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Evaluation 2017/1

Independent Peer Review of the Integration of Swiss Representations Abroad



Independent Peer Review of

The Integration of Swiss

Representations Abroad

The mandate was approved by the FDFA director's conference on 28 September 2016.
The Evaluation and Controlling Division of the Swiss Agency for Development and
Cooperation (SDC) was responsible for the process management.

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Bern, April 2017

Evaluation Process

The mandate for this peer review was given by the directors' conference of the Federal Department of Foreign Affairs (FDFA) to a Steering Group at head office consisting of representatives from the different Directorates of the FDFA and the State Secretariat for Economy (SECO). Sweden has accepted to conduct the review under the form of a peer review. The Steering Group provided the general strategic support: it defined the reference points of the peer review, consolidated the Approach Paper and submitted it to the FDFA Directors' Conference, received the draft review report and produced a consolidated feedback to it. The Steering Group also drafted a position on the final report which was approved by FDFA Directors' Conference.

The Evaluation and Corporate Controlling Division (E+C) at the Staff of the Directorate of the Swiss Agency for Development and Cooperation (SDC) was responsible for process management of the peer review. It supported the Peer Review Team by providing the relevant documents, organising the interviews and guaranteeing the contact between the peers and the relevant key persons of FDFA and SECO. It also ensured the overall quality of the peer review. The methodology took into account the fact that there are no baselines for measuring improved coherence and greater efficiency in this institutional peer review. The peers reviewed relevant documents, conducted interviews in Bern and organised assessments based on quick surveys in five representations abroad. These assessments were then carried out by Swedish embassy staff in the respective countries. The Peer Review Team was supported by an external consultant under contract of Sweden. The review was carried out according to the evaluation standards specified in the Approach Paper.

The position of FDFA and SECO is published together with the final report of the Peer Review Team. A more detailed description of the evaluation process can be found in the Approach Paper (Annex of the Report)

Timetable

Evaluation Steps		Timing
1	Discussion and Approval of the Approach Paper by the FDFA directors conference	28.09.2016
2	Implementation of the Peer Review	October to December 2016
3	Approval of the position of FDFA and SECO by the FDFA Directors' Conference	29.03.2017

I Executive Summary

Donor	FDFA – Swiss Agency for Development and Cooperation
Report title	Independent Peer Review of the Integration of Swiss Representations Abroad
Geographic area	Global
Sector	Unspecified
Language	English
Date	April 2017
Author	Mr. Anders Oljelund, Ministry of Foreign Affairs Sweden; Mr. Erik Korsgren, SIDA

Subject Description

This report summarizes the findings and conclusions of the Independent Peer Review of the Integration of Swiss Representations Abroad. It addresses the following three key objectives of the integration process:

- Greater foreign policy coherence;
- Greater effectiveness by integrating all of a representation's task in one location;
- Improved efficiency by eliminating overlaps and simplifying the operations of the network of representations.

The review meets a three-fold purpose: (1) to foster institutional learning; (2) to inform management and steering decisions; and (3) to ensure accountability on the implementation of the integration mandate at the representations abroad by providing information on the extent to which the objectives have been or are likely to be achieved.

Evaluation Methodology

The Peer Review Team relied on different sources of information: document analysis, interviews with key informants in Berne and rapid assessments in five representations abroad to allow them to make a triangulation of the results. No consolidated progress and/or (self-) evaluation reports – summarizing results, effects, problems and challenges of the integration process – were available. Therefore, the five Swiss representations assessed in the review (Addis Ababa, Bogota, Harare, Sarajevo, and Yangon) were requested to present a short report with a summary of key facts prior to the assessments.

The rapid assessments in five Swiss representations abroad were carried out by Swedish embassy staff in the respective country. The Peer Review Team guided the process and edited written instructions (scope of the task, question lists, templates) for these interviews.

Interviews with key informants in Bern were carried out by the Peer Review Team (with assistance of their consultant) with a particular focus on institutional decision-makers. The Team prepared checklists with key issues to be discussed for each interview.

Major Findings

On the one hand, the Peer Review Team found little proof and no clear examples that foreign policy coherence has improved substantially with the integration efforts. On the other hand, they did not find clear examples of problems with foreign policy coherence, either before or after the integration efforts. The reason might be that consultation processes in Bern are already relatively well developed and that in Switzerland there is a tradition of seeking consensus.

The Peer Review Team found that integrating all of a representation's tasks in one location leads to improved effectiveness. They noted an increased capacity for analysis, better coordination, and better use of synergies. They also found that from a partner country perspective, Switzerland is more often perceived to speak with one voice.

The Peer Review Team found improved efficiency, for example through the elimination of overlaps and simplifications of the operation of the network abroad. The message received from the different sources was, however, not unanimous. Headquarters staff felt that efficiency has not improved substantially, while staff within the network recognised an increased efficiency.

Recommendations

A total of nine recommendations were suggested in the report.

1. Headquarters should make sure to have a close ear to the field in matters which are close to the daily work of the representations. Consular staff should be considered to carry out administrative duties in general at representations. There is an urgency to make common premises available.
2. The concept of foreign policy coherence should be further discussed within FDFA and its network abroad, to reach a common understanding of the notion in the specific Swiss integration context and to find out what is reasonable to expect from the reform.
3. There is a need for an internal dialogue within the Swiss administration to understand, agree and internalise the goals of the integration process. Based on such a common understanding a transparent communication strategy should be drafted to counteract misunderstandings and frustrations. Attention should be given to – what might seem minor – communicative issues, such as clearly stating the name of the authors of reports. Further, FDFA must decide if it wants to keep SDC as a brand.
4. The roles and competencies between Berne and its representations should be further clarified, as should the role of the HoM and HoC. The same principles for decentralization should be applied throughout the administration for the three main branches of development cooperation.
5. The Peer Review Team believes that training and management of human resources must be planned and organized to supply competent staff to generalist as well as specialist positions. Those who are appointed in leading positions must possess the capability of understanding all subject areas of FDFA. When recruiting, qualification criteria for each position should be defined beforehand and in detail. National staff can be further recognized as an important category. Ways

to make the offices at the representations available for national staff also during odd working-hours, should be explored.

6. It would be helpful for integration of the network abroad if there were a “*Conduite*” also for FDFA, and also one between FDFA and other ministries, for matters relating to foreign policy. Instructions from FDFA must be processed in Berne in such a way that they express the joint view of FDFA. The same template for strategies should be used for all development cooperation programs regardless where these are implemented and which unit takes the lead.
7. It may be needed to further specify how the administrative budget should be planned and allocated at the representations in order to reach more transparency and uniformity between the representations. Special budget allocations for administration of regional programs could be considered. The global budget system reform seems to be implemented wisely at FDFA, but further information is needed within SDC.
8. The threshold for local decision-making on support to development cooperation projects should be raised. Such a step would make integration more substantial. Uniformity between SDC, SECO and HSD on financial administration of projects would simplify operations for the representations. The administrative needs of development cooperation should not govern areas of work that are not part of development cooperation. The development cooperation programme controller function should be kept as a well-resourced and separate function under the HoC. And when possible, development cooperation reports should be merged with political reports.
9. The management of regional programs should be reviewed and clarified. This work is already well under way.

II Position by FDFA and SECO

Introduction

On the basis of the Approach Paper, which had been approved by the Federal Department of Foreign Affairs (FDFA) Directors' Conference and SECO on 28 September 2016, Sweden was given the task to conduct a peer review on the ongoing integration process in the Swiss representations abroad.

The review was carried out from October to December 2016, and the review report was finalised at the end of December 2016. It includes a number of key recommendations and was discussed at the FDFA Directors' Conference on 21 December 2016.

The present document reflects the shared view adopted at the FDFA Directors' Conference as well as the SECO. It contains a general appreciation of the findings of the review team as well as concrete measures to accompany the ongoing integration process.

Description of the evaluation process

Preparation: The process of the Peer Review was agreed in the Approach Paper. Sweden accepted to carry out the peer review. The Evaluation and Corporate Controlling Division (E+C), organisationally attached at the Swiss Agency for Development and Cooperation (SDC), coordinated the organisation and management of the review process.

Review team: The Peer Review Team was composed of two Swedish experts (one from the Swedish Ministry of Foreign Affairs (MFA) and one from its development agency (Sida)), with the support of a consultant mandated by Sweden.

Realisation of the review: The review was carried out according to the evaluation standards and the questions specified in the Approach Paper. It was carried out in a short time frame and included brief visits by staff of the Swedish embassies in five Swiss representations abroad (Addis Ababa, Bogota, Dar es Salaam, Sarajevo, and Yangon). The choice of representations was suggested by the Peer Review Team and approved by the FDFA directors.

The Steering Group, composed of representatives of all relevant directorates and the SECO and reporting to the directors, was involved in key moments of the review, including the initial report, the organisation of interviews, and the commenting on the preliminary findings. At the last meeting in December 2016, the Steering Group was given the opportunity to discuss the findings and recommendations with the Peer Review Team. The Peer Review Team then presented the results of the review to the FDFA Directors' Conference and SECO on 21 December 2016. The review process was completed within the time schedule outlined in the Approach Paper.

Commitment and learning: The short preparation phase and the various degrees of integration processes in the Swiss representations abroad (ranging from just started to substantial experience in a fully integrated set-up) challenged the Peer Review Team to produce a consistent assessment of the whole integration process. The chosen approach resulted in intensive work in terms of coordination within and by the Peer Review Team, between the Team and its Swedish representations abroad, within the Swedish MFA, as well as substantial interaction with staff of the Swiss FDFA. The process included feedback loops on several intermediate products in the review process. Through the Peer

Review Team's external lens all involved directorates of FDFA and SECO learned from each other about how the integration process evolves and how it can be further strengthened and supported.

Report and recommendations: The review report represents the independent external view of the Peer Review Team on the integration of Swiss representations abroad. The objective is to get a consistent view of the ongoing integration process and to find out whether and where improvement or support measures are needed.

Overall appreciation of the report

There is a high recognition of the overall quality of the review report. It contains both issues that require specific attention at the strategic and operational level and responds to the questions put forward in the Approach Paper. The description of the current situation in the FDFA network of representations is generally correct. The report gives a positive overall impression of the integration of Swiss representations abroad, stating that it is a recently started process and confirming that it is well on track – with remarkable results achieved since the formal decision was made in 2013 to have started with the integration process in all representations by 2017. According to the report, Switzerland had no general problem in speaking with one voice prior to the start of the integration process, but the integration process has allowed for further improvements of having more coherence in the implementation of foreign policies overseas.

It recognises that successful cooperation within, and management of an integrated representation, largely depends on the personalities involved. The Head of Mission (HoM) has the overall responsibility and gets a better overview on all tasks of a representation and can get involved at the appropriate level in an effective manner. At the same time, well-structured processes and adequate normative instructions play a key role in the integration of a representation. FDFA and SECO have therefore put considerable effort towards achievement of this objective, and the good results show that it is well on track.

The Peer Review Team succeeded by delving deeply enough into the subject without losing itself in details. It kept an objective attitude and distinguished well between systemic factors or factors related to the persons involved. However, it identified challenges in the integration process that deserve closer examination, and the report provides a sound basis for future decisions to be taken by the FDFA Directors' Conference (see recommendations below).

A comparison with the model of the Swedish MFA/Sida is not always appropriate or relevant as Sida's status differs entirely from the SDC's. In Switzerland, the SDC was always part of the FDFA and so it was always fully involved in policy processes regarding development activities. Generally, it is acknowledged that the Swiss proximity to the development realities in the partner countries results in effective policy dialogue and that it is even enhanced with the integration of representations. This may explain that the results are perceived positively and that some of the objectives have been achieved in a short time or even had been fulfilled before the process was started.

