Provider Case Studies: Switzerland

Swiss Agency for Development Co-operation
Case studies of results-based management by providers: SWISS AGENCY FOR DEVELOPMENT CO-OPERATION

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This paper is one of a series of case studies that describe approaches to results-based management by development co-operation providers. The purpose of the case study project is to identify and document approaches, key themes, current challenges and good practice in results-based management. In particular, the case studies document how providers use results information for accountability, communication, direction and learning. The case studies and an accompanying discussion paper will be used as a platform for dialogue and to drive collective learning within the OECD Development Assistance Committee Results Community.

The case studies are based on a desk-based review of relevant material and telephone interviews with staff responsible for results.

The full set of case of studies (Canada, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the World Bank Group) and the discussion paper can be accessed on the OECD results in development co-operation website.
Executive summary

- The Swiss Agency for Development Co-operation (SDC) has a well-documented approach to results-based management with a strong country focus. SDC processes, advice, guidance and organisational structure are focused on empowering both staff and partners to use results for learning, management and direction at country and project level in support of development outcomes (with a strong poverty alleviation focus).

- Country level co-operation strategies are results-oriented and prioritise SDC contribution to partner country outcomes. More than 40 country-level (and a few regional) Co-operation Strategies guide delivery. Analysis of results prioritises contribution towards country level development results over attribution to Swiss operations. The aim is not to impose indicators on partner countries but specify the value of Swiss contribution.

- In addition, SDC places emphasis on analysis of the results of policy dialogue for development and is supporting staff in this endeavour by developing a guide which helps build the results of policy dialogue into country-level results-based management.

- In an attempt to introduce more systematic and cohesive reporting against corporate level objectives, forty standard indicators – the ‘Aggregated Reference Indicators’ (ARIs) – have been introduced. The indicators are mapped to priority themes, are output and outcome-based, and will be aggregated and largely attributed to Swiss development co-operation. However, ARIs will not have corporate level targets attached to them.

- The ARIs have a clear communication and accountability purpose. SDC sees them as complementary to comprehensive and well-established results-based management processes at project and country level, which have more of a direction and learning purpose. The ARIs have only recently been implemented and there may be some challenges in the attempt to implement a system which has a focus on accountability for aggregated outputs at corporate level – whilst maintaining a context driven and ‘bottom-up’ results-based management approach at country and project level.
1. Overview of Results-Based Management

Aid delivery in Switzerland is guided by a four year Joint Dispatch. The Dispatch for 2017-20 is aligned to the SDGs and the overall goal is “a world without poverty, in peace and for sustainable development” (FDFA, 2016a). Seven strategic objectives cascade from the goal as follows:

1. Contribute to the development of an international framework for responding to global challenges.
2. Prevent and manage the consequences of crisis and disaster, and of fragility; promote conflict transformation.
3. Support sustainable access to resources and services for all.
4. Promote sustainable economic growth.
5. Strengthen the rule of law and democratic participation; support institutions serving society and the economy.
6. Ensure respect for human rights and fundamental liberties, and support efforts to advance their cause.
7. Strengthen gender equality and the rights of women and girls. (FDFA, 2016a: 10)

Delivery of the objectives is spread across five framework credits split between three units as follows:

- The Swiss Agency for Development and Co-operation (SDC) within the Department of Foreign Affairs takes responsibility for humanitarian, technical and financial aid.
- The State Secretariat for Economic Affairs (SECO) takes responsibility for economic and trade policy measures for development co-operation and transition aid.
- The Human Security Division of the Department of Foreign Affairs takes responsibility for policy and delivery related to the promotion of peace and human security.

The analysis presented in this case study focuses mostly on the results approach of SDC, which delivers aid in about forty partner countries. Delivery is organised into ten thematic areas and two cross-cutting issues. SDC’s total expenditure in 2015 was CHF 2063.5 million (about USD 2056 million) (FDFA, 2016b: 9).

SDC has a structured approach to results-based management, measuring and monitoring results at corporate, country and project levels. This case study – alongside others – describes results-based management across these levels. However, emphasis is placed on emerging corporate level approaches to enable comparison and identification of good practice and shared challenges among providers.

