



Management Response MPMP Evaluation

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For:	WEOP/smt
Copy to:	WEMU: all; SCOs GH, NMK, UZ, UA, MN; WE-Evaluation; HSLU/Stefan Bruni; Ecorys/Tatiana Botnarenco, OGR/David Vavra

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1) Report Structure and Methodology

Mandate: The evaluation of the Macroeconomic Planning and Management Project (MPMP), covering the period from January 2020 to October 2023, aimed to assess the project's progress and provide recommendations for its potential second phase. To that end, Stefan Bruni, from HSLU was mandated under the WEMU PSP Mandate to conduct the evaluation. The reason for selecting him as an expert was because having carried out an assessment of the Financial Programming Project in its previous shape, he was already familiar with the topic.

Methodology: In line with SECO's guidelines for project evaluation, an OECD-DAC-style evaluation was performed without analysing impact. Since the evaluation is conducted before the end of phase one, an assessment of the impact of the project would be premature. The period covered by the evaluation is from January 2020 to October 2023. The approach chosen for the evaluation consisted of 1) reviewing project-related documents as part of the desk review process and 2) conducting interviews with main stakeholders. The evaluation conducted exclusively online interviews with 15 key informants from beneficiaries, field offices, SECO HQ and the implementer's team. At times, online interviews were challenging (in terms of scheduling and in terms of fluid communication) and in one case required translation difficulties. Still, this was the most efficient way of gathering a large amount of information from various stakeholder in all countries involved and overall, few technical challenges hindered communication. Due to the combination of evaluation and recommendations about a possible phase 2 of MPMP, the methodology had to allow both backward- and forward-looking views on MPMP.

Structure: The report is structured as per SECO's template for evaluation, including the newly updated evaluation grid, contained in Annex 1. Findings of the first version of the final report demonstrated limits of the automated assessment, provided by each DAC criteria in Annex 1 (cf. same weighting of each sub-criteria).

Process: The PM made sure that all stakeholders (implementer, SCOs) were well informed about the exercise and the different steps. After introductory talks with each SCO, TORs were shared for consultation. The draft report was discussed in a joint meeting in December and sufficient time for comments was allocated. After submitting consolidated feedback to the consultant, the final report is responding better to key evaluation questions at the overall project level. However, additional rounds of revision were necessary to get an acceptable report.

2) Report Findings

The evaluation employed OECD-DAC criteria, finding the project generally satisfactory in coherence and sustainability, but unsatisfactory in relevance, effectiveness and efficiency. Key challenges included the project's rigid initial approach, which struggled to accommodate the diverse needs of partner countries, and issues in communication and governance that hindered adaptability and stakeholder engagement.

Relevance (unsatisfactory - Score 2.5): The objectives of the programme were relevant at the time of design and remain to be relevant now. The standardized approach reduced the overall relevance of the project also because of a lack of flexibility to adjust the intervention to the realities on the ground in the first three years of operation.

Coherence (satisfactory - Score 2.33): The programme with its focus on the macroeconomic level fits perfectly in WEMU's portfolio and can potentially contribute to a better macroeconomic environment which again would be beneficial for other interventions. However, the potential of the programme was underutilized by SECO in the participating countries.

Effectiveness (unsatisfactory - Score 3.0): The effectiveness of the MPMP varied across countries, with some achievements in Ghana, North Macedonia, and Uzbekistan. Challenges were noted in scoping possible partner countries, adapting the project's standardized approach to meet specific country needs, and travel restrictions (Covid-19). Overall, the objectives were not achieved as intended due to the engagement in fewer than expected countries and slow progress in the participating ones.

Efficiency (unsatisfactory - Score 2.67): The project was rated as unsatisfactory in terms of efficiency, with high administrative costs relative to the output and outcomes due to fewer active countries than planned and the rigid initial approach. Adjustments made to increase flexibility and country-specific tailoring were positive but implemented later in the project cycle.

Sustainability (satisfactory - Score 2.33): Sustainability was rated as satisfactory, with efforts in some countries likely to continue beyond the project's duration thanks to high-level commitment to the FPP model. However, frequent staff turnover and the demand for continued external support in Ghana after completing the whole FPP capacity building cycle raised concerns about the long-term sustainability of the project's intervention.