Appropriate instruments are established to make sure that there is a common understanding of the objectives: Country strategies, in particular, which are central documents in international development cooperation, are developed in an inclusive manner – which means they are prepared involving all relevant actors abroad and at the headquarters in Bern.

Switzerland is aware that the integration process follows a differentiated approach in its representations abroad and at the headquarters in Bern. There, other instruments are in place to ensure coordination and coherence. Each directorate has its own well-defined mandate, and policies are constantly (re)defined within the existing settings of the Administration, up to the level of the Federal Council as a collegial authority. A close eye is kept on the possible interference of approaches and instruments in order to ensure coherence between organisational units in Bern.

The Peer Review Team did not have the opportunity to look at an embassy led by a Head of Mission (HoM) who is, at the same time, the Head of International Cooperation (HoC), nor did it acknowledge that cooperation offices also take on diplomatic and consular tasks when the HoM does not reside in the country of the cooperation office. This additional aspect might have resulted in slightly different assessments of the advantages and disadvantages of having one single person bearing both responsibilities of HoM and HoC, and consequently might have led to different conclusions in regards to their recommendation to always keep both functions separate.

Finally, established practices to appoint staff in representations could have been taken more into consideration in the part of the report which discusses the appointment of the HoM and key positions, and the lack of transparency of the process.

The Peer Review Team presented a number of key recommendations that are hereafter structured according to the chapters in the final report. The FDFA Directors and SECO state whether they agree (fully or partially) or not with the recommendations and explain their position.

The frequently used term “*Conduite*” refers to the internal document “Management, responsibilities and competencies in the integrated representations” published in 2013. This document has been revised by the Governance Working Group upon mandate of the Directors’ conference. The result is the “*revised Conduite*”, a document which was completed in the end of 2016 but not validated by the Directors yet in order to consider recommendations from the peer review.

Greater Foreign Policy Coherence, Greater Effectiveness and Improved Efficiency

Recommendation 2.3: Improved efficiency by eliminating overlaps and simplifying the operation of the network of representations

Headquarters should make sure to have a close ear to the field in matters which are close to the daily work of the representations.

Consular staff should be considered to carry out administrative duties in general at representations.

There is an urgency to make common premises available.

Position

Fully agree

Partially agree

Not agree

Response:

Generally the integration process has both improved coordination and communication efforts at headquarters resulting in fewer overlaps, as well as improved administrative processes. A great deal of effort has been made in this regard and some important milestones in the integration process have been achieved. There is certainly still room for improvement with regard to efficiency and elimination of overlaps. This is related to the fact that the actual integration takes place in the representations abroad and remains an on-going process. According to the “*Conduite*”, regular coordination and exchange between headquarters and representations is essential. Efficiency and elimination of possible overlaps are addressed as much as possible with the revised “*Conduite*” presented to FDFA-Directors on 16 November 2016 that will be officially communicated after conclusion of the peer-review process. There is agreement that further revisions and adaptations of this key document may be required as the process evolves.

The recommendation in regards to administrative duties of consular staff is discussed under recommendation 3.7.

It is acknowledged that common premises facilitate the open communication and regular coordination that is essential in an integrated representation. However, budgetary constraints have a direct bearing on the issue of common premises. The FDFA has therefore launched a coordination process that allows for an improved mid- to long-term planning for common premises.

Measures:

Increase efforts for continued coordination exchanges between directorates and departments at headquarters, as well as between headquarters and the representation on all levels.

The working group “*Governance*” with participation from DR, SDC, PD and SECO continues to deal with strategic issues related to integration in the framework of a mandate given by the FDFA Directors’ Conference to which it reports.

Budget constraints may postpone the implementation of common premises of integrated representations. FDFA “*Immobilien*” (real estate) strives to provide cost-efficient working environments suitable for the need of international cooperation. It further takes into account security concerns and – as far as possible – changing occupancy rates.

Issues to Address to Reach Further Policy Coherence, Greater Effectiveness and Improved Efficiency

Recommendation 3.1: A common vision on the concept of foreign policy coherence

The concept of foreign policy coherence should be further discussed within FDFA and its network abroad, to reach a common understanding of the notion in the specific Swiss integration context and to find out what is reasonable to expect from the reform.

Position

Fully agree

Partially agree

Not agree

Response:

It is noted that the term “policy coherence” is used in different contexts with various notions. As the Peer Review Team rightly points out, foreign policy coherence within the network abroad depends on policy coherence in Berne. In the context of the integration process, policy coherence means that Switzerland speaks with one voice and avoids some programmatic contradictions that might occur in a too fragmented set-up.

Policy coherence for development as stated in the Dispatch on International Cooperation 2017-2020 and in accordance with the OECD/DAC addresses different sector policies within a country with possibly contradictory impact. This policy is defined by the central government and is not addressed when aiming for policy coherence in the integrated representation. This said, we agree that this distinction requires clarification. Policy coherence remains a challenge of all central governments. Switzerland has established instruments to address this issue (cf. 3.3).

Measures:

The Directors’ Conference will clarify its understanding of policy coherence in the context of the integration

Recommendation 3.2: Communication and culture

There is a need for an internal dialogue within the Swiss administration to understand, agree upon and internalise the goals of the integration process. Based on such a common understanding a transparent communication strategy should be drafted to counteract misunderstandings and frustrations.

Attention should be given to – what might seem minor – communicative issues, such as clearly stating the name of the authors of reports. Further, FDFA must decide if it wants to keep SDC as a brand.

Position

Fully agree

Partially agree

Not agree

Response:

The goal of integration has clearly been stated in the 2013 letter signed by the directors of SDC, DR and PD. It states that it is the “will to lead all FDFA activities in one place in an integrated manner and under the responsibility of the HoM”. Permanent communication efforts aim at assuring that organisational culture is permanently defined and shaped. Communication on integration issues – recalling its purpose, its modalities, its objectives, and the status of the implementation – requires continued attention. FDFA pays particular attention to improving communication whether in writing or in conversation. A particular effort is required by all parties involved to better understand the different working cultures and to enhance mutual respect and appreciation while adhering to the different core mandates. Potential frustrations should be addressed.

All authors of a report are permitted to sign it. The instruction 600 on political reporting is currently being revised and will also specify this aspect.

SDC considers itself a recognised competence centre within the FDFA. The mandate of SDC is acknowledged in the department and will remain, even though its cooperation offices are organisational units of the integrated representation.

Measures:

The FDFA Directors' Conference will examine if there is a need to further clarify the goals of integration.

FDFA ensures continued communication through Intranet, Bulletin, ch@world, (regional) Ambassador Conferences, Consular working meetings, workshops, etc. in collaboration with the interested directorates.

The publication of this evaluation report will be used as an internal communication opportunity, for each concerned directorate within FDFA and for SECO.

Recommendation 3.3: Command and reporting lines, roles and competences

The roles and competencies between Bern and its representations should be further clarified, as should the role of the HoM and HoC.

The same principles for decentralisation should be applied throughout the administration for the three main branches of development cooperation.

Position

Fully agree

Partially agree

Not agree

Response:

The HoM is the official representative of the Swiss Confederation in the country of accreditation. He or she is responsible for the effectiveness, coherence and efficiency of Swiss foreign policy and bears overall responsibility. The HoC is responsible for the implementation of the cooperation strategy, i.e. for the devising, identification, planning and operational implementation of cooperation projects, and for the dialogue required for these projects with local authorities and other specialist international partner organisations. Implementation tasks also include administrative and financial duties (including financial competence for the international cooperation framework credit) that support the implementation of the cooperation strategy. The responsibilities and competencies of HoM and HoC are stated in the guideline called "Conduite". It was first published in 2013 and was revised in the autumn of 2016. It is as precise as necessary, allowing for adaptations where indicated or useful. A large responsibility lies with the HoM or HoC to lead the representation. Integration is a continuous process and many issues may be sorted out in practice. The "Conduite" gives room to do so.

The findings in the review report also indicate that the functions of HoM and HoC should be kept separate. FDFA considers that strongly development oriented representations led by a HoM who is also HoC can also provide good results. Therefore it is considered appropriate to maintain the possibility of entrusting both responsibilities to the same person. At the same time, it is necessary to add that in cases in which Switzerland runs a cooperation office tasked with safeguarding its interests but does not have an embassy, responsibility for local operations lies with the HoC.

In addition, the FDFA enables and supports the permeability of specific roles; the tasks of the HoM and HoC can therefore be entrusted to both diplomatic staff and SDC employees. This procedure allows positions to be filled by the people with the best matching competencies and increases the level of mutual understanding between staff in different areas. In this way, the HR policy actually promotes the integration process rather than merely implementing it in administrative terms, which has a positive impact on those in leadership positions in all career tracks. As well as exercising responsibility, the latter consider themselves empowered to represent Switzerland's overall interests in the respective country. Within a short space of time, the FDFA's experience with this

organisational structure and HR policy has proved highly positive and it will continue to pursue both. Local operational responsibilities and powers, on the other hand, have been precisely defined and clearly delineated. To this extent, we do not share the evaluators' assessment of a strict separation of functions.

With regard to "same" (or similar) principles for decentralisation throughout the administration, it is true that two different systems cohabit within FDFA and the Swiss administration. SDC has delegated ample responsibility to the cooperation offices, both the PD and SECO remain rather centralised. The reasons for this are manifold and relate to different core mandates, contexts, modalities, as well as working methods, and financial and fiduciary risk assessments. It is worth keeping in mind that the strategic orientation of Swiss international cooperation is elaborated in joint country/regional strategies with the lead of Swiss Cooperation Offices and the participation of all relevant units in Bern.

This is both deliberate and meaningful. For the FDFA this means: On the one hand, SDC has a clear division of labour with enough decentralisation potential within the given mandate, while maintaining strategic responsibilities at headquarters. The strategic orientation of Swiss international cooperation is elaborated in a joint country/regional strategy, with the respective Swiss Cooperation Office in the in-country lead and including the participation of all relevant units in Bern. This gives the representations a real say in defining the strategic orientation of what is expected to be implemented. This shall neither be broadened nor reversed.

On the other hand, work outside the large development programs is more political. Therefore, it is necessary to make sure that strategic decisions are taken in Bern, sometimes even at the highest competent level. Within the Swiss federal administration policy coherence is ensured by other means than by integration. This Swiss system of government is based on the principle of collegiality, which means that all important decisions must be taken jointly by the entire Federal Council. The Administration is thus organised in such a way that decisions can be prepared through a process of close collaboration and mutual exchange.

Measures:

The Directors' Conference validates the revised "Conduite". A review of the "Conduite" is considered after an adequate time period, taking on board the feedback and requests of clarification from representations abroad.

Recommendation 3.4: Human resource management

We believe that training and management of human resources must be planned and organised to find competent staff for generalist as well as specialist positions. Those who are appointed to leading positions must have the ability to understand all subject areas of FDFA. When recruiting, qualification criteria for each position should be defined beforehand and in detail.

National staff can be further recognised as an important category. Ways to make the offices at the representations accessible for national staff also outside of normal working hours should be explored.

Position

Fully agree

Partially agree

Not agree

Response:

While the appointments of HoC were already done in a clear structured manner the process of the appointment of HoM is currently being improved. One major change includes that interviews are conducted by a mixed panel under the lead of the State Secretary (with the participation of the concerned directorates and divisions of the FDFA and other ministries). Adapting and improving development of human resources is an on-

going effort.

The increased recognition of national staff in line with the existing FDFA local personnel policy will have to be improved. A directive in terms of security¹ clarifies the access of all staff, including local personnel, to the representations, taking into account existing limits such as security and competences.

