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Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

2009 Annual Report

The Effectiveness of SECO's Economic Cooperation and Development

Economic Cooperation and Development Division
Evaluation and Controlling

Bern, July 2010



2009 Annual Report
on
The Effectiveness of SECO's Economic Cooperation and
Development

Evaluation Function (WECO)

Economic Cooperation and Development Division

July 2010

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/. Foreword

In order to draw lessons, disseminate knowledge and strengthen the effectiveness of its development assistance, the Evaluation Function of the Economic Cooperation and Development Division (WE) produces each year a report – *the Effectiveness Report* – on the results of its development interventions on the basis of the findings and recommendations of internal reviews and external evaluations carried out by the operational sectors. This comprehensive analysis is then used as reference to define a success rate for the WE assistance portfolio.

From a methodological perspective, the conclusions and recommendations of the 2009 *Effectiveness Report* are based on a systematic and retrospective assessment of the results of external evaluations of projects conducted over 2005 to 2009. Projects/programmes are evaluated with respect to the four DAC/OCDE criteria of relevance, effectiveness, efficiency and sustainability, on a four-point scale from highly satisfactory to highly unsatisfactory. The rating for the four criteria is consolidated in an overall rating, which is aggregated into a percentage of satisfactory projects (the top two ratings) and unsatisfactory projects (the bottom two ratings). In 2009, 24 external evaluation exercises were undertaken and used as reference. The number of external evaluations in a particular year is not representative of WE overall portfolio, though the sampling provides a good indication of the quality of WE interventions at a given time. In order to increase objectivity and reliability, the analysis of results should not be limited to a particular year but, instead, be considered in the medium-term as reflected in the aggregated results of 96 external evaluations for 2005-2009.

This year's *Effectiveness Report* examines the performance of Switzerland's Economic Cooperation and Development in implementing its aid activities (Part I) and, for the first time, it focuses more thoroughly on a specific topic, namely the sustainability of its projects (Part II).

WE Management produced a response to the conclusions and recommendations of this *Effectiveness Report*. The results, recommendations of the report, as well as WE management response were then presented to and discussed with the Evaluation Committee, who formulated its position. The management response and the position of the Evaluation Committee are published jointly with the 2009 *Effectiveness Report* on SECO website, as well as a short version summarising the report.

Process :

<i>Elaboration of the Report</i>	<i>Jan. - March 2010</i>
<i>Presentation and discussion of the Report in WE Quality Committee</i>	<i>April 2010</i>
<i>WE Management Response</i>	<i>June 2010</i>
<i>Discussion of the Report and Position of the Evaluation Committee</i>	<i>June – July 2010</i>



16.6.2010

WE Management Response
to the
2009 Annual Report on the Effectiveness of SECO's
Economic Cooperation and Development

1. Context and method of analysis

Now in its tenth year, the 2009 effectiveness report on SECO's cooperation marks something of a milestone, even if the report has evolved quite substantially in both form and methodology in the past decade. The 2009 report continues in the same vein as those produced since 2007, gradually introducing an analysis framework that is more closely aligned with international best practice in evaluation monitoring.

WE Management attaches great importance to this report for the strategic and operational running of the WE division. The analysis framework continues to prove itself, guiding the very important work of the WE programme officers. Quality control is performed by the evaluation officer and an expert evaluator, following the time-honoured process of the "four-eyes principle". Compiling the report is a formidable task, done by the evaluation officer. WE Management also notes that the awareness and training initiatives undertaken by the WE Evaluation function are bearing fruit, with **WE staff now making extensive use of the analysis framework** (the four evaluation criteria and the rating system) used in evaluating projects. In turn, this should progressively facilitate the evaluation officer's work in compiling her report on the portfolio's effectiveness.

We are also pleased to note the improvements to the methodology behind the analysis framework, allowing for a better evaluation of certain criteria, particularly sustainability. This criterion is open to wide interpretation, so it makes a lot of sense to clarify it, as done in the report, particularly in assessing new projects.

In summary, we note that the analysis framework for evaluations is now well established (staff training, system of internal procedures, etc.). The next priority will be to refine some of the more complex aspects of the framework, particularly the evaluation of project sustainability.

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2. Response to the report's conclusions and recommendations

In general, we note that the main thrusts of the report are – not surprisingly – similar to those of the previous year. This is to be expected in that:

- there is a certain degree of “natural inertia” in the sample (multi-year rolling sample);
- the main problems identified are complex in nature and tend to recur in all cooperation and development projects. A substantial improvement is thus only possible in the medium term;
- the corrective measures introduced in the past two years with respect to sustainability and efficiency (specifically the systematic use of logframes and improvements to the budgetary reporting) do not yet cover all of the projects evaluated in 2009.

However, the report does offer considerable added value in its in-depth analysis of the issue of sustainability.

Our **main observations** are thus as follows:

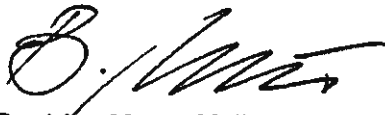
- 1) Despite the need to concentrate on the weaknesses identified in the report, we are pleased to note that, in general, the operations evaluated are **highly relevant and effective** in terms of attaining their objectives. It would be wrong, however, to simply take these results for granted.
- 2) Concerning **relevance**, WE Management believes that our concentration on specific subjects and geographical regions – which, in any case, is necessary on account of our size – is an important factor in our ability to remain relevant. Obviously, this assumes that the subject areas in which we operate are reviewed periodically to ensure they match our partner countries' economic development priorities, in a continuously changing international context. The formulation of strategies for SECO's seven priority countries in the South, as well as the analysis of our instruments in light of the needs appearing during and after the economic and financial crisis, have assured us of such relevance in the medium term.
- 3) As for **effectiveness**, WE Management still sees the 75% satisfaction rate as acceptable, given the nature of our operations. Nonetheless, the report does highlight certain important improvements to be made, which also affect other dimensions such as sustainability. In particular, we note the weaknesses identified in terms of monitoring the results in the course of implementation. This reflects the programme officers' tendency, and understandably so, to focus on implementation of their activities, at the risk of (temporarily) losing sight of the project's higher objectives. WE Management is aware of this bias and has decided to examine various options in 2010 to improve the monitoring system (project monitoring notes), allowing for more systematic monitoring of the progress of projects with respect to expected results and also in terms of managing the risks identified at the outset.
- 4) Again, with respect to effectiveness, WE Management wishes to point out that not only has the **use of logframes** become the norm when submitting all new projects but also that progress has been made in involving our partners (beneficiaries, implementing agencies) at an upstream stage of the project in defining these logframes. Such involvement is crucial, as many evaluations show

that projects sometimes do not attain their objectives simply because these were not fully or correctly understood by all those involved. Joint agreement on the logframe by all parties involved at the start of the project is thus a necessary, if not sufficient, condition for addressing the issue of effectiveness.

- 5) In addition, we must point out that a substantial portion of WE's portfolio consists of **"global" programmes**, i.e. multi-donor initiatives combining numerous projects. This type of programme poses some serious methodological difficulties in terms of aggregating the results, and WE's teams are testing several pilot approaches to develop result frameworks that can be used in such projects.
- 6) The report recommends **building up the monitoring system**, specifically by allocating "sufficient human resources" to the monitoring of projects in the execution phase. Given the current financial constraints on the Confederation's budgets, hiring new staff in the immediate future is not a possibility. Thus, for the time being, we propose to reduce the number of projects being executed. In doing so, we hope to generate economies of scale with respect to the transaction costs. This effect should not be overestimated, however, as a lower number of projects means a higher per-unit cost, which may make monitoring per project more complex.
- 7) We are somewhat concerned by the weaknesses identified by the report in terms of **efficiency**; even the cause of such weaknesses is not yet quite clear to us. If these mainly concern problems with the budgetary reporting (e.g. absence of financial reports broken down by activity line), corrective measures are underway and should help to improve this criterion in future effectiveness reports. However, should this lack of investment efficiency reflect problems with, for instance, project design, input costs or weaknesses in operational monitoring, additional measures would have to be taken. A more thorough analysis of this criterion would thus have to be carried out, and we suggest that the evaluation officer should look into this in a more in-depth study as part of her next report.
- 8) The sustainability results are not satisfactory. Even by extrapolating the success rate to those projects in the sample for which no conclusion could be drawn, we still get only 50%, which is not sufficient. The fact that other cooperation and development agencies have more or less the same results is not necessarily a comfort to us; it is more of an indication of the complexity of the entire issue. To adopt the report's recommendations for sustainability, WE Management proposes to:
 - take the sustainability categories suggested by the report (sustainability of results, institutional sustainability and financial sustainability) as parameters for analysis in the design of projects;
 - step up, at the decision stage, the quality examination of the sustainability assessment, particularly the stakeholder analysis and the exit strategy. Concerning the latter, we will have to be more realistic in terms of the time needed to ensure a sustainable exit for a project, particularly when it entails objectives of institutional reinforcement;
 - ensure planning and execution of ex-post evaluations in each operational sector, which will be widely distributed and discussed throughout WE so as to develop a "conditioned reflex" in formulating projects in terms of the sustainability of the results obtained beyond the project lifetime.

- 9) Finally, the report also contains some worrying conclusions concerning the **quality of the evaluations**. Unlike the other points mentioned above, where tangible results can only be expected in the medium to long term, this is an issue we can expect to address successfully in the more immediate future. WE Management has noted that the programme officers tend to devote a lot of time to dealing with poor evaluations, attempting to make adjustments after the report is available. The transaction costs involved in such processes are substantial. To lower these costs, the operational sectors thus have an interest in taking the right decisions at an earlier stage, before the evaluation teams are set up and their terms of reference defined. The role of the sector heads is crucial in this respect, in coaching the programme officers, and WE Management will address this issue on a regular basis in its discussions throughout WE.

Attached is a table showing the report's recommendations and the corresponding positions taken by WE Management. A second table summarises the status of the follow-up to the recommendations from the 2008 report. WE Management would like to thank the controlling sector and its evaluation officer for their excellent work. It would also like to thank all of the staff of WE for their commitment to the tasks involved in evaluation.



