



SECO's support to transparent and reliable state finances

Independent evaluation of SECO's activities on Public Financial Management

Based on its evaluation policy, SECO ensures an impartial assessment of its development cooperation activities. It conducts independent thematic evaluations of the performance of its target outcomes in accordance with the federal dispatch on International Cooperation 2017-2020. In 2020/2021, independent experts from Oxford Policy Management (OPM) evaluated the activities of SECO's Macroeconomic Support section in public financial management (PFM) with a focus on the 2017-2020 period. It focused on SECO's support to PFM system reform in partner countries by strengthening institutional capacities to enable fiscal discipline, strategic allocation of public funds, and efficient service delivery. SECO implements its support on global, national, subnational level either as single donor (bilaterally or with a multilateral partner with SECO as single donor) or jointly with other donors in multi-donor trust funds (MDTFs). The entire evaluation was carried out virtually due to the Covid-19 pandemic.

Key findings

- The evaluation found that the assessed portfolio has performed very strongly against the stated objectives, as the majority of projects achieve high scores based on the OECD DAC evaluation criteria.
- SECO's strategy of operating at the global, national, subnational level has been a hallmark of the portfolio, and this has given a particular strength to the programme.
- SECO has proven to be an active, capable and respected partner to other development partners, and a reliable partner to the governments supported in the area of PFM.
- SECO has successfully advocated for important developments in international support to PFM reform initiatives and – most notable among these – for the increased attention to the subnational level of government, which is key for a better service delivery to citizens.

Success factors

The evaluation finds that SECO's successful support to PFM reform mainly relies on

- The evidence-based approach together with a thorough analysis of the political and economic context used in project preparation and design, which enable a high level of stakeholder and beneficiary ownership and commitment.
- Consistent engagement and long-standing, reliable relationships with stakeholders, which provide a sound basis for reform dialogue and coordination among government entities as well as effective policy engagement in MDTFs.

Key Facts of the Evaluation

Purpose

1. Accountability to Swiss Parliament
2. Learning as well as strategic and operational decision-making to further enhance SECO's development effectiveness.

Methodology

Mixed method approach to data collection and analysis (desk study, key informant interviews). Data collection for the country case studies was carried out remotely, with support of senior local consultants.

Scope

The evaluated portfolio comprises 20 PFM projects in 11 countries: Albania*, Colombia, Ghana, Indonesia, Kyrgyz Republic, Peru*, Serbia, South Africa, Tajikistan, Tunisia and Vietnam.

(*case studies)

Cost

CHF 129'834

- The emphasis put on adaptive management and flexibility in project planning and implementation to ensure that the reliance on an evidence-based approach is well suited to specific needs, capacities, and changing context in partner countries.







Identified challenges

- SECO places importance on policy engagement and participation in multilateral and global initiatives. However, a trend towards larger MDTFs, combined with an increasingly limited role for donors is constraining SECO's ability to actively participate in project formulation and preparation.
- The SECO projects have adopted a wide range of approaches to sustainable capacity development (CD). Frequent turnover of specialised PFM staff remain an issue.

Selected recommendations

1. SECO should continue to maximize policy engagement - especially when engaging jointly with other donors in MDTF.
→ SECO agrees that policy engagement is crucial. It actively engages in multilateral and global initiatives. The Economic Development and Cooperation division has therefore developed a note for programme managers to provide guidance on SECO's expectations and minimum requirements when partnering with the World Bank, continues to discuss these issues with the IFIs and is monitoring the trend, while identifying policy options.
2. SECO should further strengthen its approach to sustainable capacity development (CD), building on the experience of projects within the evaluated portfolio where the approach has been successful.
→ SECO generally agrees with this recommendation. For years, SECO has been strengthening its approach to sustainable capacity building, and this will continue to be its key focus. Peer-learning, including senior level officials, and creating local training institutions can be promising approaches, but there is no magic bullet to sustainable CD. SECO will continue its efforts to learn from successful approaches in its portfolio (and beyond) and invest in sharing lessons learnt.
3. SECO should strengthen the approach to inclusion of transversal themes – climate change, gender, anti-corruption, digitalization – in project design, where local opportunities and partner strategies permit.
→ SECO agrees with the recommendation, and has already significantly increased its efforts aimed at including transversal themes in the design and implementation of projects. Among these are a climate change mainstreaming approach; a PEFA gender module application guidance and gender checklist; an anti-corruption concept paper, the effects of which are expected to materialise in newly approved projects.

Portfolio ratings according to OECD DAC Criteria

Relevance	
highly satisfactory	
average score: 1.3*	
Coherence	
satisfactory	
average score: 1.9*	
Effectiveness	
satisfactory	
average score: 2.3*	
Efficiency	
satisfactory	
average score: 2.3*	
Impact	
satisfactory	
average score: 2.4*	
Sustainability	
satisfactory	
average score: 2.3*	

*on a four-point rating scale (1= highly satisfactory; 4= highly unsatisfactory)



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