1.1. Corporate level results: introduction of a new corporate indicator set

A comprehensive suite of corporate reporting products describe SDC contribution to the Joint Dispatch. Annual reports combine and present SDC and SECO results from bilateral and multilateral contributions by theme, communicating selected results stories and concrete examples of achievement of outcomes, largely at project level (FDFA, 2016c). SDC also produces a triennial report against the dispatch period. The most recent report is a synthesis of results information and findings.
from independent evaluations and makes an assessment of SDC’s contribution against strategic objectives for the period 2013-16 (FDFA, 2016d).

In 2016, in the context of the new Joint Dispatch for 2017-2020, SDC launched a standard indicator set at corporate level referred to as “Aggregated Reference Indicators” (ARI). The indicators were introduced to meet increased demand for accountability from parliament and the public, and to address proliferation of indicators across the priority themes in different contexts, which was resulting in an inability to paint a coherent picture of SDC’s contribution. For example, a recent internal study found that there were over 140 different indicators in use across the food security and nutrition sector (OECD, 2017).

The standard indicators are linked to Swiss development co-operation goals and global goals. They have been developed to measure results against the seven objectives of the 2017-20 Dispatch outlined above. Forty indicators were selected following extensive consultation with SDC staff. In particular, sector leads were involved in a process which helped translate the commitments made in the Dispatch into quantifiable indicators (OECD, 2017). The 40 indicators are output and outcome-based and are a mixture of more easily aggregated “reach indicators”\(^1\), indicators measuring delivery of policy or legislation via technical assistance, and outcome indicators such as income change or time saved by women. Each indicator is mapped to one of the objectives of the Joint Dispatch listed above, an SDC thematic area and to the relevant SDGs at goal level. Example indicators under the health and food security, and nutrition themes are as follows:

**Basic services [objective 3] - Health systems:** yy number of births attended by skilled health personnel (SDG 3)

**Global challenges [objective 1] - Food security and nutrition policies:** yy international norms, global policies and political processes developed in the field of food security and nutrition (SDGs 2, 3) (SDC, 2016a: 5-6)

The indicators are mandatory (though only where relevant) and are being introduced in all co-operation strategies from 2016. Detailed technical notes have been developed to guide application of the indicators. SDC did not consider attaching targets to the indicators or linking targets to allocation of funds. In addition, SDC has also introduced Conflict and Human Rights indicators which track contribution to movement out of fragility and are mandatory for co-operation strategies covering fragile states. An additional set of non-mandatory thematic indicators with an outcome focus have been developed for use at country and project level. Project implementers may use these or, where relevant, develop ‘bespoke’ indicators to reflect project and country context. The table below describes the four standard indicator types now in place.

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\(^1\) Reach indicators is a term used to refer to indicators which focus on volume and count the number of beneficiaries who are reached by a service or intervention.
Table 1. SDC results indicator types

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Utilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregated Reference Indicators (ARI)</td>
<td>Mandatory if a strategy covers the respective thematic area and if relevant</td>
</tr>
<tr>
<td>Thematic reference indicators for Conflict and Human Rights</td>
<td>Mandatory if a cooperation strategy covers a state categorised as fragile</td>
</tr>
<tr>
<td>Thematic reference indicators (outcome oriented)</td>
<td>Voluntary but recommended if a strategy covers the respective thematic area</td>
</tr>
<tr>
<td>Specific country and thematic indicators (outcome oriented)</td>
<td>According to the context, adapted to the local requirements</td>
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*Source: SDC, 2016a: 2

Implementation of the ARIs will be staged. Staff members working at country level are expected to report results via annual country programme level reports. Results will then be aggregated to corporate level. SDC expects to be able to report against the standard indicators internally for the first time as early as autumn 2017.

1.2 Multilateral results: a results-based approach to monitoring effectiveness

SDC has a results-oriented system in place for assessing the performance of the fifteen multilateral organisations which are core funded by SDC (of note, a similar system for core contributions to NGOs was introduced in 2016). Each multilateral is subject to an Annual Multilateral Performance Assessment (AMPA), whereby SDC assesses the relevance to SDC of results achieved and overall performance, and assigns ratings on the basis of assessments. There are three levels of assessment – the first is a review of the most recent MOPAN\(^2\) assessment. The second is an SDC assessment of performance via the annual core contributions management report; a process internal to SDC which covers development effectiveness and organisational effectiveness taking a results-oriented approach. For the third, SDC looks at the multilateral agency’s own performance assessment based on their internal self-evaluation ratings. The three levels are then combined for an overall assessment. Where an organization receives a low rating SDC sets policy dialogue goals to try and improve performance via a management response (SDC, 2013b, 2015; OECD, 2017).

