Independent Review

SECO’s Economic Governance

Quality and Resources Unit

August 2015
Foreword

With the purpose of learning and accountability, the Economic Cooperation and Development Division at the State Secretariat for Economic Affairs (SECO) undertakes regular and systematic assessments of on-going and/or completed projects, programs or policies in order to identify and to disseminate results. The aim is to determine the relevance, the development effectiveness and the efficiency, the impact and the sustainability of its different modalities of interventions in partner countries. Based on credible and useful information, evaluations should also enable the incorporation of lessons learned into the decision-making process of both recipients and donors, in order to foster continuous improvements of development support.

The Economic Cooperation and Development Division distinguishes and undertakes three different types of evaluations, namely internal reviews, external evaluations and independent evaluations. While internal reviews and external evaluations are under the direct responsibility of the operational units, independent evaluations are commissioned and managed by the Evaluation Function – an independent unit from the operations - and are submitted for discussion to an external Committee on Evaluation, composed of 6 members external to SECO. Independent evaluations focus on assessment of sectors, programs, strategies, instruments, country assistance strategies, cross-cutting issues or themes and impact evaluations. On average, the Evaluation Function commissions one to two independent evaluations per year, which can be undertaken jointly with other donors or partner organizations, in line with our commitment to the Paris Declaration. SECO expects evaluations of its development interventions to adhere to the DAC/OECD standards and to the Swiss Evaluation Society (SEVAL) standards.

This report presents the results of the independent review of WE’s cross-cutting theme “Economic Governance”. The review assessed the results SECO-WE has achieved in improving Economic Governance through its programs and projects along the OECD/DAC evaluation criteria and provides recommendations on how to foster Economic Governance as cross-cutting theme in the framework of the new Message on Switzerland’s Cooperation 2017-2020. The review is based on an analysis of some twenty different external and independent evaluations from SECO-WE’s four operational divisions, spanning the 1980s to the present.

As the basic selection criteria, projects which most probably have a direct or indirect effect on economic governance have been selected. To this end, within each priority theme of the Message on International Cooperation, one or two business lines have been identified which refer to or have an effect on economic governance.

The review report was used as reference for the formulation of SECO’s management response. The results, recommendations of the report, as well as SECO’s management response were first presented to and discussed with the Evaluation Committee, who then formulated its position. The management response and the position of the Evaluation Committee are published jointly with the final evaluators’ report on SECO’s website and on the DAC/OECD Evaluation network.

Process:
Conducting of the review and elaboration of the report January - March 2015
Management Response May 2015
Discussion with the Evaluation Committee (report and Management Review) June 2015
Position of the Evaluation Committee August 2015
Management Response

Review of SECO-WE’s Cross-cutting Theme
“Economic Governance”
By Marijana Trivunovic and Deniz Erőcal
May 2015

1) Background

The Review was commissioned by the end of 2014 in order to obtain an impartial assessment of the aptness, relevance and efficiency of Economic Governance as one of SECO-WE’s two cross-cutting issues. The two main purposes of the Review consist in accountability and learning. Thus, besides assessing appropriateness and effects of Economic Governance as the cross-cutting theme, WE was also very keen to draw lessons and learn about best practices in the area of Economic Governance. Relevant findings will be integrated in the respective chapter on Economic Governance in the Message on International Cooperation 2017-20.

Economic Governance is not a priority theme for SECO-WE, but a cross-cutting issue. A cross-cutting issue means that a certain topic should systematically be taken into account when designing and implementing new projects. Additionally, a cross-cutting issue can also be implemented through specific projects (i.e. principal objectives of the project).

This Review was never intended to be a fully-fledged independent evaluation because – and unlike for the priority themes – there is no specific monitoring system tracking results of Economic Governance as a cross-cutting issue. By choosing a review, (which consists mainly in a desk review of existing evaluations) rather than an independent evaluation, SECO-WE and the evaluators were ex ante accepting subsequent limitations regarding methodology and scope.

2) Appreciation

Quality: The Report provides a comprehensive, yet detailed enough analysis of SECO-WE’s definitional approach and operational implementation. The OECD/DAC evaluation criteria are applied.

The executive summary is of good quality and provides all essentials to the reader. The introduction provides all information necessary to understand limitations due to the methodology chosen for this Review. The definitional and analytical part of the review tackles the concept of economic governance in sufficient detail but does not provide a definition of “cross-cutting issue” as an operational approach (= efficiency) nor does it provide best practices in the area of Good Governance (incl. Economic Governance) observed among the donor community (incl. SDC). It however gives interesting information about other donors’ concepts of Economic Governance. The third part about the actual implementation of economic governance by SECO-WE is partly less concise, but still provides a number of meaningful findings. Lastly, the conclusions and recommendations are clear, applicable and realistic both, in scope and resource-intensity.
Overall, the Report should be praised for its pragmatic and realistic approach regarding the next steps to be undertaken. The analytical part of the report on the other hand remains quite complex and at times it is difficult to discern anecdotal findings from strong cases.

**Structure:** The Report is well structured along a logical table of contents. It addresses all relevant questions of the approach paper and sometimes goes beyond (e.g. analysis of other donors’ concepts of Economic Governance).

**Process:** The process was defined and supervised by WEQA, in coordination with WEPO (resp. for the strategic positioning of SECO-WE in the area of Economic Governance) and operational colleagues from WEMU and WEIF. Timelines were kept despite additional desk review of specific projects in order to overcome the limitations, which were inherent in the set-up of the exercise. There was only one extension, namely a further round of comments between the final draft and the final report. This additional round improved the overall quality and comprehensiveness of the report.

**3) Report Findings**

WE is pleased about the evaluators’ finding that our projects overall contribute to improving Economic Governance in both the public and private sectors. On this basis, the review concludes that Economic Governance as a cross-cutting theme is relevant and should be maintained in the next Message on international cooperation 2017-20. In fact, the analysis and findings contained in the report will be useful as a basis, both in the Message and in internal documents (e.g. guidelines, factsheet etc.), for further improving and systematizing SECO-WE’s contribution to Economic Governance.

WE is satisfied with the overall assessment regarding the relevance of Economic Governance as a cross-cutting issue. We agree that sustainability can only be achieved through long-term engagement. We understand that measurement of impact in the area of Economic Governance is particularly difficult as comprehensive tools such as a results framework for Economic Governance as a cross-cutting issue or a concept on how to address the topic as a cross-cutting issue along the project cycle are absent. For example, Economic Governance can currently only be tracked by monitoring specific projects that contribute to Economic Governance due to their nature (ex. PMF, CSR, public utility management etc.). Despite these constraints, the ratings are generally positive. WE takes due note of the possible room for improvements of definition, applicability and measurement of Economic Governance. However, regarding the efficiency of the approach (i.e. Economic Governance as cross-cutting issue) the report findings do not substantially contribute to the institutional learning of SECO-WE. Similarly, the results obtained through the review – all of them stemming from individual projects – could not be aggregated and it was thus not possible to draw a general conclusion on the effectiveness of Economic Governance as a cross-cutting issue.

The discussion and analysis in the report highlight the complexity of many aspects of Economic Governance. The current approach is further complicated by the fact that Economic Governance is very close to SECO-WE’s core mandate and that thus many projects are specific governance projects (esp. macro-economic support), while other projects address the issue more indirectly, i.e. treat economic governance indeed as cross-cutting. We agree that the definition needs some clarification and that SECO-WE staff needs more comprehensive guidance. This guidance then needs to be disseminated internally and externally, i.e. to implementing partners.

An interesting finding consists in the observation that insisting on improving Economic Governance might have unintended effects in some cases. It might create resistance in partnering bodies (governments, institutions, service providers), as better governance reduces the possibilities for rent-seeking. It might also offer a chance to corrupt regimes for so-called window dressing, e.g. by participating at internationally recognized processes for more transparency or the fight against corruption without properly implementing them.
The recommendations are realistic, given the current context and constraints (small agency, already many processes in place, certain fatigue regarding new tools etc.) within SECO-WE, as they suggest an incremental process for improving the existing concept rather than suggesting additional measures like the creation of new tools.

4) Report Shortcomings and other Important Considerations

The Report is meaningful in its findings and is well received by SECO-WE. Limitations inherent in the set-up were declared from both the commissioning and the evaluating parties throughout the process and are thus not viewed as shortcomings.

However, it might have been useful if the evaluators had looked more broadly at the concept of a cross-cutting theme and if other available evaluations (incl. the one of Good Governance by SDC) were reviewed and used as reference materials. To systematically discuss the concept and definition of a cross-cutting theme, how such a concept is best implemented and what best practices can be observed could have been a value added for SECO-WE’s current reflections.

Regarding the stakeholder interviews, SECO-WE draws the lesson that all relevant stakeholders need to be systematically included in the process at all stages.

5) Summary assessment of Conclusions and next steps

SECO-WE’s draws the following main conclusions from the report and proposes to implement the following measures:

1) Strategic level: SECO-WE did and continues to contribute to the improvement of Economic Governance through its projects and programs; this leads to the conclusion that the existing strategic set-up is relevant and valid; it will thus be pursued in the next framework credit (Message on International Cooperation 2017-20)

2) Applicability of concept: While SECO-WE’s concept of Economic Governance is rather elaborate, its applicability on the operational level needs to be improved. The concept will thus be revised, made more operationally applicable and disseminated internally as well as externally (including implementing and other partners). The new guidance will be effective when the new framework credit enters into force.

3) The two cross-cutting issues need different levels of guidance, as Economic Governance is close to the institution’s core mandate while gender is less well rooted in SECO-WE. The lack of experience in the area of gender has led to the development of a detailed operational guidance, a workshop for operational colleagues and ongoing sensitization activities. For the area of Economic Governance, the creation of utterly new tools (such as a fully-fledged guidance) is not necessary. Measures as suggested in point 2 (and below in the table) will suffice for the improvement of Economic Governance as a cross-cutting issue.

4) Monitoring: By introducing a set of realistic measures, SECO-WE’s monitoring and evaluation system regarding Economic Governance as a cross-cutting issue can be improved in a relatively easy way. Measures such as assessment of standard indicators, collection of projects with tangible results in the area of Economic Governance and the introduction of specific question in the template for the Terms of Reference for evaluations will be implemented by 2017.
### 6) Report Recommendations

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<th>Recommendation</th>
<th>Management response</th>
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<tr>
<td>1) <strong>Clarifying</strong> SECO-WE’s definition of economic governance and “fields of action”</td>
<td>We agree that an update and more concise presentation of the existing material is necessary. This has to be done in a way that it can not only improve awareness and knowledge about EG, but also serve as a guideline for operational staff incl. implementing partners. Further, WEPO will collect more systematic information about which priority themes and business lines can contribute most to the improvement of EG.</td>
<td>WEPO</td>
<td>2016</td>
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<td>2) <strong>Identifying</strong> economic governance dimensions in SECO-WE’s priority themes</td>
<td>We agree that this work is necessary, not only for updating SECO WE’s concept on EG, but also in the light of the next Message on International Cooperation 2017-20.</td>
<td>WEPO in close cooperation with WEOP</td>
<td>2016</td>
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<td>3) <strong>Documenting</strong> considerations of economic governance in project design phase</td>
<td>We partially agree with this. While the project templates, both concept note and credit proposal, already foresee a section called “relevance” for specific comments on the cross-cutting themes, it is true that there is need for <strong>sensitization of operational colleagues on all levels</strong> (program managers, focal points controlling, heads of divisions, operations’ committee). Program managers will then be able to better and more systematically indicate to which area of EG their project can contribute.</td>
<td>WEOP, WEQA, WEPO (evtl. together with WELG → CSIR)</td>
<td>2016</td>
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<td>4) <strong>Promoting shared understanding</strong> of EG among all stakeholders</td>
<td>We agree. Once a more comprehensive operational guidance is developed, it will be shared with our cooperation offices in SECO-WE’s partner countries. The field representations will be encouraged to share the documents with implementing and other partners (ex. by use of the factsheet on Economic Governance).</td>
<td>WEPO</td>
<td>End 2016</td>
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<td>5) <strong>Integration</strong> into evaluation matrices.</td>
<td>We agree with this recommendation. We will implement this recommendation by developing specific bullets to be added to the template used to draft ToRs for evaluations.</td>
<td>WEQA</td>
<td>2016</td>
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<td></td>
<td><strong>More formal tracking of economic governance</strong></td>
<td>Partially agree. While projects directly contributing to improving economic governance will also have respective indicators, it is true that EG as cross-cutting issue needs to be better integrated into existing monitoring tools such as the log-frame and monitoring reports. However, it is not realistic to set up a new procedure or fully-fledged monitoring system.</td>
<td>WEQA</td>
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<td></td>
<td><strong>Influencing the global discussion on Economic Governance</strong></td>
<td>Partially agree. While SECO-WE takes note that due to its advanced and elaborate concept of Economic Governance it could indeed foster or even lead an international discussion on the development relevance of Economic Governance, resources are currently quite restricted. We keep this recommendation in mind and will explore possible ways to participate at the international discussion. One possible way forward could be to include the division for multilateral cooperation (WEMF) in the sensitization on EG, so that they may take it up with multilateral organizations. It will also be important to clarify to what extent SECO-WE could and should participate at SDC’s governance network (which communicates with the OECD/DAC gov-net)</td>
<td>WEPO</td>
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Berne, May 2015

Beatrice Maser Mallor  
Head, Economic Cooperation and Development Department

Catherine Cudré-Mauroux  
Head, Policy and Quality
Position of the External Committee on Evaluation on the
Independent Review of “SECO/WE’s Cross-Cutting Theme “Economic Governance”, and
SECO/WE Management Response

1. Members of the External Committee on Evaluation (the Committee) discussed on June 18, 2015 in Bern the Independent Review of SECO/WE’s Cross-Cutting Theme “Economic Governance” prepared by Mariana Trivunovic and Deniz Eröcal (the Review) as well as the associated Response by SECO/WE’s Management to its main findings and recommendations (the Management Response).

2. The Committee welcomes this Review as it focuses on the key cross-cutting topic of economic governance that is at the core of SECO/WE main mandate and operational activities. In the Message on Swiss international cooperation 2013-2016, SECO/WE defines economic governance as follows: “Economic governance refers to all forms of control (institutions, regulatory and legal systems as well as standards) that have a positive influence on the establishment of economic order. It entails a conscientious promotion of effectiveness, non-discrimination, legitimacy and responsibility as well as the transparency of economic trade and responsibility with regard to the influence on human rights, particularly in countries with a weak rule of law or high risk of conflict. Enforcing these rules and procedures not only helps to create a stable economy that promotes growth and employment but also acts an effective means of fighting corruption.” Moreover, SECO/WE makes a clear distinction between economic governance and other types of good governance, namely political governance and civic governance. The definition of economic governance has been operationalized into specific actions both at the public sector level (public financial management; taxation and pricing system; integrity of monetary and financial systems; and, transparent institutions and rules governing national and international trade) as well as the private sector level (corporate governance and corporate social responsibility).