Measures:

The process, recruitment decisions as well as HR-development will be revised and harmonised. Governance and transparency as well as a clear focus on competencies and staff potential will be key guiding elements of this process.

Further improvement in terms of training and support of the personnel is in elaboration.

Recommendation 3.5: Integration at Headquarter

It would be helpful for integration of the network abroad if there were a “*Conduite*” also for FDFA, and also one between FDFA and other ministries, for matters relating to foreign policy. Instructions from FDFA must be processed in Berne in such a way that they express the joint view of FDFA.

The same template for strategies should be used for all development cooperation programs regardless where these are implemented and which unit takes the lead.

Position

Fully agree

Partially agree

Not agree

Response:

Within the FDFA, close cooperation is ensured by the established internal consultation process, specifically when it comes to drawing up country strategies in which other actors from the Federal Administration are also involved. The Directorate of Political Affairs ensures policy coherence between departments and maintains a ‘big picture’ view of foreign relations. For key issues, interdepartmental mechanisms are established to coordinate Swiss policies and to express the view of the Federal Administration². Consequently, there is no need for a “*Conduite*” at headquarter.

Hence, there are a number of good practices such as WOGA (whole-of-government approach) and joint cooperation strategies, as well as related approval processes (management principle “TCR”: delegate according to tasks, competencies and responsibilities). Finally, as a collegial body, the Federal Council guarantees interdepartmental coherence.

The responsibility for coordination within FDFA is with the PD. Consequently, instructions are first discussed and harmonised at headquarters. Due to the specific functioning of the Swiss federal administration, each department has its specific mandate. It is therefore of high importance that coherence of instructions are agreed before they are sent to representations abroad.

We further strive towards joint processes to define common strategies, which is more important than having a common template. The efforts to set up more inclusive processes (whole-of-department/whole-of-government approaches) will be continued. Strategies for the purpose of development cooperation reflect the working methods of the relevant competent authority. Whenever possible, joint approaches are utilised amongst these stakeholders. It should, however, not be a stringent prerequisite to use the same template

¹ Directive on the management of security and security risk at the FDFA (Security Directive 150-0) and its appendix 6 on organisational norms, dated 25 October 2015

² For instance, IMZ on migration, KGSi on security issues, IKEZ for international cooperation or PLAFICO for issues on climate and environment.

all over the world regardless which authority is present. Some differences in formats should be accepted as they serve specific purposes. However, wherever possible the same templates are already used such as common result-oriented annual reports in international cooperation.

Measures:

Geographical divisions of the PD continue to make sure that effective coordination is ensured with regular exchange of information within FDFA.

Existing cooperation between FDFA and other departments of the Swiss administration with existing coordination platforms is continuously being optimised and further strengthened.

Recommendation 3.6: Budget and resources

It may be needed to further specify how the administrative budget should be planned and allocated at the representations in order to achieve greater transparency and uniformity among the representations. Special budget allocations for administration of regional programs could be considered. The global budget system reform seems to be implemented wisely at FDFA, but further information is needed within SDC.

Position

Fully agree

Partially agree

Not agree

Response:

The recommendation regarding the budget allocation is linked to the New Management Model (NMM), which is distinct from the integration process. The integrated representations are well prepared to introduce the global budget system reform implemented at the level of federal administration as one component of the New Management Model (NMM). Even before the introduction of the NMM on 1 January 2017, the FDFA was already aware that the changes entailed would give rise to a need for additional rules within the FDFA and acted accordingly: Comprehensive guidelines on the global budget are already in place in order to ensure maximal transparency in the use of financial resources. As 2017 is the first year of the new budget system for representations abroad it will be important to draw lessons learned as well as recommend adaptations in the coming years. Only then an assessment about the process will be meaningful. Wherever possible, expenditure should be adjusted in line with performance in the respective budget. A uniform approach would be less sensitive to the actual circumstances that apply.

A special budget allocation for the administration of regional programs contradicts the core idea of integrating personnel from different federal departments and directorates. In fact, the administrative burden in a representation under one roof shall be shared. A regional program is managed and administrated from various locations – hence an administrative regional budget would not make sense.

Measures:

The budget process will be examined in early 2017 and will be continuously improved after one and if necessary after three cycles respectively. After the first year of implementation of the NMM, the Directors' Conference, in collaboration with SECO, will see what lessons have been learned. Better communication on the changes regarding budgeting with the introduction of the NMM will be considered. Special attention will need to be given to the elaboration of the representations list of Tasks to ensure that it accurately reflects the relative weight of the activities in an integrated representation.

Recommendation 3.7: Financial management of development cooperation projects and programs

The threshold for local decision-making on support to development cooperation projects should be raised. Such a step would make integration more substantial. Uniformity between SDC, SECO and HSD on financial administration of projects would simplify operations for the representations. The administrative needs of development cooperation should not govern areas of work that are not part of development cooperation.

The development cooperation programme controller function should be kept as a well-resourced and separate function under the HoC.

And when possible, development cooperation reports should be merged with political reports.

Position

Fully agree	Partially agree	Not agree
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Response:

The present degree of decentralisation is considered as adequate and FDFA and SECO do not intend to revise it in the short term. A further decentralisation of budgetary responsibility is not deemed to foster the efficiency and effectiveness of development operations. However, the potential financial and fiduciary risks would presumably rise.

FDFA agrees that adequate risk control is important. The key position of the Chief Finance, Personal and Administration (CFPA) is therefore constantly monitored and adapted. Moreover the consular management and CFPA career paths are currently considered to be joined and adequate training implemented. The CFPA's subordination has been specified and the issues related to the CFPA function will be assessed regularly in order to make sure that HoM and HoC can rely on the support of the CFPA. The current organisational set-up, with the CFPA reporting to the HoM, is correct as the HoM has the overall responsibility. However, a close collaboration with the HoC and his/her team is normal and essential, as the HoC bears the responsibility for the overall management of the development programme. Further, FDFA has made sure that in the "revised Conduite" the reporting line of the CFPA according to the above mentioned reflection and continue to monitor the CFPA function. The CFPA, as controller in project-cycle management, will therefore have a reporting line to give to the HoC in terms of the responsibility for international cooperation. This will have to be specified in the Terms of Reference and the MBO will be done jointly by the HoM and the HoC.

A survey has been made to analyse whether the reporting workload has increased with the integration. As a consequence some adjustments have already been made, such as a common ICS report. For the time being there is no need for important changes. One has to be careful not to increase the burden on integrated representations in terms of administrative reporting. As for political and operational reporting, existing formats all have their "raison d'être". It is important that the various reports are produced in a coordinated way at the level of an integrated representation.

Measures:

A training concept to merge the consular and the CFPA career paths is currently being developed.

Recommendation 3.8: Global and regional development cooperation

The management of regional programs should be reviewed and clarified. This work is already well under way.

Position

Fully agree

Partially agree

Not agree

Response:

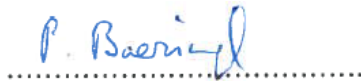
The management of regional programs is addressed in the revised version of the “*Conduite*”, agreed by the FDFA Directors on 16 November 2016. The respective explanatory graphic was adapted on the basis of a discussion at a Directors’ Conference.

The principles set out in this document apply to all locations. In locations where international cooperation falls under the regional framework, the HoC in charge of the region is responsible for providing the corresponding technical instructions. If there is no representation in locations where the cooperation offices are part of regional programme, the cooperation office’s HoC reports directly to the HoC in charge of the region.

Measures:

Approval and official communication of revised “*Conduite*” as soon as possible.

Bern, 29 March 2017



Pascale Baeriswyl
State Secretary, FDFA



Manuel Sager
Director General, SDC



Raymund Furrer
Head of Economic Cooperation and Development
Division, SECO

III Evaluators' Final Report

Independent Peer Review of the Integration of Swiss Representations Abroad

Commissioned by the Federal Department of Foreign Affairs FDFA of Switzerland

Swedish Ministry for Foreign Affairs and
Swedish International Development Cooperation Agency (Sida)

Authors

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Stockholm, 16 December 2017

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LIST OF ABBREVIATIONS

CD	Consular Directorate
CFPA	Head of Finance, Personnel and Administration
CS	Cooperation Strategies
DAC	Development Assistance Committee of the OECD
DR	Directorate of Resources
E+C	Evaluation and Corporate Controlling Division
EAER	Federal Department of Economic Affairs, Education and Research (EAER)
FDF	Federal Department of Finance
FDFA	Federal Department of Foreign Affairs
HH	Humanitarian Aid Department
HoC	Head of Cooperation
HoM	Head of Mission
HSD	Human Security Division of the FDFA Directorate of Political Affairs
IC	International Cooperation
ICS	Internal Control System
MbO	Management by Objective
MERV	Monitoring System for Development-Related Changes
MFA	Ministry for Foreign Affairs
NFB	Neues Führungsmodell Bund
ODA	Overseas Development Assistance
OECD	The Organization for Economic Co-operation and Development
PCD	Policy Coherence for Development
PD	Directorate of Political Affairs
REO	Reorganization process in SDC
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs
SEM	State Secretariat for Migration
SHA	Swiss Humanitarian Aid Unit
Sida	Swedish International Development Cooperation Agency

MAIN CONCLUSIONS AND RECOMMENDATIONS

On the one hand, we found little proof and no clear examples that foreign policy coherence has improved substantially with the integration efforts. On the other hand, we did not find clear examples of problems with foreign policy coherence, either before or after the integration efforts. The reason might be that consultation processes in Berne are already relatively well developed and that in Switzerland there is a tradition of seeking consensus.

We found that there is greater effectiveness by integrating all of a representation's tasks in one location. We found increased capacity for analysis, better coordination, and better use of synergies. We also found that from a partner country perspective, Switzerland is more often perceived to speak with one voice.

We found improved efficiency such as the elimination of overlaps and simplifying the operation of the network of representations abroad. The message received was, however, not unanimous. Headquarters felt that efficiency has not improved very much, while the network saw increased efficiency.

Headquarters should make sure to have a close ear to the field in matters which are close to the daily work of the representations. Consular staff should be considered to carry out administrative duties in general at representations. There is an urgency to make common premises available.

The concept of foreign policy coherence should be further discussed within FDFA and its network abroad, to reach a common understanding of the notion in the specific Swiss integration context and to find out what is reasonable to expect from the reform.

There is a need for an internal dialogue within the Swiss administration to understand, agree and internalise the goals of the integration process. Based on such a common understanding a transparent communication strategy should be drafted to counteract misunderstandings and frustrations. Attention should be given to – what might seem minor – communicative issues, such as clearly stating the name of the authors of reports. Further, FDFA must decide if it wants to keep SDC as a brand.

The roles and competencies between Berne and its representations should be further clarified, as should the role of the HoM and HoC. The same principles for decentralization should be applied throughout the administration for the three main branches of development cooperation.

We believe that training and management of human resources must be planned and organized to supply competent staff to generalist as well as specialist positions. Those who are appointed in leading positions must possess the capability of understanding all subject areas of FDFA. When recruiting, qualification criteria for each position should be defined beforehand and in detail. National staff can be further recognized as an important category. Ways to make the offices at the representations available for national staff also during odd working-hours, should be explored.

It would be helpful for integration of the network abroad if there were a “Conduite” also for FDFA, and also one between FDFA and other ministries, for matters relating to foreign policy. Instructions from FDFA must be processed in Berne in such a way that they express the joint view of FDFA. The same template for strategies should be used for all development cooperation programs regardless where these are implemented and which unit takes the lead.