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- Annexes:
1. Table summarising the implementation of recommendations from the 2009 report
 2. Status of implementation of the 2008 recommendations

1. Table summarising the implementation of recommendations from the 2009 report

Recommendations	Position and actions from management	Deadline for implementation	Responsibility
<p><i>When planning and implementing projects....</i></p> <p>- SECO/WE should pursue its efforts to further strengthen its monitoring system</p>	<p>- WE Management ensures that logframes will be better designed and will include indicators with baselines and will systematically serve as references for reporting purposes.</p> <p>- Logframes are included in the agreements and contracts with partners and executing agencies. Roles and responsibilities concerning their use in reporting is clearly defined. Also, WE operational divisions will assess the related capacity and business practices of implementing partners when selecting them.</p> <p>- A new internal monitoring system is established to ensure regular reporting during implementation on projects' status vs. their intended outcomes, as well as on the status of implementation risks.</p> <p>- WE Management is committed to reduce the number of projects under responsibility of each program officer in order to dedicate - if possible - more time for monitoring activities</p> <p>- A specific training on Results-based management (RBM) will be organised for National Program Officers (NPOs) responsible for SECO projects in partner countries</p>	<p>Ongoing</p> <p>Ongoing</p> <p>End 2010</p> <p>Ongoing</p> <p>November 2010</p>	<p>WE Management and Head of WE divisions</p> <p>WE Management and Head of WE divisions</p> <p>WE Management and WECO</p> <p>WE Management and Head of WE divisions</p> <p>WECO</p>

<p>- SECO/WE should reinforce the concern for sustainability into the design and implementation of projects</p>	<ul style="list-style-type: none"> - The curriculum of the introductory courses run by SECO/WE on M&E will be reviewed to allocate a module on "Project Sustainability" - Project proposals submitted to the SECO/WE Operations Committee should describe the exit strategy (with the relevant assumptions to be monitored in the course of project implementation) and provide an assessment of the plausibility of sustainability against the criteria of results, institutional and financial sustainability 	<p>End 2010</p> <p>Gradually enforced in the course of 2010</p>	<p>WECO</p> <p>Heads of WE divisions/quality control by WEOP, WECCO</p>
<p>- In order to create a culture of more robust results-based management, SECO/WE needs to create new incentives for operational divisions</p>	<ul style="list-style-type: none"> - SECO/WE will consider options for establishing an adequate incentive scheme to reward results-based program management 	<p>End 2010</p>	<p>WE Management and WECCO</p>
<p>When managing evaluation processes...</p>			
<p>- The type of evaluations conducted should be reviewed in favour of more ex-post evaluations.</p>	<ul style="list-style-type: none"> - Each of SECO/WE's operational divisions will effectively plan one ex-post evaluation to be conducted in the next two years 	<p>June 2010</p>	<p>WE management and WECCO</p>
<p>- The quality of SECO/WE's evaluations should be improved substantially.</p>	<ul style="list-style-type: none"> - When selecting evaluation team, SECO/WE's operational divisions will ensure that sufficient methodological competences of evaluation teams are available, which may mean contracting a team of at least two evaluators, one with technical and one with methodological expertise. - SECO/WE's operational divisions will not accept Evaluation reports if they do not comply with the DAC/OECD standards and the SECO/WE requirements defined in the TOR. 	<p>Ongoing</p>	<p>Head of WE divisions</p>

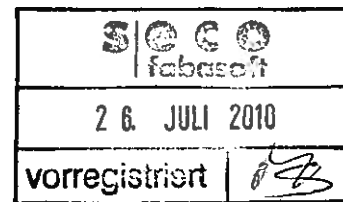
<p>- The systematic use of evaluation lessons learned and their impact on approaches and policy debates could be enhanced within SECO/WE</p>	<ul style="list-style-type: none"> - A management response will be systematically produced at the end of an external evaluation exercise 	<p>Ongoing</p>	<p>WE management and Head of WE divisions</p>
	<ul style="list-style-type: none"> - For a new financing phase of a project, a summary of the management response of the evaluation (if an evaluation was conducted) will be an integral part of the note to SECO/WE Operations Committee 	<p>Ongoing</p>	<p>WE management and Head of WE divisions</p>
	<ul style="list-style-type: none"> - WECO will examine the need to establish a system to track the implementation of the evaluation recommendations, in line with best practices of other donors and after taking into consideration related administrative costs. 	<p>End 2010</p>	<p>WECO</p>

2. Status of implementation of the 2008 recommendations

Recommandations	Position et action du management	Décal de mise en œuvre et responsabilité	Statut
a) Afin de renforcer la conduite des évaluations....			
- renforcer la connaissance et l'utilisation des procédures internes existantes en matière d'évaluation	- chaque collaborateur se familiarise et utilise proactivement le système OPTIMISO	En cours / chef secteurs WE	En cours Important travail néanmoins de coaching/service center également par WECO
- formations ciblées conduites par WECO sur l'élaboration des termes de référence	- une formation ciblée a lieu par secteur en 2009 (formation « clinique » se basant sur un exemple de projet)	Fin 2009 / WECO	Atteint pour 3 secteurs. Un cours pour WEIN doit encore être organisé lorsqu'ils planifieront une évaluation externe
- optimiser l'élaboration et l'utilisation des notes de clôture	- les principes sous OPTIMISO sont revus et si nécessaires ajustés - les résultats du rapport sur l'efficacité de l'aide sont discutés avec chaque secteur WE	Automne 2009 / WECO	Atteint, disponible en 2010 sur OPTIMISO
- planification par chaque secteur d'une évaluation ex-post dans les prochaines années	- chaque secteur identifie une évaluation ex-post sur le programme d'évaluations externes 2009-2011	Été 2009 / WECO	Atteint
b) Afin de mieux utiliser les résultats des évaluations....			
- mieux intégrer les résultats des évaluations dans les processus décisionnels de WE	- les réponses du management sont intégrées dans les notes au Comité des opérations lors d'une nouvelle phase d'un projet - la procédure OPTIMISO est ajustée	En cours / WEOP et Secteurs WE	Partiellement atteint. Quelques réponses du management élaborées en 2009. La recommandation demeure dans la rapport 2009.
- pour toute évaluation externe, élaboration d'une réponse formelle du secteur concerné (=réponse du management)	- des principes sont élaborés pour les réponses du management et intégrés dans la procédure OPTIMISO. Leur application et mise en œuvre fait l'objet d'un contrôle régulier	Été 2009 / WECO	Atteint, disponible en 2010 sur OPTIMISO
- diffuser plus pro-activement les résultats des évaluations	- des principes en matière de mise à disposition des résultats des évaluations sont élaborés et discutés avec le Comité évaluation	Q2 2009 / WEOP / WECO	Atteint, disponible en 2010 sur OPTIMISO
- opérationnalisation d'une base de données	- une base de données « Evaluation » est opérationnelle sous FABASOFT et introduite auprès de chaque secteur	Q2 2009 / WECO	Atteint, disponible en 2010 sur OPTIMISO également
		Été-automne 2009 / WECO	Atteint. Utilisée largement par WECO. Utilisation par secteurs WE et management pas confirmée.

c) Afin de mieux gérer les projets que WE soutient...		
- renforcer les exigences envers les agences de mise en œuvre, en particulier en termes de monitoring et de reporting	- les exigences en termes de monitoring et de reporting sont explicitement mentionnées dans les termes du contrat et les clauses de déboursement financiers y sont étroitement liées	En cours / secteurs WE
- utilisation effective des logframes dans la planification et le suivi des projets	- les rapports opérationnels annuels des projets doivent explicitement faire référence au logframe initialement approuvé	En cours / secteurs WE
- définition d'un horizon temps réaliste pour la mise en œuvre des projets	- le Comité des opérations veille à ce que les projets aient un calendrier de mise en œuvre réaliste, en particulier dans une optique de durabilité des résultats atteints	En cours / Management WE
- renforcer la planification des projets	- les projets soumis au Comité des opérations mentionne explicitement comment la planification du projet a été réalisée (étude de faisabilité, implication/consultation des partenaires et bénéficiaire dans la définition des objectifs, etc.)	En cours / Secteurs WE
- Définition de la planification budgétaire et des décomptes financiers selon les lignes d'activités du projet	- une mention est faite dans le format des notes d'entrées en matière et des notes de décision - le document de projet et le contrat incluent un budget détaillé, selon les lignes d'activités du projet - les chargés de programmes veillent à ce que les décomptes financiers annuels soient cohérents avec le budget agréé - certains principes/best practices sont identifiés et mis à disposition des secteurs	Atteint. Disponible en 2010 En cours / secteurs WE
- Une visite de projet doit avoir lieu au moins tous les 18 mois	- les chefs de secteur sont attentifs à définir des portefeuilles adéquats par responsable de projet et s'assurent que chaque projet est visité au moins une fois tous les 18 mois par un représentant ou un délégué de WE	Id. - Pas réalisé
		En cours. Des progrès sont réalisés, néanmoins des efforts sont encore nécessaires comme reflété par une récente revue interne En cours. Des progrès sont réalisés, néanmoins des efforts sont encore nécessaires comme reflété par une récente revue interne En cours. La durée du projet est examinée de façon critique lors des discussions d'entrée en matière. Le dialogue avec les agences d'exécution, souvent trop optimistes par rapport à la durée des projets, s'est intensifié. En cours, mais doit encore être amélioré pour certains secteurs.
		En cours. Des progrès sont réalisés, néanmoins des efforts sont encore nécessaires.
		En cours. Des statistiques par secteur doivent encore être compilées.

The External Committee on Evaluation
Bern, July 11, 2010



**Position of the External Committee on Evaluation on the
2009 Annual Report on
The Effectiveness of Switzerland's
Economic Cooperation and Development
and SECO/WE Management Response**

1. During its fourth meeting on June 24, 2010 the External Committee on Evaluation (the Committee) discussed the 2009 Annual Report on the Effectiveness of Switzerland's Economic Cooperation and Development as well as the Management Response to the main findings and recommendations. The discussion focused on SECO/WE additional efforts to further strengthen its internal monitoring system to ensure regular reporting on results achieved during implementation as well as the need to reinforce the concern for sustainability and efficiency of SECO/WE's interventions and improve substantially the quality of SECO/WE's external evaluations.

