



**Evaluation 2012/1**

# **Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts**



# **Evaluation of**

## **Performance of SDC instruments in fragile and conflict-affected contexts**

Commissioned by the Corporate Controlling Section  
of the Swiss Agency for Development and Cooperation (SDC)

### **Contents:**

- I      Evaluation Abstract**
- II     Senior Management Response and Agreement at Completion Point**
- III    Evaluators' Final Report**

**Annexes and Case Studies (CD)**

**Bern, May 2012**

## Evaluation Process

Evaluations commissioned by SDC Senior Management were introduced in SDC in 2002 with the aim of providing a more critical and independent assessment of SDC activities. These Evaluations are conducted according to the OECD DAC Evaluation Standards and are part of SDC's concept for implementing Article 170 of the Swiss Constitution which requires Swiss Federal Offices to analyse the effectiveness of their activities. SDC's **Senior Management** (consisting of the Director General and the heads of SDC's departments) approves the Evaluation Program. The **Corporate Controlling Section**, which is outside of line management and reports directly to the Director General, commissions the evaluation, taking care to recruit evaluators with a critical distance from SDC.

The Corporate Controlling Section identifies the primary intended users of the evaluation and invites them to participate in a **Core Learning Partnership (CLP)**. The CLP actively accompanies the evaluation process. It comments on the evaluation design (Approach Paper). It provides feedback to the evaluation team on their preliminary findings and on the draft report. During a one day Synthesis Workshop, the CLP validated the evaluation findings and conclusions and, with the facilitation of the SDC Evaluation Officer and a representative of the Evaluation Team, elaborated recommendations and lessons learned for SDC from their perspective. These are noted in the **Agreement at Completion Point (ACP)**.

Based on the **Final Evaluator's Report** and the ACP involved members of the middle management of SDC drafted the **Senior Management Response (SMR)**. The SMR was subsequently approved by SDC's Senior Management. The SMR lays out specific, time-bound measures and those for executing them.

The ACP and the SMR are published together with the Final Evaluators' Report. For further details regarding the evaluation process see the Approach Paper in the annex and on the CD attached.

### Timetable

Step	When
Approach Paper finalized	April 2011
Implementation of the evaluation	August 2011 – January 2012
Agreement at Completion Point	February 2012
Senior Management Response in SDC	May 2012

## I Long Evaluation Abstract

<b>Donor</b>	SDC – Swiss Agency for Development and Cooperation
<b>Report title</b>	Evaluation of the Performance of SDC instruments in fragile contexts.
<b>Geographic area</b>	Global
<b>Sector</b>	Multi-sector; Conflict, Peace and Security, Health, Social infrastructure and services, Water supply and sanitation, Emergency assistance and reconstruction, Support to NGO's, support to multilaterals
<b>Language</b>	English
<b>Date</b>	May 2012
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### Subject Description

This report is an independent evaluation of SDC's work in fragile and conflict affected states. The evaluation considers in particular the performance of instruments; analysis, flexibility and adaptability; complementarity of SDC and Swiss instruments and SDC's role in the wider system. It does not directly address the performance of non-SDC elements of the Swiss government engagement in fragile states, but does look at how well SDC works with these other entities. The scope is multi-sector, addressing all of the instruments being used by SDC.

### Evaluation Methodology

The evaluation is based on seven case studies (Tajikistan, DRC, Burundi, Rwanda, Nepal, OPT, Hindu Kush), 78 documents were formally reviewed, although the evaluation team drew on considerable personal experience both practically and academically. Interviewees included 60 SDC managers at HQ and field level, 30 NGOs / Red Cross partners, 15 from UN agencies, 10 donors and 20 national governments and local authorities. There were four formal workshops with SDC staff as part of the process, as well as lots of other participatory interactions and the nature of developmental evaluation meant the team sought opportunities at every level to validate and anchor findings.

### Major findings and conclusions

The evaluation found that SDC is well positioned to work in fragile states. It has the right mixture of approaches, good instincts operationally, and can play an important and valuable role in the wider international system. To achieve this potential, SDC needs to become more flexible and needs to complement its technical efforts with political understanding and positioning.

SDC has a range of instruments which work in fragile contexts. While the individual performance of these instruments is good, there is considerable potential for better performance, by bringing the different instruments together to address root causes of fragility and conflict.

Analysis needs to be improved across the board. While there is scope for some flexibility and adaptability, this is not routinely used to the extent possible.

SDC complementarity is steadily improving, with numerous instances of strategic cooperation between humanitarian, regional and Eastern Europe cooperation. However, there are some potential future fault-lines which need to be addressed with the new emphasis and growth of global cooperation. With the other parts of the Swiss government, the consistent message was that 'the niche in fragile states was Switzerland', but this is unevenly applied in-country.

Working with the rest of the system is the area that saw the greatest diversity. In all contexts, SDC works to strengthen local civil society and Swiss NGOs, as well as frequently working with local governance. It also makes un-earmarked contributions to the multilateral system. However, its direct and attributable work with multilaterals varies considerably. Its engagement with other donors is also variable – in some contexts, it is an active and appreciated facilitator, and in others, it is not especially well-engaged.

### **Priorities for Change and lessons learned**

There are five clear priorities for change within SDC:

- Concentrate and focus based on its comparative advantage, credible resource levels, innovative approaches
- Put in place coherent strategy of how to achieve transformational change
- Be more aware of and proactive about being part of a larger system
- Strike a balance between being pragmatic and policy-oriented, between having a long-term strategy and facilitating innovation. Develop a better mixture of modalities and instruments in more seamless ways
- Adapt delivery and support mechanisms for work in fragile contexts



## II Senior Management Response

### Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts

SDC Senior Management welcomes the final report of the Evaluation of SDC's Performance in Fragile and Conflict-Affected Contexts. This Senior Management Response takes position with regards to the evaluation report and the Agreement at Completion Point of the Core Learning Partnership.

#### A. General Appreciation

The evaluation was well timed. Its findings are available just as SDC is positioning itself to implement the Federal Dispatch 2013 – 2016 on International Cooperation which is guiding SDC towards increasing its presence in fragile contexts.

The evaluation team has understood the architecture and *modus operandi* of the Swiss system of foreign policy making, SDC's institutional culture and the implementation of ODA remarkably well.

Its judgments and recommendations are based on fair consideration of the pro's and con's of particular approaches and give credit to the countless positive achievements of SDC staff already working in fragile and conflict affected contexts.

Senior Management complements the evaluation team for a job very well done, especially given the complex subject matter and the time and resource constraints.

Senior Management also welcomes how the evaluation was managed internally. The early inclusion of SDC staff from all domains not only prepared the ground for the productive work of the evaluation team, but also for the implementation of the recommendations.

#### Approach to the Senior Management Response

The shift to more involvement in fragile and conflict-affected contexts outlined in the Federal Dispatch 2013-2016 requires the adaptation of the **political, operational and human resources management** within SDC and other units of the Swiss administration involved these contexts.

By and large, SDC Management endorses the arguments and recommendations put forward by the Core Learning Group in its Agreement at Completion Point. They are a key input for the enhancement of the way SDC works in fragile and conflict-affected contexts. The processes which will lead to this will build on the work done by the Core Learning Group. It will take particular care to build and expand on existing institutional experience and on capitalizing on complementarities of different instruments already used by different SDC domains.

However, rather than addressing point by point the issues raised by the evaluation team and the Core Learning Group in the Agreement at Completion Point, SDC Senior Management focuses in its response on **overarching measures** under the following headings: 1) Actions to spur institutional adaptation at the level of SDC and FDFA, 2) Transformational Change in partner countries, 3) Considerations on Portfolio Risk Management, 4) Delivery, 5) Staff Policies and 6) Security Management.

## B. Measures

### 1. Actions to spur adaptation at the institutional level of SDC (part of implementation of the Federal Dispatch 2013 – 2016 on International Cooperation)

- Given the magnitude and scope of the challenges ahead, Senior Management mandates the responsible person for the theme “Conflict and Human rights” **to organize a process to support the responsible line units to adapt their policies to the new challenges.**

As a first step, **a work plan shall be developed** which is to be submitted for discussion to the Senior Management Meeting (DIRKO).

The improvement of knowledge and the revision of SDC principles for working in fragile context is best achieved by **progressive implementation in future country strategy discussions and in Core Contribution Management (CCM) revisions** for the collaboration with multilateral institutions. Therefore emphasis is placed contributing to these processes. The network “Conflicts and Human Rights” is the key instrument to be used for in-house consultations on methodological issues.

- Senior Management views **increased coordination within the Federal Department of Foreign Affairs (FDFA)** as particularly important and will identify appropriate ways of communication and coordination with regards to:
  - Increased coordination and cooperation among FDFA units and especially in Eastern Europe with SECO, to define **joint strategies**.
  - Increased need for **political coordination**,
  - The need to **assign Development Cooperation the lead for the coordination in countries where it is the most important instrument of Swiss Foreign Policy**
  - Maximize the use of the potential for **multilateral cooperation**,
  - Adjustment of **staff policies** and
  - Adjustments in **security management**.

### 2. Transformational Change

*The evaluation team concluded that SDC has considerable potential to improve its actions by aiming more consequently at actually changing a fragile situation for the better (i.e., transformational change). As by now, it appears to be too often concentrating just on contributing to the alleviation of living conditions of vulnerable target groups. SDC staff is seen as not political enough and as not being in the position to clearly explain the change to be fostered.*

*The evaluation team considers concentration of resources (more resources in fewer places) as a prerequisite for success. They point out that Switzerland has more influence in countries where it is among the 10 largest donors.*

Senior Management is aware of the challenge to find the balance between concentrating its resources and exercising the critical level of influence. It is convinced however, that SDC has accumulated valuable experience in all areas touched upon and staff generally is politically sensitive. Senior Management particularly agrees with the statement made by the evaluation



team which refers to **Switzerland, and not SDC alone, as having the comparative advantage** (e.g., impartiality).

The most important next steps are:

1. More on the ground coordination of action in fragile and conflict affected contexts between FDFA entities as well as with other departments of the federal administration, notably SECO and the DDPS and clear support by HQ for this;
2. Putting peace building and state building goals at the center of the strategy without putting in question the right of populations in need to immediate assistance;
3. Developing a clear, common understanding of the transformation to be supported (explicit change hypothesis, understanding of causal chains, etc.) as the basis for discussions and the reference point for developing objectives;
4. Making Conflict Sensitive Program Management mandatory for fragile and conflict affected contexts (training for staff, assure support capacity);
5. Ensuring continuity of SDC presence even when the situation becomes more difficult;
6. Employing an adequate mix of intervention instruments and, in particular, increasing the pro-active involvement of Switzerland in multilateral initiatives;
7. Aiming for the right balance between achieving fast impact on vulnerable groups and contributing to long term, transformational change.

With regard to **concentration**, in accordance with the Federal Dispatch 2013-2016 and the increase of the overall budget, SDC will have more substantial presence in most countries or regions. Hence SDC responds to the concentration argument not by reducing the number of contexts where it is present, but by increasing the budgets for most of them. In its statement at the 4<sup>th</sup> High Level Forum (HLF-4) Busan in late 2011, SDC Management committed itself to increasing SDC investments in fragile and conflict-affected contexts by approximately 15% (baseline 2011).

#### **Concrete actions:**

- The upcoming discussions on “Pre-concept Notes of Swiss cooperation strategies” in fragile contexts (e.g. Horn of Africa, Myanmar, Nepal, North Africa) in the Senior Management Meeting (DIRKO) shall focus on the above issues. The Focal Point of the Network Conflicts and Human Rights shall be invited to the meetings when these pre-concept notes are discussed. By doing so, SDC Management will deepen its understanding of what is at stake and what the management options are.
- SDC shall actively contribute to the implementation of the principles outlined in the New Deal for engagement in fragile contexts agreed upon at the HLF-4. At the country level, the immediate focus will primarily be in Haiti, Afghanistan, South Sudan and in North Africa; at the policy level mainly through enhanced multilateral action and policy dialogue with a wide range of multilateral partners including OECD/INCAF. It is understood that the Humanitarian Principles (humanity, neutrality, independence and impartiality) must be respected.
- The Focal Point “Conflict and Human Rights” will be commissioned to revise the policy for fragility and peace building dated 2003.

### 3. Considerations on Portfolio Risk Management

*The evaluation team considers that SDC has deficiencies in employing systematic approaches for analyzing the various risks in its portfolios (security related risks, risk of program failure, reputational risk, etc.). They recommend that SDC take a portfolio approach to manage the program risk by combining some technical, more easily measurable and less risky programs with more difficult, harder to measure, riskier but potentially more transformative initiatives*

This conclusion is fair and well received. Nevertheless, SDC Management feels that the report is somewhat overstating the issue of risk taking and flexibility. It is felt that one could easily find examples to state the opposite. However, the call upon SDC to **more conscientiously conduct portfolio risk analysis** and achieve an appropriate balance between more and less risky programs is very relevant.

#### **Concrete actions:**

- Similarly as with regard to transformational change, this issue will be addressed in the discussions of the upcoming strategies for fragile contexts and especially with regard to relatively stable country programs such as Nepal and Chad, where the size of the SDC portfolio allows for a meaningful application of portfolio analysis.
- Quality Assurance is requested to propose a method on how to integrate portfolio risk analysis in the monitoring system of country strategies by September 2012. The working hypothesis of SDC Management is that a single proxy indicator could be identified and tracked. Table 6 in the report (Types of Results by Context) is considered a solid basis for more detailed analysis. SDC Management recommends using it when SDC strategies are defined.
- An important part of this work will be done at field level. Communication and workshops shall be offered targeting implementation of risk analysis.

### 4. Delivery

*Under delivery, the evaluation team reformulates and strengthens its arguments on transformational change with well selected examples. They illustrate how Switzerland can succeed in contributing to transformational change (e.g. Nepal), but also point out that in many instances the other development partners and, in particular, other donors are not aware of the contribution by Switzerland. Sometimes SDC is perceived as not flexible enough to respond to rapidly changing contexts. Staff is seen as key to how SDC is perceived and how it acts.*

Senior Management emphasizes that achieving transformational change requires a **sound understanding and informed use of the different instruments available within the FDFA and SECO**. SDC Management is committed to mainstream the understanding of development work as **essentially a “whole of government undertaking”** especially in fragile and conflict-affected contexts. Achieving **complementarities between bilateral and multilateral instruments** and **cooperation with larger donors** is even more important in fragile contexts than in other development situations. With regard to multilateral partners, Senior Management supports the recommendation for SDC to be a strongly engaged stakeholder rather than an (often critical) observer. These considerations should be taken into account when building a portfolio and managing portfolio risk. It is also very important to recognize humanitarian aid as a strategic partner with specific characteristics at all stages of collaboration as long as fragility prevails.

In particular, Senior Management is supportive of the commitment of resources, if possible jointly with other donors, for **analytical work and the use of accessible intelligence channels** to obtain more accurate and timely information especially in conflict driven situations. It is aware that together with security information gathering, **analysis may cost 10% or more** of program spending. The crucial step however is the ability to translate the results of analysis into action. This requires management skills and in-depth context knowledge.

SDC will therefore pay particular attention to assure that field offices have enough time for direct contacts with beneficiaries and partners. For these contacts a critical comparative advantage of Swiss presence is necessary. This will imply flexible applications of some administrative rules.

With regard to flexibility, Senior Management thinks there is more potential in making **better use of existing and already planned avenues of flexibility** rather than investing in huge efforts to increase flexibility through a formal cross-institutional approach.

## 5. Staff Resources

*The evaluation team is very explicit about the relatively low incentives and protection provided by SDC for staff willing to apply for postings in fragile contexts. Financial and career incentives are low in comparison with similar agencies and support structures are also weak. This is seen as an obstacle to attracting qualified staff for such postings and providing them with career perspectives.*

Senior Management has already commissioned Human Resources of the FDFA to establish policies for staff working in fragile situation on some issues (non-family station policies and Rest and Relief). This work is valuable and well under way. Indeed, Senior Management considers a comprehensive overhaul of these policies (incentives, protection, support, career perspectives) an urgent must.

Staff policy is the most central aspect to carry out good work both in the field and at headquarter. Senior Management insists that such a process must not jeopardize the use of existing and successful staff instruments such as the Swiss Humanitarian Aid unit (SHA) contracting policy. Such policies may be essential to continue to fulfill the humanitarian mandate of SDC but also for other functions in fragile situations.

### **Concrete action:**

- SDC Management will work with Human Resources to develop in close interaction with the responsible person for the theme “Conflict and Human rights” a **comprehensive set of staff management policies for fragile contexts**.
- Positions in fragile contexts will be considered priority positions to be filled in the staff rotation process.

## 6. Security Management.

*The evaluation comes to the conclusion that security management at SDC is not up to the level needed for increasing work in fragile contexts. It has identified a number of weaknesses in the definition of responsibilities (e.g. between Embassies and SDC coordination offices) and the flow of information across FDFA.*

Senior Management takes the **issue of security very seriously** and appreciates the frankness of the evaluation in stating problems in this area. However it insists in the very substantial progress made in the last ten years in response to an environment in constant and very rapid change. However, further action is urgent.

***Concrete action:***

Among others Senior Management will clarify with FDFA Security and other FDFA entities the following priority issues:

- SDC considers the deployment of resources for security management in the FDFA as low and the use of existing resources sub-optimal. An exchange with FDFA Security will identify problem areas and resolve issues.
- The different roles and responsibilities of FDFA security, the crisis management centre, as well as the security specialists assigned to SDC and the SHA need to be clarified.
- The lines of responsibility for security management related decisions need to be clear and without duplication. A broad general policy paper about security management should leave room and calls for context-specific case-to-case decisions in the field.
- Crisis management simulation training will be done also at the management levels in Berne on a regular basis, simulating a wide range of possible situations focusing on testing lines of communication, responsibility, coordination with other countries, etc.

# **Agreement at Completion Point of the Core Learning Partnership and Management Reference Group**

## **1. Process**

Evaluation research shows that involvement of those responsible for implementation in generating recommendations leads to a higher rate of implementation. Therefore, to ensure recommendations that are well targeted, ambitious and achievable, this evaluation engaged the Core Learning Partnership (CLP) and members of the Management Reference Group (MRG)<sup>1</sup> in the development of the recommendations. During a 1 ½ day Synthesis Workshop, the CLP/MRG validated the evaluation findings and conclusions and with the facilitation of the Evaluation Officer from Corporate Controlling and the Evaluation Team, elaborated the recommendations for SDC noted in this Agreement at Completion Point (ACP). The ACP will be forwarded to a group of SDC Directors who will draft a Senior Management Response which will be tabled with the Directorate.

## **2. Overall Appreciation of the CLP and MRG**

The CLP/MRG welcomes the independent evaluation on SDC's performance in fragile and conflict affected states as an impressive and useful piece of work. The CLP/MRG notes that the evaluation team has understood the SDC and Swiss way of working well, and reflected this in a way that does justice both to the strengths and weaknesses of SDC. The CLP/MRG finds the analysis in the report to be accurate and sharp, making challenging points in a clear, constructive and diplomatic fashion.

The evaluation findings have an immediate relevance in a number of areas – for the new Bill to parliament, for SDC's work in operational contexts, for the reformulation of country strategies, and for the proposed increase in spending in fragile contexts. There are a number of external opportunities which the evaluation can help with, in particular the Busan commitments including the New Deal for Engagement in Fragile States supported by g7+ and INCAF members, including Switzerland.

The CLP/MRG also found the evaluation process useful and facilitated to maximise learning. Members of the CLP working on fragile states now feel that they have a 'support network' across the organisation which did not exist to the same extent beforehand. The participatory, 'developmental' process employed is seen as contributing both to evaluation quality, learning of the CLP members, and beneficial in terms of ensuring value for money from the investment in this evaluation.

The CLP/MRG find that the timing of the evaluation is excellent, and feel implementation of the evaluation recommendations will allow SDC to strengthen its strategic, organisational and operational efforts in fragile and conflict affected states. The findings of the evaluation should be used in a process of organisational change, with leadership from the Directorate, supported by a reference group, ideally formed from the CLP and Management Reference Group. The emphasis should be on a strategic re-orientation of SDC to work better in this area of vital and increasing importance.

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<sup>1</sup> Members of the CLP/MRG who attended the Synthesis Workshop: Christoph Graf, Véronique Hulmann, Bernhard Huwiler, Barbara Jgushia, Burgi Roos, Elisabeth von Capeller, Gerhard Siegfried, Ségolène Adam, Véronique Bourquin, Sophie Delessert, Evelin Stettler, Markus Heiniger, Edouard Jay, Antoine Laham, Milena Mihajlovic, Armin Ullmann.

### **3. Recommendations of the CLP/MRG**

The CLP/MRG found the priorities for change suggested by the evaluation team to be well-founded and challenging. The needs identified by the evaluation team set out a broad space for potential improvements, which the CLP/MRG group worked on to develop specific priorities. By bringing together the evaluators independent perspectives and the CLP/MRG knowledge of the organisation, a set of recommendations for all of SDC (Regional Cooperation, Humanitarian Aid, Regional Cooperation and Cooperation with Eastern Europe and CIS) were developed in each of the five priority areas. Together, these represent the beginnings of a strategic roadmap for SDC.

#### **Achieving transformational change**

**1) The SDC Board of Directors should develop a clear and coherent vision for why SDC is working in fragile states and what it aims to achieve. *In particular:***

- The Board of Directors should mandate a task force, including representatives of all divisions to develop this vision.
- Work on this should start as soon as possible, with a view to being approved by October 2012.
- Engaging in fragile States is a long term commitment and the vision shall extend beyond 2016.

**2) The Heads of Division need to ensure that country strategies in fragile states include clear outcomes that address the causes of fragility and conflict. *In particular:***

- Cooperation Strategies being renewed in 2012 should be viewed as a priority.
- Multilateral and whole of government elements should be incorporated into the new strategies.
- The new cooperation strategies should include context analysis that addresses political and social dimensions of fragility and conflict.

#### **Innovation**

**3) SDC programmes in fragile states need to routinely address state building and peace building objectives. *In particular:***

- SDC should ensure its programme portfolio in fragile contexts is aligned with the priorities of the New Deal (i.e. legitimate politics, security, justice, economic foundations, revenues and services).
- SDC should broaden and balance better the mix of instruments used in fragile contexts (from bilateral projects to budget support as appropriate to the context and including strengthening the State to take charge of the development agenda).
- Align SDC priority fragile states cooperation choices with g7+ members (i.e. potentially in New Deal pilot countries such as Afghanistan, South Sudan, DRC and Liberia and with New Deal signatories such as Burundi and Chad)
- There should be an implementation strategy for the New Deal decision paper to be adopted by the directorate.

**4) SDC should invest more in applied research in fragile states, and to create better linkages between evidence, policy and practice. *In particular:***

- SDC should strengthen the advisory role of the networks based on the needs of operational programmes in fragile states. This may eventually include the establishment of annual written service agreements
- Research areas should be related to the New Deal, and could be addressed in a collaborative fashion with other donors to explore what works well and what doesn't work in different contexts.
- SDC should invest in appropriate capacities and mechanisms internally to help translate research findings into actions.

**Risk Management**

**5) SDC needs to give managers and programme staff wider scope for strategic and operational flexibility in fragile contexts. *In particular:***

- SDC should increase decentralised authority for Cooperation Office managers.
- SDC should promote flexibility as part of the organisation culture in fragile contexts, enabling "course corrections" as context changes.
- Programme management tools (e.g. Conflict Sensitive Program Management CSPM) and results frameworks need to take better account of the risks of working in fragile states, while simultaneously taking a longer-term view of SDC's contribution.
- Cooperation strategies must contain a diversified "risk portfolio", with riskier/ high impact projects as well as safer/ more reliable ones.
- Results frameworks should routinely acknowledge longer term goals related to State building and peace building.
- The long term goals relating to State and peace building shall continue over several strategies;
- SDC also needs to have a set of institutionally agreed risk management protocols, including for the sharing and transfer of different kinds of risks (i.e., contextual, institutional and programmatic).

**6) SDC needs to improve the reliability of its analysis, and the links to decision making. *In particular:***

- SDC country directors should lead analytical exercises in fragile contexts and develop appropriate mechanisms to ensure use in programme and strategic decision-making (based on SDC's corporate CSPM methodology).
- Analysis should involve the full range of SDC staff, including NPOs, as well as partners and other donors.
- Programme steering committees and advisory boards need to be engaged in a more strategic fashion, internally within SDC, within the Swiss government, as well as in partner countries through multi-donor / govt. coordination fora.

## **Working Together**

### **7) SDC should increase its work and strategic engagement with other donors and the multilateral system in addition to national and Swiss civil society. In particular:**

- SDC should be an active player in the international donor community, wherever possible taking on chairing and facilitation roles in aid of harmonisation and delivery against the New Deal objectives.
- SDC should engage systematically with multilaterals – especially the World Bank, UNDP, UNICEF, UN Women, WFP, UNHCR and UNOCHA as well as the regional development banks - using its core contributions as an entry point for a more sustained strategic conversation about shared objectives.
- SDC should establish better policy level engagement with other donors, both globally and in-country, on shared issues such as analysis, risk and coordination.
- SDC should develop better policy capabilities on the issue of fragile states, with a designated fragile states hub, reporting to a directorate-level coordinator. The network should become part of this hub.

### **8) Where possible and feasible, the Swiss government as a whole needs to establish genuine joint strategies in-country with shared goals and outcomes. In particular:**

- SDC should promote common analysis in fragile states with other agencies of the Swiss government and better systems for routinely sharing information in order to accordingly adjust its operational response.
- SDC should encourage the idea of leading entities within the Swiss system to develop and manage joint country strategies, and seek to fill this role where it has clear comparative advantage. This leadership should include responsibility for ensuring a proper process, shared analysis, setting overall goals related to fragility and conflict (state- and peace-building goals), and appropriate approaches respecting the CSPM methodology.
- SDC should engage with other aspects of Swiss international policy that impacts on fragile states, such as defence, trade, international legal instruments and finance.
- Acknowledge the fact that coordination and harmonisation with other Swiss actors requires additional resources and time.

### **9) Within SDC, SDC should move towards development and implementation of shared cooperation strategies in fragile and conflict-affected states, with assigned leads within SDC. In particular:**

- Strategies should set overall goals related to fragility and conflict, and involve shared responsibilities for process, analysis, and reporting to ensure truly comprehensive strategies.



## **Delivery**

### **10) SDC senior management should mandate Human Resources to develop and implement staffing rules and conditions for assignment in fragile states. *In particular:***

- The policy should consider issues such as appropriate competency frameworks for fragile states and how to attract a mix of senior and junior professionals.
- The policy should consider how to improve incentives for taking on assignments in fragile states, including career development, promotion opportunities, family protocols; professional and personal preparation of and support to individuals relating to working in such contexts.
- SDC should seek to make the rotation system more aligned with institutional needs, and reflect on how to better implement rotations across FDFA to ensure the appropriate skills mix.
- Experienced hires should be brought in from outside the organisation, with better use made of the existing expert pools, and efforts made to expand them.
- Secondments should be made a visible part of career development strategies, where the assignments result in better profile and skills for working in fragile states.
- The new policy should be in place by mid-2013.

### **11) SDC must urgently address security management, with a process for immediately clarifying roles and responsibilities across FDFA in country contexts, and for strengthening security management in the near term. *In particular:***

- The clarification of roles and responsibilities should be a high priority for all countries, and will need to involve both field and HQ level staff.
- Staff competencies and skills to analyse security risks and to integrate them in programme management should be improved.
- Security management should be an explicit part of the TORs of managers/ country directors/ programme manager. Security management should address issues for national and local staff and partners.

### **12) SDC must communicate the rationale for engaging in fragile states with internal and external stakeholders. *In particular:***

- Improved analysis needs to feed into communication strategies, especially of risks and benefits of Swiss engagement in fragile states.
- Evidence needs to play a role in a more constructive communication on aid efforts in fragile states, including on failure, unanticipated consequences and corruption.
- SDC should put in place a strategy for communicating this evaluation.

In addition to the recommendations outlined above, the CLP/MRG recommended that a clear process should be put in place to carry forward the recommendations of this evaluation. A task force should be convened to oversee an implementation plan under the coordinating authority of a member of the Board of Directors. Progress should be reviewed by the Board of Directors at the end of the first year.



### **III Evaluators' Final Report**

#### **Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts**

Commissioned by the Corporate Controlling Section  
of the Swiss Agency for Development and Cooperation (SDC)

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Finally the evaluation team would like to thank Anne Bichsel and her colleagues in the Corporate Controlling Section of SDC who managed this exercise so competently.

# Table of contents

<b>Executive Summary</b>	<b>1</b>
<b>1. Introduction</b>	<b>5</b>
1.1 Background	5
1.2 Objectives of the evaluation	6
1.3 Methodology	6
1.3.1 Areas of enquiry	7
1.3.2 Evidence	7
1.3.3 Process	9
1.3.4 Evaluation team and management	9
1.3.5 Constraints	9
1.3.6 Structure of the report	10
<b>2. Fragile and conflict affected states</b>	<b>11</b>
2.1 Understanding fragility	11
2.2 Implications for the international community	14
<b>3. Swiss aid and fragile states</b>	<b>19</b>
<b>4. Findings</b>	<b>23</b>
4.1 Performance of instruments	23
4.1.1 Programming priorities, focus and positioning	24
4.1.2 Measurement of results	27
4.1.3 Institutional learning and staffing	29
4.2 Analysis, flexibility and adaptation	31
4.3 Complementarity	37
4.4 Role in the wider system	42
<b>5. Priorities for change</b>	<b>48</b>
5.1 Achieving transformational change	48
5.2 Risk	51
5.3 Innovation	52
5.4 Working together	54
5.5 Delivery	55
 Annex 1: OECD DAC Principles of engagement and SDC compliance	 CD
Annex 2: Approach paper	60/CD
Annex 3: Inception report	CD
Annex 4: Documents review	79/CD
Annex 5: People interviewed	CD
Annex 6: Tajikistan country case study	CD
Annex 7: Great Lakes country case study	CD
Annex 8: Desk reviews	CD

## Abbreviations and acronyms

ALNAP	The Active Learning Network for Accountability and Participation
CLP	Core Learning Partnership
CPIA	Country Policy and Institutional Assessment (of the World Bank)
CSPM	Conflict Sensitive Programme Management
DFID	UK Department for International Development
DRC	Democratic Republic of Congo
DSRSG	UN Deputy Special Representative of the Secretary General
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	Development Assistance Committee of the OECD
OPT	The Occupied Palestinian Territories
EITI	Extractive Industries Transparency Initiative
FDFA	Federal Department of Foreign Affairs
G7+	Grouping of fragile states
GDP	Gross Domestic Product
HA	Humanitarian Assistance
HDI	Human Development Index
ICRC	International Committee of the Red Cross
INCAF	International Network on Conflict and Fragility
LICUS	Low Income Countries Under Stress
MDG	Millennium Development Goals
MERV	Ref. pending
MSF	Medecins sans Frontiers
NATO	North Atlantic Treaty Organisation
NGO	Non-Government Organisation
OCHCR	UN Office of the High Commissioner for Human Rights
PDII	Political Division II of the FDFA
PDIV	Political Division IV of the FDFA
PSGs	Peace building and state building goals (of the G7+)
REO2	Reorganisation 2
SDC	Swiss Agency for Development and Cooperation
SECO	State Secretariat for Economic Affairs

SWAps	Sector Wide Approaches
Swiss TPH	Swiss Tropical and Public Health Institute
WDR	World Development Report (of the World Bank)
WFP	UN World Food Programme
UN	United Nations
UNDP	United Nations Development Programme
UNRWA	United Nations Relief and Works Agency
USAID	United States Agency for International Development





## **Executive summary**

Fragile states have become of increasing concern to international aid donors with the realisation that few, if any, will achieve a single Millennium Development Goal in 2015. Fragile states are home to many of the world's poorest and most vulnerable, and are often sources of instability in their region and internationally.

Switzerland and its main development agency the Swiss Agency for Development and Cooperation (SDC) is in the process of increasing its aid in fragile states as a result of these issues. SDC has also found many of its regular cooperation countries become more fragile over time.

This evaluation has been commissioned as part of the process of considering how to work better in fragile and conflict-affected states. It is set against the backdrop of a new Federal Council Dispatch 2013-2016 (Botschaft), which is the main legal and financial instrument governing Swiss foreign aid. The new dispatch proposes an increase in fragile states expenditure to the parliament and the Federal Council.

The evaluation is a strategic exercise looking at how SDC can achieve impact in fragile contexts, and how it can best configure its aid instruments. It has been conducted according to the latest OECD guidance on such exercises, setting a small number of broad, strategically relevant questions to be explored in different contexts. The design was highly participatory, aimed primarily at engaging managers and practitioners within the organisation on the major issues, and on how change might be best achieved. The evaluation has also sought to fulfil an accountability function. This has meant establishing a credible evidence base on which SDC performance could be assessed, through the use of case studies and an extensive review of secondary data. A more detailed summary of objectives, methods and the evidence is set out in the introduction section of this report.

### **Performance of SDC instruments in fragile and conflict-affected contexts**

This evaluation has found that SDC is well positioned to work in fragile states. It has the right mixture of approaches, good instincts operationally, and can play an important and valuable role in the wider international system.

To achieve this potential, SDC needs to become more flexible and needs to compliment its technical efforts with political understanding and positioning. Whilst individual projects and programmes can perform well, and achieve clear results – that is to say make a real difference to the lives of the poorest and most vulnerable – there is little evidence that they make a difference to the root causes of fragility.

There is an emerging consensus on the types of assistance that is needed to help fragile states, and countries emerging from conflict to get on the path to development. Priorities include providing security, helping establish legitimate institutions that are transparently managed, providing jobs and getting the economy going. There is a need for – most often – building peace and trust within fractured communities and national politics. This requires concerted diplomatic, defence and development action.

SDC has many of the skills needed to work effectively in such contexts. It is good at being 'hands on' – identified as most useful in the early stages of rebuilding – and it is good at technical programming. It stays for the long term. However, SDC also focuses too much on

the service provision end of the spectrum, giving less emphasis to tougher but arguably more important areas such as security, justice and jobs.

Partly this is because some of the necessary skills and approaches are held in other parts of the Swiss aid bureaucracy (in the ministry of economic affairs or other parts of the foreign ministry). Partly, however, it is because SDC has a conservative approach to risk and an overly technocratic approach. Fragile contexts need political awareness and policy skills as well as the technical excellence SDC can bring. Working on health or water programmes is easier to show results and may be more acceptable domestically than messier and more difficult – and risky - work such as state-building.

Working differently will require new types of people to be brought into SDC, and will require new ways of supporting existing staff, including a more rigorous approach to security. Fragile and post-conflict states are costlier, more dangerous and more stressful to work in than regular development postings, and people will have to be rewarded appropriately for working in such conditions.

### **Analysis, flexibility and adaptation**

Analysis is seen as key to effective strategic positioning by SDC. It is the starting point for all programme design.

Despite this, there is a wide variance in the culture of analysis and information within cooperation offices. The best prioritise and invest in regular analysis linked to decision making, led from the top. More routinely however, the tools available for analysis are seen as either too broad, or too heavy and tend to be complied with rather than valued.

SDC does have a wide range of information sources and networks, and this can be a major strength, especially where national sources are included. National staff are a major strength in this regard. The impartial status of Switzerland often means SDC is more realistic about the prospects for development, and political change.

This does not always translate into better programming however. The majority of SDC staff interviewed for this evaluation felt the organisation was not flexible enough in its approach in fragile states. In fragile states the operating environment can change quite suddenly, with opportunities or risks needing to be addressed quickly. SDC programmes take too long to both commission and to change, however, and there is a culture of “predictability and predefined outcomes”.

Whilst SDC is not nimble enough in its fragile states work, it is good at adapting to context within the confines of existing programmes. Humanitarian aid is seen as a more flexible instrument, but is often too short term for use as a strategic intervention.

### **Complementarity**

Respondents to this evaluation were clear that in fragile contexts, it is difficult to achieve structural development without political dialogue. This means there is a need for Switzerland to engage as a single entity, not as SDC or any of the individual aid instruments.

SDC has made progress in joining up its development and humanitarian work, and with other aspects of Swiss assistance such as the State Economic Cooperation Office (SECO) and the peace-building department of the Foreign Ministry (PDIV).

Whilst this progress has been steady for the last few years, there are few examples of a genuinely common vision for the Swiss “offer” in fragile contexts. Joint strategies tend to be a combination of individual mandates rather than genuine joint intent.

The barriers to genuine joint working across instruments are also considerable, with separate budgets, bureaucracies and supporting political constituencies. This is exacerbated by incompatible systems. This has meant that joint working has been more time-consuming and difficult than anticipated.

Where genuinely joint programming has been achieved there is clear evidence of greater influence and impact, and there are clear advantages visible within the Swiss aid system. This suggests there is a need to create more mechanisms to encourage such working, and to promote more joint working as a way of breaking down cultural and institutional barriers.

### **Role in the wider system**

There is a wide degree of variance across SDC programmes in fragile states in its engagement and role in the wider system.

Where SDC and Switzerland are actively engaged, they can play an excellent and constructive role in the international system, convening other donors and promoting neglected issues.

There are several factors that determine whether Switzerland occupies this type of meaningful role in the system. Being one of the top ten donors is a major factor, as is good in-country leadership. Credible programming is another factor.

Switzerland can also play a positive role as a ‘network enabler’, strengthening essential parts of the system such as civil society and the multi-lateral system. Despite this, the links between bilateral and multilateral programming are weaker than they should, or could be. More than half of SDC assistance is spent multilaterally, both in development and humanitarian aid, and yet this aspect of work is not always visible in cooperation offices.

SDC is perceived positively by its multilateral and NGO partners. The trust fund to improve collaboration between the UN and World Bank in fragile states is an excellent example of the potential Swiss role globally. Switzerland’s balanced and mutually respectful approach is also much appreciated by multilaterals.

### **Priorities for change**

The evidence of this evaluation suggests that SDC will have to change the level of its ambition in fragile states if it is to contribute to transformative change, which must be the ultimate goal in such contexts. There is a need for a more coherent vision, and for better adapted ways of working. In particular, SDC should:

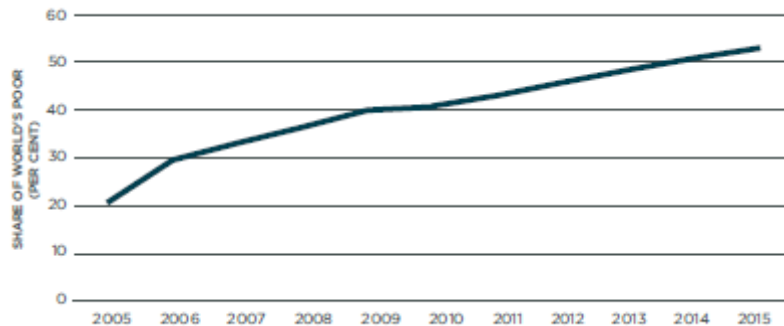
1. **Concentrate and focus** its aid in fragile states. In contexts where Switzerland can establish a meaningful niche, based on its comparative advantage, credible resource levels and innovative approaches, it can aim to achieve transformative change, rather than transient results.

2. Put in place a **coherent strategy** of how to achieve transformative change in fragile states. Theories of change must underpin long term strategies, with flexible approaches and sophisticated methods of measurement.
3. Be **more aware of and proactive about being part of the larger system**. Where Switzerland is well regarded it can play an important role in bringing donors together. SDC must also get better at creating coherence between actions in the global arena and bilateral cooperation work. This will demand new ways of working together (within SDC, inter-agency, and whole-of-government).
4. **Strike a balance between being pragmatic and policy-oriented**; and between having a long-term strategy and facilitating innovation. There is a need for better tools for managing risk, and for more innovative programme work, based increasingly on evidence. SDC and Switzerland must develop a better **mixture of modalities and instruments** in more seamless ways.
5. **Adapt its delivery and support mechanisms** for work in fragile contexts. This encompasses areas from project cycle management to staff support.

# 1. Introduction

## 1.1 Background

Fragile and conflict-affected states currently contain more than twenty percent of the world's population and a significant proportion of the poorest and most vulnerable (see figure 1)<sup>2</sup>. It is increasingly acknowledged that reaching the Millennium Development Goals will not be possible without greater and more sustained international engagement in these countries<sup>3</sup>. Against this backdrop, SDC is one of a number of bilateral donors that has made a corporate commitment to increase its engagement in such contexts.



**Figure 1: Share of world's poor living in fragile states<sup>4</sup>**

Doing more in fragile and conflict-affected states will require a change in both the *what* and *how* of donor engagement<sup>5</sup>. Aid agencies have acknowledged the need to improve their strategy and impact in these states. This means, among other things, better and more systematic, evidence-based learning. The learning gap in fragile states is reflected both in terms of weak programme design and in a lack of sound evaluations.<sup>6</sup>

The Swiss Agency for Development and Cooperation (SDC) is presently developing its new Federal Council Dispatch 2013-2016 (Botschaft). As part of the new strategic direction envisaged in the dispatch, the organisation's leadership is committed to increasing engagement in fragile states. A significant part of SDC's work already takes place in countries and contexts that might be described as fragile and conflict-affected<sup>7</sup>. Currently the proposal is that it increases from 28% of its budget (currently) to 40-50% to be more in line with the international donor "average".

As a result, in 2011 the SDC Directorate mandated the Corporate Controlling Section to commission an evaluation of the performance of SDC's instruments in these settings. SDC's Corporate Controlling Section commissions a range of evaluations each year. These are intended to assess the relevance and effectiveness of SDC's work and contribute to lesson learning. These evaluations are also an important part of SDC's corporate accountability.

<sup>2</sup> <http://www.ode.usaid.gov.au/publications/pdf/ode-brief-fragile-states.pdf>.

<sup>3</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/STRATEGIES/EXTLICUS/0..menuPK:511784~pagePK:64171540~piPK:64171528~theSitePK:511778,00.html>.

<sup>4</sup> Chandy & Getz (2011) Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015.

<sup>5</sup> <http://www.odi.org.uk/news/details.asp?id=477&title=g7-fragile-states-new-deal-budget-strengthening-initiative>

<sup>6</sup> <http://www.oecd.org/dataoecd/8/48/48092571.pdf>.

<sup>7</sup> This evaluation uses the terms 'fragile and conflict-affected states' and 'fragile and conflict-affected contexts' interchangeably. The term fragile contexts allows for the inclusion of regions or districts of countries as well as the countries themselves, but to spare the reader a certain monotony of over-use, we have decided to use both terms.

## 1.2 Objectives of the evaluation

During the inception process, it was agreed that the evaluation would focus on the 'Performance of SDC Instruments in Fragile and Conflict-Affected Contexts'. The specific objectives were as follows:

1. Assess SDC performance in its present engagement in selected fragile and conflict-affected contexts;
2. Provide a solid evidence base of where SDC stands and an analysis of where it needs to improve;
3. Through a process of reflective inquiry, develop a shared understanding of how to engage in fragile contexts;
4. Develop "priorities for change" for SDC in the form of clear, targeted and actionable recommendations for future engagement in fragile and conflict-affected contexts.

## 1.3 Methodology

All SDC evaluations are a balance between learning and accountability, and between retrospective assessment and forward looking recommendations.

This was designed as a formative process evaluation, with the focus on contributing to improvements in SDC's performance in fragile and conflict-affected contexts. The overwhelming feedback from SDC staff at all levels and across the organisation was that this evaluation should emphasise learning and future improvements. As such the evaluation has been developed with the intention of maximising utility for decision makers and practitioners.

Lessons from previous fragile states evaluations compiled by the OECD-DAC Evaluation network have also been taken on board<sup>8</sup>. These suggest that a detailed, top-down methodology is simply not practical in fragile contexts. Instead the key for successful evaluations is to select a number of priority questions and be as flexible as possible in the selection of specific methods and approaches.

The formative and developmental focus of the present evaluation, together with the fragile and conflict-affected contexts which are the focus of the evaluation, have a number of implications for the emphasis of the evaluation process and the final product.

Specifically, this has meant that:

- a significant amount of attention has been paid to the process elements of this evaluation – interviews have been semi-structured and 'reflexive', workshops have been participatory, the objectives of the evaluation have been adjusted and adapted following feedback and interactions
- The robustness of the evidence base has been strengthened through the developmental approach, as information gathered has been subjected to triangulation through a number of different methods, and participatory techniques have been chosen to facilitate group-based validation, testing and prioritisation
- The evaluation team has spent time to understand the current state of the organisation, the culture, how staff interact, how they learn, and has worked to position the key findings and evidence in such a way that will promote the potential for utilisation.

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<sup>8</sup>[http://www.oecd.org/document/23/0,3746,en\\_21571361\\_34047972\\_35263575\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/23/0,3746,en_21571361_34047972_35263575_1_1_1_1,00.html).

While accountability is still an objective for this evaluation, it needs to be framed in a way that relates to the formative focus of the evaluation. The evaluation team suggests that the most important form of accountability is whether SDC is accountable *for* effective learning in fragile contexts.

### 1.3.1 Areas of enquiry

The evaluation was undertaken against four key areas of enquiry. These were developed from the original approach paper (annex 1), and subsequent conversations during the inception phase. The areas of enquiry provided an over-arching evaluation framework, against which specific questions and possible sources of information could be correlated.

Each of the four areas of enquiry were verified through the inception mission as appropriate for the needs of the different stakeholders across SDC. The specific questions (see annex 2 for the full inception report) were refined based on feedback through the inception process, with each focusing on an area of significant relevance to SDC performance.

### 1.3.2 Evidence

The evaluation used the standard range of evaluation methods, including document review, key informant interviews, group interviews and workshops and a series of desk-based and field-visit case studies. The data gathered from this was triangulated and forms the basis for any conclusions reached.

The evaluation did not collect primary evidence of the outcomes and impacts of SDC programmes. It relied primarily on secondary data where it existed and key informant interviews. That said, the evaluation team did visit 12 projects in 11 regions of 4 countries directly and so has been able to bring together head office, country office and field perspectives.

The case studies formed the core of the evidence gathered for the evaluation, although were by no means the sole source. Interviews were also conducted with as wide a range of informants within the Swiss system as time allowed, and with a selected cross-section of multilateral and donor agency experts. In total 150 people were interviewed including for the case studies. In addition there were a number of focus group interviews in all locations, involving over 50 people (see table 1).

	SDC	FDFA/ SECO	Multilateral/ ICRC	Government	Donor	NGO/ partners
Interviews	60	10	15	20	10	30

**Table 1: Interviewees by institution type**

Interviews within SDC covered a wide cross-section, from the whole of the directorate to national programme officers. Interviews and discussions with other key stakeholders included numerous Ambassadors, the State Secretary for the FDFA, as well as field based programme staff in PDIV, PD II and SECO. There were also 6 workshops in Bern and Dushanbe, and feedback sessions following all country visits.

The case studies consisted of three categories; countries that were visited by the evaluation team and were studied in depth; countries where several key informants were interviewed forming desk reviews and countries or areas of interest that provided extra material for the evaluation. The countries and the rationale for their inclusion is set out in table 2 below.

Context	Rationale
In-country case studies	
Great Lakes (Rwanda, Burundi, DR Congo).	Ongoing conflict across the region, extreme poverty, regional instability, huge humanitarian caseload. DR Congo, Rwanda and Burundi all seen as fragile in different ways, although conflicts in all three inter-connected.
Tajikistan	Transition from relief to development post-cold war and post-conflict. Proximity to areas of major conflict, in particular Afghanistan. Seen as fragile but not failed.
Desk reviews	
Hindu Kush	Includes Afghanistan and Pakistan, archetypal 'fragile states'. New programme for SDC with potentially interesting new approaches, but with some serious internal debates about rationale and execution.
Nepal	Existing flagship programme that is held up as an important model for the organisation as a whole, with more integration than almost anywhere else globally, more of a claim to be a truly 'Swiss programme' and extensive documentation available
Middle East/OPT	This is important both for review work already undertaken, the new merged organisation structure (the Europe and Mediterranean Division, EMM) and SDC programme in the OPT
Areas of focus	
Haiti	Complex mixture of natural disaster, extreme poverty and insecurity. UN peacekeeping mission. Weak state institutions, lack of skilled human resources (brain-drain and losses during earthquake). Political interventions by USA, France, Canada and Brazil as well as MINUSTAH. Swiss representation merges different structures in an "integrated Embassy" with focus on programs and projects.
Conflict and human rights thematic network	The thematic network most closely associated with work in fragile states and a way of understanding the work of thematic networks more generally.
Global cooperation	Has an important role in SDC work in fragile states through multilateral relationships and work with other global donors.

**Table 2: Case study countries and rationale for inclusion**



The evaluation also undertook an extensive document review. This included SDC internal documents (project proposals, reports, analysis) as well as the majority of other donor and academic literature relating to the subject.

### **1.3.3 Process**

The evaluation placed a special emphasis on the learning nature of the exercise for the organisation. A highly participatory approach was adopted to help gather and test the key findings with the hope that this will lead to evidence which will be of most benefit to decision makers. This involved setting up a Core Learning Partnership (CLP) who met the evaluation four times over the course of the exercise formally, as well as being highly involved in case studies. A Management Reference Group was also convened to provide overall direction, and to ensure the management response was well conceived.

An inception phase helped to refine the terms of reference and to adapt an original approach paper. As a result the original purpose of the evaluation was slightly refined to broaden the scope somewhat. The evaluation team presented initial findings to the CLP following the end of the data gathering phase, and the draft report following its submission. The recommendations were developed through a final workshop, following the submission of the final report.

### **1.3.4 Evaluation team and management**

There were five core members of the evaluation team with substantial experience of working in fragile and conflict-affected states, evaluation and academia. Ross Mountain and William Frej were the senior practitioners in the team, respectively former DSRSG in Congo (current director at DARA) and USAID mission director in Afghanistan. Lewis Sida led the team and Ben Ramalingam, former head of research and development at ALNAP and Frauke de Weijer, expert author on the World Bank WDR 2011 on fragile states provided expert input. James Darcy, author of the OECD INCAF report on risk management in fragile states also provided advice to the evaluation team.

The evaluation was managed by Anne Bichsel of the corporate controlling section of SDC, who facilitated the process and protected the independence of the findings.

### **1.3.5 Constraints**

Whilst there was excellent access provided by SDC, both to all levels of the organisation and to documentation, there were also several constraints. Chief amongst these was the availability of people for interview, with busy workloads meaning that a significant proportion of interviews were often cancelled or rescheduled at the last minute. The timing for the country case studies was also a constraint as the busiest reporting period coincided with the original schedule, meaning there was less time than would have been ideal at the end of the evaluation process. Finally, there was not always as much data as the evaluation team required, something noted in the analysis sections of this report.

### **1.3.6 Structure of the report.**

The report is structured in three key sections. Chapters one to three set out the background, purpose and methods used in the evaluation, a summary of the latest international efforts on fragile and conflict-affected states and the role of SDC to date. Chapter four presents the main findings of the evaluation against the four lines of enquiry. Chapter five sets out the priority areas for change as a potential road map for future fragile and conflict-affected<sup>9</sup> states work for SDC and its partner agencies within the Swiss government.

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<sup>9</sup> As with the terms fragile states and context, the evaluation has used 'fragile' as short hand for 'fragile and conflict affected' on occasions. Again, whilst not quite as rigorous it helps the flow of the report and spares the reader a certain repetitiveness.

## 2. Fragile and conflict affected states

### 2.1 Understanding fragility

The idea of failed states, the most obvious antecedent of fragile states, emerges in academic literature following the end of the cold war<sup>10</sup>, and was given greater impetus by the events of 9/11. A 2002 defence review in the US identified failing states as a potentially greater global security threat than conventional war<sup>11</sup>.

The concept of fragile states appears in mainstream literature in 2005 with the production of 'fragile states' strategies by both USAID and DFID<sup>12</sup>. A 2004 World Bank report<sup>13</sup> looked at case studies of aid effectiveness in fragile states, which may be the first time the term appears in an evaluation. This classification builds on the World Bank's previous category of Low Income Countries Under Stress (LICUS)<sup>14</sup>.

The concept of fragile states is not a straightforward one. It is subject to much debate and contestation, politically, practically and academically. Some have disputed its usefulness and question its neo-colonial overtones<sup>15</sup>. The idea of failed states certainly has resonance in the 19<sup>th</sup> century European colonial period with interventions (and often later territorial expansions), justified on this basis<sup>16</sup>. The concept of fragile states is also unclear with various organisations and entities using different definitions. Several definitions are set out below (see Box 1). They range between defining fragility as purely conflict related, to wider issues of legitimacy and service entitlements.