It may be needed to further specify how the administrative budget should be planned and allocated at the representations in order to reach more transparency and uniformity between the representations. Special budget allocations for administration of regional programs could be considered. The global budget system reform seems to be implemented wisely at FDFA, but further information is needed within SDC.

The threshold for local decision-making on support to development cooperation projects should be raised. Such a step would make integration more substantial. Uniformity between SDC, SECO and HSD on financial administration of projects would simplify operations for the representations. The administrative needs of development cooperation should not govern areas of work that are not part of development cooperation. The development cooperation programme controller function should be kept as a well-resourced and separate function under the HoC. And when possible, development cooperation reports should be merged with political reports.

The management of regional programs should be reviewed and clarified. This work is already well under way.

1 THE PEER REVIEW

1.1 Background

The Swiss network of representations abroad is being adapted to political and economic development in Switzerland and in the countries where it is represented. The Federal Department of Foreign Affairs (FDFA) decided in May 2013 to integrate the various activities and actors at the Swiss representations abroad to in future constitute one single representation per location.

Sweden holds experience from 15 years of integrating Swedish representations abroad, and was asked by FDFA to carry through a peer review of the Swiss efforts. The review is based on interviews carried out by Swedish staff late October and early November 2016 with key Swiss personnel based in Berne and in five embassies abroad (annex 1). A web-based survey (“rapid survey”) was also conducted with Swiss staff, and reports (“quick reports”) were written by the five Swiss embassies. The work was guided by an inception report produced by the peer review team, and based on an approach paper by FDFA¹ which describes the purpose, objectives and lists the main questions of the peer review. The team as represented by the Swedish Ministry for Foreign Affairs and the Swedish International Development Cooperation Agency (Sida) consisted of Ambassador Anders Oljelund and Mr. Erik Korsgren, Deputy-Head of the Department for Africa at Sida. We have much appreciated all efforts made by FDFA to carry through the review, and the very warm welcome that has been given us.

On the Swiss side, the peer review was managed by the Evaluation and Corporate Controlling Division (E+C) of the Swiss Agency for Development and Cooperation (SDC). For this particular peer review, this Division will report to the FDFA Board of Directors.

1.2 Implementation

There is of course no internationally agreed definition of integrating work at representations. The extent to which a country’s state financed activities can be brought under one roof and under one leadership must be decided by every country’s traditions and political realities. This peer review focuses on conclusions and recommendations which we believe are within the scope of Switzerland’s present ambitions.

The peer review is neither a consultant’s report nor an expert study. It should be read as a number of observations and pieces of advice given by colleagues who in their country’s administration have worked with similar issues. In the report we discuss whether the three main objectives stated by FDFA - foreign policy coherence, effectiveness and efficiency - are achieved. We also make a number of other observations. The limited time and budget has not enabled us to ensure accountability in the implementation of the integration.

¹ Both documents are available at the Evaluation and Corporate Controlling Division (E+C) of the Swiss Agency for Development and Cooperation (SDC).

The analysis is based mainly on the material that has been presented to us and on the results of interviews carried out in Berne, and by Swedish staff with their Swiss counterparts in Sarajevo, Bogotá, Yangon, Dar es Salaam and Addis Ababa. The five representations, each of these with its specific context and composition, are all in different stages of the integration process, from just at the beginning (Addis Ababa) to a matured period (Sarajevo).

The main focus of our review is on aspects related to the integration of international cooperation, particularly regarding policy coherence and effectiveness. On efficiency, there is also a focus on consular services. The analysis is concentrated on the representation level, but Headquarters is mentioned as the work of these two levels is intertwined.

The key questions stated in the approach paper have to a varying extent been answered during inter-views carried out by us and by Swedish embassy staff. In Berne and during interviews in the field, we listened to our colleagues' experiences of the integration efforts. Our focus has been to identify achievements, benefits, problems and challenges of this work, and to critically assess and summarize our observations.

1.3 Context

We have understood the integration at the embassies to be only one of several subsequent reforms. After its major reorganization (REO) in 2008, there was the decentralization process for SDC (REO-II). The other Directorates of the FDFA were neither touched nor targeted in this process. It led to SDC at Headquarters delegating more responsibilities in monitoring and implementation to the SDC-offices, while SDC Headquarters concentrated more on strategic issues. The REO also included that the Human Resource (HR) management, all operative financial tasks and activities (creditor and debtor handling), and communication units of SDC were transferred to the Directorate of Resources (DR) or the General Secretariat, respectively. At the same period and based on an evaluation of resources and tasks, consular services have been regionalized wherever feasible. These centers are responsible for a number of surrounding countries. In addition, the introduction of the 'Neues Führungsmodell Bund' (NFB) in 2017 and the introduction of global budgets, require increased reporting on key indicators and a new approval process for recruitment of FDFA staff.

Between 2009 and 2014, several other restructuring efforts within the FDFA were undertaken in order to gain efficiency (e.g. informatics, accounting, centralization of legal advice service, compliance and audit). The reforms in terms of administration were also applied in the representations.

Some interviewees criticized parts of these other and parallel reforms when asked about impacts of integration for the representations abroad, e.g. the centralization of HR management and communication or the fact that positions of national program officers have to be newly approved at Headquarters. Since these other reforms and their effects are not directly related to the integration we will not discuss these at length in this report.

However, it is important to note that there are apparent linkages between those reforms and the integration of representations abroad.

There are also significant changes in the development cooperation context in which FDFA operates. The pressure for policy coherence in development cooperation has increased. For Switzerland the priority has been to achieve better coordination between the development activities of the State Secretariat for Economic Affairs (SECO), located in the Federal Department of Economic Affairs, Education and Research (EAER), and those of SDC. In parallel, the Human Security Division (HSD) has increased its portfolio related to the fact that development cooperation focused more and more on fragile countries. From an SDC point of view, an important aspect has been to further increase the coherence between humanitarian aid (HH) and the development programs.

It also belongs to the context in which our peer review has been conducted that Swedish Sida is not part of the Swedish Ministry for Foreign Affairs (MFA), but a separate entity under the Government of Sweden. When Sida's field offices were integrated into the embassies, Sida in Stockholm remained separate. At embassy level the Head of Mission (HoM) is directly responsible for all embassy activities. Sida delegates the right to use funds for development cooperation to the HoM, and all formal communication back to Sida in Stockholm is channeled from the HoM. Decisions up to SEK 50 million (about CHF 5 million) can be made at the embassy, above that level Headquarters makes decisions on proposals from embassies. The HoM is supposed to delegate the operational responsibility to implement the country strategies to the Head of Cooperation (HoC).

2 GREATER FOREIGN POLICY COHERENCE, GREATER EFFECTIVENESS AND IMPROVED EFFICIENCY

2.1 Greater Foreign Policy Coherence

Conclusion: On the one hand, we found little proof and no clear examples that foreign policy coherence² has improved substantially with the integration efforts. On the other hand, we did not find clear examples of problems with foreign policy coherence, either before or after the integration efforts. The reason might be that consultation processes in Berne are already relatively well developed and that in Switzerland there is a tradition of seeking consensus.

We have four main sources of information for our peer review; interviews conducted in Berne by us, interviews with Swiss staff at representations by Swedish embassy staff and us, quick reports written by the five Swiss representations and a web-based questionnaire called rapid survey answered by the same five representations. The three first – qualitative - sources, on the one hand, made us draw the conclusion that foreign policy coherence has not improved substantially with the integration efforts. On the other hand,

² In our understanding, foreign policy coherence means that policies from different policy areas (e.g. trade, security, and international development cooperation) are aligned or at least not contradicting.

we did not find clear examples of problems with foreign policy coherence, either before or after the integration efforts. The results of the rapid survey were difficult to interpret. Many respondents state that integration has led to increased policy coherence. However, almost as many interviewees have answered that the effect of integration on policy coherence is marginal. It may well be that the variety of answers we received concerning policy coherence is explained by a lack of definition of the concept. We will come back to the question of coherence later in this report.

Our finding is consistent with the Review of the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) in 2013. This review commended Switzerland for having significantly increased its efforts to make Swiss policies more development friendly, but criticism was also given regarding lack of monitoring the impacts of its policies on developing countries or reporting on progress³.

At the level of development cooperation, the policy coordination among the development actors which operate under the single Framework Credit 2017-2020 for development is improving⁴. The joint strategies and the alignment to the new Sustainable Development Goals (SDG) had also positive effects.

2.2 Greater effectiveness by integrating all of a representation's tasks in one location

Conclusion: We found that there is greater effectiveness⁵ by integrating all of a representation's tasks in one location. We found increased capacity for analysis, better coordination, and better use of synergies. We also found that from a partner country perspective, Switzerland is more of-ten perceived to speak with one voice.

The DAC Peer Review in 2013 commended Switzerland for having reorganized the structures and processes at SDC in order to enhance its ability to deliver a more unified, consistent and qualitative development program. However, the DAC review saw further potential for joint planning and coordinated activities between SDC and SECO. We agree on these findings.

There are positive examples of greater effectiveness through better internal cooperation mainly within representations level but also supported by consultations at Headquarters. For example, cooperation strategies (CS) are complete proposals elaborated much more in a whole of Government approach than a decade ago.

³ The DAC 2016 mid-term review concludes that: "Switzerland committed to policy coherence in strategic documents such as the dispatch 2017-2020 and Switzerland's Sustainable Development Strategy 2016-2019 and has engaged in international dialogue. It has selected a limited number of key issues to monitor. The monitoring system is too early to be assessed."

⁴ The Framework Credits: 2013-2016 include SDC and SECO. 2017-2020 additionally includes Human Security.

⁵ Effectiveness relates to achieving goals in the best possible way.

There are many positive examples of synergies. In regions with conflicts and fragile states there are special needs for close cooperation between diplomacy, development cooperation and humanitarian assistance. Examples of Swiss endeavor in this field were given to us. There is for example a better contextual understanding of preconditions for development cooperation in fragile contexts as political analysis and networks from the political section of the embassies are integrated into development strategies and projects. At the same time development cooperation staff provides additional information for political analysis. Common assessment trips and joint missions have led to joint assessment reports, and these have served as guidance for Swiss activities.

The HoMs are found to be well informed about the development projects. They are valuable as interlocutors with different Ministries on issues of development cooperation and they increase access.

The joint work between SDC, SECO (where SDC is not present) and the Directorate of Political Affairs (PD) on setting principal objectives for the Head of Missions, and the joint appraisal at the end of the year - the Management by Objective (MbO) process - have been important tools to achieve the enhanced coordination.

There is also progress in the working culture. We found much more positive than negative examples. Diplomats and development cooperation staff have acquired more of mutual understanding and respect for one another's roles.

However, there is also a potential for further improvements. SECO is not part of FDFA, and for that reason we encourage continued efforts to increase cooperation and coordination, not least in the area of guidelines and formats for strategies, project design and reporting.

The response in the rapid survey and quick reports from the five representations also generally support our observation that integration has led to increased effectiveness, but they also state that other factors exist that have stronger impact on effectiveness. It was not in the scope of this questionnaire to identify or discuss the relevance of these factors.

2.3 Improved efficiency by eliminating overlaps and simplifying the operation of the net-work of representations

Conclusion: We found improved efficiency⁶ such as the elimination of overlaps and simplifying the operation of the network of representations abroad. The message received was, however, not unanimous. Headquarters felt that efficiency has not improved very much, while the network saw increased efficiency.

⁶ Efficiency relates to the amount of input used compared to the amount of output.

Recommendation: Headquarters should make sure to have a close ear to the field in matters which are close to the daily work of the representations. Consular staff should be considered to carry out administrative duties in general at representations. There is an urgency to make com-mon premises available.