SECO's critical reflection on these findings:

SECO concurs with the evaluation findings, as they reflect its own assessment, as well as feedback from country offices. Still, it is good to hear from the consultant, that beneficiaries are often much less critical than staff from SECO and its field offices. However, this is a phenomenon often observed in evaluation, especially if an evaluation also includes a forward-looking part, as this one did. Hence, feedback from interviewees could have been influenced by this

SECO is pleased with the finding that during 2023 things started to change for the better, especially, by finally allowing for the much-needed flexibility. In addition, we note increased activities in UZ and recently also support in UA seems to gain in steam. This is encouraging.

For SECO the ratings for sustainability is a bit surprising. It is concerning that the only country, where SECO is active since a long time (9 year of support in this area), it remains uncertain, if the model is going to be maintained. We understand that the satisfactory rating comes from the assessment of financial sustainability. We do not understand the rating of this sub-criteria, given the text stipulates that precisely in GH, the only country where sustainability

can be assessed according to main summary, it is not a given due to ongoing consolidation efforts.

We note that most DAC criteria score are at the margin. Therefore, we are hopeful they may change in the remainder of the project duration and during an extension. This is also supported by a committed implementer. However and more general, SECO considers that in order to address the key flaws of this project that hamper successful implementation, SECO needs to go for a complete redesign.

Apart from the fact that effectiveness was hampered by various factors, it is further concerning for SECO that the relevance criteria also scored unsatisfactory. Having problems of building up a strong demand and pipeline for support provided by MPMP in SECO priority countries is probably a pointer towards this kind of support not being very relevant to our partners. Moreover, the reflections on the appropriateness of FPP contained in the text, does not seem to have influenced the rating in the annex, especially sub-criteria 1.1 and 1.3, which would contribute to an even lower rating.

SECO can think of several reason as of why the scoring of coherence was rather at the lower end: a) the program is active in 3 out of 5 countries, where no large macroeconomic portfolios exists and hence, internal coherence cannot really be assessed; b) being very technical makes it difficult for non-specialists to leverage appropriately; c) external coherence is challenged especially in countries where IMF TA, either through CCMTAC (UZ, MN) or directly (UA) is also present and requires coordination (which is ensured well by MPMP, but begs the question of value-addition and capacities of beneficiaries to absorb several technical assistances in this area). The statement that coordination among government institutions involved in the project was generally effective relates (for now) only to 2 out of 5 countries.

Smaller inconsistencies in the final report submitted and approved may relate to the fact that SECO asked for several revisions of the final product, due to a perception that quality was low. The originally submitted final report contained overall a better scoring but presented several contradictions in the report. The consultant did what was possible to iron out these inconsistencies, which also led to quite substantial changes in the overall assessment. Challenges encountered also relate to methodological guidance for annex 1.

Franziska Spörri, Co-Head of Macroeconomic Support



Recommendations	Management Response	Responsibility	Deadline/Timing
General Recommendations			
<p>1. Extend Phase I on a non-cost basis for two additional years to allow for completion of planned activities and address delays, focusing on the current five countries.</p> <p><i>Sub recommendation phase: no additional country</i></p>	<p>SECO agrees with this recommendation. Given the current financial absorption capacity is below 40% and projected by the end of 2024 to be around 50%, a non-cost extension is feasible. Good results in NMK and promising new drive in UA and UZ are additional arguments not to conclude the project at the original end-date of December 2024. The implementer and SECO spent 2023 in trying to get at least activities in ongoing countries up and running, so the renewed implementation with more flexibility should continue. In order to ensure that the project can bring about positive change in partner countries, the focus should remain on the existing countries, with Ghana phasing-out after 2024 and MN to be assessed by summer 2024. The effort to scope for new partner countries in 2023 was not fruitful due to various reasons. Initial interest is only shown in Bangladesh, which is not a SECO priority countries. Given resources are already spread too thin at SECO, it is not advisable to further pursue this avenue.</p> <p><i>Note on TJ:</i> Through an EU-funded cooperation, Ecorys has received a request from the macroeconomic support department at the MoF, essentially relating to improving their medium-term forecasting capacity (as opposed to the short-term forecasting, which they use now). FPP+ may complement nicely other work done in the country. Ecorys will get more clarity in an upcoming phone-call on interest and debt and depending assessment, propose a small scoping (only on the MoF). SECO HQ will contact SCO with this idea, after having received an update on from the call and launch the idea of a small scoping in 2024.</p>		