It is becoming increasingly common for donor agencies to conceptualize fragility in relation to its opposite – resilience. 'Resilient states are able to maintain order and stability, keep societal expectations and capacity in equilibrium, and survive and ameliorate the negative effects of external and internal shocks.'<sup>17</sup>

The term has seen some evolution in recent years, moving from a stat-specific definition to consider 'fragile situations' that might exist in pockets in otherwise stable states.

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<sup>10</sup> See for instance Helman, G & Ratner, S (1993) Saving Failed States in Foreign Policy [http://www.foreignpolicy.com/articles/2010/06/21/saving\\_failed\\_states](http://www.foreignpolicy.com/articles/2010/06/21/saving_failed_states).

<sup>11</sup> National Security Strategy (2002).

<sup>12</sup> DFID (2005), Why we need to work more effectively in fragile states; and USAID (2005), Fragile States Strategy.

<sup>13</sup> World Bank, 2004, 'Making Aid Work in Fragile States: Case Studies of Effective Aid-Financed Programs', World Bank, Washington.

<sup>14</sup> And in turn work done by Paul Collier whilst at the bank and subsequently.

<sup>15</sup> Easterly, W. (2006), The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good', Oxford: Oxford University Press.

<sup>16</sup> And in fact dates back through Max Weber to Thomas Hobbes, who argued in Leviathan that without government the life of man would be, "solitary, poor, nasty, brutish and short".

<sup>17</sup> <http://www.gsdr.org/docs/open/CON86.pdf>.

### Box 1: Definitions of fragility

Fragility and fragile situations—Periods when states or institutions lack the capacity, accountability, or legitimacy to mediate or relate to violence. *WDR 2011*.

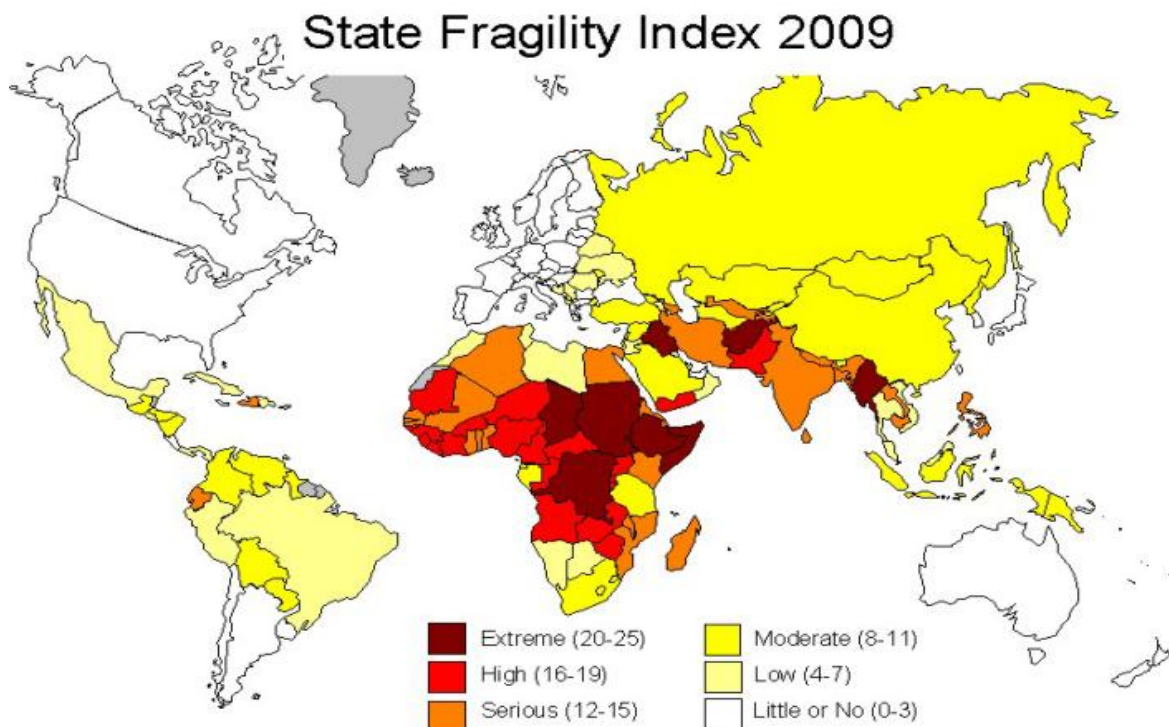
A fragile situation is defined as tensions between citizen groups and between citizens and the state, making them vulnerable having either a) a Country Policy and Institutional Assessment rating of 3.2 or less, or b) the presence of a United Nations and/or regional peace-keeping or peace-building mission during the past three years. *World Bank website, 2011*

DFID defines fragile states as occurring where 'the government cannot or will not deliver core functions to the majority of its people, including the poor', where core functions include service entitlements, justice and security *DFID 2005*.

'[fragile states are those] unable to meet [their] population's expectations or manage changes in expectations and capacity through the political process' - *OECD, 2008*

Fragile states are thus to be defined as states that are failing, or at risk of failing, with respect to authority, comprehensive service entitlements or legitimacy. *Stewart, F & Brown, G. Centre for research on inequality, human security and ethnicity, Oxford.*

Whilst there is much argument about the concept of fragile states, there is little dispute that a number of fragile and conflict-affected countries are falling far behind in development terms. Most fragile states indices identify the same countries in this regard, as the two graphics below demonstrate (figure 2 and 3), although the specific positions will vary.



**Figure 2: The 2009 State Fragility Index, Mapped Geographically**



As indicated in the map above, fragility may be seen as a spectrum ranging from extreme fragility to little or no fragility. Building on this, there have been a number of different ways to think about and categorise states. For example, DFID uses the ideas of strength combined with political will as an indicator of fragility. The OECD DAC International Network on Conflict and Fragility (INCAF)<sup>18</sup> uses a fourfold classification of fragile states: (i) post-conflict/crisis or political transition situations; (ii) deteriorating governance environments, (iii) gradual improvement, and; (iv) prolonged crisis or impasse. While such typologies are of course useful, it is also acknowledged that 'in order to work effectively with fragile states, however, there can be no shortcut to detailed analysis of the historical evolution and specific characteristics of individual situations.'<sup>19</sup>

## 2.2 Implications of fragility for the international community

The specific challenges for international aid delivery in fragile and conflict-affected contexts include<sup>20</sup>:

- *Lack of clear, accepted and legitimate leadership.* Many actors are often involved and leadership often weak or contested.
- *Multiple and significant priorities to be addressed.* Fragile and conflict-affected countries face a multitude of critical priorities with a limited capacity to respond. The overwhelming number of competing choices can stagnate leadership processes, and confuse donors.
- *Lack of shared perspectives.* Particularly in conflict-affected situations, there are highly different perspectives on what is needed, which approaches will work best, and who is prepared to and can be trusted to take the lead.
- *Weak state-society relations.* The infrastructure of state and society is often severely compromised in fragile and conflict-affected countries, governed by patrimonial and military culture rather than the liberal democratic culture that the international community and some leaders aim to create.
- *Culture of mistrust.* Particularly in conflict-affected situations, years of war often create a culture of mistrust and secrecy, and decades of poverty have created a culture of insufficiency, where individuals and groups are often intensely focused on their own interests and needs, not on the collective needs of society. This inhibits both leaders and society from finding and implementing solutions to collective problems, and donors from supporting it.

International experience clearly shows that assistance to Fragile States is subject to special conditions:

- the interventions are often more high risk and results more difficult to achieve,
- there are many problems to address and actors involved, and responsibilities among actors are not always clear,
- sometimes it requires engaging with groups considered "illegitimate" but who are instrumental to achieving the final stability objective,
- the political dimension of cooperation is often much more challenging and also even more critically important than in "traditional" aid relationships.

<sup>18</sup> [http://www.oecd.org/document/57/0,3746,en\\_2649\\_33693550\\_42113657\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/57/0,3746,en_2649_33693550_42113657_1_1_1_1,00.html).

<sup>19</sup> <http://www.gsdc.org/docs/open/CON86.pdf>.

<sup>20</sup> Danish Government Non-paper on Fragile States Engagement, 2011.



As a recent study by the Danish government argues<sup>21</sup>:

“...Fragility takes many forms and hence assistance can have a wide range of different objectives that need to be pursued simultaneously. In some cases assistance aims at establishment of central state institutions whose legitimacy is being challenged through on going violent conflict. In other cases the state is regarded as relatively legitimate but also weak, both at central and regional levels. And, Somalia for example represents a state, which has collapsed but has relatively stable structures of government at sub-regional level despite continued conflict in other parts of the country. Often there is a lack of social infrastructure and inadequate provision for basic social needs...”

A significant challenge with fragile and conflict-affected contexts is that they do not remain confined, and so cannot be easily ignored for long. Fragility or conflict in one setting quickly starts to affect development gains elsewhere. Robert Zoellick, in his foreword to the WDR 2011 states that, “not one low-income country coping with these problems has yet achieved a single Millennium Development Goal. And the problems of fragile states spread easily: They drag down neighbours with violence that overflows borders, because conflicts feed on narcotics, piracy, and gender violence, and leave refugees and broken infrastructure in their wake.”<sup>22</sup>

Another major challenge relates to discrimination, which often underpins fragility and conflict<sup>23</sup>. In many settings, specific groups legitimise violence and other abuses as a consequence of discrimination. After conflict ceases, lingering discrimination can impede the shaping of inclusive and stable societies. Discrimination based on gender creates increased vulnerabilities of women and men which are often not accurately addressed and which further reduce the chances for stability.

The problem of fragility and fragile states has been steadily moving up the international policy agenda. At the 4<sup>th</sup> international conference on aid effectiveness in Busan in late 2011, fragility was one of the major themes for aid donors. The same meeting saw a significant development in terms of how fragile states engage with such fora<sup>24</sup>. A relatively new grouping of 19 fragile states called the G7+<sup>25</sup> put forward a set of propositions as to how donors might work in their countries. This ‘new deal’ sets out five peace-building and state-building goals.

- **Legitimate Politics** - *Foster inclusive political settlements and conflict resolution*
- **Security** - *Establish and strengthen people’s security*
- **Justice** - *Address injustices and increase people’s access to justice*
- **Economic Foundations** - *Generate employment and improve livelihoods*
- **Revenues & Services** - *Manage revenue and build capacity for accountable and fair service delivery*

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<sup>21</sup> Ibid.

<sup>22</sup> World Bank (2011). World Development Report, *Conflict, Security and Development*. Washington.

<sup>23</sup> There is some health academic debate on this issue, see for instance Keen (2008), *Complex Emergencies* pg 25 – 49, where he critiques Colliers earlier approach to “Greed vs Grievance”.

<sup>24</sup> [http://www.oecd.org/document/22/0,3746,en\\_21571361\\_43407692\\_49151766\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/22/0,3746,en_21571361_43407692_49151766_1_1_1_1,00.html).

<sup>25</sup> <http://www.g7plus.org/>.

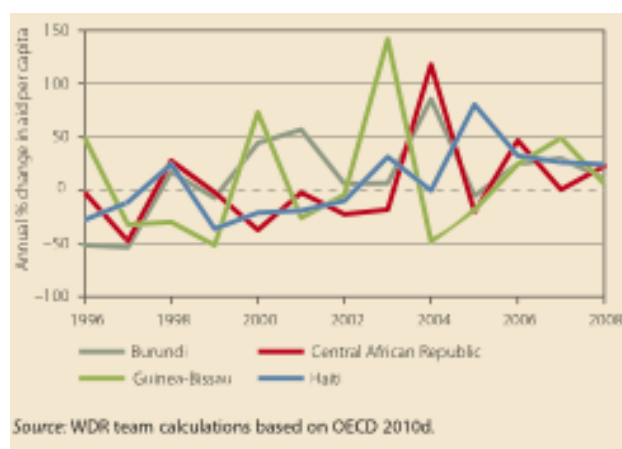
Table 3 illustrates how thinking about what is important in fragile states has evolved and how there is increasing consensus about the way forward.

USAID (2005)	Dili (G7+, 2010)	World Bank (2011)	G7 + PSGs (2011)
Enhance stability	Governance		Legitimate politics
Improve Security	Security	Security	Security
		Justice	Justice
Encourage reform	Economic development	Jobs	Economic foundations
Develop capacity of institutions	Human and social development		Revenues and services

**Table 3: Evolution of the fragile states agenda**

The most widely accepted set of principles as to how one should work in fragile states are those adopted by the OECD<sup>26</sup>. The OECD network on conflict and fragility (INCAF) has also undertaken a number of studies looking at how donors have implemented the principles, finding that whilst some of them are broadly or partly on track (non-discrimination and alignment with local priorities), the majority are either partly or completely off track<sup>27</sup>.

This also reflects the reality that donor assistance to fragile states has historically been highly volatile, fragmented and highly concentrated. The OECD reports that in 2011 only eight countries received half of the total ODA for fragile states. Figure 4 demonstrates the extreme volatility of aid to 4 fragile states over a 12 year period, with some seeing their allocation changing by as much as 30% year on year.



**Figure 4: Volatility of aid to four fragile states**

The same is true in terms of the fragmentation of aid instruments. Increasingly there is consensus that results in fragile states can only be achieved through concerted action on security, political legitimacy, development and humanitarian aid simultaneously. Despite significant moves toward these goals – integrated UN missions, “whole of government” approaches – there is still a tendency for these instruments of international engagement to operate largely independently from each other.

While this work is useful, it can sometimes seem rather high-level, especially for relatively smaller donors and agencies. Work by the World Bank has identified a number of practical principles for successful delivery of programmes in fragile states, a number of which

<sup>26</sup> [http://www.oecd.org/document/12/0,3746,en\\_2649\\_33693550\\_42113676\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/12/0,3746,en_2649_33693550_42113676_1_1_1_1,00.html).

<sup>27</sup> OECD (2010). International Engagement in Fragile States, *Can't we do better?* OECD, Paris.



are presented below. These might inform delivery strategies within specific fragile states contexts, and are especially relevant for the strategies across SDC, and Swiss government agencies more generally.

**Box 2: Key principles for success in fragile states<sup>28</sup>**

- 1. Defining key terms** – if successful dealing with fragile states is the goal, then getting a shared explanation and understanding of what fragility is and what success looks like is essential. This might be any number of things – depending on the nature of the fragility being experienced in a given context. For example, different initiatives might focus on bringing about sustainable changes in governance, catalysing change inside or outside the sector of intervention, reducing poverty, improving service delivery, stemming negative spill-over effects to and from neighbouring regions and countries. Also important, especially given SDC's prevalent use of these terms, is to define community, local, intermediate and national in different contexts. Too many projects and programmes are started with no shared understanding of these terms, leading to a lack of coherence.
- 2. Analysing initial conditions** working in fragility demands an understanding of the distinctive conditions – without this, it is hard to avoid 'one size fits all' project design. Initial conditions include but should not be limited to, history, political dynamics, power dynamics at different levels, prior engagement of SDC and other donors, understanding what if anything is working well already and why. This last is a key point – successful initiatives are not always those that are externally designed and done from scratch but which build on ongoing small scale successes.
- 3. Ensuring flexibility and feedback** Perhaps the most important requirement for successful project and programme management in fragile states is to be alert to / systematically collect feedback from the context and to be open to learn from and adapt to the implications. This means investing in a 'learning by doing' creed, and being open new experimental approaches, rapidly shedding old goals and taking up new ones, and changing attitudes and mindsets during the course of a project or programme. This last is especially challenging, but it is consistently found to be the hallmark of a successful demand-driven programme in fragile contexts.
- 4. Ensuring community driven development** Successful fragile states interventions are those that emphasise participatory and consultative processes that give local citizens the opportunity to influence and shape programme design and implementation. Where possible, this means building on a sense of consensus about development problems, objectives and strategies.
- 5. Starting small or large scale** Both macro and micro approaches have been found to be effective in starting successful projects and programmes, but the key is to be aware of the implications at different levels of what is being done. The best programmes are those which have positive spill-over into other levels and areas.
- 6. Focusing constructive potential at the local level** Case studies indicate that local communities are better able than other structures to develop a capacity for constructive action. Nearly all successful initiatives involved some local level engagement with communities or their representatives. This resonates with the findings of weak institutional capacity, and is one of the reasons that SDC might be able to develop a distinctive niche. This is not to idealise local communities which can be as afflicted by parochial factionalism and elite capture as any other part of a fragile state.

<sup>28</sup> Extract from <http://elibrary.worldbank.org/content/book/9780821362013>.

- 7. Linking constructive potential to democratic decentralisation** One key way for addressing the roots causes of fragility is to institutionalise the processes by which local preferences can influence wider issues and trends. Such elected bodies or councils need resources and mechanisms so as to ensure mutual accountability to and with citizens. Gains within local areas need to be extended horizontally to other localities and vertically to higher level localities that can integrate localities with each other.
- 8. Enhancing government capacity at higher levels** Capacity building is essential for fragile state governments that might exert only tenuous authority over the territory they oversee. Capacities for delivery of goods and services and for enabling constructive local level engagement are crucial. Achieving both of these are crucial to legitimacy and moves a fragile state towards being a developmental one. Donor agencies like SDC need to work in concert with governments, even those with troubling records, to help them achieve these tasks. The ability to change attitudes in government is one of the main virtues of successful fragile states programmes. This is especially important for programmes that eventually transition from donor action to government action.
- 9. Encouraging a sense of ownership** Government and popular ownership of programmes is essential to enabling that learning takes place in appropriate ways. This is especially important in those areas where state sovereignty is in doubt. In many cases popular ownership is easier to achieve but it is a complement to and not a substitute for government ownership.
- 10. Engendering Spill-overs** Achievements in one sector or geographic area may influence actors in other sectors or areas to adopt the approaches that led to these successes. Such positive spill-overs can occur between or across donor bodies, government agencies, civil society or within society. Multi-stakeholder engagement - within the international community and with national actors - is one way of allowing such spill-overs to happen naturally. In many cases, these spill-overs will be modest, but where programmes are demand-driven, there is a higher likelihood that such positive cascades will happen as a matter of course.
- 11. Scaling up** This refers to the dissemination of ideas, approaches and methods across different levels and regions of a country. This requires engagement, influencing and capacity strengthening of government and civil society. Scaling up is both a technical and a political challenge, and needs to be dealt with as such.

### 3. Swiss aid to fragile and conflict-affected states

Switzerland has four main aid instruments<sup>29</sup> that it deploys in fragile and conflict-affected states. This can roughly be described as development cooperation, humanitarian aid, economic cooperation and human rights and peace building work.

The first two instruments (development and humanitarian aid) are managed by the Swiss Agency for Development and Cooperation (SDC), housed within the federal department for foreign affairs (FDFA). Economic cooperation is managed by the State Secretariat for Economic Cooperation (SECO) within the Federal Department of Economic Affairs. The human rights and peace building assistance is managed by the political division IV (PDIV) of the FDFA.

Out of the four instruments, 'development cooperation' is the largest by volume of financial flows. This is the case globally, although in fragile contexts this switches to humanitarian aid. Globally development cooperation (including cooperation with eastern European states and CIS) represents approximately 49% of ODA. The comparable figure for humanitarian aid is 13%. Conflict transformation and human rights through the FDFA is about 3%.

	2010	%
<b>Total ODA</b>	<b>2'398</b>	<b>100%</b>
of which		
Humanitarian Aid	310	13%
Development cooperation (incl. East)	1'186	49%
Economic cooperation (incl. East)	232	10%
Conflict transformation and human rights	73	3%
<b>Subtotal</b>	<b>1'801</b>	<b>75%</b>

**Table 4: Breakdown of Swiss ODA (2010)**

To get a completely accurate picture of Swiss assistance to fragile and conflict-affected states is almost impossible, not least because just less than half its development assistance is spent multilaterally. As a crude estimate however, of the 112 countries named as receiving bilateral assistance in 2010 those in the top 20 most fragile states category (i.e. extremely fragile)<sup>30</sup>, received 22% and the top 40 fragile states (considered either practically failed or very vulnerable) received 36%. SDC itself calculates that Switzerland spends 28% of its ODA in fragile states.

<sup>29</sup> Inevitably, the terminology is not completely precise here as the graphic illustrating the spend from SECO (fig. 7) shows that it classifies its main activities as 'instruments'. SDC calls 'humanitarian aid' an instrument and 'development cooperation'. For the purposes of simplicity then, the evaluation has chosen this broader classification for 'instrument'.

<sup>30</sup> Again, these indexes are contentious and therefore indicative only. This evaluation for convenience has used the Foreign Policy 2011 index. The World Bank classifies any country with a CPIA under 3.2 as being fragile. Ethiopia has a CPIA of 3.4 and therefore would not make it into the top 20 were the World Bank classification to be used.

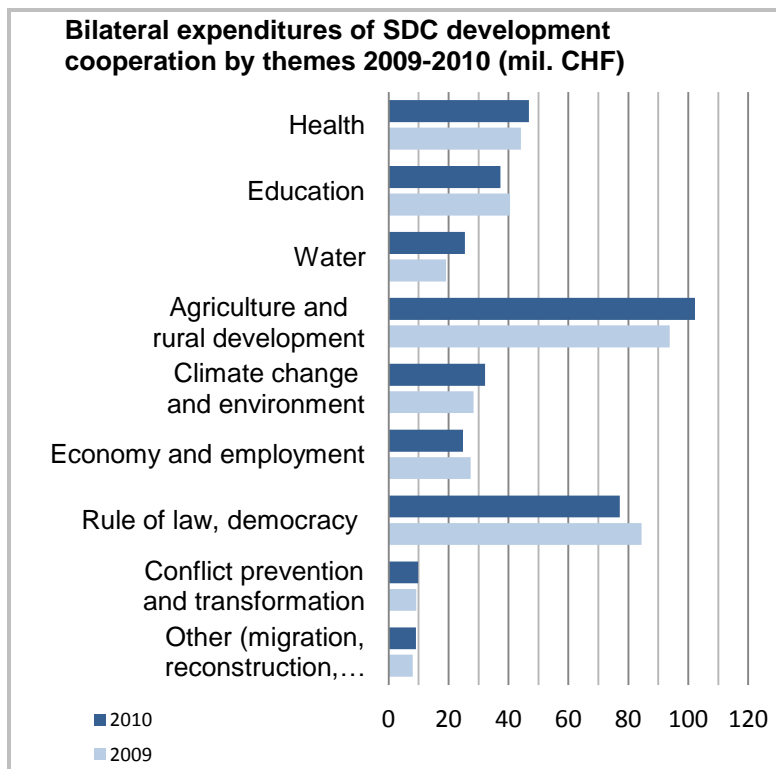
In terms of expenditure in the top 20 most fragile contexts, the split between humanitarian and development is 47% and 53% respectively. In fragile contexts therefore, SDC (and Switzerland) is spending a much higher proportion of its assistance on humanitarian aid than development than in normal contexts. PD IV spent 2010 about 11 % of its bilateral ODA in the top 20 fragile states.

In terms of activities, SDC bilateral (i.e. not multilateral) development cooperation in fragile contexts tends to mirror the activity in more stable contexts. Health is a significant part of the portfolio, as are other aspects of basic service provision such as potable water. Rural development and agriculture continues to be the single largest sector, especially in Asia and sub-Saharan Africa. Rural development is often framed as the decentralisation of services. By contrast rule of law and democracy programmes are the largest part of assistance to the east (former Soviet Union and Europe), with nearly half the expenditure in this area.

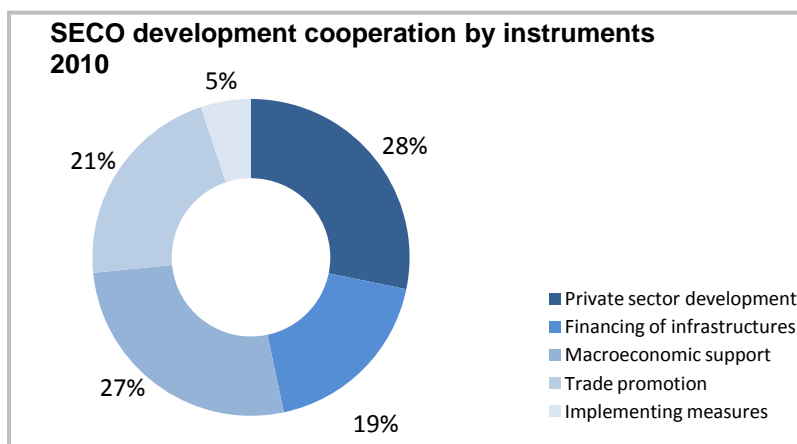
Humanitarian aid expenditure is split roughly in three ways, with a third spent through the ICRC, a third through the UN and a third between direct implementation and Swiss NGOs. A third of the UN contributions are in direct food aid. Humanitarian aid is fairly evenly distributed across sectors, with food aid constituting the largest expenditure.

<b>Swiss bilateral ODA in top 20 fragile states (mio CHF)</b>	
1 Somalie	9.2
2 Tchad	14.1
3 Soudan	16.4
4 DR Congo	5.1
5 Haïti	23.0
6 Zimbabwe	6.8
7 Afghanistan	17.6
8 République centrafricaine	21.8
12 Pakistan	24.6
13 Yémen	4.3
15 Niger	18.6
17 Burundi	12.1
18 Myanmar	5.5
20 Éthiopie	4.3
<b>TOTAL</b>	<b>183.4</b>

**Table 5: Swiss aid in top fragile states**



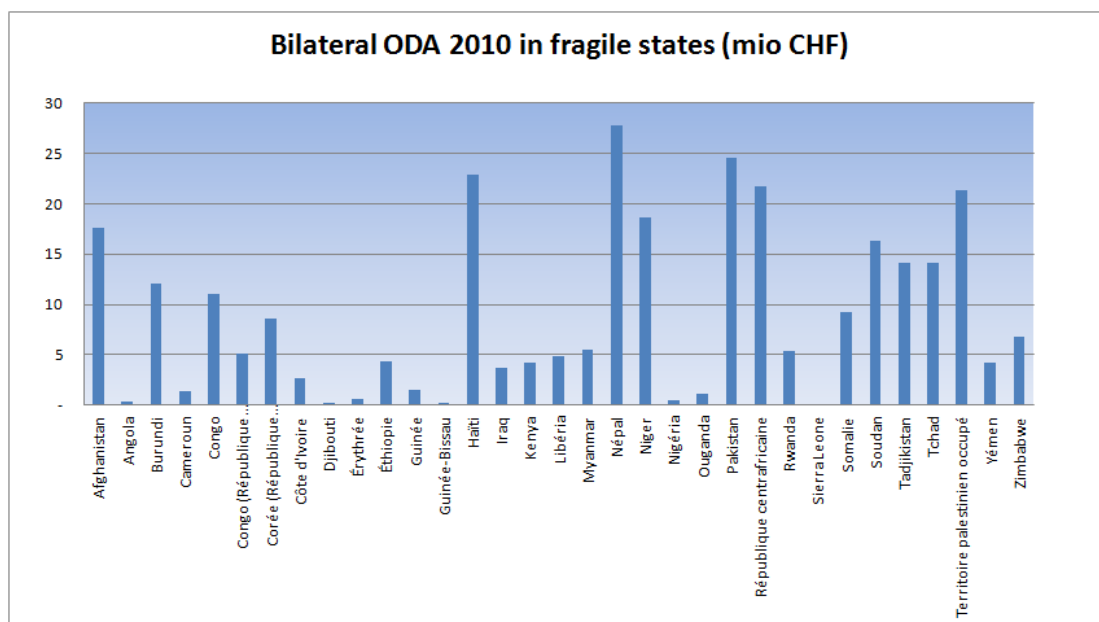
**Figure 5: Bilateral expenditure by theme**



**Figure 7: SECO 2010 breakdown**

Economic cooperation through SECO is mostly macroeconomic support, with private sector development and trade the other large areas. In sub-Saharan Africa two thirds of SECO assistance is macroeconomic support.

Swiss aid in fragile and conflict contexts is not generally linked to the degree of fragility or conflict. Whilst the overall expenditure in fragile contexts is quite high, and likely set to rise, the linkage between degree of fragility and expenditure is not strong. Figure 8 shows SDC expenditure in fragile states against the same ranking used above



**Figure 8: SDC spend in fragile states**

There is some debate in certain contexts about the classification of countries as fragile or conflict-affected. This highlights the importance of a coherent strategy based on shared understanding and shared terms (see principle 1 in Box 2 'key principles for success' in previous section). Importantly, while this may be relatively easy to achieve within SDC, there is a need to get a shared Swiss perspective on fragile and conflict-affected contexts which may prove more challenging.

## 4. Findings

### 4.1 Performance of instruments

The evidence from the case studies for this evaluation, and previous evaluative material, suggests that the performance of SDC instruments in fragile and conflict-affected states is mixed.

In some cases, SDC can point to clear results. Health indicators in SDC development programmes improve; agriculture programmes result in higher yields and local services are delivered through decentralisation initiatives. In Burundi, in a province where SDC supports the health system, the number of maternal deaths dropped from 531 deaths in a year to just 38 after SDC supplied three ambulances. In Khujand, Tajikistan's second city, the joint cooperation office rehabilitated the town water supply improving flow by 30% for over 40,000 people and improving payment rates from 60 – 90%.

The same is true for humanitarian aid. A recent evaluation of SDC humanitarian aid concluded that “Swiss HA was highly relevant in most instances”<sup>31</sup>. Swiss humanitarian assistance provides life saving support to displaced populations in fragile contexts through highly respected partners such as the ICRC or the World Food Programme (WFP). In countries like the Democratic Republic of Congo or Sudan, Swiss humanitarian support is part of an international effort that acts as a safety net of last resort for some of the world's most vulnerable people.

Whilst it is possible to see improvements in people's lives at a local level, or in a particular area of intervention, this is generally against a background of either stagnation or deterioration. As is set out clearly in the preceding section of this report, many of the countries where SDC works have become more, not less fragile, despite a long history of development cooperation. Whilst this is clearly not Switzerland's fault, it does indicate the need for a re-think of development and humanitarian cooperation in fragile states. In general, traditional development and humanitarian approaches seem out of step with the scale of the challenges and the chaos of the context.

In some cases, it is possible to see how a more ambitious type of Swiss aid can have a greater impact, not just at a localised level but also on fragility as a whole. In Nepal, the combination of diplomatic, development and humanitarian aid, combined with a proactive role in the wider aid system has contributed to stabilising that countries' internal conflict.

The case of Burundi highlighted at the beginning of this section demonstrates the challenge. The assumption is that by helping in the health care sector, through the provision of neo-natal equipment for example, maternal mortality will decrease.

The short term results can be dramatic, but without SDC organisational support to ensure that the ambulances run; that the provincial health ministry has fuel, spares, drivers and doctors, the impact could easily be reversed. SDC is well aware of this, and is working to bolster technical capacities within the system, both at provincial and national levels.

There are three issues that need to be addressed for this sensible approach to work effectively. The first is that the general context in Burundi, and indeed in all fragile states, affects the likelihood of success. If the real problem is civil war, a lack of functioning

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<sup>31</sup> De Ville de Goyet, C et al. (2011) Evaluation “SDC Humanitarian aid: emergency relief”. Particip, Germany.

government, and minimal public funds then at the very least there is a need to engage with - if not directly work on – these myriad *political* issues. Critically for SDC, it may be necessary to address political issues, before technical work on health systems improvement can be effective.

The second is that it is necessary to measure impact on longer term but arguably more important issues, as well as on relatively simple ‘results’ such as the dramatic improvement in maternal mortality the provision of ambulances can provide.

The third issue is that SDC needs to work differently to take account of the challenges of fragility institutionally – how it conceptualises its work, how such work is supported, how well it shares good practice and how it can overcome problems and shortcomings.

The first of these challenges relates to programming priorities, focus and positioning. The second is about results and measurement. The third is about of the effective institutionalisation of the overall fragile states effort. Findings in relation to each of these areas are set out below.

#### **4.1.1 Programming priorities, focus and positioning**

In the case studies for this evaluation, SDC works mostly in the areas of service delivery, and to a lesser extent in income generation, rule of law and governance. The greatest emphasis by far is on service delivery. These programmes have components of systems strengthening as well as direct provision of infrastructure and supplies. Many of the programmes reviewed showed good progress – health system reforms in both Tajikistan and Rwanda showed promise over the longer term as well as the short term. Across the case studies however, there was a tendency to focus on the ‘micro’ and ‘meso’ levels. SDC appeared to be less confident intervening at the ‘macro’ level.

In the majority of programmes reviewed for this evaluation there was a clear tendency to be ‘hands on’ and ‘on the ground’. SDC deploys the standard range of aid modalities – from very limited budget support to direct programme implementation. It is at the direct end of the scale that SDC seems to be most comfortable. Whilst this is somewhat at odds with the prevailing ‘Paris’ orthodoxy, it is not necessarily a bad instinct. The lessons from World Bank experience suggests that direct engagement should be at the heart effective fragile states programming, as a means of achieving transformative change.

Such contextual considerations of transformative change informed the SDC position in different countries, but not consistently so. As in other donor agencies, SDC work is also shaped by the prevailing institutional culture, more as a matter of default than design. Again, consistent with similar organisations, this is the result of a number of reinforcing factors – institutional history, the preferences of staff members and the expectations of external stakeholders. This culture is often justified with reference to particular interpretations of Swiss impartiality which suggest that direct, on-the-ground delivery is a more principled and impartial way of working. Lessons from SDC itself suggest, however, that impartiality needn’t stand in the way of serious and sustained political engagement.

The two most commonly used aid modalities in fragile contexts are partner-based programming and direct implementation. In the Great Lakes region of Africa and Tajikistan the health programmes were implemented by Swiss TPH, in support of the health system. This can be thought of as a hybrid technical assistance programme, as Swiss TPH is a state entity in Switzerland, contracted by SDC to provide expertise and manage finance. There are



also small direct contributions to government managed pooled funds in the health sector, usually focused on human resource capacity. In Burundi the land reform programme is implemented directly by SDC, as is the health programme in Rwanda (this has changed recently from Swiss TPH).

In all of these countries SDC also works with national non-government organisations (NGOs), often justified as a way of counter-balancing the work other donors do with the State, as well as involving civil society in national decision making. This works very effectively in Burundi where civil society is intimately involved with prioritising development inputs. As a result of this pioneering approach by SDC a number of other donors have asked Switzerland to effectively manage their funds in this area. This kind of work at the interface of civil society and government is also thought to be a highly effective way of working in fragile contexts<sup>32</sup>.

Evidence also suggests that countries emerging from conflict need more technical assistance than financial resources in the initial stages<sup>33</sup>. Later this changes as their absorptive capacity grows. As already noted, Switzerland does reasonably well in the areas of technical assistance. The 2008 DAC peer review found, “in the two countries visited by the peer review team, Switzerland’s context-specific approach to building capacity was described positively by partners as respectful and unobtrusive, yet firmly oriented toward outcomes. Switzerland also coordinates its technical cooperation well, and uses local expertise in order to build national capacity.”

Both SDC and SECO second staff into government and Humanitarian Aid do the same into UN agencies. In Nepal, Switzerland’s expertise has helped with a variety of government and donor policies and implementation, from forestry to decentralisation to building trail bridges. In Nepal this position has been gained through use of and participation in the full range of aid modalities. SDC contributes to sector-based budget support (SWAps) in areas like micro-infrastructure whilst at the same contributing Swiss technical expertise. In Tajikistan SECO has seconded much needed expertise in public finance management to the central government.

More generally, SDC has some good examples of innovative programme work. Switzerland was one of the early pioneers of the use of cash based approaches in humanitarian assistance. SDC has recently helped establish a trust fund held jointly between the UN and the World Bank to improve their cooperation in fragile states globally. The trust fund has helped fund an exchange of people and a number of small studies and joint initiatives that increase understanding and collaboration. Whilst it is early days, this type of initiative has the potential to impact aid effectiveness in fragile states at an order of magnitude greater than SDC individual work.

These types of innovative interventions working at scale still remain the exception rather than the rule however. As already noted, SDC appears most comfortable operating at the ‘micro’ and ‘meso’ levels in its country cooperation programmes, and does so through the deployment of one of a number of recognisable ‘standard operating procedures’. Usually there is the aspiration to influence national policy, but too often this does not materialise in any substantial way. This is even more the case with work at the global level, or with

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<sup>32</sup> Peter van Lieshout, Robert Went & Monique Kremer (2010). *Les Pretension, More Ambition*. Development Policy in Times of Globalisation. Amsterdam.

<sup>33</sup> Collier, Paul (2007) *The Bottom Billion*. Why the Poorest Countries are Failing and What Can be Done About it. Oxford University Press.

multilateral institutions at the country level. SDC / Switzerland does not always see itself as a 'shareholder' in these organisations, which changes its engagement accordingly. Usually this is linked to the level of resources given to these organisations (see section 4.4 for more on this).

The evaluation team identified clear opportunities for SDC to engage more in national or international policy dialogue. At the moment, programmes in fragile states tend to be in 'softer' issues such as social services or rural development. They are also, much the same as the things SDC does in stable contexts. Such programmes are not contentious with either parliamentarians or the public and often – as highlighted above - offer easily digestible results. SDC does not as a matter of course engage in 'harder' areas such as security sector reform, or (apart from a few cases such as the OPT or Nepal) in state-building.

Both SECO and PDIV were outside the scope of this evaluation in terms of conclusions about their performance in fragile states. Nevertheless, it was clear to the evaluation team that they had critical inputs to offer and that some of their competencies may be as relevant, if not more relevant than SDC. In Burundi, the conflict mediation work (peace-building) of PDIV helped bring (together with others) some of the critical rebel groups to the negotiating table when the Arusha process looked stalled. In Tajikistan SECO's programme has helped to simplify both taxation policy and business procedure – critical building blocks for sustainable governance and growth (state-building).

These types of interventions can have considerable impacts at a macro level. A Dutch supported intervention in Burundi to raise taxes has tripled state income over a five year period to nearly a third of their annual budget. In a country that currently relies on international handouts to fund over half its annual expenditure this is of great significance, especially when economists now agree that over about 15% of GDP the impact of aid diminishes rapidly and can become negative.

The conservative risk profile of SDC often leads the organisation into supply driven programming rather than programmes based solely on the context and needs of the situation. Nearly all of the country cooperation strategies examined in this study had a rural development programme (often linked to decentralisation). Whilst there is no questioning rural poverty in most fragile contexts, the question of whether actions in this sector will prove to be transformative does not often seem to be asked. While such efforts can work in a context such as Tanzania where the political environment is both stable and relatively progressive, they are far more challenging to implement in the border regions of Afghanistan and Pakistan.

In summary then, whilst the evaluation could point to many localised results, there was little clear evidence of the impact that SDC and other aspects of Swiss assistance are having on fragility and conflict as a whole. SDC programmes in fragile contexts tend to be focused on the symptoms of fragility rather than the root causes. There is too much focus on delivery of pre-defined programmes and on demonstrating short term results; Swiss aid is too fragmented and too thinly spread. The 'whole' is not generally greater than the sum of the parts.

At the heart of this issue is the strategic "theory of change" that SDC has underpinning its work in fragile contexts. A theory of change sets out what the causes of a problem are, and how an agency will work to address these. A robust theory of change will address why a country is fragile, what the solutions might be, and what SDC will contribute (and how). This

requires clear, context-specific goals, indicators for progress and success, and actions that are appropriate and relevant. It also demands clarity in underlying assumptions, which can be tested in different contexts.

This is not easy in fragile states. Fragility is poorly understood, and requires engaging with uncertainty and unpredictability. The roots of fragility are predominately political, although they might manifest in various technical gaps. Engaging with this reality and bringing the necessary thought processes and practical approaches into a traditional aid bureaucracy is far from straightforward.

This may be why the evaluation team did not find explicit theories of change underpinning either country or regional strategies. Rather, there is a tendency to identify 'solvable problems' (i.e. maternal mortality, or water supply) and work on these through the adaptation of a number of well-established programme interventions.

The lack of theories of change specifically targeted at fragility may also be because there is no fragile states policy within the organisation. Whilst there is clear direction from the top to become more involved in fragile states, and to understand better what is needed, *there is not yet a clear vision as to what SDC should be doing differently in such contexts.*

#### **4.1.2 Measurement and results**

SDC has a system of results based management. It is required by the parliament (rightly) to demonstrate the results it has achieved with public funds.

The annual reporting system asks country cooperation offices to self-assess their programmes in one of four categories ranging from 'very satisfactory' to 'unsatisfactory'. The evaluation found the vast majority of the programmes were ranked either 'very satisfactory', or 'satisfactory'. In the country case studies for the evaluation there were no programmes ranked 'unsatisfactory' and only three ranked 'less satisfactory'. The basis on which these overarching judgements were made often seemed rather subjective and narrow.

In particular, for SDC, as for other development agencies, it has proved more straightforward to measure simple outputs through one-off interventions, than to measure the outcomes of longer-term, complex interventions. For a start, it is not clear what kinds of metrics are needed to track outcomes. There is also a longstanding issue of how to attribute such results to the work of SDC and its partners.

The annual reports cite various national and regional statistics that indicate progress and success. However, the link between programme outputs and these results was at times rather tenuous. In addition, they did not appear to add up to a summary of progress toward higher level goals, especially over the longer term. The evaluators conclude that the causal connections between SDC programmes and these results need to be thought through in more detail (as suggested in relation to the theory of change argument earlier) in order for these results to be meaningful for the institution.

In fragile states, as already noted, contexts are dynamic and unpredictable, and change is slow, often taking a number of years. These factors make the development of a systematic and coherent results framework a particular challenge. The evaluation team found that longer term outcome-oriented results do exist in some cases, but that these are not always captured in the formal results system. For example, in Rwanda, the national health insurance system is based on a pilot scheme that SDC supported Swiss TPH to implement in two western

provinces. The government saw the results and decided to roll it out nationally as a way of sustaining health finance over the long term. The scheme also includes a provision for free access for the very poor. While the impact of this intervention is far more complicated to measure, it may be that it has saved as many lives as the provision of neo-natal equipment to hospitals in those same regions (or perhaps many more).

One of the most common issues raised by SDC staff in relation to the results-based management agenda was that it is poorly suited, in its current form, to work in fragile contexts. One of the reasons for this perception may be a lack of clarity managerially around what constitutes good results in fragile contexts. It may also be that people are not used to using evidence as the basis for long term programming. This is changing, with the introduction of the annual reporting system, and new guidance on monitoring medium term cooperation strategies.

SDC's system for routinely documenting results is relatively new, and given this, there is a reasonable amount of attention paid to the particularities of fragile states in the relevant guidance and documentation. However, this guidance is very new, and has not yet been fully absorbed by country offices.

Perhaps more fundamentally, the ambiguity towards results may be related to the perception in the wider aid system that the drive for results reduces the space for creativity innovation, and truly meaningful programming<sup>34</sup>. The key point is that results-based management makes a good servant but a poor master. A strong focus on results can be supportive of coherent programme strategies, but should not dictate them, especially in fragile contexts.

The most constructive approach would be to take a portfolio approach (implied in the new SDC guidance), with more rigid, pre-defined approaches to results used in stable and identical contexts and more flexible and creative approaches in fragile contexts.

Table 6 below, drawn from the new SDC guidance material, is a useful starting point for what this kind of approach might look like in practice. It shows the kinds of results that might be expected in different contexts (from fragile to stable). SDC's work in fragile states would benefit greatly were this preliminary work to be actively followed up with practical guidance and documented case studies on how the results framework might be implemented in fragile contexts.


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34 See for instance Natsios on the 'counter-bureaucracy' at [http://www.cgdev.org/files/1424271\\_file\\_Natsios\\_Counterbureaucracy.pdf](http://www.cgdev.org/files/1424271_file_Natsios_Counterbureaucracy.pdf).

Type of results (outcome level) on population level		
Fragile situations	Intermediate situations	Stable situations
<ul style="list-style-type: none"> <li>- reduced vulnerability</li> <li>- protection increased (human rights)</li> <li>- extended access to basic services</li> </ul>	(not specified, might integrate elements from fragile and stable situations)	<ul style="list-style-type: none"> <li>- improved access to basic services and local governance</li> <li>- income + employment</li> <li>- political rights and freedom increased for the poor</li> </ul>

Type of results on organizational level		
Fragile situations	Intermediate situations	Stable situations
<ul style="list-style-type: none"> <li>- state / capacity building achievements oriented towards respecting human rights and results achievement on population level</li> <li>- coordinated action (humanitarian, development, security/protection)</li> <li>- fall back: service delivery by international, and private structures</li> </ul>	<ul style="list-style-type: none"> <li>- basic capacity development achievements oriented towards respecting human rights and results achievement on population level</li> <li>- capacity development achievements (towards leading and implementing a national development process)</li> </ul>	<ul style="list-style-type: none"> <li>- specific improvements of public service...(in certain domains)</li> <li>- improved system of market support, governance, other</li> <li>- broad, democratic ownership of development action and results</li> <li>- strengthened MfDR (country system)</li> </ul>



Increasing Fragility
Increasing Stability

**Table 6: Types of Results by Context**

#### 4.1.3 Institutional learning and staffing

There is considerable scope for SDC's work on fragility to be more explicitly addressed within the organisation. In particular, there is a need for such work to be given a solid institutional footing and ownership. The evaluation has found there is a lack of any such 'home'. Moreover, the organisational commitment to working in fragile contexts needs to be accompanied by adjustments and reforms to existing processes and systems. The evaluation team found little evidence of either of these aspects being addressed in SDC at the present time.

It is increasingly acknowledged that a rigorous learning approach is essential for dealing with the inherent uncertainty and complexity of fragile contexts. Ideally, this would happen at both strategic and operational levels,

There are numerous examples of good SDC work in fragile states. The OPT and Nepal experiences are good case studies of effective work in fragile states, with varying levels of documentation. However, the lessons from these initiatives have seen low levels of take up at an institution-wide level.

The new thematic network approach is one theoretically good way to disseminate this knowledge. The closest network thematically is the conflict and human rights network. Naturally however, the network has a tendency to see fragility purely through the lens of conflict. Whilst many fragile contexts have clearly come about because of conflict, this is not the case for all. Another danger is that the approaches generated through the network – the knowledge – will be necessarily focused on conflict and how to mediate, mitigate and prevent conflict.

Nevertheless, the networks are a new initiative, and the related reorganisation (REO2) is still ongoing. One reason why SDC's linkages from local, to national to global may be *ad hoc*, is that fragile states learning and experience is somewhat scattered across the organisation,

and within the divisions. Fragility is not one of the four or five global themes, nor is it explicitly part of one of the 13 knowledge networks. More generally SDC does not have a significant in-house research or policy function, preferring to see itself as more pragmatic than policy oriented. While this may be justifiable, it has resulted in SDC building its fragile states portfolio piecemeal, based on practice, precedent and relationships rather than an overarching policy.

One of the most significant organisational issues which shapes how well SDC learns and performs in fragile contexts was staffing. Getting the right people in place was seen as essential to programme success.

The prevailing consensus amongst people interviewed within the organisation for this evaluation however, was that SDC was not able to do this well. Respondents felt that there was a need for people with the right combination of political and practical skills, but these people were not always easy to find. National staff were key, and having the right calibre and numbers of national staff extremely important. And yet on both counts – international and national – the SDC (and by implication the FDFA system) was not seen as flexible or responsive enough. National staff were recruited too slowly, and often the packages offered were not sufficient to attract the right calibre of staff (who might get paid up to twice as much working for another donor organisation). Two years after the earthquake, the Haiti programme continues to run without a single national programme officer, despite it being one of the most complex situations in which to operate. DR Congo is still in the process of building its national capacity two years after its inception as a development cooperation office.

On the whole, the evaluation team found that international staff are neither encouraged nor rewarded to work in fragile contexts. In some respects having this experience is almost a disadvantage as people are seen as having a particular profile and then never get ‘nice’ country postings. Terms and conditions for staff joining do not specify that SDC staff must work in fragile or difficult places, and the 4 year rotation system specifically dis-incentivises people to apply for fragile contexts. As a contrast donors such as USAID and DFID – working in difficult places like Afghanistan that are of national importance – offer people willing to be deployed multiples of their salaries and automatic promotion.

Perhaps the most serious implication of the lack of an explicit staffing strategy for fragile states is the lack of robust security management. There is a reluctance to acknowledge that Swiss nationals might be a target (despite lots of evidence to the contrary), and an over reliance on the ‘acceptance’<sup>35</sup> model of security management. In reality this may be a combination of wishful thinking and budgetary constraints. However, in contexts such as the Hindu Kush it is unacceptable to expose Swiss government employees to levels of threat that are not well understood. It was not even clear to the evaluation team that there was an effective crisis management plan in place within SDC in the event that someone was kidnapped. Nor was it clear to staff working in this area who was in charge of security management – the Pakistan embassy or the Pakistan cooperation office. This will have to change – responsibilities must be made clearer, procedures well understood and risk exposure based on clear and objective threat analysis.

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<sup>35</sup> The acceptance model of security management relies on being looked after by the local community, where the agency is seen as welcome. The deterrence model of security management relies on ‘harder’ measures, typically ranging from secure fencing to armed guards.

## Summary

1. Some SDC instruments perform well when measured against their objectives in fragile contexts, although overall the picture is mixed.
2. SDC cooperation programmes are not having an impact on fragility as a whole, although there are some notable exceptions.
3. There are few explicit theories of change. As a result, it is unclear how SDC sees the root causes of fragility and what it thinks are the priority interventions to address these.
4. Results measurement is often short term and narrow, but there is potential for improvement in the new system.
5. Fragile states work is scattered across the organisation. The lack of an institutional 'home' means it is harder to share experience and learn from others practice.
6. There is innovative work in fragile states at a practical and global level. This type of work has the potential for greater impact than doing what others do already.
7. SDC has a conservative risk profile and an overly technocratic approach that diminishes the opportunity for impact and influence.
8. There is a need for a fragile states staffing strategy, and for an overhaul of security management.

## 4.2 Analysis, flexibility and adaptation

In all of the case study countries, analysis was found to be an important part of programme design and implementation. Good analysis is seen to underpin the effectiveness of SDC's strategic positioning: it is at the heart of the process of identifying in-country needs and the range of priorities that might inform future development interventions. It also helps to highlight potential niches where SDC can play a role, enables identification of potential partners, and helps SDC staff question assumptions upon which their work rests.

On a more tactical and day-to-day basis, effective analysis enables monitoring both of contextual factors and the implementation process, providing information to make decisions and guide actions. Done right, this analysis provides a foundation for the results orientation of the organisation in country programmes.

Given this ideal, how does SDC's organisational analysis work in practice? What are the sources of information, how are they synthesised and analysed, and how does this inform decision-making?

The evaluation team found that across the country offices a wide range of information sources were employed, and were utilised in both strategic and tactical analysis. The relative importance of each element varied across offices, and also over time within particular offices. The evaluation found there were four broad categories of information sources:

- Internal staff networks, of programme managers, programme officers, desk officers in Bern, senior managers, and national staff. Special emphasis was placed on the importance of national staff knowledge and inputs, although sometimes this cadre is not always actively involved in context analysis.
- Engagement with partners – both Swiss NGO and national and local NGOs are integral to SDC programme delivery. The relationships between SDC and these actors are generally sound, and consciously use principles of mutual accountability. This necessitates a degree of trust, openness and information sharing, and is key for programme-related

context analysis. Sometimes partners were used to undertake all context analysis on a subcontracting basis, but this was seen by many as simply not good enough. Such efforts tend to result in findings for which there is no SDC ownership and engagement, and reports that 'gather dust'.

- External Swiss networks – in those countries where the different components of the Swiss government were present, engagement was seen as a useful means by which to gather information. The distinctive roles and focus of the different Swiss agencies meant that while such exchanges were often felt to be useful, they also served to highlight the distinctive nature of different agencies, and the different opinions that they might hold on a given event or situation.
- External international agency networks – in many fragile contexts, the extensive international presence means that there is a considerable pool of knowledgeable individuals with whom to interact. This can happen formally, for example, in coordination meetings, but also informally at social events and occasions. Other agencies data and reports were also cited as a useful information resource. This was seen as especially useful for getting the 'big picture' of what was happening in a given country.