At Headquarters there is a view that efficiency has not improved very much through the integration, that there is now more bureaucracy, and that cost savings have only been marginal. Headquarters perceive that there are more transaction costs than before, at Headquarters as well as in the field. Examples given were increased reporting regarding all aspects of activities at representations, coordination costs and meetings of working groups. There were general fears that bureaucracy will increase. In our view, these are quite often related to other reforms implemented in parallel with the integration efforts (e.g. global budgets).

This view of Headquarters is contrary to what the embassies report. Interviews with the latter lead to the conclusion that improvements have been made. The representations are able to see tangible results first hand. For example overlaps are eliminated, communication is coordinated, administrative processes and systems are improved, the accounting systems have been merged, drivers and vehicles come to better use, field missions are more coordinated and there are joint security services.

The number of consular sections abroad is decreasing, while at the same time the number of cases is rapidly expanding. In integrated representations more staff is available to handle consular issues in emergency situations. There are, however, also limitations as consular staff needs Swiss citizenship. It should be considered to give consular staff additional administrative tasks, in order to keep consular services at a certain level also in countries where the demand for consular services does not motivate full time postings. Such a step would also contribute to career permeability.

We heard complaints about the time needed to provide suitable premises for integrated representations. This problem should be given due attention in order to not lose further time, as joint premises seem to be very important for successful integration. There are, however, also examples where diplomatic staff and SDC staff works successfully in different premises, for example Yangon.

The responses in interviews and the quick reports from staff at representations are generally positive, and state that integration has led to improved efficiency. In the rapid survey, however, there is an almost equal number of respondents stating administrative processes being better than before integration, than those thinking that the processes have improved.

3 ISSUES TO ADDRESS TO REACH FURTHER POLICY COHERENCE, GREATER EFFECTIVENESS AND IMPROVED EFFICIENCY

Generally, we found support for integration at the embassies. All staff interviewed saw the benefit of integration. Potential conflicts have been resolved in most cases and steps towards integration are taken with commitment and speed. Despite the speed, professionalism has been kept to a large extent in all domains. This is indeed an achievement and the basic precondition for a successful reform is here-by in place. However, challenges exist and are widely debated within FDFA. The challenges must be addressed to ensure continued progress. In the following pages we highlight these challenges. Also small problems that might seem petty should be taken note of, as these may delay or threaten the success of the whole reform.

3.1 A common vision on the concept of foreign policy coherence

Conclusion: We found no common agreed understanding of the concept of foreign policy coherence in FDFA or in the network. This is needed if targeted goals are to be met.

Recommendation: The concept of foreign policy coherence should be further discussed within FDFA and its network abroad, to reach a common understanding of the notion in the specific Swiss integration context and to find out what is reasonable to expect from the reform.

It was our strong impression that the concept of foreign policy coherence is understood rather differently from one person to another. This was also the impression of our embassy staff. Some seemed to interpret “policy coherence” or “lack of policy coherence” to describe situations in which there is a gap between the task and resources granted or as coordination of activities of different entities of the administration. For others, and probably a majority, coherence is *external* and has to do with the idea of “speaking with one voice”.

In the area of international development the benefit of developing countries is normally a major criterion when coherence is defined. Other definitions are of course possible, depending on the overriding objectives that are central to a country’s foreign policy.

3.2 Communication and culture

Conclusion: We found considerable understanding among the staff for the benefit of the integration process. But there were also diverging views, partly explained, perhaps, by difficulties to separate the implications of the integration process at the representations from those from other parallel reforms. It is unavoidable that changes which affect the daily life of many employees cause some frustration. We found, however, the extent of these frustrations worrying. Quite a few felt that there was an ongoing internal tug-of-war with either side claiming to be losing something out.

Recommendation: There is a need for an internal dialogue within the Swiss administration to understand, agree and internalise the goals of the integration process. Based on such a common understanding a transparent communication strategy should be drafted to counteract misunderstandings and frustrations. Attention should be given to – what might seem minor – communicative issues, such as clearly stating the name of the authors of reports. Further, FDFA must decide if it wants to keep SDC as a brand.

We cannot specify what communication efforts should contain but we have some observations. The objective should in our view be a clarification of the intention and methods for integration. It should make use of the fact that most staff finds the integration efforts useful for Switzerland. It should recognize the necessity of professionalism and, at the same time, promote a culture of unity. For instance, it should recognize the value of all staff in the sense that contributions made by individuals to political and other reporting is made clear in the reports produced. It should address the issue on the use of the “brand names”, SDC and SECO, as some interviewees found this issue not resolved or communicated.

3.3 Command and reporting lines, roles and competences

Conclusion: We feel that there is a need to clearly distinguish the roles and competencies between Berne and the representations abroad. We also found that the Conduite⁷ does not sufficiently clarify the role of the HoM and HoC.

Recommendation: The roles and competencies between Berne and its representations should be further clarified, as should the role of the HoM and HoC. The same principles for decentralization should be applied throughout the administration for the three main branches of development cooperation.

The Conduite relates to the management, responsibilities and competencies in integrated representations. The paper states as one of the most important management principles: “... to delegate tasks, competencies and responsibilities”. Our impression though, is that FDFA has a relatively centralized way of leading the network. Decentralization is uneven,

⁷ A paper guiding management, responsibilities and competencies in the integrated representations

e.g. the Human Security Division (HSD) of the FDFA and SECO do not decentralize decision making as far as SDC does. In the spirit of the Conduite, a clarification on delegation, competencies and responsibilities between Headquarters and representations should be provided.

The Conduite does not sufficiently clarify the role of the HoM and HoC. It states that the HoM is the official representative of the Swiss Confederation: ...is responsible for the effectiveness, coherence and efficiency of Switzerland's foreign policy, ...bears the overall political responsibility, ...heads the management team ... is responsible for all staff. The same Conduite assigns the HoC responsibility for implementation tasks within the framework of the cooperation strategy.

This raises a question on the nature of the overall political responsibility of the HoM in a situation when the HoC has direct financial and implementation responsibility of the development activities. In many cases this constitute up to 70-80 percent of the work at the representations, often work of political nature. It also raises questions whether the HoC has the control over resources that are needed to ensure his/her responsibility to implement the Cooperation Strategies. These inconsistencies may be the result of a compromise between different views and management principles, and should be addressed.

As mentioned above a central element in the Swedish integration of embassies is that the HoM has full control and full responsibility for development cooperation within the framework of the cooperation strategy, and that the HoM receives necessary instruction from Headquarters to this end. Within this unified Swedish structure the HoM delegate implementation of development cooperation to the HoC, but keeps the responsibility for it.

There are of course various ways of defining integration. The Swedish and the Swiss way seem to differ, in this particular respect. We believe that the functions of HoM and HoC should be kept apart, for reason of workload and professionalism, but also because it enables the HoM to keep a sound distance to the daily implementation of the Swiss development cooperation and to scrutinize the work in a wider context of coherence, effectiveness and efficiency.

Swiss development staff implements projects more hands-on than most other bilateral donors⁸. Therefore, there is a large number of staff stationed at embassies, about 1350⁹ as compared to approximately 330 for Sida. The often far reaching specialization of Swiss development cooperation staff, in contrast to the diplomatic staff, contributes to a natural clear internal division of labour within a representation and therefore to effective integration without overlaps and duplications. This should be understood as an asset to build upon. Compared to other donors, Switzerland can, at project-, sector-, or national-level, contribute to dialogue, learning and policy development with first hand, on the ground experience on what works well and is fruitful.

⁸ Technical involvement in implementation and policy dialogue with Governments.

⁹ Swiss- and nationally employed staff.

3.4 Human resource management

Conclusion: It is crucial for FDFA to pursue a human resource policy that fosters specialization and professionalism and at the same time ability to assume tasks from all subject areas of FDFA. We found that the recruitment processes of HoM and HoC are not seen as transparent, or understandable. National staff is an important category that could be utilized better.

Recommendation: We believe that training and management of human resources must be planned and organized to supply competent staff to generalist as well as specialist positions. Those who are appointed in leading positions must possess the capability of understanding all subject areas of FDFA. When recruiting, qualification criteria for each position should be defined beforehand and in detail. National staff can be further recognized as an important category. Ways to make the offices at the representations available for national staff also during odd working hours should be explored.

SDC and SECO both have good technical specialization that needs to be should the development cooperation carried out by Switzerland not loose quality. Our view is that specialization and professional-ism is a cornerstone in Foreign Service. At the same time we strongly believe that those who are appointed in leading positions in diplomacy or development must possess the capability of understanding all subject areas of FDFA. It must be the task of the HR Division to see that training and management of human resources is planned and organized in such a way that it enables the Swiss foreign service, in every given moment, to fill vacancies with qualified staff for each particular post.

One way would be to harmonise recruitment and training processes of the different departments in FDFA and thereby fostering a general knowledge and a common culture for the whole FDFA. FDFA should also encourage staff to interchange between career paths. This is particularly important for training of future leaders in the organization. All leaders should be prepared to take an ambassadors posting regardless of organizational background. In time, a cadre of staff should be developed competent for both HoM at integrated embassies and HoC. SDC being part of the FDFA makes staff permeability easier to realize and joint training possible. It is a good sign that the FDFA already appoints staff with SDC background as ambassadors and staff with PD background as HoCs.

From the diplomatic perspective we met some concern that SDC staff appointed as ambassadors were not properly trained and were not interested in important tasks such as network building at higher political levels, political surveillance and political reporting. We believe this is a temporary challenge that will be solved over time with interaction and training. However, until this is achieved it is important to manage Headquarters expectations on HoM's at representations without a HoC position.

Staff expressed that they did not always feel that the recruitment processes of HoM and HoC are transparent and merit-based. There is need for a clear policy of transparency adherent to all staffing.

The use of national program officers is common within development cooperation. National employees usually remain for a longer period in one post than Swiss staff. Therefore, they hold strong continuity and carry institutional memory. They also have specific contextual knowledge. The use of national staff in development cooperation could inspire also other areas of work within representations. We understood that regulation do not hinder the presence in the office of local staff after official working hours, also when there is no Swiss staff present. We were given the impression that this opportunity however is not made use of.

3.5 Integration at Headquarter

Conclusion: There are working routines and consultation mechanisms in the Federal administration in Berne which would guarantee the elaboration of joint FDFA views. In spite of that we found that instructions from Berne to the field can diverge and sometimes even contradict each other.

We also found that the potential of integration of representations will only be realized if supported in full by Berne. From the point of view of integration it is certainly a strength that SDC is part of the FDFA.

Recommendation: It would be helpful for integration of the network abroad if there were a “Conduite” also for FDFA, and also one between FDFA and other ministries, for matters relating to foreign policy. Instructions from FDFA must be processed in Berne in such a way that they express the joint view of FDFA. The same template for strategies should be used for all development cooperation programs regardless where these are implemented and which unit takes the lead.

The rapid survey supports the notion that problems with integration at representations relate more to Headquarters in Berne than to the field level. As SECO is not part of the FDFA it operates under different guidelines and uses other formats for strategies and working documents. This limits the possibilities for integration and redirects focus from content to questions on format.

There are routines in place for working out instructions to representations abroad within FDFA and also between ministries such as written consultations, working groups, or meetings to resolve disagreements. An example is the process of formulating joint strategies where various FDFA units and other federal offices are involved. Another example is that the PD and SDC jointly manage the MbO process at the integrated representations. The good efforts already under way for the whole of Government approach should be further utilised. At least conflicts of interest between policy areas should be identified.

Instructions from Berne can, however, according to the representations diverge, and sometimes even contradict each other. It is important that all instructions from FDFA are processed in Berne in such a way that they express the joint view of FDFA. We believe that a “Conduite” should be elaborated also for Berne, with guidelines to the various directorates how they best should cooperate in order to support the integrated

representations. More integration in Berne does not imply that various units in FDFA should be integrated, but one sole voice must be used when communicating with the network.