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	<p>While extending the project for two more years, WEMU will have to find a pragmatic way to handle it more in hands-off mode, given current resource constraints of WEMU in terms of staffing. A reduced mode of interaction with the implementer and SCOs will have to be found.</p> <p>Follow-up:</p> <p>Ecorys to update on discussion with TJ MoF and confirm proposal included in AR on additional small scoing; SECO HQ in term liaise with SCO TJ</p> <p>Provide financial projection, adjusted for different scenario, including one with inflation adjustment from 2025 forward</p> <p>Provide outline of vision for each country, considering a two-year extension</p> <p>Prepare contract adaptation (extension deadline, attach new budget, transform into Consortium Contract); new contract only to take effect from 1.1.2025 onwards</p> <p>Watch developments in UA/UZ (for UA considerable external risk remain);</p>	<p>Ecorys/OGR – SECO</p> <p>Ecorys/OGR</p> <p>Ecorys/OGR</p> <p>SECO - Ecorys/OGR</p> <p>All</p>	<p>February 2024</p> <p>1st half of May 2024</p> <p>April 2024</p> <p>Q2 2024</p> <p>Continuous</p>
<p>2. Increase Flexibility in the project's approach, particularly regarding the working group (WG) methodology, to better adapt to country-specific needs and circumstances.</p> <p><i>Sub recommendation: not insist on WG approach, work with more than 1 institution per country, offer a more flexible delivery mode</i></p>	<p>SECO acknowledges that flexibility was low during the first years of implementation and the current WEMU team, does not quite understand as to why no room for greater flexibility was given earlier. In that sense, SECO agrees with this recommendation but considers that the project was already adjusted in this way in 2023 (e.g., introduction of FPP+, not insist on WG established to move forward, allowing for more and shorter mission per year, including of translators when needed, hiring of local expert when called for, etc.). It would be important to understand, what kind of additional flexibility is still needed at this point.</p> <p>What is equally important to understand for the implementer and SCOs that there are limits as to how flexible SECO can be, given that this mandate was procured in an open tender. Especially, two limiting factors with regards to flexibilities that have come up:</p> <ul style="list-style-type: none"> - The main <i>focus of support to macroeconomic modelling</i> has to remain on Financial Programming. The definition of the FPP+ Approach, developed in May 2023, is guiding in this regard (<i>cf. Rec. 5</i>) - SECO is also not open to having the project <i>working in parallel with two institutions in one country</i>, if no working group approach can be implemented (e.g., NMK). The reason is that a) often the issue is already that macro- 		

	<p>forecasting institutions (Central Banks, MoF, Ministries of Planning /Economy) work in silos and do not exchange data easily. We would not want to perpetuate this habit with our support; <i>b)</i> the implementing team gets drawn into this silo-thinking when working with two institutions on the same model (FP). Hence, we get vulnerable to criticism from one or the other institution (e.g., in case outcome of model is different, one model is perceived as being better, support is perceived as being provided unequally, etc.); <i>c)</i> for sake of coherence, SECO has other projects that offer modelling support to Central Banks (BCC, EBRD MMDP) that can potentially serve better their imminent needs.</p> <p><i>Another note on resources:</i> It is nice to read that recently SECO HQ managed the project in a more conducive way for the implementer and SCOs. However, adding new flexibility also implies that also for HQ it is five projects in one. From a cost-efficiency basis, the financial enveloped is weighed against the HR-resources needed to manage this project. The current PM is not familiar with any country context or WEMU portfolio the MPMP is currently working in.</p> <p>Follow-up:</p> <p>Revise wording in the log-frame to account for the revised WG assumption</p> <p>Review WEMU internal monitoring of MPMP</p> <p>Discuss what other kind of flexibility could be helpful in the frame of this project</p> <p>Asses country needs for flexibility on a case-by-case basis</p>	<p>Ecorys/OGR-SECO</p> <p>WEMU</p> <p>All</p> <p>All</p>	<p>April 2024</p> <p>April 2024</p> <p>Continuous</p> <p>Continuous</p>
<p>3. Enhance Sustainability by working with local experts to build consulting capacity, ensuring that countries have access to technical advice post-project.</p>	<p>Localization of support is very important to SECO as this generally increases sustainability of development interventions. It is a bit astonishing that in for the MPMP, while the logic is to anchor the FP model in use to local circumstances, the delivery mode was not procured to be localized. In that sense, while agreeing with the general gist of this recommendation, SECO only partially agree with the proposals put forward by the evaluator. SECO agrees that the we should think of innovative ways to institutional knowledge and ensure access to technical advice post-project (e.g., manuals, link beneficiaries to JVI or Regional IMF TA Centres, where they could refresh their knowledge or retrain new staff before working on the localized model, etc.). Tring to revivie or create something like consensus forecasting workshops may be an example as well. Approving the extension of phase one of MPMP is a good moment to reflect on these issues.</p>		