This combination of multiple sources was seen as important, given the inherent complexity of fragile contexts. In some settings, such as in Nepal, information gathering was systematic and written into specific responsibilities of staff members. In others, it appeared to be rather more *ad hoc*. This variance was striking, especially given the importance of such analysis in anticipating contextual changes. Despite what might be said in some country offices, it is also not a trivial matter: one can predict with some degree of accuracy the extent to which the country office programme acts in a reactive or proactive manner to changing contexts depending on the 'information culture' observed. It is clear from SDC's work that, consistent with lessons from elsewhere, the strategic use of information and analysis is a key requirement for working effectively in fragile contexts.

What was also striking to the evaluation team was the degree to which these information networks were largely made up of people 'external' to the context, with national staff and national partners as notable exceptions. Whilst SDC prides itself on being close to the ground, in reality much of its analysis falls within a narrow band of received wisdom. Diverse and accurate intelligence about what is happening – from national institutions to communities of focus - appears patchy. Whilst SDC is hardly alone in this regard, it is clear that analysis can be key to informed programme choices, and the broader the sources, the more likely SDC is to get it right.

This is especially important in fragile contexts because the variance in 'narratives' is so wide. In all of the countries reviewed for this evaluation it was possible to hear diametrically opposed opinions on the prospects for development, sometimes within the SDC office itself. Countries could be simultaneously on a downward spiral, about to emerge from decades of stagnation or unlikely to change for a decade. This variance was also found with regard to a particular political situation, or in a particular national or international actor, or in relation to the value of a particular approach or idea

Such variance could partly be explained by lack of good data and information. Partly it is also a symptom of politically biased analysis. Depending on whether a regime is viewed as an ally or an enemy, on whether a particular leader or clique is hostile or hospitable, donors (and their partners and analysts) can be overly positive or overly negative.



Institutional battles can also colour analysis. Whether a context is “humanitarian” or “development” will determine what types of agencies operate and the budget lines they are funded from, and what the overarching strategy looks like. Switzerland is no more or less immune to such battles than others. For example, SDC and SECO have spent a year debating whether Tajikistan is a fragile context. This is a time consuming and distracting debate, underpinned by sensitive questions about which agencies lead and what types of approaches should be used.

Common shared analysis is seen as a starting point for work in fragile states by both the OECD and the new G7+ grouping. It must also be the starting point for Switzerland - and a mechanism for achieving this is needed to make this a practical reality. For instance, agreement on a common set of criteria for judging fragility might be one starting point.

In terms of the tools and process for synthesising information, by far the most commonly used approach is the MERV. Additionally there is the suite of tools called Conflict Sensitive Programme Management (CSPM), and there are often bespoke pieces of analysis commissioned when strategies are being written. New programmes typically start with a feasibility study, which is another, narrower type of analysis.

Generally then there are three categories of analysis – short, medium and long term. Short term analysis tends to be tactical – used for security management and practical decisions about implementing projects. MERV most closely represents this type of analysis. Medium term analysis is typically over a few years, and is used for “course corrections” – closing some programmes, starting others, adapting the shape of the portfolio, informing aid modality choices. The bespoke analysis and CSPM fit into this category. The longer term, “horizon scanning” type of analysis is typically associated with strategy and is often done through scenario planning. SDC does not do this routinely, although it is using such tools more and more in certain country offices.

The MERV system enables information to be gathered according to a number of specific themes, and is then incorporated into the annual reporting cycle. In a number of countries, the MERV system and process was adapted to suit the context. The speed at which fragile contexts changed was consistently given as a rationale for these adaptations.

These changes included:

- Increasing the frequency of analyses, to 3-4 monthly assessments in some cases
- Broadening and deepening the forms of information gathered, to include detail on specific activities or certain contexts – for example, the MERV might look at political contexts, partner activities, donor engagement, the status of vulnerable and marginalised groups, the security context, and so on.
- Linking the information gathering and synthesis to specific decision making windows, for example, quarterly or annual programme review

Again, Nepal was an example of good practice in this regard. Elsewhere, such as in OPT, the CSPM framework seemed to play a key role in synthesising information.

In the very best cases, analysis of this information is done regularly, involves key staff members, is focused on identifying not just the contextual changes but also the implications for SDC in terms of risks or opportunities, and is clearly and tangibly linked to programmatic decision making.

In the majority of cases however, these frameworks – with or without adaptations - were not found to be used. In some settings this was attributed to the flaws in the particular approach – for example, the MERV mechanism was described as ‘too broad’, and CSPM as ‘too heavy’. In some countries, the MERV was only done once a year as part of annual reports, CSPM was not being employed, but there was no readily identified alternative mechanism for information gathering. Even when the tools were being used, there was a “so what” issue because of the difficulty of linking analysis to decision making.

In some cases, analysis was outsourced, and performed as a tick-box exercise, done because of head office demands for a MERV analysis to accompany annual reports. These outsourced reports, at their worst, not only fail to tap into the wealth of information networks that are at SDC’s disposal in-country, but fail to have any material influence on decision making.

At the present time, the evaluation team would conclude that analysis *is* done, but unevenly across country offices, in different ways, using different frameworks, and with highly variable use of information. There appear to be no shared norms of when such analysis should be done, how and why. As alluded to earlier, in some settings, the evaluation team discerned a resistance to such analysis, sometimes from senior levels in the SDC system.

While some attributed this to an issue of time and resources, it was noted that this was a rather shallow argument. Instead, the effective use of information and analysis related to the underlying priorities which determined how time was allocated. Because of the relatively weak institutional position on this issue, it appears that it is as much down to the culture and attitudes of staff working in a given office. Leadership is especially critical. Where analysis plays a rightfully central role in programme delivery and implementation, it was also found that senior leaders (whether Country Directors, Ambassadors, or ‘double-hatted’) played an active role in championing and convening the process, and setting expectations for a certain quality of evidence on which to base decisions.

Given the vital importance of good analysis for informing and shaping programming in fragile states, this issue needs to be looked at urgently. In the worst case, this represents a failure of SDC to engage institutionally with the dynamic nature of the contexts in which it increasingly works.

Analysis is closely connected to issues of flexibility and adaptability. The OECD fragile states principles suggest donors should “act fast ... but stay engaged long enough to give success a chance”. For the OECD this means being flexible enough to seize windows of opportunity, whilst at the same time being prepared to wait longer for transformative change (20 – 30 years).

SDC is generally not seen by its staff as being flexible enough for working in fragile contexts. One country office case study workshop listed the reasons for this as: funds were already committed; projects were already outsourced and contracts could not be broken; the project assessment and design process was too long and cumbersome; the SDC bureaucracy was too rigid and slow in responding to external changes, both in the country offices and at headquarters. In desk review interviews respondents repeatedly cited organisational culture as a barrier to flexibility. The culture is one of “predictability and predefined outcomes”.

Whilst there is certainly cultural inertia that inhibits flexibility – and a low level of decentralisation (the head of office typically only has signing power for 200,000 CHF), there

were good examples of programme adaptation. Partly this has to do with the above cited rigidity – country offices and programme delivery staff are forced to make adaptations to programmes to make sense of them. The Hindu Kush programme is a good example of this.

One of the programmes in the new Hindu Kush operation is in governance, essentially helping local authorities deliver services. This was conceived in head office and essentially fits the template that SDC deploys in many other contexts. However, the Fatah region is particularly lawless and effectively had no local government, making implementation tricky. When the President of Pakistan announced a series of political reforms to the governance systems and the judiciary system, this provided a new entry point for the SDC project. This triggered a series of discussions with partners with a view to developing new activities focusing on the proposed reforms and their implementation.

This reinforces the OECD guidance that ‘context should be the starting point’ for fragile states interventions. It also illustrates how a high degree of both flexibility and adaptability needs to be built into programmes in fragile states, not least because new opportunities often arise. There are a number of scenarios that can be envisaged:

- Changes to make programmes more relevant and appropriate to the context (Hindu Kush governance, project mentioned above)
- Changes to do something that wasn’t part of the strategy (unplanned collaboration with PD2 / PD4 in various contexts, collaboration between humanitarian and regional cooperation in Pakistan post-floods)
- Start doing something that hadn’t been anticipated as necessary (humanitarian aid in Gaza, humanitarian advocacy in Gaza at the time of the 2009 war)
- Stop something that is found to be irrelevant, or causing unforeseen problems (brick kiln programmes which were found to be potentially doing harm)

While there are some useful examples of each of these, it must also be said that those involved were firmly of the opinion that such changes are not easy to bring about. They can involve numerous levels of decision making to be mobilised, they can face resistance both from head office and implementing partners who stand to lose resources if programmes change, and in some cases they can go against the grain of the organisational culture.

One example that was highlighted was of a programme that was identified to be doing harm in the context, because intended beneficiaries were actually being exploited. While the decision to close the programme was made at the country office level, this meant changing an eight year programme, and met with resistance at the head office level and also politically within Switzerland. In this specific example, the country office stood its ground. But the prospect of having to fight down a head office reluctant to change its commitments means there are possibly many more examples of programmes that should be adapted, or even stopped, but are not because of the political implications. When working in fragile states, even the best, most intelligent, creative and operationally able staff members find themselves having to carefully ‘pick their battles’.

Humanitarian aid was seen by respondents to the evaluation as a more flexible instrument, although here too there were challenges. Whilst the humanitarian programmes were not typically locked into three, or nine year cycles, the budgets were allocated at the beginning of the financial year and aside from “emergencies” there was little opportunity for mid-course corrections. Equally, the lack of longer term perspective also, counter-intuitively, made humanitarian aid an inflexible tool. Staff typically turnover very quickly and therefore

programmes designed at the outset of a crisis remain the main thrust of ongoing plans. Bern tends to manage humanitarian aid programmes from a distance, rather than it being devolved to the country office completely.

Where SDC works best, it is because it brings together anticipatory techniques with adaptive management, and displays a kind of 'structured flexibility'.

In general, however, the evaluation team found that the fusion of good context analysis with nimble decision making and flexibility of programming has happened *despite* the system and not because of it. There are considerable pressures toward conservatism and to deliver what was promised. This was especially noted by those other Swiss government entities working in a given country who were asked to reflect on SDC's efforts.

One way in which this has been dealt with in SDC has been to bring more scenario thinking approaches into programme design. Some programmes now routinely use scenarios as part of country strategies, for example in Nepal. The idea is that such future projections can help map out different contextual situations, with a range of alternative programme logics which might be appropriate and which can be taken on with ease.

However, these scenario mechanisms also reflect the tendency towards conservatism, and there is a sense even in these exercises that SDC is reluctant to look at emerging issues until it is too late. In a number of instances, this meant that the potential for genuine strategic reorientation is lost, and instead there are last-minute tactical adjustments that can often fail to serve the broader strategic goals of the organisation. For example, developing Nepali human rights capacities has been ongoing for a number of years, but needed to go through a radical change because of the recent expulsion of OCHCR. While this was predictable in many ways, the entire donor community – SDC included – was left scrambling when it happened.

In some cases, of course, conservatism might be a good thing. Some respondents warned against the tendency towards reactive decision making which means many changes are made, followed blindly, and lead to an overall weakening of programme coherence. Other country office staff involved in programme design raised the importance of 'designing for robustness'. The rationale is that with the right selection of partners, the right anticipatory mechanisms, and the right amounts of institutional flexibility, SDC will be able to deliver programmes that are crisis-proof. This was how the OPT programme was framed, with the specific example of the Gaza crisis in 2009. While this necessitated humanitarian relief and advocacy, the core programme also needed to continue working. The evaluation team finds this argument convincing up to a point – but notes there may be other instances where 'design for robustness' can be conservatism in disguise.

The view from external actors was interesting in this regard. The most critical perspective was that SDC was naïve in its analysis, and overly rigid in its programming. Even in those contexts where SDC was viewed favourably, there was a sense that SDC lacked 'political antennae' necessary to sense and respond to changing circumstances.

## Summary

1. Analysis is seen as key to effective strategic positioning by SDC, and as underpinning programme design.
2. SDC has a wide range of information sources and networks, although sometimes these can be biased and narrow and can leave out national perspectives.

3. There is a wide variance in the culture of analysis and information within cooperation offices. The best prioritise and invest in regular analysis linked to decision making, led from the top.
4. Shared analysis of fragile states can often be difficult between agencies and instruments because of vested institutional interest.
5. SDC is not seen as sufficiently flexible by either its staff or its partners within the Swiss system. A culture of predictable and predefined outcomes is seen as the root cause of this issue.
6. SDC is good at adaptation to context within development programmes, partly because of the lack of overall flexibility. Humanitarian aid is seen as a more flexible instrument, but is too short term for use as a strategic intervention in fragile contexts.

### 4.3 Complementarity

The issue of coherence of aid instruments in fragile states has been recognised by most donors as an important one in recent years. Switzerland too has recognised this as a major issue, partly as a result of its complex and rather fragmented aid bureaucracy and partly as a result of external feedback such as the OECD DAC peer reviews<sup>36</sup>.

This evaluation has found that SDC has made significant efforts in this area. More widely within the Federal Department for Foreign Affairs (FDFA) and the Swiss government as a whole there have been several concerted attempts to get a more joined up way of working.

Despite this, there is still some way to go before there is a genuinely coherent approach to fragile states by all Swiss actors. This is true at a strategic level, at an operational level, and at a bureaucratic level.

Whilst there is still much work to do, collaboration is definitely improving. In the case studies for this review there were several examples of really good joint working. In Tajikistan, the cooperation office has all four instruments of Swiss assistance co-located, and it is connected with other aspects of global cooperation such as the Executive Director position at the World Bank. In the Great Lakes there is a joint strategy between all of the major Swiss actors, and the head of regional cooperation controls some humanitarian funding. In Nepal the Ambassador is also the head of cooperation leading to a genuine blend of political and development action. In Haiti, the cooperation office has also been established in this way (with humanitarian and development aid equally balanced), although it is still early days. In the case of the OPT, there is a joint desk at HQ for regional cooperation and humanitarian aid, the first of its kind. In addition, the cooperation strategy builds on the principles of comprehensive aid, with different instruments contributing in a complementary way to common objectives.

All of these examples demonstrate a genuine willingness of the various Swiss agencies and instruments at some level to cooperate, driven by an acknowledgement that this is necessary. This evaluation has already made the point in several places that it is *difficult to achieve structural development without political dialogue*, especially in fragile contexts. Respondents routinely concluded that the “niche” for Switzerland in fragile states was as Switzerland, not as SDC, or SECO, or humanitarian aid. Myriad examples exist of where Swiss action is more effective in combination – from negotiating humanitarian access in Gaza, to facilitating peace negotiations in Nepal – than single instruments acting alone. Switzerland the nation had more

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<sup>36</sup>[http://www.oecd.org/document/56/0,3343,en\\_2649\\_34603\\_44020118\\_1\\_1\\_1\\_1.00.html](http://www.oecd.org/document/56/0,3343,en_2649_34603_44020118_1_1_1_1.00.html).

to offer partner national governments, and as a result the political representation of Switzerland was always present at the highest level of political dialogue, even when development cooperation was the major Swiss presence in the country.

This combination of political and technical action is key to effective work in fragile states. Countries are fragile precisely because they do not have the political consensus nor the technical capabilities to implement a coherent development agenda. In moments of opportunity – Liberia emerging from civil war for instance – this political consensus can be forged and simultaneously the technical capacity can be put in place to build on political gains and translate these into tangible improvements in living standards for the population. This requires luck, consensus on the part of those nations supporting financially, and it requires the skills and resources to make it happen.

In a context like the Democratic Republic of Congo (a case study for the evaluation), there is a need for all types of assistance simultaneously. There continues to be a grave humanitarian situation, with over 2 million people still displaced by war. There is a need to stabilise the country, especially in the east that has many small armed groups preying on the population. And there is an urgent need for structural development – to rebuild everything from the roads to the state itself. Without progress on stability and state-building the humanitarian situation cannot improve. Without humanitarian assistance whilst the state is being stabilised and rebuilt, many millions will suffer unacceptable deprivation.

Switzerland has many of the skills needed for this type of work. It has good technical cooperation skills, good political and diplomatic skills and good macro-economic and private sector development skills.

The example of DR Congo also calls for a coherent vision by the international community, neighbours, the government and by individual donors. This is of course, far from easy in practice. Within government in fragile states there are often competing factions, and the civil service is often weak or broken. Neighbours are often part of the problem rather than the solution. This is where international donors can make a huge difference. With concerted effort – a unity of purpose and will, issues such as regional peace negotiations, internal peace negotiations, stabilisation missions, and the promotion of clear national development strategies can be achieved.

For a small nation like Switzerland it is especially important to understand what its national and international perspectives are in this regard – its stance, if you like, with regard to fragile states. Switzerland is not a permanent member of the UN security council, nor is it a member of the European Union. This necessarily places Switzerland's international role in a certain context – less shaper of international policy, more contributor (see the next section 4.4 for more on Switzerland's role in the system). It would seem logical that concentrating on certain "niche" areas is a sensible strategy, as suggested by all respondents to the evaluation.

The evaluation team had difficulty discerning, however, what this "niche" meant in reality. This is one of the most pressing issues for both SDC and Switzerland more widely in its work in fragile contexts. It is clear that across the range of instruments Switzerland can deploy there are many areas of expertise, and modalities of working that are highly relevant to these contexts (see section 4.1 on performance). The combination of skills and approaches produces the most effective outcomes (humanitarian impartiality aside). To combine these instruments effectively however, there is a need for a common strategy – a common vision of the type of role Switzerland can and will play in fragile states.

Clearly, the impartial status of Switzerland is of importance here. While much was made of this in interviews, the evaluation team was not able to find sufficient substantive evidence to make the case either way for how such a position might help in fragile states. What is clear is that the strategic and operational implications of impartiality do not simply transfer over from humanitarian contexts into fragile ones – and that impartiality itself may need to be rethought. At a minimum, the evaluation team concludes that this issue should be part of a continuing cross-agency strategic dialogue on Swiss engagement with fragility.

This common strategy needs to be elaborated at the “global” level – what types of interventions Switzerland can offer, where, and when. It then needs to be articulated in each individual context – as context should always be the starting point.

As already touched on above, there are several examples of where this has been done at a country or a regional level. These examples illustrate both the desire of the various agencies to work together, and the practical difficulties of doing so. In the Great Lakes (Rwanda, Burundi and DR Congo), the strategy process is led by the FDFA, with SDC regional cooperation and humanitarian aid part of the process, as is the political division responsible for human rights and peace building (PDIV). Every year there is a meeting in the region to review progress and refine approaches. This is seen as both highly effective and considerable progress.

Nevertheless, the strategy itself remains more a combination of organisational mandates than a single expression of Swiss intent. Nominally there are two strategic themes – health and peace & governance. In reality, humanitarian aid mostly concentrates on food aid and the political division IV has four separate strategic aims under the heading ‘peace’ that are different to the SDC strategic aims. The effect is to spread Switzerland thinly, such that individual programmes show good results against their objectives, but do not add up to a whole that is greater than the sum of parts. This is changing, and the current strategy will be more coherent again. But it has taken time to get to this point.

In Nepal the strategy is more coherent. The aim is to consolidate peace in part by providing a tangible ‘peace dividend’ to the population, and in part by working with state actors both to increase their capacity and to hold them to commitments. Given Switzerland cannot achieve this alone, it engages heavily in donor coordination and seeks opportunities to leverage other donor funds.

The lessons from both of these examples are that there is a willingness for common strategic approaches, that there are real challenges to achieving this even when the will is clearly there, and that the more focused the strategy becomes, the more Switzerland achieves influence and arguably impact.

Probably the greatest conceptual challenge to common strategy is the fear of instrumentalisation of the development and humanitarian agencies. There is a healthy literature on this subject<sup>37</sup>, and it is clear that in contexts like Afghanistan and Iraq aid has been an explicit part of the strategy of war and regime change. Many have argued (including ICRC) the need for a clear ‘humanitarian space’ in such complex and contested

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<sup>37</sup> See for instance Collinson, S et al (2010). States of fragility: stabilisation and its implications for humanitarian action.

environments. Switzerland has a good reputation in this regard (scoring well for instance on commitment to humanitarian principles in the DARA index)<sup>38</sup>.

The fear of ‘politicisation’ gets in the way often of using more political approaches to development. In the Swiss context, ‘politicisation’ means development aid being used to advance Swiss national interests, rather than the interests of the nation in which development cooperation is being targeted. The evaluation did not, however, find egregious examples of this.

Mostly then, the problems to genuinely strategic joint working, are operational and bureaucratic rather than political. As has already been established earlier in this section, at an operational level there are many examples of good collaboration. In nearly all the case studies for this evaluation staff from the various agencies and instruments were co-located, and all had interesting examples of shared resources. In most however, this model prevailed rather than a genuinely integrated model such as the OPT or Nepal.

The example of the Division Europe and Mediterranean Region (EMM) is worth some specific consideration. It is one structure (housed within the humanitarian department) combining development and humanitarian. It manages the humanitarian and regional cooperation budgets for the Middle East and North Africa and has staff with development and humanitarian experience and backgrounds. There is an overarching strategic framework for the Middle East (SDC framework for the Middle East) focusing on peace-building, state-building and economic development. Within this framework, the cooperation strategy for the OPT as well as the regional cooperation strategy for Jordan, Lebanon, Iraq and Syria apply a comprehensive aid approach. There is one OPT desk managing both SDC humanitarian and development programmes.

An external review of the EMM Division (which is a pilot)<sup>39</sup> found that whilst it was still early in the merging process to make definite judgements, there were already many positive outcomes. External interlocutors within the Swiss system found it much easier to have only “one voice” within SDC. The SDC response to the Gaza “cast lead” operation was made easier by the presence of a cooperation office that could facilitate the entry of humanitarian rapid response staff and the identification of needs and partners (the external evaluation of humanitarian aid conducted more recently<sup>40</sup> slightly contradicts this view, finding that there were tensions between the rapid response staff coming from HQ and the cooperation office staff on the ground and that deployed surge did not have the requisite context sensitivity). In addition, local development partners were involved in the design and delivery of the humanitarian response thus ensuring from the onset the longer term perspective.

This highlights one of the major issues to concrete operational (and strategic) collaboration in fragile contexts for SDC. Historically there have been serious divisions between the humanitarian aid and development arms of the organisation. This has somewhat eased with a change of personnel at the top, but the legacy remains with the two instruments acting as effectively different organisations. They are housed in separate buildings, have separate accountability to parliament and separate procedures. More than one respondent in this evaluation postulated that one of the reasons why SDC finds it difficult to coordinate with other Swiss entities is because the process of forming internal consensus is so exhausting.

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<sup>38</sup> [www.daraint.org](http://www.daraint.org).

<sup>39</sup> KEK CDC (2010). Auswertung pilot E/MM – perspektiven “comprehensive aid”.

<sup>40</sup> De Ville de Goyet, C et al. (2011) Evaluation “SDC Humanitarian aid: emergency relief”. Particip, Germany.



This historical situation is slowly changing, with the Europe and Mediterranean Division (EMM Division) as an excellent example of this change. Nevertheless, the same 2010 review found that the process of merging was not without pain: it took more time and resources than people anticipated and continued to throw up challenges. The experience in Haiti suggests that there is a need for conscious and open management practices. Leaders need to work to create a culture of transparent dialogue and mutual information exchange, with the space for different parties to voice concerns and shape strategies. This led the review to conclude that whilst merging in fragile contexts was desirable, SDC should proceed cautiously because of the time and effort involved, and only merge when conditions were right.

Nor is this institutional power struggle restricted to SDC internally. As already noted, SDC and SECO (in Bern) have been locked in a conversation for over a year about whether Tajikistan is 'fragile', despite working together on the ground perfectly well. Many Swiss Ambassadors paint a picture of SDC as hopelessly naïve and ineffective (or overly bureaucratic), whilst simultaneously acknowledging that SDC resources buy them the influence to operate politically more effectively. This has also led to a shifting of influence within the FDFA as to who sets the development agenda. This suggests the role of the Ambassador in an 'integrated embassy' is critical – needing the experience to merge different agendas, able to navigate the *realpolitik* of a fragile context, and to put in place flexible yet farsighted development strategies.

Partly, these institutional battles are also *cultural* – strong organisational cultures in each of the entities means misunderstandings are often amplified. These cultural impediments to collaborate exist in all bureaucracies and are often overlooked. When the US embarked on its fragile states strategy, it sought to create a joint entity between the state department, defence and USAID. The Coordinator for Reconstruction and Stabilisation (S/CRS) spent its first year simply trying to define common language, as so many terms meant different things in the respective departments. The EMM Division in SDC went through its own version of this.

There are also bureaucratic impediments. Regional cooperation and humanitarian aid have different credit proposals, different ways of budgeting and planning and different terms and conditions for their staff. Between SDC and PDIV the procedures are even more distinctive; in one of the case studies for the evaluation a jointly funded project between the two took over twice as long to achieve than if either agency had tried to do it alone. Whilst the evaluation did not examine the compatibility of systems between SECO and SDC, it is safe to assume that these would also be complicated to harmonise.

Nor is merging necessarily the answer. Much of the 'back office' for SDC has been moved into the main FDFA, slimming down duplicative functions. Unfortunately for SDC, this means that staff policy towards fragile states is now dealt with in the same frame as regular postings for diplomats – arguably a retrograde step making it more rather than less difficult to get specialist skills deployed in a timely fashion in difficult places.

But when integration, or genuine complementarity works, it is clear that it offers more than fragmentation. It offers the chance of a single, focused strategy in a context such as Nepal (which has also integrated back office functions), or the OPT – creating far better opportunity for influence and ultimately lasting impact. It offers the combination of political and technical so necessary for transformative change; and potentially the macro and micro-economic too. It offers the flexibility of a humanitarian type instrument, combined with the longevity of a development cooperation type instrument, as set out in the INCAF principles and as is obviously needed from even a cursory analysis.

It is equally clear from the evaluation findings however, that there is no standard model for better joint working. Where the circumstances are favourable, genuine integration is possible. In other situations a looser model of collaboration can be just as appropriate. Above all the key is unity of purpose and vision, and this requires *more common working* to break down the barriers of mistrust and build up the practice base of common analysis, common systems, shared personnel and ultimately common strategy. This has been tried in other countries and donor agencies. Common funds and common human resource pools are a good practical way in addition to those already in place.

## Summary

1. SDC has made considerable progress in collaborative working between its development and humanitarian arms, and with the rest of the foreign ministry and the finance ministry.
2. In fragile contexts, it is difficult to achieve structural development without political dialogue. This means the niche is Switzerland, not SDC or any of the individual aid instruments.
3. There are few examples of a genuinely common vision for the Swiss “offer” in fragile contexts. Joint strategies tend to be a combination of individual mandates rather than genuine joint intent.
4. The barriers to genuine joint working across instruments are considerable, with separate budgets, bureaucracies and supporting political constituencies.
5. The combining of the humanitarian and development desk for the OPT has been a positive experience, although it has required more energy and resource than was anticipated. Once achieved however, joint strategy is easier, as is collaboration with other parts of the Swiss system.
6. The practicalities of joint working across instruments are exacerbated by incompatible systems. Making a ‘one size fits all’ system may not be the answer however, as fragile states work is very different to regular development or diplomacy.
7. Overcoming cultural barriers to joint working can only be achieved by doing more of it, building trust and a body of practice.

## 4.4 Role in the wider system

No aid agency, however well-resourced, can work as a solo operator in a given context. The literature on fragile states highlights the importance of coordination and harmonisation in such contexts, citing the potential benefits as greater impact and coverage. At a more fundamental level, the complex nature of fragile states means that a more holistic approach is key for dealing with root causes rather than merely addressing the symptoms.

While in some fragile states the international community can be said to work reasonably well, far too often individual agency interests dominate, resulting in competition. Fragmentation at a donor level tends to be reflected throughout the aid system in a given country, running the risk of duplication at an operational level and posing high transaction costs on national government counterparts. In fragile contexts where capacities are already weak, this creates a further burden.

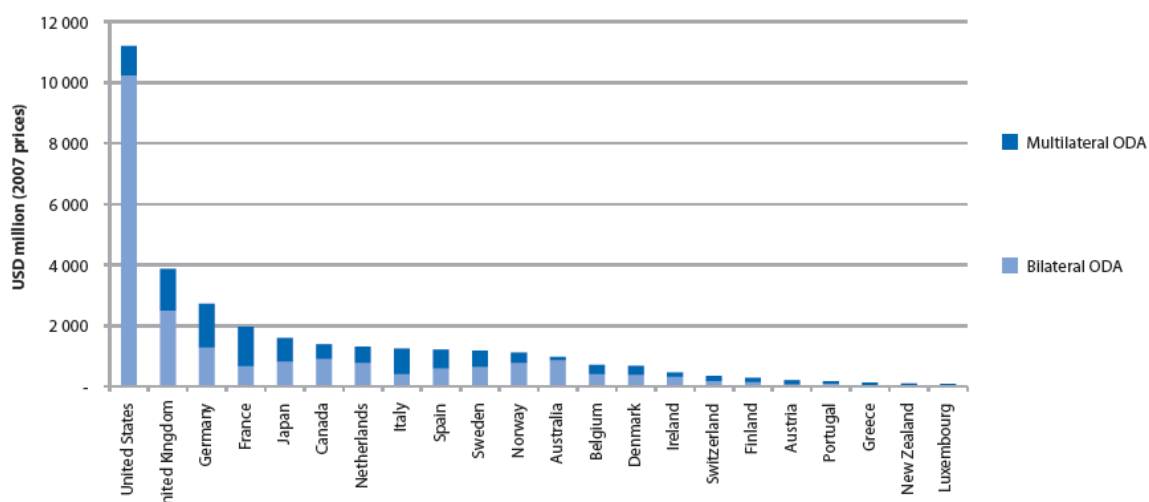
Understanding SDC’s role in this wider system is critical for a rounded assessment of its performance in fragile contexts. The evaluation team found this to be the area of inquiry where there was the greatest variance across the country case studies.

In some countries such as Tajikistan, Burundi and especially Nepal, SDC and the Swiss government is able to play an active role in the international system. This includes:

- In Tajikistan, proactive sponsoring of donor coordination by Switzerland has turned what was a dysfunctional international effort into an increasingly coordinated one, creating potential to target key policy changes.
- Playing an active role in leading and facilitating coordination efforts (for example, advocating for greater donor coordination in variety of contexts)
- Chairing joint donor initiatives (such as the Nepal Peace Trust Fund)
- Using programmes to leverage additional donor support (such as Burundi decentralisation)
- Making the argument for key issues to be addressed that wouldn't otherwise be on the agenda (for example, humanitarian advocacy, national civil society strengthening, working with local government, engagement with all parties to a conflict – found across the board)

While a wide range of factors and actors play a role in SDC taking on such a position, the evaluation team was able to identify some critical indicators which seem to have an important bearing.

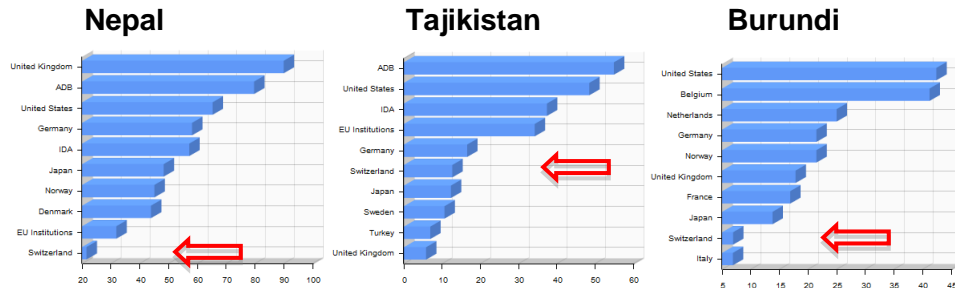
The first of these was about the relative SDC / Swiss presence, in terms of aid volumes. In general, when Switzerland is one of the top ten donors in a country, it is able to leverage its position as an honest broker, and be a facilitator / chair, and have influence. This is consistent across the board. Globally, it is interesting to note that SDC is the 16<sup>th</sup> largest provider of aid to fragile states (see figure 9).



**Figure 9: Aid to fragile states by donor. Source: OECD Data**

However, this hides considerable variability. In some specific countries, it ranks in the top 10, and in others it ranks lower than its global position. In Nepal, Tajikistan and Burundi for example, Switzerland is in to the top ten of all donors when looking at 5 year average ODA flows. In the other case study countries - DRC, Haiti, Rwanda, Hindu Kush - Switzerland ranks lower than tenth. This should not be seen as a rigid formulation, but it is a useful rule of thumb for understanding the limits and possibilities of the SDC contribution to system-wide efforts.

While resources are not the be-all and end-all of in-country presence, it does say something about the visibility of SDC. This may be an internal issue, where SDC staff might feel that where they are low down the donor lists, they have less to say about the state of the country as a whole. However, with relatively small changes to country budgets, one can envisage SDC being able to turn its small donor position to wield more influence than it currently does.



**Figure 10: Switzerland in the Top 10 Donors (Bilateral Aid, 5 year Averages)**

The second issue relates to leadership. With an effective individual at the helm of SDC's programming, the system-wide contribution has a much greater chance of working. This individual needs to command a degree of respect within and without the organisation, and understand the importance of the 'whole of system' approach. In some countries, there was clear and strong leadership visible. In some others, this desirable level and quality of leadership was noticeable by its absence. This may be one of the reasons SDC is so often compared to an NGO.

Better engagement with national policy dialogue should not be seen as a trade-off with SDC's avowed impartial, neutral, apolitical stance. The evaluation teams findings suggests that in a number of settings, SDC can engage as a powerful and conscientious actor, using its stated position as a way to build policy credibility. Not doing so in all possible contexts suggests that the label of impartiality is being used as an excuse not to engage.

The third point is about credibility of in-country programming. Without a programme that is working effectively and delivering results, the Swiss presence becomes a little more than an empty promise. An effective programme is the foundation of effective SDC leverage and influence. The knowledge on the ground, the in-country staff presence (at a time when most other donors are scaling back their headcount), the partner relations all matter a great deal. Where SDC rhetoric about their niche matches the reality in the field, it makes for an inspiring mix. And other donors also think so – in some cases, SDC can use this to leverage additional funds to invest in and scale up their programmes. There were examples in the Great Lakes and Nepal of this kind of leverage being successfully exerted. In some cases, this can generate up to 4 additional Swiss francs for every 1 invested by SDC.

This is an example of the kinds of virtuous circles that can build up across an SDC country programme. These positive feedback loops between programme effectiveness, donor credibility and national influence are vital for small donor - this is precisely how SDC leverages a small amount of resources so as to 'punch above its weight'.

As well as this 'network enabler' work, SDC also plays an important role in 'strengthening network nodes'. For example, it provides support to local and national civil society organisations, to key multilateral bodies – whether through grants and assistance (different UN agencies in various contexts), secondments (World Bank in Pakistan) or active

engagement in governance issues (UNRWA in the OPT). It also routinely supports international humanitarian agencies such as the ICRC, MSF and Swiss NGOs such as Helvetas-Intercooperation and Swiss Peace.

Partnership agreements with these actors are built on principles of mutual accountability and in many cases, core support. They tend to be valued highly by the organisations in question. In particular the humility and sense of mutual accountability with which the SDC staff approach these partnerships was particularly well received. So too was the focus on long term relationships. It is also of considerable value for capacity strengthening of national organisations – for example, in OPT, SDC was working with some national organisations for almost a decade continually, and provides not just project finance but also core grants. In an era where fad-driven and erratic donor behaviours leads to considerable institutional uncertainty among partners, this way of working is commendable.

The above illustrates the positive face of SDC's work in the wider system and indicates clearly the potential for SDC to make a tangible and marked contribution to the workings of the aid system. At their best, SDC presents a picture of Switzerland that is one to be proud of: **engaged, active, operational, influential, connected, conscientious facilitators.**

However, as noted earlier, the picture is very uneven. For every SDC country programme that has a presence and is recognised, there are others that barely register with other donors and national actors. This may be because of the amounts of resources made available – consider SDC spend in DRC compared to UK, for example – but may also be because SDC's various internal stars are not in alignment.

This can play out in a number of ways. Other donors are not aware of what SDC is doing. Partners do not engage effectively. Multilaterals are not on the scene – and the SDC regional programme can find itself blindsided by work by Global Cooperation. In some cases, where this more limited system role was observed, some made a virtue out of it: 'we are small, operational and Swiss, we are different, we are appreciated'. But the evaluation team did not find enough evidence to substantiate this position, beyond the organisation itself. In some cases, this attitude might be a defensive mechanism which inhibits system-wide engagement. This may be an issue of confidence for the staff members concerned. In such settings, what is clear is SDC punches below its weight, resulting in considerable missed opportunities.

It was interesting to note that system-wide influencing was less obvious at a global level. That is to say, while the SDC micro-meso presence was found to have a positive bearing on national policy agendas, there was very little sense that national issues were being turned into effective global policy dialogue.

There are some areas where this is happening thanks to the relationships with particular multilateral institutions - for example, SDC helped set up and supports the UN-World Bank Trust Fund to enhance cross organisational learning and collaboration in fragile contexts. In the Middle East, SDC is working with PDIV, the Swedish government and an independent group of Indian experts to strengthen regional dialogue on issues of water and security. These relatively small investments can yield considerable dividends down the road.

Switzerland has also made international commitments to reduce discrimination and inequality. It has started establishing instruments for abolishing discrimination, for example the National Action Plan for the implementation of UNSCR 1325 on Women, Peace, and Security and the related reporting system.

These examples suggest there is scope for much more global policy work in the future, especially with the new priorities and new departmental structure for global cooperation. There are ongoing efforts on a number of global issues - water, climate change, migration, food security and health – building on the work being done in country and on Swiss experience in these areas.

Practically, SDC can boost its multilateral effectiveness in three broad areas. The first of these would stem from closer collaboration between global cooperation (covering both the global themes and multilateral) and country level programming. Country office staff were not in some cases aware of what was being done by global cooperation, and in many other cases they were insufficiently engaged. The evaluation team noted the beginning of some tensions between regional and global cooperation, that if not addressed might turn into a more serious issue in the future. Given the scope for multilaterals like UNDP and the World Bank to work with government structures, there are mutual benefits that would accrue from a more strategic position being developed.

The second relates to SDC taking a more strategic position in relation to multilaterals in fragile states (as with the trust fund work). For some multilaterals, while SDC support in fragile states was appreciated, it was not seen as catalytic in terms of changing the way things were done. There is acknowledged space in the multilateral sphere for donors like SDC, who are supportive of innovative work and not tied to particular political agendas. Switzerland needs to capitalise on this space, and ensure that its niche in fragile states includes consideration of its contribution to the multilateral system in country and globally. SDC can (and often does) use its existing positions in intelligent and creative ways – for example, the Executive Director role at the World Bank, which currently represents a number of countries. Again, this requires close engagement between global cooperation and regional, humanitarian and other elements of the Swiss government. A good starting point would be to develop strategies which are more integrated with the ambitions of external actors, with the World Bank and UNDP being obvious candidates.

The third area relates to SDC's policy capabilities. The evaluation has found that in some areas SDC is 'policy light' with a preference for on the ground programming, and a view that policy is 'abstract and theoretical'. While this may be reasonable given institutional history, this becomes a gap when considering SDC's work in fragile states. Effective policy capability brings together ideas and practice, it ensures learning takes place, and it strengthens the local-national-global dialogue.

One obvious entry point for such an enhanced engagement is the post-Busan New Deal on fragile states. While it has signed up to the G7+, SDC presence in a number of the core countries could be leveraged, and it might also consider providing support to the group in the future. SDC should consider positioning itself as being in the vanguard of this important new agenda, both at a global level and in terms of how it is implemented in specific countries. This provides specific opportunities that SDC is well positioned to capitalise upon. For example, the G7+ statement calls for common assessments of fragility, and more harmonised approaches to policy and programme delivery. In a number of areas, SDC is working towards this kind of model, and in others, such a model would greatly benefit its ambition to 'punch above its weight'. It should actively seek out opportunities to take this agenda and process forward in country. This may provide the window of opportunity for a strategic shift toward better engagement with the state in fragile contexts.

## Summary

1. There is a wide degree of variance across SDC programmes in fragile states in its engagement and role in the wider system.
2. There are several examples where SDC and Switzerland play an excellent and constructive role in the international system, convening other donors and promoting neglected issues.
3. There are several factors that determine whether Switzerland occupies this type of meaningful role in the system. Being one of the top ten donors is a major factor, as is good in-country leadership. Credible programming is another factor.
4. Switzerland can also play a positive role as a 'network enabler', strengthening essential parts of the system such as civil society and the multi-lateral system.
5. The links between bilateral and multilateral programming are weaker than they should, or could be. More than half of SDC assistance is spent multilaterally, both in development and humanitarian aid, and yet this aspect of work is not always visible in cooperation offices.
6. SDC is perceived positively by its multilateral and NGO partners. The trust fund to improve collaboration between the UN and World Bank in fragile states is an excellent example of the potential Swiss role globally.

## 5. Priorities for change

The evidence regarding poverty and vulnerability in fragile states is unequivocal. The majority of the very worst off in the world live in such places, and currently no fragile state is likely to achieve a single MDG. Switzerland has a commendable ambition to work more in fragile states, and has been making the necessary adjustments to its aid programme for some time. This evaluation has found that there is much to commend about Switzerland's, and SDC's approach to working in fragile contexts. There is a clear policy directive to increase and enhance this work, and a clear set of international commitments such as the early adoption of the G7+ "new agenda" at the Busan conference on aid effectiveness. There is a good mixture of expertise that is highly relevant to fragile contexts across the four instruments most regularly deployed. There are some good approaches too – aid modalities that are well adapted to difficult contexts.

Nevertheless, this evaluation has also found some systemic weaknesses and a culture of working that is neither flexible nor agile enough to achieve transformative change in fragile states.

As a result of changes already made and numerous efforts to work differently, there is an emerging body of practice within SDC that helps the organisation identify how to become better adapted to this type of work. There is a need to be clearer about the over-arching strategy and the general theory for change that SDC subscribes to in its fragile states work. There is a need to adapt existing instruments to make them more flexible and adaptive and to create common ways of working – or common work – across instruments. There is a need to rethink what and where Switzerland can contribute, and there is a need to be both bolder and more realistic in ambition.

The evaluation highlights five priority areas for change, emerging from the analysis in the findings section of the report.

### 5.1 Achieving transformational change

Whilst the SDC commitment to work in fragile states is clear, *how* to work in fragile states and *what* to do is less so. This needs to be addressed before the organisation can scale up its activity.

There are several elements to this observation, but the first and most compelling issue is the degree of SDC ambition in this area. This evaluation has concluded that SDC needs a *step change* in its level of ambition if it is to achieve lasting impact in any of the fragile contexts where it is working. Implementing a series of projects and programmes in areas of concern to the Swiss public will not achieve transformative change, and without transformation fragile states will remain trapped in their cycle of poverty, conflict and stagnation.

However, a step change in ambition – aiming for transformation rather than transient assistance – will also require significant changes to the way SDC works. First amongst these changes will be making some hard choices. The 2010 annual report of SDC and SECO lists 53 countries receiving some form of bilateral assistance. This is twice as many as the UK with a budget ten times higher, and four times as many as the Dutch with a budget four times higher. When SDC is one of the top contributors in a country it changes the way it works – it becomes more active in donor coordination, the different parts of Swiss assistance are more



coherent, it is innovative, political and ambitious. Where it is not in the top league of donors SDC behaves more like a Swiss NGO, implementing projects with little reference to the national or global policy dialogue.

SDC cannot hope to achieve transformative change in a single fragile state alone. There is fine line between hubris and legitimate ambition. But as a part of a coordinated aid system, aligned with national and multilateral priorities, burden sharing and using all of the diplomatic and economic tools at its disposal, Switzerland can contribute significantly to transformative change. This is most likely to happen where Switzerland has a genuine added advantage, through trade, or political ties or its impartial status.

Secondly, achieving transformative change will also require SDC to be clearer about the what and the how. The default instinct of SDC has been to do in fragile states what it does in regular development and humanitarian contexts. Emergencies are responded to with food aid in protracted crises, and teams of Swiss experts in rapid onsets; development means devolution of services, health care and rural income generation. But this doesn't work in fragile states where there is a need for long term 'humanitarian' type work and development work focused on building the capacity of the state, resolving conflicts and keeping the peace.

Generally however (with a few notable exceptions), SDC has not been able to achieve the required mix of approaches. It is overly technocratic, neglecting or ignoring the political aspects of fragile contexts, and tends to shy away from working directly with the state as it is seen as too risky. Although SDC staff recognise that *there can be no structural development without political (policy) dialogue*, at an institutional level there is too much focus on being 'pragmatic' to the detriment of policy (and politics).

SDC also seems to be unclear about whether it is a 'wholesaler' or a 'retailer' of aid. Whether it is a provider of funding or whether it is an agency that implements and manages projects directly. Partly this may explain the behaviour noted in the previous section of this report, with SDC moving into the role of 'wholesaler', or classic donor behaviour, when it has larger volumes of aid. This may also explain its ambivalence about engagement with the multilateral system (although history is also important in this regard). When SDC does engage thoughtfully with the multilateral system, it is an excellent partner. However, in many cooperation offices there is a lack of engagement with multilaterals and with the global cooperation division.

The G7+ group of fragile states set out five peace-building and state-building goals in their new agenda<sup>41</sup>. For fragile states themselves building the peace, and building the state are their top objectives. Within Switzerland's aid portfolio, the political division IV of the FDFA has the most experience of peace-building, although with a much smaller volume of aid than SDC it is a junior partner.

However, when it comes to **state-building**, this does not fall to any one particular instrument or agency. SDC does some of this, mostly by default, recognising that it needs a functioning health ministry to make health care sustainable, or a functioning local government to deliver local services. But their engagement is tentative and peripheral most often. SECO also does work that is core to building an effective state – introducing transparent public finance management, or robust taxation policies for example.

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<sup>41</sup> <http://www.g7plus.org/>.

Perhaps the over-riding issue in all of this is the conclusion of the WDR that "institutional legitimacy is the key to stability". SDC has a good track record in one important element of building institutional legitimacy: the connection between civil society and the state, and strengthening this interface for democratic accountability.

Viewed in the wider sense, SDC and SECO make vital contributions to building civil society and private enterprise. Table 7 shows the competencies that Switzerland has in these areas.

<b>G7+ Peace-building and State-building goals.</b>	<b>Swiss competencies</b>
<b>Legitimate Politics</b> - Foster inclusive political settlements and conflict resolution	SDC – civil society. Decentralisation. PD4
<b>Security</b> - Establish and strengthen people's security	Small defence contributions to UN missions.
<b>Justice</b> - Address injustices and increase people's access to justice	PD4 – transitional justice SDC – rule of law
<b>Economic Foundations</b> - Generate employment and improve livelihoods	SDC – rural development. HH – cash transfers. SECO – macro economic, private sector.
<b>Revenues &amp; Services</b> - Manage revenue and build capacity for accountable and fair service delivery	SECO – public finance. SDC – health, education, water. HH – basic service provision.

**Table 7: G7+ priorities and Swiss competencies**

What table 7 illustrates is that SDC already has some of the competencies that fragile states themselves identify as needed, although it has not necessarily framed them in this way. What table 7 also illustrates is that across the four instruments Switzerland is well placed to work in fragile contexts.

In many of these programme areas the question is as much about the *how* as the *what*. The OECD states that, "strengthening the capability of states to fulfil their core functions is essential in order to reduce poverty".

Doing this requires, first and foremost, investing in those structures and institutions of government, civil society and private enterprise that enable these key elements. Only when the states and the societies of these countries become less fragile – *more resilient* – will living conditions for the poorest improve (and security for the nations and their neighbours). SDC and Switzerland have to work towards strengthening states, and civil institutions in those states if they are to achieve transformative change.

Given Swiss impartiality, there also seems scope for SDC to build on the G7+ agenda to ensure the promotion of non-discrimination (including on the basis of gender) in fragile

contexts, something not strongly reflected in the New Deal. In order for SDC to do this effectively, the issue needs to be reflected more actively across the SDC fragile states portfolio.

SDC has aid modalities that are well adapted to working in fragile contexts. Technical assistance and various types of direct implementation are highly effective when properly aligned and rooted in genuine partnership. Working with civil society at the interface of governance is another genuine need and SDC specialism. This means combining traditional forms of assistance with new ways of working. Above all, it requires that SDC has a *coherent vision* of what it is trying to achieve, beyond simple transitory results.

The G7+ new deal also sets out core principles around which it believes aid to fragile states should be organised. These include a common assessment, a common vision and plan and the use of compacts between donors and recipients to clarify commitments. Modalities need to strengthen country systems and capacities, whilst at the same time supporting political dialogue and leadership. These principles can also provide a good basis for future SDC fragile states programming.

## 5.2 Risk

One of the main factors limiting donor activity in fragile states historically has been risk. There are a series of well understood risks to working in some of the most chaotic places on earth – there are fiduciary risks, reputational risks and risks to personnel. Almost the greatest risk for donor agencies is the risk that they will not have anything to show for their money – the risk that aid is “wasted”, against the backdrop of a well established lobby of aid sceptics in most western nations.

SDC is also constrained by the risks of working in fragile contexts. Over the last decade the work of SDC has been subject to a high degree of scrutiny by parliament, and by a demand for demonstrating results. This too is part of the new aid orthodoxy, that donor agencies should be able to demonstrate to taxpayers what has happened with their money.

Unfortunately the results agenda can be at odds with the way donor agencies need to behave in fragile contexts. It is inherently risky working in such places, but as a new OECD report sets out<sup>42</sup>, *the risks of doing nothing are actually worse*. Switzerland has seen this first hand in recent years with much increased migration flows, predominantly from countries in crisis.

What is needed then, is a balance between the various demands. Taxpayers should know what their donor agency is trying to achieve, and how well it is doing. Donor agencies need the flexibility to invest in areas that might not show immediate results, and where even in the long term it will be difficult to show how their precise contribution made a difference.

This will require political backing within Switzerland for SDC's new agenda in fragile contexts. In return for political backing to take risks, to engage more concretely with the state, to spend money in areas where results will be tenuous at best, SDC will also have to get smarter at how it approaches risk, and results.

The clearest change that is required is to talk about results in the longer term as well as the short term. Having a mixture of results is almost certainly the compromise that will work for both needs. Some results can be very obvious and immediate – ambulances in Burundi that reduce maternal deaths. But other results will have to be much longer term, and progress

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<sup>42</sup> OECD INCAF (2011). Managing Risks in Fragile and Transitional Contexts: The Price of Success?

towards them assessed more qualitatively. Increasing the percentage of government expenditure financed from revenue over a ten year period; increasing the equity of public resource use, or perhaps even more simply an increase in a countries World Bank CPIA or UNDP HDI ranking.

In terms of risk a portfolio approach is also the most logical. Just as having a few projects that can show results can counter-balance the longer term less quantifiable work, having a basket of high, medium and low risk projects will create space for innovative working without being too exposed. This will require a much more systematic approach to risk. High risk projects and programmes will be expected to yield higher results, and be expected to have a much higher failure rate. Low risk projects will yield modest results but be much less likely to fail. Cooperation offices should be expected to have both, clearly identified.

Sharing risk is another way to mitigate the potential downside, by pooling funds with other donors or outsourcing management. Ultimately however, a new approach to risk – especially embracing some of the riskier, less immediately rewarding areas of work like institution building – will inevitably involve failure as well as success.

Programmes failure needs to be better tolerated – with the individuals who commissioned and managed them not stigmatised – or people will not be willing to take risks.

### **5.3 Innovation**

Achieving transformative change in fragile states is not simply a question of spending more money. Pakistan is one of the most heavily aid-supported countries globally and yet still remains close to the top of most fragile states indexes. Increasingly aid commentators are finding that aid dependency can be harmful.

Switzerland should be ideally placed to play the role of the smart donor. Switzerland's economy depends on its science and innovation, and as a donor SDC sees itself as primarily technocratic – small, but expert. SDC will never be one of the largest global donors by volume, which means an obvious strategy is to specialise, to develop several “niches”. Being an innovator has several advantages – it allows an agency or company to be an intellectual leader rather than a financial one, and there is evidence from this evaluation that it can also leverage other donors funds. There is a particular need in fragile states to try new ways of working and experiment with new methods. SDC has the right profile, and some good experience as an innovator.

