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2013 Annual Report

Effectiveness of SECO's Economic Cooperation and Development



Quality and Resources Unit (WEQA)

June 2014

2013 Annual Report
on
The Effectiveness of SECO's Economic Cooperation and Development

Evaluation Function (WEQA)
Economic Cooperation and Development Division
June 2014

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I. Foreword

In order to draw lessons, disseminate knowledge and strengthen the effectiveness of its development assistance, the Evaluation Function of SECO Economic Cooperation and Development Division (WE) produces an annual Effectiveness Report. It reports the performance of its development interventions on the basis of the findings and recommendations of internal reviews and external evaluations commissioned by the operational sectors. This comprehensive analysis is then used as reference to define a success rate for the WE portfolio.

From a methodological perspective, the conclusions and recommendations of the 2013 Effectiveness Report are based on a systematic and retrospective assessment of the results of external evaluations of projects conducted over 2005 to 2013. 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. In 2013, 17 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 183 external evaluations for 2005-2013.

This year's Effectiveness Report examines the performance of Switzerland's Economic Cooperation and Development in implementing its aid activities and focuses more thoroughly on the sustainability of its projects.

WE Management produced a response to the conclusions and recommendations of this Effectiveness Report. 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 2013 Effectiveness Report on SECO website, as well as a short version summarising the report.

Process:

<i>Elaboration of the Report</i>	<i>Jan. - March 2014</i>
<i>Presentation and discussion of the Report to WE Management</i>	<i>April 2014</i>
<i>WE Management Response</i>	<i>May 2014</i>
<i>Discussion of the Report and Position of the Evaluation Committee</i>	<i>June 2014</i>



WE Management response to the 2013 annual report on the effectiveness of Switzerland's Economic Cooperation and Development

1. Introduction

The 2013 annual report on the effectiveness of Switzerland's economic cooperation and development ("effectiveness report") reveals a number of highly interesting and relevant patterns in WE's operational work. With 77% of evaluated projects rated satisfactory or better, the success rate of the overall portfolio remains high, also in comparison with the international donor community. WE's projects are generally highly relevant and show good results in terms of effectiveness. On the other hand, there is room for further improvement with regard to efficiency, which recorded a slight decline approaching its multi-year average. Special attention needs to be given to the issue of sustainability, the biggest challenge for all development actors. WE's performance regarding sustainability has declined in the past year with 58.8% of the projects evaluated rated unsatisfactory or highly unsatisfactory in 2013 (compared to an average of 41.5% over the period 2005-2013).

WE's management has discussed these findings and has proposed - in line with the report's recommendations - a series of short- and medium term measures to address the identified challenges. A detailed response can be found below as well as in the accompanying table. While several recommendations point to the need for an adoption or optimisation of existing procedures and processes, the findings on sustainability call for more profound measures. Here, the management sees the need for a systematic review of WE's processes along the whole project life-cycle, from project identification to its approval, monitoring and evaluation. It's only through a consistent inclusion of sustainability aspects throughout the whole lifetime of a project, as well as through the availability of adequate tools at all levels (project manager, head of division, head of operations, WE management) that systematic improvements with regard to sustainability can be achieved.

On a positive note, the analysis shows that recommendations of the past increasingly feed into the internal learning process of WE. In this context, WE's organisational restructuring, which was undertaken and completed in 2013 prepared the ground for an improved quality management. The necessary structures are now in place and the resources available in order to assure a systematic feedback loop between policy/quality and operational divisions. One good example is the building-up and consolidation of a result management system that contributes to improved accountability. Others include the development of a risk management system, the drafting of reporting guidelines or the elaboration of a manual on capacity development, which all constitute follow-ups of past recommendations and should soon translate into concrete and measurable improvements in the implementation of WE's mandate.

2. Assessment of conclusions and recommendations

As in past years, the quality of the report is good and we commend the authors for presenting the findings in a well-structured and articulated way. We would also like to reiterate that for efficiency reasons, we cannot aim for evaluating all WE interventions at Mid-Term as well as final stage. This can only be done for a relevant selection that ensures learning and accountability throughout the portfolio. The report's findings are nevertheless applicable to all of WE's projects. Our position and envisaged actions regarding the report's recommendations can be found in Annex 1. We would like to emphasize the following issues linked to the report's conclusions and recommendations:

- **Relevance:** WE management is pleased about the more than satisfactory picture with regard to the relevance of projects. The positive mentioning of harmonisation and alignment efforts confirm our view that operational and policy teams actively reach out to partner governments as well as other development agencies and are able to constructively and competently contribute to the development debate based on the principles of aid effectiveness. We are convinced that WE's new organisational structure, which is based on thematic responsibilities as well as a strengthened link between WE headquarters and the field offices (e.g. through trainings, improved knowledge and financial management as well as the introduction of the new "Countries and Global Portfolio" division), is an important driver of this positive outcome.
- **Effectiveness:** We note with satisfaction that WE is achieving concrete results in the implementation of its projects and programmes. Regarding weaknesses in reporting at the level of outcomes and possible impacts, we are convinced that measures such as the envisaged (more) consistent monitoring of WE standard indicators and the introduction of WE's standard reporting guidelines will translate into concrete improvements over time.
- **Efficiency:** WE management takes note of the slight dip in the 2013 efficiency outcome and urges all parties involved to continuously pay attention to the measures identified in the thematic part of the 2012 effectiveness report, such as decentralized project monitoring, rigorous cost management (based on more detailed budgets), benchmarking of overhead costs and a rigorous monitoring of finances linked to progress reporting. We acknowledge ongoing efforts and encourage all divisions to continue their efforts in this regard.

- **Sustainability:** We fully support the report's finding that follow up measures and additional efforts need to be identified and implemented on a broad level in order to guarantee a substantial improvement. This includes, among others, aspects such as a better integration of sustainability concerns in the project design through the definition of an exit strategy; more realistic assumptions while planning the project and designing the intervention; more active involvement of stakeholders in the planning phase; due consideration of the question of financial sustainability; a more systematic monitoring of sustainability aspects in progress reports; and a more systematic tracking of evaluation plans, their results and inclusion of lessons learned. Nothing of this is groundbreakingly new, however there is room to further improve WE's procedures in order to facilitate the systematic inclusion of these aspects in the daily work of all parties involved. Annex 1 provides a number of concrete measures to be undertaken.

On the **implementation of WE's evaluation plan**, WE management sees a clear need for action, as 2013 saw the lowest number of evaluations undertaken since 2006. The planning and timely conduction of evaluations clearly can't be left to the discretion of the operational divisions, and an appropriate tool will have to be put in place that will allow a more consistent tracking of WE's evaluation plan. This tool should make full use of the wealth of information that is gathered at the moment of project approval and facilitate the monitoring of its consequent implementation. WE's Operations Committee plays an important role in assessing the appropriateness of each project's evaluation plan, including the potential for ex-post (impact) evaluations.



