

SiRS – The Sida Rating System

SiRS
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SiRS in a Nutshell

– a Summary

What is SiRS

Sida Rating System – SiRS – is an instrument for quick, recurrent, structured and recorded assessment during the agreement phase of the progress and status of a programme/project supported by Sida. SiRS is based on the Logical Framework Approach, with a focus on the agreed intervention logic spelling out the process of change – “the track” - from a current situation to an intended and future situation as defined in the programme/project objective(s).

SiRS involves an assessment of two major dimensions:

- *The performance against targets and work plans (looking backwards on immediate key results achieved and overall implementation, answering the question: On track?)*
- *The risks that the project/programme will not achieve its objectives (looking forward at internal and external risk factors, answering the question: On the right track?)*

The assessment covers both the performance and risks of the programme/project as such and the contribution provided by Sida.

The assessment is recorded in the form of a rating score, brief comments and proposed action, if any. The assessment is registered in a computerised form (the SiRS Computer Tool), and the data entered into a Sida rating data-base.

The rating can be based on a variety of sources, such as regular programme/project reports, special review reports, audits or field observations. It is important that the main source(s) actually used are clearly defined and recorded.

Rating shall be done regularly for programme/projects with a Sida contribution larger than SEK 3,0 million and with a duration (agreed activity period) exceeding two years (24 months)¹. However, departments and units may choose to apply SiRS for lesser and shorter contributions, if they so wish.

When

A complete rating exercise shall be undertaken *at least once a year*. It should be done at a time/times that best fits the programme/projectcycle. As a

¹ as registered in the PLUS-system

tool for structured follow-up and dialogue, rating should be done as part of preparations for or in connection with formal reviews and consultations on the programme/project, and thus with the same frequency (annually, semi-annually and sometimes even more frequently) as agreed between Sida and the programme/project partner. A rating update can be done whenever deemed necessary or useful, particularly if the risk situation deteriorates or performance appears shaky.

Upon the termination of the programme/project, a special Completion Rating should be undertaken as an input into the Completion Report.

The final and confirmed rating is filed in the relevant project/programme archive file with a signature of the concerned supervisor/Head of Unit.

Who

The responsibility for rating follows the delegation and financial authority for Sida's contribution. Within the unit responsible for the contribution, rating is done by the officer in charge of the Sida support, i.e. normally the programme officer at Sida-S or at an embassy. The assessment and draft rating *should* be shared and discussed with other involved units of Sida before final confirmation. Before final confirmation, the draft rating *must* be shared with the nearest supervisor, providing an opportunity to jointly assess the status and possible follow-up actions needed.

Why

SiRS promotes a structured and continuous follow-up of a programme/project supported by Sida with the intervention logic and its planned results, expected outcomes and risks in focus.

It serves as an "early warning" system during the agreement phase implementation of a programme/project by indicating major or serious deviations from plans. It serves as a good basis for internal reflection, discussions and conclusions for needed dialogue and follow-up actions.

The rating system is primarily an instrument for Sida – in the field and at home - to better follow and understand the progress and status of a programme/project. Its basic purpose is to strengthen the responsible and concerned unit and programme officer in their roles as dialogue partner and financier. Both the assessment process and conclusions should be shared with cooperating partners and primarily be used as an input into joint analysis, follow-up, consultations and learning, thus contributing to management based on results.

SiRS also facilitates communication and sharing of assessments between programme staff and their supervisors, within unit and between units – in the field and at home. In addition, SiRS provides an instant portfolio overview for the nearest management. Through the record of data over time it also shows changes in performance and risks, and facilitates handing over between outgoing and incoming staff.

Moreover, the system promotes internal sharing of information, knowledge and learning within the unit or department.

1. Introduction

The Sida Rating System is closely related to the three central guiding documents that provide the overall framework on policy and methods for Sida: *Sida Looks Forward*, *Perspectives on Poverty and Sida at Work*.