To be a consistent innovator however, SDC will have to become more flexible in its approach, and be better configured to take risks.

At a minimum, this calls for the menu of programmatic options to be broadened. There was some evidence of a narrow institutional repertoire and a suggestion of a lack of imagination in SDC's programming strategies. This is evidenced by how the same types of interventions (for example, support to brick kilns) are positioned in different ways in different contexts (climate change mitigation, job creation, etc) with little difference in what is actually done or how it is done.

In order to get a better menu of options, SDC will have to invest more in applied research and develop its internal and external policy capabilities.

Applied research matters because it is at the heart of how new approaches get tested, improved, scaled up. SDC has a track record in supporting new innovations through R&D –

for example, cash interventions in humanitarian aid would not be where they are today without sustained SDC support over many years. More recently SDC has announced a partnership with Swiss universities investing millions of Swiss francs in development research. And of course, evaluations are a mainstay of SDC's performance system. However, these examples are lacking in strategic direction and are not sufficiently oriented to what the organisation itself could do differently and better in operational contexts.

For a donor agency innovation means not only testing approaches in a particular context (as described earlier) but also using the evidence generated to influence internal and external policy.

Currently SDC is a very practice based, pragmatic donor agency. This is not bad, but it does seem to make it suspicious of centralised policy work. This may stem from a history of hundreds of policy papers but no policy direction or priorities. There is a risk however that the organisation has swung too far in the opposite direction.

In the restructuring of SDC the division that was nominally supposed to play this function was disbanded and the functions placed in geographical teams, as it was felt they were too separate from the 'real work' of the organisation. Thematic policy specialists would engage in policy discussions distant from the realities of the country offices, and the country offices would do their work without reference to international debates. Networks were to replace the former thematic department (F department), led by experts based in the geographic departments and including a wide range of practitioners.

These are still very new, but it is clear that they too are facing challenges. The first challenge is that the model on which the networks will work is not yet settled. This has implications for resources. In the current model the experts leading the networks act as a *de facto* secretariat, but have too little time dedicated to this function and arguably not enough budget. There is still no shared strategic framework for these networks to use to develop their priorities, and not enough appreciation of the lessons of running such networks from elsewhere in the aid system. As a result, SDC still seems unclear as an organisation whether it wants these networks to be practice based knowledge networks ("has anyone encountered problem X?"), or a substitute policy department ("we need a position paper on Y") or both.

The reorganisation of the former technical advice into networks is a work in progress, but what does seem apparent is that it has left a policy gap at the heart of the organisation. Policy work is now located in 'pockets', and despite the relatively small size of the organisation it is difficult to join these up coherently.

This makes it much harder to have an external policy stance on longstanding or emerging issues, at whatever level of engagement.

Where such positions are taken by SDC, most often this was in relation to specific national – or more commonly, sub-national policies in the countries where the agency is working. In some instances, SDC also engages in global policy dialogue. In agencies that are more firmly policy oriented, there are clear pathways through the organisation to achieve these local – national – regional - global linkages. They are also feeding debates at an international, or regional level, to their country offices for their input. SDC does this too, but it lacks a 'central nervous system' to coordinate and process the thinking and to ensure it is taken up in policy and practice.

## 5.4 Working together

There are a number of fault lines in the international peace, security and aid architecture that are most cruelly exposed in fragile states. International politics, both intentional and unintentional are mostly to blame, with donor agencies (as the financiers of this system) both sustaining the fault lines and being defined by them.

Broadly these fault lines are twofold. There is a well documented schism between the peace and security architecture on the one hand, and aid on the other. Attempts to unify these various aspects of international action have included integrated UN missions and the '3Ds' (defence, diplomacy, development) approaches of NATO.

The second of these fault lines lies within SDC itself and is between humanitarian and development work. Humanitarian and development work have become separate areas of work with little or no connection internationally. Partly this is due to the suspicion with which humanitarian work is viewed by some states, and partly because over the years separate funding streams and legal frameworks have led to separate bureaucracies with their own institutional momentum.

In fragile states these splits are most obvious and acute, as there is a need for all types of assistance simultaneously. The overlap and confusion caused by three separate systems working simultaneously exacerbates the fragmentation of aid, and adds to dysfunctional governance.

SDC is split in the same way. For many years its humanitarian and development arms have worked as effectively separate agencies. International diplomacy and peace enforcement were so separate they simply did not exist in the same sphere, and even conventional macro-economic development of the type that predominates in many development agencies was split out into the economic affairs ministry (SECO).

With the increasing realisation by governments that the security, conflict, economic and social problems in fragile states are inter-connected, the need for a joined up approach has become ever more obvious. But the challenge of unifying 'instruments' that have spent years defining themselves in opposition to each other remains enormous.

This evaluation has found many positive examples within the Swiss system of cooperation between these various entities. There are joint offices, joint strategic plans and in one case a merged humanitarian and development team. Not surprisingly however, the institutional divides largely persist – the examples cited in this evaluation are the exception rather than the rule and collaboration is still an enormously time consuming and imperfect endeavour.

SDC humanitarian and development, and counterparts in PDIV and SECO need to move beyond these old divisions. There are key skills across these organisations that are needed for fragile states working, and as this evaluation has tried to demonstrate, the sum of the parts will not make a coherent whole without all of them deployed.

There is a great deal of good will and momentum behind the notion that there are different, more joined up ways of doing things. And there is an emerging practice base to exploit in creating the new structures and ways of working needed. Some of this is obvious and easier to fix – harmonised project approval systems across the instruments, routine knowledge and information sharing. Some is harder to fix but not impossible – joint strategy that is more than an articulation of the separate things each instrument will do, joint and common analysis of

the issue, routine secondments of staff between instruments to build a new cadre of fragile states expertise. Hardest of all will be addressing the cultural and institutional mistrust and difference, resolving turf battles in a way that also includes legal and financial issues.

Finally there is a need for other aspects of Swiss cooperation and international relations to be brought into its fragile states work. This evaluation has concluded that Switzerland as a nation is the niche, rather than any one agency. The entry point to policy dialogue, the opportunity to influence and shape is a Swiss opportunity rather than an SDC one. This means that other parts of the Swiss system are also relevant. Most obviously the other political sections within the FDFA, who are of course already heavily involved in places like the Great Lakes. The defence ministry is another obvious candidate, however culturally challenging this may be. Switzerland routinely has defence advisors in UN missions who do not have an institutional link to SDC or FDFA offices.

Less obviously however, there are often powerful Swiss business interests at play in fragile states. Switzerland is one of the countries least likely to pay bribes in such places<sup>43</sup>, making Swiss business a good partner for fragile states trying to improve their governance. In Switzerland itself, initiatives such as the Extractive Industries Transparency Initiative (EITI) have a significant effect when adopted. Switzerland is one of the world's preeminent gold processing centres, making the ramifications for major gold exporters such as DR Congo significant. Joining up these dots – including also the negotiation of international agreements on trade, finance, law – could have significant impact.

## **5.5 Delivery**

With the right focused strategy, the right combination of skills from across the Swiss aid instruments and with the right mixture of risk and innovation SDC will still need to address some of the practical obstacles to working optimally in fragile states. Chief amongst these is the need for flexibility while maintaining a long term view. As the WDR 2011 emphasises, institutional transformation is a long-term non-linear process which takes 20-30 years. Few international agencies are set up to take this kind of perspective.

Related issues include staffing, measuring results, decentralising authority, harmonising systems and creating a structure that brings together all of the elements of work currently underway.

The need for greater flexibility is driven by the unpredictable nature of events in fragile contexts. This means that donors, in the words of the OECD fragile states principles need to, “act fast... but stay engaged long enough to give success a chance”. The findings section of this evaluation has analysed this issue in some detail, concluding that SDC scores well on long term engagement but takes too long to initiate programmes, too long to change course and has a tendency to be more supply than demand driven.

Typically SDC development programmes are three years in duration, usually with a vision that they will in fact run for nine years in three stages. This long term vision is a particular strength that should be capitalised upon to strengthen SDC's engagement with fragility. Partners feel they have the security to really try and address issues rather than having to worry about funding every year. But this long term approach can also lead to rigidity – a tendency to stick with it when circumstances have changed, simply because that was the plan. Heads of cooperation offices have delegated authority for up to 200,000 CHF, but even

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<sup>43</sup> Transparency international.

this relatively low amount appears not to be used to full advantage. Humanitarian aid is seen as a more flexible instrument, in that it can mobilise fast, but it cannot think long term in the way that regional cooperation does, and once in an annual budget cycle also tends to become inflexible.

The solution appears to be to try and combine the best elements of the current system. Retaining the long term timeframe but creating much greater space within that for changing course, seizing opportunities and slowing down when needed. A potential way of doing this would be higher delegated authority within a long term strategy, and a more flexible way of looking at expenditure over the entire period. It also means developing a structured process for learning and adaptation, and how this feeds back into project and programme planning and budgeting cycles.

This of course has implications for delivery mechanisms, chiefly the system for project and programme cycle management. Like other donor agencies, SDC uses a bureaucratic, engineering mindset when it comes to the design and delivery of programmes. This approach, though useful in many settings, is not necessarily the most useful one in fragile states where even the simplest of interventions is made more complex by the prevailing political contexts. Existing approaches to project cycle management serve to insulate SDC from their context and environment, rather than orienting the organisation better towards it.

New approaches to project cycle management are being explored in a number of other donor agencies, at the crux of which is the attempt to square the circle of accountability and uncertainty. Put simply, how can aid agencies working in highly turbulent settings retain levels of control and accountability which are increasingly being demanded of them? There is a growing literature on 'wicked problems'<sup>44</sup> which will be useful here. Indeed, the leading scholars have described fragile states as 'wicked problems' and have called for more flexible, adaptive approaches to be used. These arguments are compelling and relevant to SDC's work. A philosophy of 'adaptive management' should be brought firmly into the heart of what SDC and Switzerland does in fragile contexts.

Such a philosophy is to be found in the conflict sensitive programme management approach developed and rolled out across SDC. Swiss Peace, a major SDC partner, is also working on approaches to project cycle management in fragile states<sup>45</sup>. PDIV is seen to engage well with changing, dynamic circumstances, and there may be lessons to be learned from better cross-Swiss dialogue and exchanges. A clearer commitment to using such mindsets and approaches, along with a streamlining of existing project management frameworks to enable their use in turbulent and fast moving settings, is urgently needed.

With a more flexible system of project cycle management in place, SDC will also have to design a more sophisticated way of measuring its results. Currently the annual reports allow a high degree of leeway on this count for cooperation office staff, and it may in fact be practice rather than the system itself that needs to evolve. Explicit theories of change will help tremendously with this measurement – and there should be more focus on these being elaborated at the strategy phase. There is also a need to engage with staff about what results

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<sup>44</sup> See for instance Menkhaus, K (2010). Stabilisation and humanitarian access in a collapsed state: the Somali case. *Disasters*, 2010, 34(S3): S320–S341.

<sup>45</sup> [http://www.swisspeace.ch/fileadmin/user\\_upload/pdf/KOFF/KOFF\\_Documents/Reflections\\_WDR\\_Report\\_2011\\_final\\_2\\_.pdf](http://www.swisspeace.ch/fileadmin/user_upload/pdf/KOFF/KOFF_Documents/Reflections_WDR_Report_2011_final_2_.pdf).



are required for what purpose, and how to go about investing in the research and evidence that will provide these.

In fact, the more that SDC moves away from trusted old routines of programming, the more important evidence and good data will become. Currently the reporting of results is viewed largely as a chore, rather than providing the basis on which decisions are made. This will have to change, with evidence and data being used to inform key parts of the programme cycle. Qualitative and quantitative data from routine monitoring, built into programme frameworks will allow for more systematic and objective judgements of programme performance and may yield surprising and exciting insights into what works and what doesn't.

The evaluation found that work on fragile states is currently scattered across SDC. This partly reflects the cross-disciplinary nature of the work; the reality that traditional aid instruments and architecture are increasingly irrelevant to the needs of fragile states. Partly it reflects the organic nature so far of efforts to tackle these problems. Whatever the causes, there is now an urgent need to pull together these disparate elements of expertise and experience, to help put in place new ways of working. This is the case from a policy and an operational perspective.

Within SDC the challenge is how to coherently join up work that is ongoing in regional cooperation (south and east), humanitarian aid, global cooperation and in the networks that are part of, but cut across these divisions. The networks are one way of potentially sharing knowledge in this way, but currently even the network most relevant to fragility (conflict and human rights) is not specifically concerned with this issue. Arguably, many of the other networks also contain useful practice-based knowledge relevant to fragility – for instance on employment generation.

There are several possibilities SDC might consider for better joining up this work. One is a senior champion within the organisation, reaching out to equivalents in other organisations, supported by a dedicated policy unit in SDC perhaps also linked to the networks. Given the success of the merged Europe and Mediterranean Division (EMM Division), there a number of other similar mergers that might be considered, which would increasingly ask the question of where such units might report, and whether eventually this might need readjustments in the directorate.

Staffing has been highlighted several times in the evaluation as a critical issue. The need for a fragile states staffing strategy is clear, as is the need for an urgent and critical overhaul of security arrangements. SDC must think about the mixture of skills it needs for fragile contexts, and where to find such people. Having humanitarian and development experience helps equip staff well for such work, and this may involve rotating staff through departments more systematically. SDC is going to have make the choice as to whether it will increase incentives to the point where they are genuinely motivating for people, or whether it will increasingly go outside the organisation for its fragile states staff. If necessity chooses the latter path for the organisation, it will have to think more systematically about how it manages its new staff, and what expectations it can realistically have of them.

Coupled to the issue of incentives is the issue of terms and conditions (not just financial, but also duration of assignment, rest and relaxation, family duty stations and more). It does not help that the different agencies, and within SDC the different instruments, do this differently. National staff too are widely seen as an asset, but often have salaries that do not compare well to other donors nor are they given high levels of responsibility. Sharing personnel with

PDIV and SECO seems an obvious way of increasing collaboration, although will in reality require careful thought about how this can be practically achieved. Whatever path it chooses, SDC must also think about the short, medium and long term. Finding workable solutions now and simultaneously building its new cadre.

SDC does not currently have a system for supporting people in fragile states. There is an assumption that such postings are like any other with perhaps a few additions required on an *ad hoc* basis. In fact they are quantifiably different – insecure, stressful, much more labour intensive, logistically complicated and often in short supply of many essentials. This means that supporting people in fragile contexts is costlier, managerially more demanding and much riskier. As with aid modalities, the ideal mix is somewhere between humanitarian and development; people cannot – normally – work in high stress contexts for four years, or even two. Neither is there any practical point in rotating people every three months. The ability to set up functioning offices from scratch is a humanitarian specialism; the ability to patiently build networks of local organisations and linkages to government more a development skill.

Most importantly there is a need for clear, rigorous, security management. It must be clear in the most dangerous environments who is responsible for security at every level without any ambiguity. There must be an effective crisis management system in place for kidnap, injury and death so that within hours of an incident (at 4am on a Sunday), there are plans in place for negotiation, accompanying relatives, media handling and so on. There must be professional assessment of risks in the most dangerous places, and a clear managerial decision about the trade off between potential impact and potential danger to staff.

One of the practical barriers to collaboration within SDC and between SDC and its partners in the Swiss government is that there are different budgeting, planning, reporting and decision-making systems in place. This makes practical – financial collaboration challenging. There is a need to both harmonise the systems to make collaboration more straightforward, and there is a need to create common mechanisms that can underpin the vision of common working. A good model is common funds, jointly managed by several departments, specifically aimed at financing collaborative projects. Common staffing pools are another area to explore.

## Summary

1. SDC needs to **concentrate and focus** its aid in fragile states. In contexts where Switzerland can establish a meaningful niche, based on its comparative advantage, credible resource levels and innovative approaches, it can aim to achieve transformative change, rather than transient results.
2. SDC and Switzerland needs a **coherent strategy** of how to achieve transformative change in fragile states. Theories of change must underpin long term strategies, with flexible approaches and sophisticated methods of measurement.
3. SDC must be **more aware and proactive about being part of the larger system**. Where Switzerland is well regarded it can play an important role in bringing donors together. SDC must also get better at creating coherence between actions in the global arena and bilateral cooperation work. This will demand new ways of working together (within SDC, inter-agency, and whole-of-government).

4. SDC must **strike a balance between being pragmatic and policy-oriented**; and between having a long-term strategy and facilitating innovation. There is a need for better tools for managing risk, and for more innovative programme work, based increasingly on evidence. SDC and Switzerland must develop a better **mixture of modalities and instruments** in more seamless ways.
5. SDC must **adapt its delivery and support mechanisms** for work in fragile contexts. This encompasses areas from project cycle management to staff support.



## Annex 2

### Evaluation of the Performance of SDC's Instruments in Fragile and Conflict-Affected Contexts

#### Approach Paper

September 22, 2011

1. Background.....	61
2. Why an Evaluation and Why Now? – Rationale .....	65
3. Purpose, Objectives and Focus.....	65
3.1. Purpose.....	65
3.2. Objectives.....	66
3.3. Focus and Scope.....	66
4. Key questions .....	67
5. Expected Results .....	70
5.1. At Output Level.....	70
5.2. At Outcome Level .....	70
6. Partners .....	70
6.1. Organisational Set-up and Respective Roles.....	70
6.2. Members of the Core Learning Partnership (CLP) .....	72
7. Process.....	73
7.1. Approach.....	73
7.2. Methodology .....	74
7.3. Main steps .....	76
7.4. Evaluation Team.....	78

## Background

SDC's Directorate has mandated SDC's Corporate Controlling Section<sup>46</sup> to commission an Evaluation of the Complementarity of SDC's Instruments in Fragile and Conflict Affected Contexts<sup>47</sup>.

Fragile contexts refer to countries affected by weak capacity, problematic state-society relations, deep social divides and/or the legacy of violent conflict. Over one sixth of the world's population – or approximately 1.2 billion people – live in countries designated by the international community as Fragile States<sup>48</sup>. SDC invests 28% of its budget of CHF 1'453 million in 33 of 43 such countries. In over half of these countries, SDC is engaged simultaneously in Humanitarian Aid and Development Cooperation or Transition Cooperation. Of SDC's 19 countries of concentration, 4 (or 21%) are Fragile States: Nepal, Niger, Tajikistan and Chad. Of SDC's 8 Special Programs, 3 (or 38%) are in fragile contexts: Afghanistan, Great Lakes /Burundi/Ruanda and Palestine. In many of these countries, SDC's engagement is relatively modest: in 13 of the 33 countries (or 40%) it is under CHF 3 million and in 8 of the countries (25%) even less than CHF 1 million.

Engagement in fragile contexts is a non-linear process with tensions and trade-offs between the need to provide rapid support and life-saving activities while at the same time supporting development of sustainable state structures. This requires a shared space between humanitarian and development (and often security) actors as countries experience humanitarian emergencies, longer-term development programs and peacekeeping efforts simultaneously. Aid architecture promotes a compartmentalization of humanitarian and development aid which are governed by different principles, rules and regulations. Humanitarian Aid may sometimes bypass government structures whereas development aid strives to work with and through governments. This can create tension between the need to protect humanitarian principles such as impartiality and neutrality while working to build government capacity. Reality on the ground requires coherent integrated strategies, strong partnerships across aid modalities as well as clarity on roles and responsibilities. Over the years, this field of tension in the aid architecture - or aspects of it - have been referred to as the continuum-contiguuum dimension, linking relief and rehabilitation, transitional cooperation or comprehensive cooperation. In this paper, we will use the terms comprehensive cooperation and "whole of SDC approach" to refer to this field of tension. In addition, engagement in such contexts also requires "whole of government" and "whole of systems" approaches with coherence, coordination and complementarities (i.e., division of labor)

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<sup>46</sup> SDC's Corporate Controlling Section is in the Staff of the Director General and independent of line management. The evaluations it commissions provide an independent perspective and constitute one of SDC's instruments for rendering accountability and promoting learning.

<sup>47</sup> Although fragile contexts tend to correspond to fragile states, there can be a discrepancy between development of fragility and designation as a Fragile State, sometimes due to political reasons or to inability of the actors involved to acknowledge the reality. Hence the use of the more encompassing term fragile context rather than fragile state throughout this paper.

<sup>48</sup> The OECD International Network on Conflict and Fragility (INCAF) defines state fragility "as a lack of capacity to perform basic state functions, where "capacity" encompasses (a) organizational, institutional and financial capacity to carry out basic functions of governing a population and territory, and (b) the state's ability to develop mutually constructive and reinforcing relations with society. (...) state capacity is achieved through political processes of constructive state-society bargaining, which in turn require legitimacy; capacity and legitimacy can then become mutually reinforcing, and contribute to state resilience. The dynamic can also be negative if a lack of capacity undermines legitimacy and vice versa, contributing to state fragility." (OECD 2010: The State's Legitimacy in Fragile Situations. Unpacking Complexity, p. 15). The list of fragile states is a compilation of 3 lists: The World Bank's Country Policy and Institutional Assessment (CPIA) 2008, the Brookings Index of State Weakness in the Developing World 2009, and the Carleton University Country Indicators for Foreign Policy (CFIP) 2008 index.

between the different external actors (diplomacy, defense, development) and the partner country.

A recent high level working group<sup>49</sup> on Afghanistan and Pakistan set out a number of principles as a useful starting point for all sets of actors working in fragile states (and indeed in all complex systems) to challenge their way of thinking and acting. These principles are as follows:

- To work to understand the systemic and contextual nature of the problems faced in fragile states<sup>50</sup>, how these problems have evolved and continue to evolve over time.
- To involve those people who matter the most in the decisions that matter the most.
- To avoid 'silver bullet' strategies and instead attempt multiple parallel experiments with realistic timeframes and high acceptance / tolerance of failure
- To establish real-time strategic analysis & learning as a key form of operational feedback.
- To be open to the fundamental adaptation of efforts, along with changes in local contexts and conditions.
- To reframe the overall fragile state engagement as a dynamic network of multiple systems and actors.<sup>51</sup>

This analysis leads to the unambiguous conclusion that working in fragile contexts is as much about the 'how' as it is about the 'what'. Understanding the context, being flexible, adapting to increasing insight and changing circumstances, creatively combining approaches and instruments, are all critical.

The goal of the SDC's engagement in fragile contexts is to combat and overcome the vulnerability of the poor, the marginalised, those affected by violent conflict, and victims of natural disasters. The poor are in general more likely to be victims of violent conflict (refugees, for example) or of natural disasters. Failure to prevent natural catastrophes and violent conflict, coupled with neglect of their needs in post-crisis situations (peace building etc.) often results in the vulnerable being punished twice over. In the interests of justice, therefore, this group should receive more attention from those global actors that are equipped with the values and the opportunities needed for difficult contexts. The costs, in terms of security and collaboration efforts, and to a certain extent the risks, of such engagement are in general higher if compared to programmes in more stabile situations. And the probability of the results being achieved through our efforts in such difficult environments might tend to be lower. But they are justified if there are opportunities for the SDC to generate a value-added for a vulnerable population and to render visible the SDC's reputation in this area of fragility.

SDC is challenged to achieve a "whole of SDC approach". SDC has several mandates and deploys various modalities and instruments in its programs in fragile contexts: humanitarian aid, multilateral aid, development and transition cooperation across a broad spectrum of thematic sectors and instruments including policy dialog, programmatic aid, etc. In all of its programming, SDC pursues two transversal themes: gender and governance. All SDC

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<sup>49</sup> See <http://www.santafe.edu/media/workingpapers/11-06-022.pdf>.

<sup>50</sup> See for instance the DAC Principles for Good International Engagement in Fragile States and Situations has this as its first principle, the DFID Summary Note on Working Effectively in Conflict-affected and Fragile Situations, Menkhaus, K in PRISM.

<sup>51</sup> Ben Ramalingam "Foreign Aid and Complex Systems Research: Exploring the Potential" Presentation Given at Santa Fe Institute, Santa Fe, February 24, 2011.

programs must demonstrate a clear and critical understanding of these transversal themes and address them adequately.

SDC is organised in four Departments with the following mandates: Regional Cooperation (RC) encompassing bilateral cooperation in the South, Global Cooperation (GC) covering multilateral aid and global programs in the areas of migration, water, climate, health and food security, Cooperation with Eastern Europe (OZA) and Humanitarian Aid (H). SDC's Humanitarian Aid Department engages in (i) emergency relief, (ii) reconstruction and rehabilitation, (iii) prevention and preparedness and (iv) protection and advocacy. SDC Humanitarian Aid is directly operational through its Swiss Humanitarian Aid Unit (SHA), a reserve unit of 700 specialists. It also works with and through multilateral organisations, state agencies, NGOs and the private sector.

In the context of the 2008 reorganisation, the Europe /Middle Eastern Division in the Regional Cooperation Department was fused with the Europe / Middle Eastern Division in Humanitarian Aid Department into a new overarching E/MM Division crating a joint team with humanitarian and development backgrounds. A review conducted in 2010 found that it was too early to ascertain whether this new organisational form is more effective and many institutional solutions are possible to better integrate humanitarian and bilateral instruments. Many questions about how to best coordinate the RC/OZA/GC and H remain to be addressed.

In addition to striving for a “whole of SDC approach”, SDC has also been strongly engaged in a “whole of Swiss government” approach. SDC, the other Political Directorates in the Swiss Ministry of Foreign Affairs and other implicated Swiss governmental agencies have jointly elaborated several country strategies in fragile contexts.

Engagement in fragile environments presents SDC with human resource challenges. SDC is finding it difficult to recruit and retain staff willing to work in such environments and having the appropriate experience and skills mix is difficult. In addition, implementation of programs in fragile environments is more human resource intensive and more process oriented than normal development programs. SDC is beginning to address these challenges.

SDC is presently developing its new Federal Council Dispatch 2013-2016 (Botschaft). This is a comprehensive binding document which lays out and legitimizes SDC's strategic orientation for the coming years. SDC's management is committed to increasing SDC's engagement in Fragile States and is deciding during the course of 2011 how it will re-orient SDC in this direction. An ad hoc SDC working group led by the South Asia Division with representatives from the Regional Cooperation, Humanitarian Aid, Global Cooperation and Cooperation with Eastern Europe tabled a paper at the June 2010 SDC Senior Management Retreat entitled “What Engagement for SDC in Fragile Contexts?”.

The ad hoc Working Group proposed that

- SDC's commitment in Fragile States be increased from 28% of its budget to 40-50% to be more in line with the international donor “average”,
- The number of countries of concentration and the special programs in fragile contexts be successively increased to 12-15 countries /regions, so that in the medium term, about half of SDC's areas of concentration would be in such contexts,
- The commitment per country / region be at least CHF 5 million for stronger focus and more visibility,
- SDC's engagement be flexible over time horizon of 10-15 years,



- SDC's mode of engagement should optimally and systematically combine all its mandates and instruments (humanitarian, bilateral and multilateral) in a comprehensive approach that takes regional contexts into consideration.

The paper identifies several areas of Swiss competitive advantage: Switzerland is perceived to be a modest, neutral player without a colonial legacy and hidden geopolitical agendas able to develop relationships of trust with a broad range of actors (governmental, nongovernmental and private sector). Its own history of multicultural integration and direct democracy lends credibility to its approaches. It is well-positioned to grasp the "chance for early action" and to engage with the "bad guys." SDC's modest size, decentralized organizational structure, policy of long-term engagement and experience in difficult contexts as well as its proximity to the "field" are strong advantages when working in complex and emergent contexts and enable it to react flexibly in volatile situations.

While SDC's Director General agreed that in comparison to other OECD countries, SDC is under-engaged and would be well positioned to strengthen its profile, SDC's Directorate has not yet taken decisions regarding the proposals put forward by the working group, which were mentioned above.

SDC is working internally and has contributed actively at the international level to establish principles for engagement in fragile contexts and aims to implement them in its own activities, for example:

- Good Humanitarian Donorship (2003)
- Paris Declaration (2005)
- Good International Engagement in Fragile States and Situations (2007)
- Accra Agenda for Action (2008)
- 3 D's (diplomacy, defense, development)
- 3 C's (coherence, coordination, complementarity)
- Conflict Sensitive Program Management (CSPM)
- "Do no harm" Principles
- DAC INCAF Statebuilding Guidance
- Security Sector Reform (SSR), etc.

In summary, SDC is looking for answers to many challenges it faces in fragile contexts:

- Comprehensive programming: Addressing SDC's institutional/organisational, political and financial constraints in order to achieve integrated, comprehensive programs (development/transition cooperation and humanitarian aid);
- Setting appropriate geographic and thematic priorities in its engagement in fragile contexts: dealing with the fields of tension between universal engagement / high visibility and priority setting / concentration and between the need for broad based humanitarian engagement versus domestic and peer pressure to concentrate development aid resources in a limited number of countries;
- Achieving the required flexibility for engagement in emergent contexts with regard to human resources, financial resources, geographic engagement and responsible phasing out;
- Programming effectively in fragile complex and emergent contexts;
- Demonstrating and communicating about results in fragile contexts;
- Appropriate partner selection.

### **Why an Evaluation and Why Now? – Rationale**

The evaluation is timely and appropriate for several reasons:

The changing political landscape, the dynamics in partner countries and SDC's reorganisation are leading to a new paradigm with a focus on fragile contexts. SDC is in the process of redefining its mission and is committed to increasing its engagement in fragile contexts. The shift laid out in the new Dispatch will have strategic, organisational and human resource consequences. Evidence coming out of the evaluation should inform this process and be useful to SDC for implementing the new Dispatch.

SDC recognizes that it must transcend the compartmentalisation between modalities / instruments and move towards a “whole of SDC approach”. SDC's reorganisation has been a step in this direction but serious challenges remain in ensuring that SDC's various mandates with their corresponding modalities and instruments complement each other and create synergies to achieve maximum effectiveness.

SDC's thematic networks are still young and evolving, including the Network for Conflict Prevention and Human Rights. Here too, there are windows of opportunity to better serve all SDC constituencies, including those working in fragile contexts.

The Evaluation Unit in Internal Revision (IR/E) in the General Secretariat of the Swiss Ministry for Foreign Affairs is interested in integrating the results of this evaluation in a synthesis it is compiling of the Swiss Ministry of Foreign Affairs' engagement in fragile states.

### **Purpose, Objectives and Focus**

#### **Purpose**

The purpose of this evaluation is to provide a better understanding of the quality and effectiveness of SDC cooperation in fragile contexts to draw lessons and inform decision-making and strategy development in SDC at various levels for the implementation of SDC's new Dispatch with increased engagement in fragile contexts:

- Directors of SDC's Departments for improving the “connectedness” of SDC programming across SDC's mandates;
- Management for designing new strategies regarding future areas of engagement, staffing requirements, and improving operational processes in fragile contexts;
- SDC operational staff for improving ongoing and designing future programs in fragile contexts.

This evaluation also serves to render accountability to taxpayers in Switzerland, to partners and to the ultimate beneficiaries: SDC's Corporate Controlling Section, which is commissioning this evaluation, is outside of line management and reports to SDC's Director General. The evaluation team, which must be independent of SDC, will provide a critical perspective. Through such evaluation processes, SDC demonstrates that it is open to outside scrutiny, reflects on its performance and effectiveness and strives to learn in order to improve its programs.

## **Objectives**

The key objectives of the evaluation are the following:

- Judge SDC's performance in its present engagement in selected fragile contexts from "comprehensive aid" and "whole of system" perspectives;
- Provide a solid evidence base of where SDC stands and an analysis of where it needs to improve;
- Through a process of reflective inquiry with stakeholders in SDC's departments and case study cooperation offices during the evaluation, develop a shared understanding among staff of each others mandates and how to engage in fragile contexts so that SDC activities across its departments / mandates become more coordinated, complementary and coherent;
- Develop "priorities for change" for SDC and with the Core Learning Group (CLP) develop clear, targeted and actionable recommendations for SDC's future engagement in fragile contexts.

## **Focus and Scope**

This is a formative process evaluation which will assess SDC's performance in developing and implementing its programs in fragile contexts. It will focus on "the whole of SDC", encompassing the interplay of SDC financed Humanitarian Aid, Regional Cooperation, Global Cooperation and Aid to Eastern Europe and the CIS and the choice of instruments SDC deploys in these modalities. The evaluation will also examine SDC's performance from a "whole of system" perspective including SDC's coherence, coordination and complementarity with others in the partner country context. The evaluation will consider overarching organisational, management and human resource issues to the extent that they relate to SDC's performance in fragile contexts.

In light of the limited resources, this evaluation is not expected to collect primary evidence of the outcomes and impacts of SDC programs. It will, however, render judgement regarding SDC's result orientation and ability to report on the effectiveness of its activities. It will take available reporting on outcomes / impacts into consideration.

SDC's understanding of and efforts to contribute to "whole of Swiss government" and "whole of system" approaches are to be covered. The performance of other parts of the Swiss Ministry of Foreign Affairs and of other Swiss government agencies and of the overall Swiss mechanisms for "whole of Swiss government" approaches are not within the scope of this evaluation.

This is not an evaluation of SDC's partners and their activities. The appropriateness of SDC's partner selection will, however, be examined to the extent relevant for assessing SDC's performance.

The evaluation will focus on "what is" and look back only to the extent necessary in the particular case studies to understand and assess the present engagement and to assess SDC's performance in adapting to changes in context (i.e., looking back at pivotal changes in country context which require adaption of SDC programming).

The scope will encompass a representative sample of SDC country or regional programs in fragile contexts chosen to cover interesting constellations of mandates and different types of fragile circumstances. Chosen programs should encompass both humanitarian aid and development / transition cooperation. The sample should be large enough to draw

conclusions representative of SDC but manageable within the time and resource constraints of the evaluation.

SDC's Corporate Controlling Section, in collaboration with the operational Departments, has identified the following programs as case studies (see also pg. 15):

- Grands Lacs (Ruanda, Burundi, Congo) with a field mission,
- Central Asia (Uzbekistan, Kyrgyzstan, Tajikistan) with a field mission to Tajikistan and telephone interviews with Kyrgyzstan,
- Emerging Hindu Kush Program (Afghanistan, Pakistan)<sup>52</sup> as a desk study with electronic communication with stakeholders and
- Haiti as a desk study with electronic communication with stakeholders.

The new organisational structure of the Europe/Middle East Division and its work in the Occupied Palestinian Territories (OPT) were reviewed in 2010. OPT will not be an in-depth case study, but relevant staff may be interviewed to complement/clarify the 2010 review.

### Key questions

The question catalogue below is a preliminary "wish list" compiled by the SDC evaluation officer reflecting preliminary discussions with the evaluation stakeholders in SDC. The evaluation team will refine and prioritize the questions in consultation with SDC's evaluation officer and the Core Learning Group during the inception phase.

Note: In the questions below, "mandate" refers to the humanitarian aid mandate, development cooperation mandate, transition cooperation mandate and the overarching global programs mandate.

#### A. Context Awareness, Flexibility and Adaptability:

1. **How well does SDC conduct context analysis and diagnostic work and then translate this knowledge into strategy and program development:** How effective is SDC's Monitoring System for Development Changes (MERV)? Are the root causes of conflict and fragility as well as crisis and risks dynamics sufficiently and accurately considered? Are gender equality, governance, social inclusion and humanitarian issues sufficiently considered? How well is SDC able to grasp rapidly changing, emergent contexts? Does SDC conduct joint analysis across its mandates? Does SDC contribute to joint assessments? Are the analysis kept up to date? Are context analysis and diagnostic work translated into relevant strategies and objectives? In particular are the cross-cutting issues of gender and governance sufficiently understood and adequately addressed in diagnostic work then translated into strategies and programming?
2. **How flexibly is SDC able to react to changing situations:** Do SDC programmes adapt appropriately and in a timely manner to changes in context? Is SDC able to take advantage of the narrow windows of opportunity during transition points between conflict and peacebuilding / emergency and development?

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<sup>52</sup> The Regional Program Hindukush will focus on the narrow border area between Pakistan and Afghanistan as Switzerland's contribution to regional stabilization. SDC is phasing out its Pakistan Program. SDC will draw on its Pakistan experience and resources and integrate its Afghanistan Program into the Regional Program. If the Hindukush Program is chosen as a case study, it would need to be conducted in a "development evaluation" mode as the program is in the inception phase.

3. **How conflict sensitive is SDC:** Assess the quality of SDC's tool "Conflict Sensitive Program Management" (CSPM). Assess the extent to which it, as well as the "Do no harm" Principles, are operationalised in the case studies. How appropriate is SDC's choice of partners from a "do no harm" perspective? How well does SDC deal with the tensions and risks faced by national program officers and partners as well as their mindsets (due to their own situations within the conflict dynamics as members of the society) and the repercussions this may have on the program?

## **B. Cohesion of Organisational Mandates**

4. **How well does SDC practice comprehensive cooperation and manage the tensions between its mandates as well as between development objectives:**
  - a) To what extent do SDC personnel across mandates understand each other's perspectives and modes of engagement? How aware is personnel of the tensions between the goals / perspectives / principles of the different mandates? How well are personnel across mandates able to develop a common understanding of goals/objectives and the means for achieving them? How supportive are staff of each other across institutional boundaries? Are there differences in staff perceptions depending on where they work (i.e. cooperation offices, headquarters)? Are the thematic networks able to establish bridges across the mandates? How well is SDC able to draw capacity and expertise from the different parts of SDC to enable holistic context analysis, strategies and programming? How can "connector" tendencies be strengthened and "divider" tendencies weakened?
  - b) How well does SDC deal with the hierarchy, responsibility and decision-making challenges associated with integrating the different mandates into a comprehensive program? Which aspects of SDC's organisational structure and corporate culture promote a comprehensive cooperation mindset and which hinder it? How well does SDC manage the tension between headquarter policy evolution and overall coherency versus devolution of responsibility to the cooperation offices and the need for country driven, locally owned approaches and in-country coordination?
  - c) To what extent are SDC programs integrated programs and tensions between mandates and objectives effectively managed: Within SDC programs, are the different mandates and instruments embedded in a coherent, comprehensive strategic framework? Does SDC combine the mandates and their instruments in its program in ways that are sequentially appropriate and mutually reinforcing? Does SDC create synergies between the mandates? How does SDC meet the challenge of upholding the distinction between humanitarian action and development / transition cooperation given that overall goals and principles differ and may compromise each other? Is SDC able to engage early and flexibly to address development needs in transition situations? How does SDC manage the tensions between development objectives, e.g., providing service delivery to meet immediate needs vs. building capacity of the state to do so, strengthening and empowering civil society vs. working with a government disconnected from its population to promote statebuilding?

## **C. SDC's Role in the Broader System**

5. **How well does SDC operationalize the 3 Cs (coherence, coordination, complementarity) and the 3 Ds (diplomacy, development and defense) from "whole of system" and "whole of Swiss government" perspectives?** Looking at SDC programs as systems operating within larger systems, how well does SDC implement the 3 Cs (coordination, coherency, complementarity) and work jointly to define and implement coordinated activities to reach shared objectives (examine with regard to "Swiss whole of

government” and with regard to “whole of system” in the partner country)? To what extent do SDC personnel understand the perspectives and modes of engagement of the diplomatic and defence sectors? To what degree does the SDC program form part of and is connected to an overall country framework and coordinated with other policies, programmes within the partner country/region or thematic cluster? To what extent does SDC strive to fill gaps and avoid duplication in the partner country landscape? Assess the extent to which SDC has established an appropriate niche for itself which reflects its comparative advantage and identify where it could do more in this direction

#### **D. Delivery Mechanisms and Modalities**

6. **How well does SDC analyze and manage the risks inherent in engagement in fragile context?** How well does SDC manage corruption and fiduciary risk? How well does SDC manage the risk of program failure (“theory of change” failure due to flawed underlying assumptions as well as implementation failure due to flaws in execution)? How does SDC manage the tension between the need to be innovative and risk aversion? How well does SDC deal with security issues? How well does it assess the minimal security conditions for engagement? Does SDC have appropriate exit strategies?
7. **How well does SDC capture and report on the results of its engagement in fragile contexts?**
  - a) How well does SDC state an explicit theory of change, establish clear objectives, develop and monitor indicators, evaluate and report on the results of its engagement in fragile contexts? Are anticipated results based on realistic assumptions about the time it will take to deliver change? To what extent does SDC recognize and use jointly (donor and partner country) agreed results frameworks? To what extent does SDC use information coming out of such systems as well as its own program cycle management for its decision-making for future programming? Does SDC promote nationally-owned indicators and local capacity to collect and use evidence for national policy-making and program implementation? How can SDC best address the challenge of capturing results in emergent and rapidly changing contexts under difficult conditions as is the case in fragile contexts?
  - b) In rendering accountability domestically, to what extent does SDC effectively communicate its case for engagement and the risk involved (e.g., risk of program failure, fiduciary/corruption risk, risk to personnel)? Is it adequately managing expectations and safeguarding the space it needs to be flexible (with Parliament, in its new Dispatch)? How well is SDC handling the field of tension between political demands for Swiss visibility, universal engagement, and clear attribution of results to Switzerland versus concentration of resources, longer term engagement towards effectiveness and sustainability and a contribution rather than attribution mindset?
8. SDC is facing significant human resource problems in fragile contexts with difficulty in recruiting and retaining qualified, experienced staff. How can SDC best address this challenge?

## Expected Results

### At Output Level

*By the Evaluation Team:*

- Aide Memoire of the Kick-off Meeting of the Inception Phase with the CLP,
- Inception Report, Debriefing on the Inception Report with the CLP, Aide Memoire of the meeting, finalisation of the Inception Report based on SDC feedback,
- Short briefing note to SDC's Directorate on the finalised evaluation design and key questions,
- Aide Memoires of End of Mission Debriefings with the CLP,
- Aide Memoire of the Debriefing with the CLP on the Draft Evaluation Report,
- Facilitation of the Agreement at Completion Point Workshop with the CLP including elaboration of recommendations and lessons learned (in collaboration with the SDC Evaluation Officer),
- A fit to print Final Evaluators' Report in English consisting of
  - Final Evaluation Report not exceeding 40 pages plus annexes and including an executive summary of maximum 4 pages,
- A short and a long Evaluation Abstract according to DAC-Standards for the DAC DeRec database.

*By SDC:*

- Review of the findings and conclusions, and participation in the elaboration of recommendations based on the findings and conclusions.
- An Agreement at Completion Point containing the Stand of the Core Learning Partnership and recommendations for SDC
- Lessons drawn by the Core Learning Partnership
- Senior Management Response
- Dissemination of the evaluation results

### At Outcome Level

SDC's management translates the insights from the evaluation into its strategies, program development and human resources management related to SDC's engagement in fragile contexts. SDC improves the coherency, coordination and complementarity of its activities in such contexts both in the "whole of SDC perspective" and the "whole of country system" perspective.

## Partners

### Organisational Set-up and Respective Roles

- A **Core Learning Partnership** (CLP) to accompany the evaluation will be constituted at SDC HQs as well as in each of the Cooperation Offices in the case study countries with field missions. The CLP comments on the evaluation design and the key questions in the Kick-off to the Inception Phase. The CLP comments on the Inception Report and on the Draft Evaluation Report. During the Agreement at Completion Point Workshop, the CLP receives and validates the evaluation findings and conclusions and together with the Evaluation Team elaborates lessons learned and recommendations for SDC which will be noted in an Agreement at Completion Point during the workshop.
- **SDC's Directorate** (Department-level Management and the Director General) will be interviewed by the Evaluation team. The Directors of Regional Cooperation and of Humanitarian Aid in consultation with the Director of Cooperation with Eastern Europe /

GUS will consider the Agreement at Completion Point of the CLP and draft a Senior Management Response which they will table in a meeting of the Directorate. The consensus of the Directorate is noted in the Senior Management Response which will be published with the evaluation report and form the basis for rendering accountability on the follow-up to the evaluation.

- The **Management Reference Group** will be periodically interviewed by the evaluation team to bring in their perspectives on SDC. They will be periodically briefed by the evaluation team on emerging findings, should participate in the Priorities for Change Workshop, will help draft the Senior Management Response to the evaluation and ensure its implementation.
- **Consultants** contracted by SDC's Corporate Controlling Section will elaborate an evaluation work plan and an Inception Report and carry out the evaluation according to DAC and SEVAL evaluation standards. They will conduct a Kick-off Meeting with the CLP at the beginning of the inception phase. They will conduct a debriefing for the CLP on the Inception Report and finalize it in consultation with the SDC Evaluation Officer to reflect the feedback as appropriate. They will conduct additional events with stakeholders throughout the evaluation process to ensure reflection and learning during the process (e.g., Visioning event during the inception phase). They will conduct debriefings for the stakeholders as appropriate following their evaluation missions. They will present a draft of their Evaluators' Final Report to the CLP, follow up on the CLPs feedback while safeguarding their independence and submit the Evaluator's Final Report in publishable quality as well as an Evaluation Abstract according to DAC specifications. In an Agreement at Completion Point Workshop (1 ½ day retreat) with the CLP, they will draw together the main conclusions of the evaluation and set out the evaluator's view of what needs to change ("priorities for change" and scenarios, if appropriate). From this starting point, they will facilitate a workshop process in which the CLP draws lessons learned and develops options and recommendations for consideration by SDC's senior management, which will be recorded by the evaluation team. The evaluation team leader may be asked to debrief SDC's Directorate at the end of the evaluation process.
- **Corporate Controlling Division (CC Division)** commissions the evaluation, approves the final evaluation design and key questions in consultation with the CLP and the evaluation team, drafts and administers the contracts with the Evaluation Team, ensures that the evaluators receive appropriate logistical support and access to information, safeguards the independence of the team and facilitates together with the evaluation team the overall process with respect to the discussion of evaluation results and the elaboration of the Agreement at Completion Point. It is responsible for the publication and dissemination of the evaluation report.



## **Members of the Core Learning Partnership (CLP) and Management Reference Group (MRG)**

The Corporate Controlling Section has tentatively identified the following persons for the Core Learning Partnership at SDC Headquarters:

### **Humanitarian Aid and SKH**

- Roland Schlachter and Marie Schärli, Haiti Desk and Deputy Head, America-Asia Division
- Armin Ullmann, Hindu Kush / Afghanistan / Pakistan / Central Asia Desk, America-Asia Division
- Roland Anhorn, Great Lakes Desk, Africa Division
- Véronique Bourquin, Occupied Palestinian Territories Desk, Europe and Mediterranean Division

### **Regional Cooperation**

- Markus Heiniger, Focal Point Conflict and Human Rights Network, South Asia Division
- Armin Rieser, Conflict Prevention and Transformation / Peacekeeping / Human Rights, South Asia Division
- Lorenzo Suarez, Pakistan / Hindu Kush / Multilateral Affairs Desk, South Asia Division
- Frank Wiederkehr, Afghanistan / Sri Lanka Desk, South Asia Division
- Giorgio Bianchi, Great Lakes Desk, Southern and Eastern Africa Division
- Vesna Roch, Haiti Desk, Latin America Division
- Rahel Bösch, Multilateral Affairs Desk, West Africa Division (formerly COOF Amman)
- Anne Claude Cavin, Burundi / Sudan Desk, Conflict Prevention, Eastern and Southern Africa Division

### **Cooperation with Eastern Europe**

- Sophie Delessert, Tajikistan Desk
- Santi Vega, Kirgistan Desk
- Stephanie Guha, Bosnia-Herzegovina Desk (formerly Humanitarian Aid Sudan, Gender)

### **Global Cooperation**

- Ségolène Adam, Conflict Prevention and Transformation / Post-conflict Management / Peacekeeping, Global Institutions Division
- Milena Mihajlovic, Gender Desk, Office of Chief of Staff, Global Cooperation

In the case study countries (Grands Lacs and Tajikistan), the evaluation team will constitute a **COOF Core Learning Group** and work with them during the missions. This CLP will draft a Management Response for the COOF indicating its follow-up to the evaluation.

### **Management Reference Group (MRG)**

It will be important to consult with as well as to anchor the evaluation results with SDC management. The following management staff will form a “Management Reference Group”. They will follow the evaluation process, provide inputs as appropriate and take responsibility for implementing the Senior Management Response. They are welcome to attend all meetings or can delegate attendance to their staff in the Core Learning Group.

### **Management Reference Group**

#### **Humanitarian Aid and SKH**

- Hans-Peter Lenz, Deputy Head Humanitarian Aid and Head America-Asia Division
- Bernhard Huwiler, Head Africa Division and/or Martin Jaggi, Deputy Head Africa Division
- Burgi Roos, Head Europe and Mediterranean Division

#### **Regional Cooperation**

- Maya Tissafi, Head Regional Cooperation
- Willi Graf, Deputy Head Regional Cooperation (former Country Director Afghanistan)

#### **Cooperation with Eastern Europe**

- Véronique Hulmann, Head Commonwealth of Independent States Division

#### **Global Cooperation**

- Christoph Graf, Deputy Head Global Cooperation (formerly head South Asia Division)

### **Process**

#### **Approach**

The evaluation process should be utilisation focused and engage the stakeholders throughout the process to ensure utility of the results for the stakeholders and encourage learning. The evaluation process will be iterative with periodic engagement of the Core Learning Partners and other relevant SDC staff and will include the following milestones:

- Kick-off of the Inception Phase with the CLP conducted by the SDC Evaluation Officer and the Evaluation Team to:
  - introduce the Evaluation Team,
  - discuss the Draft Approach Paper
  - enable the Evaluation Team to better understand SDC's needs and priorities with regard to the evaluation.
  - hear their suggestions and concerns
- Priorities for Change Workshop with the CLP and MRG: Brainstorming on Priorities for Change in SDC
- End of Inception Mission Debriefing with the CLP conducted by the SDC Evaluation Officer and the Evaluation Team to
  - receive CLP feedback on the emerging Inception Report
  - reach agreement for finalisation of the evaluation scope, analytical framework, case studies, key questions and methodology
- End of Mission Debriefings of the CLPs at Headquarters and in the case study countries by the Evaluation Team as appropriate to
  - inform the CLP of emerging findings

- Debriefing of the CLP by the Evaluation Team on their Draft Evaluation Report
  - forum for the CLP to ask questions of clarification to the evaluation team
  - provide a sounding board for the evaluation team (Any factual errors? Difficulties of comprehension? Opportunity to ask additional questions, etc.) before the report is finalised.
- Agreement at Completion Point Workshop with the CLP and MRG conducted by SDC Evaluation Officer and the Evaluation Team (1,5 day retreat outside Bern)
  - to conduct a process for the CLP to generate lessons learned and recommendations for SDC.

An innovative feature of this evaluation is that the Core Learning Partnership and Management Reference Group will be actively involved in generating the lessons learned and the recommendations for SDC. Evaluation research shows that involvement of those responsible for implementation in generating recommendations leads to a higher rate of implementation. In the Agreement at Completion Point Workshop, the Evaluation Team will present their conclusions and “priorities for change” and will be responsible for assisting the CLP / MRG to identify lessons learned and develop recommendations by facilitating an effective process of consideration of possible actions. The Evaluation Team, assisted by the SDC Evaluation Officer, will be responsible for the process of generating and recording recommendations in an Agreement at Completion Point. This document will go to heads of Regional Cooperation and Humanitarian Aid as the basis for their elaboration of SDC's Senior Management Response which they will table with SDC Directorate.

## Methodology

The evaluation will pursue a mixed methods approach, drawing as extensively as possible on available data with supplementary primary research where necessary.

The evaluation will develop an evidence base on which to form key decision-making debates on policies, organisational structure and approaches.

In this sense the *process* is as important as the *output*; both have to be right to achieve the desired outcome. The aspiration is that through a process of mixing evidence and insight from a forensic look at the work of SDC in fragile contexts, key policy approaches will become clearer. For this to happen the involvement of key stakeholders from the start is a pre-requisite. This evaluation will therefore serve two purposes simultaneously:

- Provide a context for increasing organisational awareness of its policy coherence and its structures, processes, and culture and how these affect its performance in fragile states.
- An objective analysis of the policy coherence, structures, processes and culture, and how these affect SDC's performance in fragile states.

The first three main lines of inquiry relate to the internal cohesiveness within the organization, and how well this is reflected in and aided by the organisational coherence and corporate culture. Perceived tensions between mandates and main definitions of purpose can cause centrifugal forces within the organisation, threatening to pull it apart or reducing its effectiveness. How can these mandates be integrated into one comprehensive approach, and how can synergy be created between the mandates?

Thus the overall approach taken should be strongly informed by the latest thinking on developmental evaluation, as outlined by leading evaluation thinker Michael Quinn Patton.