2. This year's report is the second Annual Effectiveness Report prepared by SECO/WECO Evaluation Function that has been discussed by the Committee. The Committee praised the very good quality of the 2009 Report which is based on a well defined methodology aimed at assessing the relevance, effectiveness, efficiency, sustainability of SECO/WE's portfolio performance. The Committee appreciated its reference to the compliance with international standards on evaluation as defined by OECD/DAC, its strong analytical focus on the reasons explaining low sustainability ratings as well as the identification of the related challenges facing SECO/WE in achieving lasting results and its clearly identified findings and very specific recommendations. At the same time the Committee acknowledged the openness of the Management Response and its constructive endorsement of the main recommendations. The Committee encouraged SECO Management to pursue the ongoing efforts aimed at analyzing viable options for establishing an adequate internal incentive system and human resource deployment to better reward results-based program management. While Management broadly agreed to do that, it has still to define specifically how it intends to proceed.

3. The Committee stressed that the 2009 Report and the Management Response have to be seen as a continuum and are part of a medium term process aimed not only at assessing the overall SECO/WE's performance but also at creating a culture of more robust and durable results-based management. The latter implies a more realistic approach of assumptions and timeframes during program and project design and a meaningful monitoring through key indicators of implementation progress. Moreover this will require effective Management leadership on the main orientation of such change process and the unavoidable trade-offs that it will face in decision making is indispensable. The recent decentralization process started by SECO/WE's in seven

priority countries represents an excellent initial step that should allow a better quality and closer monitoring of ongoing activities as well as lesson learning.

4. The Committee recognized that the large majority of SECO/WE's operations are assessed as satisfactory, with a success rate of 71% for 2009, and are assessed positively in terms of their effectiveness. This is a quite positive result against the background of the substantial risks that are implicit in many partner countries and operational activities of SECO/WE. Such success rate has therefore to be considered from a realistic perspective and confirms the high quality of its operations. The 2009 results are largely consistent with the 78% satisfactory rate for the projects covering a recent but larger period of time (2005-09). It is especially noteworthy that 80-85% of SECO/WE's interventions are highly relevant and largely achieving their development objectives. Nevertheless, one has to admit that, as the 2009 Report prominently illustrates, that there is room for improvement in terms of efficiency as well as of institutional and financial sustainability.

5. With respect to the efficiency of operations the Committee noted that the conduct of a rigorous cost-effectiveness analysis of operational activities was currently problematic because of the lack in financial reporting: It encouraged SECO/WECO to look more in-depth in next year's Effectiveness Report into some reasonable options and analytical tools related to financial management that could be monitored by staff.

6. The issue of sustainability raised a lot of interest among Committee members. They welcomed the emphasis and the approach that the 2009 Report did put on this undertaking and the related challenges. They stressed that sustainability is a complex and ambitious concept that requires time to be translated into lasting results, not to mention impact. At the same time pursuing such a long-term objective could be conflicting with the increasing pressure on development agencies to show quick and tangible results and impact. In any case addressing sustainability should not be a disincentive for meaningful risk taking in project selection. Therefore relevant and innovative activities and processes with ambitious but manageable objectives should remain at the core of current and future SECO/WE operations. As agreed by Management, every project has to incorporate a sensible exit strategy that provides an assessment of the likelihood of sustainability against the criteria of results, institutional and financial sustainability.

7. The Committee strongly encourages SECO/WE Management to pursue its efforts to further strengthen its internal monitoring system. Such efforts need to prioritize the design and implementation of appropriate logframes with partners and executing agencies as well as the establishment of a new user-friendly internal monitoring system to ensure regular reporting during implementation. This should go in parallel with progress in reducing the number of projects under responsibility of each program officer in order to dedicate more time for monitoring activities.

8. Regarding evaluation approaches, the Committee fully endorsed the recommendations of the 2009 Report, in particular to undertake regular ex-post evaluations; improve substantially the quality of SECO/WE external evaluation reports;

and step up the systematic utilization by the operational divisions of evaluation lessons learned. Progress on such aspects will be followed up closely by the Committee.

9. In conclusion: the Committee recommends the disclosure of the 2009 Annual Effectiveness Report as well as of SECO/WE Management Response and the Position of the External Committee on Evaluation on SECO internet website. The Committee is aware that some conclusions and recommendations of the 2009 Effectiveness Report are similar to the ones of the previous year and that improvements will be possible only over the medium-term. Continuous efforts and perseverance by Management and Staff will be necessary. The Committee discuss regularly on progress achieved in the implementation of the recommendations by SECO/WE Management.



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Chairman of the External Evaluation Committee

The Committee Members:

Kathrin Amacker

Gilles Carbonnier

Susanne Grossmann

Christoph Stueckelberger



2009 ANNUAL REPORT

on

THE EFFECTIVENESS OF SWITZERLAND'S ECONOMIC COOPERATION AND DEVELOPMENT

**Economic Cooperation and Development Division
Evaluation and Controlling (WECO)**

April 2010



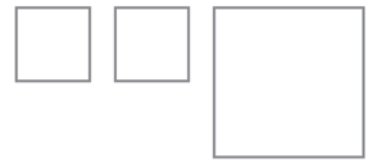
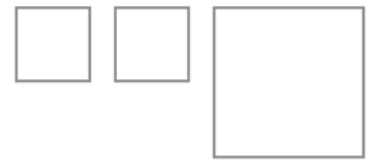


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Executive Summary

This year's Effectiveness Report examines the performance of Switzerland's Economic Cooperation and Development in implementing its aid activities (Part I) and, for the first time, focuses more thoroughly on a specific topic, namely the sustainability of its projects (Part II).

Part I – Assessing SECO/WE's performance

According to a recent DAC/OECD study, SECO/WE's Evaluation Policy and Guidelines comply with international standards and facilitate the independence of the Evaluation function and the performance of rigorous evaluations. The work of the External Evaluation Committee also contributes to the quality of evaluations and to raising awareness about evaluations in SECO/WE's decision-making. Key challenges remain, however, particularly in terms of ensuring and facilitating the use of evaluation findings and conducting joint evaluations, especially with partner countries.

The success rate of SECO/WE's portfolio in 2009 is estimated at 71% on the basis of 24 external evaluations. This performance confirms the high quality of SECO's portfolio, which is also reflected in the 2005-2009 analysis, where 78% of the 96 projects evaluated are considered satisfactory.

The results for 2005-2009 reveal certain areas of success, mainly with respect to relevance and effectiveness, with an average of 80-85% of projects being considered satisfactory, while performance is more mixed in terms of efficiency (58% satisfactory). Regarding sustainability, the introduction of a more precise methodology produces mixed results, with 31% of interventions rated as successful, 33% unsuccessful and 35% not assessed/not demonstrated.

SECO/WE's interventions are therefore considered highly relevant and largely achieving their objectives. In terms of efficiency and sustainability, however, further efforts are deemed necessary. There are also challenges ahead in further enhancing the quality of evaluation reports.

Part II – The challenges facing SECO/WE in achieving sustainable results

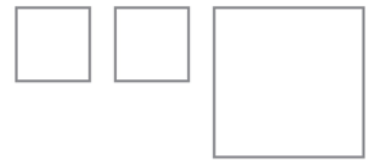
The sustainability criterion was revisited in the 96 projects evaluated in the period 2005-2009 by applying an improved methodology, which makes it possible to differentiate between projects evaluated in terms of sustainability and those for which a rating cannot be applied because the issue of sustainability is not specified in the TOR, is not addressed in the evaluation report, or the evaluation is too early to formulate a judgement. When applying this new methodology, the distribution of the performance of SECO/WE's projects in terms of sustainability is more diverse, with an average of 30% of interventions achieving satisfactory results, 35% unsatisfactory, and another 35% not assessed.

Poor sustainability ratings are mainly related to institutional and financial aspects that are not adequately identified at the design stage and carefully monitored throughout implementation. The role of SECO/WE at the different phases of the project cycle should be strengthened, with a thorough sustainability assessment, the development of an explicit approach to sustainability built into the project design, and the careful monitoring of assumptions relevant to sustainability. By formulating more realistic assumptions, involving stakeholders more closely, and designing an appropriate financial strategy, there is scope for further improvement to SECO/WE's performance.

General conclusions and recommendations

Although, in general, SECO is achieving a good rate of success in its projects, the recommendations for the management and implementation of projects are to i) further strengthen its monitoring system, ii) reinforce the concern for sustainability and iii) create new incentives for operational divisions. Regarding evaluation approaches, it is suggested to i) undertake regular ex-post evaluations, ii) improve the quality of evaluation reports and iii) step up the systematic utilization of evaluation lessons learned.





Introduction

In the context of increased global challenges (financial crisis, climate change, etc.), demand for development resources is increasing while there is greater pressure to provide evidence of their effective and efficient use. This year's Effectiveness Report examines the performance of Switzerland's Economic Cooperation and Development in implementing its aid activities (Part I) and, for the first time, it focuses more thoroughly on a specific topic, namely the sustainability of its projects (Part II). Previous Effectiveness Reports have revealed that the sustainability criterion, used to assess the performance of SECO/WE's portfolio, produced mixed results, requiring further analysis of the potential reasons and recommendations to be formulated.

Part I: Assessing SECO/WE's performance

1. SECO/WE's evaluation system in the international context

SECO/WE's Evaluation Policy and Guidelines comply with international standards and facilitate the independence of the Evaluation function and the performance of rigorous evaluations. The work of the External Evaluation Committee also contributes to the independence and quality of evaluations and to raising awareness about evaluations in SECO/WE's decision-making. As with other development agencies, key challenges remain, however, particularly in terms of ensuring and facilitating the use of evaluation findings and conducting joint evaluations, especially with partner countries.

In a rapidly changing development environment, efforts have been constantly stepped up to adjust and improve evaluation policies and approaches in response to new global challenges and increased pressure to produce more evidence-based results from a wider variety of players (parliament, donors, partner countries, private sector, civil society, media, etc.). Internal demand for a better understanding of what works best in development cooperation, together with external pressures to better demonstrate how public money is translated into concrete results, are helping to generate fresh interest in evaluation practices and international debate on how best to adjust evaluation systems in response to these challenges. International forums addressing evaluation issues, such as the DAC Network on Development Evaluation, are of utmost importance in defining evaluation standards and exchanging best practices, while other initiatives are also emerging, such as the International Initiative for Impact Evaluation – 3ie, to test and promote rigorous quantitative evaluation methods¹.