	<p>With regards to local expert, while 2023 has shown that it is possible to go in this direction, the original budget and services procured do not foresee local technical expert. Still, SECO appreciates the effort of Ecorys/OGR to look into the possibility (UA, MN) if felt necessary and successfully added this to the component, where needed. This is a good example of increased flexibility. It is however not the standard approach and should however be discussed on a case-to-case basis. In the logic of the project, the WG is expected to be the first support structure to enhance sustainability of the use of FP model after the project ends. For countries, where the WG does not seem to work, a different sustainability strategy should be elaborated until summer 2024.</p> <p>Follow-up:</p> <p>Provide sustainability strategies for each country</p> <p>Provide reflection on innovative ways to enhance sustainability post project implementation</p>	<p>Ecorys/OGR</p> <p>Ecorys/OGR</p>	<p>April 2024</p> <p>Latest in next AR</p>
<p>4. Adapt Capacity Building to the specific macroeconomic modelling needs of partner countries, moving beyond the standard FPP model if necessary, to increase the project's relevance and impact.</p>	<p>SECO considers capacity building an important element in its work and puts a lot of emphasis on delivering demand-driven support. Therefore, while agreeing with the general gist of this recommendation, SECO considers the proposals from the evaluation for adapting capacity building as not adequate or too generic and therefore, SECO does not agree with this recommendation.</p> <p>SECO is not in a position to offer something completely different to FP, even if it is in the macro-economic modelling space, because this project was mandated in a public tender. Providing services on any other type of macro-modelling would be outside the scope of possible deviation from services procured. Secondly and in SECO's view, UZ/MN are not the most telling examples for wishing for a different kind of assistance (UZ/MN), considering the capacities at the partner's end to handle more sophisticated models, a view shared by IMF CCAMTAC.</p> <p>Other types of adaptation, such as to offer on-site and offsite support continuously are already applicable in some instances and can be used more frequently.</p> <p>Follow-up:</p> <p>Where relevant, discuss needs for adapting capacity building elements</p>	<p>All</p>	<p>Continuous</p>

<p>5. Improve Communication and Governance to ensure clear roles and responsibilities within the project team and among stakeholders, enhancing overall project coordination and management.</p> <p><i>Sub-recommendations: iron-out communication break-down between implementer and SCOs; provide SCOs more room for visibility</i></p>	<p>SECO agrees with this recommendation. If there are unclarities about roles and responsibilities that are perceived by partners, we should be mindful to clarify those. In that sense, the Operational Manual (OM) should be revised to reflect changes made to project management since the start of the project. Adapting the OM will also provide the opportunity to clarify once more the information flow between all three stakeholders. Extending the contract will be a good moment to reflect on this.</p> <p>From a field perspective, SCO would wish to receive: 1) TOR, 2) the Mission Agenda, including the list of participants with monitoring purpose, 3) to plan the de-briefing meetings with SCOs in order to inform about plans, update regarding the progress, challenges and the possibility to discuss needs for action from the field offices, 4) Mission report. Information should not come last minute, at least on timing and TOR. Needs with regards to information may differ depending on whether missions are taking place in person or virtually.</p> <p>Further, in those countries, where SCOs wish to use MPMP also for policy dialogue and access to MoF, it is crucial to inform SCOs about in-coming missions and their purpose, and if called for included SCOs in high-level management meeting during in-country mission. This should help increase visibility of the project, which helps overall implementation through an increased focus.</p> <p>Follow-up:</p> <p>Adapt OM and share with SCOs at least the part relating to communication channels (frequency, purpose, etc) in OM (Implementer-SECO/HQ; Implementer-SCO; SECO HQ-SCOs)</p> <p>Foresee participation of SCOs during high-level meetings (Meetings with FP responsible) and coordinate accordingly</p>	<p>Ecorys/OGR-SECO</p> <p>Ecorys/OGR-SCO</p>	<p>April 2024</p> <p>Continuous</p>
<p>6. Address Efficiency Concerns by focusing on established collaborations and improving the cost-efficiency of project interventions, ensuring that administrative and coordination costs are balanced with the project's capacity-building activities.</p>	<p>On both end, implementer and SECO, this project generates much more administrative and monitoring work than anticipation for reasons depicted in the Evaluation and reflected on in Annual Reports. SECO agrees with this recommendation and stands ready to improve efficiency whenever possible.</p> <p>Addressing communication issues as <i>per recommendation 5</i> might already help, otherwise constructive dialogue between SECO and Ecorys OGR needs to continue. That being said, flexibility of SECO to cover for coordination costs,</p>		