Sida at Work is the guide to overall principles, procedures and working methods while the *Manual on Contribution Management* provides practical guidance and support to Sida officials in their daily work. Sida's contribution management cycle is divided into four distinct phases:

1. Initial Preparation Phase
2. In-depth Preparation Phase
3. The Agreement Phase
4. The Retrospective Phase.

Within the agreement phase, the stage of continuous implementation forms the most important part. While the implementation of the programme/project and related monitoring is the responsibility of the cooperation partner, Sida has important roles and tasks related to follow-up, consultations and dialogue as well as being responsible for the quality and effectiveness with regard to the delivery of the support provided by Sweden (see further the "Rule on Management of Sida's contributions to project and programmes" and *Sida at Work*). The Sida Rating System is an internal tool to help Sida staff in performing these tasks. (Reference: *Sida at Work – A Manual on Contribution Management*, page 39-43).

These *SiRS Principles and General Guidelines* provide an overview of SiRS, the basic methodology and how to apply and use the tool in your daily work. In section 2, the basic principles of the rating system are presented. Section 3 provides a more detailed presentation of the method and its application. Finally, section 4 provides guidance on how to use the rating system and its data base - and how not to use it. Annex 1 introduces some basic concepts and definitions with regard to results and indicators, while Annex 2 provides further guidance when applying SiRS to sector programme support. In Annex 3, finally, you will find the three standard SiRS reporting forms.

In addition to these guidelines, there is also a *User Manual for the SiRS Computer Tool*, guiding you through the work flow and registration in the special computer support programme. The guidelines and manual can also be found as electronic links under the SiRS Home Page on Sida Inside (Support Functions – Rating/SiRS) and as information boxes within the Computer Tool itself. Further support can always be requested through the SiRS Helpdesk (e-mail: Sirshelpdesk@sida.se)

With regard to the terminology, please note that the combined term *programme/projects* is used throughout these guidelines to denote the development activities/intervention owned and managed by the development partner while *contribution* denotes the Swedish support provided to that intervention. *Project purpose* is used as synonymous with the *(immediate) objective(s) of the programme/project* and *outputs* is usually replaced by the broader term *immediate result*.

2. The SiRS Method – Principles

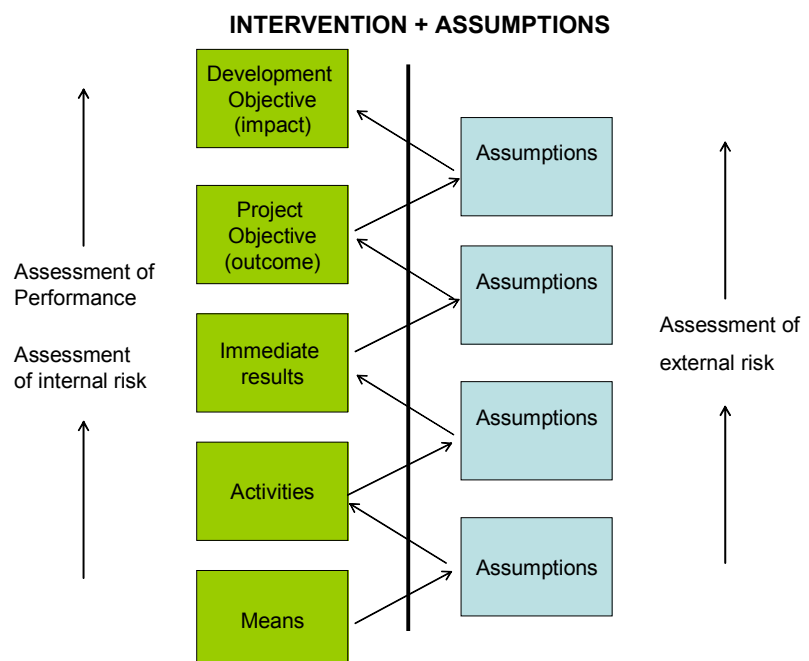
2.1 Context

SiRS is a formalised instrument for Sida's follow-up of projects and programmes. It thus reflects methods for programme and project planning, such as the Logical Framework Approach (LFA), and methods for strategic and process-oriented management, such as Results-Based Management (RBM).