In this context, SECO/WE's evaluation system has been developed extensively over the past five years in order to contribute to improved accountability and better development results. According to the recent DAC study "Development Evaluation Resources and Systems"², SECO/WE's evaluation system complies with international standards applied by other partners: an Evaluation Policy and its associated Guidelines are in place, the Evaluation function is independent of operations, the funding and human resources are secured, and coordination exists with other donors. As with other development agencies, key challenges remain, however, particularly in terms of ensuring and facilitating the use of evaluation findings and conducting joint evaluations, especially with partner countries.

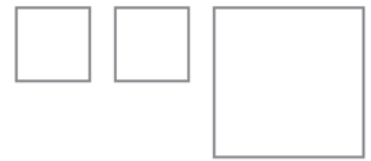
"While early discussions in the DAC Network on Development Evaluation focused on strengthening the evaluation function of its members through capacity building and policy and institutional development in donor countries, issues of partner country capacity and involvement have now come to the fore. There is also a stronger focus on assessing development results at impact level and addressing larger strategic questions of development effectiveness. Capacity weaknesses, especially in terms of technical skills and specialized knowledge in evaluation remain a challenge for some members"³.

¹ Rigorous quantitative evaluation methods refers mainly to randomized controlled trials (RCT) based on the collection of quantitative data taken as a basis for evaluation findings and recommendations. Such evaluation practice refers to a trial in which participants/beneficiaries are randomly assigned to two or more groups: at least one (the experimental group) receives the intervention/support being tested and another (the comparison or control group) receives alternative support or nothing.

² <http://www.oecd.org/dataoecd/13/6/45605026.pdf>

³ Development Evaluation Resources and Systems, DAC Evaluation Network, 2010, p. 6





2009 saw some major milestones in the improvement of SECO/WE's evaluation system. These include:

- the formal launch of the **External Evaluation Committee**, which has been in place and active since January 2009. Five members have been elected and report directly to SECO's State Secretary⁴. So far, the Committee's activities have focused on approval of the programme of independent evaluations, discussion of the 2008 Effectiveness Report for Switzerland's economic development cooperation, discussion of the independent evaluation in trade promotion of agriculture products, the launch and steering of independent evaluation in the energy sector, and the joint Effectiveness Report with SDC in the area of agriculture and food security;
- continuous improvement of **approaches, methods and tools** to focus more on results. This included stepping up the use of the results-based management framework in the monitoring of projects/programmes, conducting training sessions on how to formulate terms of reference for evaluation exercises, developing templates for standardized terms of reference, drawing up guiding principles for formulating management responses, publishing independent evaluations on SECO/WE's website with a view to increasing the transparency of SECO/WE's results, and setting up an internal evaluation database;
- improvements in the **analysis of evaluation reports**, with an indicative scoring chart reflecting the key questions an evaluation should seek to answer, which should help in analysing the results of evaluations (see Annex 1 and Section 2.3);
- a targeted analysis of the **sustainability criterion** (see Part II of this report).

These continuous adjustments have contributed to strengthening SECO/WE's evaluation results and expand rigorous evaluations as part of SECO/WE's evaluation programme.

2. SECO/WE's portfolio performance in 2009 and in the period 2005-2009

The success rate of SECO/WE's portfolio in 2009 is estimated at 71% on the basis of 24 external evaluations. This performance confirms the high quality of SECO/WE's portfolio, which is also reflected in the 2005-2009 analysis, where 78% of the 96 projects evaluated are considered satisfactory. The results for 2005-2009 reveal certain areas of success, mainly with respect to relevance and effectiveness, with an average of 80-85% of projects being considered satisfactory, while performance is more mixed in terms of efficiency (58% satisfactory). Regarding sustainability, the introduction of a more precise methodology produces mixed results, with 31% of interventions rated as successful, 33% unsuccessful and 35% not assessed/not demonstrated.

2.1. Evaluation exercises conducted in 2009

According to SECO/WE's typology of evaluations⁵, the following exercises were conducted in 2009 at the level of **SECO/WE's operational divisions**: in total, **38 evaluation exercises** were undertaken by the operational divisions in 2009, with **24 external evaluations and 14 internal reviews**. While these results are clearly lower than in 2008 (67), it is important to note that:

- the number of *external evaluations* has increased and is slightly higher than in 2008 (19). This brings to 24 the total number of external evaluations used in calculating the performance rate of WE's activities;
- the sharp decrease in the number of *internal reviews* (14, compared to 45 in 2008) should not be seen as a negative trend but as a logical evolution. 2008 was a transition year, with the entry into force of a new framework credit for SECO/WE operations in the South, resulting in the closure of a large number of projects in countries no longer considered priority countries and therefore the drafting of many completion notes (classified as internal reviews).

⁴ The External Evaluation Committee is composed of Pietro Veglio (Chair), Katrin Amacker, Susanne Grossmann, Gilles Carbonnier and Christoph Stueckelberger.

⁵ According to its Evaluation Policy, WE recognises three different types of evaluations: internal review, external evaluation and independent evaluation. For more details, see <http://www.seco-cooperation.admin.ch/themen/entwicklung/00511/index.html?lang=en>



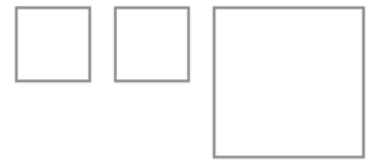
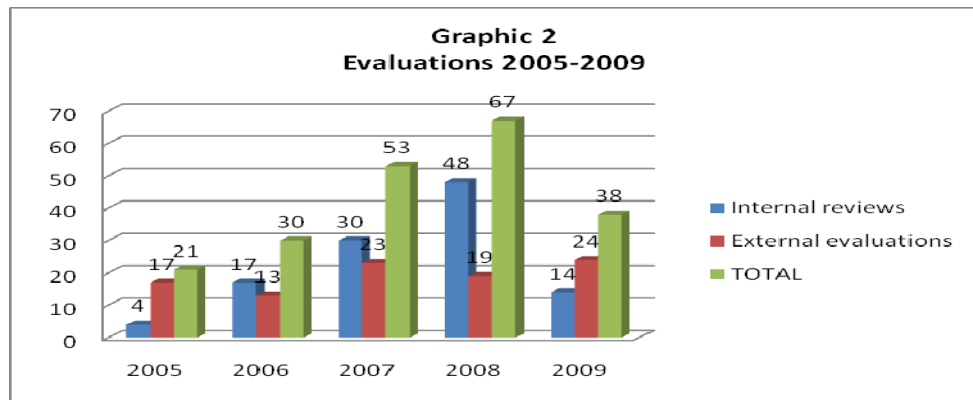


Table 1
Evaluations conducted in 2009 by WE's operational divisions

2009	Internal Reviews		External Evaluations	TOTAL
	Completion Notes	Others ⁶		
WEMU	3	3	4	10
WEIN	2	0	2	4
WEIF	4	0	5	9
WEHU	1	1	13	15
TOTAL WE	10	4	24	38



At the level of the **SECO/WE Evaluation function**, the following independent evaluations were undertaken in 2009, under the supervision of the External Evaluation Committee:

- the finalization and publication of SECO/WE's independent evaluation on "trade promotion of organic agriculture products", available with the management response and the position of the External Evaluation Committee at: <http://www.seco-cooperation.admin.ch/themen/entwicklung/00511/index.html?lang=en>;
- the launch of SECO/WE's independent evaluation in the energy sector, to be available by mid-2010;
- the preparatory work for the joint SECO-SDC Effectiveness Report in the field of agriculture and food security, to be available to the public by autumn 2010.

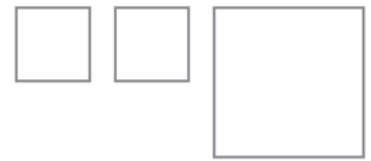
Although these exercises are managed by the Evaluation function, they also imply substantial involvement by the operational divisions and therefore require good coordination between the operational and evaluation units.

2.2. Methodology applied in the performance analysis

SECO/WE's portfolio performance is assessed annually on the basis of the results of external evaluations of projects conducted during the year under review. Projects/programmes are evaluated with respect to the four DAC criteria of relevance, effectiveness, efficiency and sustainability, on a four-point scale from highly satisfactory to highly unsatisfactory. The rating for the four criteria is consolidated in an overall rating, which is aggregated into a percentage of satisfactory projects (the top two ratings) and unsatisfactory projects (the bottom two ratings). The number of external evaluations in a particular year is not representative of SECO/WE's overall portfolio, though the sampling provides a good indication of the quality of SECO/WE's interventions at a given time. In order to increase objectivity and reliability, the analysis of results should not be limited to a particular year but, instead, be considered in the medium-term as reflected in the aggregated results for 2005-2009.

⁶ This includes internal reviews conducted by the programme officer in charge of the project within WE or by the partner agency implementing the project.





Relevance The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.	Effectiveness The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.	Sustainability The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Source: Glossary of key terms in evaluation and results-based management, OECD-DAC

For the purpose of the 2009 Effectiveness Report, the SECO/WE Evaluation function applied the same methodology as for the previous reports while consolidating the approach in order to ensure further consistency over the years and across the assessments. The following adjustments were introduced⁷:

- The inclusion of a scoring chart, with a clear set of questions to be analysed when assessing the performance of a project/programme in terms of relevance, effectiveness, efficiency and sustainability (see Annex 1). This scoring chart is mainly used when reviewing the evaluation reports and when qualifying a given project.
- The introduction of a new rating, i.e. "not assessed, not demonstrable" (see Part II for further explanation). This change was mainly due to the fact that criteria previously not assessed/reflected in an evaluation report were considered as unsatisfactory. It was felt that this interpretation was misleading and probably did not adequately reflect the true performance of a project/programme.
- The assessments of each external evaluation have been reviewed by the evaluation function as well as an additional person according to the "four eyes principle". This should provide for a more reliable rating, while being aware that it remains a more or less subjective judgment.

These changes help create a more precise methodology in rating the performance of SECO/WE's portfolio.

2.3. Detailed results from the 2009 external evaluations

Among the 24 external evaluations conducted in 2009, the following observations can be made:

- 33% are mid-term evaluations and 67% are final evaluations;
- no ex-post evaluations were conducted;
- three impact evaluations were undertaken;
- a very large majority (92%) of evaluations were managed jointly by SECO/WE's operational divisions together with other bilateral and/or multilateral agencies, or with implementing partners. This reflects the fact that many SECO projects are conducted jointly;
- regarding the geographical distribution, the majority (54%) of SECO/WE's evaluations related to development activities in the South, while 17% and 29% concerned operations in the East and globally respectively.