This approach is tailored to complex environments, and sees the evaluator combining the rigor of evaluation (evidence-based and objective) with the role of enhancing a program's capacity for using evidence in reflective thinking on its work. It ensures that a program team learns during the evaluation process—not just at the end. This will not only increase the utility of the evaluation to SDC but will also support the ongoing commitment of the organization to develop strong design, monitoring and evaluation capacity.

This approach will build on the notion of organisational behaviour as an emergent property, arising from the interaction between individuals and the systems and processes in which they are embedded. Values, norms, behaviours, routines and practices are mutually interacting elements that determine the actual performance of the organisation, and the congruence between the espoused theory; the way an organisation is supposed to function, and the theory-in-use; the way the organisation actually functions. A primary deliverable of the evaluation will be a shared sense of purpose, and a clear understanding of the complementarity of the sub-components of the organisation which can lead to a stronger collaboration and internal cohesion.

Through this innovative process of reflection and clarification, potential synergies can be made visible to diverse members of the organisation, which will strengthen the sense of consensus, common purpose and complementarity of approaches.

The developmental evaluation process should be an active, collaborative process with the actors themselves, not a static evaluation by the evaluation team. For this reason, the evaluation team will combine review of primary and secondary sources with a more dynamic approach, in which groups of actors are being taken through an exploratory search for cohesion and integration. This approach will take the management and staff of the organisation through an active learning process, which will have its immediate effects on larger organisational system awareness, and will make the impact of the evaluation higher in the long-run. This process-component of the evaluation will work on the basis of specific case studies, and use these as a locus of learning. It will also conduct workshops with relevant staff, such as the Priorities for Change Workshop during the Inception Phase.

The evaluation will essentially take a case study approach, looking in detail at two regional strategies in fragile contexts. This will provide the empirical evidence needed for the policy debate on the degree to which integration can be achieved in practice, and how to go about this. It will also allow for analysis of policy and decision making process throughout the organisations. Because similar exercises will be carried out at different levels (and in HQ and in field offices) it allows for comparative analysis between the levels. This lends it a degree of objectivity that will allow the evaluation team to draw empirical conclusions on the effectiveness and efficiency of the organisation. In addition, working from the basis of a specific case study allows for the simultaneous assessment of the espoused theory and the theory-in-use. In other words, it captures the devil in the detail.

The case studies will combine desk-based data analysis, key informant interviews and site visits. A learning workshop will be carried out using evidence generated in the data-gathering phase to discuss the processes of policy and strategy formulation and strategy execution.

The case studies will include two with field missions and two desk based studies. The two field missions will be the Great Lakes (DR Congo, Rwanda, Burundi) and Central Asia

(Tajikistan, with telephone interviews with Kyrgyzstan). The two desk based studies will be Haiti and Hindu Kush.

Context	Rationale
Great Lakes	Ongoing conflict across the region, extreme poverty, regional instability, huge humanitarian caseload.
Central Asia	States in transition post-cold war and in some cases post-conflict. Proximity to areas of major conflict, in particular Afghanistan. Authoritarian regimes, weak institutions, significant governance challenges, insurgencies.
Haiti	Government capacity severely constrained by the earthquake. Massive vulnerability and political fragility.
Hindu Kush	Emerging programme in region in conflict. Strategy being developed.

### Main steps

Activity	Date	Actors
Call for Expression of Interest to identify potential team leaders	March 2011	SDC Evaluation Officer
Draft Approach Paper for Call for Offers	April 2011	SDC Evaluation Officer with feedback from relevant staff
Call for offers launched	April 15, 2011	SDC Evaluation Officer
Selection of Evaluators	June 2011	SDC Evaluation Officer
Contracts signed with Evaluators	July 2011	SDC Evaluation Officer and CC Secretariat
Recruitment of CLP	August 2011	SDC Evaluation Officer,
Logistical and administrative preparations <ul style="list-style-type: none"> <li>- Contact List for Evaluation Team (CC Secretariat)</li> <li>- Reservations of venues for all meetings and retreats (CC Secretariat)</li> </ul>	August 2011	Evaluation Team., Corporate Controlling (CC) Secretariat,
Logistics for Evaluation Missions <ul style="list-style-type: none"> <li>- Interview Appointments</li> <li>- Hotel Reservations</li> <li>- Travel Reservations</li> </ul>	August 2011	Evaluation Team with very limited support by the CC Secretariat. Plane fares to be approved by Bundesreisezentrale
Inception Phase	mid-August-September 2011	
First Evaluation Team Mission for Inception Phase	September 12-16 2011	Evaluation Team Leader, other Team Members as appropriate
<b>Kick-off Meeting with the CLP</b>	September 12, 2011	SDC Evaluation Officer, Evaluation Team Leader,

Activity	Date	Actors
	10:00-12:30	other Team Members as appropriate, CLP
<b>Priorities for Change Workshop with selected staff including CLP and MRG</b>	Sept. 15, 2011 10:00-12:30	Evaluation Team Leader, other Team Members as appropriate
Briefing Paper for Meeting with Senior Management ( final key questions)	September 2011	Evaluation Team to SDC Evaluation Officer
Meeting with SDC Senior Management (DirKo) to discuss final key questions	September 2011	SDC Evaluation Officer,
Inception Mission <b>Debriefing with the CLP</b>	Sept. 16, 2011 9:30-11:00	Evaluation Team Leader, other Team Members as appropriate and SDC Evaluation Officer
Final Inception Report. Evaluation Process finalized.	Sept. 30, 2011	Evaluation Team in consultation with SDC Evaluation Officer
Evaluation Implementation	Sept.-Dec. 2011	Evaluation Team Leader, other Team Members as appropriate
First Country Mission Tajikistan	November. 2011	Evaluation Team Leader, other Team Members as appropriate,
Second Country Mission, Great Lakes	November 2011	Evaluation Team Leader, other Team Members as appropriate
<b>Validation of Emerging Findings Meeting with CLP</b>	Dec. 15, 2011	
Draft Final Evaluators' Report	January 10, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>CLP Meeting to give feedback on Draft Evaluators' Report</b>	<b>January 19, 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
Final Evaluators' Report	January 26, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>Agreement at Completion with CLP / MRG</b>	<b>Feb.y 2-3 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
<b>Senior Management Debriefing (if necessary)</b>	<b>end of February or beginning March 2012</b>	SDC Evaluation Officer, Evaluation Team Leader
Senior Management Response	March 2012	SDC Evaluation Officer SDC Senior Management,
Publication and Dissemination	April 2012	SDC Evaluation Officer and CC Secretariat

## **Evaluation Team**

SDC's Corporate Controlling Section has recruited an evaluation team that is independent of SDC and has not been implicated in the activities under evaluation. The evaluation team with Lewis Sida as team leader with Ben Ramalingam, Frauke de Weijer, William Frej, and Ross Mountain brings together high level practitioner experience in both humanitarian aid and development cooperation including the following experience / skills mix:

- Demonstrated ability to evaluate in emergent realities from a complex systems perspective
- Demonstrated ability to engage stakeholders in reflective inquiry using data coming out of the evaluation
- Demonstrated ability in assessing organisational capacity and proposing corrective measures
- Extensive knowledge of and demonstrated experience in implementing the principles for engagement in fragile contexts (e.g. 3 C's, 3 D's, SSR, do no harm, Conflict Sensitive Program Management, and other relevant principles in conflict /crisis contexts) and in implementing comprehensive cooperation
- Demonstrated experience at a senior level in implementing humanitarian, development and transition programs in fragile contexts (field experience in the "comprehensive cooperation" dimension)
- Competency in equality and gender issues (application of gender sensitive evaluation methodologies)
- Excellent English (report to be delivered in "native speaker" quality)
- French and German competency (some case studies will require French),
- Analytical and editing skills, ability to synthesize and write well
- Communication skills

Total person-days (for entire team) for this assignment: 170. The budgetary envelope for this evaluation is CHF 206'000. including all travel and per diems to SDC headquarters and to the case study countries.

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EVALUATION 2009/5	SDC'S CONTRIBUTION TOWARDS BIODIVERSITY: Impact in the Andean Region
EVALUATION 2009/4	SWITZERLANDS' BILATERAL AND MULTILATERAL COOPERATION: To what extent do operational synergies exist?
EVALUATION 2009/3	TWO RURAL FINANCE AND EMPLOYMENT PROGRAMMES IN INDIA
EVALUATION 2009/2	KNOWLEDGE MANAGEMENT AND INSTITUTIONAL LEARNING IN SDC
EVALUATION 2009/1	EVALUATION OF SDC'S PERFORMANCE IN MAINSTREAMING GENDER EQUALITY
EVALUATION 2008/1	SDC HUMANITARIAN AID IN ANGOLA 1995–2006
EVALUATION 2007/2	DECENTRALISATION IN SDC'S BILATERAL COOPERATION Relevance, Effectiveness, Sustainability and Comparative Advantage
EVALUATION 2007/1	SDC'S PERFORMANCE TOWARDS EMPOWERMENT OF STAKEHOLDERS FROM THE RECIPIENTS' PERSPECTIVE
EVALUATION 2006/1	EVALUACIÓN INDEPENDIENTE DEL PROGRAMA REGIONAL DE AMÉRICA CENTRAL 1999–2005
EVALUATION 2005/3	INDEPENDENT EVALUATION OF THE SDC/seco MEDIUM TERM CONCEPT 2002–2006 IN SERBIA & MONTENEGRO
EVALUATION 2005/2	INDEPENDENT EVALUATION OF SDC NEPAL COUNTRY PROGRAMMES 1993–2004 Building Bridges in Nepal – Dealing with deep divides
EVALUATION 2005/1	AUFGABENTEILUNG ZENTRALE – KOBÜ
EVALUATION 2004/4	SDC'S INTERACTION WITH THE SWISS NGO'S (for internal use only)
EVALUATION 2004/3	QUALITY ASSESSMENT OF SDC'S EXTERNAL EVALUATION REPORTS (not published)
EVALUATION JR 2004/2	SWISS-SOUTH AFRICAN DEVELOPMENT COOPERATION PROGRAMME 2000–2003 Joint Review
EVALUATION 2004/1	SDC'S HUMAN RIGHTS AND RULE OF LAW GUIDANCE DOCUMENTS INFLUENCE, EFFECTIVENESS AND RELEVANCE WITHIN SDC
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EVALUATION 2003/3	PROGRAMME DE LA COOPERATION SUISSE AU NIGER 1997–2002
EVALUATION 2003/2	SDC'S INTERACTION WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
EVALUATION 2003/1	SDC'S BILATERAL ENGAGEMENT IN THE POVERTY REDUCTION STRATEGY PAPER (PRSP) PROCESS
EVALUATION 2002/1	EIN JAHRZEHNT CINFO 1990–2001

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Bern, May 2012

## Annex 1: OECD DAC principles of engagement and SDC compliance

Principles	SDC compliance
Take context as the starting point	Good context analysis, but tendency toward “template” programmes. Health, decentralisation.
Do no harm.	Difficult to judge this, but generally SDC does well on this.
Focus on state building as the central objective	Tendency to avoid the state, or engage peripherally.
Prioritise prevention	This is done moderately well, mostly through actions of DPIV.
Recognise the links between political, security and development objectives	Not done well because of fragmented nature of aid bureaucracy. Small improvements being made.
Promote non-discrimination as a basis for inclusive and stable societies.	Not particularly part of portfolio.
Align with local priorities in different ways in different contexts.	SDC is good at alignment, and good at looking to civil society as well as government.
Agree on practical coordination mechanisms between international actors.	Sometimes SDC plays a very positive role in encouraging coordination. Sometimes it is quite absent.
Act fast .... But stay engaged long enough to give success a chance.	Not great at acting fast – but do stay engaged for long which is good.
Avoid pockets of exclusion	No good examples of specific programming on this in case studies, but certainly is the SDC “instinct”.



# Evaluation of the Performance of SDC's Instruments in Fragile and Conflict-Affected Contexts

## Approach Paper

September 22, 2011

1. Background.....	2
2. Why an Evaluation and Why Now? – Rationale .....	6
3. Purpose, Objectives and Focus.....	6
3.1. Purpose .....	6
3.2. Objectives.....	7
3.3. Focus and Scope.....	7
4. Key questions .....	8
5. Expected Results .....	11
5.1. At Output Level.....	11
5.2. At Outcome Level .....	11
6. Partners .....	11
6.1. Organisational Set-up and Respective Roles.....	11
6.2. Members of the Core Learning Partnership (CLP) .....	12
7. Process.....	14
7.1. Approach .....	14
7.2. Methodology .....	15
7.3. Main steps .....	17
7.4. Evaluation Team.....	19

# 1. Background

SDC's Directorate has mandated SDC's Corporate Controlling Section<sup>1</sup> to commission an Evaluation of the Complementarity of SDC's Instruments in Fragile and Conflict Affected Contexts<sup>2</sup>.

Fragile contexts refer to countries affected by weak capacity, problematic state-society relations, deep social divides and/or the legacy of violent conflict. Over one sixth of the world's population – or approximately 1.2 billion people – live in countries designated by the international community as Fragile States<sup>3</sup>. SDC invests 28% of its budget of CHF 1'453 million in 33 of 43 such countries. In over half of these countries, SDC is engaged simultaneously in Humanitarian Aid and Development Cooperation or Transition Cooperation. Of SDC's 19 countries of concentration, 4 (or 21%) are Fragile States: Nepal, Niger, Tajikistan and Chad. Of SDC's 8 Special Programs, 3 (or 38%) are in fragile contexts: Afghanistan, Great Lakes /Burundi/Ruanda and Palestine. In many of these countries, SDC's engagement is relatively modest: in 13 of the 33 countries (or 40%) it is under CHF 3 million and in 8 of the countries (25%) even less than CHF 1 million.

Engagement in fragile contexts is a non-linear process with tensions and trade-offs between the need to provide rapid support and life-saving activities while at the same time supporting development of sustainable state structures. This requires a shared space between humanitarian and development (and often security) actors as countries experience humanitarian emergencies, longer-term development programs and peacekeeping efforts simultaneously. Aid architecture promotes a compartmentalization of humanitarian and development aid which are governed by different principles, rules and regulations. Humanitarian Aid may sometimes bypass government structures whereas development aid strives to work with and through governments. This can create tension between the need to protect humanitarian principles such as impartiality and neutrality while working to build government capacity. Reality on the ground requires coherent integrated strategies, strong partnerships across aid modalities as well as clarity on roles and responsibilities. Over the years, this field of tension in the aid architecture - or aspects of it - have been referred to as the continuum-contiguuum dimension, linking relief and rehabilitation, transitional cooperation or comprehensive cooperation. In this paper, we will use the terms comprehensive cooperation and "whole of SDC approach" to refer to this field of tension. In addition, engagement in such contexts also requires "whole of government" and "whole of systems" approaches with coherence, coordination and

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<sup>1</sup> SDC's Corporate Controlling Section is in the Staff of the Director General and independent of line management. The evaluations it commissions provide an independent perspective and constitute one of SDC's instruments for rendering accountability and promoting learning.

<sup>2</sup> Although

fragile contexts tend to correspond to fragile states, there can be a discrepancy between development of fragility and designation as a Fragile State, sometimes due to political reasons or to inability of the actors involved to acknowledge the reality. Hence the use of the more encompassing term fragile context rather than fragile state throughout this paper.

<sup>3</sup> The OECD International Network on Conflict and Fragility (INCAF) defines state fragility "as a lack of capacity to perform basic state functions, where "capacity" encompasses (a) organizational, institutional and financial capacity to carry out basic functions of governing a population and territory, and (b) the state's ability to develop mutually constructive and reinforcing relations with society. (...) state capacity is achieved through political processes of constructive state-society bargaining, which in turn require legitimacy; capacity and legitimacy can then become mutually reinforcing, and contribute to state resilience. The dynamic can also be negative if a lack of capacity undermines legitimacy and vice versa, contributing to state fragility." (OECD 2010: The State's Legitimacy in Fragile Situations. Unpacking Complexity, p. 15). The list of fragile states is a compilation of 3 lists: The World Bank's Country Policy and Institutional Assessment (CPIA) 2008, the Brookings Index of State Weakness in the Developing World 2009, and the Carleton University Country Indicators for Foreign Policy (CFIP) 2008 index.

complementarities (i.e., division of labor) between the different external actors (diplomacy, defense, development) and the partner country.

A recent high level working group<sup>4</sup> on Afghanistan and Pakistan set out a number of principles as a useful starting point for all sets of actors working in fragile states (and indeed in all complex systems) to challenge their way of thinking and acting. These principles are as follows:

- To work to understand the systemic and contextual nature of the problems faced in fragile states<sup>5</sup>, how these problems have evolved and continue to evolve over time.
- To involve those people who matter the most in the decisions that matter the most.
- To avoid 'silver bullet' strategies and instead attempt multiple parallel experiments with realistic timeframes and high acceptance / tolerance of failure
- To establish real-time strategic analysis & learning as a key form of operational feedback.
- To be open to the fundamental adaptation of efforts, along with changes in local contexts and conditions.
- To reframe the overall fragile state engagement as a dynamic network of multiple systems and actors.<sup>6</sup>

This analysis leads to the unambiguous conclusion that working in fragile contexts is as much about the 'how' as it is about the 'what'. Understanding the context, being flexible, adapting to increasing insight and changing circumstances, creatively combining approaches and instruments, are all critical.

The goal of the SDC's engagement in fragile contexts is to combat and overcome the vulnerability of the poor, the marginalised, those affected by violent conflict, and victims of natural disasters. The poor are in general more likely to be victims of violent conflict (refugees, for example) or of natural disasters. Failure to prevent natural catastrophes and violent conflict, coupled with neglect of their needs in post-crisis situations (peace building etc.) often results in the vulnerable being punished twice over. In the interests of justice, therefore, this group should receive more attention from those global actors that are equipped with the values and the opportunities needed for difficult contexts. The costs, in terms of security and collaboration efforts, and to a certain extent the risks, of such engagement are in general higher if compared to programmes in more stabile situations. And the probability of the results being achieved through our efforts in such difficult environments might tend to be lower. But they are justified if there are opportunities for the SDC to generate a value-added for a vulnerable population and to render visible the SDC's reputation in this area of fragility.

SDC is challenged to achieve a "whole of SDC approach". SDC has several mandates and deploys various modalities and instruments in its programs in fragile contexts: humanitarian aid, multilateral aid, development and transition cooperation across a broad spectrum of thematic sectors and instruments including policy dialog, programmatic aid, etc. In all of its programming, SDC pursues two transversal themes: gender and governance. All SDC programs must demonstrate a clear and critical understanding of these transversal themes and address them adequately.

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<sup>4</sup> See <http://www.santafe.edu/media/workingpapers/11-06-022.pdf>

<sup>5</sup> See for instance the DAC Principles for Good International Engagement in Fragile States and Situations has this as its first principle, the DFID Summary Note on Working Effectively in Conflict-affected and Fragile Situations, Menkhaus, K in PRISM.

<sup>6</sup> Ben Ramalingam "Foreign Aid and Complex Systems Research: Exploring the Potential" Presentation Given at Santa Fe Institute, Santa Fe, February 24, 2011



SDC is organised in four Departments with the following mandates: Regional Cooperation (RC) encompassing bilateral cooperation in the South, Global Cooperation (GC) covering multilateral aid and global programs in the areas of migration, water, climate, health and food security, Cooperation with Eastern Europe (OZA) and Humanitarian Aid (H). SDC's Humanitarian Aid Department engages in (i) emergency relief, (ii) reconstruction and rehabilitation, (iii) prevention and preparedness and (iv) protection and advocacy. SDC Humanitarian Aid is directly operational through its Swiss Humanitarian Aid Unit (SHA), a reserve unit of 700 specialists. It also works with and through multilateral organisations, state agencies, NGOs and the private sector.

In the context of the 2008 reorganisation, the Europe /Middle Eastern Division in the Regional Cooperation Department was fused with the Europe / Middle Eastern Division in Humanitarian Aid Department into a new overarching E/MM Division creating a joint team with humanitarian and development backgrounds. A review conducted in 2010 found that it was too early to ascertain whether this new organisational form is more effective and many institutional solutions are possible to better integrate humanitarian and bilateral instruments. Many questions about how to best coordinate the RC/OZA/GC and H remain to be addressed.

In addition to striving for a “whole of SDC approach”, SDC has also been strongly engaged in a “whole of Swiss government” approach. SDC, the other Political Directorates in the Swiss Ministry of Foreign Affairs and other implicated Swiss governmental agencies have jointly elaborated several country strategies in fragile contexts.

Engagement in fragile environments presents SDC with human resource challenges. SDC is finding it difficult to recruit and retain staff willing to work in such environments and having the appropriate experience and skills mix is difficult. In addition, implementation of programs in fragile environments is more human resource intensive and more process oriented than normal development programs. SDC is beginning to address these challenges.

SDC is presently developing its new Federal Council Dispatch 2013-2016 (Botschaft). This is a comprehensive binding document which lays out and legitimizes SDC's strategic orientation for the coming years. SDC's management is committed to increasing SDC's engagement in Fragile States and is deciding during the course of 2011 how it will re-orient SDC in this direction. An ad hoc SDC working group led by the South Asia Division with representatives from the Regional Cooperation, Humanitarian Aid, Global Cooperation and Cooperation with Eastern Europe tabled a paper at the June 2010 SDC Senior Management Retreat entitled “What Engagement for SDC in Fragile Contexts?”.

The ad hoc Working Group proposed that

- SDC's commitment in Fragile States be increased from 28% of its budget to 40-50% to be more in line with the international donor “average”,
- The number of countries of concentration and the special programs in fragile contexts be successively increased to 12-15 countries /regions, so that in the medium term, about half of SDC's areas of concentration would be in such contexts,
- The commitment per country / region be at least CHF 5 million for stronger focus and more visibility,
- SDC's engagement be flexible over time horizon of 10-15 years,
- SDC's mode of engagement should optimally and systematically combine all its mandates and instruments (humanitarian, bilateral and multilateral) in a comprehensive approach that takes regional contexts into consideration.

The paper identifies several areas of Swiss competitive advantage: Switzerland is perceived to be a modest, neutral player without a colonial legacy and hidden geopolitical agendas able to develop relationships of trust with a broad range of actors (governmental, nongovernmental and private sector). Its own history of multicultural integration and direct democracy lends credibility to its approaches. It is well-positioned to grasp the “chance for early action” and to engage with the “bad guys.” SDC’s modest size, decentralized organizational structure, policy of long-term engagement and experience in difficult contexts as well as its proximity to the “field” are strong advantages when working in complex and emergent contexts and enable it to react flexibly in volatile situations.

While SDC’s Director General agreed that in comparison to other OECD countries, SDC is under-engaged and would be well positioned to strengthen its profile, SDC’s Directorate has not yet taken decisions regarding the proposals put forward by the working group, which were mentioned above.

SDC is working internally and has contributed actively at the international level to establish principles for engagement in fragile contexts and aims to implement them in its own activities, for example:

- Good Humanitarian Donorship (2003)
- Paris Declaration (2005)
- Good International Engagement in Fragile States and Situations (2007)
- Accra Agenda for Action (2008)
- 3 D’s (diplomacy, defense, development)
- 3 C’s (coherence, coordination, complementarity)
- Conflict Sensitive Program Management (CSPM)
- “Do no harm” Principles
- DAC INCAF Statebuilding Guidance
- Security Sector Reform (SSR), etc.

In summary, SDC is looking for answers to many challenges it faces in fragile contexts:

- Comprehensive programming: Addressing SDC’s institutional/organisational, political and financial constraints in order to achieve integrated, comprehensive programs (development/transition cooperation and humanitarian aid);
- Setting appropriate geographic and thematic priorities in its engagement in fragile contexts: dealing with the fields of tension between universal engagement / high visibility and priority setting / concentration and between the need for broad based humanitarian engagement versus domestic and peer pressure to concentrate development aid resources in a limited number of countries;
- Achieving the required flexibility for engagement in emergent contexts with regard to human resources, financial resources, geographic engagement and responsible phasing out;
- Programming effectively in fragile complex and emergent contexts;
- Demonstrating and communicating about results in fragile contexts;
- Appropriate partner selection.

## **2. Why an Evaluation and Why Now? – Rationale**

The evaluation is timely and appropriate for several reasons:

The changing political landscape, the dynamics in partner countries and SDC's reorganisation are leading to a new paradigm with a focus on fragile contexts. SDC is in the process of redefining its mission and is committed to increasing its engagement in fragile contexts. The shift laid out in the new Dispatch will have strategic, organisational and human resource consequences. Evidence coming out of the evaluation should inform this process and be useful to SDC for implementing the new Dispatch.

SDC recognizes that it must transcend the compartmentalisation between modalities / instruments and move towards a "whole of SDC approach". SDC's reorganisation has been a step in this direction but serious challenges remain in ensuring that SDC's various mandates with their corresponding modalities and instruments complement each other and create synergies to achieve maximum effectiveness.

SDC's thematic networks are still young and evolving, including the Network for Conflict Prevention and Human Rights. Here too, there are windows of opportunity to better serve all SDC constituencies, including those working in fragile contexts.

The Evaluation Unit in Internal Revision (IR/E) in the General Secretariat of the Swiss Ministry for Foreign Affairs is interested in integrating the results of this evaluation in a synthesis it is compiling of the Swiss Ministry of Foreign Affairs' engagement in fragile states.

## **3. Purpose, Objectives and Focus**

### **3.1. Purpose**

The purpose of this evaluation is to provide a better understanding of the quality and effectiveness of SDC cooperation in fragile contexts to draw lessons and inform decision-making and strategy development in SDC at various levels for the implementation of SDC's new Dispatch with increased engagement in fragile contexts:

- Directors of SDC's Departments for improving the "connectedness" of SDC programming across SDC's mandates;
- Management for designing new strategies regarding future areas of engagement, staffing requirements, and improving operational processes in fragile contexts;
- SDC operational staff for improving ongoing and designing future programs in fragile contexts.

This evaluation also serves to render accountability to taxpayers in Switzerland, to partners and to the ultimate beneficiaries: SDC's Corporate Controlling Section, which is commissioning this evaluation, is outside of line management and reports to SDC's Director General. The evaluation team, which must be independent of SDC, will provide a critical perspective. Through such evaluation processes, SDC demonstrates that it is open to outside scrutiny, reflects on its performance and effectiveness and strives to learn in order to improve its programs.

### **3.2. Objectives**

The key objectives of the evaluation are the following:

- Judge SDC's performance in its present engagement in selected fragile contexts from "comprehensive aid" and "whole of system" perspectives;
- Provide a solid evidence base of where SDC stands and an analysis of where it needs to improve;
- Through a process of reflective inquiry with stakeholders in SDC's departments and case study cooperation offices during the evaluation, develop a shared understanding among staff of each others mandates and how to engage in fragile contexts so that SDC activities across its departments / mandates become more coordinated, complementary and coherent;
- Develop "priorities for change" for SDC and with the Core Learning Group (CLP) develop clear, targeted and actionable recommendations for SDC's future engagement in fragile contexts.

### **3.3. Focus and Scope**

This is a formative process evaluation which will assess SDC's performance in developing and implementing its programs in fragile contexts. It will focus on "the whole of SDC", encompassing the interplay of SDC financed Humanitarian Aid, Regional Cooperation, Global Cooperation and Aid to Eastern Europe and the CIS and the choice of instruments SDC deploys in these modalities. The evaluation will also examine SDC's performance from a "whole of system" perspective including SDC's coherence, coordination and complementarity with others in the partner country context. The evaluation will consider overarching organisational, management and human resource issues to the extent that they relate to SDC's performance in fragile contexts.

In light of the limited resources, this evaluation is not expected to collect primary evidence of the outcomes and impacts of SDC programs. It will, however, render judgement regarding SDC's result orientation and ability to report on the effectiveness of its activities. It will take available reporting on outcomes / impacts into consideration.

SDC's understanding of and efforts to contribute to "whole of Swiss government" and "whole of system" approaches are to be covered. The performance of other parts of the Swiss Ministry of Foreign Affairs and of other Swiss government agencies and of the overall Swiss mechanisms for "whole of Swiss government" approaches are not within the scope of this evaluation.

This is not an evaluation of SDC's partners and their activities. The appropriateness of SDC's partner selection will, however, be examined to the extent relevant for assessing SDC's performance.

The evaluation will focus on "what is" and look back only to the extent necessary in the particular case studies to understand and assess the present engagement and to assess SDC's performance in adapting to changes in context (i.e., looking back at pivotal changes in country context which require adaption of SDC programming).

The scope will encompass a representative sample of SDC country or regional programs in fragile contexts chosen to cover interesting constellations of mandates and different types of fragile circumstances. Chosen programs should encompass both humanitarian aid and development / transition cooperation. The sample should be large enough to draw

conclusions representative of SDC but manageable within the time and resource constraints of the evaluation.

SDC's Corporate Controlling Section, in collaboration with the operational Departments, has identified the following programs as case studies (see also pg. 15):

- Grands Lacs (Ruanda, Burundi, Congo) with a field mission,
- Central Asia (Uzbekistan, Kyrgyzstan, Tajikistan) with a field mission to Tajikistan and telephone interviews with Kyrgyzstan,
- Emerging Hindu Kush Program (Afghanistan, Pakistan)<sup>7</sup> as a desk study with electronic communication with stakeholders and
- Haiti as a desk study with electronic communication with stakeholders.

The new organisational structure of the Europe/Middle East Division and its work in the Occupied Palestinian Territories (OPT) were reviewed in 2010. OPT will not be an in-depth case study, but relevant staff may be interviewed to complement/clarify the 2010 review.

## 4. Key questions

The question catalogue below is a preliminary "wish list" compiled by the SDC evaluation officer reflecting preliminary discussions with the evaluation stakeholders in SDC. The evaluation team will refine and prioritize the questions in consultation with SDC's evaluation officer and the Core Learning Group during the inception phase.

Note: In the questions below, "mandate" refers to the humanitarian aid mandate, development cooperation mandate, transition cooperation mandate and the overarching global programs mandate.

### A. Context Awareness, Flexibility and Adaptability:

1. **How well does SDC conduct context analysis and diagnostic work and then translate this knowledge into strategy and program development:** How effective is SDC's Monitoring System for Development Changes (MERV)? Are the root causes of conflict and fragility as well as crisis and risks dynamics sufficiently and accurately considered? Are gender equality, governance, social inclusion and humanitarian issues sufficiently considered? How well is SDC able to grasp rapidly changing, emergent contexts? Does SDC conduct joint analysis across its mandates? Does SDC contribute to joint assessments? Are the analysis kept up to date? Are context analysis and diagnostic work translated into relevant strategies and objectives? In particular are the cross-cutting issues of gender and governance sufficiently understood and adequately addressed in diagnostic work then translated into strategies and programming?
2. **How flexibly is SDC able to react to changing situations:** Do SDC programmes adapt appropriately and in a timely manner to changes in context? Is SDC able to take advantage of the narrow windows of opportunity during transition points between conflict and peacebuilding / emergency and development?

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<sup>7</sup> The Regional Program Hindukush will focus on the narrow border area between Pakistan and Afghanistan as Switzerland's contribution to regional stabilization. SDC is phasing out its Pakistan Program. SDC will draw on its Pakistan experience and resources and integrate its Afghanistan Program into the Regional Program. If the Hindukush Program is chose as a case study, it would need to be conducted in a "development evaluation" mode as the program is in the inception phase.

3. **How conflict sensitive is SDC:** Assess the quality of SDC's tool "Conflict Sensitive Program Management" (CSPM). Assess the extent to which it, as well as the "Do no harm" Principles, are operationalised in the case studies. How appropriate is SDC's choice of partners from a "do no harm" perspective? How well does SDC deal with the tensions and risks faced by national program officers and partners as well as their mindsets (due to their own situations within the conflict dynamics as members of the society) and the repercussions this may have on the program?

## **B. Cohesion of Organisational Mandates**

4. **How well does SDC practice comprehensive cooperation and manage the tensions between its mandates as well as between development objectives:**
  - a) To what extent do SDC personnel across mandates understand each other's perspectives and modes of engagement? How aware is personnel of the tensions between the goals / perspectives / principles of the different mandates? How well are personnel across mandates able to develop a common understanding of goals/objectives and the means for achieving them? How supportive are staff of each other across institutional boundaries? Are there differences in staff perceptions depending on where they work (i.e. cooperation offices, headquarters)? Are the thematic networks able to establish bridges across the mandates? How well is SDC able to draw capacity and expertise from the different parts of SDC to enable holistic context analysis, strategies and programming? How can "connector" tendencies be strengthened and "divider" tendencies weakened?
  - b) How well does SDC deal with the hierarchy, responsibility and decision-making challenges associated with integrating the different mandates into a comprehensive program? Which aspects of SDC's organisational structure and corporate culture promote a comprehensive cooperation mindset and which hinder it? How well does SDC manage the tension between headquarter policy evolution and overall coherency versus devolution of responsibility to the cooperation offices and the need for country driven, locally owned approaches and in-country coordination?
  - c) To what extent are SDC programs integrated programs and tensions between mandates and objectives effectively managed: Within SDC programs, are the different mandates and instruments embedded in a coherent, comprehensive strategic framework? Does SDC combine the mandates and their instruments in its program in ways that are sequentially appropriate and mutually reinforcing? Does SDC create synergies between the mandates? How does SDC meet the challenge of upholding the distinction between humanitarian action and development / transition cooperation given that overall goals and principles differ and may compromise each other? Is SDC able to engage early and flexibly to address development needs in transition situations? How does SDC manage the tensions between development objectives, e.g., providing service delivery to meet immediate needs vs. building capacity of the state to do so, strengthening and empowering civil society vs. working with a government disconnected from its population to promote statebuilding?

## **C. SDC's Role in the Broader System**

5. **How well does SDC operationalize the 3 Cs (coherence, coordination, complementarity) and the 3 Ds (diplomacy, development and defense) from "whole of system" and "whole of Swiss government" perspectives?** Looking at SDC programs as systems operating within larger systems, how well does SDC

implement the 3 Cs (coordination, coherency, complementarity) and work jointly to define and implement coordinated activities to reach shared objectives (examine with regard to “Swiss whole of government” and with regard to “whole of system” in the partner country)? To what extent do SDC personnel understand the perspectives and modes of engagement of the diplomatic and defence sectors? To what degree does the SDC program form part of and is connected to an overall country framework and coordinated with other policies, programmes within the partner country/region or thematic cluster? To what extent does SDC strive to fill gaps and avoid duplication in the partner country landscape? Assess the extent to which SDC has established an appropriate niche for itself which reflects its comparative advantage and identify where it could do more in this direction

#### **D. Delivery Mechanisms and Modalities**

6. **How well does SDC analyze and manage the risks inherent in engagement in fragile context?** How well does SDC manage corruption and fiduciary risk? How well does SDC manage the risk of program failure (“theory of change” failure due to flawed underlying assumptions as well as implementation failure due to flaws in execution)? How does SDC manage the tension between the need to be innovative and risk aversion? How well does SDC deal with security issues? How well does it assess the minimal security conditions for engagement? Does SDC have appropriate exit strategies?
7. **How well does SDC capture and report on the results of its engagement in fragile contexts?**
  - a) How well does SDC state an explicit theory of change, establish clear objectives, develop and monitor indicators, evaluate and report on the results of its engagement in fragile contexts? Are anticipated results based on realistic assumptions about the time it will take to deliver change? To what extent does SDC recognize and use jointly (donor and partner country) agreed results frameworks? To what extent does SDC use information coming out of such systems as well as its own program cycle management for its decision-making for future programming? Does SDC promote nationally-owned indicators and local capacity to collect and use evidence for national policy-making and program implementation? How can SDC best address the challenge of capturing results in emergent and rapidly changing contexts under difficult conditions as is the case in fragile contexts?
  - b) In rendering accountability domestically, to what extent does SDC effectively communicate its case for engagement and the risk involved (e.g., risk of program failure, fiduciary/corruption risk, risk to personnel)? Is it adequately managing expectations and safeguarding the space it needs to be flexible (with Parliament, in its new Dispatch)? How well is SDC handling the field of tension between political demands for Swiss visibility, universal engagement, and clear attribution of results to Switzerland versus concentration of resources, longer term engagement towards effectiveness and sustainability and a contribution rather than attribution mindset?
8. SDC is facing significant human resource problems in fragile contexts with difficulty in recruiting and retaining qualified, experienced staff. How can SDC best address this challenge?

## 5. Expected Results

### 5.1. At Output Level

*By the Evaluation Team:*

- Aide Memoire of the Kick-off Meeting of the Inception Phase with the CLP,
- Inception Report, Debriefing on the Inception Report with the CLP, Aide Memoire of the meeting, finalisation of the Inception Report based on SDC feedback,
- Short briefing note to SDC's Directorate on the finalised evaluation design and key questions,
- Aide Memoires of End of Mission Debriefings with the CLP,
- Aide Memoire of the Debriefing with the CLP on the Draft Evaluation Report,
- Facilitation of the Agreement at Completion Point Workshop with the CLP including elaboration of recommendations and lessons learned (in collaboration with the SDC Evaluation Officer),
- A fit to print Final Evaluators' Report in English consisting of
  - Final Evaluation Report not exceeding 40 pages plus annexes and including an executive summary of maximum 4 pages,
- A short and a long Evaluation Abstract according to DAC-Standards for the DAC DeRec database.

*By SDC:*

- Review of the findings and conclusions, and participation in the elaboration of recommendations based on the findings and conclusions.
- An Agreement at Completion Point containing the Stand of the Core Learning Partnership and recommendations for SDC
- Lessons drawn by the Core Learning Partnership
- Senior Management Response
- Dissemination of the evaluation results

### 5.2. At Outcome Level

SDC's management translates the insights from the evaluation into its strategies, program development and human resources management related to SDC's engagement in fragile contexts. SDC improves the coherency, coordination and complementarity of its activities in such contexts both in the "whole of SDC perspective" and the "whole of country system" perspective.

## 6. Partners

### 6.1. Organisational Set-up and Respective Roles

- A **Core Learning Partnership** (CLP) to accompany the evaluation will be constituted at SDC HQs as well as in each of the Cooperation Offices in the case study countries with field missions. The CLP comments on the evaluation design and the key questions in the Kick-off to the Inception Phase. The CLP comments on the Inception Report and on the Draft Evaluation Report. During the Agreement at Completion Point Workshop, the CLP receives and validates the evaluation findings and conclusions and together with the Evaluation Team elaborates lessons learned and



recommendations for SDC which will be noted in an Agreement at Completion Point during the workshop.

- **SDC's Directorate** (Department-level Management and the Director General) will be interviewed by the Evaluation team. The Directors of Regional Cooperation and of Humanitarian Aid in consultation with the Director of Cooperation with Eastern Europe / GUS will consider the Agreement at Completion Point of the CLP and draft a Senior Management Response which they will table in a meeting of the Directorate. The consensus of the Directorate is noted in the Senior Management Response which will be published with the evaluation report and form the basis for rendering accountability on the follow-up to the evaluation.
- The **Management Reference Group** will be periodically interviewed by the evaluation team to bring in their perspectives on SDC. They will be periodically briefed by the evaluation team on emerging findings, should participate in the Priorities for Change Workshop, will help draft the Senior Management Response to the evaluation and ensure its implementation.
- **Consultants** contracted by SDC's Corporate Controlling Section will elaborate an evaluation work plan and an Inception Report and carry out the evaluation according to DAC and SEVAL evaluation standards. They will conduct a Kick-off Meeting with the CLP at the beginning of the inception phase. They will conduct a debriefing for the CLP on the Inception Report and finalize it in consultation with the SDC Evaluation Officer to reflect the feedback as appropriate. They will conduct additional events with stakeholders throughout the evaluation process to ensure reflection and learning during the process (e.g., Visioning event during the inception phase). They will conduct debriefings for the stakeholders as appropriate following their evaluation missions. They will present a draft of their Evaluators' Final Report to the CLP, follow up on the CLPs feedback while safeguarding their independence and submit the Evaluator's Final Report in publishable quality as well as an Evaluation Abstract according to DAC specifications. In an Agreement at Completion Point Workshop (1 ½ day retreat) with the CLP, they will draw together the main conclusions of the evaluation and set out the evaluator's view of what needs to change ("priorities for change" and scenarios, if appropriate). From this starting point, they will facilitate a workshop process in which the CLP draws lessons learned and develops options and recommendations for consideration by SDC's senior management, which will be recorded by the evaluation team. The evaluation team leader may be asked to debrief SDC's Directorate at the end of the evaluation process.
- **Corporate Controlling Division (CC Division)** commissions the evaluation, approves the final evaluation design and key questions in consultation with the CLP and the evaluation team, drafts and administers the contracts with the Evaluation Team, ensures that the evaluators receive appropriate logistical support and access to information, safeguards the independence of the team and facilitates together with the evaluation team the overall process with respect to the discussion of evaluation results and the elaboration of the Agreement at Completion Point. It is responsible for the publication and dissemination of the evaluation report.

## **6.2. Members of the Core Learning Partnership (CLP) and Management Reference Group (MRG)**

The Corporate Controlling Section has tentatively identified the following persons for the Core Learning Partnership at SDC Headquarters:

### **Humanitarian Aid and SKH**

- Roland Schlachter and Marie Schärli, Haiti Desk and Deputy Head, America-Asia Division
- Armin Ullmann, Hindu Kush / Afghanistan / Pakistan / Central Asia Desk, America-Asia Division
- Roland Anhorn, Great Lakes Desk, Africa Division
- Véronique Bourquin, Occupied Palestinian Territories Desk, Europe and Mediterranean Division

### **Regional Cooperation**

- Markus Heiniger, Focal Point Conflict and Human Rights Network, South Asia Division
- Armin Rieser, Conflict Prevention and Transformation / Peacekeeping / Human Rights, South Asia Division
- Lorenzo Suarez, Pakistan / Hindu Kush / Multilateral Affairs Desk, South Asia Division
- Frank Wiederkehr, Afghanistan / Sri Lanka Desk, South Asia Division
- Giorgio Bianchi, Great Lakes Desk, Southern and Eastern Africa Division
- Vesna Roch, Haiti Desk, Latin America Division
- Rahel Bösch, Multilateral Affairs Desk, West Africa Division (formerly COOF Amman)
- Anne Claude Cavin, Burundi / Sudan Desk, Conflict Prevention, Eastern and Southern Africa Division

### **Cooperation with Eastern Europe**

- Sophie Delessert, Tajikistan Desk
- Santi Vega, Kirgistan Desk
- Stephanie Guha, Bosnia-Herzegovina Desk (formerly Humanitarian Aid Sudan, Gender)

### **Global Cooperation**

- Ségolène Adam, Conflict Prevention and Transformation / Post-conflict Management / Peacekeeping, Global Institutions Division
- Milena Mihajlovic, Gender Desk, Office of Chief of Staff, Global Cooperation

In the case study countries (Grands Lacs and Tajikistan), the evaluation team will constitute a **COOF Core Learning Group** and work with them during the missions. This CLP will draft a Management Response for the COOF indicating its follow-up to the evaluation.

### **Management Reference Group (MRG)**

It will be important to consult with as well as to anchor the evaluation results with SDC management. The following management staff will form a “Management Reference Group”. They will follow the evaluation process, provide inputs as appropriate and take responsibility for implementing the Senior Management Response. They are welcome to attend all meetings or can delegate attendance to their staff in the Core Learning Group.

### **Management Reference Group**

#### **Humanitarian Aid and SKH**

- Hans-Peter Lenz, Deputy Head Humanitarian Aid and Head America-Asia Division
- Bernhard Huwiler, Head Africa Division and/or Martin Jaggi, Deputy Head Africa Division
- Burgi Roos, Head Europe and Mediterranean Division

## **Regional Cooperation**

- Maya Tissafi, Head Regional Cooperation
- Willi Graf, Deputy Head Regional Cooperation (former Country Director Afghanistan)

## **Cooperation with Eastern Europe**

- Véronique Hulmann, Head Commonwealth of Independent States Division

## **Global Cooperation**

- Christoph Graf, Deputy Head Global Cooperation (formerly head South Asia Division)

## **7. Process**

### **7.1. Approach**

The evaluation process should be utilisation focused and engage the stakeholders throughout the process to ensure utility of the results for the stakeholders and encourage learning. The evaluation process will be iterative with periodic engagement of the Core Learning Partners and other relevant SDC staff and will include the following milestones:

- Kick-off of the Inception Phase with the CLP conducted by the SDC Evaluation Officer and the Evaluation Team to:
  - introduce the Evaluation Team,
  - discuss the Draft Approach Paper
  - enable the Evaluation Team to better understand SDC's needs and priorities with regard to the evaluation.
  - hear their suggestions and concerns
- Priorities for Change Workshop with the CLP and MRG: Brainstorming on Priorities for Change in SDC
- End of Inception Mission Debriefing with the CLP conducted by the SDC Evaluation Officer and the Evaluation Team to
  - receive CLP feedback on the emerging Inception Report
  - reach agreement for finalisation of the evaluation scope, analytical framework, case studies, key questions and methodology
- End of Mission Debriefings of the CLPs at Headquarters and in the case study countries by the Evaluation Team as appropriate to
  - inform the CLP of emerging findings
- Debriefing of the CLP by the Evaluation Team on their Draft Evaluation Report
  - forum for the CLP to ask questions of clarification to the evaluation team
  - provide a sounding board for the evaluation team (Any factual errors? Difficulties of comprehension? Opportunity to ask additional questions, etc.) before the report is finalised.
- Agreement at Completion Point Workshop with the CLP and MRG conducted by SDC Evaluation Officer and the Evaluation Team (1,5 day retreat outside Bern)
  - to conduct a process for the CLP to generate lessons learned and recommendations for SDC.

An innovative feature of this evaluation is that the Core Learning Partnership and Management Reference Group will be actively involved in generating the lessons learned and the recommendations for SDC. Evaluation research shows that involvement of those responsible for implementation in generating recommendations leads to a higher rate of implementation. In the Agreement at Completion Point Workshop, the Evaluation Team will present their conclusions and “priorities for change” and will be responsible for assisting the CLP / MRG to identify lessons learned and develop recommendations by facilitating an effective process of consideration of possible actions. The Evaluation Team,

assisted by the SDC Evaluation Officer, will be responsible for the process of generating and recording recommendations in an Agreement at Completion Point. This document will go to heads of Regional Cooperation and Humanitarian Aid as the basis for their elaboration of SDC's Senior Management Response which they will table with SDC Directorate.

## **7.2. Methodology**

The evaluation will pursue a mixed methods approach, drawing as extensively as possible on available data with supplementary primary research where necessary.

The evaluation will develop an evidence base on which to form key decision-making debates on policies, organisational structure and approaches.

In this sense the *process* is as important as the *output*; both have to be right to achieve the desired outcome. The aspiration is that through a process of mixing evidence and insight from a forensic look at the work of SDC in fragile contexts, key policy approaches will become clearer. For this to happen the involvement of key stakeholders from the start is a pre-requisite. This evaluation will therefore serve two purposes simultaneously:

- Provide a context for increasing organisational awareness of its policy coherence and its structures, processes, and culture and how these affect its performance in fragile states.
- An objective analysis of the policy coherence, structures, processes and culture, and how these affect SDC's performance in fragile states.

The first three main lines of inquiry relate to the internal cohesiveness within the organization, and how well this is reflected in and aided by the organisational coherence and corporate culture. Perceived tensions between mandates and main definitions of purpose can cause centrifugal forces within the organisation, threatening to pull it apart or reducing its effectiveness. How can these mandates be integrated into one comprehensive approach, and how can synergy be created between the mandates?

Thus the overall approach taken should be strongly informed by the latest thinking on developmental evaluation, as outlined by leading evaluation thinker Michael Quinn Patton.

This approach is tailored to complex environments, and sees the evaluator combining the rigor of evaluation (evidence-based and objective) with the role of enhancing a program's capacity for using evidence in reflective thinking on its work. It ensures that a program team learns during the evaluation process—not just at the end. This will not only increase the utility of the evaluation to SDC but will also support the ongoing commitment of the organization to develop strong design, monitoring and evaluation capacity.

This approach will build on the notion of organisational behaviour as an emergent property, arising from the interaction between individuals and the systems and processes in which they are embedded. Values, norms, behaviours, routines and practices are mutually interacting elements that determine the actual performance of the organisation, and the congruence between the espoused theory; the way an organisation is supposed to function, and the theory-in-use; the way the organisation actually functions. A primary deliverable of the evaluation will be a shared sense of purpose, and a clear understanding of the complementarity of the sub-components of the organisation which can lead to a stronger collaboration and internal cohesion.

Through this innovative process of reflection and clarification, potential synergies can be made visible to diverse members of the organisation, which will strengthen the sense of consensus, common purpose and complementarity of approaches.

The developmental evaluation process should be an active, collaborative process with the actors themselves, not a static evaluation by the evaluation team. For this reason, the evaluation team will combine review of primary and secondary sources with a more dynamic approach, in which groups of actors are being taken through an exploratory search for cohesion and integration. This approach will take the management and staff of the organisation through an active learning process, which will have its immediate effects on larger organisational system awareness, and will make the impact of the evaluation higher in the long-run. This process-component of the evaluation will work on the basis of specific case studies, and use these as a locus of learning. It will also conduct workshops with relevant staff, such as the Priorities for Change Workshop during the Inception Phase.

The evaluation will essentially take a case study approach, looking in detail at two regional strategies in fragile contexts. This will provide the empirical evidence needed for the policy debate on the degree to which integration can be achieved in practice, and how to go about this. It will also allow for analysis of policy and decision making process throughout the organisations. Because similar exercises will be carried out at different levels (and in HQ and in field offices) it allows for comparative analysis between the levels. This lends it a degree of objectivity that will allow the evaluation team to draw empirical conclusions on the effectiveness and efficiency of the organisation. In addition, working from the basis of a specific case study allows for the simultaneous assessment of the espoused theory and the theory-in-use. In other words, it captures the devil in the detail.

The case studies will combine desk-based data analysis, key informant interviews and site visits. A learning workshop will be carried out using evidence generated in the data-gathering phase to discuss the processes of policy and strategy formulation and strategy execution.

The case studies will include two with field missions and two desk based studies. The two field missions will be the Great Lakes (DR Congo, Rwanda, Burundi) and Central Asia (Tajikistan, with telephone interviews with Kyrgyzstan). The two desk based studies will be Haiti and Hindu Kush.

Context	Rationale
Great Lakes	Ongoing conflict across the region, extreme poverty, regional instability, huge humanitarian caseload.
Central Asia	States in transition post-cold war and in some cases post-conflict. Proximity to areas of major conflict, in particular Afghanistan. Authoritarian regimes, weak institutions, significant governance challenges, insurgencies.
Haiti	Government capacity severely constrained by the earthquake. Massive vulnerability and political fragility.
Hindu Kush	Emerging programme in region in conflict. Strategy being developed.