2.1.1 Logical Framework Approach

The Logical Framework Approach (LFA) is often summarised in a matrix showing the intervention logic or development path of the programme/project and its assumption about external events (see figure 1 below):

Fig 1 Intervention Logic and SiRS entry points



The left column of the figure describes the development path – or the “logframe”. Going from below, it shows how resources (the means) serve as inputs required to implement activities, which in turn will produce the immediate results that lead to the programme/project objective (the implementation “track”). In reality, the LFA analysis starts with a problem analysis done by the relevant stakeholders and emanating in a consensus around the logframe. The specification of the project objective is the point of departure for the definition of what must be delivered (services, goods) by the programme/project to achieve the objective, which the activities are that must be undertaken to deliver the immediate results and, finally, which resources are required to implement the activities.

The relation between these steps also determines the implementation sequence, which is monitored during implementation in order to assess that the programme is “on track”. Indicators of achievement (see the box below) are often necessary, particularly at output/immediate results level, to specify and verify that the expected results are actually achieved.

The immediate programme/project objective should specify the *desired, future situation, i.e. the effects in terms of direct improvement in the situation* of the intended beneficiaries, expected to prevail if the programme/project delivers the planned results. These effects are called *outcomes* and the achievements at this level are measured by outcome indicators (attendance rates in primary health, increased awareness, change in attitudes etc).

The highest level of the intervention logic – the development objective – explains why the programme/project is justified from a development perspective. It should refer to partner country and Sida objectives of poverty reduction etc. The development objective must include indicators of the long term effects – both planned and unplanned – of the programme. These effects are called *impact* and can be expressed with indicators for literacy, life expectancy, local and national economic development in terms of income growth or employment, political and institutional change, democratic governance etc

The right column of the figure explains which assumptions that have been made of external factors and how these are assumed to influence the implementation of the programme/project. They range from likely hurdles in relation to resource mobilisation – counterpart funding, human resource inputs – to institutional and political events and changes. An important part of the risk management is to monitor how these assumptions evolve - and to include and assess upcoming external factors and their likely influence on the programme/project. The risk management is thus an important part of the monitoring that the programme/project is on “the right track”.

Box 1 LFA related Terms and Indicators

An indicator is a measure of performance or goal achievement.*

Indicators of *input* measure the financial, administrative and regulatory resources provided in a programme. *Ex²: Share of budget devoted to education expenditure, number of classrooms available.*

An *activity* is an action taken or work performed to translate inputs into immediate results or outputs. Normally, no specific indicators are needed to measure activities.

Indicators of *output* measure the immediate results in terms of products or other concrete consequences of the measures taken and resources used. *Ex: Number of schools built, number of teachers trained.* (Immediate results/outputs are also called “internal results”)

Indicators of *outcome* measure the intermediate effects or consequences of output at the level of beneficiaries. *Ex: average repetition rates in primary school, pupil teacher ratio.*

Indicators of *impact* measure the long term and aggregated effects or changes in a segment of society targeted by an operation. *Ex: Literacy rates, portion of the population with tertiary education.*

(NB: Outcomes and impact are also referred to as “external results”).

The four monitoring levels – input, output, outcome and impact – are linked together in what may be called a *chain of results*, and these links should ideally be made explicit in a programme monitoring mechanism.

See further in Appendix A on SiRS and Sector Programme Support

Sida promotes the use of LFA during programme/project design and preparations in order to analyse and define the:

- problem(s) to be tackled by the project intervention,
- target group(s),
- development objective,
- programme/project objective(s) and
- activities and means which are necessary to achieve the objectives of the programme/project (the logframe).

These fundamental definitions and key parameters should thus form the basis of the agreed project document.

As figure 1 shows, SiRS focuses on the two essential parts mentioned above within the *LFA structure: the assessment of performance* (implementation of the programme/project plan and the achievement of immediate results) and *the risks* (internal and external).

