

Federal Departement of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO

Swiss Confederation



Key Facts of the evaluation

Purpose

The evaluation documents results from SECO climate activities and provides learnings and good practices for the further development of SECO's approach to climate. This fed into the development of a SECO climate action plan adopted in autumn 2023, as well as into the Swiss international cooperation strategy 2025-2028.

Methodology

To build a robust base of evidence and triangulation, the evaluation employed a combination of qualitative methods (interviews, field visits, workshops, document review) and quantitative methods (portfolio analysis based on SECO-WE's climate-weighted commitment finance figures).

Scope

The scope of the evaluation covered climate finance and climate related activities carried out in the 2017-2022 period.

Duration of evaluation 2022-2023

Cost

CHF 200'000

Evaluation team

PEM Consult

SECO Climate Evaluation

SECO's Economic Cooperation and Development Division considers addressing climate issues crucial to achieve sustainable economic development in partner countries. Consequently, SECO-WE strives to address climate related issues in all its sectors and activities. An independent evaluation carried out in 2022/23 took a close look at SECO's climate ambitions and programmes.

Background

Bearing in mind the essential link between climate and development, SECO-WE developed in 2023 a climate action plan that describes, among other things, how SECO-WE's development projects are aligned with the objectives of the Paris Agreement. The independent Climate Evaluation recently carried out constitutes a timely contribution to SECO-WE's climate action plan. It provides insights on good practices from the assessed portfolio for the approach to climate in general and the design of climate interventions in particular, and identifies the division's key strengths for fostering climate issues through its interventions.

Key findings

- Climate commitments and disbursements grew over the period under evaluation as climate aspects were increasingly mainstreamed into SECO activities. This allowed to reach and even exceed SECO-WE climate financial targets.
- There is good evidence of significant results in terms of greenhouse gas (GHG) emissions and energy efficiency. In some cases, the evaluation highlights promising signs of transformative impact linked to framework conditions that have changed the behaviour of governments, local authorities, regulators, and others.
- SECO's strategic focus on mainstreaming of climate and private sector capital
 mobilization responded to its core mandate and comparative advantage and was
 highly relevant for partner countries and globally.

Identified challenges

The evaluation points out that despite its relevance and the increase of SECO funds allocated to it, climate mainstreaming has not yet reached its full potential. SECO-WE structures and procedures have not yet proved to be sufficient to ensure consistent climate mainstreaming throughout the project cycle. The internal Climate Network (CN), although much appreciated as it has helped to integrate and deepen understanding of climate-related issues, could still be strengthened and extend its links to the Swiss Cooperation Offices (SCO). More support for capacity development and learning in SECO-WE headquarters and SCOs is also considered necessary.

Selected recommendations

- 1. Use the strategy processes to clarify the objectives of SECO-WE's climate action plan, including the ambition level regarding climate finance. SECO-WE management fully agrees with the need to clarify the objectives of its climate action plan, including on increasing private capital mobilisation for climate. SECO aims to have its development activities "Paris aligned" by January 2025. Regarding the support of climate finance and the mobilisation of private climate funds in general, Management points out that the Federal Council will discuss further options in the coming months.
- 2. Commit to align to the Paris Agreement and develop tools and procedures to support the implementation of this commitment

SECO-WE management fully agrees with the proposal to align WE activities with the requirements of the Paris Agreement. SECO-WE started this alignment in 2020 with the sectoral and country climate mainstreaming papers. The Paris Alignment is an extension of the climate mainstreaming work that had begun under the previous credit framework. SECO-WE formalizes the commitment to align to the Paris Agreement in the new SECO-WE climate action plan.

3. Invest further in the climate capacity of SECO-WE staff across the organisation to strengthen capacity for climate policy dialogue, project design, and impact.

SECO-WE partially agrees with the need to invest further in the climate capacity of SECO-WE staff. It is ready to provide capacity support to its staff at headquarters and in the Swiss Cooperation Offices in its partner countries through training and knowledge management. However, this support will need to be within the limits of existing resources.

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