

Office of Director-General
Bengt Ekman

8th January 2003

Our ref.r:

Proposed management response concerning Sida studies in Evaluation 02/01 Aid, Incentives and Sustainability: An Institutional Analysis of Development Cooperation

Contributions for this management response have been received from Sector Dpt/Method, UTV, PEO, Sarec, and the embassies in New Delhi and Lusaka. Swedish Consultants have been invited to comment but have not done so.

1 Premises of Sida's management response

UTV indicates in its covering letter that the study can be hard to penetrate. Sida concurs in this and, accordingly, has chosen to base this management response primarily on the summary report. The main report has served mainly as documentation for closer study of each part.

The study is in two parts. The first, theoretical part expounds a general model of institutional analysis. In the second part an attempt is made to analyse Sida's organisational learning and methods of evaluation, on the basis partly of interviews with Sida personnel and partly of case studies of Sida-supported projects in Zambia and India.

This management response refers mainly to the second part, focusing on the general conclusions and recommendations in the study, and does not relate directly to the projects in Zambia and India.

In Sida's opinion the study has a number of methodological shortcomings with regard to fundamental role issues of development co-operation. During the 90s Sida developed an approach to development co-operation based on partnership, ownership by the partner, long-termism of co-operation, genuine demand, knowledge-oriented and result-driven. Given this background, the conclusions drawn regarding Sida's ownership of the projects are of limited relevance to Sida.

At the same time the study identifies issues which Sida's experience shows to be vital. Learning in development co-operation, ownership with regard to development co-operation and awareness of incentive issues are among the issues which Sida considers it important to develop further in the course of its work. These are commented on further below.

2 Management response concerning important specific recommendations

This part of the study contains a number of conclusions and recommendations. The management response to these recommendations follows the structure of the summary report.

3.1 Awareness of incentives

The study recommends that awareness and understanding of incentives be included as part of Sida's course package.

Sida agrees that knowledge concerning incentives and institutional analysis is important. The analytical model in Sida's policy for capacity development stresses the importance of the institutional frameworks in sustainable development. Training is provided, but Sida lacks applicable methods of institutional analysis. Sida intends to develop a practically oriented method of institutional analysis as a tool providing support to Sida's staff, and in this respect the evaluation makes an important contribution.

Action: Development by the Methods unit of the sector departments during 2003 of a practically oriented methodology of institutional analysis including the analysis of incentives.

3.2 Ownership and sustainability

The study recommends that Sida identify the partner exercising ownership of a project and the manner in which sustainability can be achieved, that this be made clear in project documents, and that Sida allow project owners sufficient scope for contributing towards design and implementation, as well as full participation in evaluations.

Sida notes that Sida at Work concretises Sida's task as being that of facilitating sustainable development, not actually implementing development co-operation projects. The criteria which the study indicates for the partner's ownership are *de facto* of such a kind as Sida has long since been applying. One of Sida's basic principles is that support shall be given to partners' programmes and projects only if there is an express need in the form of a formal request for Swedish assistance.

The shift from project assistance to programme assistance is another way of strengthening countries' ownership and influence over their development.

An evaluation of ownership in development co-operation was concluded recently. In its management response to that evaluation, Sida intends to elaborate its views on ownership and on ways in which Sida can act to facilitate the partner's exercise of its ownership.

3.3 Increased learning and knowledge within Sida

The study recommends that Sida reward personnel, particularly executives, for more sustainable projects.

It further recommends that Sida personnel be given the opportunity of taking part in mid-term evaluations after concluding their responsibility for a project, the aim being to make better use of the knowledge accumulated.

Sida emphatically rejects the proposal that salary and other conditions of employment be linked to project successes. That proposal is founded on a poor understanding of Sida's role and of the preconditions of sustainable development. In Sida's view the individual Sida programme officer has an important role in connection with poverty orientation and for promoting the interests of the poor, in the dialogue with the partner and for the appraisal of project proposals. Sida further takes the view

that Sida's staff shall have good working conditions and a stimulating work environment. Within the framework of given resources, Sida gives priority to being an attractive workplace. It is also Sida's view that good performance shall be acknowledged and paid attention to, but a direct linkage of the results of Sida-supported projects to promotion and salary improvements would be liable to produce undesirable patterns of behaviour and would among other things imply a risk of Sida staff mainly preferring to work with "easy" countries while avoiding "difficult" ones.

Sida agrees that the greatest possible use should be made of the knowledge possessed by its staff, so as to achieve the greatest possible continuity. On this subject the study identifies an important obstacle to learning in Sida, namely the difficulty of utilising the knowledge possessed by field personnel returning home. Participation in project-related activities, such as invitations to supply viewpoints to or participate in discussions concerning preparation plans, assessment memoranda, follow-up reports and/or participation in annual reviews and suchlike follow-ups should be arranged more frequently than at present, within the frames which capacity allows. In addition, executives have the important task of ensuring that handovers are properly managed and that sufficient time is allowed for briefing, in the form of overlapping service. The introduction of a rating system is intended to systematise Sida's assessment of the activity receiving Sida support, and to facilitate smooth transfers between programme officers.