### 7.3. Main steps

Activity	Date	Actors
Call for Expression of Interest to identify potential team leaders	March 2011	SDC Evaluation Officer
Draft Approach Paper for Call for Offers	April 2011	SDC Evaluation Officer with feedback from relevant staff
Call for offers launched	April 15, 2011	SDC Evaluation Officer
Selection of Evaluators	June 2011	SDC Evaluation Officer
Contracts signed with Evaluators	July 2011	SDC Evaluation Officer and CC Secretariat
Recruitment of CLP	August 2011	SDC Evaluation Officer,
Logistical and administrative preparations <ul style="list-style-type: none"> <li>- Contact List for Evaluation Team (CC Secretariat)</li> <li>- Reservations of venues for all meetings and retreats (CC Secretariat)</li> </ul>	August 2011	Evaluation Team., Corporate Controlling (CC) Secretariat,
Logistics for Evaluation Missions <ul style="list-style-type: none"> <li>- Interview Appointments</li> <li>- Hotel Reservations</li> <li>- Travel Reservations</li> </ul>	August 2011	Evaluation Team with very limited support by the CC Secretariat. Plane fares to be approved by Bundesreisezentrale
Inception Phase	mid-August-September 2011	
First Evaluation Team Mission for Inception Phase	September 12-16 2011	Evaluation Team Leader, other Team Members as appropriate
<b>Kick-off Meeting with the CLP</b>	September 12, 2011 10:00-12:30	SDC Evaluation Officer, Evaluation Team Leader, other Team Members as appropriate, CLP
<b>Priorities for Change Workshop with selected staff including CLP and MRG</b>	September 15, 2011 10:00-12:30	Evaluation Team Leader, other Team Members as appropriate
Briefing Paper for Meeting with Senior Management ( final key questions)	September 2011	Evaluation Team to SDC Evaluation Officer
Meeting with SDC Senior Management (DirKo) to discuss final key questions	September 2011	SDC Evaluation Officer,
Inception Mission <b>Debriefing with the CLP</b>	September 16, 2011 9:30-11:00	Evaluation Team Leader, other Team Members as appropriate and SDC Evaluation Officer

<b>Activity</b>	<b>Date</b>	<b>Actors</b>
Final Inception Report. Evaluation Process finalized.	September 30, 2011	Evaluation Team in consultation with SDC Evaluation Officer
Evaluation Implementation	Sept.-Dec. 2011	Evaluation Team Leader, other Team Members as appropriate
First Country Mission Tajikistan	November. 2011	Evaluation Team Leader, other Team Members as appropriate,
Second Country Mission, Great Lakes	November 2011	Evaluation Team Leader, other Team Members as appropriate
<b>Validation of Emerging Findings Meeting with CLP</b>	December 15, 2011	
Draft Final Evaluators' Report	January 10, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>CLP Meeting to give feedback on Draft Evaluators' Report</b>	<b>January 19, 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
Final Evaluators' Report	January 26, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>Agreement at Completion with CLP / MRG</b>	<b>February 2-3 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
<b>Senior Management Debriefing (if necessary)</b>	<b>end of February or beginning March 2012</b>	SDC Evaluation Officer, Evaluation Team Leader
Senior Management Response	March 2012	SDC Evaluation Officer SDC Senior Management,
Publication and Dissemination	April 2012	SDC Evaluation Officer and CC Secretariat

#### **7.4. Evaluation Team**

SDC's Corporate Controlling Section has recruited an evaluation team that is independent of SDC and has not been implicated in the activities under evaluation. The evaluation team with Lewis Sida as team leader with Ben Ramalingam, Frauke de Weijer, William Frej, and Ross Mountain brings together high level practitioner experience in both humanitarian aid and development cooperation including the following experience / skills mix:

- Demonstrated ability to evaluate in emergent realities from a complex systems perspective
- Demonstrated ability to engage stakeholders in reflective inquiry using data coming out of the evaluation
- Demonstrated ability in assessing organisational capacity and proposing corrective measures
- Extensive knowledge of and demonstrated experience in implementing the principles for engagement in fragile contexts (e.g. 3 C's, 3 D's, SSR, do no harm, Conflict Sensitive Program Management, and other relevant principles in conflict /crisis contexts) and in implementing comprehensive cooperation
- Demonstrated experience at a senior level in implementing humanitarian, development and transition programs in fragile contexts (field experience in the "comprehensive cooperation" dimension)
- Competency in equality and gender issues (application of gender sensitive evaluation methodologies)
- Excellent English (report to be delivered in "native speaker" quality)
- French and German competency (some case studies will require French),
- Analytical and editing skills, ability to synthesize and write well
- Communication skills

Total person-days (for entire team) for this assignment: 170. The budgetary envelope for this evaluation is CHF 206'000. including all travel and per diems to SDC headquarters and to the case study countries.



## **Annex 3: Inception report**

### **Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts**

#### **Inception report**

##### **1. Introduction**

SDC's Directorate mandated SDC's Corporate Controlling Section<sup>1</sup> to commission an Evaluation of the Complementarity of SDC's Instruments in Fragile and Conflict Affected Contexts. This has been slightly altered as a result of the inception process to an Evaluation of the Performance of SDC Instruments in Fragile and Conflict-Affected Contexts.

Following a competitive international tender, Lewis Sida was contracted as the Team Leader of the assignment, with Team Members Bill Frej, Ross Mountain, Frauke de Weijer and Ben Ramalingam.

This document is the Final Inception Report for the evaluation and is a preliminary response specifically to the first two bullets in the 'Expected Results at the Output Level' in the agreed Approach Paper.

It builds on the Approach Paper by outlining the scope, focus, key questions, evaluation methods and broad timetable of the evaluation. Specifically, this Inception Report sets out the following information:

- The objectives of the evaluation, and the focus and emphasis that will be taken in the evaluation
- An evaluation framework covering areas of inquiry, specific questions for further exploration and possible sources of information.<sup>2</sup> This includes:
  - A summary of how the evaluation meets OECD-DAC Guidelines on evaluation in fragile states.
  - A discussion of how the evaluation will cover the OECD-DAC Evaluation Criteria (relevance, efficiency, effectiveness, impacts, sustainability) and the additional ALNAP criteria (connectedness, coherence, coverage).
  - A discussion of how the evaluation will address the issue of theories of change.
- A summary of the evaluation tools that will be used in the process.
- An outline of the participatory process of evaluation aimed at maximising the use of findings and relevance to the organisation.
- An outline of the evaluation process and a broad timetable and work-plan.

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<sup>1</sup> SDC's Corporate Controlling Section is in the Staff of the Director General and independent of line management. The evaluations it commissions provide an independent perspective and constitute one of SDC's instruments for rendering accountability and promoting learning.

<sup>2</sup> This framework was developed using a detailed Evaluation matrix as a starting point, included in Annex 1. This matrix informed the Inception Phase of the Evaluation and included specific lines of inquiry, key questions and illustrative indicators.

This document is the final version of the Inception report. It is based on selected preliminary telephone interviews with SDC staff, a thorough document review of material relating to fragility and comprehensive approaches and a series of consultations and face-to-face interviews held during the Inception Mission in September 2011. The inception report reflects the broad areas addressed in the Approach Paper that was developed by the Corporate Controlling Section of SDC.

## **2. Objectives of the Evaluation**

This evaluation will be formative in nature, meaning its primary purpose will be to inform SDC policy makers and practitioners. It will be forward looking, drawing on SDC experience in fragile contexts to inform future work. At the same time, the evaluation will seek to satisfy accountability requirements, being independent and evidence based.

Both the title and the objectives of the evaluation have changed slightly from those outlined in the original approach paper, as a result of the inception process. The objectives are as follows:

1. Assess SDC's performance in its present engagement in selected fragile contexts, where possible from "comprehensive aid" and "whole of system" perspectives;
2. Provide a solid evidence base of where SDC stands and an analysis of where it needs to improve;
3. Through a process of reflective inquiry with stakeholders in SDC's departments and case study cooperation offices during the evaluation, develop a shared understanding among staff of each others mandates and how to engage in fragile contexts so that SDC activities across its departments / mandates become more coordinated, complementary and coherent;
4. Develop "priorities for change" for SDC and with the Core Learning Group (CLP) develop clear, targeted and actionable recommendations for SDC's future engagement in fragile contexts.

This is a **formative process evaluation**, with the focus on improving SDC's performance in developing and implementing programs in fragile contexts.

The formative process aspects of the evaluation have a number of implications for the emphasis of the evaluation process and product.

- All evaluations are a balance between learning and accountability, and between retrospective assessment and forward looking recommendations. The overwhelming feedback from SDC staff at all levels and across the organisation is that this evaluation should place relatively more importance on learning and on future improvements
- As stated in the Approach Paper, this evaluation is not expected to collect primary evidence of the outcomes and impacts of SDC programmes. It will pose the question but will use existing data on SDC outcomes and impacts to inform analysis. Examining quality and scope of this evidence will enable assessment of SDC's results orientation in fragile contexts as well as its ability to report on effectiveness issues.

### 3. Areas of enquiry

The evaluation framework presents how the areas of enquiry, specific questions and possible sources of information fit together. This is informed by the draft OECD-DAC Guidelines for evaluating donor engagement in fragile states, which states that such evaluations “*are best guided by a small set of broad questions aligned to the OECD DAC evaluation criteria rather than detailed questions answering particular concerns*”. This was reinforced by feedback from SDC staff. The original and exhaustive evaluation matrix from which the framework below was derived is included in Annex 1. This was a necessarily exhaustive and detailed tool which was presented as ‘a set of parameters for the evaluation’, and which enabled the refinement and focus of the evaluation.

The value of such a framework, again in line with OECD-DAC Guidelines, is that it “*allow[s] the evaluators to “tell the tale” of peace and development as they encounter it during the evaluation process... and will create a good margin to manoeuvre in defining the specific focus and approach of the evaluation*”.

Each of the four areas of enquiry were verified through the inception mission as appropriate for the needs of the different stakeholders across SDC. The specific questions were refined based on feedback through the inception process, with each focusing on an area of significant relevance to SDC performance.

Area of enquiry	Specific Questions	Means of Verification
<b>Approaches, Instruments, Delivery Mechanisms and Modalities</b>	How well do SDC's different mandates, mechanisms and modalities perform in fragile contexts?	Reviews, evaluations, monitoring and reporting data, external data, internal and external interviews
	How systematically are performance, results and risks analysed and used to inform decision making and reporting?	Results data, monitoring and reporting data reviews, evaluations, country case studies, internal interviews, risk management documents, communications materials, website
	What is SDCs capacity to deliver in fragile contexts, human, financial and through its partnerships?	Document review, internal and external interviews, country case studies.
<b>Analysis and Flexibility and Adaptability</b>	How does SDC conduct context analysis and use this knowledge in strategy and programme development? How well does this happen (a) at a global level across the SDC portfolio (b) regionally (c) in specific countries?	Document review, internal interviews, country case studies, assessments, workshops, interviews with Swiss counterparts
	How flexibly is SDC able to react to changing situations in specific country contexts - what blockages exist with regard to institutional flexibility and how are these navigated? How does SDC ensure the instruments it employs remain appropriate to given contexts?	MERV analysis, Interviews, country case studies, analysis of regulations, workflow and funding mechanisms.
	How does SDC work to ensure its work is conflict and gender sensitive? How well does this currently work and how might it be improved?	Assessments of conflict analysis tools  Review of documents and strategies  Internal interviews, country case studies.

Area of enquiry	Specific Questions	Means of Verification
<b>Complementarity of SDC Mandates</b>	How well does SDC practice comprehensive, coherent and coordinated (3Cs) cooperation across the different mandates – e.g. regional, OZA, humanitarian and global cooperation?	Document analysis, internal interviews, external interviews, country case studies, workshops
	How well does SDC deal with the organisational and political challenges associated with integrating the different mandates into a comprehensive program? How can SDC improve the way it manages tensions and enhances synergies between different mandates?	Internal interviews, reviews.
	Where SDC programmes are integrated into a single strategic framework, how well does this work? How are tensions between mandates and objectives managed?	Reviews and evaluations, internal and external interviews, country case studies.
<b>SDC's Role in the Broader System</b>	Does SDC have a clear and defined 'value added' niche for its work in fragile states? How is this developed and articulated to others?	Reviews, internal and external interviews, country case studies, country workshops
	How well does SDC operationalize the 3 Cs (coherence, coordination, complementarity) and the 3 Ds (diplomacy, development and defense) from "whole of system" and "whole of Swiss government" perspectives?	Reviews, internal and external interviews, country case studies.
	How well does SDC work with implementing partners, other donors, UN, and other aid providers? How well does SDC navigate issues of limited national government capacity for engagement and delivery?	Reviews, evaluations, document analysis, internal and external interviews, country case studies.

## **A) Evaluation criteria**

The OECD-DAC for development evaluation are:

- Relevance
- Efficiency
- Effectiveness
- Impact
- Sustainability

ALNAP add the following for humanitarian evaluation:

- Connectedness
- Coherence
- Coverage

The evaluation will seek to address all of these criteria, although as there will be no primary evidence gathering on programme outcomes, impact will only be considered through using available data:

- Relevance – this will be covered in a comprehensive fashion through assessment of the way in which SDC understands and responds to fragile contexts.
- Coherence and Coordination / Connectedness – how SDC's humanitarian and development efforts cohere and connect in conditions of fragility. Attention will also be paid to coherence with the wider Swiss government agendas and the 'whole of system' approach.
- Efficiency – this will be looked at in the context of delivery modalities – how are different approaches chosen, designed, and implemented.
- Effectiveness – a key element of effectiveness relates to how modalities achieved objectives. This will be assessed using secondary data (internal and external), documentation and interviews of implementing partners and stakeholders.

Issues of sustainability, impact and coverage are only addressed indirectly in the evaluation, as outlined in the Approach Paper. The key issue is one of available resources and scope. However, where such data is available through SDC's own reporting systems, this will be synthesised. The overall results orientation of SDC will be looked at as part of efficiency and effectiveness.

## **B) Triangulation of evidence and analysis**

The evaluation will triangulate evidence gathered to inform robust analysis. The evaluation will be primarily evidence based, and conclusions will be on the basis of the combination of standard social science research methods outlined in section 4 below. The evaluation framework shows how these methods will be deployed to gather data against the areas of enquiry and specific evaluation questions, informing the subsequent analysis.

Exploration of the orientation towards results within SDC's work will be an important source of data in this issue. By its very nature, understanding the results orientation means understanding the assumed, theorised connection between a set of inputs (SDC interventions) and hoped for results (see section C below). This should have informed programme design, from the identification of appropriate indicators, to the assessment of results, to the testing of assumptions and theories.

The evaluation will also be formative in nature, that is to say that it will primarily aim to inform strategy, policy and practice, in addition to presenting an objective analysis of SDC through a series of 'snapshots' of country programmes. Thus the engagement of stakeholders in the process as set out in section 7 is of primary importance.

The complex, inter-connected nature of the subject matter under investigation means this evaluation will be more expert driven than might otherwise be the case. Senior members of the evaluation team will bring their insights from donor and implementing agency practice; academic perspectives will also be incorporated in assessing the ways in which current SDC practice can be enhanced to better achieve objectives. Expert analysis will be central to the evaluation process and these three elements – robust evidence, stakeholder engagement and expert analysis will be critical to success.

### C) Theory of change

Good practice says that interventions in fragile states - whether aimed at conflict reduction, state building or peace-building, need to articulate a clear theory of change that can be tested through evaluation. As the OECD-DAC guidelines put it:

"Implementation logic or programme logic are terms used to describe why an activity or policy is doing what it is doing. A **theory of change** is a term closely related to implementation logic that is often used in this field to describe the links between inputs, the implementation strategy and the intended outputs and outcomes. It describes the assumed or hoped causal relationship between the activity or policy and its (intended) effects on larger peacemaking goals... Well-founded theories of change are at the heart of effective work in all fields."

In practice, as is well known, theories of change are seldom made explicit in programme designs or strategies. The review of the regional strategies we have already undertaken suggest that this is also the case across SDC's work.

The key is not to assume any theory of change has been employed up-front, or indeed that there is only one theory of change which has informed the way a programme was developed, or that a single theory of change has informed SDC's work. Because of the range of interventions that could be involved in a given setting, it is likely that there will be multiple theories of change which might be used in different programme and project settings. (See Annex 2 for more details)

In fragile states contexts it is especially important for evaluators to identify and assess theories of change, because these theories are too often implicit, unexamined and untested.

The OECD DAC guidelines on evaluating fragile contexts use the example of Kosovo, where the international community operated for several years under the assumption (theory of change) that peace could be achieved by improving relations between the two main conflicting parties. Based on this theory, it funded many programmes promoting dialogue, exchanges, youth interactions, women's groups, and so forth – all aimed at cross-communal relationship building. However, a study found that work *within* each separate community to create more responsible leadership had a much greater effect on peace than the bi-communal work.

A key part of the evaluators role, then, will be to examine the nature of the programme logic employed in different settings, and attempt to get to the range of explicit and implicit theories of change, and how well each matches the context and stands up to external scrutiny.

Some interventions will already have a clearly stated vision of what they hope to achieve, as this will have been done as part of design and planning. Others will either be less explicit or deliberately avoid any such statements (often for political or diplomatic reasons). In many (perhaps most) cases, these theories are *unconscious and unstated*.

1. Where the theory is not clearly stated it is possible for the case study method to elicit or discern the logic behind the activity as part of the evaluation process, especially in discussions with the implementation team. The evaluation will seek to “unpack” and map out the inputs, outputs and desired future outcomes – and the expected connection between these – in order to evaluate whether the strategy being used is logical and effective.

#### **4. Data Sources and Evaluation Tools**

##### **A) Key informant interviews**

Key informant interviews will be a primary tool for investigation of the areas of inquiry set out in the Evaluation Matrix.

Internal interviewees will include:

- Directorate and policy makers.
- Department directors.
- Senior managers.
- Policy staff and advisors.
- Implementation staff.
- Other government departments.

External interviewees will include:

- Partner organisations including UN, Red Cross and NGOs.
- National government representatives in country case studies.
- Other donor agencies.
- Academics/ policy commentators.

The interviews will be semi-structured and focused around the four key areas of enquiry and the key lines of enquiry. The detailed evaluation matrix will allow for specific questions to be developed depending on the position, background and expertise of interviewees.

Broadly interviews will be based around:

1. Context awareness, flexibility and adaptability
2. Approaches, instruments, delivery mechanisms and modalities
3. Cohesion of organisation mandates
4. SDC's role in the system



## **B) Facilitated Workshops**

There will be a series of facilitated workshops to gather data for the evaluation and also fulfil the learning objectives of the evaluation. Workshops include (but not be limited to):

- A 'priorities for change' with SDC programme staff and managers during the inception phase of the evaluation.
- Country case study workshops.
- An agreement at completion point workshop looking at how to implement the recommendations of the evaluation.

## **C) Document and data analysis**

A number of documents have been identified as relevant for analysis of the key lines of enquiry. These include:

- External reviews, evaluations and research on effective approaches in fragile contexts.
- SDC strategy documents, parliamentary notes and guiding principles.
- Results and outcomes data relating to SDC work in fragile contexts, and in particular in country case studies.
- Project documents, end of phase reports, evaluations and reviews
- Monitoring data
- Guidance material
- Credit proposals

Each of these has potential to help further particular investigation into different lines of enquiry, and provide an auditable trail of intentions.

For example, credit proposals should contain impact logic, be grounded in a theory of project cycle management; be based on strong context analysis. This should then be operationalised, monitored, with reviews and evaluations and end of phase reports which should then flow into annual country reports, country programme and medium-term strategies. These also then feed into multi-country and regional strategies, and occasionally 'whole of government' strategies.

## **D) Case studies**

Case studies are a widely-used qualitative approach in program evaluation. In the context of fragile states interventions, case studies are useful approaches in understanding the process, results and outcomes of program interventions. Less a tool and more an approach to gathering comprehensive, systematic, and in-depth information about a case of interest, case studies are especially useful where the situation is complex and there are many variables that cannot be controlled for.

A key attribute of the case study approach is that it highlights why decision were taken, how decisions were made, how decisions were implemented and finally, with what results. Case studies can also illuminate the unintended negative effects of fragile states interventions. Because of its depth, the case study approach lies at the heart of the suggested evaluation approach.

The objectives of the case studies, conducted during the main phase of the evaluation, are as follows:

- To collect relevant material (reports, evaluations, data etc.) as well as SDC perspectives.
- To facilitate internal reflection for SDC staff members.
- To consult national actors (state and civil society), and other development partners and donors on the role of SDC.

Context	Rationale
In-country case studies	
Great Lakes (Rwanda, Burundi, DR Congo).	Ongoing conflict across the region, extreme poverty, regional instability, huge humanitarian caseload. DR Congo, Rwanda and Burundi all seen as fragile in different ways, although conflicts in all three inter-connected.
Tajikistan/ Central Asia	Transition from relief to development post-cold war and post-conflict. Proximity to areas of major conflict, in particular Afghanistan. Seen as fragile, but not failed.
Desk reviews	
Haiti	Complex mixture of natural disaster, extreme poverty and insecurity. UN peacekeeping mission.
Hindu Kush	Includes Afghanistan and Pakistan, archetypal 'fragile states'. New programme for SDC with potentially interesting new approaches.
Nepal	Existing programme that is held up as an important model for the organisation as a whole, with extensive documentation available.
Middle East	This is important both for review work already undertaken, the new merged organisation structure, the OPT and regional programme.
Conflict and human rights thematic network	The thematic network most closely associated with work in fragile states and a way of understanding the work of thematic networks more generally.
Global cooperation	Has an important role in SDC work in fragile states through multilateral relationships and work with other global donors.

Data gathering methods:

The case studies will combine desk-based data analysis, key informant interviews and workshops where possible.

*In-country: Great Lakes, Central Asia*

- Key informant interviews with SDC and Partners
- Document and data gathering and analysis
- Workshop in-country

*Desk based: Haiti, Hindu Kush, Med-Middle East*

- Telephone interviews
- Document and data gathering and analysis Key questions for the case study will be based around the four areas of enquiry and will be based on the evaluation matrix (above). Broadly they will include:
- How accurate has the context analysis been? Is the theory of change underlying the programme strategy rooted in the context analysis and how has this changed with circumstances?
- How effective has the SDC programming strategy been? How has its relevance and appropriateness been ensured in rapidly changing contexts?
- How effective has the collaboration been (a) across SDC (b) across the Swiss government (c) across SDC partners (d) across the donor system? How important is collaboration to achieve programme objectives?
- What is the role and relevance of SDC in the context of the case study, and where should it best focus its efforts?

*Thematically based: conflict and human rights network, global cooperation*

- These will not be formal case studies, but will rather help to inform the overall analysis.
- Practically this will mean more interviews and a greater level of detailed document analysis in these areas.
- The work of the conflict and human rights network will be examined by one of the evaluation team members actively participating over the period of the evaluation, as well as interviews with members and document review.
- The work of the global cooperation division will be examined as it relates to SDC work in fragile states, in particular through its work with multilateral partners globally that might be missed if the focus was solely country or regionally based.

## **5. Stakeholder engagement**

As outlined in the objectives, the evaluation will put in place a process of reflective inquiry which will in turn lead to shared understanding between staff working on different aspects of SDC's efforts. This will be achieved in three ways. First, the Evaluation management structure, involving:

- A Core Learning Group (CLP): the CLP will consist of subject experts and will help guide, inform and champion the evaluation. The CLP will consist of practitioners most closely affected by the outcome of the evaluation, and as such will be the main repository for learning.
- A Management Reference Group (MRG): the MRG will oversee the evaluation process and be responsible for ensuring policy relevance and uptake.

These mechanisms are essential to ensure the learning aspects of evaluations are maximised and especially to ensure the evaluation findings are utilised. Regular engagement of these groups through the evaluation process is key to the evaluation success.

Second, the evaluation process itself includes a number of workshop processes, to facilitate broad levels of group reflection at different levels. At head office, this has included a 'Priorities for Change' workshop, which brought together stakeholders from across SDC to think collectively about the ways forward in relation to fragile states programming. At country office level, there will be workshops involving the SDC teams

and possibly external stakeholders, enabling shared reflection on issues of performance and value added. Wherever possible, the opportunity will be taken to conduct group interviews with more than one staff member.

Finally there will be an Agreement at Completion Point workshop including the management reference group, the core learning group and other relevant stakeholders to frame the final recommendations and shape the management response to the evaluation.

## 6. Evaluation Process with Key Milestones

The evaluation process will comprise of the following broad phases, moving from the inception phase through to delivery in the first part of 2012.



## 7. Evaluation team and roles.

**Lewis Sida** is the team leader and will coordinate, guide and supervise the Evaluation Team, ensure quality and have the ultimate responsibility for the timely submission of all the evaluation outputs as listed in this document and the Approach Paper including the Final Evaluators' Report. He will be the main author of the report and ensure that the key questions have been adequately addressed.

Lewis Sida will attend and lead all of the meetings in Bern. He will undertake the Grand Lacs case study and participate in the Central Asia case study. He will develop a process and organise the Agreement at Completion Point Workshop with the aim of ensuring a thorough discussion of the evaluation team's findings, conclusions and initial recommendations, and to arrive at an agreed list of final recommendations for considerations by SDC's Senior Management.

**Ben Ramalingam** will provide strategic advice on the design of the evaluation, help with the drafting of the inception and final reports and advise on recommendations of the evaluation. He will undertake interviews and document review, and will attend all meetings in Bern.

**William Frej** will undertake the Central Asia case study, travelling to Tajikistan. He will also input at the inception, drafting and final stages of the main report. Mr Frej will travel to Bern for the inception/ interview phase and the final presentation/ Agreement at Completion Point Workshop.

**Frauke de Weijer** will input academic and strategic insight into key conceptual issues, as an author of the World Development Report 2011 on Fragile States. Ms de Weijer will travel to Bern for the inception/ interview phase.

**Ross Mountain** will be senior advisor on the Grand Lacs case study, providing guidance on the key issues to examine in the case study, and quality control on the product. Mr Mountain will input at the inception, drafting and final stages of the main report. Mr Mountain will travel to Bern for the inception/ interview phase and the final presentation/ Agreement at Completion Point Workshop.

A Senior Researcher may be recruited to provide specific expertise as needed.

## **8. Outputs**

The key outputs from this evaluation will be;

- Aide Memoires of debriefings including country case visits, validation workshop and draft evaluation report;
- Facilitation of the Agreement at Completion Point Workshop with the CLP including elaboration of recommendations and lessons learned (in collaboration with the SDC Evaluation Officer);
- A fit to print Final Evaluators' Report in English consisting of a Final Evaluation Report not exceeding 40 pages plus annexes and including an executive summary of maximum 4 pages,
- A short and a long Evaluation Abstract according to DAC-Standards for the DAC DeRec database.

## 9. Work-plan

Activity	Date	Actors / Team Members
Call for Expression of Interest to identify potential team leaders	March 2011	SDC Evaluation Officer
Draft Approach Paper for Call for Offers	April 2011	SDC Evaluation Officer with feedback from relevant staff
Call for offers launched	April 15, 2011	SDC Evaluation Officer
Selection of Evaluators	June 2011	SDC Evaluation Officer
Contracts signed with Evaluators	July 2011	SDC Evaluation Officer and CC Secretariat
Recruitment of CLP	August 2011	SDC Evaluation Officer,
Logistical and administrative preparations <ul style="list-style-type: none"> <li>- Contact List for Evaluation Team (CC Secretariat)</li> <li>- Reservations of venues for all meetings and retreats (CC Secretariat)</li> </ul>	August 2011	Evaluation Team, Corporate Controlling (CC) Secretariat,
Logistics for Evaluation Missions <ul style="list-style-type: none"> <li>- Interview Appointments</li> <li>- Hotel Reservations</li> <li>- Travel Reservations</li> </ul>	August 2011	Evaluation Team with very limited support by the CC Secretariat.
Inception Phase	mid-August-Sept. 2011	
First Evaluation Team Mission for Inception Phase	Sept. 12-16 2011	Evaluation Team Leader, other Team Members as appropriate
<b>Kick-off Meeting with the CLP</b>	Sept. 12, 2011 10:00-12:30	SDC Evaluation Officer, Evaluation Team Leader, Ben Ramalingam, William Frej, CLP
<b>Priorities for Change Workshop with selected staff</b>	Sept. 15, 2011 10:00-12:30	Evaluation team (all).
Briefing Paper for Meeting with Senior Management (final key questions)	Sept. 2011	Evaluation Team to SDC Evaluation Officer
Meeting with SDC Senior Management (DirKo) to discuss final key questions	Sept. 2011	SDC Evaluation Officer,
Inception Mission <b>Debriefing with the CLP</b>	Sept. 16, 2011 9:30-11:00	Evaluation Team (all) and SDC Evaluation Officer
Final Inception Report. Evaluation Process finalized.	Sept. 30, 2011	Evaluation Team in consultation with SDC Evaluation Officer

Activity	Date	Actors / Team Members
Evaluation Implementation	Sept.-Dec. 2011	Evaluation Team Leader, other Team Members as appropriate
First Country Mission Tajikistan	31 Oct – 14 Nov. 2011	Evaluation Team Leader, William Frej,
Second Country Mission, Great Lakes	7 – 21 November 2011	Evaluation Team Leader.
<b>Validation of Emerging Findings Meeting with CLP</b>	December 15, 2011	Evaluation Team Leader, Ben Ramalingam.
Draft Final Evaluators' Report	January 10, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>CLP Meeting to give feedback on Draft Evaluators' Report</b>	<b>January 19, 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
Final Evaluators' Report	January 26, 2012	Evaluation Team delivers to SDC Evaluation Officer
<b>Agreement at Completion with CLP</b>	<b>February 2-3 2012</b>	Evaluation Team Leader, other Team Members as appropriate, SDC Evaluation Officer, CLP
<b>Senior Management Debriefing (if necessary)</b>	<b>End of February or beginning March 2012</b>	SDC Evaluation Officer, Evaluation Team Leader
Senior Management Response	March 2012	SDC Evaluation Officer SDC Senior Management,
Publication and Dissemination	April 2012	SDC Evaluation Officer and CC Secretariat

**Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation**

Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
<b>Area of enquiry 1:</b>					
<b>Context Awareness, Flexibility and Adaptability</b>	How well does SDC conduct context analysis and diagnostic work and then translate this knowledge into strategy programme development?	Extent of understanding of root causes of conflict and fragility	Quality of analysis informing design and ongoing decision making	Document review, internal interviews, country case studies.	<p>This set of questions corresponds to the evaluation criteria of <i>Relevance</i> and <i>Effectiveness</i></p> <p>Relevance:</p> <p>Is the intervention based on an accurate (and up-to-date) analysis of the country context? Is it working on the right issues in this context at this time?</p> <p>Does it therefore address relevant causes of fragility, key dynamics and driving factors, or key driving constituencies of the conflict?</p> <p>Has the effort responded flexibly to changing circumstances over time? Has the analysis been revisited or updated to guide</p>
		Understanding of risks and dynamics	Quality of analysis informing design and ongoing decision making	Document review, internal interviews, workshops.	
		Inclusion of gender, governance and social inclusion issues		Document review, country case studies, internal and external interviews.	
		Status of joint analysis across mandates	Number and quality of joint assessments and reviews	Assessments, reviews, internal interviews, country case studies.	
		SDC contribution to Whole of Government	Inclusion of SDC in formal documentation.	Interviews with Swiss counterparts, document review, country case	



Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		assessments		studies.	action in changing circumstance?
		Investment in analysis, maintenance and use	Data on spend, headcount, analysis in key documents, degree to which policy derives from analysis, management attitudes	Document review, data review, internal interviews.	Are the international actors' country strategies based on sound political and social analysis (i.e. taking into account the situation in terms of national capacity, state-society relations and societal divisions?)
		Entry and exit strategies – clarity and coherence	Whether such strategies clearly articulated and used.	Reviews, evaluations, internal and external interviews, country case studies.	<i>Effectiveness:</i> Are the stated goals and objectives relevant to issues central to the conflict and fragility?
	How flexibly is SDC able to react to changing situations?	Examples of adaptations in face of changing contexts	E.g. Speed of deployments, programme, reorientations, flexibility of finance, adaptable partnerships, flexible execution modalities	Internal and external interviews, country case studies.	Do activities and strategies fit objectives?  How well are “OECD DAC Principles for Good International Engagement in Fragile States” followed in

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Scope and effectiveness of the same adaptations		Evaluations, monitoring data, internal and external interviews.	developing and implementing different mechanisms?
		Identification of windows of opportunity in transition from relief to development environments	Key decisions made to take advantage of such opportunities	Internal and external interviews, document review.	
	How conflict sensitive is SDC?	Effectiveness and quality of tools and techniques for conflict analysis and sensitivity	Degree to which conflict analysis used in strategy setting.	Assessments of conflict analysis tools	
		Use of principles in conflict-related work	Adherence to principles in policies and practices	Review of documents and strategies	
		Role of national staff and partners in understanding and navigating local dynamics	Extent of national staff and partner involvement in decision making	Internal interviews, country case studies.	

Annex of Inception Repent 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Does the composition of SDC local staff adequately reflect the ethnic composition of the partner country?	Degree of representation of different ethnicities.	HR data.	
	How does SDC use evidence to select programmatic approaches?	Effectiveness of monitoring systems e.g. MERV in fragile states	Quantity and quality of data gathered, use of data in decision making and reporting systems	MERV analysis, internal interviews, document analysis	
		Quality of evidence used in decision-making.	Quantity and quality of data gathered, use of data in decision making and reporting systems	MERV analysis, internal interviews, document analysis, country case studies.	
Area of enquiry 2:					
Approaches, Instruments, Delivery Mechanisms and Modalities	Are the instruments appropriate to the context? Are important issues left unaddressed	Whether SDC has the range and diversity of instruments available for fragile	Range of instruments available for deployment and their parameters.	Analysis of data from interviews, country case studies, documents.	This set of questions corresponds to the evaluation criteria of <i>Efficiency</i> and <i>Effectiveness</i> <i>Efficiency</i> :

**Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation**

Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
	due to the lack of an appropriate instrument?	contexts.			Does the intervention deliver its output and outcomes in an efficient manner (results against costs)? How does this particular programme or policy approach compare in costs to other options for achieving the same goals? How efficient is the general management of the intervention (steering, management, organisational and governance structures and procedures)? How well are resources used to achieve results?
		Degree to which SDC instruments deployed match the context analysis.	Whether the instruments are able to address problems identified in timeframe indicated.	Analysis of data from interviews, country case studies, documents.	<i>Effectiveness:</i> How have SDC defined results or built the capacity to identify results in contexts with very weak institutions?
	How well do the various mandates, mechanisms and	Effectiveness of theories of change, programme logic	Analysis of theories of change (both explicit and implicit)	Reviews, evaluations, internal and external interviews, country case	What timeframes have been used to set goals and how have these been measured?

Annex of Inception Repent 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
	modalities perform in fragile contexts?	and overall results orientation.	and performance as a result of these.	studies.	<p>Has the intervention achieved its stated (or implicit) purpose, or can it reasonably be expected to do so on the basis of its outputs?</p> <p>Is (or will) the effort achieve progress within a reasonable time frame? Is it possible to accelerate the process? Should the effort be slowed down for any reason?</p> <p><i>Impact:</i></p> <p>What long-term changes (impacts) have been observed? Have any unintended and/or negative changes been observed? How are these changes monitored, analysed and understood? Can these changes be reasonably associated with SDC intervention?</p>
		Results of different types of interventions and evidence underpinning these.	Whether programmes have achieved targets, and degree to which desired outcomes are achieved.	Reviews, evaluations, monitoring and reporting data, external data, internal and external interviews	
	How well does SDC analyze and manage the risks inherent in engagement in fragile context?	Management of failure due to flawed theories of change and implementation problems	Degree to which organisation can tolerate failure and how this is dealt with.	Reviews, evaluations, country case studies, internal interviews	
		Managing tension between innovation and risk	As above.	Reviews, evaluations, internal interviews, country case studies.	
		Analysis and management of security issues	Extent of security incidents and security stance of the organisation.	Reviews, evaluations, internal interviews	

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Management of corruption and fiduciary risk	Understanding SDC risk profile and understanding how this influences programming in fragile states.	Risk management documents, internal interviews, country case studies.	
		Communication of risk and assumptions to domestic constituents	Parliamentary requirements, domestic environment.	Communications material, website, internal interviews,	
	How well does SDC capture and report on the results of its engagement if fragile contexts?	Use of agreed results frameworks in country	Volume and quality of reporting against standards.	Results data, reviews, evaluations, internal interviews, country case studies.	
		Use of results information in decision making, project management and future programmes	Degree to which results information used in project documents and project formulation. Use of monitoring and evaluation in programme design and implementation.	Reviews, evaluations, internal interviews, country case studies.	

Annex of Inception Repent 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Support to national ownership in developing indicators, gathering data and use of same in policy development	Number of programmes that support national data gathering and policy development.	Reviews, evaluations, interviews, country case studies.	
		Engagement with emergent and complex nature of change in results framework	Balance of quantitative vs qualitative data required in results; degree to which results focus enables or constrains flexibility of programme approach.	Reviews, evaluations, internal interviews, country case studies.	
		Means of creating and ensuring space for flexibility when dealing with higher order parties e.g. Parliament	As above.	Reviews, evaluations, internal interviews.	

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Means of managing tension between high visibility, high impact attributed actions and the uncertainty and attribution issues associated with working in fragile states	Communications strategies, requirements.	Reviews, internal interviews.	
		Level of competence of staff members in dealing with the analytical and operational challenges of fragile states programming	Staff profiles, experience.	Reviews, evaluations, internal and external interviews.	
	SDC is facing significant human resource problems in fragile contexts with difficulty in recruiting and retaining qualified,	Role of HR policies in recruiting and retaining quality staff	HR policies and procedures, terms and conditions.	Document review, internal and external interviews, country case studies.	



Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
	experienced staff. How can SDC best address this challenge?				
Area of enquiry 3:					
<b>Cohesion of Organisational Mandates</b>	How well does SDC practice comprehensive cooperation and manage the tensions between its mandates as well as between development objectives	Level of engagement across mandates	Number and extent of joint work-plans. collaborative design, shared monitoring, joint assessments	Document analysis, internal interviews, country case studies.	This set of questions corresponds to the evaluation criteria of <i>Coherence and coordination</i> and <i>Connectedness</i> Is there an agreed division of labour between mandates? Was co-ordination factored into inputs (was it budgeted for) and outputs (is it explicitly listed as an output, and is it part of the expected evaluation reporting)? Has a coherent approach been institutionalised? Is harmonisation across actors growing? How much time and what
		Cross-mandate exchange and learning and degree of cross-mandate knowledge and awareness	Number and extent of joint learning initiatives, meetings.	Internal interviews	
		Organisational ability to develop common goals across mandates	Number and extent of joint strategies and strategies containing common	Internal interviews, document analysis, workshops	

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Ability to coordinate and cohere strategies across mandates	goals.		resources were spent on co-ordination? Was it efficient (cost/benefit and appropriateness)?
		Diversity of perceptions of different mandates	Degree of diversity of perceptions.	Internal interviews	Did co-ordinated work result in improved coherence in policy?
		Role of thematic networks in bridging mandates	Degree to which networks influence policy and practice.	Internal interviews	What were the main constraints and challenges for coherence? How was good co-ordination achieved, and is it replicable in other situations?
		Effectiveness of cross-mandate 'holistic' programming approaches	Degree to which 'holistic' programmes are successful, especially when compared with programmes that are not 'holistic'.	Evaluations, reviews, country case studies.	Has practical coordination resulted in better analysis, greater agreement on
		Effectiveness of connector strategies versus divider strategies	As above.	Internal and external interviews, document review	strategic objectives and improved implementation of international programmes?

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Role of SDC structure and culture in promoting or inhibiting comprehensive cooperation mindset	Degree to which collaboration is prioritised and rewarded.	Internal interviews, reviews, evaluations	
	How well does SDC deal with the hierarchy, responsibility and decision-making challenges associated with integrating the different mandates into a comprehensive program?	Head office – operational relations and tensions, especially as relating to policy coherence and local relevance, country-driven nature of programmes	Extent to which there are expressed tensions, and evidence of where such tensions (if there are) influence programme design and implementation.	Internal interviews, reviews.	
		Means and effectiveness of combining mandates – thematically and sequentially	Policies and procedures that can be used to combine mandates.	Internal interviews.	

**Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation**

Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
	To what extent are SDC programs integrated programs and tensions between mandates and objectives effectively managed: Within SDC programs, are the different mandates and instruments embedded in a coherent, comprehensive strategic framework?	Synergies that have been identified, if any	Identification of synergies.	Reviews and evaluations, country case studies.	
		Management of tensions between differing goals and principles of mandates – development, humanitarian, peacebuilding.	Examples of transition from relief to development and how these have been managed.	Reviews, evaluations, internal and external interviews, country case studies.	
		Role of longer-term development planning in transition from relief to development	Degree to which transition situations incorporate development planning.	Reviews, evaluations, internal and external interviews, country case studies.	
		Ability to manage tensions inherent in fragile states vis a vis service delivery to replace state and state building	Evidence of where there are tensions between service delivery and state building, and how these are managed.	Document review, evaluations, internal and external interviews, country case studies.	

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
		Effectiveness of 3 Cs approaches	Published examples of where 3 Cs approaches have been effective.	Document review, evaluations, internal and external interviews	
Area of enquiry 4:					
SDC's Role in the Broader System	How well does SDC operationalize the 3 Cs (coherence, coordination, complementarity) and the 3 Ds (diplomacy, development and defense) from "whole of system" and "whole of Swiss government" perspectives?	Ability to work with rest of Swiss Government	Analysis of relevant collaborations and extent to which these take place in fragile contexts.	Reviews, internal and external interviews, country case studies.	This set of questions corresponds to the evaluation criteria of <i>Coherence and Connectedness</i> and <i>Effectiveness</i>  Do the development partners have a whole-of-government country strategy (i.e. one joint strategy for the partner country, including political, development, security and other objectives) or at least joint strategic objectives?
		Understanding of defence and diplomatic objectives among development cadre	Degree to which defence and diplomatic objectives understood within SDC.	Internal interviews, document review	
		How well does SDC mobilize upper hierarchical levels in the Foreign Ministry and other Swiss ministries to achieve its objectives?	Degree to which SDC priorities are taken up by the Foreign Ministry, SECO and others.	Internal interviews, document review.	

Annex of Inception Report 1: Evaluation matrix used to set specific parameters for the evaluation					
Area of enquiry	Line of enquiry	Key issues	Potential indicators	Means of Verification	Evaluation Criteria (OECD-DAC, ALNAP) and relevant questions from frameworks
	How well does SDC work within national government plans and priorities?	Clarity and articulation of SDC's specific niche, comparative advantage and value added		Document analysis, internal and external interviews, country case studies.	
		Coordination with country-level frameworks, policies and programmes	Whether country level frameworks are used and how.	Reviews, evaluations, internal and external interviews, document analysis, country case studies.	
	How well does SDC work with other donors, UN, NGOs and other aid providers?	Ability to work jointly with rest of system and coordinate activities and objectives	How SDC works with other donors and operational agencies, and degree to which action is coordinated.	Reviews, evaluations, internal and external interviews, country case studies.	
		Extent to which SDC duplicates / adds value to cooperation landscape	Analysis of how SDC programmes compliment other actors' approaches.	Evaluations, internal and external interviews, country case studies.	

## Annex of Inception Report 2: Theories of change in fragile states

Theories commonly employed in fragile states include the following<sup>3</sup>:

- **Individual change theory:** reduction in fragility comes through the transformative change of a critical mass of people, including their knowledge, attitude, behaviours and skills.
- **Healthy relationships and connections theory:** fragility is best addressed by breaking down isolation, polarisation, division, prejudice and stereotypes between/among groups.
- **Withdrawal of the resources of war theory:** conflict requires vast amounts of material and human capital to be sustained. If the supply of people and goods is disrupted, the war-making system will collapse and peace will break out.
- **Reduction of violence theory:** peace results from a reduction in the level of violence perpetrated by combatants.
- **Root causes/justice theory:** we can reduce fragility by addressing the underlying issues of injustice, oppression, exploitation, threats to identity and security, and people's sense of injury and victimisation.
- **Institutional development theory:** fragility is addressed by establishing social institutions that guarantee democracy, equity, justice and fair allocation of resources.
- **Political elites theory:** fragility is diminished when it is in the interest of political (and other) leaders to take the necessary steps. Peace-building efforts must change the political calculus of leaders and elites.
- **Grassroots mobilisation theory:** if enough people are mobilised to oppose fragility and conflict, political leaders will have to pay attention.
- **Economic theory:** individuals and leaders make decisions based on systems of incentives that are essentially economic in nature. By changing the economic logic associated with war, we can bring about peace.

**Public attitudes theory:** fragility, conflict and violence are partly motivated by prejudice, misperceptions and intolerance of difference. We can promote peace by using the media (television and radio) to change public attitudes and build greater tolerance in society.

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<sup>3</sup> DFID (2005). Why we need to work more effectively in fragile states.

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## **Annex 5: Interviewed People**

### **Swiss Agency for Development and Cooperation**

Segolene Adam, Programme Officer Global Cooperation.

Roland Anhorn, Senior Advisor Africa Division Humanitarian Aid.

Tabassum Mohammad Arif, Hindu Kush.

Manuel Bessler, Vice-Director and Delegate for Humanitarian Aid.

Benoit Meyer-Bisch, Programme Coordinator for Governance and Desk Horn of Africa.

Veronique Bourquin, Programme Officer Occupied Palestinian Territory.

Elisabeth von Capeller, Head South Asia Division.

Anne Claude-Cavin, Advisor for Conflict Prevention.

Jean Francois Cuenod, Nepal.

Martin Dahinden, Director General.

Sophie Delessert, Programme Officer for Central Asia.

Martin Fassler, Head of Staff of the Directorate.

Chrystel Ferret, Deputy Head, East Africa Division.

Thomas Gass, Ambassador and Head of Cooperation, Nepal.

Christof Graf, Deputy Director, Global Cooperation.

Stephanie Guha, Programme Officer.

Markus Heiniger, Policy Advisor Conflict and Human Rights.

Andreas Huber, Hindu Kush.

Veronique Hulmann, Head CIS Division.

Bernhard Huwiler, Head of Africa Division, Department Humanitarian Aid.

Kurt Kunz, Assistant Director General and Head of Department Cooperation with Eastern Europe.

Antoine Laham, Policy Advisor Conflict and Human Rights.

Peter Lehmann, Hindu Kush.

Yves Mauron, Deputy Director of Staff, Humanitarian Aid.

Milena Mihajlovic, Advisor for Gender and Quality Assurance.

Anna Marie Minder,

Michel Mordasini, Assistant Director General and Head Global Cooperation.

Giancarlo de Picciotto, Occupied Palestinian Territories.

Sarah Pfister, Hindu Kush.

Burgi Roos, Head Division Europe and Mediterranean Region,

Jean Daniel Ruch, Occupied Palestinian Territories

Gerhard Siegfried, Head South Asia Division.

Laila Sheikh, Occupied Palestinian Territories.

Martin Sommer, Head Corporate Controlling Section.

Anton Stadler, Head Analysis and Policy Division.

Roland Steininger, Occupied Palestinian Territories

Martin Stuerzinger, Nepal

Lorenzo Suarez, Programme Officer Hindu Kush.

Sybille Suter, Head of Latin America Division.

Maya Jaouhari Tissafi, Deputy Director General and Head Regional Cooperation.  
Christine Tobler, Liaison Officer and Deputy Chief of Staff.  
Armin Ullmann, Humanitarian Aid.  
Edita Vokral, Ambassador and Head of Cooperation, Haiti  
Frank Wiederkehr, Programme officer Afghanistan.

## **Tajikistan**

H.E. Eduard Auer, EU Ambassador  
Nargis Bozorova, Director for Human Rights, Legal Reform and Access to Information, Open Society Institute Assistance Foundation.  
Severine Chappaz, Head of Mission. International Committee of the Red Cross.  
Rosa Charpentier, Development Coordinating Committee secretariat  
Kevin Dean, Deputy Country Office Director, USAID Tajikistan.  
Mouazzamma Djamalova, National Program Office Health Care, SDC.  
Henri Zipper de Fabiani, French Ambassador  
Yodgor Fayzov, Chief Executive Office, Aga Khan Foundation.  
Nicolas Guigas, Deputy Country Director, Swiss Cooperation Office (SECO).  
Husain Gulamhusein, Programme Support Officer. Aga Khan Development Network.  
Zeynal Hajiyev, Director, International Office of Migration Tajikistan.  
Farrukh Hamraliev, Minister, Economic Development and Trade, Republic of Tajikistan.  
Malika Ibrohimova, National Program Officer for Economic Affairs, SDC.  
Nassim Jawad, Coordinator. UN Food and Agriculture Organisation (FAO).  
Nashir Karmali, Executive Office. Focus Humanitarian Assistance.  
Jeffrey Lehrer, Country Representative, USAID  
Munir M. Merali, Resident Representative. Aga Khan Development Network.  
Manuel Micaller, Jr., First Secretary, Political and Economic Affairs, U.S. Embassy, Tajikistan.  
Peter Mikula, Country Director, Swiss Cooperation Office (SDC).  
Christopher Miller, Country Officer, International Finance Corporation.  
Parviz Mullojnov, Political Analyst, Tajik civil society  
Stephan Nellen, Ambassador, Embassy of Switzerland to Kazakhstan and Tajikistan.  
Shakarbek Niyatbekov, National Program Officer Rule of Law, SDC.  
Marsha Olive, Director, World Bank.  
Davlatoli Saidov, Chairman, State Committee on Investments and State Property Management, the Republic of Tajikistan.  
Ruslan Sadykov, National Program Officer for Infrastructure, SDC.  
Joji Tokeshi, Country Director. Asian Development Bank.  
Zahira Virani, Country Director, United Nations Development Program in Tajikistan.  
Alexander Zuev, Resident Coordinator, United Nations in Tajikistan.  
Saforali Zokirov, Governor and Chairperson, and local development committee, Muminibad District, Khatlon Oblast.

## **Rwanda**

Gaspard Byukusenge, executive secretary, Rutsiro District.

Elizabeth Carriere, Head of Office. DFID Rwanda and Burundi.

Nicolas Charpentier, Programme Director. Handicap International.

Jean Marc Clavel, Regional Director Great Lakes, SDC.

Enata Dusenge, Director General, Ministry of Finance and Economic Planning.

M. Michel Gatete, SWAP coordinator, Ministry of Health.

Professor Simon Gasibirege, Coordinator, Institut Africain pour la Pysychologie Integree.

Marie Gilbrin, Deputy Country Director, SDC.

Sebastien Hakizimana, Vice Mayor in charge of Finance and Economic Development. Karongi District.

Andrea Hensel, Development Counsellor. Embassy of the Federal Republic of Germany.

Bernard Kayumba, Mayor, Karongi District.

Lewis Mudge, Researcher, Human Rights Watch.

Immaculee Mukankubito, Second Deputy Director, Institute of Research and Dialogue for Peace.

Dr Uzziel Ndagijimana, Permanent Secretary, Ministry of Health.

Jocelyne Niyodushima, PSP, SDC.

Ronald Nkusi, Director, External Finance Unit. Ministry of Finance and Economic Planning.

Jacques Pitteloud, Ambassador, Embassy of Switzerland to Kenya, Rwanda and Burundi and Permanent Representative to the United Nations Environment Programme.

Dr Fred Smiet, First Secretary Regional Affairs. Embassy of the Kingdom of the Netherlands.

Claire Lise Temporal, SDC.

Cyrille Turatsinze, Permanent Secretary. Ministry of Local Government.

Jaky L. Villettaz, Head of Delegation. International Committee of the Red Cross (ICRC).

Nils Warner, Head of German Development Cooperation Rwanda/ Burundi.

## **Democratic Republic of Congo**

Jean-Baptiste Bacyunjuze, Celestin Kelenga Selemani and Evariste Kaji, VOVOLIB

Laetitia Courtois, Head of sub-delegation, ICRC.

Jean Baptiste Safari, IFDP

Deo Bashi, CDJP

Michel Dubois, Head of Office, UNDP South Kivu

Gisele Batembo Faïda, Minister of Agriculture and Rural Development, South Kivu.

Joll Kamuntu Ntabunge, Director, Radio Maendeleo. South Kivu.

Laban Kyalangalilwa Kashande, Minister of Provincial transport, Communication and Tourism, South Kivu.

Jos Van Mierlo, Programme Coordinator, South Kivu. Malteser International

Abbe Justin Nkunzi, Director for the Commission Justice and Peace. Arch-diocese of Bukavu.

Ashley Sarangi, Humanitarian Affairs Officer. Office for the Coordination of Humanitarian Affairs, Bukavu.

Dr Bonaventure Savadogo, Swiss TPH, Uvira.  
Lothar Seethaler, Head of Cooperation, SDC.

### **Burundi**

Dave Beer, Resident Representative, DFID Burundi.  
Dirk Brems, Minister Counsellor. Embassy of Belgium  
Oliver Hoehne, PDIV, FDFA.  
Damien Macumi, Unite de Coordination.  
Dr Barnabe Mahenehene, Ministry of Health.  
Jean Marie, Director General, Ministry of Community Development.  
Leo Naescher, Technical Counsellor of the Executive Secretary. International Conference on the Great Lakes Region.  
Louis-Marie Nindorera, Country Director, Global Rights.  
Thomas Ntambu-Kakoma, Initiatives and Change International.  
Loukas Petrides, Head of Delegation. ICRC.  
Claudio Tognola, Director, SDC.

