Chapter 6: Results and accountability of Switzerland's development co-operation

Results-based management system

Indicator: A results-based management system is in place to assess performance on the basis of development priorities, objectives and systems of partner countries

Switzerland has made good progress since the last peer review with institutionalising results-based management, notably by rolling out standardised tools across its programmes, as recommended in the 2009 peer review. Results monitoring draws on a variety of sources and uses partner country data where possible. Programme results are also monitored in fragile contexts. The overall strategic results focus of Switzerland's development co-operation has been enhanced through the 2013-16 Dispatch. However, SDC and SECO need to continue to work out how to measure and monitor the 13 top-level results committed to in the strategy. SDC and SECO should continue to fine-tune their results systems. They should prioritise strengthening the links between the chain of expected results from projects to impact on development, and setting appropriate quantititative and qualitative indicators that will enable Switzerland to track progress.

Culture of results-based management is being strengthened

Switzerland is committed to building and sustaining a culture of results-based management. This is evident in the progress it has made with strengthening and streamlining the system since the last peer review (Box 6.1). Standardised results planning and monitoring tools such as country level results frameworks, annual country results reports, and management responses to these reports have been rolled out in SDC and SECO. Senior managers appear to be using the results reports for portfolio planning and management. Moreover, the independent assessments of annual reporting commissioned by SDC are an excellent way of identifying areas for improvement. The 2013 assessment identified crucial shortcomings in the system that SDC should address.[1]

It is positive that SDC plans to institutionalise this results culture further. According to the draft results-based management plan for 2013-16, it will improve the use of instruments and processes, get field staff actively involved in the quality assurance network, build the results capacity of implementing partners, and articulate a clearer rationale and vision for results-based management. SECO, which made good headway in making managing for results part of its culture in 2013, plans to monitor better the performance of its projects and programmes against the results frameworks approved at project inception and to make greater use of the information this monitoring provides for strategic management.

Two other areas that should be strengthened are: (i) articulating, monitoring and reporting on how results from individual projects contribute to expected development results at country level; and (ii) the quality, rigour and measurability of baseline, output and outcome indicators. At present, results frameworks at SDC do not include adequate baselines and targets that can be measured. In response, SDC is now pushing for projects to include a baseline statement as well as quantitative indicators. However, it still needs to produce solid and credible

evidence to track progress. Switzerland should keep up its efforts to improve the quality of indicators and baselines.

Switzerland also committed in the 2013-16 Strategy for International Co-operation to 13 overall strategic results for its development co-operation. SDC and SECO are mandated to report jointly on results achieved over the 2013-16 period. These are significant new developments towards demonstrating Switzerland's contribution to development at a more aggregate level. However, while SDC and SECO are piloting mechanisms to measure and monitor these results, have elaborated a concept note, and are adjusting Country Strategy Implementation Reports to the objectives and indicators defined in the Dispatch, fulfilling this mandate is challenging and remains work in progress. For example, indicators given for the results in the Dispatch are vague and not easily measured. Moreover, the package of overall results could be communicated more clearly: at present they are somewhat hidden in the various framework credits of the Dispatch. In addition, while SDC does not want to create a parallel monitoring system, country results frameworks (*e.g.* Burkina Faso and Kyrgyzstan) are not set up to track progress against these goals.

Box 6.1. Highlights of Switzerland's system for managing for results

Switzerland has been strengthening how it plans and manages for results at all levels of its development co-operation. This box presents some of the highlights.

> Switzerland has rolled out results frameworks for all country strategies.

> Annual country results reports provide information for programming and accountability. They serve as a tool for annual planning at the country level. Management responses are required for every report, and SDC commissions an annual independent assessment of the quality of its reports and management responses (Herrmann and Engler/Swiss Confederation, 2013).

> Switzerland's approach to assessing the performance of multilateral organisations receiving core contributions is efficient and rigorous. Switzerland's monitoring instrument assesses the effectiveness of the organisations against their own results piorities, as well as the results Switzerland achieves through dialogue. Management responses are required for the annual reports. Switzerland also supports multilateral organisations' efforts to strengthen their evaluation and results systems.

> A quality assurance network and dedicated training for staff at SDC helps build expertise on results.* Quality assurance focal points have been appointed in programming divisions in SDC and SECO, and in some SDC field offices.

> Regular reality checks are conducted with staff to identify good practices and problems with the results system.