3. The Review’s main findings and recommendations are of great importance not only to the Committee but also to parliamentarians, academic institutions, private companies, media, NGOs and public opinion. The Review is grounded on an analysis of some twenty different SECO/WE project/sector evaluations from SECO/WE four operational divisions, spanning form the 1980s to the present. The Committee is aware that the Review has some methodological limitations, the principal being the lack and unevenness of relevant data and the limited sample size. The Review is based on an independent analysis of existing evaluations, rather than direct data collection, where the term “economic governance” was not always the primary objective of each of the assessed projects. Because of such substantial limitations, this Review does not represent a full-fledged independent evaluation. Despite these limitations the Review is of good quality and very useful as it includes a number of valuable findings and stimulating forward looking recommendations. They will be very valuable when drafting the new Message on Swiss international cooperation 2017-2020 to be submitted for approval to the Federal Council and successively in 2016 for ratification to the Federal Parliament.
4. The Committee welcomes the very positive Review’s assessment on SECO/WE’s overall strategic approach to economic governance as compared to other equivalent international donors. “SECO/WE is one of the development cooperation bodies that have gone furthest in thinking about economic governance as a key factor to achieve development objectives such as raising productivity and employment or reducing poverty in partner countries.” (…) “Few other donors focus on economic governance as such and as distinct from governance in general.”(…) (…) there is no evidence for any of the other donors from advanced economies having made an effort to define and articulate an approach to economic governance support at an overall strategic framework level in a way comparable to SECO/WE’s. (…). The Committee regrets that, because of these limitations, the Review could not benefit from other donors’ experience to assess SECO/WE’s strategic approach. The Committee encourages SECO/WE to promote in its activities a shared understanding of economic governance among all its operational divisions as well as partners and stakeholders.

5. The Review highlights an important finding: the relatively strong correlation between the relevance of economic governance in project design and implementation on one side and observable positive effect of economic governance actions on the other side. According to the Review SECO/WE projects that score “high” in the “economic governance effect” category are generally always also of high relevance. Overall, when economic governance objectives are explicit in project design, they tend to produce positive effects. The Committee stresses the strategic importance of this correlation. It notices that this finding coincides with one of the main findings of the 2014 independent evaluation of Corporate Development of Public Utilities. This latter evaluation recommends that project approach should be performance-based, corporate development measures should start earlier in the project cycle and ownership and commitment of the recipient public utilities are key success factors and should be cultivated. The importance of this aspect was underlined in the SECO/WE Annual Report on Effectiveness 2014. A note of realism and caution is nevertheless warranted: the economic governance dimension – as essential as it is for success – has proven challenging to promote economic governance across developing and transition countries with very distinctive features of political economy. In spite of the challenge, it is increasingly clear that sound project design with explicit objectives is essential to generate positive outcomes, also as regards cross-cutting themes.

6. The Committee shares Management’s view about the significance of the thought-provoking Review’s finding that insisting on improving economic governance might have unintended consequences in some country settings and specific cases. It might create resistance in partnering bodies as better governance reduces the possibilities for rent-seeking and corruption. It might also offer a chance to corrupt regimes for so-called window-dressing, e.g. by participating at internationally recognized processes for more transparency and accountability or the fight against corruption without properly implementing them. On the latter aspect the Committee shares the concern expressed by the Review that insufficient attention to corruption in utilities projects and other projects may not only reduce the sustainability of SECO/WE investments, but there are additional societal risks of further entrenching corrupt practices and corrupt elites. For instance, if not sufficiently rigorous, initiatives such as the Extractive Industries Transparency Initiative (EITI) risk legitimizing as “clean” highly corrupt regimes, especially in oil-, natural gas- and mineral-producing countries.

7. The Committee broadly agrees with the recommendations included in the Review for a relatively “light” agenda for incremental reform of SECO-WE approach to economic governance as a cross-cutting theme. It welcomes SECO/WE’s Management Response, which is basically in agreement with the main Review’s recommendations, and the proposed measures for improving its approach to economic governance. It encourages SECO/WE’s Management to outline a suitable baseline data to monitor through realistic
standards indicators the implementation of the recommended measures. On lessons learned and implications for future SECO/WE’s projects in order to maximize their implementation performance the Committee recommends additional analysis on potential synergies of economic governance interventions, improved policy dialogue with partners -- including on potentially unpopular policy measure -- and well-targeted capacity and institution building.

8. The Committee considers that the key importance of economic governance for sustainable development and the internationally recognized expertise of SECO/WE in this core-area have not been emphasized enough in the draft SECO/WE’s Message for economic cooperation 2017-2020. It recommends therefore strengthening this aspect as well as the main Review’s findings and recommendations in the next draft. After all, economic governance can be considered as one of SECO/WE’s key development objectives and the institution’s “raison d’être”, even beyond the definition of a cross-cutting theme.

9. The Committee believes that the future evaluation of the cross-cutting theme “Gender” could benefit significantly from the Review. It recommends SECO/WE’s Management to check the existing database on gender and take appropriate measure to improve its coverage and reliability.

10. In conclusion, the Committee recommends the disclosure of the Review of SECO/WE’s Cross-Cutting Theme “Economic Governance” as well as the SECO/WE’s Management Response and the Position of the External Committee on Evaluation on SECO internet website.

Chairman a.i. of the External Evaluation Committee:
Pietro Veglio

Committee members:
Felix Gutzwiller
Thomas Meyer
Katharina Michaelowa
Bruno Stöckli
Daniel Thelesklaf
Review of SECO-WE’s Cross-Cutting Theme
“Economic Governance”

FINAL
5 May 2015

Deniz Erőcal
Marijana Trivunovic (Team Leader)
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**Abbreviations**

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<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<td>CG</td>
<td>corporate governance</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<td>CSR</td>
<td>corporate social responsibility</td>
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<td>DFID</td>
<td>Department of Foreign and International Development (UK)</td>
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<td>EG</td>
<td>economic governance</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>NORAD</td>
<td>Norwegian Agency for Development Cooperation</td>
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<td>PEFA</td>
<td>Public Expenditure and Financial Accountability</td>
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<td>PFM</td>
<td>public financial management</td>
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<td>SECO-WE</td>
<td>State Secretariat for Economic Affairs, Economic Cooperation and Development Division</td>
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<td>Sida</td>
<td>Swedish International Development Agency</td>
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<td>SIFEM</td>
<td>Swiss Investment Fund for Emerging Markets</td>
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<td>SME</td>
<td>small and medium enterprise</td>
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Executive summary

The present Review of SECO-WE’s cross-cutting theme “Economic Governance” was commissioned in December 2014 for accountability and learning purposes. The objective was to assess the extent to which SECO-WE programs and projects have contributed to economic governance, and to provide recommendations and lessons learned in terms of how to integrate economic governance in the next Message on International Cooperation (2017-2020).

The Review is based on an analysis of some twenty different SECO-WE project/sector evaluations from SECO WE's four operational divisions, spanning the 1980s in some cases to the present. The full list and principal characteristics of reviewed projects are shown in Annex 1. The variety of interventions under consideration, reliance on secondary data found in evaluation reports that focused on other project objectives, and the limited sample size constitute the key methodological constraints in drawing conclusions about results in promoting economic governance. The findings on performance must therefore be considered indicative rather than representative. However, the assessment of SECO-WE's strategic framework to promote economic governance is made with a high degree of confidence.

Switzerland’s strategic framework for fostering better economic governance

The Economic Cooperation and Development Division of the Swiss Confederation’s State Secretariat for Economic Affairs (SECO-WE) is one of the development cooperation bodies that have gone furthest in thinking about better economic governance as a key factor to achieve development objectives such as raising productivity and employment or reducing poverty in partner countries.

To that end, SECO-WE has developed a straightforward and intuitive definition of economic governance, and identified the areas of its operations that contribute most to economic governance, both in the public and private sphere (noted on p. 8). Economic governance is considered a cross-cutting issue that reinforces all other thematic priorities (p. 10), which implies that economic governance dimensions are considered and pursued when relevant and feasible in projects across all operational divisions.

However, achievements in the area of economic governance are not systematically tracked (e.g. with standard indicators). This renders it difficult to discern economic governance outcomes in external and independent evaluations, which rely on the formal results frameworks to assess performance on explicit objectives at output, outcome and impact levels.

Findings from reviewed projects

Overall, this Review has found evidence of SECO-WE contributions toward economic governance throughout the reviewed project sample. The evidence base consists of examples (a number of which is highlighted in this report), which cannot be quantified at an aggregate level. This Review has therefore attempted to discern more general performance patterns through a different approach: by mapping the distribution of the analyzed projects in terms of the extent of the economic governance dimension discernible therein (“relevance”) and the observable positive effects on economic governance (“effect”). The result is displayed in Table 1 on p. 18.

The map demonstrates a strong correlation between “relevance” and “effect”; projects that scored “high” in the “effect” category are nearly always also of high relevance. Only one of total ten high effect projects was categorized as being of medium relevance, and there were no low effect scores for the high relevance group. This finding implies that, to better demonstrate the
contribution to strengthening economic governance, the relevant objectives should be more explicitly articulated.

The Review has further identified a correlation between addressing economic governance and sustainability of project investments, particularly in instances where economic governance concerns serve other project objectives, ranging from improving public utility services to private sector development. This finding highlights the value of the cross-cutting approach in promoting economic governance and suggests that its application should be further strengthened.

Policy dialogue along with institutional- and capacity-development investments also emerged as key approaches in promoting economic governance outcomes, particularly in projects that pursued other main objectives. More sustained and longer-term engagement was another key factor in improving economic governance.

It was not possible to reach overall conclusions about economic growth, poverty reduction or corruption impacts of SECO-WE’s economic governance-related projects due to limited data in this regard. While a discussion of corruption was nearly completely absent from evaluation reports, a number of them provided examples of potential positive impact on growth, poverty reduction, and human development, while duly noting the difficulty of attributing results at that level.

Few general conclusions can be made about factors affecting project efficiency, with no definitive patterns emerging from the project sample in connection with performance of, for instance, regional vs. national projects or bilateral vs. multilateral modalities. Synergies with SDC have been noted in some project evaluations as well as synergies between SECO-WE’s global, regional, and bilateral initiatives, but as the nature of interactions was not described in detail in the evaluations in question, further analysis was not possible.

The Review was able to reach some conclusions on how the SECO-WE contribution to economic governance can be further strengthened.

While SECO-WE’s strategic framework on economic governance appears more sophisticated than that of other donors, there are nevertheless some practical difficulties in applying it in specific development projects. The challenges can be found at three main levels which are inter-related:

- Ambiguities in the definition of economic governance and limitations in the articulated economic governance “fields of action”;
- Decision not to explicitly track economic governance as a cross-cutting issue and the resulting absence of a measurement framework to assess and describe results; and,
- Limited awareness of SECO-WE’s economic governance definition and approach among project stakeholders and in particular in evaluations.

Addressing these challenges does not require fundamentally revising SECO-WE’s definition and approach on economic governance, but rather further elaborating the existing framework in an incremental way.

**Recommendations**

This Review recommends that SECO-WE’s first response in improving its economic governance-related performance involve more explicitly articulating the economic governance dimensions of its initiatives. It advises an agenda for gradual reform of its approach, consisting of the following elements:
• clarifying the operational implications of the definition of economic governance, which may involve expanding the defined “fields of action”;

• screening priority themes and business lines to clearly articulate the economic governance dimension (ideally, corresponding to economic governance “fields of action”) in various business lines;

• promoting greater rigor in documenting how economic governance considerations are applied at the project design/selection phase, including explicitly noting the applicable economic governance “fields of action” in project documents, and reflecting these considerations in external and independent evaluations; and,

• promoting a shared understanding of economic governance among all stakeholders in SECO-WE projects.

Such an approach would help make visible the economic governance results of existing projects, which may be sufficient to describe and assess results. A number of thematic priorities defined in Switzerland’s Message on International Cooperation 2013-16 comprise issues that are in fact aspects of economic governance. This applies to, for instance, efforts to strengthen public financial management in partner countries or promote corporate governance. For other areas of engagement, an economic governance dimension exists within a broader objective: for instance, in regulatory reforms necessary to promote a business enabling environment. In identifying these links explicitly, it may be possible to reference the results of these initiatives to describe economic governance results as well.

This Review recommends starting with definitional clarifications and minor operational changes noted above, then reviewing the outcomes before moving forward. Once the initial steps are implemented, an evidence base should begin to emerge to illustrate the effects of projects on economic governance. If the resulting reporting is still deemed insufficient, additional investments can be made to develop a more formal measurement framework at the next stage.

At a more ambitious level and with a longer-term view, SECO-WE could consider exploring the possibilities in upgrading the global infrastructure for monitoring economic governance. This would involve dialogue with partners and support for analytical activities to develop an impact level indicator matrix using available data on various aspects of economic governance (especially on PFM, Governance Indicators, regulatory quality and reform, doing business indicators, SME and entrepreneurship outcome indicators, transition indicators, etc.) produced by a range of intergovernmental agencies as well as non-governmental bodies. The task is beyond the means of any single agency, but SECO-WE could take the lead in reaching out to like-minded donors and relevant international organizations to promote fresh thinking on the issue.
1. Introduction

The present Review of SECO-WE’s cross-cutting theme “Economic Governance” was commissioned in December 2014 to assess the extent to which SECO-WE’s programs and projects have contributed to improving economic governance, and to provide recommendations and lessons learned in terms of how to integrate economic governance in the next Message on International Cooperation (2017-2020).

The specific objective of the Review is to assess SECO-WE’s approach to economic governance for accountability and learning purposes, in particular to:

- Assess the appropriateness of SECO-WE’s approach to promote economic governance (in terms of relevance, effectiveness, efficiency and sustainability);
- Assess the direct and indirect effects of a sample of evaluated projects on economic governance (in terms of relevance, effectiveness, efficiency and sustainability);
- Extract lessons learned and best practices regarding the approach to and the implementation of SECO-WE's specific economic governance activities;
- Provide recommendations on SECO-WE's operational activities for a more relevant and more effective work on economic governance; and,
- Provide recommendations on SECO-WE's future strategic approach to economic governance.

1.1 Scope

For SECO-WE, economic governance has been a cross-cutting issue since 2009, which implies that all projects and programs should systematically analyze their potential direct and indirect contribution to economic governance. Thus, projects from all four operational divisions were considered for this Review. More specifically, within each priority theme of the SECO-WE framework credit in the Message on International Cooperation 2013-16, one or two business lines have been identified which have an effect on economic governance. These are noted in detail in section 2.3 below. Projects from priority theme “Fostering of climate-friendly growth” were not considered for this Review since it was newly introduced in the Message on International Cooperation 2013-16 and there were very few evaluated projects with the main focus on fostering climate friendly growth.

The Review is based on an analysis of evaluations of SECO-WE projects ranging from the 1980s in a few cases, to those that have been only recently evaluated. The pool of evaluations for consideration was selected from all existing external projects/program evaluations since 2005, when systematical filing of evaluations started, up to the most recent evaluations undertaken in 2013.

As evaluations are always retrospective, none of the selected projects was designed under the current Message on International Cooperation 2013-2016. But as economic governance was a cross-cutting theme in the previous messages on international cooperation, it appeared acceptable to assess those evaluations of earlier projects against the objectives and approach as it is defined in the current Message.
1.2 Review methodology

This Review is based on an analysis of evaluations and a select number of other project documents of 20 sample “project units” selected by reviewers from a broader pool of 36 projects according to the following criteria:

- Quality and extent of data in evaluation reports;
- The extent to which economic governance is an objective of the project;
- Potential lessons; and,
- Distribution across thematic issues (“EGfields of action”).

The reviewers also attempted to strike a balance between projects addressing similar objectives and distribution among different themes. That said, certain fields of action had a greater thematic or typological variety in projects, which the reviewers attempted to preserve. In the end, 20 distinct project units were included in the review.

The term “project units” is used to convey that in certain instances, multiple related projects are considered together as a single unit. The related projects typically reflect multiple phases of an initiative or broadly similar initiatives implemented in different locations.