Sida must also develop better co-operation where knowledge is concerned. To this end it is making increasing use of procedures beneficial to learning, such as local project committees, team work and project work. More conscious utilisation of the knowledge of returning personnel at strategic points in day-to-day work would also benefit Sida's in-house learning on the subject of sustainable development.

Action: clarification of the responsibility of executives for ensuring systematic knowledge transfer in connection with personnel changes, and greater facilitation of the utilisation of previous programme officers' knowledge in different phases of the project cycle. The measures which will be taken, in response to the proposals, as part of Sida's strategy of competence supply are intended to support executives in addressing these issues.

The study states that Sida has a high rate of personnel turnover and that this impedes learning.

Sida partly agrees with this. Sida is aware of the problems which personnel turnover in the field entails. Sida's field vision is essentially one of greater delegation to the field and more national programme officers, to guarantee greater continuity in the field and facilitate deeper knowledge and insight concerning factors crucial in the individual country to the furtherance of sustainable development.

The study draws the conclusion that the large number of temporary staff impedes learning.

Sida concurs in this. The report, presented recently, on strategic competence supply within Sida contains proposals for dealing with this problem. These proposals, and similar ideas relating to the situation of there being so many temporary staff, will be

discussed within the organisation during the spring and will be made a subject of action.

3.4 Increased learning and knowledge in development co-operation

The study recommends that

- Sida carry out systematic mid-term evaluations as an instrument for learning about projects and adapting them with a view to sustainability,
- evaluations be made to involve everyone concerned with a project,
- thematic issues be studied on the basis of a random sample of evaluations,
- evaluations address the degree of ownership and illuminate the linkage between ownership and sustainability,
- the results of evaluations be discussed with partners and with the target group, where possible, and also within Sida itself,
- previous programme officers be invited to attend discussions of evaluations,
- the results of evaluations be made a point of departure for salary negotiations and staff performance reviews.

Sida firmly rejects the final recommendation, as already explained with reference to Sida's role.

As regards the proposals for developing the role of evaluations, Sida agrees concerning the importance of the target group taking part in evaluations and the results of evaluations being made a subject of discussion by as many interested parties as possible. This is clearly laid down in Sida's evaluation policy. Sida has also established that more and more evaluations should be conducted together with the partner country.

Even so, there are still too few joint evaluations taking place, and the evaluation phase of a project is probably the phase of the project cycle presenting the lowest degree of ownership by the partner, one contributory cause being the limited capacity and knowledge available in Sida's partner countries where evaluation is concerned, added to which, evaluations are not an instrument used very widely by the partner countries themselves. Sida should continue to encourage increased partner participation in evaluations.

Sida does not agree that it should introduce a system of formal mid-term evaluations. The follow-up instruments used by Sida in the form of reporting, annual reviews, special monitoring teams, the rating system now being introduced, etc. are sufficient as instruments. It is also Sida's experience that, in the course of annual reviews and suchlike on the basis of existing follow-up, Sida and the partners very often agree to make adjustments to the programmes in order to resolve problems and meet new challenges.

Sida agrees concerning the importance of drawing thematic conclusions from evaluations. This in fact is done in the annual synthesis of all evaluations which Sida presents to the Swedish Government. Sida's annual report also includes, for every operational area, the drawing of thematic conclusions from the evaluations conducted. In addition, Sida carries out a number of thematic evaluations. Accordingly there is no great need to introduce further mechanisms.

Sida agrees that personnel who have handled projects previously should be invited to discuss preparations for and results of evaluations, for the strengthening of learning. Sida's departments should take a positive view of personnel participation in discussions of this kind, capacity permitting.

Sida also agrees concerning the importance of evaluations addressing matters of ownership and sustainability. These are issues which should be emphasised in the new evaluation manual and provided for in Sida's mechanisms for evaluation quality assurance.

Action: Summing up, Sida intends to strengthen the use of evaluations, as regards both participation by partners and target groups and the quality of and learning from evaluative activities. Embassies and departments, accordingly, are to carry out more evaluations jointly with the partner, and endeavour more extensively to strengthen the partner's capacity for evaluation. The Evaluation Secretariat has the important role of supporting embassies and divisions in this work.

4 Plan of action

This plan of action summarises measures not already decided on elsewhere.

Summary plan of action	In charge	Time frame
1 Institutional analysis Action: Devise a practical methodology for the conduct of institutional analysis	Sector dpt/Method	2003
2 Learning within Sida Actions - Ensuring systematic knowledge transfer in connection with personnel changes, - More extensively facilitating use of previous programme officers' knowledge during different phases of the project cycle.	Executives Executives	Continuously Continuously
3 Learning within development co-operation Actions - Carrying out more evaluations jointly with the partner, - Strengthening the partner's evaluation capacity.	Departments and embassies Departments and embassies, supported by UTV	Continuously Continuously