⁷ Within the scope of improving our approach and methodology, SECO/WE entered into a strategic partnership with KEK-CDC Consulting in Switzerland, who provides us with the support to refine and implement our policy and tools through advisory services, coaching and training support.



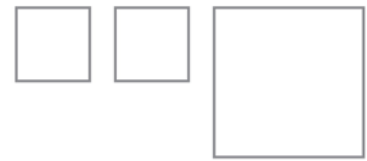


Table 3
Project performance according to the 2009 external evaluations
(comparison over the period 2005-2009)

	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory	
	2005-09	2009	2005-09	2009	2005-09	2009	2005-09	2009
All WE	7.3%	0%	70.8%	70.8%	21.9	29.2%	0%	0%

The 2009 performance results are very similar to those for previous years, i.e. the large majority of SECO/WE's operations are considered satisfactory, with a success rate of 71% for 2009. For the entire period of **2005-2009**, this **success rate is 78%**. According to the results of the 24 external evaluations, 29% of the projects were unsatisfactory in 2009, though no programme/project was rated as highly unsatisfactory.

It is important to note that these yearly results are not representative of the overall portfolio of WE's activities, since the number of external evaluations varies largely from one year to the next. Moreover, they cover a broad spectrum of sectors and do not reflect the current portfolio of each of SECO/WE's divisions. A sample of 24 projects subject to an external evaluation cannot be regarded as sufficiently representative of SECO/WE's overall portfolio; therefore, an aggregation of data over a longer period is probably more objective. Over the period 2005-2009, 96 external evaluations were used as references, thus producing a sounder basis for the performance rate of SECO/WE's operations.

There is no standardized methodology for evaluating the effectiveness of a development agency's activities and there is no common definition of a performance indicator; thus, several different practices are applied within the development community. SECO's approach could, for instance, be likened to that of the World Bank in its Annual Review of Development Effectiveness⁸ and that of KfW in its Tenth Evaluation Report on Projects and Programmes in Developing Countries⁹. In their most recent reports, both institutions achieve a success rate of some 80%. In the development community, it is generally accepted that a success rate of around 65-80% is probably a good, realistic target, taking account of the complex environment in which development activities are carried out. High risks in terms of country development, political environment, governance situation, natural disasters, etc. jeopardize the proper implementation and effective results of development interventions.

SECO/WE's results reveal certain areas of success, mainly with respect to relevance and effectiveness, while performance is more mixed in terms of efficiency and sustainability. **More than 70%** of SECO/WE's interventions in 2009 are considered **very relevant and show good results in terms of effectiveness**. Despite the fact that projects/ programmes are **efficiently implemented** in the majority of cases (**54%**), some weaknesses are highlighted for almost 38% of interventions. The percentage of **unsatisfactory assessments is higher for the sustainability criterion and close to 55%**. However, it is important to note that 37.5% of projects evaluated were not rated with respect to the sustainability criterion. As further explained in Part II of this report, the rating "not assessed/not demonstrated" is used either when an evaluation does not provide any assessment of the sustainability criterion or when it is too early for an evaluation to draw conclusions on the potential sustainability of a project/programme.

⁸ WB report available at <http://www.worldbank.org/ieg/arde09/>

⁹ KfW report available at http://www.kfw-entwicklungsbank.de/DE_Home/Evaluierung/Ergebnisse_und_Veroeffentlichungen/Auswertung.jsp



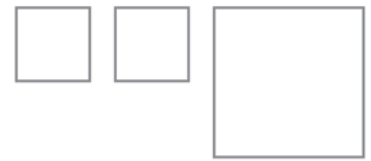


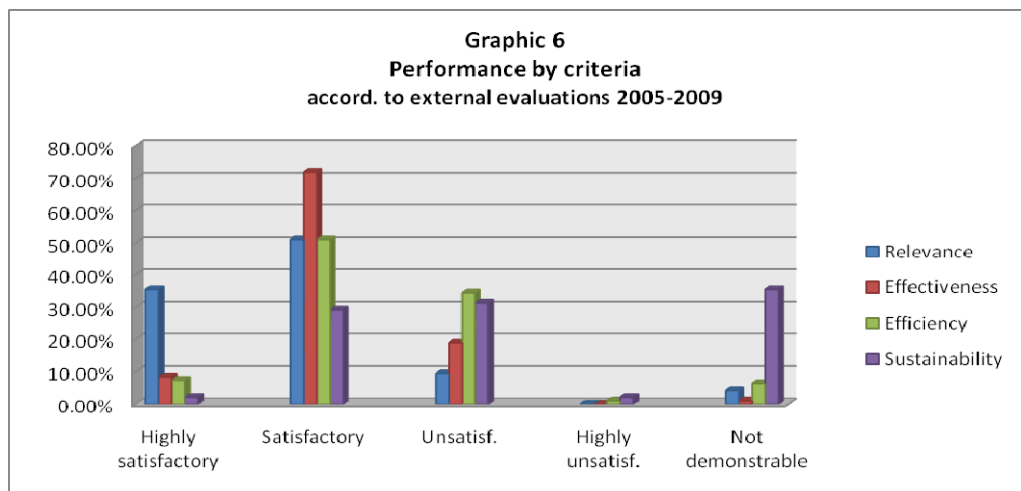
Table 4
Project performance by criteria, according to 2009 external evaluations

2009	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory		Not Assessed / Not Demonstrated	
	Number	%	Number	%	Number	%	Number	%	Number	%
Relevance	7	29.2%	10	41.7%	3	12.5%	0	0%	4	16.7%
Effectiveness	0	0%	18	75.0%	6	25.0%	0	0%	0	0%
Efficiency	0	0%	13	54.2%	8	33.3%	1	4.2%	2	8.3%
Sustainability	0	0%	2	8.3%	12	50%	1	4.2%	9	37.5%
Total	0	0%	17	70.8%	7	29.2%	0	0%	0	0%

The general trend is confirmed by comparing these results with the analysis for the 2005-2009 period. The positive results are reiterated, with **85% of operations being considered very relevant and 80% achieving good results**. In terms of efficiency, results are very similar, with **58% of projects considered efficient**. In terms of **sustainability**, the results are much more balanced than for 2009 alone, with **31% of interventions rated as successful, 33% unsuccessful and 35% not assessed/not demonstrated** (for a detailed analysis, see Part II).

Table 5
Project performance by criteria, according to 2005-2009 external evaluations

2005-2009	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory		Not Assessed / Not Demonstrated	
	Number	%	Number	%	Number	%	Number	%	Number	%
Relevance	34	35.4%	49	51%	9	9.4%	00	0%	4	4.2%
Effectiveness	8	8.3%	69	71.9%	18	18.8%	0	0%	1	1%
Efficiency	7	7.3%	49	51%	33	34.4%	1	1%	6	6.3%
Sustainability	2	2.1%	28	29.2%	30	31.3%	2	2.1%	34	35.4%
Total	7	7.3%	68	70.8%	21	21.9%	0	0%	0	0%



The quality of the evaluation reports is also assessed with respect to the process, the methodology, the application of evaluation standards, the responses to evaluation questions and criteria, and the quality of the final report. The rating also applies a four-point scale, from highly satisfactory to highly unsatisfactory.



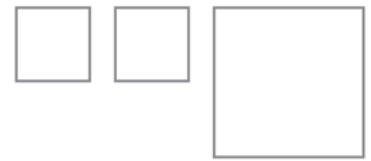


Table 7
Quality of evaluation reports in 2009 and for the period 2005-2009

	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory	
	Number	%	Number	%	Number	%	Number	%
All WE 2009	6	25.0%	10	41.7%	7	29.2%	1	4.2%
All WE 2005-2009	30	31.3%	49	51.0%	15	15.6%	2	2.1%

The quality of the evaluation reports in 2009 remains a source of concern. Although 67% of evaluation reports are considered to be satisfactory, the **quality of 33% of these reports is clearly below standard**. Given that SECO is charged with commissioning the evaluations, it should be in a position to obtain evaluation teams that are qualified in terms of both technical and methodological aspects. Therefore, it should be possible to obtain a higher performance.

2.4. Results of the 2009 internal reviews

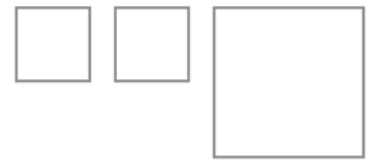
Considering the small number (14) of internal reviews conducted in 2009, it is not possible to analyse the discrepancies between the results from external evaluations and from internal reviews, as only one project underwent both an internal review and an external evaluation in 2009. Nonetheless, the results of the internal reviews are quite interesting when compared with the 2009 performance deduced from the external evaluations. Staff from the operational divisions estimate on average that **86% of their projects are satisfactory**, with only 14% of interventions achieving globally unsatisfactory results. In terms of the evaluation criteria, relevance and effectiveness are always assessed positively, while efficiency and sustainability are perceived as being more critical, with an average of 30-35% rated as unsatisfactory for both criteria.

Table 8
Project performance according to 2009 internal reviews

	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory	
	Number	%	Number	%	Number	%	Number	%
<i>2009</i>								
All WE	1	7.1%	11	78.6%	2	14.3%	0	0%

Keeping in mind the small sample of internal reviews, the quality of SECO/WE's portfolio is, in general, slightly biased towards more satisfactory ratings when the assessment is conducted internally, as reflected in an overall internal assessment of 85.7% of projects considered satisfactory or highly satisfactory in 2009. However, even if **operational staff remain more positive in their self-assessments of their projects**, they appear to have been more objective in the way they assessed their activities, with some relevant justifications provided to their rating. It is of utmost importance to ensure that operational divisions keep a critical view of the projects' results and risks, in order to ensure that lessons learned and experience made are effectively included in the implementation of projects and the design of new activities.





3. Lessons learned

SECO/WE's interventions are considered highly relevant and largely achieving their objectives. In terms of efficiency and sustainability, however, further efforts are deemed necessary. There are also challenges ahead in further enhancing the quality of SECO/WE's external evaluations. These findings are very similar to those in previous reports, and several years will be needed before any changes in evaluation outcomes and processes will be reported, given the average length of a project phase (3-5 years). Internal and external constraints impede the way SECO/WE works and the results it achieves.