An overview list of selected projects is provided as Annex 1.

Each project was reviewed on the basis of questions set out in the Approach Paper (Annex 5), which served as the main framework for analysis. These questions were judged by the reviewers as well adapted to capture the specific challenges of assessing cross-cutting themes.

1.3 Limitations

A number of limitations impacted the extent of the findings in this review, the principal being the lack and unevenness of relevant data. The data deficiency stems from a number of factors, as follows.

One, the present analysis is based on a review of existing evaluations, rather than direct data collection. In this respect, the findings are limited by concerns of the original evaluations.

The term “economic governance” does not appear at all in the bulk of the evaluation reports. However, in many projects, specific thematic areas that contribute to economic governance constitute explicit project objectives, and much of the data contained in the evaluations of those projects was relevant for the present review. For other projects, improving economic governance was a means to achieving other economic development objectives, and in these cases, the main findings of the evaluations were not fully relevant for the present Review.

Two, the range of projects covered by the evaluations was rather diverse, including:

- Eighteen evaluations of specific projects. One of these was a complex project spanning different fields of action (Mekong Private Sector Development Facility, with multiple

\[1\] The two exceptions to this general observation are two sector evaluations noted in the first bullet point, above, where the concept is discussed directly, presumably in response to questions posed in the terms of reference.
subsidiary projects on corporate governance, taxation, capital markets, etc.). Others
tended to focus on a single business line.

• As already noted, the projects also differ in the sense that improving economic
  governance is the primary project objective in some, whereas it is a means or
  complementary to other project objectives in others.

This diversity limits the comparability of the data, as well as the level of detail contained within
each evaluation report.

Finally, the projects under review were selected on the basis of quality of evaluations, so that
lessons could be more readily captured, and are not necessarily representative of SECO-WE
activities as a whole. Therefore, our findings cannot establish the degree to which SECO-WE was
able to utilize the potential to advance economic governance in its projects across its portfolio,
but they do provide an understanding of the challenges and opportunities to improve results.
2. SECO-WE's overall strategic approach to economic governance

Arguably, SECO-WE is one of the development cooperation agencies worldwide that has gone furthest in thinking about the implications governance on economic outcomes (such as increasing productivity and employment or reducing poverty) that it is striving to promote. It has at the same time created a rather detailed and multi-dimensional framework for identifying what constitutes governance assistance. In the process, it has brought to the fore the concept of "economic governance", which is distinct from governance as such. The term "economic governance" is infrequently used worldwide, and, as will be seen in section 3.1, is not systematically used even in SECO-WE's own aid projects and their evaluations.

SECO-WE's advanced level of conceptualization on economic governance makes it possible to analyze and critique their approach at some level of detail. It also enables an analysis of their project experience to see how effectively their economic governance framework can be operationalized (this is done in Chapter 3). Any critique of the framework in this Review is above all a reflection of the high benchmark they have set for themselves in this area.

SECO-WE's strategic framework for economic governance is the outcome of a well thought-through effort to situate it within a logical process, articulating:

- SECO-WE's role within the Swiss Confederation's strategic framework for economic development cooperation (Message 2013-16, Figure 2, p.7),
- The Priority Themes and business lines of SECO-WE's work,
- An explicit definition of economic governance, differentiated from political governance and civic governance,
- An explicit identification of economic governance "fields of action" which correspond to the types of governance dimensions SECO-WE is striving to affect.

2.1 Definition of economic governance

SECO-WE offers an explicit definition of economic governance, which is intuitively easy to grasp, and can be interpreted as all forms of control (and changes to them) which have a positive effect on otherwise market-based, voluntary economic interactions:

Economic governance refers to all forms of control (institutions, regulatory and legal systems as well as standards) that have a positive influence on the establishment of economic order. It entails a conscientious promotion of effectiveness, non-discrimination, legitimacy and responsibility as well as the transparency of economic trade and responsibility with regard to the influence on human rights, particularly in countries with a weak rule of law or a high risk of conflict. Enforcing these rules and procedures not only helps to create a stable economy that promotes growth and employment but also acts an effective means of fighting corruption.

(Message on International Cooperation 2013-2016, §4.5.2).

SECO-WE differentiates economic governance from other types (or "pillars") of good governance, namely political governance and civic governance. While SECO-WE clearly focuses on economic governance, there are obviously overlaps with the other dimensions, and the distinction is intended to provide the necessary differentiation in terms of applying good governance principles to SECO-WE spheres of activity.

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2 The concept of economic governance was present as early as Switzerland's previous Message on International Cooperation (2009-2012).
The overall definition of economic governance is further elaborated into specific themes (“fields of action”) as they relate to the public and private sectors.

**Economic governance “fields of action”**

<table>
<thead>
<tr>
<th>Public sector:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sound, responsible and transparent management of public finances, including at the level of public corporations and the semi-private agencies of public services (“public financial management”, PFM)</td>
</tr>
<tr>
<td>Introduction of a taxation and pricing system that is transparent, fair and efficient, also with respect to the management of economic rent (e.g. intergenerational sovereign wealth funds)</td>
</tr>
<tr>
<td>Integrity of monetary and financial systems</td>
</tr>
<tr>
<td>Simple and efficient regulation of the business environment for companies (administrative regulations such as licenses and permits, labour law, property law, financial regulations, contract law, framework for bankruptcies and commercial courts, legal framework for investment)</td>
</tr>
<tr>
<td>Promotion of transparent institutions and rules governing national and international trade</td>
</tr>
<tr>
<td>Transparent institutions and rules for managing the public and parapublic sector and for accountability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private sector:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance (CG)</td>
</tr>
<tr>
<td>Corporate social responsibility (CSR)</td>
</tr>
</tbody>
</table>


Noteworthy in the descriptions of the specific “fields of action” is the emphasis on transparency. This appears to be a reflection of the wish to demonstrate that the five basic principles of good governance (transparency, impartiality, participation, accountability and efficiency) are the dimension that renders SECO-WE’s interpretation of economic governance distinct. This Review interprets the emphasis to mean that, if a definitional uncertainty arises, good governance principles should serve to help decide whether a certain field of action is comprised in the notion of economic governance.

**2.2 Other donors’ approach to economic governance**

Few other donors focus on economic governance as such and as distinct from governance in general. And a cursory search (with selected examples cited below) suggests that none seem to have defined it in as detailed a manner as Switzerland. A typical approach takes the form of rather general statements, such as the following: “DFID's investment in governance aims to support the development of capable, accountable and responsive states that provide security, enable growth, reduce poverty and improve the delivery of public services” (DFID 2011).

NORAD refers to the concept of "democratic and economic governance" in some of its recent aid activities (e.g., "Strengthening Capacity for Democratic and Economic Governance in Malawi") and has education projects promoting research on economic governance matters ("Capacity building in Education and Research for Economic governance"). Its approach is to some extent similar to SECO-WE's in that it considers private sector development and the promotion of social and environmental standards as elements of good governance. A recent self-evaluation of the Norwegian aid treats "environmental, social and governance" issues as an interrelated set (using the acronym "ESG") for analyzing risks in their investment projects (NORAD 2015).
Recent USAID assistance in transition economies like Ukraine has a specific focus on "economic governance" encompassing support to business environment reforms, economic attractiveness at the local level, delivery of communal services and reduction of regulatory barriers to trade, which to some degree parallels SECO-WE's "EG fields of action". Economic governance was also a significant component of US assistance to post-conflict countries such as Afghanistan and Iraq during the last decade or so, and typically encompassed support to tax, fiscal, and customs reforms, banking sector development, commercial law and institutional reform as well as utilities and regulatory reform.

Australia carries out regular reviews of its performance as a donor in the area of economic governance. And, while it does not seem to have invested in defining it, its objectives in this area appear comparable to SECO-WE's, albeit without an emphasis on the good governance dimension: "Although there is no document that explicitly articulates the economic governance objectives of the aid program, Australia's aid to improve economic governance has three broad objectives:

- improving government fiscal and financial management through the provision of technical assistance,
- supporting private-sector development, again through the provision of technical assistance,
- improving economic governance through the use of performance-based approaches."
(AusAID 2008)

Contributions to specific economic governance “fields of action” are more common. Most major donors support PFM-related assistance, for instance. A joint review of PFM-related activity of Canada (CIDA), the Netherlands, Sweden (Sida), the UK and African Development Bank, conducted by DFID (2009) provides a comprehensive overview on the contribution of PFM to good governance and underscores the complementarities between donors.

Examples of how other major donors made use of the concept of economic governance (as distinct from governance as such) can be multiplied. However, there is no evidence for any of the other donors from advanced economies having made an effort to define and articulate an approach to economic governance support at an overall strategic framework level in a way comparable to SECO-WE's.

As there is little evidence of other donors having thought about economic governance aid at a strategic level, and without an in-depth study of donors’ actual practices, this Review cannot hope to benefit from their experience to assess SECO-WE's approach. Any identified challenges will be addressed through extending the internal logic of the existing strategic own framework.

2.3 Strategic approach: priority themes, business lines, and cross-cutting issues

SECO-WE's action is organized through five priority themes that contribute to the objectives of Switzerland’s international cooperation. The priority themes are further subdivided into business lines (“action areas”), which more or less correspond to different types of expertise brought to bear. The priority themes and business lines are listed below and described in detail in the Message 2013-16 (§4.3). This Review is based on an analysis of specific projects from those business lines marked with an asterisk (*).

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3 “The strength of the performance-based approach is its recognition that poor economic performance often has nothing to do with weak technical capacity. If capacity is not the binding constraint on growth, strengthening it may have no effect: good advice may be given but not heeded; good policies may be developed but not implemented. Put differently, if the right incentives are in place, the productivity of technical assistance can be greatly enhanced" AusAID 2008, p.23.
SECO-WE priority themes and business lines

I. Strengthening of economic and financial policy
   1. Economic reforms and fiscal policy improvements (*)
   2. Promotion of a stable and extensive financial sector (*)

II. Expansion of urban infrastructure and utilities
    1. Reliable energy supply (*)
    2. Sustainable water supply, wastewater and solid waste management (*)
    3. Integrated urban infrastructure development

III. Support for the private sector and entrepreneurship
     1. Improving the business environment for companies (*)
     2. Access to long-term investment capital (*)
     3. Improving entrepreneurial skills (*)

IV. Promotion of sustainable trade
     1. Framework conditions for sustainable trade (*)
     2. International competitiveness of producers and SMEs (*)
     3. Market access for sustainably produced goods and services

V. Fostering of climate-friendly growth
    1. Energy efficiency and renewable energy sources
    2. Sustainable management of natural resources
    3. Promotion of favorable framework conditions as well as financing and market mechanisms in climate protection

Specific SECO-WE divisions are responsible for the respective priority themes. Economic governance, on the other hand, is a cross-divisional responsibility: “Good economic governance concerns the entire programme and is therefore treated as a cross-cutting theme throughout the full range of economic and trade policy measures” (Message 2013-16, §4.2). While the value of good governance in and of itself is acknowledged, the accent in SECO-WE’s activity is to bring to bear its positive effects on the achievement of other goals.

However, there are no concrete performance objectives for economic governance, and like the other cross-cutting theme “gender”, it is not tracked with standard indicators. The reasoning informing this decision concerns the difficulty in defining standard indicators for the measurement of the effects of SECO-WE projects on economic governance. Instead, the effects would be measured through regular monitoring of projects with an economic governance dimension.

2.4 Analysis of the strategic approach

Overall, there is no doubt that SECO-WE has made a significant effort to define economic governance (as distinct from governance) and articulate a specific approach to making use of it (as a cross-cutting theme that is supposed to reinforce all its priority themes).

Two observations emerge from the initial analysis of the conceptual framework and approach.

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4 While priority theme V “Fostering of climate-friendly growth” may well contain an economic governance dimension, it was not considered for selecting evaluations subject to this Review as it was newly introduced in the Message on International Cooperation 2013-16 and there are very few evaluated projects with the main focus on fostering climate friendly growth.
One, the definition of “cross-cutting” is somewhat ambiguous, potentially having contradictory meanings: it is always kept in mind, and always applied, vs. it is in the back of the mind, and applied when possible (i.e., it is, in a way, optional). The framework provides no specific guidance on how the cross-cutting principle is to be applied. This Review interprets it to imply “pursued explicitly in all cases where it is relevant and feasible”.

Two, articulating “EG fields of action” appears to an effort to translate the general definition of economic governance into specific operational issue areas. Considered together with priority themes/business lines as “pillars” of SECO-WE actions, such a conceptualization economic governance evokes a horizontal/vertical matrix within which all projects would be located.

The conceptual framework suggests that “EG fields of action” are the thematic categories of economic governance-related project components that would be the subject to the present analysis, and that the totality of interventions under the various “EG fields of action” amounts to SECO-WE’s economic governance “portfolio”. Further, because effects on economic governance are to be measured through projects with other objectives, such a framework raises the additional expectation that project components addressing economic governance through “EG fields of action” would be identified as such, even if they are not formally tracked with standard indicators.

In the next section, this Review will consider how effectively the outlined approach is applied in practice.
3. Application of the strategic approach: findings from project evaluations

The findings presented in this section examine the application of the strategic framework in a sample of SECO-WE projects and seek to respond to key review questions raised in the Approach Paper (Annex 5).

3.1 Definitional lessons

3.1.1 Stakeholder awareness of economic governance and alignment of approaches

Whereas within SECO-WE the concept of economic governance is quite well-established and clearly recognized, the Review has found no evidence of recognition of the concept by partners in the projects reviewed, much less an articulation of an “approach”.

This finding should not come as a surprise considering that, as noted in the section 2.2 above, “economic governance” is not as developed or commonly used concept among the donor community. The term seldom appears in 37 projects evaluations that have been subject of in-depth or cursory review. Notable exceptions to this trend are the independent evaluation of Financial Sector Reform efforts (#19) and the meta-evaluation of Business Environment Reform business line (#37), where it was presumably specified as an issue for consideration.

The OECD (DAC) Development Co-operation Peer Review of Switzerland 2013 refers to “governance” only. Although SECO-WE’s 2003 report Economic Governance at the Heart of SECO’s Action on Economic Cooperation in Development (the only reference to the full term of economic governance) is cited in its bibliography, DAC peer reviewers do not seem to be aware of the emphasis given by SECO-WE to economic governance.

By contrast, there is overall high awareness of the value of different “EG fields of action” that SECO-WE defines. It might be said that each project seems aware of its specific aspect of economic governance (e.g., corporate governance vs. PFM vs. CSR, etc.).

To the extent observable in evaluations, projects tend to articulate the various “EG fields of action” as being in the service of economic development objectives overall, and with less emphasis on good governance aspects (i.e. transparency, accountability) than it is articulated in the SECO-WE definitions of those fields. In particular, “standards” themed projects (on corporate governance or on corporate social responsibility) promote the respective approaches as means to improve competitiveness, productivity, and profitability, rather than on ethical grounds — an approach that appears pragmatic and reasonably effective.

Two broad categories of exceptions apply to this general observation about high awareness of specific economic governance “fields of action”.

One, awareness of the merits of specific economic governance objectives is limited in projects that aim to, inter alia, raise awareness of various dimensions of economic governance. This observation would apply in particular to multilateral dialogue initiatives or other efforts to promote corporate governance or good practices in public financial management, or initiatives that promote corporate social responsibility, including labor standards. The finding is unsurprising and logical: if awareness of good corporate governance or corporate social responsibility standards were not limited, there would be no need for awareness-raising actions.

