multiple purposes (learning, steering and accountability), were seen to be another barrier for increasing the role of local knowledge and expertise in SDC evaluations.²²

In its research partnerships with local stakeholders, thinking and practice to support equity is developing, based on a long history of collaboration with global south researchers. The provision of targeted co-design funding streams in its research programming would enable a more considerate integration of the partner's knowledge, contextual priorities, methodologies and approaches, as well as supporting relationship building across geographies and disciplines.

Finally, reporting to parliament often requires simplifying complex situations, leaving little room for a collective learning agenda on locally led development, or development co-operation more broadly. While there is some space for cross government dialogue, engaging with issues like public education and communication are, since the amalgamation, more centralised around foreign affairs and aligned with Swiss interests, leading to fewer SDC interactions with parliament and civil society. As a result, concerns also arise about SDC's credibility due to the lack of 'failure' examples shared. Learning from mistakes is crucial, as other DAC members do (e.g. Canada's FailSafe Labs and the Netherlands' "Fail Fest"), but there is often insufficient time and resources for partner visits and monitoring, highlighting the need for increased support in these areas.

6. Outlook

Switzerland's commitment to locally led development co-operation is exemplified by its emphasis on enduring partnerships, on-the-ground presence, and endeavours to support local systems and institutions. Switzerland views locally led development as building on its historic approach to participatory development, emphasis on the principle of subsidiarity and local autonomy in partnerships. Its distinct advantage is its commitment to work with diverse local stakeholders, encompassing civil society organisations, the private sector, as well as municipal, regional, and national governments. Recent shifts have contributed to a renewed focus on locally led practices, including efforts to fulfil its Grand Bargain commitments in the humanitarian sector; increasingly challenging operational contexts characterised by fragility and conflict; and a shifting domestic political environment, which has created incentives that in many ways run counter to the needs and ambitions of locally led development co-operation.

Despite the absence of a specific policy dedicated to locally led development, there is growing internal appetite for clearer guidance to harmonise interpretations and objectives across the nexus. The potential inclusion of a locally led development commitment within the forthcoming International Co-operation Strategy 2025-28 could pave the way for the establishment of such guidelines. In taking its next steps there is space, even within a constrained domestic political context, to address the administrative constraints identified in this learning exercise. While Swiss international co-operation enjoys considerable autonomy in shaping its policies and systems, recent trends suggest a diminishing alignment with locally led development principles. Certain funding modalities within the current system inadvertently impede locally led development, representing a form of "self-inflicted harm" that warrants attention. These obstacles demand not only political resolve but also sustained, comprehensive efforts aimed at revising administrative constraints. In addition, Switzerland can do more to involve local actors in the design of policy and programming, which would in the process promote local actors' agency and leadership. This would not only meet existing objectives around aligning with local priorities, but also leverage local capacity and knowledge more systematically. Finally, this learning exercise points to the following four areas where constructive efforts could be made to advance its locally led development ambitions:

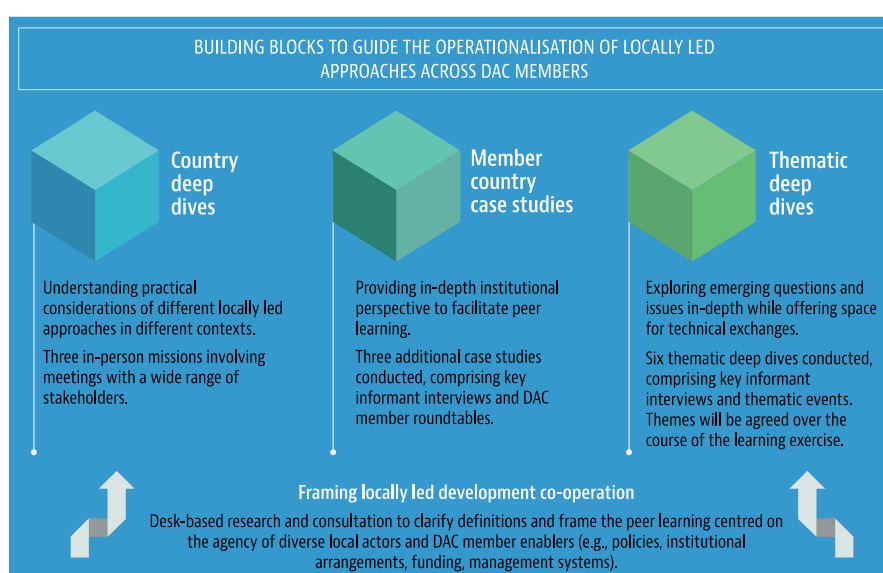
1. Locally led development is included as an implementation modality in the draft Strategy 2025-28, based on broad internal and external consultations with local and Swiss stakeholders. On the basis of this commitment, develop guidelines through an inclusive consultative and participatory approach that can be applied across the nexus of development, humanitarian and peace programming.
2. Based on a politically sensitive analysis of existing entry points, address internal administrative barriers that impede locally led development (including increasing direct funding to different local actors). This process could include establishing a culture setting approach to risk that empowers and trains desk officers to take considered and strategic risks (e.g. in the approach to applying the Partner Risk Assessment); assessing, and where necessary revising, existing funding modalities (mandate and contributions) with an locally led development lens.
3. Building on pockets of good practice, adopt an approach to engaging and strengthening local capacity that systematically recognises and leverages existing local capacities, knowledge and priorities. In many ways this is a mindset shift: moving away from a deficit approach to framing local capacity, and stepping back and enabling greater local leadership in the design of SDC programming.
4. Finally, building on its experience in Ukraine and concerted efforts to influence multilateral humanitarian partners within the Grand Bargain, Switzerland can more systematically integrate partnership principles that promote equity into contracts with multilateral international intermediary partners, including in its non-humanitarian partnerships.