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1. Table summarizing recommendations from the 2013 report

Recommendations	Position and actions from management	Deadline	Responsibility
<i>On management level</i>			
1. SECO/WE has to increase its attention and awareness towards the given weaknesses in terms of project sustainability and put emphasis on the topic throughout the project life cycle (see also recommendations on operational level).	<ul style="list-style-type: none"> - MGWE agrees with this recommendation. The management will be highly attentive to include reflections on sustainability into the decision taking process. Furthermore, it will be keen on identifying possible measures to put more emphasis on the project sustainability on an institutional (WE) level. - Furthermore, exit options shall be more consistently included in project documents and discussed at concept as well as decision stage with a view of increasing the sustainability potential of WE projects. An adoption of the project document templates shall therefore be considered (e.g. separate chapter on exit options/sustainability). 	Q3/2014	WEOP/WEQA WEQA/WEOP
2. In case of unsatisfactory/highly unsatisfactory project results in terms of sustainability evaluated at mid-term, management shall be informed directly in order to discuss respective follow-up measures and the project's risk rated in SAP shall be reassessed.	WEMG agrees with this recommendation: <ul style="list-style-type: none"> - In any case, L-WEOP shall be provided immediately with recent evaluation reports, its management response as well as the Evaluation-Fiche prepared by WEQA (compare also position on recommendation No. 5 as well as 2012 recommendations point 3) - In case of unsatisfactory evaluated projects WEMG shall be informed through the "WE management cockpit" which is discussed on a quarterly basis at the WE directorate. L-WEOP will follow-up quarterly with the concerned operational unit during the discussions on projects at risk - WEQA will receive the competence to set a project "at risk" in SAP, in case its assessment based on the external mid-term evaluation concludes on unsatisfactory/highly unsatisfactory project results in terms of sustainability. 	Q3/2014	L-WEOP/WEQA WEMG/L-WEOP WEQA
3. Given the fact that WE experienced the lowest evaluation activity since many years, SECO/WE has to assure the conduct of a relevant number of evaluations at different stages of project implementation, including ex-post evaluations. Management together with WEQA shall assure adequate planning of evaluation activities, monitor the accomplishment of planned evaluations and prescribe measures if foreseen evaluations are delayed or not conducted. A tight tracking of the correlation between the project-based evaluation plans decided by	<ul style="list-style-type: none"> - MGWE agrees with this recommendation. Close collaboration between WEQA and L WEOP shall ensure that the implementation of the evaluation plan shall not be left to the discretion of the operational divisions, but form part of WE's overall accountability strategy and contribute to the fulfilment of the operational divisions' yearly performance targets. - WEMG agrees on the proposal to track the correlation between the project-based evaluation plans discussed at OpCom and their actual implementation. WEQA shall 	Q4/2014 Q3/2014	WEQA/L-WEOP

<p>the Operational Committee, the yearly planning of the operational divisions as well as the evaluation program communicated by the evaluation function needs to be established.</p>	<p>verify evaluation plans in credit proposals retroactively for the period 2012-2014. As of 2015, the evaluation schedule shall be integrated by the project manager into SAP. The tracking includes the conduction of the evaluation, the formulation of a management response as well as the consultation of WEOP together with the assessment conducted by L-WEQA (Fiche).</p>		
On operational level			
<p>1. Achieved project results will only remain sustainable in the longer run, if sustainability is carefully looked at and planned for from the project planning phase on. SECO/WE needs to strengthen this awareness and give the discussion of the so called project exit strategy special attention during the project approval process. The exit strategy needs to cover all aspects of projects sustainability i.e. financial, institutional and personal sustainability.</p>	<p>- Agreed (see position on recommendation No 1).</p>	<p>Q3/2014</p>	<p>WEQA (regarding project templates) L-WEOP (regarding Concept/OpCom discussions)</p>
<p>2. The exit strategy as defined at project outset needs to be monitored and if needed adapted over the project life. Implementing partners shall therefore systematically report on the actual situation, measures taken and measures foreseen.</p>	<p>- MGWE agrees with this recommendation. The WE reporting guidelines, which have already been elaborated by WEQA and will enter into force in May 2014, will address this issue. - WE's operational divisions shall ensure that these guidelines are consistently adhered to by implementing partners.</p>	<p>Q1/2015 (e.g. as part of yearly project progress reports covering 2014)</p>	<p>WEIF WEIN WEHU WEMU</p>
<p>3. In cooperation with implementing partners and/or co-funders, in particular International Finance Institutions, SECO/WE needs to ensure prior to any commitment that a common understanding on the importance of sustainability of technical assistance and capacity development is shared among all partners involved.</p>	<p>- MGWE agrees with this recommendation. While sustainability concerns are already consistently taken into account in the project design phase, the understanding and expertise with regard to capacity development can be further strengthened at SECO-WE as well as at the level of implementing partners. The "manual on capacity building", which has been developed by WEQA, shall therefore be widely distributed and be discussed with implementing partners during program review meetings. Furthermore, the guidelines should be part of the training sessions for new WE entrants and NPOs. - MGWE shall be informed on the result of the first pilot project on the application of the manual on capacity development and shall decide on whether additional such exercises shall be conducted with implementing partners from IFIs.</p>	<p>Q3/4 2014 Q4/2014</p>	<p>WEIF WEIN WEHU WEMU WEQA + WEIF</p>
<p>4. The evaluations show that the time necessary for the capacity development of the local partner often has been underestimated and needs more time than anti-</p>	<p>- Agreed (see position on recommendation No. 3).</p>	<p>throughout</p>	<p>L WEOP/OpCom WEIF WEIN</p>

<p>pated. Therefore, WEQA recommends putting more emphasis on capacity development aspects. The recently developed WE manual on Capacity development in SECO projects and programs can serve as a basis for follow-up action. The Operational Committee together with the operational divisions needs to treat capacity development throughout the Project Cycle Management with special attention (i.e. during project identification, planning, monitoring und implementation, evaluation as well as completion).</p>			WEHU WEMU
<p>5. As already stressed in the last report, program officers shall actively and timely collaborate with WEQA on the evaluation follow-ups. The preparation of the evaluation fiche through WEQA (rating of the project's effectiveness and the quality of the evaluation) shall be sequenced in a way that allows for a discussion of evaluation results and recommendations as well as the management response, in particular in case a new project phase is foreseen.</p>	<p>- MGWE agrees with this recommendation (see also position on recommendation No 1) and sees a strong role for the OpCom in fulfilling its quality control function, e.g. by rejecting project proposals which fail to sufficiently integrate the results and lessons learned of project evaluations for new project phases (compare also Status of implementation of the 2012 recommendations, point 3).</p>	throughout	WEQA/WEOP
<p>6. Based on future internal reflections on how to strengthen knowledge management within WE, WEQA will identify approaches and mechanisms to share relevant lessons and best practices in the field of sustainability.</p>	<p>- MGWE agrees with this recommendation, which is part of the organizational development process that follows WE's reorganisation completed in 2012.</p>	Q3/4 2014	WEQA
<p>7. WEQA shall update and summarize the recommendations from the annual report 2009 as well as the WE workshop on sustainability in 2012. They shall be presented and discussed during the presentation of the results of the Annual Report 2013 within the operational units.</p>	<p>- Agreed (see table below, point 7)</p>	Q2/2014	WEQA