Two, a lack of awareness may be a factor of “insufficient political will” of the beneficiary to implement recommended reforms, which was an issue signaled in projects on PFM reform and
public utilities, or to the reluctance by some enterprises to apply CRS standards. In the latter (CRS projects) in particular, it was explicitly noted that some potential project participants did not agree to take part in the trainings because they did not understand the benefits to be accrued through applying better practices. In utilities projects on the other hand, the lack of political will by government counterparts to implement measures such as viable tariffs reads far more as a reflection of narrow political interests, and risks to them inherent in implementing unpopular reforms, rather than a lack of awareness that such measures were necessary for the survival of the companies in question.

3.1.2 Applying the definitions of economic governance in practice

SECO-WE projects do not explicitly specify the components contributing to the cross-cutting issue of economic governance. Hence, identifying those within the project review sample was the first task of the Review. This was the basis for all further analysis of effects and additionality, but it posed a challenge for two main reasons: levels of information contained in the evaluations, and definitional ambiguities.

The information challenge relates to the fact that the Review was based on evaluations rather than project documents, where not all project components were described in detail. When actions contributing to economic governance were only a means to achieving another development objective—for instance, when regulatory reform is required to assure access to credit for SMEs—it was often quite difficult to discern in evaluations, particularly in large multi-project multi-country initiatives. (On the other hand, when a project objective clearly corresponded to an “EG field of action”, the economic governance-related component was clear.)

A second challenge emerged in the attempt to link project components with corresponding economic governance “fields of action”. In certain cases, the Review encountered unclear definitional boundaries that rendered it difficult to categorize a particular reform action as contributing to economic governance. These identified ambiguities are described in relation to Priority Themes and business lines below.

Priority theme I, “Strengthening economic/ financial policy”, included the following projects:

Under business line 1, “Economic reforms and fiscal policy improvements”
17. Policy Analysis Department Tanzania
18. Public Expenditure & Financial Accountability PEFA
20. Public Expenditure Management Peer-Assisted Learning (PEM PAL)
21. The African Technical Assistance Centers (AFRITAC East)
23. World Bank Debt Management Facility

Under business line 2, “Promotion of a stable and extensive financial sector”
19. Financial Sector Reform in Developing and Transition Countries

The definitional aspects were clear for all projects under this priority theme, as their objectives correspond to “EG fields of action” “integrity of monetary and financial systems” and “public financial management”. The single definitional issue that emerged is that the specification of “public financial management” and “integrity of monetary and financial systems” does not recognize the full range of macro-economic policy aspects, including fiscal, debt policies, which was the theme of project #17 Policy Analysis Department Tanzania. We believe that these macro-economic policy themes constitute an integral part of economic governance and suggest that there is merit in explicitly recognizing them among the “EG fields of action”.

13
Priority theme II, “Urban infrastructure and utilities”, included the following projects:

Under business line 1, “Reliable energy supply”
  14. Energy Sector in Eastern Europe and Central Asia

Under business line 2, “Sustainable water supply, wastewater and solid waste management”
  13. Corporate Development of Public Utilities
  33. Water Task Force Kosovo
  36. Karakol Water Supply Project (Kyrgyzstan)

Most of these projects were classified under the “Transparent institutions and rules for managing the public and parapublic sector and for accountability” field of action. However, our conclusion is that transparency was not the focus of the majority of actions, nor the most relevant aspect of beneficiary needs.

With the exception of Project #33 Water Task Force Kosovo, where the concern lay with creating a legal framework to clarify competencies between the utility and the public administration and hence corresponds to the “EG field of action” “Transparent institutions and rules for managing the public and parapublic sector and for accountability” (with the emphasis on “rules” and “accountability”), the challenges experienced by the utility companies in other projects primarily rested in poor corporate management, and the needs were tied to corporate development.

In this respect, the relevant “EG field of action” might be better interpreted as “Sound, responsible and transparent management of public finances, including at the level of public corporations and the semi-private agencies of public services”, with the accent on “sound and responsible management of public corporations”, in the sense that utilities could be interpreted as public corporations. It may therefore be useful to expand the definition of this field of action to include corporate development of utility companies, emphasizing the management and financial capacities to the exclusion more technical aspects relating to the actual service (e.g. development of water balance models). Alternatively, it may be useful to specify an additional field of action that would address this issue for a range of utility and infrastructure projects.

Priority theme III, “Support for the private sector and entrepreneurship”, included the following projects:

Under business line 1, “Improving the business environment for companies”
  37. Business environment reform meta evaluation

Under business line 3, “Improving entrepreneurial skills”
  6. Promotion of Growth Oriented SME in the Western Cape (South Africa)
  7. Corporate Governance Forum
  8. Private Enterprise Partnership Advisory Services Program (IFC PEP Russia)

Two multi-projects initiatives under this priority theme actually correspond to all three business lines:
  9. Private Enterprise Partnership Advisory Services Program (IFC PEP Africa)
  12. Mekong Private Sector Development Facility (MPDF)

Some definitional challenges arose from this project group overall. There were no difficulties for three projects: two corporate governance projects (#7 Corporate Governance Forum and # 8 PEP Russia), where the economic governance dimension was clearly the primary objective. Both concerned the promotion of corporate governance principles, which constitutes an “EG field of
action”. The same applies to the project unit Business environment reform (#37), where the relevant business line appears to fully coincide with the corresponding “EG field of action” “Simple and efficient regulation of the business environment for companies”.

For projects #IFCPEP Africa, and # 12 Mekong Private Sector Development Facility, the situation was slightly more challenging. Both of these are actually larger multi-initiative projects where the primary objective did not fully coincide with an “EG field of action”, and due to a loss of detail inherent in evaluations of such broad initiatives, it is not possible to establish an economic governance dimension for all the project elements with an equal degree of confidence. A similar challenge arose in connection with #9 IFC PEP Africa, a project with a potentially quite strong economic governance dimension that was not possible to determine based on available data.

In these cases, the challenge of identifying economic governance dimensions and their additionality concerns the second level of project information, i.e. the type of activities pursued: for instance, whether access to finance components involve the regulatory framework or simply the capacities of individual enterprises to access them. This would not be difficult to establish in examining each project directly, but the challenge arises with large project evaluations where the necessary level of detail is missing.

Definitional challenges were identified however in connection with project #6 SMEs in Western Cape that concerned business development services. The project was categorized by SECO-WE as addressing “corporate governance (CG)”—an interpretation that can be challenged since CG principles (as elaborated in OECD Principles of Corporate Governance, for instance) are typically understood to concern corporations rather than SMEs. However, the overall logic of the suggestion is sound and SECO-WE might wish to consider introducing another “EG field of action” consisting of good enterprise governance issues relating to SMEs. The focus should be on operational and financial management capacities to promote statutory compliance of SMEs, and exclude purely “business” aspects of operations.

For this project, the reviewers further attempted to hypothesize a link with an economic governance dimension from a business enabling environment perspective, without success. Whereas it can be argued that “Business development services (BDS) that help SMEs to develop their management systems are considered a crucial part of an enabling environment for SMEs,” (SCORE II Decision note 2013), the economic governance dimension of BEE efforts is narrower. Arguably, it would be only regulatory aspects of business enabling environment reforms that would apply, and such aspects were absent from the project. Instead, we hypothesized that an economic governance dimension might be argued for efforts to promote SME capacity for statutory compliance (accountability), along the same logic as promoting compliance with CSR standards. It could also be seen as an aspect of promoting the rule of law. This question is left open for SECO-WE consideration.

The reviewers remain undecided whether there is any economic governance relevance in this project at all, but the decision on above issues would not affect the decision in this case.

**Priority theme IV, “Promotion of sustainable trade”, included the following projects:**

Under business line 1, “Framework conditions for sustainable trade”

26. Extractive Industries Transparency Initiative (EITI)5

Under business line 2, “International competitiveness of producers and SMEs”

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5 Reviewers have been advised that the project has since been re-categorized under priority theme I as a “public financial management” project. This categorization is also somewhat limited, as the project concerns elements of other “EG fields of action” as discussed above.
25. CSR in Chinese Textile Industry
28. Better Work, Stage 2
29. Sustaining Competitive and Responsible Enterprises (SCORE)

The uncertainty in this group of projects concerns not any ambiguity about actions that might constitute the relevant “field of action” (CSR), but rather the relevant projects’ assignment among business lines. For instance, Better Work projects could fit equally well under business lines 1 or 2: the project promotes international standards (1) but at the same time, the CSR dimension increases international competitiveness (2), even if the emphasis there appears more on environmental issues than social criteria. The point is not relevant for establishing that an economic governance dimension exists, however. Overall, for the economic governance dimension for the three CSR projects was not difficult to identify.

Project # 26 EITI articulated the promotion of transparency standards as its main objective, and it concerns both governments and extractive industry companies. In that respect, it concerns two “EG fields of action”, both “transparent institutions and rules for managing the public and parapublic sector and for accountability” and “corporate governance”.

Overall, the definition of economic governance and “fields of action” is relatively clear, but some further clarifications would be useful, as suggested above. Particular attention should be given to distinguishing regulatory/policy dimensions of interventions that contribute to improving economic governance from broader “enabling” actions that serve other objectives. For instance, as illustrated above, not all activities relating to improving the enabling environment for business necessarily concern economic governance, but rather only the elements that involve reform of the regulatory framework. Similarly, not all SME development efforts should be viewed as contributing to economic governance, but rather only those that promote accountability or statutory compliance, or concern the regulatory framework in some manner.

3.1.3 Extent and complementarity of the economic governance dimension

Identifying economic governance dimensions of projects as described in the previous section was the necessary step in being further able to assess whether it is adequately treated in the project design and what conflicts, potential or real, may exist in connection with other objectives.

All projects under their priority theme I (strengthening economic and financial policy, projects #17, 18, 19, 20, 21, 23,) are by definition economic governance interventions, fully corresponding to “EG fields of action” “public financial management” and “integrity of monetary and financial systems”, hence the questions about integration into project design and consistency with other objectives do not apply.

It is more instructive to assess the extent and complementarity of economic governance objectives in projects where the related actions are a means to another end. These tend to concentrate in priority themes II, III, and IV.

This Review has found that in cases where economic governance is not the main objective in a project, there is often a need to incorporate it more extensively to achieve even non-EG outcomes. This was particularly true in priority theme II (infrastructure and utilities, projects #13, 14, 33, 36,), where, with the exception of Water Task Force Kosovo (#33), economic governance components were inadequate. The emphasis there had generally been to refurbish and improve the physical infrastructure, but insufficient attention to corporate management aspects emerged as detrimental to project success overall.

In a number of these projects, however, the economic governance dimension—as essential as it is for success—proved challenging to promote. Several components of projects in the Energy
Sector in Eastern Europe and Central Asia (#14) or in Karakol Water Supply (#36) appear to have experienced a tension between the imperative to deliver the physical (visible) project investments on one side and institutional development (particularly realistic tariff frameworks and "modern management practices") to sustain those investments, on the other. This is perhaps part of the reason for the insufficient emphasis on those issues until recently.

Indeed, SECO-WE's 2010 Strategy on Corporate Development of Public Utilities is thought to constitute a watershed in strengthening utility project outcomes overall, but also in addressing economic governance. Since then there is much greater emphasis on assisting beneficiaries in corporate development through modern management practices. Moving forward, as noted in the previous section, to preserve a focus on economic governance, a distinction would need to be made between technical, service-related capacity development and operational/financial management capacity, however.

**In priority theme III (private sector and entrepreneurship, projects #6, 7, 8, 9, 12, 25, 37),** the economic governance dimension in projects is generally high.

Three projects in this group explicitly pursue “EG fields of action” (#7 Corporate Governance Forum, #8 PEP Russia and #37 Business Environment Reform), hence the questions about economic governance integration into project design and consistency with other objectives do not apply. In #9 PEP Africa and #12 Mekong, economic development and economic governance objectives are complementary, and the project design appears broadly appropriate, although the conclusion is tentative due to the lack of detail in evaluations of multi-initiative projects such as these. For #6 SMEs in Western Cape, while explicit objectives and economic governance elements would have been highly complementary and reinforcing, but the project design was insufficient.

**In priority theme IV (promotion of sustainable trade, projects #25, 26, 28, 29),** project #26 EITI explicitly addresses two “EG fields of action”, hence there are no applicable relevance or complementarity issues. The remaining CSR projects should in principle reflect a significant economic governance dimension, although it is typically articulated as a means to another end (such as increased productivity). The Review found the extent to which economic governance-related actions are articulated to be fully appropriate. The CSR approach is fully complementary with economic objectives, and in fact, this is the rationale on which it is promoted.

For some CSR projects, however, deficiencies were identified in alignment with national policies and institutionalization. It is possible that a greater emphasis on business environment reform policies could have strengthened project results.

### 3.2 Project sample contribution to economic governance

The following section discusses the results, or “effects” of SECO-WE project activities at an outcome and impact level. The findings must be prefaced with a reminder that the diversity of projects considered precludes an approach where the results of each project “unit” can be weighted equally and compared in a methodologically sound manner. The evaluators have nevertheless attempted to assign each unit an overall “effectiveness” score—inevitably subjective—to illustrate in very broad strokes the effects of these interventions on economic governance. More specific insights on economic governance promotion identified from the present Review are illustrated through select examples in the subsections that follow.
3.2.1 Results: outcome and impact

In an effort to capture economic governance results of projects, the reviewers hypothesized that the answer lies at the intersection of two dimension: “EG relevance” of projects, or, the extent to which economic governance appeared to be a discernible, if implicit, objective of the project; and “effect on EG”, or, the extent to which those objectives were then realized. An overview of results is presented in Table 1 below.

Table 1: Economic governance “relevance” vs. “effect” in projects selected for review

<table>
<thead>
<tr>
<th>“relevance”</th>
<th>projectID</th>
<th>EG filed</th>
<th>type of intervention</th>
<th>“effect”</th>
</tr>
</thead>
<tbody>
<tr>
<td>low</td>
<td>6. SMEs Western Cape</td>
<td>not CG corp. mg</td>
<td>advisory services; enabling</td>
<td>low</td>
</tr>
<tr>
<td>low</td>
<td>14. Energy EE/CA</td>
<td>transp. inst. corp. dev</td>
<td>advisory; reg/inst reform</td>
<td>low</td>
</tr>
<tr>
<td>medium</td>
<td>13. Corp dev utilities</td>
<td>transp. inst corp. dev</td>
<td>advisory; reg/inst reform</td>
<td>low</td>
</tr>
<tr>
<td>medium/ high</td>
<td>9. PEP Africa</td>
<td>CG</td>
<td>advisory; enabling reg/inst reform (BEE)</td>
<td>high</td>
</tr>
<tr>
<td>medium/ high</td>
<td>25. CSR in Textile Ind.</td>
<td>CSR</td>
<td>advisory; enabling</td>
<td>high</td>
</tr>
<tr>
<td>medium/ high</td>
<td>7. Corp. Gov. Forum</td>
<td>CG</td>
<td>regulatory outcomes</td>
<td>medium</td>
</tr>
<tr>
<td>high</td>
<td>8. PEP Russia</td>
<td>CG</td>
<td>Advisory; enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>12. Mekong Priv. Sect.</td>
<td>corp dev BEE</td>
<td>advisory; enabling reg/inst Reform</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>17. Tanzania</td>
<td>macro-econ policy</td>
<td>advisory; inst. capacity enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>18. PEFA</td>
<td>PFM</td>
<td>diagnostic; enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>19. Fin Sector Reform</td>
<td>monetary/ finan. sys</td>
<td>mix; advisory; reg/inst development</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>20. PEMPAL</td>
<td>PFM</td>
<td>network; enabling with some reg. outcomes</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>21. AFRITAC</td>
<td>PFM mon&amp;fin</td>
<td>advisory; enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>23. WB Debt Managmt</td>
<td>mon &amp; fin</td>
<td>advisory; inst. Development</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>26. ETI</td>
<td>“standards” transp. inst.</td>
<td>standards; diagnostic; enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>28. Better Work</td>
<td>CSR</td>
<td>advisory; enabling</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>33. Water Kosovo</td>
<td>transp” rules</td>
<td>regulatory reform</td>
<td>high</td>
</tr>
<tr>
<td>high</td>
<td>37. BEE meta-evaluation</td>
<td>business env.</td>
<td>mix; enabling and reg/inst Reform</td>
<td>high</td>
</tr>
</tbody>
</table>

The table maps the reviewed projects along two axes: vertically, depicting the extent to which the project incorporated an economic governance dimension (as discussed in section 3.1.3 above) or economic governance “relevance”; and horizontally, noting the discernible “effect” on economic governance in the final three columns. The results are also mapped according to the distribution among priority themes, business lines, and “EG fields of action” in Annex 2.