Annex

Peer learning overview

Locally led development is rising up the policy agenda as evidenced by the multiple international initiatives on locally led development and the recent [international statement on supporting locally led development](#) signed by 21 development co-operation providers. However, while there are good practices, DAC members meet significant obstacles in their ambition to advance development co-operation that is genuinely locally led. These range from political and power dynamics and systemic constraints to the absence of a shared understanding across development and humanitarian actors, and practical ways to adjust programming. In early 2023, the DAC therefore agreed to carry out a peer learning exercise to share and learn between peers approaches to promote locally led development ([\(IDCD/DAC\(2023\)5\)](#)). The peer learning process will be conducted over a period of approximately 12 months and be organised around four key building blocks.

Figure 4. Peer Learning Overview



Objectives of DAC member case studies

As part of the peer learning exercise, the Secretariat has committed to conduct three DAC member case studies. These DAC member deep dives aim to understand DAC member contexts, constraints, and opportunities for supporting locally led development. They are an opportunity to address the political contexts, systems and institutional arrangements that underpin the principles, strategies, operations, and funding instruments of all DAC members.

In particular, DAC member deep dives:

- **Identify how DAC member policies, institutional arrangements, financing and management systems, and practices** enable or constrain locally led development co-operation.
- **Identify good practices** for locally led development co-operation with opportunities to scale, replicate and share. These can be both programmatic and organisational and system practices.

- **Reflect on the nature of agency of different local actors** across DAC member instruments, interventions, and funding approaches.
- **Understand how the DAC member contexts** influence the understanding of and approach to locally led development co-operation.
- **Explore DAC member approaches in different operating contexts** and its relation to locally led development.
- **Identify specific learning in relation to thematic deep dives** (i.e. valuing local capacities, accountability to local stakeholders, risk management, locally led development co-operation in politically constrained environments, the role of multilaterals, and measuring locally led development co-operation).

Approach to Switzerland deep dive

The Switzerland deep dive consisted of 3-day mission (12 – 14 March 2024) conducted by Renwick Irvine (Team Lead, Peer Reviews, OECD), Anjeza Llulla (Junior Policy Analyst, Peer Reviews, OECD) and Rose Pinnington (Consultant, Share Trust). The mission was facilitated by the locally led development working group lead by Andrea Ries. During the mission, 17 meetings were held covering both internal (senior management, policy initiatives, global programmes, country programmes, regional department, multilateral engagement, HR, risk and compliance, monitoring, evaluation and research, non-SDC actors: SECO and Peace and Human Rights Division (PHRD) and external actors (including Swiss civil society and academia). At the end of the mission, Key Impressions were shared in a debrief session to discuss preliminary findings with senior management.

Following the mission, a short (10 page) analytical member case study has been produced. It was sent to Switzerland for comments. This document fed into the perspective from members for the overarching synthesis paper. Visits also helped identify *In Practice* case studies to be developed and published on the [Development Co-operation TIPs page](#). It is anticipated that at least three practices will emerge from this DAC member case study. In this document, they have been highlighted in Boxes 1-3.

The following Table 1 provides an overview of the methodology used in the DAC Member case studies.

Table 1. Approach to DAC member case studies

Preparation	2 remote meetings held with DAC Member key personnel to agree on the proposed approach. Consultees identified and meetings scheduled. Documents shared and reviewed 6 weeks in advance. Agenda prepared 3 weeks in advance.
Visit activities	10-15 key informant interviews (staff from across the DAC member development co-operation system as well as external partners). 1 roundtable discussion on the last day to share findings and address emerging questions (DAC member only).