SDC also hopes to report results from the multilaterals and NGOs they support using the ARIs where relevant (i.e. where they align to existing indicators). However, these of course will not be attributed to SDC, and will therefore be reported separately from the main dataset (OECD, 2017). Using the ARIs to report multilateral results will help link multilateral contributions to the goals of the Dispatch, complementing the performance management approach taken in the AMPAs.

\(^2\) Multilateral Organisation Performance Network – Mopan undertakes comprehensive effectiveness assessments of multilateral organisations on behalf of a network of donors.
1.3 Country level results: results-based Co-operation Strategies

Results-based management at country level is central to the SDC approach. More than 40 country-level (and a few regional) Co-operation Strategies guide delivery. Strategies have a four-year cycle, and the frame of reference for each strategy is the partner country’s objectives, Joint Dispatch objectives and international agreements. The strategies include total Swiss aid-flow and incorporate development co-operation, trade, foreign policy and humanitarian interests.

Within each strategy there is a separate results framework for each sectoral theme (referred to as domains), which is prioritised by SDC in that country. Each results framework specifies indicators at three levels:

- country level results
- results of SDC interventions
- operational and organisational performance indicators.

According to guidelines, analysis of results prioritises contribution towards country level development results over attribution to Swiss operations. The aim is not to impose indicators on partner countries but specify the value of Swiss contribution (SDC, 2016b).

Staff representing SDC at country level report back against strategies annually. The reports are internal and include steering implications for the coming year. Based on analysis of all the three levels of data, contextualised results statements are articulated, and a rating is applied for each domain. Analysis includes results achieved through aid as well as through policy dialogue, and attempts to articulate how Swiss development co-operation has contributed to country outcomes.

The following is an example of a contextualised results statement from the 2016 annual report for Albania. The statement analyses the Swiss contribution of SECO (from a joint SDC/SECO annual report) under the domain of urban infrastructure and energy, incorporating beneficiary feedback:

Water remains one of the top priorities of the Government of Albania. However, [the] average level of service provision is still low. Reform actions focus on improved legislation, enhanced management and increased financial support for public utilities guided by a performance based approach that is applied successfully with support of Germany and Switzerland. Strengthened Swiss supported public utilities of Shkodra and Lezha cities started to operate in a cost effective and customer oriented manner, as they made progress in terms of improved cost coverage and bill collection efficiency. Thanks to the projects citizens’ satisfaction with services increased. Around 175 000 citizens in Shkodra and Lezha municipalities, accounting for 14% of the country’s urban population received improved access to safe, environmentally sound, reliable and affordable water supply and sewerage services. (SDC, 2016c: 12)

SDC acknowledges that data quality issues in some contexts can hamper the ability to make evidence-based assessments. SDC staff members are encouraged to take a capacity-building approach and support partner-led data capture alongside other donors. Guidance encourages staff to be champions of qualitative analysis and to make use of mechanisms for collecting beneficiary assessment feedback (SDC, 2011). In addition, an annual assessment of selected results-based management instruments and management responses for country-level reports help to quality assure results data and analysis (OECD, 2016). The results frameworks in strategies are not fixed for the four year period and can be adjusted on the basis of recommendations made in annual reports.
Over 2016 and 2017, some 30 co-operation strategies will be updated to include the new standard indicator set in their relevant domain results frameworks. ARIs most relevant to each country will need to be selected and these will then be linked through to the individual projects that will generate the results (OECD, 2017). Co-operation strategy annual reports will become the basis by which ARI data are aggregated up to corporate level.

1.4 Project level: results-based management practice and processes

This section documents initiatives to embed results-based management culture and processes at SDC, particularly at project level.

Over the period 2008-2013 SDC introduced standardised results processes and practices, including project results framework templates, self-evaluation processes and training offers. In 2013, SDC internally reviewed their results-based management (RBM) approach. The review found that standards and tools had been successfully implemented and that implementation had been supported by successful learning events for staff. The review also concluded that more outreach to country-level Swiss representation was required and recommended SDC undertake an external evaluation of their RBM approach and practice (planned for 2017) (SDC, 2013: 3).