For relevance, the following categorization was applied:

High
“EG fields of action” are the main project objective
Medium
“EG fields of action” are lower-level project objectives, explicit or implicit
Low
Regulatory changes or other EG aspects are minor elements of project
The reviewers defined three relevance scenarios. One, where the main objective is fully consistent with (or identical to) one of SECO-WE’s economic governance “fields of action”, such as “public financial management” or “corporate governance”. Two, where economic governance objectives are secondary, and either explicitly stated or implicit. Three, where projects pursue entirely other objectives but employ approaches such as regulatory change that constitute part of the economic governance framework. These distinctions are overly reductive, however, because in theory, even a minor project element could hold an important economic government dimension. Nevertheless, some simplification was necessary to undertake the mapping.

The second dimension was defined as “observable positive effect of EG actions” as follows:

<table>
<thead>
<tr>
<th>High</th>
<th>The project actions had an unambiguous, tangible effect towards better EG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>The project actions had some positive effect on EG but some of its intended effects did not materialize</td>
</tr>
<tr>
<td>Low</td>
<td>The project actions did not achieve a positive effect on EG</td>
</tr>
</tbody>
</table>

There is no doubt that the “effect” score is highly subjective for the reasons outlined in the introduction of this section, but also because there were different levels of results that projects aimed to achieve. For instance, some interventions aimed to effect legislative changes; others to improve institutional capacities; others, still, to raise awareness about standards, tools, etc. Arguably, an intervention that achieves improvement in the regulatory framework might be weighted more than one that achieves greater awareness of good practices. Developing a more sophisticated classification system was impractical however, given the diversity of interventions and data limitation. The “score” is thus based on the internal logic of each intervention, i.e. progress toward the economic governance outcomes it set out to achieve, and represents the best effort to interpret the available information.

The above table demonstrates that projects that scored “high” in the “EG effect” category are nearly always also of high relevance. Only one of total ten “high EG” projects was categorized as being of medium relevance.

The “medium EG” scorers are nearly evenly distributed across medium and high relevance categories in absolute numbers (three and four, respectively), but proportionally, they represent 60% of the medium relevance sample.

Overall, there are only three “low EG” scoring projects, all in the low and medium relevance groups. There were no “low EG” scores for the high relevance group, and over 69% of projects in this group scored “high EG”. This suggests, to paraphrase one evaluator, that SECO-WE projects tend to accomplish what they set out to do. That is to say, when economic governance objectives are explicit, they produce effects. When they are articulated as secondary or not at all (as in project #6 Promotion of Growth-Oriented SMEs in the Western Cape), there is less or no observable effect on economic governance, or the results are not captured in the evaluations, which unfortunately may entail the same consequences in terms of accountability.

**Outcomes**

The broad-stroke view presented by this categorization is only indicative, and specific outcomes are noted in many evaluations, although in many of them not in a particularly meaningful way. For instance, IFC evaluations tend to report on numbers of legislation adopted and regulation updated as a result of the advisory services, sometimes against quantitative targets, but these are aggregate numbers across numerous projects and it is impossible to discern what specific outcomes were achieved on various themes/issue areas.

Other more illustrative examples of outcomes noted in the evaluations include the following:
• **#7 Corporate Governance Forum:** The Evaluation recognizes that the Forum contributed to accelerating the pace of reforms, including in terms of the development of legislation, and to a change of culture among stakeholders in a wide range of countries.

• **#18 PEFA:** The PEFA framework was adopted by many governments to inform the design of PFM reforms, to help monitor the progress of PFM reforms over time and to assess the quality of PFM at sub-national levels.

• **#23 World Bank Debt Management Facility:** The vast majority of surveyed authorities in client countries that received project support reported increased capacity in public debt management. The extent to which this contributed to more efficient and/or sustainable management of debt varies considerably by country, however.

• **#28 Better Work:** Participating factories reported a rise in sales, employment, productive capacity, order size, and positive relationships with customers. Staff turnover declined, while compliance with labor standards was seen as a competitive advantage, with good performers 56% more likely to retain buyers.

These few examples demonstrate the diversity of economic governance-related outcomes that are difficult to aggregate in a meaningful way, making comprehensive reporting a challenge, even when data is readily available. It may be possible to begin constructing a picture of achievements along specific themes (i.e. “EG fields of action”) however, for instance on PFM, similarly to thematic sector assessments.

**Impact on growth and poverty reduction**

It is striking the extent to which nearly all reviewed evaluations lack data on impact level results. There are three main consistently cited reasons for this: the difficulty in tracking and attributing results as one moves up the results chain; the timing of end-of-project evaluations, where insufficient time has elapsed for outputs to translate into outcomes; and, the fact that for many projects, no impact-level indicators are defined.

The few illustrative examples that can be captured suggest that cumulatively, SECO-WE projects do or will have results at impact level. The points below are assertions from evaluations, and the Review had no means to independently verify the claims.

• **#7 Corporate Governance Forum:** There is some evidence presented in increased stock market valuation of companies reached by project activities, which would imply greater capacity to invest and generate growth in them. Whether this would result in greater overall growth of the economy cannot be discerned from project documents.

• **#9 PEP Africa presents figures, inter alia on jobs created (90,019 target vs. 78,388 result) but there is no methodological explanation of how these figures have been arrived at and how they can be attributed to the project. If the methodology is sound, however, job creation numbers would suggest potential impact on growth and poverty reduction.**

• **#12 Mekong Private Sector Development Facility evaluation reported to have identified a number of projects that would directly contribute to poverty reduction, including through the provision of various financial services to the rural poor and SMEs, which have been shown to have important economic growth and poverty reducing effects.**
Financial Sector Reform evaluation also identified evidence on economic development and poverty reduction in a number of individual projects. Sub-Saharan Africa was highlighted with broadly positive trends in statistics on GDP growth, domestic credit, gross capital formation and money supply, and similar evidence was also presented for other geographic areas of engagement.

• AFRITAC East evaluation likewise reported that project beneficiaries registered stronger growth as well as better human development performance (e.g. a more rapid decline of child mortality rates) than comparable countries in the region.

• SCORE evaluation asserted that improved sustainability and performance of SMEs would directly contribute sustainable growth and poverty reduction in a limited way, as the number of enterprises engaged represent only a very small portion of the economy overall, even if the projects sought to engage sectors and value chains with the largest potential of employment creation.

The above examples paint a rather optimistic picture on the potential impacts of SECO-WE investments on growth and poverty reduction. That said, it must be acknowledged that some of the underlying assumptions can be challenged, for instance in connection with CSR-related interventions like SCORE. While growth effect can be argued quite persuasively, the poverty effect is more ambiguous. For instance, by raising “the standard”, the intervention may well have constrained growth of the industry in question and the absorption of less skilled and poorer labor supply. This is only to suggest that a great deal of care is needed if SECO-WE were to attempts to track impact in a more rigorous fashion.

Impact on corruption

This Review is unable to respond to the question on impact on reducing corruption. Discussion of corruption even as challenge—much less impact on corruption— is almost entirely absent from evaluations and other documents consulted for this review. In one case (#14 on Energy Sector in Eastern Europe and Central Asia) suspicions were voiced that there is a resistance to new billing practices advocated by the project in order to continue with corrupt practices (rent-seeking), but the issue was apparently not addressed. The Business Enabling Environment meta-evaluation (#37) also discusses rent-seeking as a potential obstacle to reforms and project performance. Only in the case of EITI (#26), there is feedback from stakeholders that the mechanisms adopted through the initiative are perceived to be effective in preventing corruption.

One of the many challenges in tracking impact on corruption is the impossibility of measuring prevention outcomes. On one hand is the problem of assessing the counterfactual, while on the other are the deficiencies of possible proxy indicators. For instance, while it may seem reasonable to monitor criminality rates related to the areas of intervention (e.g. fewer embezzlement cases as a result of strengthening public financial management), in practice, the data is not reliable. Causality would be impossible to establish, and law enforcement rates on corruption crimes are rather poor across beneficiary countries (and this is an altogether different challenge).

Yet the corruption-prevention aspects of the reviewed projects are actually quite significant.

• The above-noted example on public utilities implies a corruption-prevention dimension in instituting modern management practices, for instance in more predictable and transparent billing systems, and accountability mechanisms.

• Administrative barriers to business typically entail unpredictability and a lack of information about the rights and obligations of participants in the process, as well as an inflation of
discretionary decisions that present opportunities for corruption. A reduction of “red-tape” correspondingly reduces these opportunities.

- Similarly, simplification and transparency in other administrative processes has the same preventive effect, for instance in secured transactions, or revenue collection (tax simplification).
- Public financial management is universally recognized as a corruption-prevention measure, in installing predictable and transparent processes and oversight mechanisms to prevent and detect malpractice, for instance embezzlement.

There is ample research to illustrate the potential corruption prevention dimensions across the SECO-WE “EG fields of action”. Given the acute challenge in obtaining meaningful (reliable and relevant) corruption-related data, it would be advisable to reference this research and “EG field of action” outcome data as proxy indicators of corruption prevention impact, rather than attempt to measure it directly.

3.2.2 Unintended effects

This Review was unable to discern many unintended and/or negative effects of SECO-WE of economic governance-related project activities, as these are not methodically tracked. The Mekong Private Sector Development Facility (#12) evaluation, for instance, notes that “there is presently no way to systematically assess the unintended, indirect or negative impacts of MPDF projects…[which] may well be significant.”

The meta-evaluation of the business environment reform portfolio raised the question of broader societal impacts, asking “whether a reduction in the administrative burden for the business community might have a negative effect by reducing social control of some kind… [or what might be the] consequences of transfers (a reduced fee paid by a company is also, presumably, a reduced fee accruing to the state or municipality)”. The questions were not answered.

This Review can similarly contribute questions on additional economic-governance related issues that might be considered through more in-depth studies in the future, as follows.

An area where negative effects on economic governance may arise is with projects that promote emerging standards (e.g. labor standards, CSR) that do not sufficiently engage with national policies and institutions. In such cases, there may be a risk of creating competing and possibly conflicting sets of compliance benchmarks, undermining the usefulness of both. At a different level, CSR projects may also risk driving out of companies that cannot be included in what is in the end a high unit-cost training.

Co-financing risks may apply in multilateral dialogue project such as the Corporate Governance Forum (#7), which operates on a leveraging basis and plays the role of a catalyst, requiring significant investment by local partner organizations. It supports local capacity building indirectly but often has to depend on matching funds from partner organizations. In the poorest countries, where private sector is weakest, this aspect can lead to increased dependency on foreign aid.

In corporate governance interventions, the imposition of clearer CG standards may reduce the number or range of companies that qualify for market listing (this is observed in one case in Egypt), would clearly impact market valuation (positively for companies that qualify and vice versa) but may or may not impact total output, revenues or tax collection. More generally, stronger compliance standards for companies may have adverse effects on medium-sized or
large enterprises seeking to go public and/or, other things being equal, may encourage informality.

Finally, insufficient attention to corruption risks in utilities projects and other projects may not only reduce the sustainability of SECO-WE investments in the field, but there are also additional societal risks of further entrenching corrupt practices and corrupt elites. If not sufficiently rigorous, initiatives such as EITI risk legitimizing as “clean” highly corrupt regimes. Similar risks arise in failing to address all types of governance shortcomings, including discriminatory policies, human rights abuses, and other undemocratic practices by authoritarian governments: this is a concern with development assistance more broadly. Noting this is not to suggest that SECO-WE and other Swiss agents fall short in addressing what are ultimately political issues in context of development cooperation—there is no data discernible in the materials reviewed addressing Swiss performance in this domain—only to underline the importance of doing so.

3.3 Performance lessons

The results described above provide a number of positive indications about effects on economic governance of SECO-WE projects. Here, we present the few observable general conclusions about factors that maximize project performance.

3.3.1 Efficiency and synergies of economic governance interventions

The Review was unable to conduct an in-depth review of their efficiency dimensions, and no efficiency challenges were identified. For instance, no particular patterns of efficiency were apparent among the different cooperation modalities: economic governance objectives can be pursued equally successfully regardless of the modality employed.

Another issue of interest under this category was the potential for synergies between various economic governance-themed projects, but the limited sample did not provide a sufficiently broad picture for conclusions. A more complete assessment of synergies would emerge through a review of a country portfolio, or thematic reviews of one or several related “EG fields of action”, such as PFM and taxation system reform. Even a sectoral review such as Financial Sector Reform (#19) did not capture thematic synergies, although the potential is suggested through statements such as “[t]here are many examples where SECO staff has leveraged off each of the programs for the benefit of any particular project and relayed their own experience back to multilateral and partnership programs” (p. 18). The consideration of three CSR projects undertaken for this Review (CSR in Chinese textile industry #25, Better Work #28, and SCORE projects #29-30) identified useful cooperation and exchange among them, drawing on knowledge and tools generated by others, presumably due to the fact that they were implemented by the same organization (ILO). The question of synergies merits additional analysis with a view to further optimizing SECO-WE's promotion of economic governance.

3.3.2 Policy dialogue

This Review was further instructed to consider the extent to which the policy dialogue as implemented in SECO-WE's projects was sufficient to foster adequate results in strengthening economic governance. The levels of engagement with policy makers appear to have been sufficient generally speaking, as satisfactory outcomes are reported in evaluations overall, but some shortcomings exist nonetheless.

One category of exceptions lies with utilities projects that failed to promote policy changes such as market-value tariffs or more transparent billing practices. Without better income generation
that such measures would have assured, some of the companies were assessed as being unlikely to become self-sustainable and unable to maintain the project investments in the medium-to-long-term. The data available in evaluations does not indicate whether the policy dialogue in those projects was insufficient or whether it was simply unsuccessful despite extensive efforts. Due to the importance of such policy changes, however, future projects may consider all available means to promote them, including securing commitment on potentially unpopular policy measures as a condition for project implementation altogether.

Some evaluations recommended further strengthening policy dialogue with senior management to better translate technical assistance inputs such as trainings of lower level officials into operational outcomes. For instance, the evaluation of AFRITAC East (#21) observed that “[i]f regional workshops were more systematically complimented by policy dialogue with the senior staff in those organizations that are to adopt the policies, systems and procedures covered in the workshops, it would be a powerful way of promoting reform and regional harmonization” (p. 68).

From a slightly different perspective, regional/global projects may need to engage in policy dialogue at the national level in certain cases. For instance, the evaluation for EITI (#26) identified a need to connect with domestic accountability structures to follow-up on data emerging from the compliance process.