	<p>which are substantially higher than procured have been, has been implemented to the extent possible by adapting budgeting and invoicing.</p> <p>No immediate Follow-up</p>		
<p>7. Formalize Adjustments to the project's approach in an addendum to existing Memorandums of Understanding (MoUs), ensuring that recent shifts towards more tailored support are officially recognized and implemented.</p>	<p>This was discussed separately with NMK and UA (MN unclear if an agreement exists). Based on this feedback, SECO does not agree with this recommendation. Formal adjustments do not seem to be needed at this point in time, either because the project can operate without them (NMK) or the current MoU is ongoing until summer 2025 (UA) and can, if need be amended at a later stage. Given the nature of the program, the value-addition of further formalization is not evident, neither to HQ nor to SCO. For global program with low reach and budget, it is anyway usually a call of SCOs to see, if formalization is helpful in their current context.</p> <p>Follow-up:</p> <p>Call with SCO MN to clarify, if having an MoU has any implication on phasing out support</p>	SECO HQ	March 2024
Country specific Recommendations			
<p>Ghana (GH): phasing out will continue in 2024</p>	<p>SECO agrees to this recommendation, as long as it is clear, that any kind of MPMP support to GH does not include country-visits.</p> <p>Support in GH was originally expected to end by 2022, during 2023 an additional in-country mission was approved and some activities offline conducted during the year. This was timely due to IMF program negotiation and appreciated by counterparts. The MTR advocates additional support going forward until the end of 2024. Any additional support to GH should be provided in an off-line mode. After the end of 2024, GH should stand on its own feed in maintaining the FP model and keep the WG going. The implementer is expected to check in in 2025 to see, where the country stands.</p> <p>SECO agrees that this will involve awareness raising with the management, defining an institutional structure for the FPP working group that is independent from the project, ensuring access to technical advice outside the project and the implementer should work with the counterpart primarily on these issues in 2024. SECO also agrees that communication on phasing out needs to be prepared early and coordinated between the implementer and the SCO, as SCO can support on their end in this process. SCO and the Consortium should</p>		

	<p>liaise on the good timing for communication to the direct/nominated beneficiary (MoF).</p> <p>Follow-up:</p> <p>Prepare for phase out by end 2024, with a specific view on the sustainability issues</p> <p>Organizing a joint call implementer-SCO to go over sustainability strategy and to agree and coordinate on communication with counterparts</p>	<p>Ecorys/OGR</p> <p>Ecorys/OGR, jointly with SCO GH</p>	<p>Throughout 2024</p> <p>May 2024</p>
<p>Mongolia (MN): on formalizing changes to the project design and approach; trust-building activities, including project director to join a mission.</p>	<p>SECO broadly agrees with this recommendation, with the caveat on formalization of changes (<i>cf. rec. 7</i>). The cooperation was brought on a new footing after the main expert changed in summer 2023, but traction remains low. It remains unclear, as to what extent cooperation can happen. Offer for off-line support, which is prioritized in order to prepare in-country mission, go unanswered. Currently, the implementer offers an on-demand support. While this can continue for some month, support should be wound down by the second half of 2024, if nothing changes.</p> <p>Further, SECO agrees that an in-country mission can help trust-building. We note the different efforts of Ecorys/OGR to organize such a mission throughout 2023, unsuccessfully. Concerns by the Mongolian counterparts about the technical expertise of the MPMP country team should be discussed within the MPMP management and supports the idea of the project director accompanying the next mission.</p> <p>Follow-up:</p> <p>Discuss with Ecorys/OGR way forward as current WP does not foresee any in-country mission for 2024</p> <p>Connect with SCO, to discuss cooperation and possible support to get clarity on situation in MN</p> <p>Observe if demand-based offer is taken up until summer, If no traction and no possibility to seriously engage with counterpart, phase-out of support.</p>	<p>SECO - Ecorys/OGR</p> <p>SECO HQ – SCO MN</p> <p>Ecorys/OGR</p>	<p>February 2024 - <i>done</i></p> <p>March 2024</p> <p>Until summer 2024</p>
<p>North Macedonia (NMK): consider a renewed collaboration with the Na-</p>	<p>SECO strongly agrees that the good work in NMK should continue, adjusting the delivery mode to the extent possible to the counterpart's needs. However, extending support to another institution (Central Bank) in country,</p>		