The Medium Term Programme Quality Assurance 2014-17 was developed following the review to guide results practice for the next four years (SDC, 2013). The Programme includes a theory of change and results framework for quality assurance and RBM, which articulates the overall purpose and approach for the results system. The overall goal is as follows: “RBM contributes to SDC’s mission in targeting sustainable global development with a view to reducing poverty and global risks” (SDC, 2013). The document also emphasises that SDC’s bottom-up approach to RBM favours steering and learning over accountability, and states from the outset: “development results - including policy implementation – are partner countries’ results” (SDC, 2013: i). While the approach is based on overall effectiveness – there is specific focus on poverty, vulnerability, inequality and gender (SDC, 2013: 6).

A small Quality Assurance and Poverty Reduction Section (embedded within the South Co-operation Department- but covering the whole SDC) takes responsibility for building a results culture, developing results systems and processes, delivering training and advisory services and quality assurance in relation to results. The team works with a wider Quality Assurance Network, embedded within programme teams both at headquarters and in the field. Staff who are part of the Network dedicate a set proportion of their time to quality assurance and RBM. Staff in the network are responsible for communicating standards to their team, contributing to training and taking part in quality assessments. SDC is in the process of strengthening the role of the Quality Assurance Network at country level.

The Evaluation and Strategic Controlling Section, though organisationally separate, collaborates closely with the Quality Assurance team. SDC actively promotes interlinkage between results and evaluation, as stated in an internal paper: “Good evaluation work gets better when it is based on good monitoring and MfDR [managing for development results practice]. The what and why questions on results observed and assessed cannot be separated in practice” (Maître, 2013: 4).
Results-based management training is fully integrated into project cycle management training and includes basic training as well as learning events. The Quality Assurance team makes use of staff feedback to continuously improve and update training. RBM training is also made available to SECO staff, NGOs and others, though the focus is primarily on SDC staff. E-learning platforms are also available (project cycle management + six learning modules). SDC are currently in the process of developing regional training events to make training more widely anchored in the field.

Box 1: Measuring the results of policy dialogue

SDC has recently developed a how-to guide for “Results-oriented policy dialogue.” The document presents guidance on how to plan, implement and monitor policy dialogue in support of development outcomes. The guide responds to a need for guidance and pragmatic instruments to assist with the policy dialogue process. This will help SDC staff build the results of policy dialogue at country level into co-operation strategies and country annual reports.

The document includes advice on how to undertake well-planned policy dialogue as part of development co-operation alongside operational and technical interventions, and is aimed particularly at Swiss representation at country level for both development and foreign policy staff.

Practical advice on delivering, planning and monitoring policy dialogue recommends detailed context analysis and consultative problem definition followed by development of a results chain, and identification of indicators to monitor process (outputs), outcomes and impact. More importantly, the guide emphasises that policy dialogue is complex and rarely linear, it recommends an approach that is systematic, but at the same time flexible, adaptive and iterative. The guide suggests using indicators that permit joint assessment of progress, are process related and should describe institutional change and results on the targeted population. To help illustrate the theory, links to examples from the field are provided.

The figure below, from the guide, provides examples of the types of indicators that might be used to monitor the outputs, outcomes and impacts of policy dialogue (SDC, 2017: 12).

The guidelines were developed via consultative process and are based on staff feedback during learning events and contributions from the field. The guide will be updated as staff members provide feedback and experience on the topic. Learning events on the same topic will be held in conjunction with release of the guide.

Source: SDC (2017)
2. Analysis of Challenges

As outlined above, SDC has a structured and well-documented approach to results-based management, at different levels. It is now attempting to balance use of results for learning and decision making at country level with pressure for increased corporate-level accountability and communication. The following section presents a brief analysis of conceptual and logistical challenges to the SDC approach, particularly in relation to implementation of standard corporate-level indicators and some commentary on how these challenges are being addressed.

2.1 The role of the Aggregated Reference Indicators in relation to existing results-based management practice

The new standard indicator set supplements rather than replaces existing processes and SDC is clear in its communication to staff that the ARIs are mostly output, not outcome, based and principally designed to meet communication needs. The intention is not to override an outcome-oriented and context-driven approach to results-based management at country level. The goal is rather to implement the indicators as a communication tool that will sit alongside existing RBM processes designed for project and programme management purposes and to capture real change on the ground. In fact, SDC hopes that rationalising output indicators may create space for a stronger focus on outcomes at country level (SDC, 2016a; OECD 2017).