### **Other**

Peter Maurer, State Secretary, Federal Department of Foreign Affairs.  
Sarah Cliffe, UN Peace  
Sypros Demetriou, World Bank  
James Rogan, UNICEF  
Joanna Macrae, DFID.  
James Darcy, ODI.  
Rolan Salvisberg, Head, Peace Policy. Europe, Asia, Mediation, Democratisation. Political Affairs Division IV.  
Jean Luc Bernasconi, SECO.  
Daniel Kessler, KEK CDC Consultants.  
Markus Engler, KEK CDC Consultants.

## **Annex 6: Tajikistan case study on the performance of SDC instruments in fragile and conflict-affected contexts**

### **Background**

The Swiss Agency for Development and Cooperation (SDC) is presently developing its new Federal Council Dispatch 2013-2016 (Botschaft). As part of the new strategic direction envisaged in the dispatch, the organisation's leadership is committed to increasing engagement in fragile states. Currently the proposal is that it increases from 28% of its budget (currently) to 40-50% to be more in line with the international donor "average",

As a result, the SDC Directorate has mandated the Corporate Controlling Section to commission an evaluation of the performance of SDCs instruments in fragile and conflict-affected contexts. The evaluation uses a primarily qualitative approach, combining interviews, case studies and document review. It is intended to be "developmental", meaning that in addition to fulfilling the accountability function, it also places a high emphasis on "learning", and in particular the usefulness (or "usability") of the recommendations.

An important component of this evaluation is the reflective inquiry process with stakeholders in case study cooperation offices, both internal SDC staff, as well as partners working closely with the SDC cooperation office, including recipients of assistance, the broader donor community, civil society and the host government. The case study (and the evaluation generally) follows four specific lines of inquiry: Performance; Analysis, Flexibility and Adaptability; Complementarities of SDC Mandates; and SDC's Role in the Broader System.

This Tajikistan case study is one of two substantive studies, with the other in the African Great Lakes region. They will be complemented by a further 4 or 5 desk studies. The case study will assess the performance of the various instruments deployed in Tajikistan, providing a solid base of evidence of where SDC now stands in some of the world's most fragile contexts, and an analysis of where it needs to improve. This case study will also be used to assist global SDC to develop priorities for change and provide actionable recommendations for future engagement in fragile contexts.

The Tajikistan case study involved field visits to seven project sites in four different regions. This included visits to a Prevention of Domestic Violence field office, meeting with both staff and victims; the project office of a new health program supporting the establishment of family medicine services throughout the country; a family medicine clinic in Kurgan-tube, meeting with the Director, family medicine practitioners and patients; and a meeting with the Governor of this district and the staff of the Local Development Committee (LDC) in Muminabad, a multi-stakeholder platform at the district level where representatives from government and civil society can meet and pursue common development objectives through mutual dialogue. The team also visited Khorog in the Pamir with the Director of the Aga Khan Development Network Foundation (AKDNF) to visit programs co-financed by the Cooperation Office

(COOF)<sup>1</sup> in partnership with the AKDNF including Pamir Energy, which provides 24 hour energy to the poor communities of the Pamir, and its innovative customer service and support program, meeting both staff and consumers.

Interviews were conducted with all of SDC Tajikistan's National Program Staff and four of five international staff in county. In addition, thirty four external partners were interviewed, including Government of Tajikistan (GoT) Ministers, a provincial Governor, Ambassadors of France, the European Union and the Charge' de Affaires of the US Embassy, donors, international financial institutions, program implementers, civil society, media, private sector businesses and assistance recipients. A Workshop was held on the final day of this two-week Mission to present and validate findings, explore emerging themes together and elicit staff feedback on approaches to address Tajikistan's fragility.

### **Tajikistan's "Fragility" Context**

Is Tajikistan "fragile" and, if so what are the factors that constitute its fragility? Much has been written about Tajikistan's fragility. Its post-Soviet history certainly defines a trajectory that encompasses war, social service degradation, a non-existent civil society, serious human rights violations, a heavy-handed autocracy and an unsustainable economy.

SDC has undertaken a number of recent studies on Tajikistan's fragility. In the February 2010 Vulnerability Assessment of the Cooperation Office (COOF) in Tajikistan, the study stated that, "By anyone's standards, the fragility of Tajikistan is increasingly brittle, characterized by the current degradation of the political, economic, social and service delivery system, weak private sector structure, lack of liquidity of the banking sector, the decay of the agricultural sector, high levels of nepotism and corruption compounded by the weakening role of civil society, poverty and centralization of power in the hands of cronies. However, Tajikistan is not a *failed* state, but there is urgent necessity to address Tajikistan's fragility."

A 2011 Tajikistan Context Analysis by SDC consultants states that, "The political governance in Tajikistan is based on one side on a presidency relying on and supported by a clannish rule and extensive corruption system and on the other hand on a range of legal provisions more or less imposed by the international community and rewarded with foreign aid. Although the constitution provides for checks and balances and leaves space both for political opposition and democratic change of government, detailed provisions such as the extensive appointment prerogatives of the president leave little space for challenging the decisions or interests of the head of state and its close relatives."

An August 2011 paper on Civil Society in Tajikistan identified, "a growing divide between the Government and the population as a major contributory factor of fragility in Tajikistan."

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<sup>1</sup> The Cooperation Office in Tajikistan is joint between SDC, SECO and PDIV. To avoid messy nomenclature, and in the interests of readability, this case study uses COOF to represent the joint entity, and only refers to SDC when a point is being made specifically about that agency.



Clearly, Tajikistan is a fragile context, (and the myriads of studies and analyses of this country as well as all of the interviews during this Mission came to this same conclusion), further analysis of the “Country Context”, which follows, supports this assessment.

**Emergence of the State:** Tajikistan became an independent, sovereign state in 1991 after the break-up of the Soviet Union and less than a year later became engulfed in a disastrous civil war from 1992-1997, with Islamists and liberal democratic reformers fighting the Russia-backed government. 50,000 Tajiks were killed and over 700,000 people fled the country, including most of the ethnic Russians. The war ended with a UN-brokered peace agreement signed by today’s President Rahmon and opposition leader Nuri.

**Population:** Today, Tajikistan is a country with a population of close to 7.4 million. About 50% of this population is under 14 years of age. This is significant for a number of reasons. This means that this generation of young people—half the population—have no memory of the civil war, the efficient service delivery system under the Soviets and the excellent education system, which is now only a shadow of its former self. As the number of poor continues to grow, and service delivery, especially education, worsens, this new generation of youth could turn again to civil disturbance or war, out of alienation from and frustration with the government.

**Migration & Remittances:** In addition to the internal population of Tajikistan, it is estimated that some 1.2 million Tajiks live abroad, in either Russia or Kazakhstan. According to the World Bank and IMF, remittances from these migrant workers were estimated at 40% of Tajikistan’s GDP for 2010, or over \$2.4 billion, from an average wage of \$420 per month. According to many of our interviews, these remittances financed almost 70% of Tajikistan’s trade deficit, increased the National Bank’s international reserves by some \$125 million and helped support a noticeable decline in poverty, constituting 25% of the income of those living in rural areas. No question that remittances do serve as an important lifeline for the country. If Russia decides to pursue a more conservative approach, limiting the numbers of migrants or eliminating them all together, this too could have serious negative effects on the economic and social fabric of Tajikistan.

**Poverty:** Tajikistan, according to the World Bank and the UNDP Human Development Index, remains the poorest country in Central Asia and the CIS. While those living under the poverty level of \$1.40 per day, as defined by the IMF, decreased from 83 percent of the population in 1999 to 47 % in 2009, this still high level of poverty creates continuing pressure on the GoT’s social service delivery mechanisms, demonstrated by a drop in school enrollment for girls and diminishing health services throughout the country. The implications of this extreme poverty means that Tajikistan is one of the few countries in Central Asia unlikely to meet most of its Millennium Development Goals, including access to improved water and sanitation facilities in rural areas, health services to address high maternal mortality rates, decreasing quality of education, lack of reliable social safety nets, decreasing quality of skills training and contraceptive prevalence.

**Health & Education:** Both indicators have deteriorated since the end of the civil war. Both sectors' indicators are the lowest in the region. The GoT spends 1.14 percent of GDP on health, while out of pocket health expenditures by individuals is the highest in the region. There is some good news though. Under-five mortality rates are decreasing and infant mortality rates have decreased from 89 per live births in 2000 to 65 in 2005. In education, enrollment for 14 year old has increased from 88 percent in 2007 to 95 percent in 2009. However, higher education is largely inaccessible to poorer families and the entire system experiences a dramatic shortage of qualified teachers. You now find that the older generation, educated under the Soviets, have a higher level of education than the younger generation, struggling under the prevailing Tajik system. And both sectors' impact on Tajikistan's fragility is severe. Educated Tajiks leave both the government and their country. The education system can not support capacity building required to train Tajiks to become the best and the brightest and to ensure that Tajiks are equipped to responsibly address the health needs of themselves and their families, to effectively voice their concerns and to support the social and economic development of their country. Brain drain and marginal health care will at best maintain Tajikistan's underdevelopment and, at worst, support the continuation of its fragility.

**The Economy:** The recent June 2011 IMF Mission to Tajikistan concluded that the country continues to recover from the global economic crisis. While GDP growth fell to 3.9 percent in 2009, it recovered to 6.5 percent in 2010 and real GDP growth is estimated to be 6 percent by the end of 2011. This growth was dependent on an increase in prices of Tajikistan's two top exports, aluminium and cotton, as well as a rebound in remittances, which increased by 38 percent the first half of 2011. While continued growth prospects are good, risks abound that would impact Tajikistan's fragile context. Price increases in energy and food will exacerbate inflation, negatively affecting the small gains the country has made in poverty reduction. Lack of structural reforms to address corruption and allow the nascent private sector to emerge would also be a continuing drag on the economy. Back sliding on GoT-proposed tax reforms and enhanced transparency of state-owned enterprises could lead to a stalled business environment and a macroeconomic framework that would remain fragile.

**Private Sector Development:** According to the World Bank's September 2011 Program Snapshot for Tajikistan, the country's biggest challenge in the coming years will be lifting its low rates of private investment. Private investment in this economy has only been a disappointing 5 percent of GDP over the past decade. However, the government has been responsive of late in undertaking some positive steps to create a viable and robust private sector. It has eliminated cumbersome and redundant procedures required in the past to open a business, and has established a one-stop shop for business licensing. It has lowered corporate income tax rates, passed new laws to create a credit bureau for private business, streamlined the insolvency law, and improved the protection of minority shareholders in businesses.

**Governance and Civil Society:** Tajikistan is still reeling from its civil war, as this war depleted much of the country's human capacity. Without this capacity, the government has been extremely challenged in meeting its overall development objectives and this has most severely impacted governance throughout the country. As pointed out earlier in this paper, an October 2011 paper by SDC Tajikistan pointed out that the "growing divide between the Government and the population is a major contributory factor of fragility." There is a clear

need to mainstream good governance at all levels of government, as well as within all donor programs and projects. This will help strengthen transparency and accountability as well as support the critical need for enhanced capacity in both the public and private sectors. This will also have a positive impact on *corruption*, an aspect of Tajik life that continues to drain the economy at the expense of much needed pluralistic governance.

## **The Competing Narratives: What We Heard in our Interviews**

From our extensive interviews discussing Tajikistan's fragile context, a number of competing narratives have emerged that represent the opinions of our interviewees, all of whom are engaged in the development of Tajikistan, on the future of this country. We believe these different approaches can be extremely useful to SDC as the Agency evaluates its instruments in these fragile contexts.

The first is the **Rahman-bashi**. Under this scenario, the prevailing autocracy deepens, an opinion shared by many interviewees. The international community hastens its departure from the country; the family tightens its grip and takes more control of the state, both at the local and national level. Russia, concerned about civil strife in Tajikistan, sends its Tajik population of labourers back to Tajikistan and stops the issuance of visas for Tajik's wishing to work in Russia. New unemployment creates large-scale instability within the country; desecularization increases as more Tajiks look toward their Islamic religion for a support system and radical Islam expands. Nacro-traffickers expand their territory and ties with Afghan drug wholesalers increase.

The second scenario is the **slow collapse**. Corruption expands unabated, fuelled by a disregard for governance at all levels and first-family greed, as the Talco aluminium plant remains a priority at the expense of support for nation-wide employment, poverty alleviation and private sector enhancements. Migration to Russia and Kazakhstan increases, creating an even more severe brain drain with the country. Degradation of both physical and human infrastructure continues as resources for both human capacity development and infrastructure required to stimulate the economy flow in the direction of those in power. Poverty worsens, leading to a worsening of health and education indicators. Tajikistan finds itself extremely vulnerable to economic shocks, not unlike the near collapse of 2007-2008. And civil strife deepens, led by a new generation of Tajik's who don't remember what their country was like during the civil war.

The third can be characterized as **bumping along the bottom**. With this scenario we find the "same old, same old." The country remains stable, but little to no economic growth occurs. The international community remains, but maintains its current direction. It does not play a role promoting decentralized government, an enhanced role for civil society, transparency and new private sector investments. Essentially, Tajikistan remains as it is currently. The Tajik population is neither pessimistic, nor optimistic. They, as many said in our interviews, *remain realistic*.

The fourth scenario is recognition that **transition takes time**. Tajiks, as well as the international community, see slow improvement. The country takes “two steps forward, one step backwards”, but forward momentum is clearly indicated. The government views a loosening of the economy through increased private investments, as in its best interest. Civil society has a greater role in governance at the local level. Reformers emerge within the government, allowing more public and private sector freedom. Ten years from now, Tajiks are more optimistic and see that their economy is on the right track. However, social indicators still remain poor, with little progress in either the health or education sectors.

The last scenario is “**Let a Thousand Flowers Bloom**”. Reforms begin to take hold and benefit the country. The economy finally booms through privatization and an emergent private sector. The country takes energy independence seriously and begins to attract more private investment, both domestic and international, to this critical sector. The government formulates plans for the privatization of Nurek and Rogun hydropower stations, as well as Talco aluminium plant. Regional relationships improve and trade expands regionally with its Central Asia neighbors and Russia. The prevailing autocracy moves closer to democratic values and allows pluralism to flourish. The education system expands to include a viable vocational education program, stemming the brain drain as more qualified Tajiks find jobs within their country’s private and public sectors.

These five scenarios not only reflect a wide divergence of opinion but, as important, embody an important set of prevailing characteristics of fragility in Tajikistan which the COOF can utilize in the design of instruments that will have a positive impact on this country’s and other fragile countries’ development as well.

Through our extensive interview process, Tajikistan’s fragile context can be defined as follows:

While the State is stable, as internal security is better now than at any time since the civil war and there is virtually no crime, **an empowered civil society is non-existent**.

**Governance is weak and corrupt** at both the national and local levels. Technical capacity to enable Tajik’s to run their government efficiently and effectively is non-existent. **A lack of will to implement far-reaching reforms** exists throughout government. **Government reformers are virtually unknown**.

**Service delivery**, especially with the health and education sectors, **is marginal at best**. Under the former Soviet state, services were adequate and provided to all. Tajiks were used to efficient State provision. Now the State is unable to deliver even basic services.

The **economy is highly “brittle”** and subject to both internal and external shocks. The economy is primarily dependent on Talco aluminium, an industry that drains over 45% of Tajikistan’s total energy supply, and remittances from Tajiks in Russia, providing over 45% of the country’s GDP. Both of these economic inputs are highly fragile and economic collapse could happen suddenly. The agriculture sector is primarily led by cotton and its production methods remain inefficient., redirecting water resources from other more cost effective and productive crops.

**Tajikistan's proximity to Afghanistan**, sharing a 1300-kilometer border to its south, is a factor discussed by most interviewees. Spill over effects from narco-trafficking are already negatively impacting the social and economic fabric of Tajik life. Another concern is the potential destabilizing effect of NATO's 2014 pull-out of forces from Afghan soil. Will the Taliban advance north across the border? Will there be an emergence of radical Islam within Tajikistan as a result of a new Taliban government to the south? Will existing trade linkages be severed between the two countries by isolationist policies of the Taliban?

**Regional disputes** with neighbors to the north and south affect Tajikistan's fragility. By leaving the Central Asia electricity grid in 2009, Uzbekistan effectively cut off Turkmenistan electricity that flowed to Tajikistan through Uzbekistan. Uzbekistan also stopped its natural gas exports to Tajikistan. Ethnic disputes between the Kyrgyz, Tajiks and Uzbeks continue to ferment. Afghanistan remains a critical concern, in anticipation of the withdrawal of foreign troops in 2014. And China continues to increase its presence through economic investments and infrastructure development with still unknown consequences as China's footprint increases throughout Central Asia.

In conclusion, six factors are highlighted for the Tajikistan COOF to consider in their future planning that will have an impact on Tajikistan's fragility include:

**Rahman and succession:** democratic pluralism vs. autocracy and isolation.

**Corruption:** Does the private sector emerge or will civil strife ensue?

**Migration and Russia;** the impact on Tajikistan if Russia changes its prevailing immigration policies.

**Climate change:** the impact on water resources, agriculture and energy.

**Afghanistan and NATO's departure:** strategic importance to Tajikistan, contagion, terrorism, instability and narco-trafficking.

**China:** infrastructure and trade.

The analysis outlined above suggests some key areas of concentration for aid donors thinking about how to positively impact the factors of fragility:

Pluralistic politics supporting good governance and the rule of law

Effective and responsive local level service delivery, especially health and education

"It's the economy stupid"—setting business free, sound macro-economic financial management, enabling infrastructure, creation of jobs, containment of corruption

Water resource management and disaster resilience

Enhancing stability and security, both internally and externally

Interestingly, these are extremely similar to the five new Peace-building and State-building Goals (PSGs) agreed at the Busan conference on aid effectiveness and suggested by the G7+ grouping of fragile states. These are 1) legitimate politics, 2) security, 3) justice, 4) economic foundations and 5) revenues and services.

## Findings

SDC Tajikistan's development framework is implemented within the Swiss Cooperation Strategy for the Central Asia Region 2007-2011. This regional strategy also includes Kyrgyzstan and Uzbekistan. According to the Cooperation Office (COOF), given the interrelationships between the development priorities of these three Central Asian countries, a regional approach is "applied in the strategic planning of technical and financial cooperation." However, national programming is also advocated. "Think regionally—implement nationally" is the modus operandi currently being followed.

For the region, and, in this context, for Tajikistan, five specific "domains of intervention" constitute the region's, and the national program's, framework for development. These include: health care reform; water management and disaster risk reduction; basic infrastructure; private sector development; and public services and institutions. Governance and gender are considered cross cutting components of all five of these program themes. The current 2007-2011 strategy ends December 2011, and the new SDC Strategy for Central Asia 2012-2015 will commence in 2012.

Highlighting the specific "domains of intervention" of the current 2007-2011 program, the **health** program has focused on the establishment of family medicine services, improved health financing methods and health sector reform through policy dialogue with the GoT.

The **basic infrastructure** program has supported both the water and energy sectors. Water has targeted water supply in urban and rural communities. The energy program has supported procurement of electricity meters and subsidies to the poor for the procurement of electricity. Dialogue with the GoT on energy construction, rehabilitation and privatization continues.

The **private sector development** program has addressed policy and regulatory reform through on-going policy dialogue and directed technical assistance to the Ministries involved in this sector. Policy support for the simplification of taxation procedures, including the development of a new tax code to encourage small and medium enterprise development continues.

The **public institutions and services** program has supported both national and provincial government. At national level the National Bank and the Ministry of Finance were supported to develop a viable and financially sound government securities market. Support was provided to develop a transparent, efficient accounting system for public institutions. WTO accession support has also been provided through the Ministry of Economic Development and Trade.

At provincial level the COOF program concentrated on decentralised planning and provision of services in Muminabad district. This involved setting up a development council consisting

of authorities and local civil society (which has subsequently become an NGO) and programming significant resources through these at a local level.

The Tajikistan COOF's **rule of law** program has supported capacity building for civil society organizations, most notably those supporting abused women through domestic violence. This program also supports capacity building at the Judicial Training Center and the incorporation of domestic violence training into the curricula of the National Police Academy.

The **disaster risk reduction** program supports the integration of disaster risk reduction into both national and district level development projects. A new national risk assessment methodology has been instrumental in assisting the GoT to prioritize risk mitigation investments, leading to substantial cost savings.

The COOF is now in the process of developing its 2012-2015 cooperation strategy. This new 2012-2015 strategy, while still regional, will take into account the prevailing, country-specific differences that have emerged over the past strategy period. Specifically for Tajikistan, these include:

Achievement of MDGs not a good story: education levels decreasing; new onset of and spread of infectious diseases; higher prevalence of malnutrition; food insecurity increasing; increasing unemployment; quality of drinking water worsening; deterioration in sanitation; higher maternal and child mortality rates.

16% of the population has no access to clean drinking water.

Infrastructure remains substandard because of poor management and lack of resources. Roads and rail embody high operating costs and low speeds. Energy system suffers from high losses and low reliability.

A nascent private sector still exists.

Poverty has been reduced from 83.4% of the population in 1999 to 47.2% in 2009, but most of the other economic indicators are moving in the wrong direction.

Revenues were 15% less than planned for in the approved 2010 budget; current account deficit increased to 10% of GDP in 2010; balance of payments financing gap was \$45 million.

Government reform priorities include land, health care, public finance management, and water and energy reform, but few results and few reformers within the government.

Little positive impact on real lives of real people—yet.

The Tajikistan team is now working on the development of the new Tajikistan 2012-2015 Swiss Cooperation Strategy. The new program strategy will consist of Urban and Rural Drinking Water; Health Care Reform, Private Sector Development, and the Rule of Law. Energy, Public Finance Management and Macroeconomics will be phased out and Disaster Risk Reduction will be incorporated into the regional Water Management program. According to the Annual Report, November 2011, the Tajikistan COOF will incorporate Conflict Sensitive Program Management into all of its new programs; will mainstream Disaster Risk Reduction into its new projects; and will integrate Youth into new program designs, recognizing that more than 50% of Tajikistan's population is 18 years of age or younger.

## **Performance of Instruments**

The COOF Tajikistan's current program has been implemented as a component of the Swiss Cooperation Strategy for Central Asia 2007-2011. An assessment prior to the initiation of the current strategy found that the previous program was too broad and fragmented, thus hard to supervise and manage. In addition, the assessment pointed out that the governance strategy was also unfocussed and, therefore, obsolete. The assessment also pointed out that the new program should build upon its successes and specified the health sector as one development need that demonstrated the Swiss' comparative advantage and should be a component of the new 2007-2011 program. This advice was clearly well taken and health emerged as the leading sector over the past four years.

The SDC Tajikistan health program contributed to positive trends in health indicators, including infant mortality, maternal mortality and improved access to health care facilities. The number of family doctors trained increased significantly, reaching one half of the total needed. Geographic access to family medicine also increased significantly, now encompassing over 60% of the country. As important, the program is now completely aligned with National Health Strategy and Switzerland was instrumental in the development of a Health Coordination Council, which, not only serves as a forum for national policy dialogue with the government, but also ensures government participation on all health policy working groups. Even though the health sector remains woefully underfunded at 2% of GDP, which is the second lowest worldwide, the Swiss' health program has made a very positive contribution to this sector.

The program assessment also suggested that another comparative advantage of Switzerland is in the energy sector. Through tariff subsidies and the provision of new electric metering, electricity losses decreased and the geographic area of provision increased significantly. However, governance issues on the part of the state regarding pricing and internal management remain poor. Until the government makes major changes in the management of this sector, donor-led interventions will continue to be marginal at best. Support to Pamir Energy, through the Aga Khan Network, continues to be a success, but the entire sector needs restructuring.

Support to the water sector was another significant component of the last four-year program, and will remain so under the new strategy. Twenty-four hour potable water is now provided to residents of second largest city, Khudjand. Payment collection rate for water increased



from 60% to 90%. Rural water supply is now a national model for delivery and pricing through the Swiss-supported Water Users Associations. Scaling up this model of decentralized ownership and good governance will be a priority under the new strategy.

The SECO program has demonstrated success in both private sector development and macro economic policy. Policy dialogue with the government has led to enhanced government-donor cooperation in taxation reforms. Transparency on business permits and procedures improved significantly through a new business registry platform. Swiss support regularized tax credit procedures, and simplified business registrations. The World Trade Organization (WTO) accession process demonstrated significant progress through Swiss technical support. And Swiss financing supported the IMF's review of the National Bank's internal auditing procedures, leading to increased transparency critical for private sector-led economic growth.

At the provincial level the SDC program also historically supported decentralisation of services, creating district development councils that combined state and civil society to prioritise development. This was then backed with a significant budget to implement the priorities chosen. This model is one of a number now under consideration by central government to be scaled up across the country.

In the Rule of Law domain, the government approved its first judicial and legal reform program, with assistance from Switzerland. However, the lack of a true civil society is an impediment to the effective implementation of this program. There has been some progress supporting victims of domestic violence, as the number of victims of domestic violence seeking assistance almost tripled between 2009 and 2011. Domestic violence training was also integrated into Police Academy training curricula and a Swiss-supported working group from civil society developed draft law on domestic violence for Parliament. Judicial training has also seen some progress, as over 160 judges were trained through Swiss technical assistance.

Disaster Risk Reduction is the remaining domain of intervention. Disaster prevention and response programs have been implemented in 16 pilot districts, which can serve as a national model. The Unified National Risk Assessment Methodology piloted in the South could serve as a national model and the government began to integrate disaster risk reduction into its development programs, despite the lack of capacity within government staff and resource constraints affecting long-term sustainability.

The Tajikistan program has had a positive impact in all of the sectors it has worked in. Family doctors have been trained and are providing health care, water supply in Khujand (2<sup>nd</sup> city) has been significantly improved for 40,000 people, business process reduced, legal advice provided and disaster committees formed. Despite these practical results however, there is a sense that a lack of government willingness and capacity renders them less than optimal. The water supply project has made significant improvements to peoples lives but remains largely opportunistic – rather than part of structured development nationally. This is even more the case in the energy sector where despite massive improvements in collection of revenue (an excellent result), the problem of most of the national electricity going to the Aluminium plant

remains unresolved. The commitment of the Ministry of Health to the reforms is also lacklustre, delaying a planned move to more “budget support” type programming.

In the analysis of the country office, the COOF has been best at having impact on the micro and meso levels, and less effective in achieving macro-impact. Partly this has been because of strategy (less concentration on working with national government), but mostly it is the prevailing conditions, and the lack of unity in the donor community historically.

This has led to a new focus on promoting donor coordination (see role in the system, below) and to more concentrated approach in the newly emerging 2012-2015 cooperation strategy. Whilst individually the programs were performing well, they were not adding up to a coherent change agenda, and were perhaps spread too thinly. A more concentrated approach might offer the possibility to capitalize on a positive interaction with a very small, but emerging, group of reformers within the Tajik government and the emergence of a donor group speaking with one voice and with one development agenda.

As this new strategy evolves and its instruments are fully defined, considerable thought needs to be given to the sustainability of all of the emerging programs, and that they be consistently linked to the “macro” level. Under the new strategy, this could entail senior level policy dialogue with the range of Ministries the program will continue to support, or with the President himself, as has been the case over the past year in conjunction with the Development Forum. Regarding sustainability, while there has been some progress in the past, the new strategy should incorporate a sustainability plan within every sector it is working.

Conflict Sensitive Program Management (CSPM) is also being integrated into the entire program portfolio. This is an explicit approach under the new 2012-2015 strategy.

### Summary

Switzerland's cooperation program in Tajikistan has made a solid contribution, with some demonstrable results.

In general results have been more at the micro and meso- levels than at the macro level.

The planned new strategic focus is needed to achieve transformative change. Switzerland has traditionally been in the right areas but spread too thin, and without sufficient policy linkage.

### **Analysis, Flexibility and Adaptability**

The Tajikistan COOF's analytical and diagnostic work is generally done well. There are two important factors that are key to the analytical framework. One is the national staff. The COOF has extremely well qualified and well informed Tajik staff, with a good understanding of the conditions “on the ground” and consistently good insight and analysis of the development context they were working within. They are all significant assets to the overall program. The second is the cadre of key contacts all of the staff nurture. Both national and international staff maintain a deep and active group of outside contacts critical to maintaining their comparative advantage in the domains of intervention in which they work.

This has led to programme changes in the most recent strategy, as outlined in the performance section above, and for instance in initiatives such as disaster risk reduction mainstreamed into all new project designs. Another is recognizing the important role the under 18 youth will play in the future of the country and ensuring that this emerging role be a component of all of the domains of intervention. And, as discussed before, based on the staffs' broad-based understanding of the root causes of fragility and the role conflict plays in creating this fragile context, Conflict Sensitive Program management will be integrated throughout both the existing and new program.

Despite this generally good level of analysis, and some adaptation in response to this, there is a general perception internally that programming is not sufficiently flexible (see also the conclusions section). Despite the rapid changes in the context in Tajikistan over the lifetime of SDC involvement, there is a feeling that the program has struggled to be responsive to these changes. Some of this is attributed to bureaucracy internally.

As the new strategy moves forward, it is important to recognize the “signals” from the external environment. Tajikistan is a fragile context and fragility embodies constant change. While the analytical framework employed by the COOF in Tajikistan is excellent, the signals that will continue to emerge from within the fragile context must be analyzed, understood and then incorporated into a development agenda, either existing or new. This will require flexibility and even adaptations to the prevailing development agenda. When circumstances change, enhanced flexibility in programs can only strengthen an emergent development response. This is an excellent time (ending one strategy and beginning another) to embrace the notion of flexibility/adaptability and use these guiding principles for a strategic, effective and meaningful Swiss response within this fragile context.

## Summary

The analysis of the cooperation office is done well. The national staff are an important asset in this regard, as is the network of contacts.

This analysis has fed through into new themes in the forthcoming strategy, such as youth and the mainstreaming of disaster risk reduction.

Despite this the pace of change of programmes and approaches is viewed by the staff as neither flexible or adaptive enough for the context.

## Complimentarity

The Tajikistan program, which is the primary focus of this Case Study, operates under the Cooperation Strategy for the Central Asia Region 2007-2011. The newly developing program for 2012-2015 will also be a component of the regional cooperation strategy. Apart from Tajikistan, the regional strategy also encompasses Uzbekistan and Kyrgyzstan. The existing strategy (2007-2011) and the new strategy (2012-2015) were and are being developed through a joint effort between SDC and SECO. Both SDC and SECO funded the existing strategy and will fund the new strategy.

While a “regional strategy” is the working assumption for Switzerland, (and many other donors supporting Central Asia also embody regional approaches), there has been little “regional complementarity” within the Tajikistan program or within the region itself. While these three countries share a past history of Soviet domination, today there are vast differences among the three—politically, ethnically, economically and socially. Even the recommendations outlined in the Bern Head Office review of the current strategy stated, “It has proven rather difficult to maintain links or achieve cross-

fertilization between projects in the same sectors across the region.” Apart from occasional Central Asia-specific regional workshops on specific development sectors, like water and community mobilization, there been little “regional” interaction among country-specific programs. Nor has there any attempt to strategically align the three countries’ programs, apart from the strategy document that is written every four years. While personal contacts are maintained among staff in all three countries, there is little evidence of significant programmatic complementarity or strategic alignment of the three Central Asia programs. This begs the question of the importance of a “regional strategy” as opposed to three separate and distinct “county strategies.”

Although regional complementarity has been difficult to achieve (mostly because of circumstance), there have been positive moves toward complementarity of instruments within the cooperation office in Tajikistan. This office operates under a clear mandate of “cooperation”, not as separate SDC, SECO and PD4 offices. There is an integrated strategy both at regional and country level, and an integrated management structure within the cooperation office between SDC and SECO. The same is true for eastern cooperation (OZA) and humanitarian aid (HH) within SDC. There is an HH staff within the cooperation office and the HH programme is now on course to be mainstreamed throughout the development programme.

The senior leadership also appeared to have both a substantive operational understanding of Tajikistan’s key development issues, as well as an innate ability to work well among themselves. The Ambassador responsible for Tajikistan has a close working relationship with the Country Director, considers him the senior Swiss official when the Ambassador is not in country (while responsible for Tajikistan, the Ambassador is also responsible for Kazakhstan and resides in Astana), and engages substantively with all program staff, national and international alike. Not only is the Ambassador a strong supporter of the development agenda, he is also called upon to deliver important messages to the government and the donor community as well, on behalf of Swiss cooperation. He plays a very positive role as an advocate for the work of the COOF in Tajikistan. Clear cohesion of the Swiss government’s mandates for Tajikistan strongly exists with this leadership team. It is evident from our assessment that both foreign ministry (the Ambassador) and SDC cultures promote collaboration and comprehensive cooperation on development issues that define Tajikistan’s fragile context.

There has also been leverage of the role of the World Bank Executive Director (ED), who also has the responsibility of representing Tajikistan on World Bank issues. The cooperation program has reached out to the ED on a number of development issues, including the macroeconomic policy reform agenda and the ED has collaborated closely with the country program as an important advocate for the COOF’s development roadmap.

While the new team and management in Dushanbe are intent on a holistic approach, more integration among programs will only strengthen their cooperation strategy and enhance the likelihood of having significant, positive and demonstrable impact. Whilst the strategy is much closer to integration than many, it is still more a convenient co-existence of separate activities than a completely integrated vision. That said, it is clearly becoming more and more of the latter as time progresses.

The program has a real opportunity at this point in time to fully integrate their programs, with the development of the next four-year strategy now underway. Clearly economic development and the provision of basic services are intimately connected. Governance and the rule of law are paramount in Tajikistan and the key to reducing fragility. The support of reformers both inside government and in the small civil society is a very important part of this. SECO, SDC and PD4 working together on these connected issues – leveraging other donor support, and building state capacity where possible will lead to a greater impact.

The integration of CSPM into all projects; integrating disaster risk management into the water management program and mainstreaming disaster management into the entire portfolio are steps in the right direction. With rule of law continuing in the new strategy, this is now an opportunity to more fully integrate the PD4 domestic violence program across all domains of intervention. With water, health care reform and private sector development as the other priority sectors, these too can be better integrated around issues of financing, policy reform at the national level and advocacy for more reformers among the senior ranks of government.

## Summary

Regional complementarity has been difficult to achieve in practice given the deep rooted antagonisms between political elites in the region.

The Tajikistan cooperation office is a model of collaboration in the Swiss system. All four instruments are co-located and work well together. There is good collaboration with the Ambassador in Astana.

The strategy for Tajikistan is complimentary rather than integrated. The forthcoming regional strategy is a good opportunity to further deepen the inter-dependence of the instruments, given the clear inter-dependence of the issues.

## Role in the System

Switzerland is seen as a significant development actor in Tajikistan. In interviews with senior government Ministers, multi-lateral donors, international financial institutions, bi-lateral donors, civil society, and project implementers and recipients of assistance, Switzerland was recognized as a major contributor to better donor coordination, working collaboratively within the complex, donor coordination framework, actively promoting donor coordination at both the program and national levels. Switzerland was consistently recognized as an important member of the international community making a positive difference, as unwavering advocates for the importance of donors speaking with one voice to the Tajikistan government.

This “one voice” approach has evolved from the Development Coordination Council (DCC) that has been revitalized over the past year, in great part through enhanced COOF involvement. The COOF Country Director (SDC) serves as a respected Council member and the Deputy Country Director (SECO) leads a subcommittee on financial reforms. During our meeting with the Minister of Economy and Trade, he was recognized for his presentation that same day before the President on the status of economic reforms. In our meeting with the State Investment Committee Chair, he posited that in the last two months, a new level of donor coordination has emerged. While a country partnership agreement had been signed two years ago with the donors, there had been little, if any action on this “partnership”. Now, the government is very encouraged and he emphasized the positive role of the new Swiss leadership. In our discussions with the International Monetary Fund (IMF) and the International Finance Corporation (IFC), both recognized the importance of the DCC in bringing “hard issues” directly to the President, and both commended the Swiss role on the DCC for its advocacy on ensuring that these issues remain at the top of DCC’s agenda.

While not the largest donor in terms of funding, Switzerland are highly respected for their engagement in the policy arena and their ability to “leverage” their relatively small resources to co-finance important programs with the larger donors. Through Swiss advocacy within the DCC, a tax subgroup was created to reform the existing tax regime and tax management, embraced by both the donors and the government. Swiss-funded technical assistance and policy dialogue supported the on-going process of WTO accession. Financed by SDC/SECO, the IMF managed the much-needed revisions of the

National Bank's internal audit procedures. Through consistent Swiss-led policy dialogue, the government agreed to implement a national risk assessment methodology to assist in making financial sound decisions on disaster mitigation investments. SDC is also promoting disaster risk management as an element of all sub groups with the DCC, to institutionalize disaster management across all development sectors. The Swiss are also the IFC's largest co-financing partner, leveraging Swiss resources to support private sector investments throughout Tajikistan.

While the COOF in Tajikistan has played a very positive role in establishing a donor coordination mechanism that is working and, most notably, pursuing a "one voice" approach with the government, the COOF can and should develop a stronger interconnectedness into the government. The GoT is still the key actor in ensuring that reform continues and development objectives are met. The COOF has excellent access to key government ministries and enjoys excellent access with certain government "movers and shakers" (a position most of the donor community would not believe possible only a few months ago), but more can be done targeting programs directly to government. Good relationships do exist with the Ministry of Finance and the Ministry of Economy and Trade, but other ministries key to the COOF in Tajikistan's new strategy, like health and justice, still demand more directed assistance to ensure that reforms continue. Much has been said about the COOF in Tajikistan's "micro, meso and macro" approaches in support of Tajikistan's development. Excellent interventions were demonstrated at the micro and meso levels. More "macro" interventions would achieve greater impact within the new strategy's domains of interventions.

## Summary

Switzerland is a significant development actor in Tajikistan, and generally well regarded.

Recent moves by the COOF leadership to promote donor coordination are much appreciated and have led to a far greater level of cohesion. This is an excellent role for Switzerland.

There is a need to further engage with government and back reformers where they can be found.

## Conclusions

The "Conclusion" section will be summarized in two parts. The first are the ideas/suggestions/conclusions suggested by both Swiss and Tajik national staff during the internal wrap-up workshop held the last day of our Mission. The second part will consist of a number of recommendations that emerged from our Mission. In addition, this evaluation into the work of SDC in fragile contexts is "developmental" in nature, meaning that it is intended to be as useful as possible to practitioners. As a result, the conclusions are a mixture of the generic, of use to the organization and the evaluation generally, and more specific conclusions aimed at both the bi-lateral Tajikistan program and the regional strategy process.

During the wrap-up workshop held on the last day of our Mission we met with all the program staff, as well as Ms. Anne Bichsel, SDC's staff from the Corporate Controlling Division, responsible for the overall management of this evaluation.

Three questions were posed:

- How much flexibility is there in programs and portfolios to change when circumstances change?
- How can SDC programs in Tajikistan better engage with government to ensure that government is an active partner in program implementation, strengthening, not weakening civil society partners?
- How do you view the future of Tajikistan and what SDC interventions can make a positive difference in the country's "way forward"?

The responses to **Question One** were mixed. A number of national staff believed there was little flexibility in programming. Reasons given included: funds were already committed; projects were already outsourced and contracts could not be broken; the project assessment and design process was too long and cumbersome; and even though the past history of Tajikistan was one of "drastic changes", the SDC program's "bureaucracy" was too slow in responding to these changes, both in Dushanbe and at headquarters. On the other hand, Swiss and some national staff believed the programs do have flexibility. The ability to change in response to the emerging family medicine program was cited as one example. Humanitarian aid was also cited as a flexible instrument, but usually outside the mainstream program. Another was the COOF in Tajikistan's new leadership and his strong interest in refocusing the new strategy to national priorities. But all recognized that the flexibility to change programs was difficult and more programs need to be targeted at both policy level work and much stronger support for the development of civil society.

Regarding **Question Two**, a number of national staff believed the Cooperation Agreement from 1998 needs to be revised from "humanitarian" to "development" and now be focussed on concrete domains of intervention. In addition, specific Memorandum of Understandings (MOUs) with Ministries should be signed to reflect concrete program priorities and to encourage the GoT to be more engaged in program implementation. (The Country Director did not agree with this approach). Most agreed that both additional financial and human resources would be required to support a more effective dialogue with the GoT and that capacity building assistance by donor-funded consultants embedded within government Ministries was essential. Most recognized the important role the Donor Coordination Council was now playing in support of enhanced dialogue with the GoT and that the COOF should play a catalytic role in the further development of dialogue between civil society and the GoT. Suggestions on how to increase the GoT's role included piloting more successful programs throughout the country; trust building within the framework of specific MOUs with Ministries, and; strengthening civil society through increasing the number of civil society-government forums more oriented toward results, not words.

**Question Three** regarding the future of Tajikistan elicited the following responses from the Tajik staff:

Tajikistan will remain fragile for a very long time.

Economic or political freedoms are non-existent.

The future role of both Russia and Afghanistan contribute to the unpredictability of Tajikistan's future.

The country remains internally fragile and conflict-affected from external forces.

Outside influences on internal affairs creates internal instability.

And the more optimistic....

Tajikistan will have a brilliant future, as there still exists much untouched potential—but we need time.

Five years ago the country was in the midst of a humanitarian crisis, and that was the focus of external assistance. Today we see more and more private investment and we have transitioned into a country in development.

I am optimistic, but the government must reform for real and positive change to become a reality.

Donors need to look more toward Tajiks for solutions, and Tajiks need to ask this question more and more—Do our children deserve to live here as we now know Tajikistan, or do they deserve better?

Donors should already be crafting, with Tajiks, an exit strategy.

We have much to learn from Switzerland and Switzerland can be our mentor as we move forward in reforming our government and meeting our developmental goals.

In addressing these three questions the COOF staff, Swiss and Tajik alike, have demonstrated their strong commitment to both their work and, for the Tajiks, to their country. Yet, how does this COOF program translate this commitment into the true comparative advantage for Switzerland working within this fragile environment?

We would conclude, as would many Tajiks, that most Tajiks are neither optimistic nor pessimistic, but realistic about their future. To be realistic about the future development of Tajikistan, it will absolutely critical to address “fragility” in some way, and this is the challenge for the COOF. As this case study has identified, there is a widely held body of thought that sees Tajikistan as a “fragile state” and, as many still believe, a “failed state”. These would be synonymous with the “Rahman-bashi” or “slow collapse” syndromes discussed earlier in this paper. Another school of thought, and the one most closely held by the authors and the COOF in Tajikistan country leadership, is that Tajikistan is not failing, but it is a fragile context, synonymous with “stability but not growth”, “slow improvement over time”, and then reforms begin to work, pluralism flourishes and the economy booms.

Our conclusions/recommendations to ensure that the SDC/Tajikistan program fully utilizes its comparative advantages to enhance the impact of its program as it works within this fragile context are as follows:

As the new 2012-2015 strategy develops, look more closely at all of the six factors identified earlier impacting Tajikistan’s fragility (**Rahman and succession; Corruption; Migration and Russia; climate change; Afghanistan, and; China**) to, perhaps, **fine tune the strategy** to incorporate more of these important inputs.

Fine-tuning the new strategy said, in another way, is **to focus and concentrate the program**. This is a relatively small country with many development indices demanding more positive change. Focusing on the drivers of instability that affect Tajikistan’s fragility, as oppose to doing much of the same from the current 2007-2011 strategy, could achieve greater impact over the next four years. This approach could certainly continue programs in urban and rural water, health care reform, private sector development and rule of law, but the other factors impacting fragility are also worth considering.

Consider more carefully the value added of a **regional program strategy**. Throughout the past strategy period, there has been little if any linkages between the three Central Asian Republics that constitute this “regional” strategy. The goals of cross-fertilization around key sectors like water and trade integration are certainly worthy, but there is little evidence that this has worked. Three strong bi-lateral programs without the regional overlay may prove more effective.



**Humanitarian Assistance (HA)**, while not as relevant now as immediately after the civil war, is still an important component of the COOF's overall program to address fragility issues. Yet, it was difficult to identify both specific programs currently being implemented and how the HA component was integrated into the COOF's overall program. Rethinking the role of HA and how it can be more integrated into the "Tajikistan" program could be useful.

**Leverage pilot programs to influence policy change.** A number of successful projects in water, health, domestic violence victims' support, energy, local development committees and economic framework development would all lend themselves to more expansive pilot/demonstration projects. Many of these projects are already in place, but "joining up the dots better" will increase the overall program's impact. This is also an opportunity for the Swiss to use the excellent relationships already in place with the other bi-lateral and multi-lateral donors and the political access Switzerland has with the few government reformers, to obtain support for these pilots and ensure their replicability.

**The Swiss COOF in Tajikistan and all its supporting programs need to work more consistently with the Government of Tajikistan.** We heard in many of our interviews that while the GoT is making small steps toward greater reforms, they still don't know how to go from A to B. **Switzerland can help.** Working with the GoT is not an either/or proposition. Proven Swiss expertise can help the government reform, without directing all or most of its resources through government. It was clear in our interviews with senior government officials that this opening not only exists, but also grows exponentially with each and every positive Swiss-GoT interaction.

**Incorporate more "risk" assessment into the overall program's portfolio.** Are programs high, medium or low risk investments? If you are serious about obtaining the highest positive impact possible in addressing fragility, should there be more of a focus on higher risk programs? High risk does equal high reward. High risk also means there will be more failures. Is it more effective to have a higher risk portfolio with some major, high impact successes, than a portfolio of low risk-low reward interventions? Taking on higher risk programs also means that the Swiss become more political. Is this the right direction to pursue in a fragile context?

**Switzerland should view Tajikistan as a major cooperation opportunity.** Based on our country interviews, Switzerland can be considered as one of the four major bi-lateral donors, with comparatively high political influence. The SDC Country Director has excellent access with the few GoT reformers, is highly regarded among the diplomatic leadership and wider diplomatic community, and is viewed as a key leader within the Donor Coordination Council. As Switzerland considers additional resources for fragile states, it may be time to capitalize on its influence and provide additional resources to this program focused on drivers of instability.

## **Annex 7: Great Lakes case study on the performance of SDC instruments in fragile and conflict-affected contexts.**

### **Background**

The Swiss Agency for Development and Cooperation (SDC) is presently developing its new Federal Council Dispatch 2013-2016 (Botschaft). As part of the new strategic direction envisaged in the dispatch, the organisation's leadership is committed to increasing engagement in fragile states. Currently the proposal is that it increases from 28% of its budget (currently) to 40-50% to be more in line with the international donor "average",

As a result, the SDC Directorate has mandated the Corporate Controlling Section to commission an evaluation of the performance of SDCs instruments in fragile and conflict-affected contexts. The evaluation uses a primarily qualitative approach, combining interviews, case studies and document review. It is intended to be "developmental", meaning that in addition to fulfilling the accountability function, it also places a high emphasis on "learning", and in particular the usefulness (or "usability") of the recommendations.

An important component of this evaluation is the reflective inquiry process with stakeholders in case study cooperation offices, both internal SDC staff, as well as partners working closely with the SDC cooperation office, including recipients of assistance, the broader donor community, civil society and the host government. The case study (and the evaluation generally) follows four specific lines of inquiry: Performance; Analysis, Flexibility and Adaptability; Complementarities of SDC Mandates; and SDC's Role in the Broader System.

This Great Lakes (Rwanda, Burundi, DR Congo) case study is one of two substantive studies, with the other in Tajikistan. They will be complemented by a further 4 or 5 desk studies. The case study will assess the performance of the various instruments deployed in the Great Lakes, providing a solid base of evidence of where SDC now stands in some of the world's most fragile contexts, and an analysis of where it needs to improve. This case study will also be used to assist global SDC to develop priorities for change and provide actionable recommendations for future engagement in fragile contexts.

The Great Lakes case study involved visits to all three countries, and to project sites in all of those countries. The evaluator visited health and decentralisation projects in Rwanda, health and media projects in DR Congo and the Land Tenure project in Burundi, as well as interviewing partners in psychosocial in Rwanda and DR Congo. Ten SDC and PDIV national and international staff were interviewed, including the Regional Head of Office and the Ambassador in Nairobi. In total 38 external individual respondents were interviewed and six groups (consisting of another 35 people), from government (13), implementing partners and NGOs (11), ICRC (3), the UN (4), and other donors (7).

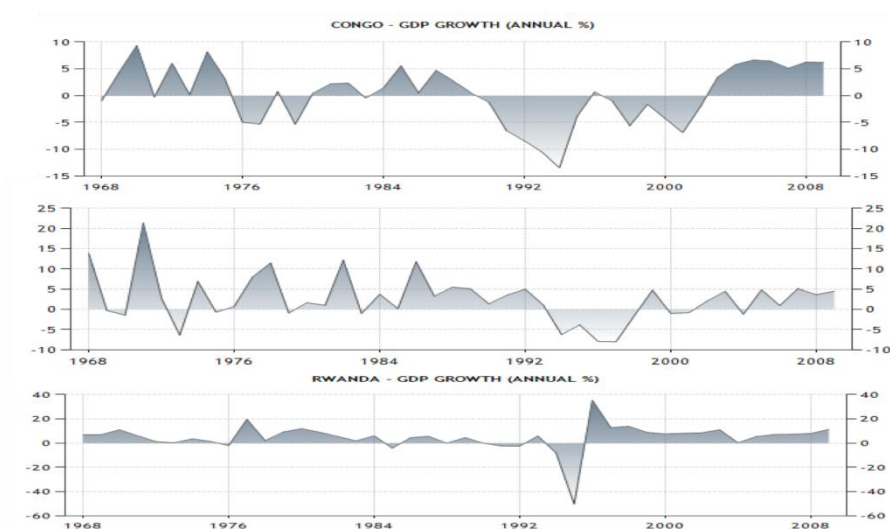
## Great Lakes context

SDC works in three countries in the Great Lakes region, Rwanda, Burundi and the Democratic Republic of Congo (DRC). Foreign Policy magazine publishes an annual list of “failed states”<sup>1</sup>, measured against a number of indicators such as economic decline, human rights and group grievances. Rwanda, Burundi and DRC score 34<sup>th</sup>, 17<sup>th</sup> and 4<sup>th</sup> respectively (with no.1 being the “most failed”). It is clear then, that these are some of the most “fragile contexts” in the world.

The nature of fragility in the region differs, but is intimately connected. The most obvious point of connection is the ethnic conflict that has dominated recent history in both Rwanda and Burundi. The genocide of Tutsis in Rwanda is the defining point in this history, with a million people killed and massive associated population movements. This in turn sparked conflict in the East of DRC, which has yet to be completely resolved.

However, the history of conflict and the inter-related nature of this conflict goes much further. The troubled birth of the nation of DR Congo – then Zaire – is part of this history. The murder of independence leader Patrice Lumumba, the subsequent civil war in the context of the cold war all had their impact on their neighbours. Laurent Kabila was a rebel leader under whose nominal command Che Guevara fought in the Uvira region during this time against the troops of Moise Tshombe, supported at the time through Tanzania. Rwandan president Juvenal Habyarimana, whose assassination partly triggered the genocide, supported Hutu rebels against the Tutsi government in Burundi.

What these partial examples usefully demonstrate is that events in one country quickly have repercussions for another. Former World Bank chief economist Paul Collier has estimated that the costs of civil war for a neighbouring country are \$64bn and for the region the costs of a failed state in peacetime is \$100bn<sup>2</sup>. The graphic below shows this clearly for the events leading up to and after 1994:



Whilst it is clearly the case that the “fragility” in the Great Lakes is regional as much as it is country specific, it is also worth noting the individual strengths and weaknesses of the three countries, not least because they are on slightly different trajectories in terms of economic development, security and conflict.

<sup>1</sup> <http://www.foreignpolicy.com/failedstates>

<sup>2</sup> Collier, P (2007). The bottom billion. Why the poorest countries are failing and what can be done about it. Oxford University Press.

## Democratic Republic of Congo

- Emerging from two decades of civil war, but peace still far from assured. Has the second largest UN peacekeeping mission in the world after Sudan, with some 19,000 troops deployed. 16 separate armed groups in South Kivu alone. Estimated 2.3 million internally displaced persons and 323,000 nationals as refugees outside the country.
- Second round of elections underway as this case study was conducted. Peaceful elections with some consensus around the result will speed the consolidation of peace.
- Countries emerging from civil war typically have high growth rates. Current economy is \$12.65bn US dollars but with huge natural resources and a population of 60m in a territory the size of Europe there is massive potential for growth. Constraining this potential, DR Congo scores 168 out of 178 in transparency international's global corruption index, and ranks 178 out of 187 in the World Bank's ease of doing business report.
- DR Congo has the lowest rank on the UNDP Human development index at 187 out of 187. During the war the US NGO International Rescue Committee (IRC) estimates that millions of people died – mostly due to lack of basic services – likening it to Africa's "first world war". Eastern Congo is still routinely described as the "rape capital of the world", as a result of egregious abuses by armed groups.