3.6 Budget and resources

Conclusion: We found that there are worries about allocation of resources, especially regarding regional programs which are not the responsibility of the HoM. There was also discontent with the global budget system and its implications on staffing flexibility.

Recommendation: It may be needed to further specify how the administrative budget should be planned and allocated at the representations in order to reach more transparency and uniformity between the representations. Special budget allocations for administration of regional pro-grams could be considered. The global budget system reform seems to be implemented wisely at FDFA, but further information is needed within SDC.

The HoM is responsible for allocating administrative resources to different functions of the representation and to use synergies efficiently. There was discontent that HoM's could draw on staff resources from development cooperation to other duties, such as for example political reporting or to organise events, especially if this was made with short notice. There is also fear that HoM's will reduce the administrative resources allocated for development cooperation, including the budget for travelling, and especially in the case of regional programs for which the HoM does not carry responsibility. To solve the issue one may specify in the Conduite how the administrative budget should be planned and allocated at the representations in order to reach more transparency and uniformity between the representations¹⁰. Special budget allocations for administration of regional programs outside the representations regular administrative budget could be considered.

With the global budget system, a harmonized approval process for all new FDFA-staff including national program officers in SDC has been introduced. There were numerous complaints on the global budget system, many of those were probably largely based on perceptions that the reform will lead to an extremely centralized system with very limited possibilities for SDC to have a say about staffing at representations abroad. We believe this to be a misconception, and our understanding is that the implementation seems to secure as much flexibility and decision making power at operative units as possible given the centrally decided reform. Further information about the new system is needed.

¹⁰ The Conduite gives guidelines but these are not very detailed regarding the office budget process.

3.7 Financial management of development cooperation projects and programs

Conclusion: We found financial delegation to the representations to be limited, as compared to the situation in Sweden. We found frustration among staff not working with development cooperation, on the special requirements for reporting on development cooperation and that control and reporting requirements on development cooperation had migrated into other areas of the administration at the representations. We found the move of the controller function to the general administrative unit at representations carries risks as issues of specific importance for securing good use of development funds will presumably be less in focus. We found a need for uniformity.

Recommendation: The threshold for local decision-making on support to development cooperation projects should be raised. Such a step would make integration more substantial. Uniformity between SDC, SECO and HSD on financial administration of projects would simplify operations for the representations. The administrative needs of development cooperation should not govern areas of work that are not part of development cooperation. The development cooperation program controller function should be kept as a well-resourced and separate function under the HoC. And when possible, development cooperation reports should be merged with political re-ports.

Development cooperation usually carries high risk as large financial sums are in use and because of the complex political context in which it operates. Therefore, it must have a more elaborated internal control system than used for office management. But we found control and reporting requirements on development cooperation to have migrated into other areas of administration at the representations. Such requirements create frustration, being too ambitious for office administration that carries significantly less risk than development cooperation.

Financial delegation to the representations is limited as compared to the situation in Sweden. The HoC has the power to sign credit proposals up to 1 million Swiss francs. The impression is that more delegation could make integration more substantial. Most of the financial decisions need approval from SDC at Headquarters. The other Federal Offices - SECO, HSD - administer their funds entirely at Headquarters level. A uniform system would simplify operations for representations.

As mentioned, the internal control system is of crucial importance. In particular the partner capacity assessment has proven to be a good investment of time. It comes to best use through utilising the internal capacity. A thorough Internal Control System prevents fiduciary problems. Mismanagement carry risks for bad reputation, problems that will result in heavy work load. The controller function has moved to the general administrative unit – the newly created position of a Head of Finance, Personnel and Administration (CFPA) - at representations. There is therefore a risk that CFPA now has less capacity for issues of specific importance for securing relevant use of development funds. We believe that a strong and well-resourced controller function should be a separate function under the HoC as it specializes on issues that concerns development cooperation.

It was frequently expressed that too many reports are produced, particularly regarding SDC issues. There is probably a potential to simplify, by reducing the number and frequency of reports, and to merge some development cooperation reports with political reports. One example that was mentioned is the Monitoring System for Development-Related Changes (MERV), which to some extent is a political report on development.

3.8 Global and regional development cooperation

***Conclusion:* We found that the management of regional program activities, implemented by SDC, sometimes evolved to difficulties, as different entities may be responsible for these and bi-lateral programs.**

***Recommendation:* The management of regional programs should be reviewed and clarified. This work is already well under way.**

Regional problems are by nature cross-bordering issues. Our proposal is that the regional responsibility should be delegated to a HoC, who cooperates with the representations in the region and it should be compulsory for the HoC's to carry out consultations with all HoM's in the region. Our understanding is that the matter has been addressed in an updated version of the Conduite.

Annex 1: List of interviews

FDFA, State Secretariat

Burgener, Christoph, Consultant Internal Audit

Rossier, Yves, State Secretary FDFA

Directorate of Political Affairs (PD)

Bruehl, Nicolas, Head Europe, Central Asia, Council of Europe and OSCE Division

Bruehlhart, Wolfgang-Amadeus, Head Middle-East and North Africa Division

Lugnon-Moulin, Anne, Head Sub-Saharan Africa and Francophonie Division

Matyassy, Johannes, Head Asia and Pacific Division

Obolensky, Konstantin, Deputy Head of the Human Security Division

Probst-Lopez, Lukas, Deputy Head Regional Coordinator Eastern Europe, Central Asia, OSCE

Schmid, Stephan, Deputy Head Europe, Central Asia, Council of Europe and OSCE Division

Swiss Agency for Development and Cooperation (SDC)

Bernasconi, Jean-Luc, Humanitarian Aid and SHA, Head Europe Asia and Americas Division

Bessler, Manuel, Head of Humanitarian Aid Department and SHA

Bieler, Peter, Head of Evaluation and Corporate Controlling Division

Boeni, Barbara, Head (co-lead) Commonwealth and Independent States Division

Bongard, Daniel, Global Cooperation Department, Head of Financial Management

Von Capeller, Elisabeth, Assistant Director General, Head Cooperation with Eastern Europe Department

Clavel, Jean-Marc, Head of Staff of the Directorate

Cuénod, Jean-François, Deputy Head South Cooperation Department

Freiburghaus, Franziska, Head (co-lead) East Asia Division

Greiler, Yuka, Head (co-lead) Global Program Climate Change

Grueninger, Reto, Head Latin America and the Caribbean Division

Hochstrasser, Rainer, Deputy Head Strategic Financial Planning and Consulting Division

Huber, Andreas, Deputy Head Humanitarian Aid and SHA, Head Africa Division

Maître, Adrian, Deputy Head Cooperation with Eastern Europe Department

Mueller, Derek, Head South Asia Division

Oertle, Thomas, Humanitarian Aid and SHA, Head Middle East and North Africa Division

Sager, Manuel, Director General SDC

Siegfried, Gerhard, Head Southern Africa, East/North Africa, Occupied Palestinian Territory Division

Stocker, Andreas, Head Strategic Financial Planning and Consulting Division

Wicki, Arno, Deputy Head Humanitarian Aid and SHA, Head Multilateral Affairs Division

Directorate of Resources (DR)

Grichting, David, Vice Director of DR, Head of Finance FDFA

Jaggy, Bernard, Vice Director DR, Head of Human Resources FDFA

Jakob-Gallmann, Jacqueline, Deputy Head of DR Staff Office

Pitteloud, Jacques, Director of DR

Studer, Andrea, Head Human Resources Advisory Services

Directorate of Consular Directorate (CD)

Burri, Juerg, Director CD

Meier, Kurt, Head Citizen Services and Support for Representations

Natsch, Markus, CD, Head Staff of CD

State Secretariat of Economic Affairs (SECO)

Saladin, Martin, Deputy Head of Operations South/East, Head Section Countries and Global Portfolio

Schrader, Markus, SECO, Deputy Section Countries and Global Portfolio

Additional Interviews carried out by field staff of Swedish embassies

Interviews (1 day) were carried out with Head of Mission, Head of Cooperation and other staff in the following Swiss delegations:

- Sarajevo
- Bogotá
- Yangon
- Dar es Salaam
- Addis Ababa



Annex 2

Independent Institutional Peer review of the Integration of Swiss Representations Abroad

Mandate and Approach (*approach paper*)

Final Draft

(approved by FDFA directors conference on 28 September 2016)

29 September 2016

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1 Introduction

The *approach paper* describes the mandate and approach for the independent institutional peer review of the integration of the Swiss representations abroad. It provides information on the background and objectives of the peer review, sets out the peer review questions and the possible timeframe for the implementation of the peer review.

The peer review analyses the integration at the Swiss representations abroad. It examines whether the three objectives of integration – as set out by the FDFA in 2013 in a document¹ on management, responsibilities and competencies at integrated representations – are being achieved, in particular:

1. greater foreign policy coherence;
2. improved effectiveness by integrating all of a representation's tasks in one location (diplomatic tasks, consular services, international cooperation, civilian peacebuilding and strengthening human rights);
3. increased efficiency by eliminating overlaps and simplifying the operation of the network of representations.

The integration of the representations abroad concerns – depending upon their tasks – several directorates of the Federal Department of Foreign Affairs (FDFA) as well as the State Secretariat for Economic Affairs (SECO), which is sometimes based at embassies and sometimes at cooperation offices. At around 40 locations where there is both an embassy with consular services and a cooperation office, all tasks shall be physically brought together under one roof and under the overall responsibility of the head of mission. In view of this high number of locations, the peer review focuses mainly on merging previously separate cooperation offices with the embassies at the same location. However, the peer review should essentially cover the merging of all of Switzerland's areas of activity in the network abroad (Graphic 1 below).

2 Change in the network abroad

The Swiss network of representations abroad is undergoing constant change and is continually being adapted to political and economic developments in the countries as well as in Switzerland. Adaptation measures result in expansion and strengthening services and tasks in one location, but also cutbacks and closures in others. Examples include various regional concentrations of consular services, the opening of embassies in Doha and Yangon (2012), the conversion of the cooperation office in Bishkek to an embassy (2012) and the opening of a consulate general in Bangalore with the integration of swissnex (2011).

¹ 'Führung, Verantwortlichkeiten und Kompetenzen in integrierten Vertretungen' (Management, responsibilities and competencies at the integrated representations) – (26 November 2013, referred to as '*conduite*') and accompanying letter.

² FDFA directors' meeting of 20 February 2013, summary of the discussion and decisions. Integrated embassies: an inter-directorate steering group will draw up a mandate for an external evaluation of the 'integrated embassies' model. This mandate was confirmed at the FDFA's directors' meeting on 9 September 2015.

2.1 Tasks of the representations abroad

The representations abroad are a key instrument in implementing Swiss foreign policy. They implement the *Swiss Foreign Policy Strategy*² and follow the principles of universality, coherence and effectiveness in their activities. They serve to both safeguard Switzerland's interests (diplomatic tasks and consular services) and implement Swiss development policy³.

The tasks of the Swiss representations abroad are set out in the core task list ("Aufgabenkatalog")⁴. They include diplomatic tasks, international cooperation, consular services, various additional services and operational management. Political and economic changes in the countries and in Switzerland influence the importance and weighting of various foreign policy tasks. The mix of tasks is therefore different at each representation abroad. This has an effect upon the structures and organisation as well as the resources allocated to and within the representations abroad. Over recent years, increased cost-cutting pressure from the Swiss federal government has resulted in striving towards more synergies and greater focus on the core tasks of the representations abroad.