In addition, to bolster the communication focus of the ARIs, SDC plans to directly attribute results from the ARIs to SDC. For example, the indicator cited above: number of births attended by skilled health personnel, would be reported not at national level, but only for those interventions that were funded by SDC, demonstrating Switzerland’s direct achievement in this area. SDC acknowledges that the technical details of how this will work in practice still need to be ironed out (for example, where SDC is jointly funding a project with another donor) (OECD, 2017). While it hopes to use attribution, SDC does not plan to set corporate level targets against the indicators. In SDC’s view, corporate-level target setting can potentially conflict with prioritising country-led approaches to monitoring, planning and delivery (OECD, 2017).

As outlined earlier, the ARIs have been designed to align directly to the objectives of the new Joint Dispatch. As such, by drawing results data from project level, ARIs effectively create a link between the Dispatch and country, and project levels. If, as discussed above, the intent is for ARIs to sit alongside country-level RBM, the potential of these links may not be fully realised. There may be value in making use of the ARIs to more explicitly communicate the links between the goals of the Dispatch and country-level co-operation strategies. Whether and how the ARIs are used to tell a cohesive story of Switzerland’s contribution to development outcomes will no doubt become clearer as the ARIs are implemented over the next twelve months. Furthermore, the approach is likely to vary depending on the context of each co-operation strategy.

2.2 Challenges related to Aggregated Reference Indicator implementation

The process of building standard indicators into new and existing project and country results frameworks, and ensuring there is capacity to capture data that can be aggregated, will inevitably lead to increased burden on both staff and partners, which may in turn result in resistance to using the indicators. However, SDC maintains that despite initial resistance to moving towards
standardised reporting and communication by Swiss representation at country level, there is now strong buy-in, which should filter down to all staff. Engagement and consultation with thematic leads has been crucial in getting support across the agency, and SDC maintains that the whole process was “carried through with broad consensus” (OECD, 2017).

In addition, a Quality Assurance team and Network embedded in, rather than separate to, programme teams helps to generate trust and ownership of processes. More importantly, responsibility for aggregating and reporting against the new standard indicators sits within the structurally separate Evaluation and Corporate Controlling division. This puts the Quality Assurance team in a position where they can support, advise and build capacity without also needing to ‘police’ reporting requirements.

Nonetheless, implementation of forty new standard indicators will undoubtedly be burdensome and technically challenging. Especially, as outlined above, because the process is designed to complement rather than replace existing processes and as such may not always feed into project or country level results-based management. SDC acknowledges that collecting and reporting against robust aggregate data for all forty indicators will not be easy, but it is confident that a clear purpose, access to advice and guidance, as well as buy-in and support from both country and thematic managers and staff will contribute to successful implementation. SDC stresses that although buy-in for the ARIs is important, it hopes to maintain the emphasis on a country-led approach to results, and will work to ensure the ARIs do not lessen the focus on outcomes, or create too much of a compliance mentality among staff.

3. Summary: How SDC Uses Results Information for Accountability, Communication, Direction and Learning

In summary, in 2016 SDC introduced the new Aggregated Reference Indicators (ARIs) to improve both accountability for and communication about SDC’s contribution to Switzerland’s Joint Dispatch. Forty indicators have been developed to enable aggregation and attribution of SDC results. The results do not have targets attached to them, but should enable SDC to tell a more coherent story of their achievements.

SDC is clear however, that the indicators are just one aspect of the overall picture. More importantly, they complement rather than replace results-based management processes at country and project level. Results collected at these levels have more of a focus on outcomes and promote use of qualitative indicators. As such, staff and partners are supported to use results for both direction and learning. Country level processes are results-oriented and context driven, making use of results at three levels for management of country programmes. A Quality Assurance Network embedded in programme teams helps build capacity both at headquarters and Swiss representation offices for use of results for management.

There may be challenges in implementing and working with two separate but complementary results systems. How and whether the ARIs are used to communicate the link between co-operation strategies and the objectives of the Dispatch will likely vary from country to country as SDC goes through the process of building the ARIs into their country and project-level monitoring. Similarly, the extent to which ARI reporting can effectively communicate achievement of Dispatch objectives-
and ultimately contribution to development outcomes – will become clearer as SDC collects data and reports against the indicators over the next year.
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