<p>tional Bank; otherwise continue good work</p>	<p>without any prospect of the WG approach to work, is for reasons explained above (<i>cf. rec. 2</i>) not possible. Ecorys/OGR can test, if the appetite of National Bank to participate in some kind of exchange with MoF on FP can be renewed. Should demand for support of Central bank in the area of macroeconomic modelling continue, WEMU should proactively assess, if inclusion of NMK into BCC may make sense.</p> <p>Given that the previous FP-project of SECO provided some assistance to Albania, we are open to test the idea of some peer-exchange organized within the region, but possibly only in 2025.</p> <p>No immediate Follow-up</p>		
<p>Ukraine (UA) - recommendations are not applicable anymore after new developments in the beginning of 2024</p>	<p>Given recent developments, recommendations put forward in the evaluation do not apply anymore. The Team leader on the side of the implementer was changed, a virtual workshop happened, with the participation of SCO, which is very crucial to reconnect and shape the future work. In country mission (outside Kiev) are planned with support in between through the local expert and remotely by the new Team Leader. Currently, everyone remains curious to see how these changes implemented will play out. The MPMP project in UA remains at high-risk, adapting and reassessing support is continuous.</p> <p>Further, given the formalization of the support through a MoU the preferred option at this point in time is trying to make the project continue, instead of cancel it (given that such a move could have negative signalling effect). To what extent further changes to the MoU is needed will be assessed <i>in connection with rec 7</i>.</p> <p>Follow-up:</p> <p>Continuous and conscious monitoring of the situation and ensuring fluent communication</p> <p>Organize insurance for experts and inform SECO on arrangement</p>	<p>All</p> <p>Ecorys</p>	<p>Continuous</p> <p>February 2024</p>
<p>Uzbekistan (UZ): clarify extent of support and coordinate with IMF</p>	<p>Given that in-country mission to UZ only recently were resumed, SECO agrees with the recommendation that the focus should be on reconnecting, including clarifying the extent of the MPMP support, also in connection with what support is offered to UZ under IMF (CCAMTAC). Given that the key expert for UZ is very familiar to IMF and the CCMATAC, MPMP team is in a good position to get a clear picture. Given the recent change in NPO following</p>		

	<p>WEMU topics, a visit to SCO during the next in-country mission will be necessary.</p> <p>Follow-up:</p> <p>Clarify extent of support provided to UZ and assess flexibility needed in UZ to ensure smooth implementation going forward</p> <p>Visit SCO on the occasion of the next in-country visit to reconnect</p>	<p>Ecorys/OGR</p> <p>Ecorys/OGR-SCO UZ</p>	<p>Q1 2024</p> <p><i>not defined yet</i></p>
Additional recommendations			
<p>Follow-up phase: One year before the end of non-cost extension (dec 2025) decision on next phase.</p>	<p>SECO does not agree with this recommendation for the following reasons:</p> <ul style="list-style-type: none"> - Given FTE at WEMU are reduced by 90%, WEMU is in a process of consolidating its portfolio, especially in non-priority country of SECO and smaller scale interventions. - Considering that in SECO's view, in 2023, most of the recommendations that can potentially improving the unsatisfactory DAC criteria have already been tackled or are being tackled. Those that would substantially contribute to a better rating (e.g., even more targeting by going beyond FP) are not feasible within the given mandate. <p>For these reasons it is not desirable to continue with MPMP under the current mandate. It is important to note that this is not related in any way to concerns about the implementer. Ecorys/OGR have shown to be flexible and helpful in looking for pragmatic ways to make MPMP work and to strive for better tractions. SECO is more generally not convinced if this kind of support should figure in its portfolio in this specific restrictive way, as the relevance of the support in SECOs priority country is questionable.</p> <p>That being said, WEMU is conscious about the need for support, and in particular localized capacity building on macroeconomic analysis and modelling in order to support evidence-based and data-driven decision-making. As development challenges become even more challenging (e.g., need for green transition, managing aging of population, etc.) the importance of having such capacities will increase.</p> <p>WEMU shall assess in 2025 the merit of continuing offering bilateral support in the area of macroeconomic modelling and if so, what kind of support would be needed. Most likely this would go beyond the FP model (although FP can still be relevant and a starting point), include more national institutions, focus</p>		