Notes

¹ See framing paper for full analytical framework being applied in this peer learning: [https://one.oecd.org/document/DCD\(2023\)47/en/pdf](https://one.oecd.org/document/DCD(2023)47/en/pdf).

² Narrative background document for the DAC Deep Dive on Locally led development in Switzerland (version 16.2.2024); RELATIONSHIPS OF PARTNERSHIP Intermediary Report, SDC's Working Group / Partnership (March 02).

³ [Priority regions for international co-operation \(admin.ch\)](#).

⁴ Text under consideration: *“Locally-driven actions: Swiss International Co-operation actions must be anchored and driven by national and local governments, as well as by civil society and private sector players in partner countries, so that they are in a position to continue the work when the CI withdraws. To this end, the IC ensures that its support is aligned with national, regional or local development plans. During the period 2025-2028, the Swiss CI and its implementing partners will work systematically with local governments, organizations and populations. It ensures that national stakeholders are involved in project steering mechanisms and, wherever possible, favors national mechanisms for financing programs of systemic scope, in line with OECD/DAC recommendations.”*

⁵ Narrative background document for the DAC Deep Dive on Locally led development in Switzerland (version 16.2.2024).

⁶ Narrative background document for the DAC Deep Dive on Locally led development in Switzerland (version 16.2.2024).

⁷ Summarised from: Localization in Ukraine - Fair Partnership Principles.

⁸ Switzerland mid-term review, at: [https://one.oecd.org/document/DCD/DAC/AR\(2024\)3/19/en/pdf](https://one.oecd.org/document/DCD/DAC/AR(2024)3/19/en/pdf).

⁹ Another challenge is the integration of PHRD and SECO. For instance, PHRD engagement in peace processes has an emphasis on working directly with local actors and ensuring locally sustainable and inclusive peace outcomes. However, their approach remains distinct, with a focus on direct political engagement and mediation, rather than partnering with local organisations to implement projects. To ensure their independence and the space required to conduct this work, there is a limit, important to respect, in the extent to which they can be expected to integrate with SDC under the nexus.

¹⁰ The threshold for signature/approval at country office level is at CHF 2 000 000. However, every project/programme proposal above CHF 1 000 000 has to go through the process of an operational committee including both headquarters and country office.

¹¹ Country offices are still responsible for the recruitment of national staff. But new positions cannot be independently created by the country office.

¹² Locally led development peer learning deep dive on risk management at: [https://one.oecd.org/document/DCD\(2023\)48/en/pdf](https://one.oecd.org/document/DCD(2023)48/en/pdf).

¹³ Switzerland DCR profile at: <https://www.oecd-ilibrary.org/sites/00eb9f0b-en/index.html?itemId=/content/component/5e331623-en&csp=b14d4f60505d057b456dd1730d8fcea3&itemIGO=oecd&itemContentType=chapter>.

¹⁴ Independent Evaluation of SDC's Engagement in the Field of Good Governance and the Rule of Law (2017-2022).

¹⁵ Independent Evaluation of SDC's Engagement in the Field of Good Governance and the Rule of Law (2017-2022).

¹⁶ Framing DAC member approaches to enabling locally led development:
[https://one.oecd.org/document/DCD\(2023\)47/en/pdf](https://one.oecd.org/document/DCD(2023)47/en/pdf).

¹⁷ Switzerland Mid-term review (2024), at: [https://one.oecd.org/document/DCD/DAC/AR\(2024\)3/19/en/pdf](https://one.oecd.org/document/DCD/DAC/AR(2024)3/19/en/pdf).

¹⁸ In Benin, agriculture is the main source of employment and income in Benin. However, not all reforms in the agricultural sector have yet been defined in agreement with all stakeholders. Switzerland is helping to strengthen the institutions and governance of farmers' and stockbreeders' umbrella organisations so that they can better play their role in lobbying, putting forward proposals, participating and monitoring the implementation of agricultural policies. The final objective is to help improve living conditions in Benin's rural areas for family farms and small and medium-sized enterprises.

¹⁹ Independent Evaluation of SDC's Engagement in Climate Change Adaptation and Mitigation (2015–20).

²⁰ SDC Project Proposal to support a Volunteer Insurance Initiative.

²¹ Framework for Risk Governance & Adaptive Programming (FRAP) in a nutshell.

²² For example, those raised in an independent evaluation on the quality of SDC's decentralised evaluations (SDC's Quality Assessment of Decentralised Evaluations, Bern, June 2023) and reiterated in the parliamentary control committee's report on Measuring the effectiveness of international co-operation (<https://www.aramis.admin.ch/Texte/?ProjectID=53413&Sprache=en-US>; <https://www.fedlex.admin.ch/eli/fga/2023/2893/de>).