



2019–2020 Performance Report: Review of SECO's economic cooperation and development activities

Management response

May 2021

1. Introduction

WE Management welcomes the 2019–2020 Performance Report - Review of SECO's economic cooperation and development activities (thereafter "SECO WE") and commends the evaluation unit of SECO-WE for the establishment of a well-analysed, substantial and comprehensive report with relevant findings. The very good number and quality of assessments (internal and external) is the basis for meaningful recommendations. Even if results achieved are at a high level, further adaptations and improvements regarding the WE operations will continue to be sought.

For the 2019-2020 edition of the Performance Report, WE management particularly appreciates the by now 12 year time horizon which allows for comparison of results across several framework credits since 2008. The 2-year horizon of the Performance Report itself proves useful since it also allows a more meaningful observation period of putting into practice of past recommendations.

WE Management thanks the External Evaluation Committee for its highly appreciated and valuable contribution in this work by acknowledging and discussing this report and the underlying evaluation activities of the Division and by contributing to other important evaluation-related work of SECO-WE, such as independent portfolio evaluations. The independent view of the Committee is important to us since it combines the views of various circles (academia, parliament, private sector and civil society).

2. Overall Statement

WE Management discussed the SECO WE Performance Report 2019-2020 and thanks for the good and broad cooperation between the evaluation unit of WE and operational sections that has led to a solid result. It confirms the importance of the report both for accountability and communication internally and externally and as a basis for strategic and operational considerations. It deems it important that the corresponding considerations are now continued to be put in practice and contribute to the continuous improvement of the effectiveness of WE's projects. WE Management appreciates that the report, in addition to the statistical presentation of the success rate and DAC criteria, also presents a qualitative analysis and contextualisation of the results. WE Management also positively notes that certain elements provided by the Performance Report could already be considered under the current strategy for interna-



tional cooperation 2021-2024 (e.g. evidence based project design, use of theory of change, importance of strong partnerships and of transversal themes gender and climate change).

3. Main Findings

WE Management confirms the relevance of the recommendations made and will disseminate the strategic and operational findings of the Performance Report at WE level in order to promote "collective learning" and further enhance collaborators' expertise and knowledge in terms of monitoring and evaluation.

WE Management appreciates the very high success rate of 94% (very) good projects. At the same time, the critical contextualisation of this success rate is also very important and shows still room for learning. Future success rates are expected to be corrected to a more realistic (lower) level, once the revised and harmonized SDC/SECO calculation method will be applied. The new calculation method, as described in Annex A of the report, will better reflect the performance of each DAC criteria. Looking at the OECD DAC criteria in detail, relevance continues to be the highest rated criteria, as all (100%) of the externally evaluated projects received a satisfactory or highly satisfactory rating. A high effectiveness rating of 92% again confirms that the majority of the ODA interventions achieved the expected results. Achieving high efficiency ratings remains challenging, as the success rate of 82% represents a slight decrease compared to the previous reporting period. The sustainability of project results is difficult to assess (only 72% of evaluations report address this criterion) and proves to be a constant challenge: the 58% success rate clearly indicates the need for continued efforts to ensure lasting benefits of the projects, as the report highlights. Furthermore, sustainability is being measured first and foremost against the likelihood of sustainability rather than the certainty of sustainability.

SECO WE is increasingly working with larger programs containing several sub-components. They tend to work with a result assessment of a relatively aggregated nature. There is a certain tension between results shown at aggregated level and the need to analyse those results in more detail and depth (see also recommendation 2).

The deep dive on WEIF/private sector development is seen as a useful and interesting attempt to grasp even more detail. Time and resources permitting, this approach shall be considered for a next reporting cycle.

On a more anecdotal point and as an unintended side effect: given the COVID-19 circumstances and travel constraints, a lot of the underlying evaluation work to this Report had to be done by virtual means. The global shift to virtual interactions reduced travel costs and often allowed for more flexible, inclusive and regular exchange between donors, stakeholders, and beneficiaries further enhancing the role of our local partners. It is important that our work integrates these lessons learned and benefits more from regular virtual interactions.

The evaluation unit formulates three specific recommendations stemming from these findings. SECO's management response to these recommendations can be read in Annex 1.

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RECOMMENDATIONS	MANAGEMENT RESPONSE	Responsibility	Priority
	<p>mentation Report (CPIR). Hence, the recommendation is definitely worth as a guiding principle but not to be seen in isolation.</p> <ul style="list-style-type: none"> - The need to adapt logframes should always be balanced against possible moral hazard on project implementers' side to alter/lower agreed objectives. - Flexibility shall not be an excuse to set objectives unrealistically high at the outset of a project and to lower them subsequently for the sake of flexibility. - Flexibility in programmatic approaches might need to be handled differently from flexibility in stand-alone projects since logframes in programmatic approaches tend to be more aggregated, allowing for more flexibility from the programme start. - Flexibility within a programmatic approach might also be needed in order to enable a fairer and more representative and granular evaluation. 		
<p>3) Maintain a strong and considerate M&E practice in times of COVID-19</p>	<p>WE Management agrees with this recommendation. COVID-19 is adding complexity to project management. WE so far fared well, could keep the portfolio on-track, adapt project content and even react to additional requests. This came at a price with a considerable number of (no-cost) project extensions. Objectives had to be adapted in line with those extensions pointing to the importance of a certain flexibility in regard to M&E. Management however recognizes the continued importance of a strong oversight of its portfolio, while integrating emerging good practices on M&E during COVID-19. For instance, WE Management decided to launch a few targeted and risk-based audits in the context of COVID-19 on a number of its projects in order to best ensure that funds were reaching the right beneficiaries and/or used for the intended purpose(s) in 2020/21. These audits will be concluded within Q2 2021 and lessons learned discussed with Management and operational sections.</p>	<p>L WEOP & RL WEOP supported by WEQA</p>	<p>A</p>