SECO-WE’s role in promoting effectiveness of projects through better policy dialogue will obviously differ depending on its role in the project (cooperation modality in question), but evidence from evaluations suggests that SECO-WE has excellent capacities to pursue policy dialogue both with partner countries (in cooperation with SDC and diplomatic representations), as well as in multilateral programs where it is seen as an active donor having a strong policy influence.

3.3.3 Capacity and institution-building

Most of the projects reviewed contained some capacity- and/or institution-building components, and absent observations about shortcomings, coupled with overall satisfactory performance, it can be suggested that sufficient attention has been placed on those issues overall.

The few examples where capacity-/institution-building aspects emerge as having been insufficient perhaps best illustrate their importance. The most striking one is Karakol Water Supply project (#36), where the evaluation quite explicitly notes that institutional capacities in the sense of corporate development were neglected by the project. While some improvements were noted, modern management practices, including basic accounting and billing practices, remained insufficiently developed, leaving poor sustainability prospects.

As noted earlier, the challenge was recognized and addressed by SECO-WE’s 2010 Strategy on Corporate Development of Public Utilities, which places much greater emphasis on assisting beneficiaries in corporate development through modern management practices. This paper might be useful as a model in other fields as well, as capacity concerns do appear in a number of reviewed projects.6

Poor capacity was also identified as an issue in the evaluation for #12 Mekong Private Sector Development Facility project, where the deficiency was most strongly felt in the Lao (secure transaction and hydro rural electrification) sub-project. The suggestion here is that capacity building issues may be keenest in lower-income countries, and that more capacity building assistance is necessary for them. This suggestion is echoed by the experience of #18 PEFA, (p. 68).

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where the evaluator suggests that a more elaborate focus on capacity building in lower-income countries could generate greater awareness and ownership of the PEFA assessment and findings, leading to greater impact.

On slightly different note, in #29 SCORE, the lack of capacity of national institutions to assume the role of project offices, and allow integration of project practices into national systems, was seen as one of the main challenges to the project’s sustainability. The project did not include a related capacity-building element, however.

The implication for future projects may be that institution- and capacity-building needs may not be readily apparent at the outset of the project, but considering their importance, some contingencies might be planned to respond to capacity challenges as they arise during implementation.

Another implication is that institutional- and capacity-development is unlikely to be realized in the short term and that more sustained follow-up may be needed. The Karakol project (#36) received follow-up support for a consolidation phase, which appears to be the right decision toward securing the investment made. The institutional and capacity development effort around the Policy Analysis Department in Tanzania (#7) saw more than a decade of support to consolidate those capacities.

A further implication may be that technical assistance provided through short-term missions, for instance, through various IFC advisory services, may not be the appropriate model for capacity-building purposes. The evaluation for AFRITAC East (#21) notes that the short-term nature of most missions carried out for the project limited leveraging and efficiency, which may be a relevant concern given the need for more sustained support.

Considering that SECO-WE has a record of supporting longer-term capacity development initiatives, the reviewers find no evidence that it may lack the “tools” to implement this focus. If implementing partners cannot adapt their technical assistance delivery mode to address the capacity needs of certain beneficiaries, SECO-WE could consider supporting additional, complementary institutional-/capacity-building interventions in select cases where such assistance is determined essential for achieving the original project objectives, or where value added can be established. Such an approach appears to have been applied in Tanzania, and may be appropriate on a different scale in SECO-WE priority countries or countries where the additional assistance may create synergies with other Swiss interventions.
4. Overall lessons and recommendations

4.1 Conclusions

Performance and results

The previous section laid out the available evidence of the results of SECO-WE activities with an economic governance dimension. There were many difficulties with aggregating and interpreting the data collected, nevertheless, an overall impression is that SECO-WE projects on the whole do contribute to improving economic governance.

That contribution is most readily identifiable in projects where the main objective is consistent with “EG fields of action”. This includes all projects from priority theme I: Strengthening of economic and financial policy addressing “EG fields of action” “PFM” and “Integrity of Monetary and Financial Systems”; “Corporate Governance” projects from priority theme III: “Support for the private sector and entrepreneurship”; and to a considerable extent “CSR” projects under priority theme IV: Promotion of sustainable trade. However, this would be only a ‘broad stroke’ observation, and EGrelevance does not always imply results.

As it has been difficult to capture specific economic governance outcomes comprehensively even in well-documented and arguably successful projects, evidence of final impacts on growth or poverty is nearly impossible to establish. Nevertheless, there are some positive indications in this respect.

**The challenges in promoting economic governance** for the most part do not differ from “ordinary challenges” inherent in all development interventions, although, as we have seen in a few examples, at times economic governance-relevant measures can be in conflict with vested political or economic interests of beneficiaries and hence meet resistance. While one evaluation explicitly advised against pursuing governance objectives due to the difficulty in achieving results, this Review disagrees with such recommendations in the strongest possible terms. We have found consistent evidence that strengthening or even simply engaging with the economic governance dimension (for instance, by ensuring that project efforts are integrated into national policy and regulatory frameworks) significantly contributes to the sustainability of interventions, particularly in those cases where the main project objectives concern other issues. In this respect, **there appears to be considerable value in continuing to pursue economic governance objectives.**

**There may also be value added in addressing economic governance as a cross-cutting theme, which permits approaching it as a secondary or even an implicit objective**, a means to another end. Economic governance framed as a principal objective might have counter-productive effects in some cases, for instance if corporate social responsibility were promoted on ethical grounds alone. Its pursuit as a cross-cutting theme may actually have facilitated its application, which leads to better economic governance outcomes overall.

The evidence from this Review also suggests however that the economic governance dimension has not been pursued as consistently or extensively as it would have merited in some cases. The early utilities projects stand out in this respect, but deficiencies have been detected in others as well. In those cases, insufficiently addressing the economic governance dimension compromised the sustainability of the overall (and rather substantial) investment.
Assessing results

The specific challenges in assessing the extent of results in economic governance relate to the following main challenges.

A number of definitional ambiguities and limitations noted in section 3.1 above hampers identifying the economic governance aspects of projects, and potentially also impacts the ability to recognize the potential economic governance dimension of projects in the design phase.

Economic governance “fields of action”, as presently defined, are not exhaustive and do not cover all relevant areas of intervention. For instance, macro-fiscal policy does not feature on the list, nor does operational and financial management capacity of public utilities. There may well be other areas that merit highlighting beyond the projects subject to the present Review.

There are also different possible interpretations of specific fields of action, for instance, whether the notion of “corporate governance” would include the “governance” of non-corporate enterprises, including SMEs.

Another challenge in assessing results rests in the absence of a measurement framework, arising from the decision not to specify concrete performance objectives for economic governance as cross-cutting issue and track with standard indicators. This has made it rather difficult to assess and report on results of SECO-WE initiatives in improving economic governance as already noted in this Review.

The last challenge can be addressed to a significant extent by simply better articulating the economic governance dimension of projects and programs, rather than setting distinct objectives and indicators. In many cases, project objectives are fully consistent with “EG fields of action”, or contain a relevant regulatory reform dimension. It may be possible to begin to track their results using existing standard indicators and develop additional specific ones as needed.

4.2 Recommendations

In light of the above discussion, this Review recommends a relatively “light” agenda for incremental reform of SECO-WE’s approach to economic governance as a cross-cutting theme, consisting of the following elements:

- clarifying the operational implications of the definition of economic governance, which may involve expanding the defined “fields of action”;
- screening priority themes and business lines to clearly articulate the economic governance dimension (ideally, corresponding to “EG fields of action”) in various business lines;
- promoting greater rigor in documenting how economic governance considerations are applied at the project design/selection phase, including explicitly noting the applicable “EG fields of action” in project documents, and reflecting these considerations in external and independent evaluations; and,
- promoting a shared understanding of economic governance among all stakeholders in SECO-WE projects.

Such an approach, discussed in some more detail below, would help make visible the economic governance results of existing projects, and this may be sufficient. If ambitions are greater still,
an additional effort can be made to track results more formally, though it would be advisable to
test the previous tools for some period of time before proceeding.

Clarifying SECO-WE’s definition of economic governance and “fields of action”

Addressing definitional ambiguities would require striking the right balance between being
sufficiently inclusive so as not to overlook meaningful contributions toward economic
governance, while at the same being restrictive enough so that the intention behind the
emphasis on the governance dimension is not lost. As noted earlier, macro-economic policy
should be included as an “EG field of action”. Management and financial capacity (accountability)
aspects of corporate development of public utilities should be integrated as well, but more
technical, service-related aspects of corporate development arguably should not. SECO-WE’s
definition of economic governance can be the guiding concept in this respect, along with the five
principles of good governance that are highlighted in the Economic Governance Factsheet:
transparency, impartiality, participation, accountability and efficiency.

Identifying economic governance dimensions in SECO-WE’s priority themes

The above exercise would be most meaningful if the definition and scope of economic
governance-related components were reviewed in connection with SECO-WE’s actual
interventions, first through analysis of current projects in each SECO-WE operational division. A
related task would be to identify the economic governance dimensions under priority themes
and related business lines, to clearly express the connection between economic development
cooperation objectives and economic governance.

The above two activities are clearly interlinked, and they should be repeated at regular intervals.
Previously unidentified “EG fields of action” may present themselves with new project proposals.
While it may be impractical to update the list continually, the fields should be reviewed
periodically in a structured manner to help maintain a shared understanding of SECO-WE’s
strategic framework for economic governance among its own staff. This is clearly currently
being done as part of the drafting of a new Message on International Cooperation 2017-20, but it
might be considered more routinely as part of annual performance reviews.

As an output of these exercises, SECO-WE might consider developing a guidance document — a
more operational version of the Economic Governance Factsheet — that clarifies how and where
economic governance concerns apply under different Priority Themes and business lines, and
how these link with economic governance, with explanatory notes on “fields of action” that
address in particular the definitional limits and ambiguities identified in this report.

Documenting considerations of economic governance in project design phase

Definition of economic governance as a cross-cutting theme implies that (a) the potential for
pursuing an economic governance dimension will be considered routinely at project design
phase, and (b) it is incorporated into the projects whenever such potential is identified and it is
feasible. The evidence from this Review suggests that it may not have always been considered as
rigorously as it merited, reducing the sustainability of those investments.

The Project managers address SECO-WE strategic priorities, including cross-cutting themes, in
discussions of project relevance. They also indicate the level of project contribution to the cross-
cutting themes. To promote further reflection on economic governance, however, it might be
advisable to require explicit remarks in internal project documents on the economic governance
dimensions of initiatives, noting either what the needs are, or why an economic governance
dimension is not relevant or appropriate. Economic governance considerations might also be
raised in the discussion of sustainability, as this Review has found that policy/regulatory
changes often constitute a necessary pre-condition to ensure that the investment lasts beyond the project life time. This also implies that applicable “EG fields of action” would be noted in project documents, as applicable.

The proposed protocol should not be over-formalized as the project managers already confront a considerable administrative burden. The suggestion implies nothing more than an additional explanatory paragraph to spell out the thinking that has taken place in connection with economic governance.

Integration into evaluation matrices

External and independent evaluations appear to be a principal vehicle for accountability, yet those considered for this Review reflect a very low awareness of the concept of economic governance as a broad front of action.

SECO-WE could consider developing a basic template for evaluators to acquaint them with aspects of economic governance as a cross-cutting theme, and provide questions for consideration even in absence specific objectives. The above-suggested internal guidance document could be adapted for evaluation purposes, and incorporated into all evaluation terms of reference.

If the suggested definitional updates are made and applied rigorously, and economic governance dimensions are articulated explicitly within priority themes and consequently projects, it will promote a greater understanding of SECO-WE's approach on the issue among all stakeholders. It will almost inevitably also result in a more extensive evidence base for assessing improvements to economic governance than there exists at present, particularly in instances where the project objectives are consistent with “EG fields of action”. This would assist the evaluators in drawing at least some conclusions about effects on economic governance. If that does not satisfy SECO-WE's needs, it would be possible to step up efforts to track of results in the next stage.

More formal tracking of economic governance results

This Review recommends an incremental approach in documenting economic governance performance starting with definitional clarifications above. Once the clarifications are made and links between priority themes/business lines and “EG fields of action” articulated, it will also be possible to review the extent to which these fields correspond to standard indicators.

Where main project themes and objectives are fully consistent with “EG fields of action”, the related standard indicators would, de facto, serve measure economic governance outcomes as well. More effort would likely be required to develop the full range of relevant outcome indicators for each of the “EG field of action” and other possible dimensions of economic governance. Evaluations that are aware of the concept and take note of economic governance performance in projects on the basis of guidance recommended in the previous paragraph should provide additional useful feedback (including on indicators) for developing a more extensive measurement framework at a later time, as needed.

A more comprehensive approach to economic governance goals and indicators

Although policy attention to governance aspects of development has emerged in the 1990s, the availability, level of detail/granularity and international comparability of governance indicators remains patchy.

There are numerous indicators that help assess economic governance outcomes at the project level. However, these usually do not allow a satisfactory assessment of impacts. This is not only due to the familiar problem of attribution that limits our ability to measure the economy-level
impacts of development projects. There are methodological issues that affect governance-related indicators particularly strongly:

- At times, economic governance goals are articulated in an overly open-ended manner (e.g. "building human and institutional capacity" or "further increasing awareness"). To be able to assess impacts it is necessary to build and use indicators in ways that provide an exact sense of "distance to the frontier" in economic governance variables, at least in qualitative terms.
- There is excessive reliance on "beans counting" in relation to legislative and institutional activity (e.g., "11 of the 18 laws proposed were adopted"). This could be countered by developing more robust analytical frameworks which establish a sense of hierarchy of importance between different governance actions necessary to reach a given goal.
- Many economic governance indicators are based on surveys of perceptions of various types of population such as company managers (e.g., doing business indicators), officials (e.g., credibility of the budget), or the general public. Not all these indicators are part of robust official statistical data collection systems. There is further work to ensure methodological quality and comparability across countries as well as analytical work to better understand inter-linkages between different types of data tracked.
- There is frequent reliance on country rankings, whereas it is the distances among them that should be measured. A relatively minor effort could help develop more rigorous indicators of relative standing.
- Meaningful changes over many economic governance variables can only be detected over time horizons that are much longer than typical project lifetimes.

These considerations underline the value of having a global economic governance monitoring framework that is independent of specific projects. But the task at hand – developing and maintaining up-to-date internationally comparable indicators across the many dimensions of economic governance, ranging from PFM or corporate development of utilities to corporate governance and standards, for a large number of developing countries – is a task beyond the means of any single donor.

As a more ambitious approach, SECO-WE could consider reaching out to a number of other donors and relevant international organizations to explore ways of cooperation and coordination with a view to upgrading the global infrastructure for monitoring economic governance.

This would involve providing coordinated guidance to intergovernmental organizations (e.g., IMF, OECD; World Bank, EBRD, etc.), which maintain databases and related analytical activities on various aspects of economic governance (especially on PFM, Governance Indicators, regulatory quality and reform, doing business indicators, SME and entrepreneurship outcome indicators, transition indicators, etc.). It would also involve fostering complementary activities in non-governmental bodies such as WEF, IMD, or public-private partnerships such as the Global Compact (especially in areas such as environment or labor standards, CSR, etc.).