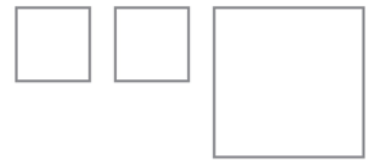
The results of this Effectiveness Report confirm that SECO/WE is achieving a reasonably high rate of success in its development interventions. Although the interpretation and analysis of evaluation outcomes should remain prudent, given the possible weaknesses in the methodology used, the small sample of projects and the lack of sufficiently reliable data, some interesting trends can be identified with a high degree of confidence. When reviewing the 24 evaluation reports of 2009, the main lessons learned with respect to the four evaluation criteria are very similar to those in the 2008 report, summarized as follows:

- **Relevance:** For the large majority of projects, SECO/WE's activities are highly relevant, focusing on the right area of support, well aligned with the beneficiaries' priorities and responsive to their needs, and largely in keeping with SECO/WE's comparative advantage and the implementing agencies' core competencies. In some cases, country ownership and coordination with other donors' interventions could be improved.
- **Effectiveness:** SECO/WE is achieving concrete results in the implementation of its projects/programmes. While such results are well reported at output levels, evaluations, with a few minor exceptions, are unable to demonstrate results at the level of outcomes and possible impacts due to poor and inadequate monitoring. For projects that did not achieve their outcomes, the main reason is over-ambitious targets in an unrealistic timeframe.
- **Efficiency:** In general, the way SECO/WE translates financial and human resources into activities is considered efficient, although it is not possible to conduct a cost-effectiveness analysis (there is no activity-based financial reporting in a large majority of cases). Partners are satisfied with the quality of the assistance they received. However, weaknesses have been identified in the monitoring (poor reference and use of logframe during implementation) and the steering of projects (roles and responsibilities not always clearly defined, insufficient use of steering mechanisms). A systematic and standardized monitoring system over the lifespan of a project is lacking and is not sufficiently used in decision-making.
- **Sustainability:** Although this criterion is further analysed in Part II of this report, projects that are evaluated with respect to this criterion show, in many instances, inadequate institutional and financial sustainability to ensure that the project results will be sustained. Exit strategies and assumptions relevant to sustainability have not been sufficiently spelled out in the project planning.

Regarding the **type of evaluations and the quality of evaluations** that SECO/WE conducted in 2009, several lessons can also be identified:

- the evaluations are excessively orientated to outputs rather than outcomes on account of the poor monitoring system at project level;
- few rigorous impact evaluations were conducted, using some more quantitative methods and providing useful lessons in terms of impact;
- SECO/WE did not conduct any ex-post evaluations in 2009 (i.e. 2-5 years after a project's completion);
- the quality of the evaluation reports varies considerably and, in many instances, reports are more expert driven and reflect insufficient knowledge of evaluation methodologies;
- the training sessions conducted in 2009 will certainly further improve the quality of the terms of reference;
- management response is not sufficiently used and integrated into evaluation processes. Of 24 evaluations, only six have to date formulated a management response to monitor the effective use of the evaluation results and recommendations;





- SECO/WE should first and foremost strive to manage evaluation processes of a high standard and quality rather than increase the number of external evaluations per se.

Obviously, the findings are very similar to those published in the 2008 report, and several years will be needed before any changes in evaluation outcomes and processes will be reported, given the average length of a project phase (3-5 years). Internal and external constraints impede the way SECO/WE works and the results it achieves. Internal constraints include, for example, the insufficient use of monitoring systems during the implementation of projects, loss of institutional knowledge due to high staff turnover, inadequate levels of human resources compared with the size of SECO/WE's portfolio, an imbalance within SECO/WE between technical expertise and knowledge/interest in project cycle management, inadequate dissemination and use of results in decision-making processes, and the limited management capacities of some implementing partners. External constraints mainly refer to the context in which we are working, with high risks at either development (country context, partner, etc.) or governance levels. The recommendations formulated in the general conclusions at the end of this report (see page 17) are meant to be as practical as possible and should guide the future design and monitoring of projects and evaluations.

4. Outlook for 2010

SECO/WE's operational divisions are planning to conduct a total of 58 evaluation exercises in 2010. The evaluation programme is tentative and will be updated regularly and posted on the SECO/WE website. Along with the recommendations from this report, it is of utmost importance to ensure that ex-post evaluations are planned by the operational divisions in order to strengthen some components of our evaluation system.

Table 9
Tentative evaluation programme for 2010

2010	Internal Reviews		External Evaluations	TOTAL
	Completion Notes	Others ¹⁰		
WEMU	7	2	2	11
WEIN	11	2	2	15
WEIF	8	-	9	17
WEHU	4	-	11	15
TOTAL WE	30	4	24	58

For 2010, the programme of the WE Evaluation function includes:

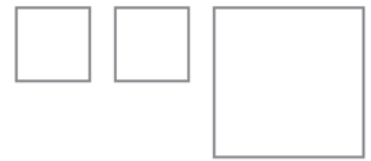
- finalizing the independent evaluation in the energy sector (Q2 2010), the joint Effectiveness Report with SDC in the field of agriculture and food security (Q3-4 2010), and the impact evaluation "Tracer Study Peru" (Q4 2010 Q1 2011);
- launching a new independent evaluation (Q3 2010), the scope of which has yet to be defined (the subject will very much depend upon the needs of the new framework credits to be drawn up in 2011);
- following up on a certain number of joint international initiatives, such as the evaluation of the effectiveness of multilateral institutions and the PFM evaluation.

These exercises are undertaken under the supervision of the External Evaluation Committee.

In order to strengthen the institutional impact of evaluations on WE's operations and decision-making, a system will be further defined to track the adoption and implementation of recommendations emanating from evaluation reports. While management responses require full integration, the way they can be effectively translated into action requires further monitoring. In addition, the Evaluation function provides coaching and advisory support to operational divisions in conducting their evaluations. Training activities are also planned for new members of staff.

¹⁰ This includes internal reviews conducted by the programme officer in charge of the project within WE or by the partner agency implementing the project.





For the 2010 Annual Report on SECO/WE's effectiveness, we intend to maintain the current structure, i.e. including a subject-specific analysis. There are tentative plans to undertake an analysis of the results and impact of capacity building activities, taking account of the difficulties in measuring results for such types of technical assistance.

Part II: Challenges facing SECO/WE in achieving sustainable results

When considering SECO/WE's results in terms of performance, addressing the issue of project sustainability appears to be a key challenge. The analysis of the 2005-2008 evaluations revealed that, for close to 50% of the external evaluations, the rating for the sustainability criterion was unsatisfactory or highly unsatisfactory¹¹. However, there was an explanation that these relatively low ratings also included cases where sustainability had not been or could not be assessed in the evaluations. Therefore, it was felt that the sustainability criterion should be revisited for the projects evaluated in the period 2005-2008 and including those for 2009 so as to get a more accurate picture and thus understand the limits of SECO/WE's projects in terms of sustainability and how this could possibly be improved. In this context, this part of the Effectiveness Report highlights SECO/WE's results in terms of sustainability, based on the findings of evaluation reports and a supplementary analysis conducted with the support of KEK-CDC¹².

1. The analytical framework

The sustainability criterion was revisited in the 96 projects evaluated by applying a new scoring method, which makes it possible to differentiate between projects evaluated in terms of sustainability and those for which a rating cannot be applied (not specified in the TOR, not addressed in the evaluation report or too early to formulate a judgement).

While the OECD/DAC definition of sustainability provides a general reference (see page 7 of the Glossary), it does not indicate the factors that influence the sustainability of a project. Furthermore, a distinction needs to be made between a) **Sustainable project** (actions/results), which refers specifically to the sustainability of changes brought about by project activities, and b) **Sustainable development**, with its ecological, social, and economic dimensions. For the purpose of this analysis, the sustainability of projects is relevant.

In order to provide a more accurate rating of the sustainability criterion, the methodology applied for the assessment of evaluation reports was reviewed and now includes a **new score "not assessed/not demonstrated (ND)"** in addition to the existing assessments of highly satisfactory, satisfactory, unsatisfactory, and highly unsatisfactory. This new score is applied when the aspect of sustainability has not been or could not be assessed in the evaluation, because, for instance, it is not specified in the terms of reference, it is not addressed by the evaluators or it is too early to assess the sustainability of the project (e.g. in mid-term evaluations). In addition, a **detailed scoring chart** (see Annex 1) has been used, which distinguishes between the results, institutional and finance-related aspects of the sustainability criterion, in order to provide a more accurate basis for assessing project performance.

The dimensions of sustainability referred to in the scoring chart are defined as follow:

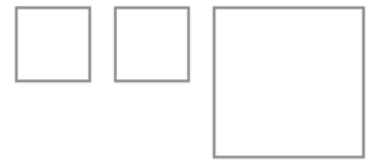
Sustainability of results: Achieved results are maintained and (where indicated) the supported beneficiaries/organization(s) continue to deliver the same results (services, products, investments, etc.) without donor support.

Institutional sustainability: The capacity of the supported beneficiary/organization has been developed to a point where the organization can manage its tasks and adjust its structures and processes to evolving requirements without donor support.

¹¹ L'Efficacité de la Coopération économique au développement – version résumée, SECO, 2008, <http://www.seco-cooperation.admin.ch/themen/entwicklung/005111/index.html?lang=fr>

¹² This part of the report is based on a study mandated by SECO and conducted by KEK-CDC Consultants "Observation on Sustainability Criteria in Evaluation Fiches", March 2010





Financia/sustainability: The local partners/supported beneficiaries/organization(s) have set up a system of financing the delivery of the results (services, products, investments, etc.), which functions without donor support.

The main criteria influencing the sustainability of SECO/WE projects have been identified within the following list of main factors.