2. Status of implementation of the 2012 recommendations

Recommendations	Position and actions from management	Deadline/ Responsibility	Status
On institutional level			
1. To improve effectiveness of the RBM processes within the PCM	<ul style="list-style-type: none"> - WEQA/WEPO shall provide more consistent learning within the PCM based on lessons learnt from project /sector evaluations. - WEQA shall analyze and streamline the various tools, procedures and reports to optimize the administrative burden of the operational divisions and to better monitor risks. - Among others, a leaner project approval process shall improve efficiency and a Management Information System shall reduce risks by serving as an information and decision-making tool to the management 	<p>Q2 2013/ongoing</p> <p>WEQA</p>	<ul style="list-style-type: none"> - WEQA presented key lessons learnt within operational divisions in 2013 in order to enhance the learning process from evaluations - Various measures on different levels are ongoing to work towards an integrated level that allows a high degree of efficiency and a minimization of administrative burden for the operational divisions. - The project approval process has been reviewed and improvement in term of efficiency were achieved 2013.
2. To assure the correct application of quality standards throughout the PCM through a 'focal point controlling'	<ul style="list-style-type: none"> - A so called 'focal point controlling' shall be created within each operational division - The focal point controlling will serve as a first support in terms of quality control related to project approval documents (concept note, decision note, logframe), project monitoring standards (steering and reporting), standard procedures (procurement, audit, financial planning, etc.) and project evaluation (ToRs, selection of consultants, management response), etc. - A close collaboration with WEQA, starting with a needs-assessment and followed by trainings, shall assure the optimal use of the focal points controlling. 	<p>Q3 2013/ongoing</p> <p>WEQA/WEPO/WE Operational Divisions</p>	<ul style="list-style-type: none"> - The 'focal point controlling' was created in each operational division - Monthly meetings or so called "focal-point controlling coffees" ensure a close exchange and collaboration between WEQA and the operational divisions. - Formations for the focal points were organized on a quarterly basis and covered procurement, Capacity Development, risk management as well as standard indicators, - Focal points provide the expected quality control to the operational colleagues to the extent possible before referring to their colleagues from WEPO/WEQA
3. To assure a sound follow-up of evaluations by the program officer, in order to strengthen institutional learning	<ul style="list-style-type: none"> - To close the circle between project evaluation and identification / prolongation of new projects efficiently, the following sequencing shall be considered: <ol style="list-style-type: none"> a Program officer receives evaluation report from evaluation consultant b Program officer sends report to WEQA c WEQA prepares evaluation fiche (rating of the project's effectiveness and the quality of the evaluation) d Evaluation is discussed between program officer and WEQA e Program officer prepares management response to the evaluation report f Management response and evaluation fiche are sent to WEOP to serve as input for decision-taking 	<p>Q2 2013</p> <p>WEQA/WE Operational Divisions</p>	<ul style="list-style-type: none"> - WEQA was not always informed immediately about finalized evaluation reports. Subsequently, the evaluation fiche was not always timely to feed into the formulation on the management response or further discussion on a project prolongation / scaling-up / expansion.

<p>4. To intensify the exchange of lessons learnt from evaluations between WEQA and each operational division.</p>	<ul style="list-style-type: none"> - In a first part, the effectiveness report shall be presented in each operational division. - In a second part, the concrete evaluation examples of the division and the relevant respective conclusions and recommendations (also in terms of evaluation report quality) shall be discussed. 	<p>Q3 2013</p> <p>WEQA</p>	<ul style="list-style-type: none"> - WEQA presented the report on effectiveness as well as key lessons learnt/recommendations from concrete and relevant evaluation examples within each operational division
<p>On operational level</p>			
<p>1. To address the persisting problems on the level of project steering and monitoring (DAC criterion efficiency) with the implementing partners.</p>	<ul style="list-style-type: none"> - WEQA shall develop instructions on what is expected in terms of monitoring and reporting from implementing agencies (a checklist of key issues to be reported on, expectations in terms of logframes throughout the project implementation for the use by the operational divisions, including the focal points controlling.) 	<p>Q3/Q4 2013</p> <p>WEQA</p>	<ul style="list-style-type: none"> - WEQA has developed reporting guidelines in order to better and more rigorously communicate and assure minimal standards on monitoring and reporting towards implementing agencies.
<p>Regarding efficiency in SECO/WE Projects</p>			
<p>1. To allow a more differentiated assessment on efficiency by making the aspects defining efficiency more consistent with the practice of project management.</p>	<p>By defining the aspects of efficiency, WEQA shall consider the following</p> <ul style="list-style-type: none"> - WEQA shall integrate 'monitoring' into the aspect 'management'. Monitoring is a precondition for effective project management. In addition, it emphasizes the importance of proper monitoring as a management responsibility. - WEQA shall separate project approach/strategy of intervention from implementation modalities. The project approach/strategy of intervention depends on the context while the implementation modality depends mostly on the implementing agency. - The four aspects would then be: <ul style="list-style-type: none"> 1. Approach 2. Management (including monitoring) 3. Implementation modality (new) 4. Cost effectiveness - WE Operational Divisions shall ensure that their external project evaluations more consistently differentiate amongst the four aspects defining efficiency. 	<p>Q3/Q4 2013</p> <p>WEQA/WE Operational Divisions</p>	<ul style="list-style-type: none"> - The new definition of aspects of efficiency were introduced in all evaluation processes and templates - The assessment of the external project evaluations 2013 was conducted according to the new definition - The Template on Result Oriented Monitoring (ROM) has been adapted according to the new definitions.
<p>2. To use logframes throughout the project implementation as a tool for generating the necessary information for better steering of projects.</p>	<ul style="list-style-type: none"> - A closer collaboration with the implementation agencies should lead to a better communication about the expectations in terms of quality and the use of logframes. 	<p>Ongoing</p> <p>WEOP/WE Operational Divisions</p>	<p>On track</p>

Position of the External Committee on Evaluation on the
2013 Annual Report on the Effectiveness of Switzerland's
Economic Cooperation and Development and
SECO/WE Management Response

1. Members of the External Committee on Evaluation (the Committee) discussed online the 2013 Annual Report on the Effectiveness of Switzerland's Economic Cooperation and Development (the Report) as well as the accompanying Response by SECO/WE Management to its main findings and recommendations.
2. The Report is the sixth Annual Report prepared by SECO/WE Quality and Resource Division (WEQA) within its "Policy and Quality" domain. Once more the Committee acknowledged the Report's high quality as well as its clear and well structured presentation. The Committee welcomed very much the finding that SECO/WE portfolio success rate in 2013 is estimated at 76.5% satisfactory projects which confirms the high performance levels achieved in previous years. The Report also notes that in 2013 no projects were rated unsatisfactorily. These positive results confirm the results of previous years.
3. Given the rolling nature of the evaluation sample on which its main findings are based, the Report confirmed previous trends in results achieved over the last six years. This refers particularly to the relatively high proportion of projects that were rated highly satisfactorily or satisfactorily on the DAC relevance and effectiveness criteria and the persisting weaknesses in terms of efficiency and sustainability. But there is one caveat: in 2013 only 17 projects were externally evaluated. This aspect did not jeopardize the pertinence of the main Report's findings but has to be taken into consideration when analyzing and extrapolating past and current trends.
4. Project performance by DAC evaluation criteria has to be analyzed in more detail. In 2013 SECO/WE's projects and programs were rated highly relevant and showed good results both in terms of relevance and effectiveness. Only 5.9% of SECO/WE's interventions were rated non-relevant and 82.4% showed good results in terms of effectiveness. But a slight decline was seen in terms of efficiency (58.8% for 2013 as opposed to 61.9% in 2012; average for 183 projects over the period 2005-2013: 55.7%). The picture was definitely less favorable in terms of sustainability (58.% of the projects evaluated in 2013 were rated unsatisfactorily or highly unsatisfactorily compared to an average of 41.5% over the period 2005-2013). Against this background the Committee praised the openness of SECO/WE's Management Response, in particular its agreement with the last two critical findings and its acknowledgement that it has to act -- both on the management and operational levels -- to address strategically and correct gradually both weaknesses, with some degree of urgency on sustainability.