	<p>on specific issues such as climate or gender modelling. The assessment in 2025 should also include a proper needs assessment among SECO priority country. If sufficient firm demand is found and synergies with other WEMU activities are likely to be leveraged, WEMU shall consider launching a new tender, for a project with a different design and project set-up.</p> <p>Follow-up:</p> <p>Adapt Financial Planning in SAP</p> <p>Assess merit of continued bilateral support in the area of macro modelling and reflect on appropriate shape (<i>if positive: Approval Q4 2025, launch tender during 2026, start beginning 2027</i>)</p>	<p>WEMU/ock</p> <p>SECO HQ</p>	<p>February 2024 - <i>done</i></p> <p>From Q4 2024 on- ward</p>
Facilitate FP experts exchange among MPMP countries	<p>SECO only partially agrees with this recommendation. The Evaluation finds that maturity of FP capacities differs a lot and that each country-level support under MPMP is quite unique. SECO understands the argument that peer exchange to be inspiring. However, SECO would however like to understand with regards to MPMP, what is the real value-addition for countries to engage in such an exchange and how it possibly could be implemented (e.g., considering different languages spoken). In any case, peer-exchange must only take place virtual. In the interest of using resources well and efficiently adding such an element to WP 2024 should be critically assessed as from SECO's point of view the value-addition of in-person peer-exchange (apart from the motivational factor) is not evident</p> <p>Follow-up</p> <p>Discuss the merit of facilitating peer-exchange among MPMP countries, and if there is any (or for some countries) plan for in the Work Program (Discussion at SC: <i>agreement is that there is none, unless it is limited to exchange between similar countries</i>)</p>	<p>SECO - Ecorys/OGR</p>	<p>February 2024 – <i>done</i></p>
Include Climate into macroeconomic shocks of FPP	<p>SECO agrees with this recommendation and would like to understand, to what extent this is technically feasible. Climate modelling is on the rise and given many countries work towards the green transition and are confronted with the challenge to adequately integrate climate risks into their decision making, building up such capacities are crucial. This is the kind of flexibility that SECO can accommodate, if it is technically feasible to integrate such consideration into the FP model.</p>		