Note: *The budget for this training averaged CHF 250 000 per year between 2010 and 2013.

Monitoring draws on a variety of sources and uses partner country data where possible

Switzerland's approach to results measurement at the country level draws on evaluations and partners' data and systems. Because Switzerland tends to implement activities through stand-alone projects, the monitoring is conducted parallel to rather than through the partner country's monitoring framework. Nevertheless, when Switzerland provides general budget support and engages in joint or sector-wide programmes, it follows good practice by using partner systems and data. In Kyrgyzstan, Switzerland used information from projects that relied on data collected by the government and through other sources such as the World Bank Group's Doing Business reports.

Monitoring individual programme results in fragile contexts

SDC uses the peacebuilding and statebuilding goals as its framework for engaging in fragile states; this is good practice. This framework also includes a description of how SDC will work with internal and external stakeholders. Individual country strategies, and the results sought, are then designed based on specific country contexts. Portfolio and political risks are monitored closely by country offices, providing a useful check in terms of conflict sensitivity and "do no harm" criteria. Programme results are monitored following standard SDC practices.

Evaluation system

Indicator: The evaluation system is in line with the DAC evaluation principles

Switzerland's evaluation system is in line with the DAC evaluation principles. Strategic and thematic evaluations are fully independent from the delivery of development assistance. SDC's four-year rolling evaluation plan is good practice. However, Switzerland could invest more resources in the evaluation system, given the growing aid budget, to promote learning from evaluation and to build the capacity of programme staff on evaluation standards. SDC would like to conduct partner-led and joint evaluations, but limited resources restrain it from doing so.

Clear, up-to-date evaluation policies are in line with DAC principles

Up-to-date evaluation policies at SDC and SECO emphasise organisational learning for strategic guidance and better programme management, as well as accountability (SDC, 2013 and SECO, 2009). In line with DAC guidance, the evaluation policies distinguish between independent evaluations and internal reviews. The most significant changes in Switzerland's evaluation system since 2009 include a shift from a strong accountability focus to one more centred on learning. SDC is piloting a new approach to the evaluation of country strategies: an independent, external evaluator will lead, while SDC staff will participate in the evaluation team to facilitate learning.

Both SDC and SECO have an evaluation unit separate from operations, with dedicated staff. However, staffing resources are limited given the growing aid budget, and the need to strengthen the evaluation culture further and to promote learning from evaluation. SECO has one full-time staff equivalent working on

evaluation, while SDC has four. The evaluation units could also play a more active role in the quality control of evaluations and help build staff capacity on evaluation standards. Both SDC and SECO have inventories of operational evaluations; however, SDC is not yet spot-checking them for their quality.

The evaluation process is independent and impartial

The independence and impartiality of the evaluation process has been strengthened at SECO since the last peer review: its evaluation unit now reports to an external evaluation committee, which reports to SECO's senior management. Feedback from SECO suggests that the external committee gives more weight and credibility than before to the evaluation function within SECO.

SDC has chosen a different model, in which the evaluation division reports directly to the Director-General and is independent from operations. SDC gives clear guidance to programming staff to ensure that project evaluations are impartial, such as ensuring that consultants are independent from operations, and working with a core evaluation group with experts coming from outside.

Multi-year, flexible planning for evaluations is good practice

SDC now prepares a four-year rolling evaluation plan, which gives a good long-term perspective. Planning for the evaluations is also more strategic, as suggested by the 2009 peer review: a draft plan is submitted to the board of directors, and learning needs are discussed during two-day retreats with management to ensure the relevance and usefulness of evaluations for programme management. SECO plans evaluations over a two-year period. It is also positive that SDC and SECO have conducted joint thematic evaluations since 2009; they should continue to work closely on evaluation.

Both SDC and SECO are interested in conducting impact evaluations, but the cost and the need to ensure that an impact evaluation is factored into the design of programmes means they have done only a few. The results of the 2011 impact evaluation commissioned on post-harvest losses had a strategic influence on SDC's global programme on food security.[2]

Scope to conduct more partner led and joint evaluations

Project and country evaluations are undertaken with local consultants, and draft reports are discussed with partners in a spirit of mutual accountability. While SDC is interested in conducting more joint donor and partner led evaluations beyond those that are undertaken when it co-finances activities with other donors, its resources are too limited to do more of them (SDC, 2013). Nevertheless, SDC's rule that project and country evaluations should be undertaken with local consultants can serve to build capacity.