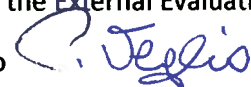
5. With respect to sustainability the Committee welcomed the recognition by SECO/WE's Management that, as this is a persistent problem, the traditional business as usual approach is not anymore a valid option. It therefore recognized the Management's willingness to be highly attentive to include reflections on sustainability into the decision making process. In particular, it stressed the importance to include exit options in a consistent way in project documents and discuss them both at concept and decision stage, as a way to improve the sustainability potential of WE projects and programs. The Committee also welcomed that the Evaluation function within WE would become competent to set a project "at risk" in SAP in case its own assessment – that will be based on the findings of external mid-term evaluation -- concludes that a project scores unsatisfactory/highly unsatisfactory in terms of sustainability. And, it praised the position and actions from the Management at the operational level to ensure that SECO/WE implementing partners – in particular international financial institutions in co-financed projects and programs -- would report systematically on the actual situation, measures taken and measures foreseen with respect to sustainability.
6. The Committee emphasized that achieving sustainability remains a difficult challenge, not only for SECO/WE, but also for every organization dealing with development and international cooperation. Project and program sustainability depends ultimately on an adequate institutional framework as well as proper incentives for managers and staff of partner institutions in developing countries that aim at building and strengthening relevant, non bureaucratic, and competent local institutions. SECO/WE is well placed to further improve its support to and performance in this particular area. This implies making sure that implementing partners in co-funded projects and programs -- especially international finance institutions that sometimes tend to limit their sustainability efforts to debt repayment on their past loans -- also focus on a broader sustainability objective. The Committee welcomed the new Manual on Capacity Development prepared by SECO/WE and stressed that it needs to be deployed in a consistent way, especially in priority countries. At the same time the Committee is aware that the sustainability objective goes well beyond SECO/WE's very good intentions as it depends heavily on the prevailing and often changing circumstances of the political economy in an evolving country context. The potential for improvement is substantial, but one has to be realistic about the existing obstacles and limitations, not only to avoid too high expectations but also to prevent overoptimistic planning and design assumptions as well as approaches.
7. The Committee was especially pleased to see that the quality of evaluation reports had slowly but steadily increased. In 2013 no report was of unsatisfactory quality. As mentioned by the Report, this positive trend is certainly related to the fact that international standards on evaluation (the OECD-DAC evaluation guidelines) have gained wide acceptance among evaluators and commissioners. The Committee also underlined that the quality and professionalism of the evaluation teams in charge of independent evaluations have improved over the last years.
8. The Committee acknowledged that 2013 had been a challenging year for SECO/WE's Management and staff as they had to deal with a wide WE organisational restructuring and the related work load. This explains why in 2013 only 17 projects were externally evaluated, which represents the lowest number of evaluations since 2006. This situation contrasts with the increase in financial means for operations. The Committee emphasized that from 2014 on the number of external evaluations will have to raise again and is confident that this will be achieved. At the same time it emphasized that a better Management's overview and monitoring of all the planned evaluations will be necessary.

9. The Committee welcomed SECO/WE's Management special focus on the Status of implementation of the 2012 recommendations and its consistent follow up with concrete actions on most recommendations. This shows that the intrinsic value of the Report is recognized by Management and staff and that past evaluations led to corrective measures in the great majority of the cases where explicit recommendations were made.

10. In Conclusion: The Committee recommends the disclosure of the 2013 Annual Effectiveness Report as well as the SECO/WE's Management Response and the Position of the External Committee on Evaluation on SECO internet website. The Committee welcomes the renewed positive results that have been achieved but emphasizes that there is room for improvement and action, especially in the challenging area of sustainability. The "Quality and Resources" division has to continue its efforts aimed at further enhancing the strategic importance of quality issues as well as building up and consolidating a result management system that contributes to improved accountability.

Chairman of the External Evaluation Committee

Pietro Veglio



Committee members:

Gilles Carbonnier

Susanne Grossmann

Felix Gutzwiller

Christoph Stückelberger



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2013 ANNUAL REPORT
on
THE EFFECTIVENESS OF SWITZERLAND'S
ECONOMIC COOPERATION
AND DEVELOPMENT

Economic Cooperation and Development Division
Quality and Resources (WEQA)

June 2014



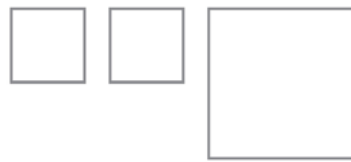
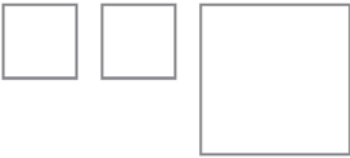


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Executive Summary

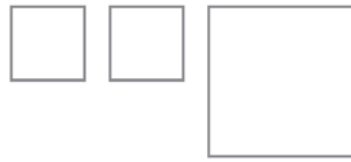
SECO/WE reports annually on the effectiveness of its interventions. The objectives are accounting for results and, at the same time, improving future interventions based on past experiences. As in previous years, the Effectiveness Report examines the performance of Switzerland's Economic Cooperation and Development in implementing its development activities.

SECO/WE's portfolio success rate in 2013 is estimated at 76.5% satisfactory projects, confirming the high performance levels seen in previous years. The 2005-2013 analysis is based on 183 external evaluations and reveals a success rate of 77.0% satisfactory projects. Considering the difficult environment in which development cooperation takes place and compared to the performance achieved by other development institutions, SECO/WE achieves good and credible results.

The challenges in terms of efficiency and sustainability are persisting. While efficiency remains above the long-term average, the sustainability rating for 2013 worsened. Comparison with the 2009 report, where the sustainability criterion was more closely analysed, reveals that challenges identified remain.

The report recommends measures on institutional as well as on operational level to strengthen institutional learning as well as project management practices to improve project sustainability.





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

1.1 The international development on Aid Effectiveness

Over the past years, the need to improve aid effectiveness has been reaffirmed by the international community. Donors and developing countries alike want to assure that aid is being used as effectively as possible, and they want to be in a position to measure results. At the same time, the focus on aid effectiveness has been further broadened, encompassing more actors with the launch of the "Global Partnership for effective development cooperation" at the High Level Forum on Aid Effectiveness in Busan 2011. The corresponding global monitoring framework is drawing on the experience with the Paris Declaration 2005 as well as Accra 2008 and tracks the progress in 10 specific areas, such as transparency and predictability of aid, gender equality, participation of civil society and the contribution of the private sector.