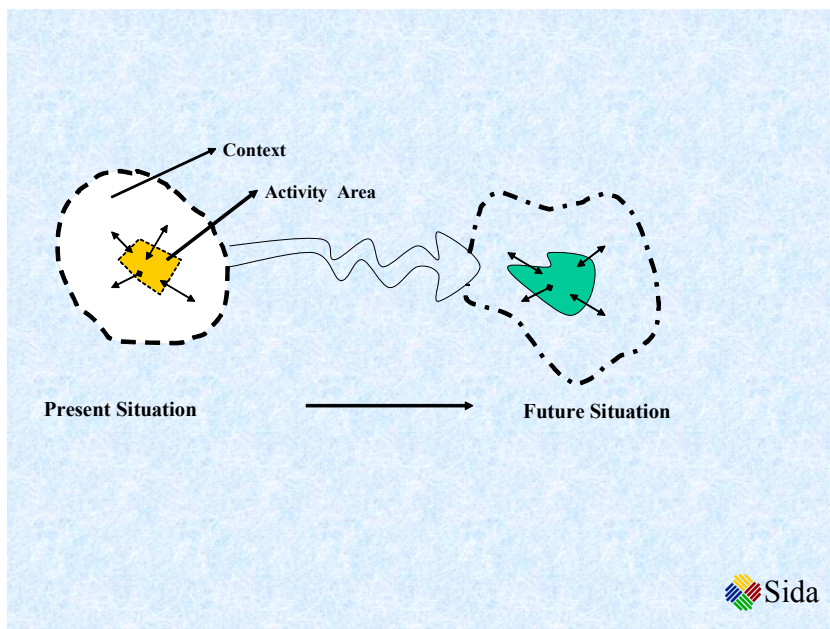
The rating exercise thus consists of comparing the planned performance and risk analysis with the real actual situation at the time of the rating. If these key parameters are not clearly in place, an LFA-based *clarification, modification or elaboration* of the intervention logic has to be undertaken and formally agreed with the cooperation partner as an initial step in the rating exercise. Please note that major changes in the intervention logic should be formalised as amendments of the specific agreement.

² For the sake of clarity all examples are taken from education sector programme support.

2.1.2 Results-Based Management

The LFA defines “from where” (the current situation- the problem to be solved) “to where” (desired and future situation – the programme/project objective) as well as “how to reach there” (means in terms of inputs, activities, immediate results etc) in more or less detail. This LFA-based “road map” can be more or less complete, solid, realistic and efficient in relation to the programme/project objectives. Weaknesses in the initial problem analysis, ignorance, application of standard solutions or changed circumstances along the road, may undermine the contribution to be made by programme/project to the intended outcomes and impact. Mechanical implementation of planned activities and immediate results, losing sight of the objectives and intended effects, is seldom successful. Programme strategies and plans of operation should therefore be regarded as more or less convincing hypotheses rather than blue-prints for the road ahead. The more complex the programme, the more of continuous learning and process approaches is needed.

Figure 2. The development track



The picture shows that the path from the present, unwanted or unacceptable situation to the future, desired situation (the programme/project objective) is often a bumpy road. No matter how well the path has been laid out, new or unknown events or misconceptions about the context will unavoidably imply that corrections and adaptations – smaller or larger – must be made along the path to the objective.

In management terms, the strategy most generally referred to in this context is Results-Based Management.³ This approach puts the emphasis on the desired outcomes and impacts and adapts the inputs and actions in order to get there⁴, essentially meaning that:

³ For more details see Meier, Werner; Results-Based Management: Towards a common understanding among development cooperation agencies, RBMG, CIDA, October 2003.

⁴ OECD/DAC; Promoting a Harmonized Approach to Managing for Development Results: Core Principles for Development Agencies, spring 2004.

“information about the consequences of our recent actions should guide our decisions about future actions”.

It is thus not enough to ensure that activities are carried out and immediate results produced as planned. It is equally - or maybe even more important - to ensure that they also generate the intended effects and thus contribute to the achievement of the immediate and long-term objectives. RBM not only means “learning by doing” but also “doing by learning”.

This double perspective is at the core of SiRS. By linking the assessment of implementation and achieved results (“on track”?) to the project objectives and intended outcomes, and thus the risk that the programme/project is not achieving its objectives (“on the right track?”), SiRS provides a basis for dialogue on learning, management and needed programme adjustments.

However, this may mean that the programme actually scores high on past implementation (each or most of the planned immediate results have been achieved), while its relevance, effectiveness, feasibility or sustainability is questionable or even in jeopardy.

Similarly, there may be serious deviations from plans at the level of immediate results, including activities and results that were not part of the plan, and yet the programme may be approaching its objectives in accordance to plan. It is also common that plans and targets are unrealistic in terms of time and resources, although the programme design in itself may be reasonably sound. *All three cases should trigger a review* of the intervention logic of the whole programme as well as of the work plan, and necessary changes should formally be agreed upon. However, caution should be observed so that opportunistic or ad hoc changes of the intervention logic are avoided.