## Burundi

- Also emerging from a decade of civil war, with ongoing low-level insurgency. An estimated 300,000 people died in Burundi's civil war from 1993 to 2005. The Forces of National Liberation (FNL) commander Agathon Rwasa has fled to DR Congo and conflict continues between his group and the government.
- Burundi's economy is tiny – at \$1.42bn a year it is similar to the SDC budget. Burundi scores lower than DR Congo in transparency's corruption index at 172 out of 178, and is only marginally better for doing business at 169. It has registered relatively anaemic growth since 2005 (the official end of the conflict) at around 3% a year, compared with neighbouring Rwanda's 10% average, despite (or because of?) over 50% of the budget being external aid.
- 90% of Burundi's high density 8m population rely on rain fed subsistence agriculture for their main source of income, and coffee and tea constitute 90% of export earnings.
- Burundi scored 185<sup>th</sup> in the HDI out of 187. Will not achieve a single MDG by 2015. About 80 percent of the population suffers from food insecurity.
- National poverty incidence stood at about 67 percent in 2006, a notable drop from 81 percent in 1998, yet far from the 2015 MDG target of 18 percent.
- Life expectancy rose from 43 years in 2000 to 51 years in 2010.
- Decrease in under-five mortality rate by 20 percent from 2005 to 2009.
- Primary education gross enrolment improved from 80% in 2003 to about 100% in 2005, and more that 130% in 2009. However, quality is low and completion rate is around 46%.

## Rwanda

- Rwanda has made remarkable progress since the genocide and civil war of 1994. Its economy has boomed, posting averages of 10% per annum, it has processed hundreds of thousands of people accused of participating in the genocide and today has an enviable lack of insecurity and corruption.
- Rwanda also had the 2<sup>nd</sup> highest global HDI growth between 2000 and 2011, with an average annual increase of about 2.92%, suggesting that to some degree economic and governance progress is translating into real change in people's lives.

- Nevertheless, 77% of Rwandans have an income that is below \$1.25/day. Only Liberia and Burundi are worse. The DRC, which has the lowest HDI, has only 60% of the population living with an income less than \$1.25/ day. Rwanda, like Burundi relies on agriculture and aid to keep it afloat. Rwanda is also one of the most unequal nations in the world with a Gini coefficient of 0.531.
- Probably the greatest cause of Rwanda's fragility, beyond its neighbours (and with 2,000 heavily armed FDLR former "genociders" in the forests of DRC, the threat from neighbours is significant), is its over reliance on one man. All respondents during the course of this case study talked of "strong leadership" as the key to Rwanda's success. Whilst the plan is certainly to build strong institutions to negate the need for this ongoing "strong leadership" history has a way of being a fickle handmaiden to such plans.

## Findings

The Swiss Development Cooperation (SDC) programme in the Great Lakes has two strategic "axes": health, and peace and governance. The health programme has two components – a main programme of support to the countries health system and a new, emerging programme of psychosocial support to victims of violence. The peace and governance programme primarily focuses on decentralisation in all three countries, land reform in Burundi and has a newer element of support for independent media.

Peace and governance	Health
SDC regional cooperation: 4.4m CHF Political department IV: 2 m CHF	SDC regional cooperation: 7.4m CHF
SDC humanitarian aid: 8 m CHF	
TOTAL (regional): 21.8m CHF	

**Table 1: regional budget 2010 (i.e. all three countries + regional programmes) for SDC and PD IV against the two strategic "axes".**

The health system support programme represents the largest component of regional cooperation, as can be seen from table 1 above. In all three countries the programme focuses on support to a specific district, or districts, often with the intention of introducing new ways of working that have the potential to be scaled nationally. All three programmes contain elements of supply of equipment and essential drugs, equipment and capacity building for staff and administration. All three programmes have been implemented by the Swiss Tropical and Public Health Institute (Swiss TPH), although Rwanda is now directly implemented. Building a sustainable and self-supporting health system is at the heart of the programme philosophy. In addition to this country specific support there is a growing regional portfolio of psychosocial programming, aiming at sharing experience across the region as well as providing much needed support to victims of violence.

Decentralisation in both Burundi and Rwanda has essentially focused on enabling local administration to deliver services. In all three countries there is a policy of decentralisation, and SDC has supported this – in Burundi there has also been support to the national Ministry for decentralisation. In Rwanda, despite some success in helping local "communes" plan, the decentralisation support has been re-focused, acknowledging the centralised nature of Rwandan government delivery. Land reform in Burundi is essentially a pilot cadastral service that has at core an attempt to resolve small land disputes and to make such a service self-financing. The media programme aims above all to facilitate regional cooperation and understanding by sponsoring joint, and regional initiatives.

The Humanitarian Aid programme of SDC operates in the same countries as the regional cooperation but is neither working in the same geographical districts, nor the same areas of intervention. Essentially the programme is four large grants to WFP, ICRC and MSF Switzerland for work in Burundi and DR Congo. The largest tranche of this is for food aid following the world food price hike, followed by work with IDPs in north Kivu through ICRC and MSF.

Political division IV work exclusively in Burundi on peace-building. Their work is in four areas; political dialogue, transitional justice, human rights and small arms control. Most importantly the political division helped to bring some of the parties to the conflict in Burundi into the peace process (including the current party of power) through quiet behind the scenes work.

### **Performance of instruments**

As outlined above, all of the instruments save SECO are deployed in the Great Lakes region. Humanitarian aid, regional – i.e. development – cooperation and peace-building through the political division four.

All three of these instruments appear to have performed well within their individual objectives. Probably the most straightforward example of this is health in Rwanda. In 2002 SDC introduced – through its partner Swiss TPH – a pilot mutualised health insurance scheme. In 2005 the Rwanda government adopted this nationally and it has since achieved good coverage. The ‘mutuelle’ scheme allows for a degree of self-financing in the health system, but also crucially offers the opportunity for targeting the poorest with free health care.

The Rwanda health care support programme also offers some impressive results in the two districts where support is being directly provided. In Karongi the infant mortality rate decreased from 39 deaths per 1,000 live births in 2010 to 28 per 1,000 in 2011, and maternal mortality fell from 4 deaths/ 1,000 births to 0.8/ 1,000. In Rutsiro infant mortality fell from 13/ 1,000 to 10/ 1,000. Of course, there will be statistical anomalies, the decreases take place in the context of overall improving health indicators in Rwanda, and there are other major donors in these districts (for instance the global fund). Even so, SDC should be able to claim some attribution for these results.

**Table 2: Individual components of the SDC OSA regional programme.**

Programme	Budget 2011 (m CHF)
Health Burundi	2.85
Health DRC	2.77
Health Rwanda	1.05
Psychosocial regional	2.11
Land tenure Burundi	2.4*
Decentralisation Burundi	1.04
Decentralisation Rwanda	0.3
Media regional	0.76
Water and sanitation regional	Planned**

\*Includes a contribution from the Netherlands

\*\*Planned at 7.82m CHF from 2011 – 2014.

In both Burundi and DR Congo the support to the health system is at a different level and a different stage. Whilst the Burundi programme invests with the Belgian technical cooperation (CTB) in the national Human Resources management in the Ministry of Health, the main part of the work is in the province of Ngozi. Here there has also been support to a pilot “mutuelle” system, support for the implementation of performance based financing (PBF) and free health care to under 5s and pregnant women (as per national policy). The mutuelle has not yet been replicated nationally, although the government is interested.

In Ngozi itself the Swiss TPH support is more “hands on” than in Rwanda, where it was more in the nature of systems support. This reflects the basic level of organisation and staff capacity available in Burundi. In Ngozi province (pop. 700,000) there are only 27 doctors. This represents one doctor for 25,000 people – 100 times the ratio for Switzerland (1 doctor per 250 people). In 2006 when the programme started, half the health centres did not have running water and a third did not have working fridges for vaccinations. As a result, the programme spans the spectrum from systems/ piloting technical support work to more basic provision of services. A good example of this is the recent support for vector control following a spike in malaria morbidity. SDC intervened directly through Swiss TPH to spray mosquito breeding zones, bringing down the infection rate.

Even so, the results are again impressive. Since SDC supplied three ambulances the number of maternal deaths annually has decreased from 531 to 38! A 15-fold decrease – although of course the continued functioning of this and other aspects of the health system depends on external support, and will do for some time.

The same is true in a different way in South Kivu, DR Congo. The health support initially has taken the form of rehabilitating clinics and hospital wards, provision of essential medicines for revolving funds and help with the introduction of performance based financing. However, it is increasingly also about trying to reform the system so that it is less about profit and more about public service.

The issues in DR Congo are profound. Twenty years of kleptocratic government followed by twenty years of civil war has left the concept of public goods redundant. Rebuilding the basic elements of government, and then rebuilding the bond between citizen and government will not happen overnight. Part of this will be decentralising decision making to provinces such as South Kivu, given the vast size of the territory and the poor infrastructure. This is a work in progress, with “Ministers” being appointed a provincial level for areas such as health. SDC/ Swiss TPH is investing in this new structure, helping the new Minister reform his health administration. This is vital work, but slow and difficult to measure.

In addition to the support to individual countries’ health systems, SDC also supports a relatively new psychosocial programme, aimed at women who are victims of sexual abuse and domestic violence. This programme has grown out of the humanitarian aid support to centres that supported victims of rape, mostly in DRC. It is rooted in community based therapies, and seeks to provide durable solutions for women often ostracised from their communities as well as violated. The programme has a distinctive and innovative regional angle, putting together practitioners from the three countries to share experiences and methods.

The decentralisation programme in Rwanda and Burundi has also delivered tangible benefits to the population, including schools, (small, feeder) roads, and government offices. In both countries there has also been a focus on support to the process of decentralisation, for instance the Ministry in Burundi and the development of district plans

in Rwanda. Nevertheless, the major part of this programme has been delivering development at the local level. In this respect it is decentralisation of development planning and inputs, not necessarily decentralisation of political power, although the latter was certainly part of the original vision. The lack of decentralisation of political power is part of the reason for a re-shaping of the Rwanda decentralisation programme.

In Burundi there is certainly a high degree of local participation in local development planning. This has led to the 2010 annual report giving the programme the only “very satisfactory” scoring. What is exciting about the Burundi decentralisation programme is the interface between civil society and government at the local level - planning together, and then using this to leverage other donor funding, such as from the World Bank. SDC is playing an interesting catalytic role.

Nevertheless, decentralisation from national to provincial level is more chaotic. Overlapping ministerial interests and mandates confuse the process. In that sense Burundi decentralisation is like a hybrid rural development programme. In the context of a country emerging from civil war it could also be viewed as part of an attempt to create a, “peace dividend”, bringing development and government to the “hills”.

Land reform and media are the other substantial programmes in the peace and government portfolio. Land reform has at its core the issuing of land certificates, based on a participatory survey process overseen by the commune authorities. It has been a service in high demand since its inception, with over 2,500 certificates issued. It has also undoubtedly resolved small-scale disputes between neighbours, and is laying the foundation for formal land ownership, with the potential economic revolution that could entail. Currently, however, it is still very “pilot”; an interesting exploration in an interesting and important area.

The media work is largely concentrated in DR Congo and Burundi for the time being, although there is an expansion planned into Rwanda pending a new law. The majority of this work to date has been about promoting regional understanding and about certain aspects of the conflict, for instance violence against women.

The humanitarian aid portfolio is mainly concentrated in DR Congo, as this is the country that still has clear humanitarian need, although there was also food aid in Burundi during 2010. As set out above, it is a relatively straightforward portfolio, funding WFP (DRC and Burundi), ICRC (DRC) and MSF Suisse (DRC). These organisations are “blue chip” in humanitarian terms – consistently delivering high quality humanitarian assistance, although WFP can often fall short on targeting and monitoring. In this sense the SDC HH portfolio is appropriate to the situation and whilst it has not been examined in the course of this evaluation, is likely to be well implemented. Interestingly, the HH programme takes place in a different region of DRC to the SDC OSA programme, and in different sectors. This will be explored further in the ‘complimentarity’ section.

Political Division IV (PDIV) is active in Burundi in peace-building. This work appears to have contributed to the CNDD-FDD and FNL joining the Arusha process. PDIV support to initiatives such as the new Independent Human Rights Commission also seems to have been fast and effective. This quiet mediation role is complemented by the Swiss chairing of the Peace Building Commission (PBC) at the United Nations. The PBC has played the dual role of both keeping Burundi on the agenda of the international community, and helping to remind the government of their commitments. As such it has been an important tool in the post-conflict peace-building period.

Whilst the performance of the individual instruments within stated objectives is generally satisfactory, their impact on larger issues is less certain. A good example of this is the



donated ambulances in Burundi. They have dramatically reduced maternal mortality, but this reduction will be difficult to sustain without a government health system that can support them over the longer term. Whilst SDC and others are clearly working on this, progress is less visible – and much less straightforward to measure (but arguably the most important of the many health interventions). Of course a sustainable health system depends on functioning government more generally, and that depends on economics, security and legitimacy.

In the area of peace and governance impact becomes even less certain. In Burundi, the PD IV intervention helped to bring the CNDD-FDD into the peace process, arguably accelerating the transition away from conflict. This is a very meaningful contribution. Both decentralisation programmes have tangible outputs, this is clear. Quite what the specific impact has been – especially on the *particular areas of peace and governance* – is unclear. This could also be said for land reform (still in its infancy, but with a lot of potential to really contribute to building sustainable peace), and for the media programme (good idea, well implemented but very difficult to practically measure). In fact measurement is very problematic. Burundi is currently slipping back into some form of low level, covert conflict. Does this mean the peace programme has failed? Burundi is the most corrupt country in east Africa, and nearly in the world. DR Congo is similar, with the arguably even weaker governance. Rwanda is a brittle autocracy still dealing with the legacy of its recent, horrific past. Does this mean the governance programmes have failed?

Clearly this is not the case – a gross over simplification. Nevertheless, with so much to do, and such a complex web of external and internal institutions trying to do it, one can't help but feel that the more focused the Swiss programme is, the more likely it is to have real impact.

The uncertainty of working in fragile contexts makes measurement challenging, and conceptions of transformative change complicated. It also can require – as already outlined in this section – a more 'hands on' approach.

The question of the number of staff needed to implement a fragile states programme, and the mixture of skills required is highly relevant in the Great Lakes. Currently the programmes in Rwanda and Burundi have a good mix of national and international staff, and of technical and managerial skills. In DR Congo, the programme is newer and as a result is still building its staffing numbers.

What is clear from all three programmes however, is that fragile contexts need more staff when compared to regular development programming. There is a need for more staff input – both technical and managerial – for more programme oversight and for the best analysis of context possible. This latter point also means it is more important than in other contexts to have good national staff, and the right mixture of national staff as often in contested political environments it is important to have links to all. In Burundi national staff are key to both programme development and contextual analysis, and in all three countries partner programmes have also worked best with the right type and compliment of staff.

## Summary

1. All three instruments deployed in the Great Lakes – regional cooperation, humanitarian aid and peace building – have performed well within their individual objectives.
2. Whilst there are some impressive results (particularly in the health programmes), these are easier to demonstrate at a micro level than a macro level.
3. Work in fragile states is chaotic and needs a different type of approach to ‘regular’ development.
4. Improving the stability and sustainability of a country or context needs a ‘big picture’ approach, combined with flexibility and commitment.
5. Staff are particularly important in fragile contexts, with a more ‘hands on approach’ needed than regular development contexts. National staff are particularly important.

## **Analysis, flexibility and adaptability**

All three countries have impressive levels of analysis within the various Swiss institutions present, and excellent contacts. This is formally expressed in the MERV, but probably more important is the day-to-day access to senior officials in government (especially in Burundi), other donors and civil society. National programme officers are a key part of this network. It is they who often know influential people personally and who are privy to “breaking news” as it happens. Partners can also be a valuable source of information. For instance, in Burundi the most senior national staff know many senior politicians and bureaucrats. They are trusted and often very well informed. The current Foreign Minister of Burundi spent time in Switzerland during the peace negotiations, hosted by one of DP IV’s partners. The Ambassador in Nairobi, who covers the Great Lakes, has access to the President’s of Rwanda and Burundi. Cumulatively this adds up to the potential for sophisticated analysis.

The degree to which this analysis feeds into programme choices and design is less obvious. This is also true of longer-term strategic analysis, of which there seems to be less formally. As with many organisations in the development sector, SDC appears to be extremely good at understanding what the problem is, but less clear about what the potential solutions are.

It is clear that within the general programme envelopes there is a degree of flexibility. Responding to malaria epidemics, such as in Burundi, or to requests from government for essential equipment is absolutely possible. There are also small grants both within SDC and PDIV that can respond to unexpected humanitarian need, or emerging opportunities such as establishing the Human Rights Commission in Burundi. Larger mid-course corrections are also possible – the closing of the decentralisation programme in Rwanda is a good example.

There is also a healthy degree of adaptability within the programmes. For instance, as per the previous section, the decentralisation programmes are as much about providing services at the local level as they are about delegation of authority. In Burundi they are about engaging civil society in development planning, and about leveraging larger funds. This can also be thought of in terms of the potential peace dividend and speaks to a generic “Swiss” decentralisation programme adapted to context.

Nevertheless, there is a relatively low level of real delegated authority to the country and regional offices. The head of the regional office Great Lakes has a signing authority of 200,000 CHF. This is compared to £5m for the Netherlands. What this means is that programme development typically has a longer timeframe, starting with feasibility studies, then credit proposal writing, and finally contracting of partners and other implementation

entities. This takes a minimum of a year but can take longer. This in turn means that Switzerland (and SDC) is likely, in the most part to end with programmes that are “safer”, and that take longer to plan and develop. Conversely, despite being a small donor, it is less likely to be nimble than some of the bigger donors.

Whilst SDC does not display a level of flexibility consistent with that needed for working in fragile contexts, or with the INCAF principles, the long term commitment to countries is an excellent aspect of SDC work. This was highlighted by many of the partners of SDC, especially government, and is one of the essential building blocks of good work in such countries. It will take time to develop very chaotic and dysfunctional bureaucracies to the point where they can manage effectively, and SDC’s commitment to this is admirable. This long term commitment cannot be a recipe for dogma however – long term programmes need to be regularly reviewed and adapted (as for decentralisation in the Great Lakes).

### Summary

1. All three countries in the Great Lakes region had impressive levels of analysis and good networks of contacts.
2. Whilst the analysis is excellent, it is less clear how this informs programme choices or changes (with some notable exceptions such as the closure of the Rwanda decentralisation programme). There is less long term strategic planning.
3. There is a generally high degree of programme adaptation. This may be connected to the rather formulaic/ generic nature of the programme portfolio.
4. There is a degree of flexibility within programme envelopes, but not enough decentralised authority for maximum effectiveness in rapidly changing often chaotic fragile contexts.

### **Complimentarity**

The Great Lakes region has a joint strategy between SDC regional cooperation (OSA), SDC humanitarian aid (HH) and the political direction IV of the foreign ministry. There is an annual meeting where all three departments come together, review progress and plan together for the coming year. This is obviously a much appreciated exercise and has led to a gradual increase in trust and cooperation between all three entities. A good example of this is the steadily increasing budget for small humanitarian aid actions controlled by the head of the regional office. The annual meeting also takes some hard decisions collectively, such as the decision to close decentralisation in Rwanda.

Nevertheless, it is also true that the joint strategy is not so much joint as ‘proximate’. Regional cooperation works in health and peace and governance. Humanitarian aid works in food security and IDPs. In DR Congo where the majority of humanitarian action is the partners are in North Kivu, where as the regional cooperation office is in South Kivu. There is no link between the two programmes. In Burundi the HH programme is a grant through WFP. This is not administered by the SDC office in Bujumbura and as a result there is no real link.

In both Burundi and to a lesser extent Kivu, there has been a managed transition from a predominantly humanitarian portfolio to a predominantly development one. In Burundi the initial office was a humanitarian aid one, set up in 2005. By 2008 OSA had also started a programme in the country, and had a person hosted in the HH office. When the HH programme closed, OSA took over the office and some of the HH partners. OSA also took

over HH partners in Bukavu who were running transit houses and outreach programmes for women and girls who had been raped.

PD IV is a little more strategically aligned, in that their work is in peace, which is also one of the areas for the regional cooperation office. However, the PD IV work is primarily centred on political dialogue – essentially keeping the various factions in peace talks (track 1/ 1.5), whereas the regional cooperation peace work centres on resolving land conflict and promoting regional cooperation through media. Whilst these are complimentary in the wider sense, they are not explicitly linked. Neither is there an explicit link between the promotion of human rights through civil society, for instance, and the work with similar civil society groups on land tenure.

The reality is then, that whilst the three ‘instruments’, OSA, HH and PDIV (and of course PDII) work extremely cooperatively, and that this tendency is improving to the point where there is some sharing of resources, there is not a great deal of real, strategic alignment. This observation can be extended to other areas of Swiss action – for instance the Ministry of Defence that has (or has had) military advisors deployed in both peacekeeping missions – Monusco in DR Congo and BNUB in Burundi. In both situations there has been some good “personal” cooperation, but there is little attempt at formal cooperation, never mind strategic alignment. Compare this with the efforts of the Netherlands in security sector reform in Burundi, where their aid programme and their defence ministry work hand in hand.

### Summary

1. The Great Lakes regional strategy is a highly appreciated exercise that has led to a gradual increase in trust and cooperation between the various instruments.
2. The strategy is not truly common yet. The strategic choice of technical and geographical areas is different between regional cooperation and humanitarian aid, and whilst PD4 works in the same peace and governance area as SDC, its focus is different.
3. There are other aspects of Swiss cooperation overseas that are not included in the ‘joint’ approach, for instance security and commerce.
4. Systems work against cooperation and collaboration, as it takes more time and effort to do things jointly. Collaboration happens despite, not because of, the systems.

### **Role in the system**

Switzerland is generally well regarded as a donor. Governments and other donors interviewed for this study saw the Swiss as a reliable partner, working well in niche areas. Governments found the programmes aligned, although not as integrated as they might wish (i.e. in Rwanda they would much prefer budget support, but in the absence of this saw the Swiss action as supportive of their policy direction).

In several cases Switzerland’s “niche” role has allowed it to leverage funds from other donors. This happens in broadly two ways – either because Switzerland is working on the ground in a way that other donors can’t (direct implementation, as in Burundi land reform), or because Switzerland is working in a sector that others would like to support but don’t have the expertise – for instance decentralisation.

Switzerland also occupies this “niche” role in aid coordination. Because there are often big aid blocks, like the European Union, or the US and smaller likeminded partners, Switzerland can play the role of neutral and outside of these blocks. This can work both to its advantage, and against it. In the best case scenario Switzerland can play the role of

honest broker, or “voice of reason” either supporting a particular block or helping that block moderate its message. In the worst case, Switzerland becomes marginal.

In the Great Lakes region, whilst Switzerland is well networked into the various donor coordination mechanisms, and plays a generally positive – if somewhat neutral – role, this is less the case with regard to the multilaterals. In places this is due to the weakness of the multilaterals (for instance in Rwanda, where for historical reasons the UN is very low profile), or to their overly technical perspective (for instance the World Bank). However, in general there is less effort put into steering multilateral programmes than into the bilateral ones. There are some good reasons for this – time being a major element. In South Kivu for instance there is a complex coordination infrastructure, mostly humanitarian in nature, run by the UN. But the cooperation office does not have the time to engage with this structure. This is a loss, as so much of the decision-making takes place in these forums and as one of the few bi-laterals with a presence Switzerland could certainly punch above its weight. Having an HH person in the cooperation office might bridge this gap, and help the Swiss programme generally bridge the humanitarian – stabilisation – development discourse.

### Summary

1. Switzerland is a well-regarded donor, seen as reliable and occupying ‘niche’ areas.
2. In the best case this can leverage extra resources and lead to Switzerland convening donor coordination, playing a useful facilitator role.
3. In the Great Lakes region there is less interaction with the multilateral system than is optimal. Staffing and history are two possible explanations.

### **Conclusions**

This evaluation into the work of SDC in fragile contexts is “developmental” in nature, meaning that it is intended to be as useful as possible to practitioners. As a result the conclusions are a mixture of the generic, of use to the organisation and the evaluation generally, and some more specific conclusions aimed at the regional strategy process.

### Regional

It is clear from the cursory analysis at the beginning of this case study that the problems of Rwanda, Burundi and DR Congo are intimately connected (to some extent these also extend to Uganda and Tanzania, and even South Sudan and Central African Republic). A prosperous region, with open borders, non-exclusionary politics and opportunity would also be stable.

While Rwanda, Burundi and Congo remain poor, and its youth under-employed and ill-educated there will remain the potential for violence. Exclusionary politics add to this, and a history of political violence means opposition is quick to pursue this option. Violence, conflict and failure in one state impacts on its fragile neighbour, potentially plunging them into conflict just as the neighbour emerges. This has created a “reservoir” of violence and conflict in the Great Lakes region that is continually destabilising.

Breaking this cycle of violence – nurturing stability and ultimately development in all three countries – is a worthwhile goal.

The Tajikistan case study set out a series of scenarios for that country. What is clear in the Great Lakes region is that “static” scenarios can only be part of the analysis, as events can change the entire sub-regional politic very quickly. If the elections in DRC were to be

fiercely contested by the opposition, reigniting the civil war, this would have dramatic consequences for both neighbours. The assassination of the Presidents of either Rwanda or Burundi could have equally destabilising consequences.

The most optimistic scenario then is the “bumpy road”. Gradually there is stability, and development, albeit with a series of set backs along the way. Stagnation is another quite likely scenario, with politics in Rwanda and Burundi increasingly tightly controlled, and DRC stuck in dysfunctional corruption (with the accompanying donor withdrawal).

If one takes the optimistic scenario as the working premise, then the question for SDC is how it sees its role in the next few years?

### DR Congo

The Democratic Republic of Congo (DRC) is emerging from conflict, and if the current election cycle passes relatively smoothly, represents a moment of opportunity almost unique in the last 30 years. Whilst there is still conflict, corruption and dysfunction, there is also a government that recognises its own interest in developing the country, and has an international community willing to finance this.

This is not to under-estimate the challenge that DRC faces. Even if there were political will at the top, the state apparatus is almost entirely broken. It is not just the roads that need to be fixed, but the bureaucracy and even the society itself.

SDC has made a bold decision to start a cooperation programme early in the cycle of conflict, peace-building and stabilisation. This places SDC ahead of many other donors, and is a useful position for it to occupy. Whilst the programme is still in its infancy however, there is a danger that without a clearer focus it will get lost in the vastness of DRC, geographically, politically and economically.

Currently the DRC cooperation office supports the health system (primarily) as well as psychosocial, media and soon also clean water programmes. Whilst these are worthwhile areas in their own right, other donors are intervening in these areas and often with greater resources. IRC – an American NGO – has a larger health programme with a very similar approach in South Kivu (the IRC budget in South Kivu alone is \$20m US dollars). Unless SDC offers something additional, it is little more than a medium sized NGO in a crowded space.

The obvious extra that SDC does have to offer is that it is a government entity, rather than simply another aid implementer. SDC can work on a political level as well as implementing. It can influence national and donor policy through its participation in state to state and multilateral forums, and it can use other aspects of Swiss action to inform policy development internationally, nationally and locally. For this to work however, it needs proper representation in the capital, and better resources in South Kivu for the task it has set itself. It also needs to better understand where it can add value within the plethora of other international actors. What will Switzerland’s unique contribution to the stabilisation and development of DRC be?

### Burundi

Burundi is the place where Switzerland has the highest profile and the most opportunity for influence. It is one of the top ten donors to the country; it chairs the peace building commission and has a history of innovative and interesting work in the last few years. It is also the most “joined up” programme from a Swiss perspective combining political, developmental and humanitarian instruments.

Nevertheless, the country itself is still incredibly fragile. Low level conflict, rampant corruption, a state almost entirely dependent on foreign assistance and no economy to speak of. On the plus side, it has a relatively free press and civil society and it has largely put its ethnic conflict behind it.

Many of the respondents during the course of the case study highlighted a lack of government vision. One respondent likened the current government to wise elders in the village – they expect people to come to them for solutions to problems, rather than setting out a vision proactively. Whether this analysis is accurate or not, it is certainly true that there is not a compelling, organising narrative within government as in neighbouring Rwanda. Neither is there a bureaucracy capable of implementing a programme – the comparison is stark with Rwandan Ministerial offices efficient clean and busy, whereas Burundian government offices are often lacking even basic equipment.

SDC are already helping government to get more organised – this is obviously essential work, although probably frustrating and risky at time too. The new Office for Burundi Receipts (OBR) offers a vision of how things can change however. This essentially tax collecting authority has doubled its revenue in two years to \$440m USD this year (a third of GDP), supported by the Dutch and the British. This suggests that as in neighbouring DRC, sometimes government's problem is not so much unwillingness to do things, but simply a lack of organising ability.

Donors can be incredibly helpful during this period of state re-establishment. Paul Collier's research suggests that in the years following the cessation of conflict technical advice (TA) to government can be more effective than finance – later this changes once the state is able to properly absorb the money.

In Burundi, Switzerland can use its good reputation and its profile to become more engaged in "fixing" government. Ultimately Burundi will only move away from fragility with a well functioning government. The work in the provinces shows how this can be done – combining planning, civil society and practical support for targeted institutions.

In thinking about how to go forward, SDC also needs to think more systematically about the "mix" of "aid modalities" it uses. There is a very small amount of direct budget support (in health HR), a majority of partnership implementation (Swiss TPH, local NGOs), some direct implementation (land reform) and some TA. Is there a need to increase some of this (for instance TA)? SDC also needs to consider its "risk" profile. Health is really a very safe area to be in, as is decentralisation. Land tenure is slightly "riskier", and as a result quite innovative. Can SDC tolerate higher risk ventures? With less rigid programme development timeframes and process?

## Rwanda

Rwanda offers probably the greatest conundrum for SDC, and for the aid community generally. On the one hand it has the profile of a model developing country. Very low levels of corruption, positive vision of economic development coherently implemented, low levels of crime and a disciplined army. On the other hand it is a one party state with little guarantee that the current political and economic settlement will endure.

As a donor it is necessary to engage (as the Netherlands does) with Rwanda as an 'MDG state'. Rwanda is on course to meet a majority of the MDGs. It receives 75% of external assistance as budget support of one form or another.

As a small donor this is not terribly attractive – being a small contributor to a very large pot. It certainly leaves the question open as to whether there is need for expensive

staffing and office infrastructure etc. Given the nature of Rwanda's current 'fragility' however (and the history of the genocide where most in-country development agencies missed the signs, and in some ways were even complicit), there is certainly potential for things to change relatively quickly. And there is much potential for Rwanda to influence events in Burundi and Congo.

Given that SDC will remain engaged in Rwanda, and given the picture outlined above, the most useful contribution it can make is the combination of technical skills and resources it has used to best effect in the health system. The mutuelle is a success, but the pricing structure has just changed, leaving many observers worried about potential impact on the poorest. Access to the health system is clearly a contentious issue, although like most such issues in Rwanda not openly debated. SDC could help the government to understand the impact of the changed pricing structure, and to best target the poorest. Drawing on Swiss expertise and combining this with resources works well in contexts such as Rwanda, and arguably (in a different form) in the other countries too.

### General

What is clear from the Great Lake case study is that SDC (and Switzerland more generally) does a lot of really good, interesting and technically competent work. What is also clear is that Switzerland as a donor generally likes to "play it safe". Programmes take time to design and are generally "low risk"; in areas that are widely acknowledged as public goods, and implemented either directly or through partners (easiest to control fiduciary risk).

In terms of aid modalities, SDC has the largest part of its portfolio with trusted partners (such as Swiss TPH), with national NGOs and through direct implementation. There is a very small amount of contribution to larger funds, and there is very limited amount of technical assistance.

The aid modality with the greatest impact (or potential impact) in terms of *change* appeared to be a combination of expertise and resources, aimed at policy change in a relatively niche area. Health financing in Rwanda, land reform and participatory local development planning in Burundi. This is of course slightly different to impact in terms of *results*, where sectors such as health offer the best opportunities for measurement.

SDC tends also to like to be engaged in more, rather than less, sectors (once more, arguably spreading risk). The regional OSA programme in the Great Lakes has 9 separate themes of activity, and is planning at least two more (climate change, skills development). There is also relatively little decentralised authority to the people on the ground.

Arguably SDC sees itself as a technical development agency. In a similar way to humanitarian aid this can be presented as *apolitical*. Technical development work is about finding the right model, or scientific solution. Increasingly however, academics and other donors are suggesting that work in fragile states (and development generally), is inherently political. As the head of the Belgian Cooperation said in an interview during this case study, "You can't do structural development without political engagement".

The World Bank World Development Report 2011 on fragile states identifies security, justice and jobs as the biggest requirements. SDC is not active in any of these areas in the Great Lakes, although it is planning to work in the skills development sector in the next strategic plan.



The recent comprehensive review of development for the Dutch government<sup>3</sup> suggests that often it is not working with civil society or with government that brings about meaningful change, but at the interface between the two. SDC is already doing some of this work, and could easily do much more.

### Theory of change?

The implicit theory of change for Switzerland in the Great Lakes region is that a combination of service delivery and peace building will help to establish stability in the region, and ultimately deliver development. A mixture of tools, programmes and approaches are combined to deliver this vision.

The idea of an explicit theory of change is challenging in some respects. It is clearly not for Switzerland alone to resolve the deep-rooted conflict and economic chaos of the Great Lakes region. Nevertheless, Switzerland feels it is its moral duty to help, and ultimately it is in the interest of all to have a stable prosperous Great Lakes region rather than a war torn, poverty stricken one. Neither does Switzerland have colonial hang-ups or murky business interests – it is quite a straightforward case of wanting to help.

In such a situation – modest resources, no great political ambition beyond wanting the best – it is hard to have the arrogance that goes with setting out a bold vision for re-engineering an entire region. Yet without such a vision, it is quite difficult to know what to prioritise – after all in places with nothing, everything is a priority.

The question then, is whether certain actions are more necessary to begin with in certain contexts. Is it more important to pay the army than provide free rape counselling? Is it more important to provide judges with hotel costs than hospitals with essential drugs? This is made all the more difficult by the fact that certain of these actions are much more “palatable” to the general public and the parliament who are paying for them. Health care is self evidently a good thing to do. Babies get saved, mums get helped, and people with horrible injuries receive care. In more stable places – such as Rwanda – these efforts can be measured statistically providing further evidence that the right thing is being done.

However in DR Congo, the SDC/ Swiss TPH supported hospital in Uvira makes \$50,000 a month profit. Free drugs widely available for diseases the world wishes to eradicate in most other countries (for instance TB drugs, anti-retrovirals) are not available in this hospital because they don’t make a profit for the staff. The “inspectorate” – the technical part of the Health ministry that is in charge of supervision of public health clinics and hospitals – essentially acts as a licensing agency, collecting rents from what are in essence private health care providers in the shell of the collapsed state. Providing hospital equipment and essential drugs into such a system is a painstaking business – the job of work that is needed is more about rebuilding a functioning public administration than the technical aspects of public health, or even putting in place the most sustainable public financing model. And a functioning public administration will only be viable in the context of a functioning state that desires such a public administration. And a state needs a basic legitimacy to function, and control of its territory at least to some degree.

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<sup>3</sup> Lieshout, R et al (2010). Less pretension, more ambition. Amsterdam University Press.

The conclusion of this inadequate analysis of “what the goal is” has to be that:

1. It is extremely complex.
2. You can't possibly hope to do it alone.
3. Sometimes the most attractive thing to do is not the most necessary.
4. There is a high risk of failure.
5. You have to have a really clear idea of not just what you think the problem is, but also what you think the solution is and what your part in that is.

Many of the donor agencies most advanced in fragile states programming (the Dutch, UK and US for example all have fragile states strategies and policy units), subscribe to a basic “stabilisation – state building – sustainable development” framework. Whilst this is a gross over-simplification and it is certainly not a linear process, a comparison with the instruments currently available to Switzerland is illustrative. During the conflict phase Switzerland is able to deploy humanitarian aid simply to help those in greatest need. At the same time the political division IV works through diplomacy to resolve the conflict, bringing warring parties into political dialogue. Switzerland contributes multilateral resources and personnel to peacekeeping missions during an immediate post-conflict, “stabilisation” phase. And in terms of sustainable development there is a greater deal of technical depth and expertise within regional cooperation. Crudely then, this leaves a gap in the “state building” phase.

## **Recommendations**

1. The forthcoming Great Lakes strategy should include a clear vision for SDC work over the long term as well as the medium term. The strategy should:
  - Set out where it sees the region in development terms in ten years time.
  - Set out where it sees the region politically in ten years time, including regional and security dimensions.
  - Set out how the individual work of SDC and other Swiss entities will contribute to the achievement of this vision.
  - Develop some simple methods for monitoring progress towards this vision, allowing for ‘course corrections’.
  - Set out how SDC intends to work with others to achieve the strategy, both inside the Swiss government and with governments, donors and multilaterals in the region.
2. SDC should encourage innovation within its Great Lakes programme portfolio, including some interesting and riskier elements of work. In particular, SDC should:
  - Work more at the interface of government and civil society.
  - Increase its technical assistance to governments in the region.
  - Work on job creation in the region, starting with its new Rwanda skills training focus.
3. SDC should encourage greater flexibility within its Great Lakes programme. In particular it should:
  - Design programmes so that it is easier to change direction within a broad framework.
  - Decentralise authority from Bern to Kigali, and from Kigali to programmes, in particular budgetary authority (should be increased), but also decision making generally.
  - Ensure there is adequate staffing, if necessary by expanding the cadre of national staff and empowering them commensurately.

4. SDC should capitalise on the momentum created toward better joint working. In particular, SDC should consider:
  - The humanitarian and development portfolios working in the same geographical location, with complimentary activities. This should start in DR Congo by unifying presence in South Kivu.
  - Find ways of collaborating with other aspects of Swiss involvement in the region i.e. defence and commerce,
  - Seek opportunities to harmonise efforts at an international level with efforts at a national level i.e. such as the Extractive Industries Transparency Initiative (for instance by SDC supporting its implementation on the ground, or feeding advocacy internationally).
  - Pilot joint funding of projects, perhaps through simplified mechanism or pooling.
  - Better coordinate work in South Kivu with the Kinshasa embassy.
5. SDC should continue to seek out opportunities to lead on donor coordination groups. SDC should also proactively engage more with multilaterals in the region, in particular the World Bank and UNDP.

## **Annex 8 : Desk review case study on the performance of SDC instruments in fragile and conflict-affected contexts**

This annex sets out the substantive points from the three desk reviews (Nepal, the Occupied Palestinian Territories and the Hindu Kush programme) that were undertaken as part of the evaluation. The desk reviews were purposely 'light touch', drawing on project documents and a few targeted telephone interviews (somewhere between four and six). The short bullet point summaries were then shared with the respondents at first, and more widely with other stakeholders and interlocutors later.

The desk reviews are structured against the lines of enquiry set out for the evaluation, and telephone interviews were conducted along these lines. Despite the relatively light nature of the exercise, it proved difficult to undertake all of the desk reviews on time due to people's availability and to heavy workload meaning that respondents were often obliged to cancel at short notice.

The desk reviews were conducted on an entirely confidential basis, allowing respondents to be more candid than they may have been able to in another format. This proved invaluable to the main evaluation, but meant that it was not possible to write the desk reviews in full. The compromise was to extract generic conclusions of relevance under each area of enquiry, presenting these as an annex to the main report.

In addition to these three desk reviews, the evaluation also looked at Haiti, the human rights and conflict thematic network and the fragile states work carried out by the global cooperation team. Whilst these substantively and greatly informed the main evaluation conclusions they did on their own make for separate desk reviews or case studies.

### **Nepal**

The Nepal programme breaks down as follows

- CHF 25 million in long term projects (10-15 years) supported in 3 year phases.
- CHF 1 million from DP4 in small flexible projects and grants
- 10 Swiss staff and 10 Nepalese staff

The SDC portfolio is widely seen as very strong with a good history as a 'flag ship programme'. Nepal has the maximum budget allowed for any country in the Swiss system.

### **Approaches, Instruments, Delivery Mechanisms and Modalities**

- The Nepal programme was where the conflict sensitive programme management (CSPM) approach was developed. This is the main instrument used to support programme officers in the field to manage development programmes in a conflict sensitive way.
- Human resources are key to effective performance in terms of capacity to deliver, and institutional memory. Need to have the right people at the right place at the right time.

## **Analysis and Flexibility and Adaptability**

- Context analysis is undertaken through an adapted version of the MERV system, which is seen as a useful tool. The key contextual factors affecting the programme are environmental, economic, political, security related. The MERV is done quarterly, and synthesised annually for the annual report cycle. This is then linked to the quarterly programme review.
- On district level a mini-MERV is done every two month with all SDC partners together and based on the analysis, adaptation of the projects are undertaken defined. In addition twice a year a social and political actor mapping is done by all the partners working together.
- Analysis needs to take into account a whole range of contextual factors. One of the most important is the issue of discrimination. Gender, ethnic and caste sensitivity needs to be built into programmes at all levels.
- The major deterrent to flexibility is seen as the administrative consequences of making changes to programmes. This can lead to strategic inertia and be a disincentive to change.
- A key tool for operational flexibility are scenarios, which are built into country strategies, thereby enabling a kind of structured flexibility
- Programme reviews also create the space for reorientation and adaptation.
- The key is flexible funding – the 200k discretionary spend by Country Directors plus 500k by head of division is seen as sufficient in this regard. The key is getting people to use this as a means of flexibility.

## **Complementarity of SDC Mandates**

- Nepal is one of the few countries where all the departments for foreign offices and embassies work in a fully integrated fashion. The embassy, SDC, PD4 and PD2 all work under supervision of Ambassador who is also the SDC country director.
- The CD / Ambassador is the interlocutor for all the agencies of Berne – taking the whole of government approach further than anywhere else. The key is the different arms working out common outcomes and sharing the division of labour on the basis of ‘capacities, not turf battles’.
- The problems in integration are seen as stemming from higher level institutional battles. If people are interested in ‘turf’ higher up the system, this causes problems down the line.
- Back office integration is a key lesson learnt from the UN ‘Delivering as One’ which has been applied in Nepal
- There is a real need to think through not just development-humanitarian links but also the connections with global cooperation. Sometimes the latter approve programmes which are not known about on the regional side.

## **SDC's Role in the Broader System**

- Switzerland is seen as playing an active role in the international donor system in Nepal, chairing the Nepal Peace Trust Fund, developing the donor basic operational guidelines, and chairing a resident representative consortium on the space for development.
- Switzerland is also co-chairing the BOGs (Basic operational guidelines) group with the UN. The BOGs are seen as a powerful instrument to widen the space for development, and is signed by all the bilateral donors, UN agencies and INGOs.
- Other donors recognise that Switzerland brings value as a responsible, active and impartial facilitator
- Despite being a small player Switzerland does have considerable influence. This is a function of the long history and trust among the government, but also the innovations that have been applied in the way Switzerland works.
- The niche is for Switzerland, not SDC. The niche needs to be occupied with a combination of PD2, PD4 and SDC.
- SDC works closely with CSOs and local government – this is seen as very important as in fragile states, state is weak or party to conflict, or has no political will.

## **Occupied Palestinian Territories**

- SDC opened an office and started its development programme in the OPT in 1994, when the Federal Council decided to invest in the building of a future Palestinian State after the signing of the Oslo I accords. Switzerland had been supporting Palestine refugees through its contributions to UNRWA and the ICRC since 1950.

## **Approaches, Instruments, Delivery Mechanisms and Modalities**

- Both development and humanitarian instruments are employed in an integrated fashion, using the comprehensive aid approach. SDC focuses its intervention on two areas: rule of law and protection & economy and employment. On the humanitarian side, there is a focus on humanitarian advocacy which is rare among the bilateral donors.
- Projects are seen to have positive repercussions and positive spill-overs
- The technocratic and bureaucratic approach works best when it is complement with a strategy and priorities that are based on a full understanding of political situation and the network of key actors.
- Everything is political in the OPT context. The major issues – legal, political, security, development are all closely intertwined, meaning that effective performance in, for example, humanitarian work means engaging with political issues.
- There is a need for an effective and efficient policy dialogue, which is best met by close integration of the development and diplomatic arms of Switzerland.
- An M&E system has been designed and will be started in January 2012. The results-based management approaches need to be adapted to take account of qualitative results and longer term results.

- Knowledge management and the networks are seen as vital for strengthening performance. The networks need to carry on developing, and reach beyond SDC to be Swiss networks.

### **Analysis and Flexibility and Adaptability**

- Analysis is done as part of Annual reports, which uses RBM approach, MERV annually, and mid term reviews
- Local and national staff are key to context analysis. The wider networks of international actors is also key. Coordination meetings are very useful. Engagement with the PD2 political officer is useful.
- The programme is designed for robustness in the face of a dynamic and changing context. Being too flexible means losing focus. Much of the space is present, but there is a need for more flexibility from head office.

### **Complementarity of SDC Mandates**

- Development and humanitarian sit together well, along with human rights. This gives SDC considerable latitude in terms of programming and advocacy. The OPT programme is part of the Europe and Mediterranean Division (EMM) which, for institutional reasons and as a result of SDC reorganisation in 2008, is part of the humanitarian aid domain, even though it manages both development and humanitarian programmes in the Middle East and North Africa. Development was integrated into humanitarian, but the opposite may have worked better for institutional purposes.
- Development and humanitarian work is seen as part of Swiss foreign policy – they coordinate with other elements and work to influence them: “whole of government is key”.
- At the moment the different elements of Swiss effort work in parallel but not in concert. A few common goals across the different elements would help a great deal, but these will not happen easily.
- There is a need to find ways to better integrate political and diplomatic with development. Overcoming the past divisions is a major challenge but it can be done with the right leadership. A true WoG approach would help them be far more recognised and have a greater impact – there will be positive multipliers. A key factor is the people involved – a cohesive leadership depends not just on capacities but also on personalities. But even more important are the structures and processes,
- One major problem is that the offices are separate – development and humanitarian in Jerusalem and political in Ramallah. The benefits of colocation can be considerable.
- It works well in the field despite the system – structural and process – not because of the system. To reap the benefits, the senior management have to let go of the idea that one Swiss arm should be subordinate to another – the focus should be mutual learning and influence in pursuit of the shared goals.

## **SDC's Role in the Broader System**

- The niche is not an SDC niche but is a Swiss niche. The different elements meet together coordinate, discuss and make decisions. The key is having the freedom not to always 'toe the line' but to have the freedom to voice different opinions.
- Most partners have been working with SDC for more than 7 years, and there is a sense of history in the relationship. At their best, these partnership reach beyond individual relationships to being genuine institutional partnerships
- There are good examples of linking to other donors – for example, pooling funds with Scandinavians and Netherlands – which reduces transaction costs, enables a more strategic intervention, and better policy dialogue between donors and human rights community
- SDC also supports NGOs and local partners with capacity, core grants. Its network of partners (for e.g. in Gaza) could be of use across the board.
- Also support the multilateral system – chair the subcommittee of UNRWA and support UNOCHA advocacy work, support to UNDP capacity work. ICRC contribution managed from head office.

## **Hindu Kush**

SDC works in the Fatah area of the Hindu Kush, and works in three main domains

- Rural development – livelihoods and water
- Governance – work with communities and duty bearers to deliver better services to communities.
- Humanitarian programme, focusing on vulnerable groups – IDPs, women, children. Humanitarian also does work on access to safe water, reconstruction of public schools and disaster risk reduction.

## **Approaches, Instruments, Delivery Mechanisms and Modalities**

- Issues of fragility were widely seen to have a bearing on performance issues, especially in relation to linkages to and negotiations with governments and security issues
- There is a serious lack of clarity between SDC and the Embassy about who has overall responsibility for security management and incidents
- The commitment to work in fragile states has to made throughout the organisation and needs to be closely related to career planning.
- It is difficult to spend quickly in fragile contexts, and this is a challenge for all donor agencies who are incentivised by disbursements
- The mandate is seen as comprehensive but not always relevant to the needs on the ground – health and education systems, like many others, are poor in these areas, but the development side is not working on either, which limits the contribution they can make. There is work in both of these by the humanitarian side.
- A results framework has been developed and will be implemented. This was done with support from the Nepal country office. The key is to ensure this doesn't become an academic exercise to please head office, but instead is grounded in strategic and



operational decision making. Sound results make a real difference – the example was given of the Secretary of the SAFRAN Ministry who still regularly and publicly talks about an SDC project (Kalam integrated development initiative) because of the results demonstrated.

- The above said, results are a tool for addressing issues of legitimacy and trust and there was felt to be an open question about whether results based management is the optimal tool to address these issues in fragile contexts.
- Capacity to deliver is the major issue affecting performance – both in SDC and among partner organisations. Humanitarian has its own implementing structure and does implementation work for UNICEF and DFID.
- Certain conventional development instruments such as ‘heavy logframes’ are seen to be at a disadvantage in fragile states – delivery against pre-set goals and objectives was seen by some as not always possible at the level of detail expected in stable contexts. Opinion varied about this issue, especially at head office.
- Staff are not rewarded for working in fragile contexts – there is no career system akin to those in other donors, and no strategy to ensure experiences are shared and become grounded in the organisational memory
- It is not easy to get suitably qualified local and national staff in the Fatah region - there is a discrepancy between the capacity available and the needs of the project.

### **Analysis, Flexibility and Adaptability**

- Good analysis should be a means by which to establish a common understanding about the challenges and opportunities facing a programme.
- Political factors are one of the key gaps in SDC’s analysis – not enough allowance is made for such factors. Another key issue is security – each and every programme and staff member needs to have their security risks carefully and continually assessed.
- The pressure of delivering annual results means that certain ways of working are not possible – the focus is on quick results is often at the expense of meaningful results
- There is a lot of flexibility in terms of who SDC can work with, and once a programme is approved, there is flexibility for tactical adaptations to local contexts.
- The approvals procedure for mid-term changes at head office is seen to be overly bureaucratic and as taking a long time. SDC is not sufficiently decentralised financially. Above CHF 200k, there might need to be 5-6 people signing off on changes, which was seen as much too ‘heavy’. There were also concerns raised that many different kinds of people needed to sign off, and they had varying knowledge of the context and the situation.
- The human rights and conflict network is seen as useful as a means of sharing experiences and ideas. There is a need to involve national and operational staff more in the networks.

## **Complementarity of SDC Mandates**

- Different mandates have different pluses and minuses in fragile contexts. Regional cooperation has scope to do lots of different kinds of work, but can sometimes be dominated by head office requirements. The flexibility of humanitarian aid makes it suited to working in fragile contexts, but the content of such programmes can be too shallow and not sufficiently focused on drivers of fragility and conflict. On the other hand, working in a participatory fashion was seen as a useful and important way to learn from communities, and this does play a role in the humanitarian effort.
- There is some joint planning because of the co-location and shared geographical focus. Cooperation between development and humanitarian is often a function of personalities and not the system. There are common weekly meetings, sharing of challenges, joint field missions. There is a need for this to be more strategic than it is – and move towards joint interventions with shared goals and collaborative delivery
- Global cooperation is seen as separated from the other mandates, and needs to be better integrated. At the moment there is an issue about where Global is 'allowed to work' for fear of duplication, but this does not allow for synergies to be explored and maximised.

## **SDC's Role in the Broader System**

- The whole of government approach is seen as an advantage – it is key to have critical mass from all the four arms of Switzerland.
- Working with partners requires good understanding of risks faced, and acknowledgement of when the Swiss government is transferring risk and when it is sharing risks. Taking responsibility for risks is crucial.
- Engagement with other donors is very important, and done both formally and informally. SDC has advocated for a shared donor forum for the frontier region, for the purpose of harmonisation. However, this needs to take account of potential risks, especially given the Swiss reputation for impartiality. Where coordination isn't possible or desirable, working in a complementary fashion should be the goal.
- SDC also supports the multilateral system, for example, the World Bank Water and Sanitation programme has SDC secondees.
- The niche in fragile states is not SDC but Swiss. A lot can be learnt from other small European donors – especially Sweden and Denmark. Switzerland has an advantage of being more operational, working with implementing partners rather than supporting the government.