In the context of the current discussions on the post-2015 framework and the rapidly changing donor landscape, the international community is also looking at innovative development instruments. In particular new ways are explored to link payments to results achieved. It appears possible that in the future, an increasing share of payments or non-monetary contributions might be transferred to partners only after pre-defined results have been achieved and verified. Such results-based financing models are an example among others, which give particular importance to project design as well as their monitoring and evaluation.

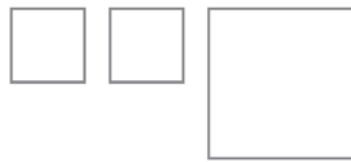
The increasing importance of aid effectiveness, the growing emphasis on accounting for transversal themes, as well as the concept of triggering financing by results, raises the requirements for existing monitoring and evaluation systems. As a consequence, several actors expanded their efforts to measure development effectiveness within results measurement frameworks in general and through improved monitoring and evaluation policies in particular. For example the World Bank Group introduced a new corporate scorecard to provide a snapshot of the Bank's overall performance. According to the World Bank, their new shared prosperity indicators imply a direct focus on the income of the less well-off, as opposed to their former practice of focusing only on growth of GDP per capita and implicitly relying on the "trickle down" effects of its interventions¹. In view of the broadened approach on aid effectiveness several bilateral agencies started to evaluate aspects of gender, human rights, migration but also inclusiveness or climate change within single interventions or whole portfolios. UNEG and numerous bilateral agencies have developed guidance on integrating human rights and gender in evaluations.

1.2 Related SECO/WE adjustments in 2013

In these context of these international developments as well as national requirements and its increasing focus on results, SECO/WE has built up and consolidated over the past years an evaluation system and Result Based Management system that contributes to improved accountability and better development results . In 2013 and along the recommendations of last year's report, the following measures have been undertaken: Each operational division appointed a so called 'Focal Point Controlling' who acts as first level support for the application of quality standards and procedures. Furthermore, a risk management concept is likely to be approved in early 2014 in order to assure better risk monitoring and documentation of risk mitigation measures. Finally, a number of tools and guidelines - such as the SECO Reporting Guidelines for implementing partners, guidelines and templates on Result Oriented Monitoring (ROM) as well as a manual on capacity development - are about to be deployed to support project managers in their daily work.

¹ Compare "The world bank group goals - End Extreme Poverty And Promote Shared Prosperity", The World Bank, 2013 / <http://www.worldbank.org/content/dam/Worldbank/document/WB-goals2013.pdf>



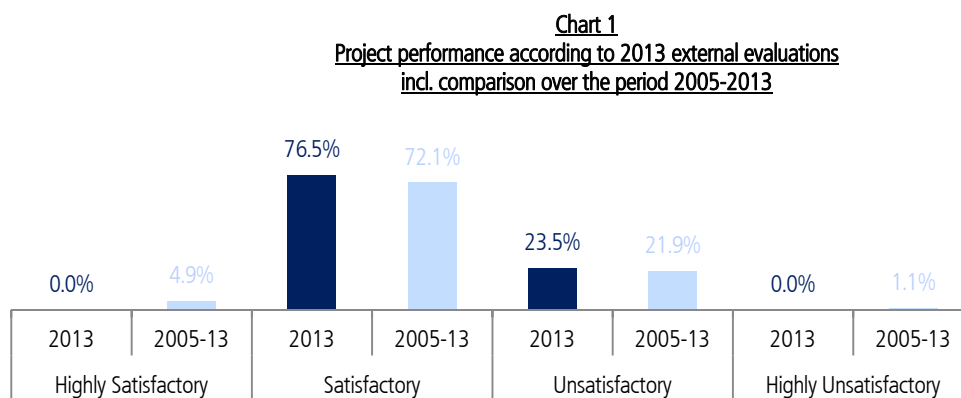


2 SECO/WE's portfolio performance in 2013 and in the period 2005-2013

2.1 Overall project performance

SECO/WE's annual portfolio performance is based on the assessment of all projects externally evaluated during one year². Externally evaluated projects are rated along four scaling categories (see chart 1). In 2013, 17 projects were externally evaluated, which represents the lowest number of evaluations since 2006³; a situation that contrasts with the increase in financial means for operations. The reason for the decrease in number of evaluations was due to the exceptional situation in terms of work load related to the reorganisation of SECO/WE. The finalization of a number of planned evaluations was postponed to 2014 and they were therefore not included in this report. It is important to note that within such a small sample each evaluation has significant implications on the overall result.

In 2013, 76.5% of the externally evaluated projects were rated satisfactory. No projects were rated highly unsatisfactory. These results are largely in line with results from previous years. In the time period between 2005 and 2013, a total of 183 external evaluations have been conducted. The long-term data series allows for a sounder analysis of the performance rate of SECO/WE's operations.



Summing up the percentage of highly satisfactory and satisfactory projects leads to an overall success rate of 77.0% over nine years. Taking into account the challenging and changing environments combined with the in-built risks of innovation that development cooperation is confronted with, this is seen as a good and realistic result among the international donor community. In comparison, the World Bank achieved an average success rate of 70% between 2009 and 2011⁴ while the Asian Development Bank published a success rate of 76%. The institutions have targets set at the level of 75% and 80%, respectively⁵.

It remains important to note, that the evaluation sample cannot be regarded as representative of SECO/WE's overall portfolio. It is decided by the operational committee and the operational divisions themselves which projects are evaluated externally. Often, those projects get chosen, where project managers question results. External evaluations provide the divisions with potential adjustments for better performance and serve the internal learning process. Further, evaluations might set the ground to terminate a project at an early stage - namely mid-term evaluations allow the operational divisions to react early on in the project cycle to risks and challenges - or to replicate/scale-up a successful project. Because of these self-selection biases, the projects evaluated do not entirely represent SECO/WE's portfolio performance. Nevertheless, the results confirm strengths and weaknesses of past years and give therefore a good picture of SECO/WE's performance over time.

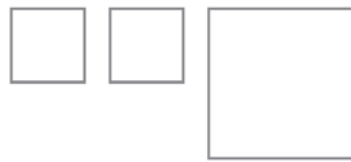
² The SECO/WE Evaluation Policy differentiates between three types of evaluations: Internal reviews (which are carried out by the project managers), external evaluations (commissioned by the project managers but conducted by independent specialists outside of SECO) and independent sector evaluations (commissioned by the SECO/WE evaluation function and conducted by independent specialists outside of SECO). For information on evaluations conducted by sector and year as well as the methodology applied, see Annex 1.

³ The number of external evaluations carried out per year was over the last years between 20 and 25.

⁴ In 2012, no comparable data was published by the World Bank

⁵ Compare page 9, <http://www.adb.org/sites/default/files/defr-2012.pdf>





2.2 Results according to the DAC evaluation criteria

The OECD DAC evaluation criteria measure relevance, effectiveness, efficiency and sustainability of the programs/projects. In line with the results achieved over the last nine years, SECO/WE's projects and programmes are rated highly relevant and show good results in terms of effectiveness: In 2013 only 5.9% of SECO/WE's interventions were rated non-relevant and 82.4% showed good results in terms of effectiveness. A slight decline is seen in terms of efficiency (58.8 % for 2013 as opposed to 61.9% for 2012; with an average of 55.7% over the period 2005-2013). The picture in terms of sustainability, however, has become less favourable: 58.8% of the projects evaluated were rated unsatisfactory or highly unsatisfactory in 2013 (compared to an average of 41.5% over the period 2005-2013).