2.2 General

2.2.1 Key requirements

What contributions should be rated?

Rating shall be done regularly for programme/projects with a Sida contribution *larger than SEK 3,0 million* and with a duration (agreed activity period) *exceeding two years* (24 months)⁵. However, departments and units may choose to apply SiRS for lesser and shorter contributions, if they so wish. Contributions initially and formally shorter than 24 months, but expected to be extended, should be rated. Regular rating is useful even if the contribution is approaching its termination. A special Completion rating should be done for all contributions above the threshold parameters (see further section 4.4).

SiRS can and should be applied to all types of contributions and cooperation forms, including sector programme support, budget support, cooperation under “Silent Partnership” and general support to organisations, although the method may have to be adapted to the different forms. (See further section 4.3 SiRS and Sector Programme Support).

⁵ as registered in the PLUS-system

Frequency and timing

A complete rating exercise shall be undertaken *at least once a year*. It should be done at a time/times that best fits the programme/project cycle. As a tool for structured follow-up and dialogue, rating should be done as part of preparations for or in connection with formal reviews and consultations on the project/programme, and thus with the same frequency (annually, semi-annually and sometimes even more frequently) as agreed between Sida and the programme/project partner. A rating update can be done whenever deemed necessary or useful, particularly if the risk situation deteriorates or performance appears shaky. A worrying audit report or revealing field visit may motivate a new round of rating!

Completion Rating

When an agreement on a specific contribution has ended, the responsible unit is required to prepare a Completion Report as further defined in *Sida at Work*. As an input into such a report, a Completion Rating should be carried out. A rating of a completed contribution differs slightly in terms of focus and perspective compared to normal rating. Further guidance is given in section 3.4.

2.2.2 Responsibility, use and role of SiRS

The responsibility for rating follows the delegation and financial authority for Sida's contribution. Within the unit thus responsible for the contribution, rating is done by the officer in charge of the Sida support, i.e. normally the programme officer at Sida-S or at an embassy. The assessment and draft rating can preferably be shared and discussed with other concerned units of Sida before final confirmation. Before final confirmation, the draft rating must be shared with the nearest supervisor (Head of Unit or delegated co-ordinator), providing an opportunity to jointly assess the status and possible follow-up actions needed. The original rating forms shall be signed by the supervisor and are then put on file (Project Follow-Up) with copies possibly to the concerned Field/HQ-Unit.

As underlined above, SiRS is an *internal tool* to improve Sida's role in monitoring and follow-up, with the purpose of using and sharing the assessment and conclusions with the development partner(s). Rating is therefore particularly useful as part of the preparations for example for an Annual Review meeting. In connection with an annual review, a preliminary rating could usefully be carried out on the basis of the Annual Report distributed before the review. The conclusions from the preliminary assessment could then be presented to the partners with requests for clarification, joint identification of causes and remedies and agreement on action as needed. Experience also show that the rating method, given the right circumstances, also can be successfully used for *joint programme/project assessment* together with development partners.

Rating data and overviews are also useful for management purposes, in connection with country and programme planning and portfolio analyses. Further hints on benefits and use of SiRS are given in section 4.

2.2.3 Sources

The intervention logic of the programme/project, i.e. development objective, the project objective(s), immediate results, activities activities etc, is extracted from the Project Document or similar agreed document.

The most obvious sources for the assessments of achievements and risks are of course project and programme reports – such as regular quarterly, semi-annual and annual reports, reflecting management and monitoring efforts by the project itself. Other sources may be:

- Special programme/project reports, evaluations and studies
- Reports from monitoring and follow-up teams
- Audit or other financial reports
- Impressions, briefings and information from field visit
- Sector or country studies of direct relevance
- Presentations and discussions at project follow-up meetings - such as quarterly, semi-annual or Annual reviews and Consultations.

A common experience is that the reports provided by the programme/project rarely are structured in a way which matches the initial LFA or intervention logic in the Programme/Project Document. Improvements in the reporting formats and contents agreed with the project partner may therefore often be an urgent and important step to strengthen monitoring and dialogue.