Main Factors	Typical criteria within categories (not comprehensive)
Legal and policy framework	Project in line with partner's policies / priorities (relevance) Laws and regulations that are relevant for project results are in place and enforced (e.g. environmental legislation)
Commitment (ownership)	Results of the project are relevant and make a contribution to the socio-economic development Partners are committed to and take ownership of the project, or its results
Institutional Capacity	Adequate organizational structures and management processes established for continued delivery of results / benefits / services Capability to adjust organization to new requirements (i.e. anticipate changes in context and adjust; innovation; organizational learning)
Human Resources Capacity	Adequate know-how, skills, awareness, attitude of relevant players established for continued delivery of results / benefits / services Capability to adjust HR to new requirements
Economic, financial aspects	Financial viability of operations / service delivery for continued operation
Technology	Technology established is adequate for the technical, managerial and economic capacity in the given context / maintenance secured
Environmental aspects	The outputs / benefits of the project are environmentally sound / not in breach of environmental legislation

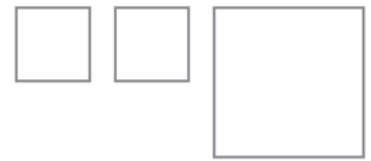
2. Sustainability criterion for the period 2005-2009: Results and analysis

Based on the revised methodology, the performance of SECO/WE's projects in terms of sustainability is more diverse, with an average of 30% of interventions achieving satisfactory results, 35% unsatisfactory, and another 35% not assessed.

The assessment of sustainability for the 72 evaluations conducted during the period 2005-2008 without the detailed scoring chart as a reference and without the option "not demonstrated" were revisited, applying the new detailed scoring. This methodology was also applied to the 24 evaluations for 2009.

	Highly Satisfactory	Satisfactory	Un-satisfactory	Highly Un-satisfactory	Not Assessed / Not Demonstrated
	%	%	%	%	%
Previous rating for 2005-2008 (without ND option)	3%	52%	38%	5%	
New rating for 2005-2008 (with ND option)	3%	36%	25%	1%	35%
Rating for 2009	0%	8%	50%	4%	38%
Overall rating incl. 2005-2009	2%	29%	31%	2%	35%





The re-assessment and comparison of the distribution of the sustainability ratings under the previous and the newly applied method of rating reveal the following:

- The distribution of the previous rating as a percentage (for the period 2005-2008) did not give an accurate picture because a total of 25 ratings (now rated as ND) were not based on explicit evidence. In these evaluations, either the evaluators had made a general statement about sustainability without actually providing sufficient justification or, in the absence of the “not demonstrated” option, a rating of unsatisfactory or highly unsatisfactory was given instead.
- The fact that, on average, 35% of evaluations do not provide evidence or do not rate the sustainability criterion serves as sufficient reason to include the “not demonstrated” option as an extra rating in the system applied.
- Despite the fact that it is difficult to draw a valid conclusion, the new figures (2005-2009) tend to show a **lower percentage of unsatisfactory projects (33%)** where the sustainability criterion has been assessed, a **new percentage of 35% of projects rated “not assessed/not demonstrated”** and a **similar percentage of satisfactory projects, at 31%**. The quality of the sustainability of SECO/WE projects therefore seems to be more equally distributed. The ratings for the 2009 projects take the unsatisfactory figure to 50%, but this cannot be generalized as a trend, given the small size of the sample in that year.
- The sustainability rating for projects does not change if the projects are evaluated at **mid-term or the final stage of their implementation**. According to the assessments, of the 34 projects for which sustainability cannot be assessed or demonstrated, 53% were mid-term evaluations, whereas 47% were final evaluations. This confirms the need to strengthen the sustainability assessment by undertaking more end-of-phase and/or ex-post evaluations. If a similar analysis is conducted for projects rated unsatisfactory or highly unsatisfactory (32) with regard to their sustainability, the percentage is also equally shared between mid-term (50%) and final evaluations (50%). This tends to confirm that the **problem of sustainability occurs throughout project cycle management** and not only at mid-term implementation of projects, when additional support can still be provided and could still influence the ultimate sustainability of a project.

3. Potential reasons and measures influencing sustainability

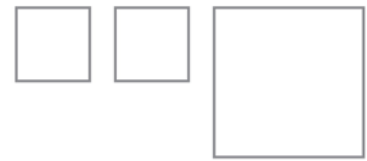
Poor sustainability ratings result mainly from institutional and financial aspects that are not adequately identified at the design stage and carefully monitored throughout implementation. The role of SECO/WE at the different phases of the project cycle should be strengthened, with a thorough sustainability assessment, the development of an ex-ante sustainability approach and the careful monitoring of related assumptions.

The distinction between three aspects of sustainability (results, institutional, financial sustainability – see scoring chart in the Annex) proved to be useful for a more specific assessment of the statements on sustainability made in the evaluation reports. This helped to get a better idea of the strengths and weaknesses with regard to the sustainability of projects, and accordingly, to identify in more detail the **reasons for poor sustainability ratings**.

The analysis of the sustainability assessments in those SECO/WE evaluations where the rating was unsatisfactory or highly unsatisfactory revealed that institutional and financial aspects were mentioned as the most frequent impediments to sustainability.

- **Institutional aspects and policy:**
 - Inadequate legal framework conditions (e.g. laws forming important elements of the assumptions for project strategy not in place/enforced);
 - Important stakeholders not committed;
 - Important stakeholders not yet able to ensure that the improved human and institutional capacity can be maintained in the long term (e.g. high staff turnover);
 - Lack of involvement of relevant stakeholders (e.g. private sector).





- **Financial aspects**

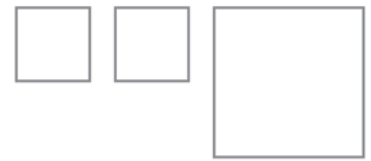
- Important stakeholders unable to mobilize necessary funds;
- No or inadequate concept/models for funding of activities beyond project period (e.g. tariffs, cost recovery for services);
- Overly optimistic assumptions about marketability of products or services;
- Stakeholders interested in activity as long as there is a funder, but do not see how they could mobilize funds in the long term.

In further analysing the root causes, the main question is *when and how* these factors can be influenced to take the project towards sustainability. In principle, the conditions for sustainability of a project are built up and established throughout the project cycle and beyond.

Ascertaining sustainability is not a one-time effort during the design of the project or just a matter of a good exit strategy. It requires adequate attention and measures in all project phases. However, the responsibility for taking the right measures shifts as the project progresses through the various phases. SECO/WE has the biggest influence on (and responsibility for) addressing concerns in terms of sustainability during the needs assessment, design and planning phases. During the implementation phase, responsibility should ultimately shift to implementing partners and beneficiaries.

Typical measures to ascertain sustainability	
1) Needs assessment, design phase:	
Involvement of key partners , stakeholders or beneficiaries to:	
<ul style="list-style-type: none">• ensure that the project is in line with their needs and policies (in the case of governments)• assess their commitment• assess their institutional and human resources capacities (stakeholder analysis)• adjust the design of the project to their capacities	
Context analysis in terms of policy and legal framework, economic situation and technology standards to:	
<ul style="list-style-type: none">• identify relevant laws and regulations that are critical for the project• assess (long-term) economic viability for services or products developed by the project• assess adequacy of technology and know-how to be introduced• identify the risks related to political stability	
While the involvement of partners should yield a realistic project design, the context assessment should mainly help to identify the critical assumptions.	
2) Planning phase	
Devise an exit strategy that defines which capacities need to be established and by when, for the partners to take charge and, in particular, measures and a (binding) plan for achieving financial sustainability (i.e. how to phase out project funds / subsidies).	
Establish ex-ante a sound monitoring system for the project not only for monitoring results but also for observing the factors/assumptions influencing sustainability.	
3) Implementation phase	
Ensure systematic monitoring not only of the results but, equally important, of the critical assumptions with regard to sustainability. If these assumptions are not fulfilled (e.g. enforcements of laws on Environmental protection as a condition for viable service delivery in the field of cleaner production), the sustainability of an otherwise good project is easily jeopardized.	
The involvement of partners in monitoring is a means of invoking their commitment and instilling a sense of quality management.	





4. Lessons learned

By formulating more realistic assumptions, involving stakeholders more closely, and designing an appropriate financial strategy, there is scope for further improvement to SECO/WE's performance in terms of sustainability.

Against this conceptual background, the **root causes** for the identified shortcomings regarding sustainability, which SECO/WE can directly influence, can be summarized as follows:

- **Unrealistic assumptions** while planning projects or devising the intervention logic, due to insufficient context assessment;
- **Overoptimistic assessment** of the potential to achieve sustainability, which might be biased by internal pressures to disburse resources and to have projects approved;
- **Insufficient involvement of stakeholders** in the planning phase, i.e. no or weak stakeholder analysis;
- **Too little concern for the question of financial sustainability** while planning, i.e. for the question of how project funding can ultimately be replaced by local resources. This is, in fact, an important element of an explicit exit strategy, which should ideally be designed along with the project;
- **Insufficient monitoring of critical assumptions** (concerning sustainability).

General conclusions and recommendations from Parts I and II

Although, in general, SECO/WE is achieving a good rate of success in its projects, the recommendations for the management and implementation of projects are to i) further strengthen the monitoring system, ii) reinforce the concern for sustainability and iii) create new incentives for operational divisions. Regarding evaluation approaches, it is suggested to i) undertake regular ex-post evaluations, ii) improve the quality of evaluation reports and iii) step up the systematic utilization of evaluation lessons learned.

Although, in general, SECO/WE is achieving good results in its projects, some important weaknesses have been identified in the design, monitoring and sustainability of projects, which could be more systematically addressed. The challenges facing SECO/WE are not exceptional, and the majority of developing organizations are facing similar difficulties and constraints in achieving effective results and practices in projects' management take a long time to be modified. The following recommendations are to some extent a reconfirmation of earlier assessments, but the in-depth analysis provides a basis for the recommendations to be more specific. They relate to both project planning and implementation as well as to the processes of project evaluation.

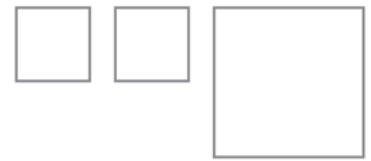
When **planning and implementing projects**, it is recommended that:

1. SECO/WE should pursue its efforts to further **strengthen its monitoring system**. Although instruments for results-based management have been developed, their effective use is still at an early phase of application. Logframes should be better designed and should include indicators with baselines. They should be reflected in agreements and contracts with partners, and the roles and responsibilities concerning their use in reporting should be clearly defined.

In order to ensure that this recommendation is implemented, the following measures should be adopted:

- *Sufficient resources* (mainly human) should be allocated within SECO/WE's operational divisions to properly monitor project execution. An appropriate level of human resources trained in results-based management should give the operational divisions more time to follow and get more closely involved in the monitoring system.
- *Capacities and business practices* at SECO/WE and at implementing partners should be strengthened and adjusted when needed. This includes familiarization (training, if needed) with monitoring instruments, appropriation and effective use of such instruments in planning, monitoring and reporting, etc. The recent revision of the internal project fiches should also contribute to this objective.
- *Wider ownership* of logframes by implementing partners and beneficiaries should be ensured.