The composition of the representations abroad reflects a high degree of diversity. Depending upon the respective situation, the representations abroad include embassies, missions to international organisations, cooperation offices of the Swiss Agency for Development and Cooperation (SDC), representations of the SECO and/or the FDFA's Human Security Division (HSD). Further actors are being integrated into the FDFA network abroad where synergies arise based on the strategy for the network abroad. This can include the Swiss Business Hubs (S-GE), the swissnex locations (science, education, art, and innovation) of the Federal Department of Economic Affairs, Education and Research (EAER), Switzerland Tourism and Pro Helvetia (Swiss Arts Council) offices.

2.2 Mandate, definition and objectives of integration⁵

The FDFA has decided to merge the various activities and actors of the FDFA at the representations abroad and notified the Federal Council about this decision in the memorandum of 27 May 2013. There will generally only be one single official representation per location in future.

What integration means:

all tasks will be combined under one roof at the locations combining both an embassy and a cooperation office, covering the core tasks: diplomatic tasks, consular services, international cooperation, civilian peacebuilding and strengthening human rights. Under the Foreign Policy Strategy, all of Switzerland's other activities and actors in a country and all employees dispatched by the Federal Administration to a respective country should be combined under one roof where opportunities arise or the use of synergies is expedient.

² Foreign Policy Strategy 2012–15: Federal Council report to Parliament on the strategic axes of foreign policy, March 2012. Foreign Policy Strategy 2016–19: Federal Council report on the priorities for the 2016-2019 legislative period, February 2016.

³ Dispatch on International Cooperation 2013–16 of 15 February 2012 and Dispatch on International Cooperation 2017–20 of 17 February 2016.

⁴ FDFA, Aufgabenkatalog im Aussennetz, 5 October 2015.

⁵ The term integration is only used in the network abroad. It is not used for processes at the head office which are referred to as intensified coordination between the directorates.

Integration should ensure more efficient use of resources and processes at the integrated representations.

FDFA staff were informed of the further integration in November 2013 in a circular letter⁶: *“In addition to the universal orientation of the Swiss network of representations, a well-coordinated and integrated foreign policy is a key factor in efficiently and effectively safeguarding Switzerland’s interests and ensuring the best-possible profile for our country on the international stage. However, an integral foreign policy can only take full effect if the management competencies and administrative processes are also coordinated and integrated. The department leadership has therefore decided to bring the various activities and individual actors of the FDFA at the representations abroad closer together. In particular, the principle of having just one official representation per location will apply in future.”* In the aim of further enhancing the effectiveness, profile and coherence of Switzerland’s engagement abroad and achieving synergies, where an embassy and a cooperation office of the Swiss Agency for Development and Cooperation (SDC) exist, they will be integrated into a joint Swiss representation. All of Switzerland’s other activities and actors in a country and all employees dispatched by the Federal Administration to this country will be merged under one roof where opportunities arise or the use of synergies is expedient taking account of the respective operational competencies and responsibilities and, where applicable, including the actors funded by the Federal Administration performing activities relevant to foreign policy.

The implementation of the basic principle of *‘one Switzerland = one foreign policy = one local representation’*⁷ serves to enhance the effectiveness and coherence of Swiss foreign policy. It allows for better coordination while fostering strategic dialogue, also between the various federal agencies and the actors financed by the Federal Administration whose activities are relevant to foreign policy. Furthermore, it will ensure even greater expediency in aligning the various foreign policy instruments.

In 2013, the Governance working group developed management guidelines on the integrated embassies – ‘Führung, Verantwortlichkeiten und Kompetenzen in integrierten Vertretungen’ (management, responsibilities and competencies at integrated representations) which are also referred to as *‘Conduite’*. These were adopted by the FDFA directors’ conference on 13 November 2013 and have since been implemented. Notification of the evaluation is provided in the memorandum on *Reform projects at the FDFA*⁸ sent to the FDFA staff: *“The model of the integrated representations will be evaluated at a later point in time. The evaluation will contribute towards further optimising the model.”*

Some representations already have had characteristics of integrated representations in one form or another for some years. The merging of diplomatic tasks and international cooperation has existed in the past in a few locations without this being referred to as integration. Such mergers were based on political decisions and were decided according to opportunities. They were implemented in Dhaka, Maputo, Dar es Salaam, Kathmandu and

⁶ FDFA, 26 November 2013, accompanying letter on the document ‘Führung, Verantwortlichkeiten und Kompetenzen in integrierten Vertretungen’ (Management, responsibilities and competencies at the integrated representations) and the document ‘Wie arbeitet die DEZA in Aussenstellen?’ (How does the SDC work in representations abroad) – (18 November 2013). The accompanying letter is signed by Yves Rossier, State Secretary, Martin Dahinden, SDC Director-General and Helen Budliger Artieda, Head of DR.

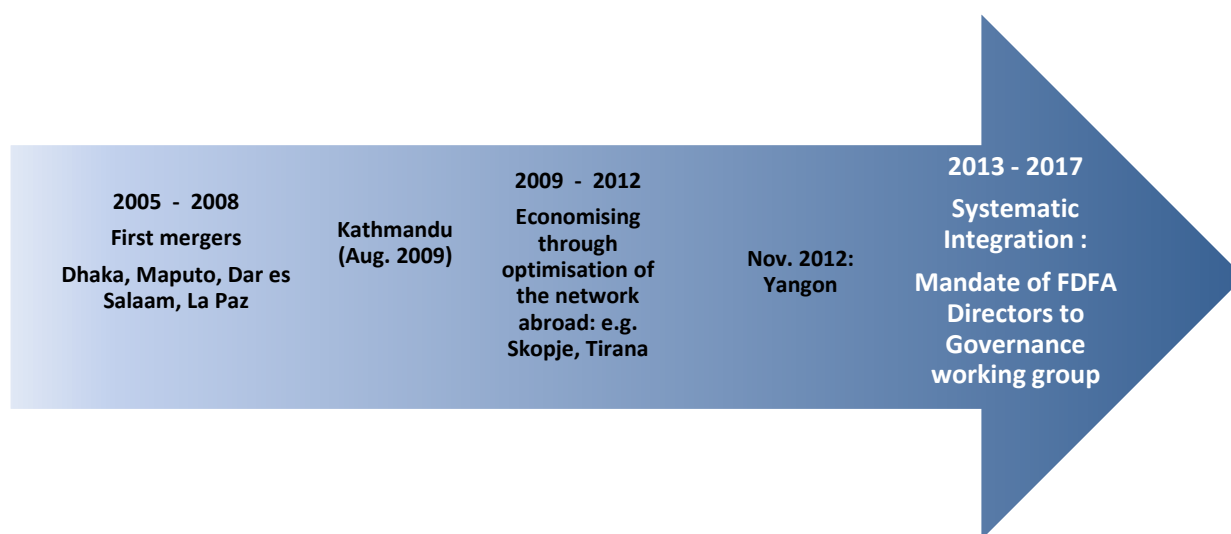
⁷ Foreign Policy Strategy 2016–19: Federal Council report on the priorities for the 2016-2019 legislative period, Bern, February 2016, (p. 24).

⁸ FDFA, Reformprojekte im EDA, 27 November 2013, signed by Benno Bättig, FDFA Secretary General; Martin Dahinden, SDC Director-General.

La Paz. Various federal government cost-cutting measures also resulted in the review of tasks (CRT⁹) in the network abroad.

The first mergers were not carried out based on a clear policy and there are no reference documents as with the actual integration from 2013. The 2009–12 phase mainly involved the creation of regional consular centres and embassies focussing on protecting Swiss interests or on international cooperation programmes and projects (Skopje, Tirana). The SDC reorganisation process running in parallel from 2008 impacted upon the representations abroad, especially in terms of strengthening the cooperation offices to which more tasks and responsibilities were assigned.

Figure 1: Mergers and integration process



(Source: E+C/SDC)

The term ‘integration’ of the representations abroad has been used since 2013 to refer to a systematic integration process as part of organisational development and based on the guidelines of the ‘Conduite’¹⁰. The representation in Yangon (Myanmar) was referred to as a pilot case because the newly established embassy (opening in November 2012) worked with harmonised processes (contracts and operational management) from the outset.

3 Objectives of integration

Integration has three objectives:

Objective 1	Greater foreign policy coherence;
Objective 2	Greater effectiveness by integrating all of a representation’s tasks in one location (diplomatic tasks, consular services, international cooperation, civilian peacebuilding and strengthening human rights);
Objective 3	Improved efficiency by eliminating overlaps and simplifying the operation of the network of representations.

⁹ Konsolidierungs- und Aufgabenüberprüfungspaket (KAP) – (consolidation and review of mandates package); ‘Optimierung des Aussennetzes’ (optimisation of the network abroad) document, 5 February 2013

¹⁰ ‘Führung, Verantwortlichkeiten und Kompetenzen in integrierten Vertretungen’ (Management, responsibilities and competencies at the integrated representations) – (26 November 2013, referred to as ‘conduite’)

The FDFA directors' conference assigned the mandate for the strategic management of the integration process to the Governance working group. The FDFA Directorate for Resources (DR) implements the integration process operationally. The integration process will take place in stages until 2017. For each individual representation an ad-hoc working group – under the management of the DR with representatives from the FDFA Directorate of Political Affairs (DP), the SDC (also SECO if applicable), the Consular Directorate (CD) and other actors concerned in Swiss Federal Administration, the embassy and the cooperation office – is set up and an individual implementation plan is drawn up for each location.

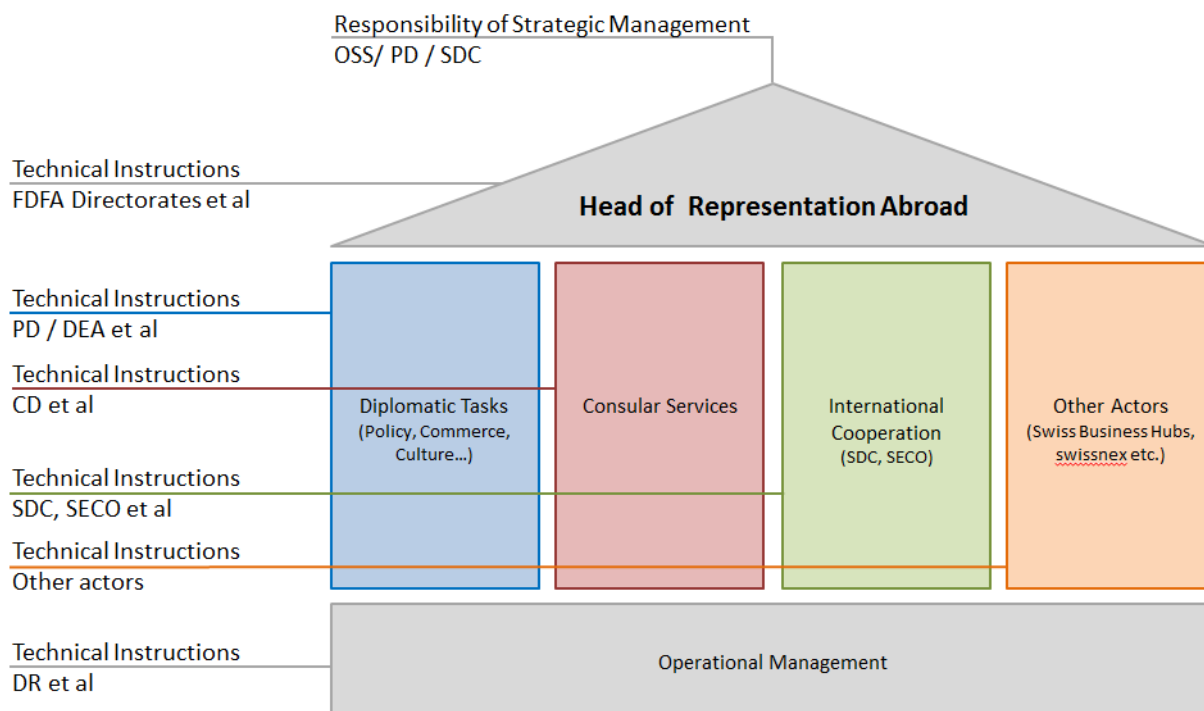
4 Implementation of integration

Integration means merging the various foreign policy tasks under one roof (Graphic 1). The 'Conduite' principle for integration is the line performing specialist management and the head of mission handling the strategic management process, including responsibility for security. The directorates responsible at head office therefore retain responsibility for specialist and thematic competencies. The head of the integrated representation is responsible for the coherence of Swiss foreign policy in the host state and bears overall political responsibility. The various directorates at head office in Bern establish the respective strategic framework and provide technical instructions. The SDC is therefore responsible for the formulation, planning and operational implementation of its tasks in the field of international cooperation within the framework of the cooperation strategy in the partner country. The same applies to the SECO and all other actors.¹¹

A total of 29 representations abroad were deemed integrated at the beginning of 2016 – whereby physical integration is a longer-term process. Altogether 40 representations abroad are to be integrated by 2017 according to the planned schedule (Table 1).