Table 2
Project performance by evaluation criterion, according to 2013 external evaluations

2013	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory		Not Assessed / Not Demonstrated	
	Number	%	Number	%	Number	%	Number	%	Number	%
Relevance	7	41.2%	9	52.9%	1	5.9%	0	0.0%	0	0.0%
Effectiveness	0	0.0%	14	82.4%	3	17.6%	0	0.0%	0	0.0%
Efficiency	0	0.0%	10	58.8%	6	35.3%	1	5.9%	0	0.0%
Sustainability	0	0.0%	6	35.3%	7	41.2%	3	17.6%	1	5.9%

5.9% of projects evaluated in 2013 were not rated with respect to the sustainability criteria as one project did not aim at assessing all DAC criteria.

Table 3
Project performance by evaluation criterion, according to 2005-2013 external evaluations

2005-2013	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory		Not Assessed / Not Demonstrated	
	Number	%	Number	%	Number	%	Number	%	Number	%
Relevance	57	31.1%	103	56.3%	13	7.1%	0	0.0%	10	5.5%
Effectiveness	11	6.0%	135	73.8%	35	19.1%	1	0.5%	1	0.5%
Efficiency	11	6.0%	91	49.7%	64	35.0%	6	3.3%	11	6.0%
Sustainability	4	2.2%	55	30.1%	66	36.1%	10	5.5%	48	26.2%

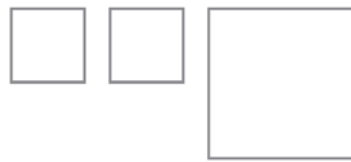
The evaluations show a more than satisfactory picture in **relevance**. Most projects are well focused on the needs of their beneficiaries and are therefore addressing important development issues. Furthermore, the ratings point to alignment and harmonisation: active exchange with the national government on their priorities and policies, as well as a regular exchange with other development agencies on potential cooperation and synergies.

The ratings on **effectiveness** also confirmed that results on output, outcome and impact level show mainly satisfactory results. The majority of the evaluated interventions achieved their objectives. As usual, monitoring focused on the output and outcome level.

The weaknesses in terms of efficiency and sustainability are persisting. However, it is important to note that some improving trends can be identified with regard to the **efficiency** of SECO interventions: Although the performance in 2013 falls short of the rating in 2012, it is still above the average between 2005 and 2012. The following observations can be made in 2013 with regards to specific areas influencing the efficiency of SECO/WE's projects:

- In particular the **project management and its monitoring and steering capacities** were mainly rated satisfactory. Management structures appear to be sound, resulting in efficient decision taking based on recent monitoring data and timely implementation of follow up action. Clear and comprehensive Key Performance Indicators and respective targets within Results Monitoring Frameworks still need more attention in certain cases.
- With regards to the **implementation modality**, projects implemented by partners with complex institutional structures in combination with multi-donor arrangements and numerous local partners led partly to inefficient project management structures.
- **Cost-effectiveness** was difficult to measure in most cases due to missing benchmarks as well as inaccurate financial data. A rigorous monitoring of finances linked to progress reporting did not always receive sufficient attention.



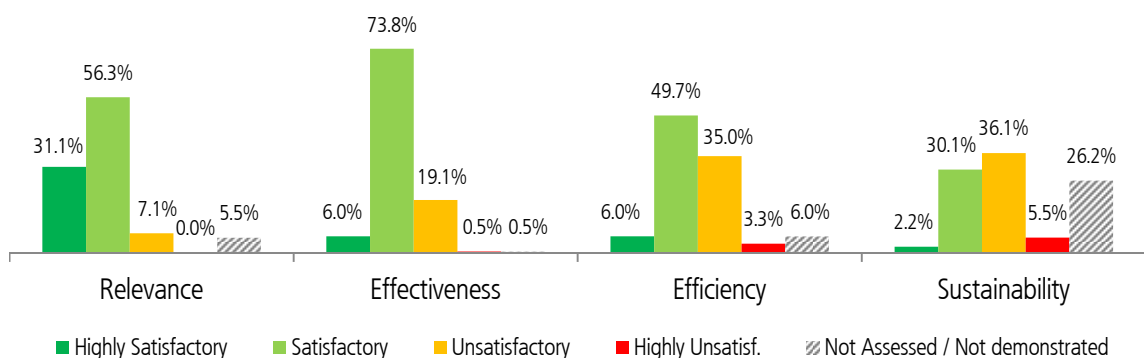


The criterion **sustainability** evaluates whether the development intervention's effect will last after project completion⁶. Only 35.3% of all evaluated projects were rated satisfactory between 2005 and 2013. In 2013, 58.8% received an unsatisfactory rating while 5.9% were not assessed on this criterion. A further analysis shows that mid-term evaluations account for 60% of the unsatisfactory ratings in terms of sustainability. Considering the specific nature of mid-term evaluations and the potential adjustments they bring with, negative assessments of the sustainability criteria should trigger mitigative measures. Long-term benefits by the end of the project remain therefore realistic.

Against the background of the evaluations conducted in 2013, the insufficient performance regarding the projects' sustainability is based on different reasons:

- **Insufficient local capacities:** In some projects, local capacities were not yet strong enough to ensure sustainable continuation after SECO/WE's project phase out.
- **Over optimistic schedule:** In some projects the time to reach financial sustainability was underestimated.
- **Sequencing of capacity development:** In some projects, the training of staff or the institutional development did not start sufficiently ahead of other project components such as the infrastructure financing or the technical cooperation.
- **Ownership of partner institutions:** Projects that support public institutions with capacity development or political reforms depend on the governments' ability and willingness to keep the trained staff. I.e., high project relevance and alignment with national priorities do not necessarily guarantee continuous funding and support by partner institutions after SECO/WE's exit.
- **Ownership of co-funder / implementing partners:** Implementing partners and/or co-funders can have another focus on sustainability. In particular International Finance Institutions often conclude on good sustainability in case the debt repayments on their loans for infrastructure projects are fulfilled. It can therefore be difficult for SECO/WE to put enough emphasis on the sustainability of technical assistance and capacity development components within co-funded projects.

Chart 2
Project performance by evaluation criterion (2005-2013)



2.3 Types and geographical distribution of evaluations

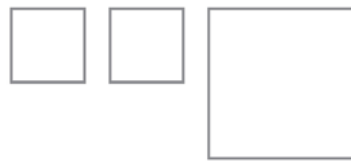
In 2013, 58.8% of evaluations were conducted at the end of project implementation, while 41.2% were conducted at project mid-term. Contrary to SECO's policy to conduct two so called ex-post evaluations every year, no such evaluation was completed in 2013⁷.