The object of such cooperation would be for different donors to pursue a joint agenda to address major gaps in the coverage and comparability of international economic governance indicators. It would also involve encouraging new research to understand better the linkages between better economic governance and better outcomes in poverty eradication and inclusive growth. In addition to reaching out to other aid agencies, SECO-WE could strive to enlist the support of its peers in economics ministries or other developed countries, particularly those which are not members of G20 but have a keen interest and stake in promoting good global economic
governance. It would be relevant to involve some of the emerging donor nations in such an undertaking, provided they share comparable ambitions for better economic governance.

SECO-WE may consider incorporating such an approach into Switzerland’s Message on International Cooperation for 2017-20.

4.3 Towards an updated economic governance framework in the Message on International Cooperation 2017-2020

If there is a mandate for SECO-WE to demonstrate the achievements of its projects and programs in improving economic governance, then as a first step, the objectives and approach should be more clearly articulated. This does not imply defining specific economic governance objectives, but rather highlighting those that are in place. In the current Message on International Cooperation, there is no connection made between economic governance and priority themes and business lines, but, as this Review has shown, the links are quite strong and simply require recognizing explicitly.

The cross-cutting dimension of economic governance could be highlighted across the priority themes by noting, in the various business lines, the typical activities that are either fully consistent with economic governance “fields of action” or address economic governance in some other manner. Engaging in this exercise has already been recommended in the context of clarifying some definitional ambiguities identified in this Review to better operationalize the SECO-WE’s conceptual framework. Articulating the dimension within the Message would underscore its importance, and help to raise awareness of the efforts to promote economic governance with national audiences and among international partners.

At the same time, it might be prudent to note that economic governance improvements take time to achieve, and the typical project cycle may be too short to be able to demonstrate results. In addition, economic governance outcomes would be strengthened by action along a number of inter-related fronts (“fields of action”), such as “transparent and fair taxation” and “public financial management” and “transparent institutions”. To address both these needs, SECO-WE could consider much longer-lasting and deeper partnerships with beneficiary countries, preferably involving coalitions of like-minded donors organized around a more permanent form of multilateral dialogue on economic governance. Further development of economic governance indicators discussed in the previous section may also be incorporated into this agenda.
## Annex 1: Overview of projects reviewed

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project documents and products together published in 2009 or prior</th>
<th>Phase of implementation</th>
<th>National</th>
<th>Project/Revenue Business Line</th>
<th>LEED score</th>
<th>Relevance of economic governance theme</th>
<th>Adequacy of information in evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 South Africa Swisscontact Business Development</td>
<td>2003-2005</td>
<td>2005 SSA</td>
<td>CG</td>
<td>Low</td>
<td>Medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Business Advisory Program (BAS) (Kyrgyzstan)</td>
<td>2005-2008</td>
<td>2009 ECA</td>
<td>CG</td>
<td>Low</td>
<td>Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Promotion of Clean Oiled SME in the Western Cape (South Africa)</td>
<td>2007-2009</td>
<td>2010 SSA</td>
<td>Bi-3: enterpr skills</td>
<td>CG</td>
<td>Low</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>7 Corporate Governance Forum</td>
<td>2006-2009</td>
<td>2010 Global</td>
<td>Bi-3: enterpr skills</td>
<td>CG</td>
<td>High</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>8 Global Corporate Governance Forum</td>
<td>2004-2007</td>
<td>2008 Global</td>
<td>Bi-3: enterpr skills</td>
<td>CG</td>
<td>High</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>9 Private Enterprise Partnership Advisory Services Program (IFC PEP Russia)</td>
<td>2001-2007</td>
<td>2010 ECA</td>
<td>Bi-3: enterpr skills</td>
<td>Multi-BLs</td>
<td>CG</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>10 Private Enterprise Partnership Advisory Services Program (IFC PEP Africa)</td>
<td>2005-2010</td>
<td>2011 SSA</td>
<td>Bi-3: enterpr skills</td>
<td>Multi-BLs</td>
<td>CG</td>
<td>Medium/High</td>
<td>Medium</td>
</tr>
<tr>
<td>11 Business Advisory Program (BAS) (Kyrgyzstan)</td>
<td>2010-2013</td>
<td>2013 ECA</td>
<td>CG</td>
<td>Low</td>
<td>Low</td>
<td></td>
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<tr>
<td>12 Mekong Private Sector Development Facility</td>
<td>2008-2013</td>
<td>2013 Asia</td>
<td>Bi-3: All BLs</td>
<td>CG</td>
<td>High</td>
<td>High</td>
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<tr>
<td>13 Mekong Private Sector Development Facility (MPDF)</td>
<td>2008-2013</td>
<td>2011 Asia</td>
<td>Bi-3: enterpr skills</td>
<td>CG</td>
<td>High</td>
<td>High</td>
<td></td>
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<tr>
<td>15 Development of Public Utilities (e.g., water and energy)</td>
<td>2013</td>
<td>2014</td>
<td>Bi-3: water and energy</td>
<td>Transparent</td>
<td>High</td>
<td>Medium</td>
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<tr>
<td>16 Energy Sector in Eastern Europe and Central Asia</td>
<td>1992-2010</td>
<td>2010 ECA</td>
<td>Bi-3: reliable energy</td>
<td>Transparent</td>
<td>High</td>
<td>Low</td>
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<tr>
<td>17 Policy Analysis Department Tanzania</td>
<td>2000-2010</td>
<td>2011 SSA</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>High</td>
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<tr>
<td>19 PIEA Framework</td>
<td>2001-2006</td>
<td>2008 Global</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>High</td>
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<tr>
<td>20 Financial Sector Reform in Developing and Transition Countries</td>
<td>1998-2010</td>
<td>2011 Global</td>
<td>L-2: stable fin. sector</td>
<td>Integrity</td>
<td>High</td>
<td>High</td>
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<tr>
<td>21 Public Expenditure Management Peer-Assisted Learning (PEM PAL)</td>
<td>2009-2011</td>
<td>2012 ECA</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>High</td>
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<tr>
<td>22 Learning Network (PEM PAL)</td>
<td>2006-2009</td>
<td>2009 ECA</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>Low</td>
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<tr>
<td>23 The African Technical Assistance Centers</td>
<td>2009-2013</td>
<td>2013 SSA</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>24 The African Technical Assistance Centers (AFRITAC)</td>
<td>2009-2013</td>
<td>2013 SSA</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>25 World Bank Dept Management Facility</td>
<td>2008-2012</td>
<td>2013 Global</td>
<td>L-1: econ reforms</td>
<td>PFM</td>
<td>High</td>
<td>High</td>
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</tr>
<tr>
<td>26 World Bank Project for enterprise competitiveness development (South Africa)</td>
<td>2013</td>
<td>2014 Global</td>
<td>L-2: interntl. compet/BNs</td>
<td>Soc &amp; env standards</td>
<td>Medium</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>29 Sustaining Competitive and Responsible Enterprises (SCORE) (Global, South Africa)</td>
<td>2009-2013</td>
<td>2012 SSA</td>
<td>L-2: interntl. compet/BNs</td>
<td>Soc &amp; env standards</td>
<td>Medium/High</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>30 Sustaining Competitive and Responsible Enterprises (SCORE) (India)</td>
<td>2009-2013</td>
<td>2013 Asia</td>
<td>L-2: interntl. compet/BNs</td>
<td>Soc &amp; env standards</td>
<td>Low</td>
<td>Medium</td>
<td></td>
</tr>
<tr>
<td>31 Sustaining Competitive and Responsible Enterprises (SCORE) (Global)</td>
<td>2009-2010</td>
<td>2011 Global</td>
<td>L-2: interntl. compet/BNs</td>
<td>Soc &amp; env standards</td>
<td>Medium</td>
<td>Medium</td>
<td></td>
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<tr>
<td>32 Better Work, Stage 2</td>
<td>2009-2012</td>
<td>2012 Global</td>
<td>L-3 and IV-27</td>
<td>Soc &amp; env standards</td>
<td>Medium</td>
<td>Low</td>
<td></td>
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<tr>
<td>33 Water Task Force Kosovo</td>
<td>2009-2011</td>
<td>2010 ECA</td>
<td>L-3: water and waste</td>
<td>Transparent</td>
<td>High</td>
<td>Medium</td>
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<tr>
<td>34 Water Task Force Kosovo</td>
<td>2009-2011</td>
<td>2012 ECA</td>
<td>L-3: water and waste</td>
<td>Transparent</td>
<td>High</td>
<td>Medium</td>
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<tr>
<td>35 Integrated Sanitation and Sewage Infrastructure Project (Egypt)</td>
<td>2011-2015</td>
<td>2013 MENA</td>
<td>L-3: water and waste</td>
<td>Transparent</td>
<td>Medium</td>
<td>Low</td>
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<tr>
<td>36 Karakol Water Supply Project (Kyrgyzstan)</td>
<td>2006-2014</td>
<td>2013 ECA</td>
<td>L-3: water and waste</td>
<td>Transparent</td>
<td>Medium</td>
<td>Medium</td>
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</table>
Annex 2: Distribution of project results by priority theme, business line (BL) and “EG field of action”

Relevance and Effect ratings: Hi= High; Med: Medium; Low: BL: Business line

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<tbody>
<tr>
<td>PFM</td>
<td>BL 1: Economic reforms</td>
<td></td>
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<tr>
<td></td>
<td>#18 - PEFA: Hi; Hi</td>
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<td></td>
<td>#20 - PEMPAL: Hi; Hi</td>
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<td></td>
<td>#21 - AFIRITAC East: Hi; Hi</td>
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<td></td>
<td>#17 - Policy Analysis Department Tanzania: Hi; Hi</td>
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<tr>
<td></td>
<td>#23 - World Bank Debt Management Facility: Hi; Med</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Transparent and fair taxation and pricing systems</td>
<td>BL 2: Financial sector: #19 - Financial Sector Reform in Developing and Transition Countries: Hi; Med</td>
<td></td>
<td></td>
<td>Elements of #12 - Mekong Private Sector Development Facility (MPDF): Hi; Med</td>
</tr>
<tr>
<td>Integrity of monetary and financial systems</td>
<td>BL 1: Business environment: Most of #37 - Business Environment Reform; Hi; Hi</td>
<td></td>
<td></td>
<td>Elements of #12 - Mekong Private Sector Development Facility (MPDF): Hi; Med</td>
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<tr>
<td>Simple and efficient regulation of the business environment</td>
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<td>Elements of #26 - EITI: Hi; Med</td>
</tr>
<tr>
<td>Transparent institutions and rules governing national and international trade</td>
<td>BL 1: Reliable energy supply: #14 - Energy Sector in Eastern Europe and Central Asia: Low; Low</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>BL 2: Water &amp; wastewater: #13 - Corporate Development of Public Utilities: Med; Med</td>
<td></td>
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<tr>
<td></td>
<td>#33 - Water Task Force Kosovo: Hi; Hi</td>
<td></td>
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<tr>
<td></td>
<td>#36 - Karakol Water Supply Project (Kyrgyzstan): Med; Low</td>
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<tr>
<td>Transparent institutions / rules for managing the public and parastatal sector</td>
<td></td>
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<td>BL2: Int’l</td>
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<tr>
<td>CSR</td>
<td>BL 3: Entrepreneurial skills: Elements of #28 - Better</td>
<td></td>
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<td>Competitiveness:</td>
<td></td>
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<tr>
<td># 25 - CSR in Chinese Textile Industry: Med-Hi; Hi</td>
<td></td>
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<td># 28 - Better Work 2: Hi; Hi</td>
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<tr>
<td># 29-30 SCORE: Med-Hi; Med</td>
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<th>Corporate Governance</th>
<th>BL 3: Entrepreneurial skills:</th>
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<td># 6 - Growth-oriented SMEs in W. Cape: Low; Low</td>
</tr>
<tr>
<td></td>
<td># 7 - Corporate Governance Forum: Hi; Hi</td>
</tr>
<tr>
<td></td>
<td># 8 IFC/PEP Russia: Hi; Hi</td>
</tr>
<tr>
<td></td>
<td>Multiple BLs:</td>
</tr>
<tr>
<td></td>
<td># 9 - IFC/PEP Africa: Med-Hi; Med</td>
</tr>
<tr>
<td></td>
<td># 12 - Mekong PSDF: Hi; Med</td>
</tr>
</tbody>
</table>
Annex 3: Individuals consulted

David Brockhaus, Scientific Officer WEQA
Iren Leibundgut, Deputy Head of Division WEQA
Simone Haeberli, Scientific Officer WEPO
Katrin Ochsenbein, Scientific Officer WEMU
Thomas Knecht, Scientific Officer WEIF
Jérôme Wieser, Scientific Officer WEIN
René Holenstein, Ambassador, Embassy of Switzerland in the Kyrgyz Republic
Annex 4: Documents reviewed

General


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5. Business Advisory Program (BAS) (Kyrgyzstan)


6. Promotion of Growth Oriented SME in the Western Cape (South Africa)

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7. (4.) Global Corporate Governance Forum


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SECO, NL Agency (Ministry of Economic Affairs- Netherlands), IFC, "Joint IFC-SECO External Evaluation of IFC Corporate Governance Projects in Russia", February 2010.

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12. (2, 10) Mekong Private Sector Development Facility (MPDF)


Adam Smith International, "MPDF3 End of Facility Review - Section B: Case Study Reviews", December 2013.


13. Corporate Development of Public Utilities

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14. Energy Sector in Eastern Europe and Central Asia


17. Policy Analysis Department Tanzania

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18. (15.) Public Expenditure & Financial Accountability PEFA

SECO Completion Note.


19. Financial Sector Reform in Developing and Transition Countries


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21. (22.) The African Technical Assistance Centers (AFRITAC East and West)


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24. ILO Swiss Project for enterprise competitiveness development (South Africa)


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26. Extractive Industries Transparency Initiative (EITI)


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29. (27., 30.) Sustaining Competitive and Responsible Enterprises (SCORE)

BSD Consulting (Isabelle Hirs and Peter Teuscher), " Draft ILO SCORE Mid-term Evaluation”, 2011.


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31. Khujand Water Supply Improvement (Tajikistan)


32. Pogradec Water Management (Albania)


33. (34.) Water Task Force Kosovo


Andreas Tarnutzer and Burim Dula, "External Evaluation of SECO Support to Kosovo Water Task Force - Final draft", 29 November 2012.


35. ISSIP Integrated Sanitation and Sewerage Infrastructure Project (Egypt)


36. Karakol Water Supply Project (Kyrgyzstan)


37. Business environment reform meta evaluation

Annex 5: Approach Paper

Approach Paper

Date: 17.11.2014
Reference / Author: WEQA / bri

Review of SECO-WE’s Cross-Cutting Theme „Economic Governance“

1 Context
It is an essential part of SECO’s Economic Cooperation and Development Division’s (henceforth SECO-WE) evaluation policy to ensure an impartial assessment of its interventions. SECO-WE therefore regularly conducts independent thematic evaluations of its portfolio. For the period 2013-2016 SECO WE implements its projects under the framework credit referred to as “Message on International Cooperation 2013-2016”. The message defines SECO WE’s priority themes and cross-cutting themes as well as accountability standards. Independent evaluations are initiated and overseen by SECO WE’s External Evaluations Committee. It selects the themes to be evaluated, approves the approach for the evaluation and comments the recommendations of the evaluation and the subsequent response by SECO-WE’s management. For each evaluation, an external evaluator (e.g. a consultant company) is selected, who conducts the evaluation independently. In 2014 SECO-WE's performance in the area of Economic Governance, one of the two cross-cutting themes shall be assessed. To this end, SECO-WE will commission an independent review of existing external evaluations and independent evaluations of projects focusing on or including relevant components in the area of Economic Governance. With choosing a review instead of an evaluation, SECO-WE opts for an approach to assess the performance of a cross-cutting theme it has not used before. A review makes possible to screen a broad project portfolio and allows to provide recommendations on SECO-WE’s approach to Economic Governance. This approach paper defines purpose, scope and methodology of the Review in more detail.

