

Context of the peer review of Sweden

Political and economic context

On 21 January 2019, a new government came to power in Sweden. The minority government is led by the former Prime Minister, Stefan Löfven, from the Social Democrat Party and governs with the Green Party, following a general election held in September 2018. The new government received a parliamentary vote of confidence after an agreement with the Centre and Liberal parties to co-operate on the budget and the direction of policy in several areas.

Sweden's projected economic growth for 2018 is 2.2% (OECD, 2017a) and it has enjoyed a solid economic performance in recent years, with growth outpacing both the major advanced economies and its Nordic neighbours. Sweden has a fiscal surplus of 0.4% and government debt has fallen over time.

Low unemployment and good quality jobs, combined with its strong system of social protection, have helped to make Sweden a model of inclusive growth, and it has one of the lowest levels of income inequality in the OECD, despite income inequality having risen over time (OECD, 2017a). Sweden is a leader in green growth, with output growth decoupled from carbon emissions and it has the second-lowest gender employment gap rate across the OECD. It performs well in the OECD Better Life Index (OECD, 2017b) and has one of the highest ratings for life satisfaction.

Sweden is an open country that seeks to live up to its commitments to help people fleeing persecution, war and violence. In 2015, it received 163 000 asylum seekers, the highest number relative to population of all OECD countries for that year (OECD, 2017c).

Sweden faces a number of economic and social challenges moving ahead. These include addressing rising income inequality, tackling housing stock shortages that have led to house price inflation, debt and limited access to low-cost homes, and strengthening the integration of immigrants to raise long-term growth and enhance social cohesion (OECD, 2017a).

Development co-operation system

Sweden's Ministry for Foreign Affairs (MFA) is responsible for international development co-operation and humanitarian assistance. It formulates the development co-operation budget, policy and strategies, and manages the government agencies which are in turn responsible for implementing the majority of Sweden's development co-operation.

Under the Swedish government's rule of collective responsibility, however, authority for development co-operation and government agencies ultimately rests with the full cabinet government. The parliament approves the budget annually, within a multiannual proposed framework.

In 2017, the MFA was responsible for 78% of Sweden's official development assistance (ODA), with Sweden's government agencies implementing 51% under MFA supervision

and the MFA directly implementing 27% related to core multilateral funding and humanitarian assistance.

The government of Sweden has five main government implementing agencies that are responsible for ODA spending. Its main agency is the Swedish International Development Cooperation Agency (Sida). In 2017, Sida was responsible for implementing 47% of Sweden's total ODA (Government Offices of Sweden, 2018). Each of the four other agencies - the Folke Bernadotte Academy, the Swedish Institute, the Swedish Research Council and the Swedish Civil Contingencies Agency - is responsible for implementing less than 1% of Sweden's ODA (Government Offices of Sweden, 2018). Sweden's development finance institution, Swedfund, received less than 1% of Sweden's ODA in 2017.

The remaining 22% of Sweden's ODA in 2017 is not managed by the MFA and remains outside of Sweden's development and humanitarian assistance budget envelope. It is predominately spent on in-donor refugee costs and EU development co-operation funded by the EU membership fee.

References

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