The geographical distribution of evaluations conducted in 2013 shows the following picture: around 41% of the evaluations cover global or regional programs, while 23% cover SECO/WE priority countries in the South, 18% SECO/WE priority countries in Eastern Europe and the CIS and 18% former priority countries. This distribution is roughly in line with what is foreseen in terms of estimated disbursements under the current dispatch to parliament (2013 -2016).

⁶ The rating is therefore an appraisal of the probability of continued long-term benefits. It does not include an appreciation to what extent the project contributes to a socially, ecologically and financially sustainable development.

⁷ An ex-post evaluation is conducted two to five years after project completion and concentrates first of all on the sustainability of project results. SECO's policy envisages conducting two ex-post evaluations per year. As a consequence of the fact that 2013 no such evaluation was completed, four ex-post evaluations are planned for 2014.





2.4 Quality of evaluation reports

WEQA analyses not only the results on an annual basis, but also assesses the quality of the evaluations. Assessed are the evaluation process, the methodology, the application of evaluation standards, responses to evaluation questions and criteria, as well as the quality of the final report. The rating also follows a four-point scale, from highly satisfactory to highly unsatisfactory.

Table 4
Quality of evaluation reports in 2013 and for the period 2005-2013

	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory	
	Number	%	Number	%	Number	%	Number	%
All WE 2013	2	11.8%	15	88.2%	0	0%	0	0%
All WE 2005-2012	40	21.9%	110	60.1%	28	15.3%	5	2.7%

As already acknowledged in 2012, the quality of the evaluation reports has slowly but steadily increased. While in 2009, 33% of the reports were below standard, the number dropped every year and in 2013 no report was of unsatisfactory quality. This encouraging trend is certainly related to the fact that international standards on evaluation (in particular the OECD-DAC guidelines) have gained wide acceptance among evaluators and commissioners. Furthermore, terms of reference for external evaluations have been shared and discussed more frequently with the WE evaluation function.

2.5 Results of internal reviews

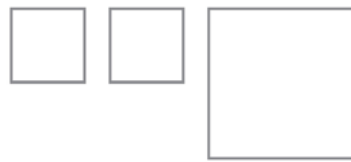
Next to the 23 internal reviews conducted in 2013 show, compared to former years, a very positive picture: 82.9% of operations have been assessed satisfactory in terms of results achievement, 17.9% even highly satisfactory.

Table 5
Project performance according to 2013 internal reviews

2013	Highly Satisfactory		Satisfactory		Unsatisfactory		Highly Unsatisfactory	
	Number	%	Number	%	Number	%	Number	%
All WE	4	17.9%	19	82.6%	0	0%	0	0%

A comparison between the assessment of SECO/WE's portfolio by the external evaluators and by SECO/WE's operational staff offers very limited conclusions. However, one may say that operational staff has in average a less critical view on its operational excellence than external evaluators.





3 Outlook for the Evaluation program 2014

Due to project-based evaluation plans, SECO/WE's operational divisions envisage to conduct a total of 21 evaluations in 2014. The evaluation programme is tentative. It gets regularly updated and is posted on SECO/WE's website.

Table 6
Tentative evaluation programme for 2014

2014	Internal Reviews		External Evaluations	TOTAL
	Completion Notes	Others ⁸		
WEMU	8		5	13
WEIN	5		4	9
WEIF	3		3	6
WEHU	8	2	9	19
TOTAL WE	24	2	21	47

For 2014, the programme of the SECO/WE evaluation function includes:

- Finalization of the independent evaluation on SECO/WE's activities in Corporate Development in Public Utilities
- Finalization of the SDC/SECO 2014 Effectiveness Report on Swiss Interventions in the field of Climate Change Mitigation and Adaptation
- Launch of an independent evaluation on SECO/WE's activities in the Macroeconomic Support-division.

These exercises are commissioned by WEQA and under the supervision of the external Evaluation Committee.

4 Conclusions

In 2013 SECO/WE has conducted 17 external evaluations. This represents the lowest number of evaluations since 2006. The projects evaluated in 2013 reflect SECO/WE's thematic priorities as well as its priority countries in the East and South as well as the resource allocation for global programmes and will therefore allow contributing to account for the dispatch to parliament 2013-2016 as a whole. The quality of evaluation reports has improved further.

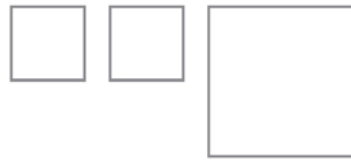
The analysis shows a continuing good performance with 76.5% of the projects rated satisfactory. At the same time, the assessment points at the same strengths and weaknesses as in previous years.

In terms of DAC criteria the analysis leads to the following conclusions:

- **Relevance:** For the large majority of projects, SECO/WE's activities are highly relevant: They focus on the right area of support, are well aligned with the beneficiaries' priorities and responsive to their needs while utilizing SECO/WE's comparative advantages. This leads to the conclusion that the SECO/WE processes for project identification and approval works well.
- **Effectiveness:** SECO/WE is achieving concrete results in the implementation of its projects and programmes. While results are well reported at output level, evaluations continue to show weaknesses in reporting at the level of outcomes and possible impacts. The mandatory logframe for SECO/WE projects over 1 Mio. USD is increasingly used as a basis to assess project effectiveness.
- **Efficiency:** The results shown under this criterion still show weaknesses. Efficiency has continuously improved during the past years but taken a slight dip in 2013. Based on last year's thematic part of the Effectiveness Report, concrete recommendations on how to improve efficiency were identified and follow-up measures were implemented.
- **Sustainability:** This criterion continuously performs the poorest. Despite the acknowledgment of the shared challenges in the field of development cooperation to deliver projects that continue to provide benefits after project completion, continuous ambition is needed to improve the performance on this criterion. The field of challenges is wide. Therefore, follow up measures and additional efforts need to be identified on a broad level in order to guarantee a substantial improvement.

⁸ "Others" includes internal reviews conducted by the WE-program officer or by the implementing agency.





Sustainability has performed poorly throughout the last years. Numerous recommendations on how to improve project sustainability have been identified in earlier reports. In particular in 2009, this criterion was assessed in-depth. The analysis concluded that:

- Sustainability needs to be better integrated in the project design (logframe) through the definition of an exit strategy;
- unrealistic assumptions while planning the project and designing the intervention need to be avoided;
- overoptimistic assessment of the potential to achieve sustainability is often linked to an insufficient involvement of stakeholders in the planning phase;
- too little concern is dedicated to the question of financial sustainability;
- critical assumptions in terms of sustainability are insufficiently monitored.

It can be concluded that challenges identified several years ago still persist and that the implementation of former recommendations have not yet led to a better performance on this criterion.

5 Recommendations

The persisting and for 2013 even worsened weakness in terms of project sustainability is in the centre of this year's recommendations.