2 Background information on Economic Governance

2.1 Definition
Economic Governance consists of all the rules constituting the general framework for economic activities carried out by the public and the private sector. There are two large areas where economic governance matters: 1) Public sector: in terms of the functioning of public economic policy, economic governance essentially refers to effective regulation of the business framework and transparent public institutions; 2) Private sector: economic governance as a code of conduct for the private sector, mainly referring to corporate governance and corporate social responsibility (see graph below for more detail).

Economic governance is understood as one of the three pillars of what is generally referred to as “good governance”, the other two pillars being political and civic governance. SECO-WE clearly focuses on economic governance in its projects, while it is obvious that there are strong connections and overlaps with the other two pillars.
2.2 Strategic framework

Economic Governance is one of two cross-cutting themes for SECO-WE (the other being gender equality). By its nature it should be part of all programs and projects carried out by SECO-WE.

The Message on International Cooperation 2013-2016 defines the concept of Economic Governance and the objective of the promotion of Good Economic Governance as follows: "Economic governance refers to all forms of control (institutions, regulatory and legal systems as well as standards) that have a positive influence on the establishment of economic order. It entails a conscientious promotion of effectiveness, non-discrimination, legitimacy and responsibility as well as the transparency of economic trade and responsibility with regard to the influence on human rights, particularly in countries with a weak rule of law or a high risk of conflict. Enforcing these rules and procedures not only helps to create a stable economy that promotes growth and employment but also acts an effective means of fighting corruption."

Strengthening economic governance in partner countries is seen as a key element in implementing SECO-WE’s two main strategic objectives, as they are defined in the Message on International Cooperation 2013-2016*: 1) integrating partner countries into the global economy and 2) fostering sustainable economic growth.

Based on this strategic framework, the following visualization demonstrates areas, concrete fields of action, and intermediate as well as long term effects of SECO WE’s strengthening of economic governance:

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2.3 Institutional set-up

The Message on International Cooperation 2013-16 defines five priority themes and two cross-cutting themes. The priority themes are implemented by four specific divisions (macroeconomic support, infrastructure, private sector support and trade promotion, see 3.3) and one network (climate). Each priority theme is subdivided in two or three so called business lines\(^9\).

While the divisions are responsible for the implementation, measurement and reporting of their respective priority theme, the same cannot be said about the cross-cutting themes. No specific operational division is responsible for Economic Governance and there are no concrete performance objectives. While there exist standard-indicators for the five priority themes, it was an explicit decision of the management not to monitor the results in the area of the two cross-cutting themes. The reasoning behind this decision was that it was considered impossible to define standard indicators for the measurement of the effects of SECO WE's projects on Economic Governance. The idea was to measure the respective through regular monitoring of projects where the main focus lies on Economic Governance. Moreover, other projects with a different focus may have a secondary effect\(^10\) on economic governance.

The contribution to good economic governance and the observation of the effects of project activities on economic governance are thus a responsibility of all sectors. In fact, the improvement of economic governance is regularly an integral part of most or many activities of all operational divisions, be it as a specific objective, as a means to an end, or an indirect / secondary effect of an activity. For the purpose of this Review it will not only be important to look at the orientation of the overall portfolio in terms of economic governance-effect but – in order to identify channels and achievements of such effects – to look at a subset of activities which may directly or indirectly have an effect on economic governance; public governance or corporate governance (see below).

On the strategic level, however, it is the division WEPO (Policy and Services) who is since 2013 responsible for SECO-WE's policy on Economic Governance (as well as for Gender Equality).

Note: Economic Governance was equally defined as cross-cutting theme under the previous Message on International Cooperation (2009-2012). The improvement of economic governance is therefore a long-standing commitment of SECO-WE, this justifies the inclusion of project evaluations into this Review which date back much before the starting point of the current message (2013). The existing fact sheet on Economic Governance dates back to this previous message (2009), when SECO-WE's Private Sector Development division (WEIF) was responsible for the theme.

3 Purpose, objectives and scope of the Review

3.1 Purpose

The purpose of this Review is on the one hand to show the results SECO-WE has achieved in improving economic governance through its programs and projects. On the other hand it should provide recommendations and lessons learned in terms of how to integrate Economic Governance in the next Message on International Cooperation (2017-2020). The Review is based on an examination of existing external evaluations of projects and of independent evaluations of project portfolios.

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\(^9\) Business lines are defined as “action areas” in the Message on International Cooperation 2013-2016, p. 9-23.

\(^10\) “Effect” is understood in this paper as result on outcome-level.
3.2 Objectives

The Review shall objectively appraise SECO-WE’s approach to Economic Governance for accountability and learning purposes. More specifically, it will respond to following objectives:

1. Assess the appropriateness of SECO-WE’s approach to promote economic governance (in terms of relevance, effectiveness, efficiency and sustainability).
2. Assess the direct and indirect effects of a sample of evaluated projects on economic governance (in terms of relevance, effectiveness, efficiency and sustainability).
3. Extract lessons learned and best practices regarding the approach to and the implementation of SECO-WE's specific economic governance activities.
4. Provide recommendations on SECO-WE's operational activities for a more relevant and more effective work on Economic Governance.
5. Provide recommendations on SECO-WE's future strategic approach to Economic Governance.

3.3 Scope

As Economic Governance is a cross-cutting theme of SECO-WE, projects from all four operational divisions (but not the network on “climate”) form part of the Review.

The evaluations, which will form the basis for the review, were selected from all existing external projects/program evaluations11 as of 2005, when systematical filing of evaluations started, up to the most recently evaluated projects in 2013. As evaluations are always retrospective, none of the selected projects were designed under the current Message on International Cooperation 2013-2016. But as Economic Governance was a cross-cutting theme in the previous messages on international cooperation, it seems acceptable to assess those evaluations of earlier projects against the objectives and approach as it is defined in the current Message.

As a basic set for the selection of a concrete evaluation sample, all evaluations of those projects have been identified which most probably have a direct or indirect effect on economic governance. To this end, within each priority theme of the Message on International Cooperation, one or two business lines have been identified which in one way or another refer to or have an effect on economic governance (see below).

Priority theme I: Strengthen economic and financial policy

Selected business line:
Economic reforms and fiscal policy reforms
Rationale:
SECO-WE works to develop functional, efficient and effective systems for public financial management and to promote a transparent system of accountability.

Priority theme II: Improving urban infrastructure and utilities

Selected business lines:
a) Sustainable water supply, wastewater and waste management
b) Reliable energy supply
Rationale:
a) SECO-WE’s financial and technical assistance helps to improve drinking water and sanitation systems and to strengthen the public service and framework conditions which lead to more transparent institutions.
b) SECO-WE strengthens the companies in the energy sector in operational and financial terms, so as to secure a sustainable supply and operation. Additionally it supports structural reforms and the review of public service policies so as to include in the

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11 Independent evaluations, covering more than a project but a whole intervention line or sector and external project evaluations.
investment and reform measures the relevant aspects of supply security, diversification, financing, environment and climate neutrality as well as social accountability.

**Priority theme III: Supporting the private sector and entrepreneurship**

Selected business line:
Improving entrepreneurial skills
Rationale:
SECO-WE supports programs for training in entrepreneurial skills, promotes measures for better corporate management in selected areas such as accounting standards or risk management and plays a leading role in promoting corporate governance.

**Priority theme IV: Promoting sustainable trade**

Selected business line:
International competitiveness of producers and SMEs
Rationale:
SECO-WE supports service providers in introducing technical quality standards as well as in implementing environmental and social standards. Through promotion of social and environmental norms in the management, companies in partner countries increase their social responsibility and their international competitiveness.

As there are almost no projects with the main focus on fostering climate friendly growth, the fifth priority theme was not considered for selecting evaluations subject to the Review.

On this way, a basic set of project evaluations was constituted, which currently includes 62 evaluations. A final sample of evaluations for the Review (probably not larger than 25) will be selected by the evaluators on the basis of more specific criteria.12

**4 Methodology**

A Review of existing evaluations was chosen as the methodology to assess the effect of SECO-WE's activities on Economic Governance as almost all projects of SECO-WE incorporate economic-governance-issues. Such issues and effects are therefore covered by the external project evaluations and by the independent evaluations of project portfolios within the above-mentioned business lines. A review of the relevant evaluations allows for a broad portfolio review and will therefore allow to make some broad and general statements and recommendations regarding SECO-WE's approach to Economic Governance.

The Review will therefore consist of

- a review of SECO-WE's overall strategic approach towards Economic Governance and of its overall portfolio with a view of its effect on economic governance.
- the review of a sample of project and program evaluations in terms of relevant results of such evaluations with regard to effects on economic governance.

The sample of evaluations subject of the Review (not more than 25) shall be defined by the Review Team respecting a balance of priority themes, geographic region and time period of the evaluated projects.

**5 Indicative key review questions**

These questions specify the objectives defined in chapter 3.2. When focusing on results, the emphasis lies on the outcomes and – where possible – on the impact.

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12 As reference, the African Development Bank in its Synthesis Report on Mainstreaming Gender Equality which used the same methodology provided an initial sample of 100 evaluations. These were then screened down to 26. See African Development Bank; Risby, Lee Alexander & Keller, Odile; Mainstreaming Gender Equality: A Road to Results or a Road to Nowhere; 2012
SECO/WE's approach
- How relevant is Economic Governance in SECO-WE's projects? Is it an explicit part of the project design and sufficiently incorporated in order to achieve the outcomes specified (e.g. in the log-frame)?
- Are project managers, implementing partners and beneficiaries aware of the concept of Economic Governance?
- Is the approach in line with partner countries stakeholders approach to Economic Governance?
- Is the approach in line with the Message on International Cooperation 2013-2016, SECO-WE's factsheet on Economic Governance and with definitions of other donors?
- Is Economic Governance as cross-cutting theme complementary to and coherent with SECO-WE's priority themes and overall goals? Is it consistent with other objectives on the project level or are there trade-offs?
- Are potential synergies in the set-up and implementation of projects of Economic Governance as cross-cutting theme sufficiently exploited as it has relevance across the operational divisions of SECO-WE?

Results from the review of the project evaluation sample
- What effects have SECO-WE's project activities on the economic governance of the project’s stakeholders?
- What is the effect of Economic Governance as part of SECO-WE's projects on sustainable growth and poverty reduction?
- Are the definition and the approach of SECO-WE regarding Economic Governance sufficient to assess its effect and its additionality?
- Which projects have the highest effect on economic governance?
- In which field of action (e.g. visualization) of Economic Governance do SECO-WE's projects have the strongest effect?
- Did the various components of Economic Governance lead to a reduction of corruption?

Lessons learned and recommendations

Strategic level
- What is the value added of having Economic Governance as cross-cutting theme?
- What indicators and objectives (generic result chain) would be useful to effectively measure the Economic Governance-related performance?
- Would a more elaborate focus on institution building and capacity building within economic governance be useful to strengthen the impact of SECO-WE? And does SECO-WE have the right tools to implement this focus?
- Is the policy dialogue as implemented in SECO-WE's projects sufficient to foster adequate results in strengthening economic governance with partners?
- In the light of current international discussions on the concept of Economic Governance – which aspects need to be newly introduced in the next message on international cooperation?

Operational level
- Did the cooperation modalities chosen ensure high efficiency in increasing economic governance?
- How can the economic governance-related performance be improved?
- What are the unintended and/or negative effects of economic governance-related project activities?
- What are the reasons why SECO-WE's projects could have negative effects on economic governance with partners?
- Should SECO-WE introduce a systematic monitoring of Economic Governance and what would be the relevant indicators?
6 Deliverables
The Review Team should provide the following documents:
1. In the course of the assignment and according to an agreed time schedule:
   - an updated work plan at the beginning of the assignment;
   - an inception report describing the methodology to be used (including a detailed
description of the Review design, the selection of the sample of approximately 20
evaluations to be reviewed and of the survey instruments) as well as the analytical
framework in order to assess SECO-WE’s performance in the field of Economic
Governance;
   - a draft report for comment by SECO-WE.

2. At the end of the assignment:
   - a final report containing the findings, conclusions and recommendations, not exceeding
   35 pages (plus annexes), including an executive summary;
   - the report shall be written in English, in a way that will facilitate their subsequent use for
dissemination of the results and recommendations of the review.

7 Limitations
By choosing a Review of existing project evaluations instead of conducting a specific Economic
Governance-evaluation, SECO-WE responds to the fact, that Economic Governance is considered
a cross-cutting theme and no priority theme of SECO-WE’s activities. Under these circumstances,
it considers the Review-approach as an efficient way to get a comprehensive picture of SECO-
WE’s approach and the concrete effects of its projects on economic governance. At the same time
it is aware, that in order to draw such conclusions, the Review has to rely on existing evaluations
and depends thus on the quality and scope of these evaluations in terms of assessing effects on
economic governance.

8 Organizational arrangements
The Quality and Resource Division (WEQA) is in charge of the quality and evaluation function
within SECO-WE and therefore figures as the contractor of this Review. For any interaction on
the conduct, scope, organization, logistic and reporting, the Review Team will interact with
SECO-WE’s Evaluation Managers, Ms. Iren Leibundgut and Mr. David Brockhaus.

The Evaluation Manager together with the contact persons from the relevant operational
division will constitute a Review Steering Group. The Review Team will refer to the Review
Steering Group to get access to all necessary background information. The Review Steering
Group will also be able to provide additional information on SECO-WE’s approach, concrete
projects, etc. and may review factual statements in the Review. Besides the Evaluation Managers,
the Review Steering Group will consist of Ms. Simone Haeblerli (responsible policy officer) and
additional resource persons from SECO-WE’s Private Sector Development division (WEIF) and
the Macroeconomic Support division (WEMU).

The Review Team is contracted by WEQA, under the supervision of Ms. Iren Leibundgut / Mr.
David Brockhaus. All the deliverables (see Chapter 6) are submitted to the Evaluation Manager,
who is responsible to organize the appropriate consultation processes as well as to forward
consolidated feedback on the deliverables to the Review Team.

9 Job specification
The Review Team will consist of at least two evaluators. The evaluators are expected to have the
following profile:
   - professional evaluation experiences, familiar with the OECD-DAC Evaluation guidelines;
- extended knowledge of bilateral and multi-lateral approaches on Economic Governance and of other comparable agencies active in this field;
- field experiences in developing and transition countries;
- strong analytical and editorial skills and ability to synthesize;
- fluent in English, access to good knowledge in German and French. Spanish is an asset, as certain reports are not available in English.
- no conflict of interest due to close association with SECO-WE or it’s projects.

10 Next steps
10.11.14 Approval of approach paper by SECO-WE’s evaluations committee
17.11.14 Call for bids
15.12.14 Submission of tender offers
18.12.14 Selection and negotiation of contract
22.12.14 credit proposal, Verpflichtungsformular
8.1.15 Kick-off meeting
End of Jan. Inception Report
Beginning of Mar. Draft Report
Mid-Mar. Discussion of report with steering group (WEQA, WEPO, WEMU, WEIF)
End of Mar. Final Report

11 Reference Material
Message on International Cooperation 2013-2016
Factsheet on Economic Governance, 2009
Visualization on How SECO Economic Cooperation and Development reinforces Economic Governance
List with evaluations portfolio