Institutional learning

Indicator: Evaluations and appropriate knowledge management systems are used as management tools

Switzerland uses its evaluations as management tools. Incentives are integrated into the evaluation systems to track the implementation of recommendations and management responses. However, evaluation findings could be disseminated more systematically. SDC's knowledge management system has strengths and weaknesses and would benefit from having a champion in senior management. While the thematic networks which are the essence of SDC's system for organisational learning will be evaluated in 2014, SDC should continue to strengthen its knowledge management systems in the meantime. SECO, which is starting to institutionalise learning, should learn from SDC's experience with knowledge management.

Incentives in feedback mechanisms keep programme managers on their toes

SDC and SECO have put in place sound evaluation feedback mechanisms. Management responses are standard practice for all external and internal evaluations, and incentives are used to ensure that recommendations are implemented. For example, SECO has developed a tracking system and holds annual follow-up meetings with managers.

In an effort to make greater use of evaluation results, SDC and SECO conducted a review of the practical experience of other donors in capitalising on and communicating evaluation results (SDC/SECO, 2012). The findings of this review, as well as lessons and trends emerging from SECO's annual portfolio performance review (based on an assessment of all externally evaluated projects), provide guidance and lessons that should be used by managers (SECO, 2013).[3] At SECO, evaluation staff participate in a project/programme approval committee. This is also a good way to promote learning.

Dissemination of evaluations could be more systematic

While SDC and SECO publish all external evaluations and management responses on their websites, and internationally through the DAC Evaluation Resource Centre (DEReC),[4] SDC is starting to use innovative tools such as social media; evaluations are also disseminated in relevant SDC thematic networks. Operational and internal evaluations are not yet made public, but SDC is building an evaluation database with this in mind. SECO has such a database. All evaluations should be accessible to the public and partners in the spirit of mutual accountability.

The knowledge management system would benefit from having a clear strategy and a champion in senior management

Building and sustaining a knowledge management system that is used as a forward-looking management tool, and building on results and evidence for learning, is challenging for most donors. While SECO is starting to develop an institutional approach to learning, SDC was already a "networked organisation" at the time of the last peer review. As it goes forward, SECO should learn from SDC's experience.

SDC, which has a division dedicated to knowledge and learning processes, relies mostly on its system of thematic networks and focal points for organisational learning. The global programmes, in particular, are meant to serve as the "glue" for sharing knowledge across specific themes (e.g. the global knowledge platform for migration, the Swiss water partnership). Thematic networks feed evidence to global programmes, while several thematic focal points also manage or work for the global programmes.

SDC seems committed to increase the learning impact of thematic networks and will conduct an evaluation of them in 2014. Nevertheless, the last peer review, and a tough evaluation of knowledge management and institutional learning in SDC in 2009, flagged several risks and problems with its knowledge management system which still need to be addressed (OECD, 2009; SDC, 2009). The role of the focal points and network facilitators, especially those that are not connected to global programmes, could be clearer, with appropriate incentives and resources to do their job effectively.[5] SDC should make headway in addressing these challenges, regardless of the planned evaluation in 2014, by communicating a clear strategy and ensuring strong leadership from senior management.

Communication, accountability, and development awareness

Indicator: The member communicates development results transparently and honestly

Switzerland has committed to improve the transparency of how it is working, and what it is achieving, in line with its Busan commitments. However, it can increase transparency further by making a broader range of programme and performance management reports public. SDC and SECO should communicate a clear rationale, vision and strategy for increasing transparency. Regrettably, SDC's capacity to communicate about development co-operation has been weakened at a time when it needs to communicate and engage with Swiss taxpayers more actively on development co-operation, given the growing aid budget, and to have public backing to implement the 2013-16 Dispatch. Switzerland should invest in and plan for strategic communication about development results and challenges for the medium term.

Transparency of Swiss development co-operation can be increased easily

In its development co-operation, Switzerland has committed to implement its Busan commitments on transparency of aid (Chapter 3). SDC and SECO have taken some steps to increase the transparency of how they work and what they are achieving. For example, an overiew of all projects worth over CHF 500 000 approved since mid-2012 can be accessed on SDC's website,[6] SDC/SECO publish a joint annual report on development co-operation, and SECO publishes an annual report on the effectiveness of its economic development co-operation.