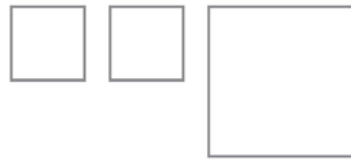
Management level:

- SECO/WE has to **increase its attention and awareness towards** the given weaknesses in terms of **project sustainability** and put emphasis on the topic throughout the project life cycle (see also recommendations on operational level).
- In case of unsatisfactory/highly unsatisfactory project results in terms of sustainability evaluated at mid-term, management shall be informed directly in order to discuss respective follow-up measures and the project's risk rated in SAP shall be reassessed.
- Given the fact that WE experienced the lowest evaluation activity since many years, SECO/WE has to **assure the conduct of a relevant number of evaluations** at different stages of project implementation, including ex-post evaluations. Management together with WEQA shall assure adequate planning of evaluation activities, monitor the accomplishment of planned evaluations and prescribe measures if foreseen evaluations are delayed or not conducted. A tight tracking of the correlation between the project-based evaluation plans decided by the Operational Committee, the yearly planning of the operational divisions as well as the evaluation program communicated by the evaluation function needs to be established.

Operational level:

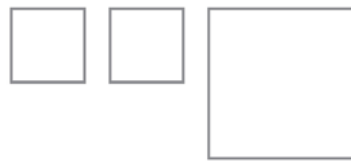
- Achieved project results will only remain sustainable in the longer run, if **sustainability** is carefully **looked at and planned for from the project planning phase on**. SECO/WE needs to strengthen this awareness and give the discussion of the so called project exit strategy special attention during the project approval process. The exit strategy needs to cover all aspects of projects sustainability i.e. financial, institutional and personal sustainability.
- The exit strategy as defined at project outset needs to be monitored and if needed adapted over the project life. Implementing partners shall therefore **systematically report on** the actual situation, measures taken and measures foreseen.
- In cooperation with implementing partners and/or co-funders, in particular International Finance Institutions, SECO/WE needs to ensure prior to any commitment that a common understanding on the importance of sustainability of technical assistance and capacity development is shared among all partners involved.
- The evaluations show that the time necessary for the capacity development of the local partner often has been underestimated and needs more time than anticipated. Therefore, WEQA recommends putting **more emphasis on capacity development** aspects. The recently developed WE manual on Capacity development in SECO projects and programs can serve as a basis for follow-up action. The Operational Committee together with the operational divisions need to treat capacity development throughout the project cycle management with special attention in all relevant projects (i.e. during project identification, planning, monitoring and implementation, evaluation as well as completion).





- As already stressed in the last report, program officers shall actively and timely **collaborate with WEQA on the evaluation follow-ups**. The preparation of the evaluation fiche through WEQA (rating of the project's effectiveness and the quality of the evaluation) shall be sequenced in a way that allows for a discussion of evaluation results and recommendations as well as the management response, in particular in case a new project phase is foreseen.
- Based on future internal reflections on how to strengthen **knowledge management within WE**, WEQA will identify approaches and mechanisms to share relevant lessons and best practices in the field of sustainability.
- WEQA shall update and summarize the recommendations from the annual report 2009 as well as the WE workshop on sustainability in 2012. They shall be presented and discussed during the presentation of the results of the Annual Report 2013 within the operational units.





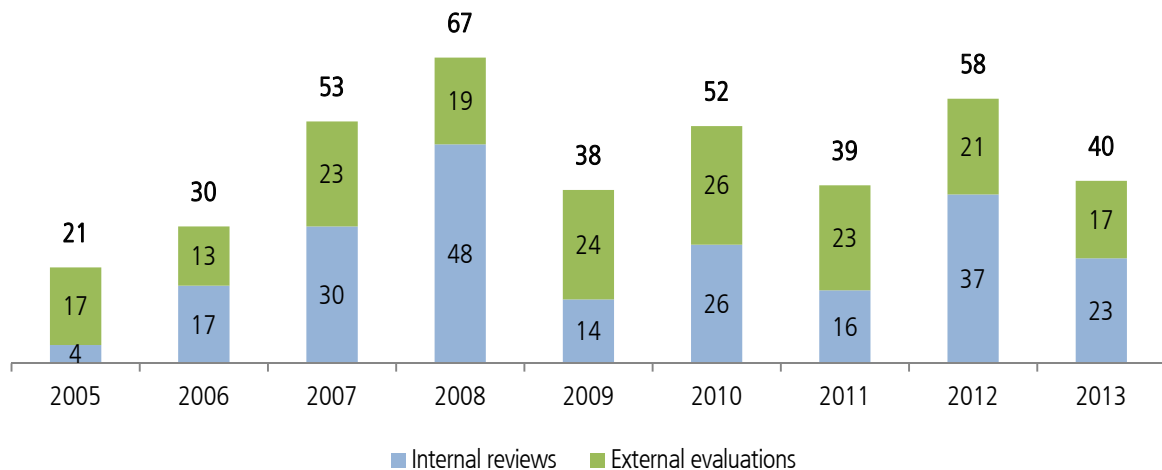
ANNEX 1: Evaluations conducted in 2013

In 2013 SECO/WE conducted a total of 38 evaluation exercises⁹ commissioned by operational divisions, of which 17 were external evaluations and 23 internal reviews. The number of external evaluations was slightly below the average of external evaluations conducted during the previous years. Among the 17 external evaluations there was no ex-post evaluation.

Evaluations conducted in 2013 by WE operational divisions

2013	Internal Reviews		External Evaluations	TOTAL
	Completion Notes	Others ¹⁰		
WEMU	5	0	4	9
WEIN	5	0	4	9
WEIF	6	1	4	11
WEHU	5	1	5	11
TOTAL WE	21	2	17	40

Chart 3
Types of evaluations 2005-2013



At the level of the **SECO/WE Evaluation function**, the following independent evaluations were conducted/initiated in 2013, under the supervision of the **external Evaluation Committee**:

- SECO/WE independent evaluation of the development effects of SIFEM's¹¹ investment interventions (Status: finalized)
- SECO/WE independent evaluation on Switzerland's economic development cooperation in Sustainable Trade Promotion and its contribution to "Aid for Trade" (Status: finalized)
- SECO/WE independent evaluation on SECOs Corporates Development in Public Utilities (Status: ongoing)

Independent evaluations are carried out at the level of one of the five SECO/WE priority themes¹² or at the level of a business-line within a priority theme.

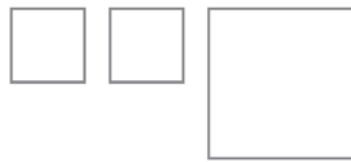
⁹ According to its Evaluation Policy, WE recognizes three different types of evaluation: internal review, external evaluation and independent evaluation. For more details, see <http://www.seco-cooperation.admin.ch/themen/01033/01034/index.html?lang=de>

¹⁰ "Others" includes internal reviews conducted by the program officer in charge of the project within WE or by the partner agency implementing the project.

¹¹ SIFEM stands for Swiss Investments for Emerging Markets and is the Swiss Development Finance Institution.

¹² The priority themes are: macroeconomic reform and stabilization, development and financing of urban infrastructure, private sector development, sustainable trade promotion, stimulation of climate friendly growth.





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 relevance, effectiveness, efficiency and sustainability, on a four-point scale from highly satisfactory to highly unsatisfactory. The rating for the four criteria is consolidated to an overall rating for each project/program, 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 2005-2013.

<p style="text-align: center;">Relevance</p> <p>The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.</p>	<p style="text-align: center;">Effectiveness</p> <p>The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.</p>
<p style="text-align: center;">Efficiency</p> <p>A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.</p>	<p style="text-align: center;">Sustainability</p> <p>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.</p>

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