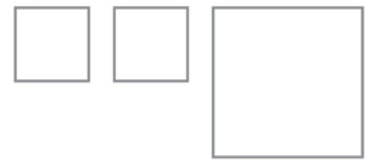


2. SECO/WE should better integrate the concept of sustainability into the design and implementation of projects. SECO/WE should adopt more realistic project design with a long-term perspective and phasing approach in order to maximize the probability of success. In order to **reinforce the concern for sustainability**, the following minimum measures should be adopted:
 - The *curriculum of the courses* run by SECO/WE on M&E should be reviewed to allocate a module on "Project Sustainability".
 - SECO/WE's operational divisions should ensure that *stakeholder analysis* (including stakeholder incentives, and careful and realistic consideration of framework conditions) is a mandatory element of project planning.
 - Project proposals from operational divisions should describe the *exit strategy* (with the relevant assumptions to be monitored in the course of project implementation), which will be explicitly verified by the SECO/WE Operations Committee. Sustainability risks should be reflected in the risk analysis included in project proposals.
3. In order to contribute to a change of attitudes and to create a culture of more robust results-based management within SECO/WE's projects, SECO/WE needs to create **new incentives** for operational divisions to effectively and efficiently use monitoring systems in order to generate continuous information and indicators on project achievements. In order to implement the results agenda, Management should give further consideration to the incentives in place for operational work, such as e.g. identifying new projects vs. less visible work (e.g. monitoring), which tends to be less recognized. Among various measures, the following has been identified as an option:
 - SECO/WE should develop and discuss an *encouragement approach*, which may encompass incentive mechanisms through which positive awards would be granted to operational colleagues and/or operational divisions applying best practices in monitoring systems and evaluation results.

When **managing evaluation processes**, it is recommended that:

1. The type of evaluations conducted should be reviewed in favour of **more ex-post evaluations**. With most of the evaluations being undertaken shortly before or at the end of the project, they have to use indicators serving to assess the *chances or probability* of the results being sustainable. This is an appropriate method, but to get real indications of the sustainability of development assistance, ex-post evaluations are needed as a complementary approach. To put this into practice, the following measure should be adopted:
 - Each of SECO/WE's operational divisions should, until June 2010, effectively plan *one ex-post evaluation* to be conducted in the next two years and ensure that the necessary human and financial resources will be available for this purpose.
2. The **quality of SECO/WE's evaluations** should be improved substantially. Usually the evaluation of SECO/WE's projects requires subject-specific knowledge or even highly specialized expertise. However, experts with such skills are not necessarily familiar with evaluation methodology. Therefore, it is recommended that, particularly for strategic evaluations or those for which the method is decisive in obtaining useful results (e.g. sustainability of capacity building), the profile of the evaluators should be improved. To this end, the following measures should be adopted:
 - Sufficient *methodological competence of evaluation teams* should be ensured, which may mean contracting a team of at least two evaluators, one with technical and one with methodological expertise.
 - *Evaluation reports* should not be accepted if they do not comply with the DAC/OECD standards and the SECO/WE requirements defined in the TOR.





3. Although SECO/WE's operational divisions are fully supportive of the role of evaluations in collecting evidence and best practices on what does and does not work in its development cooperation, the **systematic use of evaluation lessons learned** and their impact on approaches and policy debates could be enhanced. In order to further promote the use of evaluation conclusions and recommendations, the following measures should be adopted:
- SECO/WE should systematically produce a *management response* at the end of an evaluation exercise (when projects are implemented with other partners, a joint response should be drafted). Without a management response, no new financing phases of a project should be submitted for approval to the SECO/WE Operations Committee. As a complementary measure, the SECO/WE Evaluation function should draw up a system to track the implementation of the evaluation recommendations (based on the management response).
 - Informal *platforms for discussing* evaluation findings and recommendations should be promoted in order to encourage a wider dissemination of experiences within SECO/WE (including with Swiss representatives in the field) and a larger contribution to internal knowledge sharing/management.
 - *A wider dissemination* of evaluation findings to development agencies, partners, researchers, etc. outside of SECO/WE should also be encouraged, through the dissemination of reports, workshops, summary notes etc.



SCORING CHART for WE Projects / Programs for Report on Effectiveness

Criteria	Highly Satisfactory	Satisfactory	Unsatisfactory	Highly Unsatisfactory	Not demonstrated
RELEVANCE					
Projects/Progr. are addressing important development issues of the partner country and of concerned beneficiaries	<i>Fully focused</i> on key development issues of the beneficiaries	<i>Largely addressing</i> key development issues of the beneficiaries	<i>Partly addressing</i> key development issues of the beneficiaries	Issues addressed are <i>not priorities</i> of the beneficiaries	Evaluation makes no mention of or cannot assess status of criteria
Projects/Progr. are aligned with national priorities and policies of partner country and partner institutions	<i>Fully aligned</i> with relevant national goals as reflected in PRSP	<i>Largely aligned</i> with national goals as reflected in PRSP	<i>Occasionally aligned</i> with national goals as reflected in PRSP	Projects/Progr. <i>ignore</i> or <i>run counter</i> to national priorities	Evaluation makes no mention of or cannot assess status of criteria
Projects/Progr. are consistent with SECO priorities and focus on its comparative advantage	<i>Fully consistent</i> with SECO priorities, defined strategies, defined roles and comparative advantage (see RK, CS, sectoral papers, etc.)	<i>Largely consistent</i> with SECO priorities, defined strategies, defined roles and comparative advantage (see RK, CS, sectoral papers, etc.)	<i>Partly consistent</i> with SECO priorities, defined strategies, defined roles and comparative advantage (see RK, CS, sectoral papers, etc.)	Projects/Progr. are <i>outside SECO priorities</i> , strategies, defined roles and comparative advantage (see RK, CS, sectoral papers, etc.)	Evaluation makes no mention of or cannot assess status of criteria
Interventions are coordinated with other project/programs in the concerned sector and are complementary	Project/Progr. <i>actively coordinate</i> with other projects/programs	Project/Progr. <i>coordinate occasionally</i> or <i>in parts</i> with other projects/ programs	Project/Progr. <i>consult</i> with other projects/ programs	Projects/Progr. are <i>implemented as 'stand-alone'</i> with no links to or consideration of other activities	Evaluation makes no mention of or cannot assess status of criteria
EFFECTIVENESS					
Objectives achieved at output level (as defined in logframe)	All output objectives achieved/bypassed	<i>Majority</i> of output objectives achieved	<i>Few</i> of output objectives achieved	<i>Very few</i> output objectives or none achieved	Evaluation makes no mention of or cannot assess status of criteria
Objectives achieves at outcome level (as defined in logframe)	All outcome objectives achieved/bypassed	<i>Majority</i> of outcome objectives achieved	<i>Few</i> of outcome objectives achieved	<i>Very few</i> outcome objectives or none achieved	Evaluation makes no mention of or cannot assess status of criteria
Objectives achieved at impact level (as defined in logframe)	All impact objectives achieved/bypassed	<i>Majority</i> of impact objectives achieved	<i>Few</i> of impact objectives achieved	<i>Very few</i> impact objectives or non achieved	Evaluation makes no mention of or cannot assess status of criteria
EFFICIENCY					

Projects/Progr. are cost-effective	Projects/Progr. benefits <i>outweigh</i> their costs	Projects/Progr. benefits <i>merit</i> their costs	Projects/Progr. benefits <i>do not merit</i> their costs	Projects/Progr. accrue <i>few benefits for considerable costs</i>	Evaluation makes no mention of or cannot assess status of criteria
The approach / mode of implementation is efficient for achieving the intended results	The approach chosen is <i>optimal</i> to achieve the intended results on all levels.	The approach chosen is <i>adequate</i> to achieve the intended results on all levels.	There would be <i>alternative, more efficient approaches</i> to achieve the intended results on all levels.	The approach is <i>not suitable</i> to achieve the intended results on all levels.	Evaluation makes no mention of or cannot assess status of criteria
Projects/Progr. management and steering mechanisms are in place and adequate for the efficient implementation of the activities	The management and steering of projects/ progr. ensures a <i>highly efficient use</i> of the resources.	The management and steering of projects/ progr. ensures the <i>efficient use</i> of the resources.	The management and steering of projects/ progr. <i>is weak or hardly exists</i>	The management and steering of projects/ progr. <i>is absent or inadequate</i>	Evaluation makes no mention of or cannot assess status of criteria
Monitoring system is designed (logframe) and effectively used for steering and reporting	Monitoring system is <i>in place and fully used</i> to steer / influence project/ progr. implementation	Monitoring system is <i>in place but only partially used</i> to steer/ influence project/ progr. implementation	Monitoring system is <i>in place but largely inefficient and not used</i> to steer / influence project/ progr. implementation	Monitoring system is <i>lacking</i>	Evaluation makes no mention of or cannot assess status of criteria
SUSTAINABILITY					
Results (outputs / outcomes/ benefits will last beyond/ continue after projects/progr. closure	It is <i>very likely</i> that outputs and outcomes will be maintained/last and further grow/develop	It is <i>likely</i> that outputs and outcomes will last beyond the intervention	<i>Little likelihood</i> that outputs and outcomes will last beyond the intervention	<i>Unlikely</i> that outputs and outcomes will last beyond the intervention	Evaluation makes no mention of or cannot assess status of criteria
Local institutions/capacities have been strengthened to sustain results	<i>Strong</i> capacities have been built. Local institutions will continue to operate and will grow/further, improve their capacity without support	<i>Reliable</i> capacities have been built. Local institutions will continue to operate without support	<i>Little</i> capacities have been built. Local institutions require external support to operate	Local capacities are <i>still too weak</i> to implement activities without external support	Evaluation makes no mention of or cannot assess status of criteria
Financial sustainability has been achieved	Results can be <i>replicated without</i> further financial support	Results will be <i>likely maintained</i> without further financial support	To be maintained, results will <i>require continued external financial support</i>	Even with additional external financial support, <i>results will not be maintained</i>	Evaluation makes no mention of or cannot assess status of criteria