Key information sources used in the rating exercise should be stated in the rating form.

It is obvious that the assessment in the end reflects the judgement of the programme officer/unit actually carrying out the rating, although to a degree that may vary according to the dimension under assessment. The assessment of results achieved against plans would usually reflect reported and documented results. A strongly deviating assessment by the Programme Officer would require explicit reasons and argumentation. The assessment of Overall Performance, and even more so, risk assessment, is on the other hand highly dependant on the understanding and judgement of the individual Sida officer. Therefore, it is of utmost importance to clarify and motivate the assessment made and sources used.

3. The SiRS Method

– Work Flow and Practical Guidance

SiRS covers two dimensions, namely:

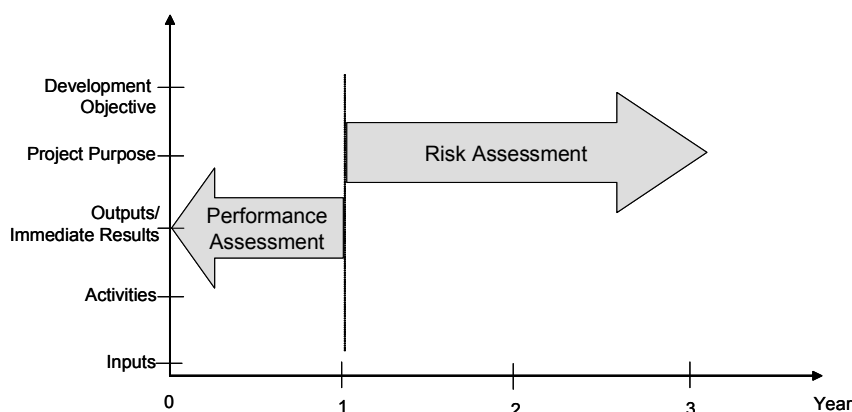
- *Performance (looking backward)* How is the programme/project performing against defined targets and work plans? Is the programme/project on track?
- *Risk (looking forward)* – What are the risks that the programme/project not will achieve its objectives? Is the programme/project on the right track?

Performance is in SiRS defined as the extent to which the programme/project has produced immediate results against agreed plans in terms of quality, quantity, time and cost, and can generally be regarded as “on track”. It is *retrospective* and relates to achievements, implementation and management at the output/immediate results level.

Risk is in SiRS defined as the likelihood that the project will not achieve its objective(s). The rating of risks thus differs from the rating of performance in two important aspects. Firstly, while the rating of performance primarily concern the execution of the programme/project at *output level*, the risk rating deals with the *project purpose* and *outcome* level. “What is the risk that the project purpose will not be reached”, is the key question to be answered. Secondly, and as a consequence, the risk assessment is *forward looking*.

The two dimensions covered by SiRS are illustrated in the figure 3 below.

Figure 3. The two rating dimensions – Performance Assessment and Risk Assessment



Below, you will find practical guidance on how to carry out the rating of performance and risk.

3.1 The First Step – The Performance assessment

The first step in the rating exercise is to rate the performance of the programme/project.

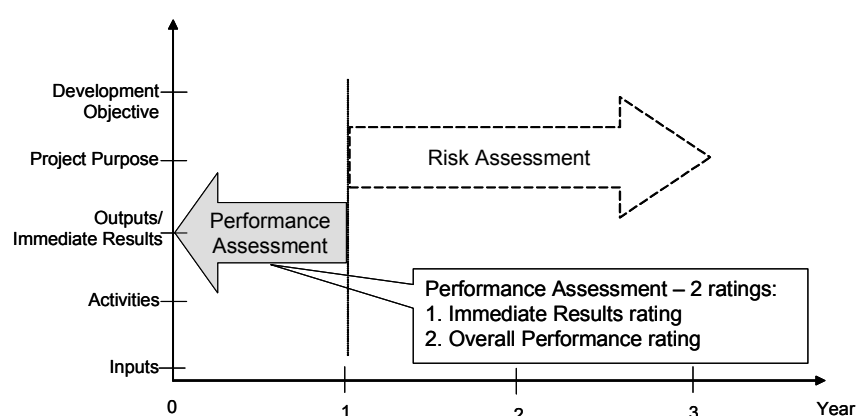
The performance assessment is divided into two separate ratings, namely:

1. *Immediate Results* – rating of the achievements in terms of up to *ten immediate key results* during the period under review, against targets and work plans.
2. *Overall Performance* – one comprehensive rating of the performance of the programme/project against plans, reflecting a balanced assessment of key results, overall progress in implementation and management capacity bearing the immediate programme/project objectives in mind.