	<p>sure localization could really happen (e.g. in delivery modality, checking assumption of underlying approach). It is clear, that Scoping was very challenging during COVID19 and did not work for a project, that relies a lot on trust between implementer and beneficiaries due to the use of sensitive data.</p> <p>More broadly, overarching reflections on appropriate design were not sufficiently scrutinized and the tender document produced either too specific or too vague. Further, the finding (effectiveness) that critical risks (e.g., high staff-turn over) were not mitigated against in the project design and set-up, suggesting that risk identification and risk management was below expectation.</p> <p>However, the evaluator's conclusion for a more decentralized approach is not unconditionally supported by SECO. Of course, localization is key, especially when intervening bilaterally in a very narrow and niche area. However, the design of such support facility cannot always cater to every need as efforts to manage such small-scale support program for individual countries not always match management resources. Designing overarching project designs by SECO HQ provides some efficiency gains and also allows for more flexible coverage (e.g., SECO would have never offered FP support to NMK, if it did not have any existing project in that area, which would have been a pity and a missed opportunity). The key is to build-in sufficient flexibility into such project, to still be sufficiently adaptable to local circumstances to achieve the set objective. It also requires an understanding of everyone, in particular SCOs, that not always all can be changed after project approval (especially in the case of project tendered out) and some things need to be taken as a given.</p> <p>Another important lesson learnt from this evaluation in relation to quality at entry is that SECO gathers a good understanding about the possible demand, in order to assess the pipeline correctly. This is even more important, if a project is tendered out, because the tender documentation would have to stipulate the needed requirement (in case SECO wants to define the beneficiary countries). In the case of MPMP it may be that this assessment was not sufficiently thoroughly done by WEMU. Changes in initial demand statement however may have also be impacted by the fact that COVID19 hit around the same time and overall priorities of everyone (SECO, beneficiaries) shifted.</p> <p>MPMP is a good example of what can happen, if PMs are overloaded with too many projects that do not receive the needed attention due to prioritization. This is evidenced by various facts such as incomplete filing of project inform-</p>		
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	<p>ation, incomplete documentation of decision taken, contract management, financial planning, procurement management to mention a few.</p> <p>Follow-up:</p> <p>Review risk matrix for overall project</p>	WEMU/ock	April 2024
Quality tender document is less descriptive but more precise in what is requested from the bidder	<p>A key problem with the design of MPMP as evidenced by the evaluation is that the tender documentation was stipulated in a very narrow way. As is often the case, the credit proposal served more or less as the tender document. However, tendering is a different process than approving. While PMs “sell” to OPK a vision of a project, when they propose to tender out, the tender documentation needs to be more open in terms of how the project can be implemented. After all, not knowing better than the market is the whole reason why we tender out project implementation. At the same time, the tender document must be precise on the information, what the bidder must validate, where it can deviate from the tender documentation and what the non-go areas for SECO are.</p> <p>From that perspective, the SECO approval process is not conducive to implementing good bilateral projects. At OPK, PMs are required to submit so much detailed information (regardless of nature of project) that in reality may change a lot, after a tender and selection of a good offer. Such information relates for example to detailed log-frames with targets, baseline, budgets details, identification of risk, information on implementation modalities, etc. It is precisely these aspects that are relevant to project design that can make one offer in a tender more attractive than another, or more conducive to reach the defined project objectives. Considering this, the OPK should better focus on approving objective, aims, Theory of Change and monitoring indicators and provide helpful guidance by stipulating must-have or no-go areas that can be included then in tender documents. In that sense, the SDC approval mechanism, with possibility to go for tender after concept approval, allowing for a 18 months period to conduct tender and inception before final approval is more adequate to validate the adequacy and feasibility of bilateral support programs.</p>		
Perceived potential for leveraging synergies with other WEMU activities yet to be confirmed	The evaluation confirms that if external circumstances are conducive (EU-accession, IMF program negotiations) this niche support can move the needle for the authorities. It can also be used by SCO for policy dialogue on macroeconomic issues and SCO can gain access to “privileged” information that may		

	<p>be helpful (and have to be used in a sensitive way). Insofar, such interventions yield the highest benefit, if they can connect and leverage other projects (e.g., by providing access to key decision maker, by translating information on developments into policy dialogue, by gaining trust with counterparts, etc.). To the extent that the SECO portfolio is quite limited in three out of the five countries covered by MPMP, it remains to be seen, if this assumption holds for UA and GH. So far, evidence in this regard is not very strong.</p>		
<p>Efforts to build-up a functioning communication with field offices are an important investment, especially if a project is active in non-priority country of SECO.</p>	<p>An important lesson learnt from the MPMP management at SECO HQ is that when engaging in a bilateral manner, direct contact with SCOs is needed. This is also true for so-called global initiatives, but which have been tendered out and are not implemented by an IFI (e.g. BCC, MPMP, Swiss EP, GPIPR, etc.) out. This is even more important if the project is active in non-priority countries, regardless of budgetary resources involved. Instances, where a NPO in charge in the field offices tells you three years into project implementation that this is the first time, they speak to someone in SECO on the phone, are simply not acceptable. Especially, if the SECO PM is not familiar with the context, engagement has to be coordinated and it requires additional efforts to build a functioning relation. As with any field office, communication needs to be managed and nurtured, if there is an expectation of SECO that SCOs can follow-up and especially when facing challenges are able to mediate.</p>		
<p>Annex 1 yields surprising conclusion</p>	<p>Considering the considerations contained in Chapter 2 of this management response on the use of Annex 1 as a standard template and the fact that it may produce strange results (as evidenced in WEMU's view in previous versions of the final report) should be taken up with WEQA. WEQA should reflect on the adequacy of this guidance (even though it is the same evaluation grill, which is used by SDC) and at least be aware about the fact that the arithmetic summary per OECD DAC criteria can yield surprising conclusions. Especially, weighting differential results/unintended results the same as the actual results achieved for effectiveness is debatable from our point of view.</p> <p>Follow-up:</p> <p>When submitting this management response to WEQA, point to this issue</p>	<p>WEMU/ock</p>	<p>February 2024</p>