¹¹ 'Conduite' p 2 ff (26 November 2013)

Graphic 1: Model of integration



(Source: Directorate for Resources)

Table 1: integration of representations abroad (as at 21 January 2016)

Integrated and implementation in progress	Implementation 2016	Scheduled for 2017
Lima	Tashkent	Hanoi
Bishkek	Rabat	Kyiv
Sarajevo	Sofia	Beirut
Skopje	Bucharest	Baku
Tirana	Bogotá	Yerevan
Cairo	Belgrade	Tbilisi
Tunis	Amman	Khartoum
Dar es Salaam	Havana	Accra (SECO)
Dhaka	New Delhi	Pretoria (SECO)
Harare	Pristina	
Kathmandu	Colombo	
La Paz	Addis Ababa	
Maputo	Nairobi	
Port au Prince		
Yangon		
Beijing		
29 locations	9 locations	2 locations

(Source: Directorate for Resources)

5 Purpose of the peer review

Integration is an organisational development process involving changes to the structures and procedures at the representations abroad. It entails cultural change and impacts on both personnel and finance. The peer review provides an external assessment of the benefits and achievements of integration. It also assesses the challenges and problems in terms of

implementation (this may also include new problems caused by integration) and makes recommendations on their management, eventually also based on lessons learnt from the peer's experiences with integration.

This peer review meets a three-fold purpose:

- The emphasis is placed on institutional learning through lessons and recommendations of the peer review for improvements both at strategic and operational levels, including the outlining of best practices (eventually based on the peer's experience) for how such an organisational development and integration process can be carried out.
- The peer review supports the persons responsible on management/steering issues.
- The peer review also ensures accountability on the implementation of the integration mandate at the representations abroad and provides information on the extent to which the objectives are achieved.

6 Subject and focus of the peer review

The subject of this peer review is the integrated representations in their 'new architecture'. The peer review analyses how the three objectives of integration are achieved under these new structures and with the processes and resources deployed, what has been improved and where action is needed.

The peer review analyses both the effects of integration on the strategic management level as well as on the operational management level. The peer review focuses on integration at the representations abroad in accordance with the 'Conduite' of 26 November 2013. The repercussions and consequences resulting from this for the head office will also be incorporated in the analysis through interviews at the various directorates at head office.

The peer review also looks at the operational management level, which also concerns all services but nevertheless has a particularly close relationship with the consular services. The consular services and operational management will therefore also be included in the efficiency analysis whereby, in the latter case, the resultant efficiency gains for international cooperation and the diplomatic tasks also have to be assessed in the peer review.

The Peer review is considered as a fully independent evaluation. The results and recommendations together with a management response will be published on the FDFA homepage according to FDFA standards.

7 Peer review questions

The peer review analyses the extent to which the three objectives of integration have or have not been achieved and why. It should analyse and assess the factors fostering and hindering attainment of objectives and differentiate between staff-related factors and conceptual factors. The peer should examine the reality of the local situation, analyse the changes caused by integration and draw comparisons with the three integration objectives.

The peer review analyses integration of the network abroad. The strategic support at head office (Governance Group) and the role of the DR in implementation as part of the integration is also included in the peer review.

Objective 1 Greater foreign policy coherence

1. To what extent has integration improved coherence in the performance of all tasks?

Explanation:

- How are the various instruments of foreign policy (diplomatic tasks, international cooperation, civilian peacebuilding etc.) deployed at integrated representations?
- Which specific mechanisms and approaches are used? How do they contribute towards increasing coherence?
- Does the integration lead to a more comprehensive and systematic review of the relevant instruments in the country?

2. How are the roles and responsibilities between the head of mission and the head of international cooperation – as set out in the ‘Conduite’ – implemented?

Explanation:

- How are the issues of coherence and, for example, potential conflicts between objectives of the various mandates addressed and resolved in the management team of an integrated representation?
- What formal or informal decision-making processes have been set up?

3. Are the representations abroad succeeding in improving policy coherence?

Explanation:

- What processes have been set up to coordinate the various task areas of the representations?
- Are there problems or a lack of clarity which have a specific impact on implementing the mandates?
- Are there indications that conflicts between objectives have intensified (especially in relation to policy coherence from a development policy perspective)?
- Where does the peer see need for action and what are its recommendations in relation to increasing foreign policy coherence?

Objective 2 Increased effectiveness by integrating all of a representation’s tasks in one location (diplomatic tasks, consular services, international cooperation, civilian peacebuilding and strengthening human rights)

4. How does integration impact specifically on the effectiveness of the respective tasks and mandates?

5. What specific experience was gained in relation to impact and external profile? For example, did higher-level meetings take place and was a raised profile achieved in the partner country by involving the head of mission?
6. Where does the peer see need for action and what are its recommendations for increasing effectiveness?

Objective 3 Greater efficiency by eliminating overlaps and simplifying the operation of the network of representations

7. To what extent does integration increase efficiency in operational management in specific terms, particularly in the following areas:
 - Local staff: harmonisation of employment conditions, pay scale
 - Transferable staff: harmonisation of employment conditions
 - Finance: introduction of accounting areas, uniform accounting software.
 - Properties and furniture, in particular with amalgamation in one single infrastructure, and effects of separate buildings.
 - IT infrastructure, harmonisation of drives and archives
8. What impact does integration have organisationally on the chancery mandate or the quality of the consular services?

Explanation:

 - Has the quality of consular services declined, in particular where the integration of representations has led to the reduction of consular personnel?
If so, to what extent?
9. In which areas do differences still exist between the various directorates or departments (DP, SDC, SECO), resulting in greater financial expenditure, more administration or unclear processes?

8 Institutional set-up and governance of the peer review

The mandate is given by the FDFA directors' conference. The strategic support of the review is provided by a Steering Group at head office, consisting of representatives from the different Directorates of the FDFA. The Steering Group defines the reference points of the peer review, consolidates the Approach Paper and submits it to the FDFA directors conference; receives the draft review report and produces a consolidated feedback to it. The Steering Group comes up with a draft management response which is – with the SG FDFA in the lead - submitted to the FDFA directors' conference for discussion and final approval. The representatives of the different Directorates participating in the Steering Group are responsible for the consultation within their Directorates of the drafts of the Approach Paper, the review report and the management response.

The SG FDFA is responsible for organising the presentation and discussion of the Approach Paper, the results of the review report and the draft management response at the FDFA directors' conference.

The Evaluation and Controlling Division (E+C) at the SDC Staff of the Directorate is responsible for process management of the peer review. It supports the peer review team during the whole process by providing the relevant documents, organising the interviews and visits to the representations and guaranteeing the contact between the peer and the FDFA. It ensures the overall quality of the peer review.

9 Peer review team, mandate and method

The peer review team should ideally be composed of one representative of the international cooperation agency of the peer country, one representative of the consular services, and one diplomat.

The method must take account of the fact that there are no clear baselines for measuring improved coherence and greater efficiency in this institutional peer review. The peers should conduct interviews with involved persons in Bern. Visits to five representations abroad are also planned. The visits to the Swiss representations could be done by representatives of the development agency and the embassy of the peer in the respective country in order to save time and costs for travelling. For the writing of the report, the team could be supported by an external consultant that will be funded by SDC. Travel expenses for the Peer Review Team to Bern will also be covered by SDC.

The peer should review relevant documents (see Annex 1), which will be made available to the peer review team in electronic format and translated in English if necessary. Integration is also a separate audit area in the audits of the representations abroad by the FDFA's internal audit unit which, in several reports, has pointed to the need to analyse certain aspects in greater depth as part of a peer review. The peer review should incorporate these references in audit reports into the analysis. Questionnaires at already integrated representations on their experiences and at representations yet to be integrated on their expectations could also be part of the method.

The peer makes the selection for the visits and an in-depth proposal on the method in its inception report that will be discussed and approved by the Steering Group. The following factors should be taken into account as criteria for selecting the visits:

- Geographical representation (each continent),
- The mix of the task list, including one representation with an SDC global programme
- Representations with and without a Head of International Cooperation;
- Tasks of SECO and the Human Security Division (HSD);
- Advanced/less advanced integration;
- Physical amalgamation/physically separated representations;
- Both complex and less demanding integration

The workload is estimated at ten days:

- 3 days: document review and preparation of interviews/surveys
- 3 days: interviews in Bern and in five representations (could be done in parallel)
- 4 days: analysis and writing of the peer review report.

The peer review report should be a maximum of 25 pages, excluding annexes, and should include recommendations and an executive summary.

10 Timing

The tentative timing for the Peer Review process was discussed with the Peer Reviewers.

Evaluation Steps		Responsibility	Timing
1	Approach Paper discussed by the Steering Group	E+C	April 2016
2	Choice and discussion with peer	E+C	July 2016
3	Finalizing Approach Paper by Steering Group	E+C	September 2016
4	Discussion and Approval of the Approach Paper by the FDFA directors conference	OSG	28.09.16
5	Selection of and contractual arrangements with consultant	Sweden	20.09.-11.10.
6	Submit Inception Report	Sweden	21.10.2016
7	Written feedback of Steering Group sent to E+C and OSG	SG	24.10.16
8	Discussion and Approval of Inception Report by FDFA directors conference	OSG	26.10.2016
9	Interviews in Switzerland and in five selected embassies	Sweden	31.10.-04.11.16
10	Submission of the draft review report	Sweden	02.12.16
	Steering Group sent comments to E+C and OSG	SG	05.12.16
11	FDFA directors conference invited to make comments on draft report	OSG	07.12.16
12	Submission of the Final Review Report	Sweden	16.12.16
13	Presentation of Review Report to FDFA directors conference in Bern	Sweden/OSG	Week 51 (21.12.16)
14	Establish Draft Management Response by Steering Group, Discussion and approval by FDFA Directors' conference	OSG	Mid-January 2017
15	Publication	E+C	February 2017

E+C: Evaluation and Controlling Division

OSG: Office FDFA Secretary General

SG: Steering Group

Annexes

Annex 1: reference documents

The key reference documents are listed below.

- 1) 20.04.2011, OV-EDA (172.211.1, Stand am 24. März 2015),
- 2) 05.02.2013, EDA, Optimierung des Aussennetzes („GPK-Bericht“)
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Further documents, such as directives, templates for the operational implementation of integration, audit reports etc., will be made available to the peer review team upon request.

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