SDC and SECO can go further; they would significantly enhance the scope and quality of their transparency and accountability by making available, like other donors, more internal documents[7] which contain a wealth of information that demonstrates how they work and what they achieve. To do this, all that may be required is a change in their institutional culture on transparency.[8] The 2004 (updated 2009) Federal Act on Freedom of Information in the Administration, for example, requires the administration to make all public documents available on request. SDC and SECO should communicate a rationale, vision and strategy for transparency, which could help change the mind-sets of staff and identify risks that need to be managed carefully when opening up Swiss development co-operation to greater public scrutiny. In addition, the SDC and SECO websites may need to be adapted to provide easy access to the information and Switzerland may need to manage risks that internal reporting will become less self-critical.

An urgent need to invest in and plan for strategic communication on development results and challenges

Switzerland still needs to implement the 2009 peer review recommendation to communicate better the impacts of Swiss development activities, to take a longer-term communication vision, and to emphasise that development impacts are achieved in close partnership with other stakeholders. The information unit of the Federal Department of Foreign Affairs (FDFA), in collaboration with SDC and SECO, continues to organise public events, which attract great public interest, and produce newsletters, a magazine and other publications. However, communication about development appears to have been lost within the wider information and media relations work of the FDFA following the 2008 integration of SDC's communication unit into the public communication division for the whole Department. SDC, which has a good track record with regard to strategic communication and activities to build public awareness, has fewer resources and less authority and flexibility to communicate with the media and other audiences about Switzerland's vision for development co-operation, its programmes, results, and the challenges it faces.[9]

While FDFA agrees to and co-ordinates its development information activities with SDC, SDC is not free to communicate in a timely manner (e.g. pre-empting and/or responding to public criticisms) or an innovative one (e.g through social media). In addition, Switzerland's budget for public information and awareness activities has decreased since 2009, especially at SDC.[10] Swiss NGOs and the Advisory Committee for Development Co-operation have criticised the reorganisation of FDFA, which has led to this situation. The Committee has recommended that the Foreign Minister reverse the decision to integrate SDC's communication unit into FDFA's central information unit. Such a reversal would help SDC ensure that taxpayers are well informed about Switzerland's commitments to and achievements in development co-operation.

In building public awareness about development, it is good practice for donors to communicate and engage strategically with a range of target audiences, based on evidence about their level of interest and knowledge about development issues. Doing this effectively requires dedicated, professional resources and the capacity and flexibility to communicate publicly about development needs and results, taking full advantage of new technology. To raise awareness of global public risks and how Switzerland and the international community could mitigate these risks, SDC and SECO should promote and participate in public debate. Switzerland needs to invest in and plan for strategic communication as a matter of priority, and especially as the international community reinvigorates efforts to achieve the Millennium Development Goals and prepares a new set of global goals for post-2015.

Notes

1. Some of the shortcomings identified by Herrmann and Engler (Herrmann and Engler/Swiss Confederation, 2013): management responses do not provide adequate strategic direction; they focus more on the format of reports than on content; the appraisal of the results analysis in the reports was missing; insufficient quantitative information on results and lack of baselines and benchmarks; and demonstration of Swiss contribution to country development results and the relevance of the contribution missing or incomprehensible.

2. The report of the impact evaluation can be downloaded at: http://www.admin.ch/dokumentation/studien/detail/index.html?lang=de&studienid=44.

3. One of the useful recommendations from this effectiveness review is that the Quality and Resources Division in SECO "envisages an exchange of lessons learnt from evaluations within each operational division" (SECO, 2013: 10).

4. See www.oecd.org/derec/switzerland/.

5. SDC is looking at incentives for focal points, such as the possibility to rotate to an interesting country office. A learning incentive for programme managers is to involve them in project contesting/peer reviewing.

6. For SDC's project database, see www.sdc.admin.ch/en/Home/Projects.

7. For example, annual country reports, medium-term programmes by domain in SDC, risk management tools, and SDC's field handbook.

8. The Federal Act on Freedom of Information in the Administration is at www.admin.ch/ch/e/rs/152_3/index.html.

9. Swiss NGOs and previous DAC peer reviews praised SDC for its strategic and dynamic approach to communication in the past.

10. SDC gives CHF 1.4 million of its communication budget to FDFA. CHF 1.2 million is retained at SDC for films, publications and public events. Two members of staff work on communication at SDC. SECO, which has a small communication budget (CHF 200 000 per year), aligns with SDC/FDFA for broader public awareness work. The organisations have a joint service agreement.

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