When assessing the performance of the programme/project the following rating scale is used:

- *Exceeding Plans (EP)*: Performance positively *goes beyond targets and work plans* in terms of quality, quantity, time or cost without compromising quality or other vital result specifications or the realization of the programme/project purpose, *or is otherwise considered outstanding*.
- *According to Plans (AP)*: Performance is in *principal accordance* with targets and work plans in terms of quality, quantity, time and costs. *Firmly on track*.
- *Minor Deviation from Plans (MDP)*: Performance *falls somewhat short of* targets and work plans in terms of quality, quantity, time and cost but *is still on track*.
- *Serious deviation from Plans (SDP)*: Performance shows *substantial shortfalls or other negative deviations* from targets and work plans in terms of quality, quantity, time and cost and *is off-track*.
- *Not Applicable (N/A)*: For some reason it is not possible to assess the degree of completion. This should always be documented in the box for “comments”.

Figure 4. The two different ratings of performance – Immediate Results and Overall Performance



The *period to be assessed* - and thus the “bench-marks” against which the assessment is being made – depends somewhat on the structure and character of the programme/project as defined in the programme document and the way its implementation is being planned and reported in more operational terms. In comparatively simple “projects”, the regular monitoring and assessment of performance may well be made against original and cumulative result specifications and targets. In most cases, implementation is divided into annual Work Plans/Plans of Operation with specific annual targets and other result specifications. In such cases, it is the annual achievements and performance that is being assessed and rated.

3.1.1 Immediate Results rating

The first assessment to be done is the rating of Immediate Results. The basic steps are:

1. *Identify a maximum of 10 immediate results as agreed in the programme/project document.*

In SiRS you are able to assess and rate the achievements of up to ten immediate results as defined in the programme/project document and current work-plans.

In a project, the immediate results typically correspond to the output level. Thus, it is the achievement with regard to key results defined at the output level in relation to plans that you are supposed to assess and rate.

If the programme/project has more than ten immediate results defined, only the ten results considered the most important should be included, strategically selected among the results defined and agreed in the programme/project document.

In programmes and more complex projects, a high number of outputs may make it difficult to perform the rating of immediate results on the output level. Often the outputs are clustered in components or sub-programmes. In such cases, it is recommended that the rating of immediate results should be made on component or sub-programme level. A similar and more flexible definition of immediate results may also be necessary when rating other types of Sida contributions, such as support to organisations and different types of fund arrangements. (see section 3.3. and Annex 2)

Please note that you may replace immediate results between different rounds of ratings. Some results and corresponding indicators may relate to a specific period of the programme/project, or become obsolete or less important as progress indicators for other reasons. Such changes should however be highlighted and explained under “comments”.

2. *Enter the planned immediate results in the SiRS Computer Tool*
(For details see *SiRS ComputerTool, Hands-on User Manual*).
3. *Review the achievements of the defined immediate results since inception (or during the implementation period under review) in terms of quality, quantity, time and cost against agreed plans.*

When reviewing the achievements you should bear in mind that:

- *Quality* means the extent to which the standard of services or goods produced (or other results) meets the requirements of the beneficiary (does the primary school, health centre or extension organisation provide services at the defined and agreed standard);
- *Quantity* means the extent to which the volume of services or goods (or other results) meets the requirements of the beneficiary (are the services or goods available and accessible at the agreed level and for the agreed number of people?);
- *Time* means to what extent the results have been produced in accordance with the formally agreed time-schedule;
- *Cost* refers to cost effectiveness, for example to what extent the production cost has been in line with agreed cost estimates or that the “production or unit cost” can be regarded as reasonable and acceptable compared to benchmarks.

4. *Assign a score to each immediate result according to the rating scale defined above.*

When assigning the score at this level of assessment, you are advised to be formal and strict, focusing on the question if the planned results (targets) have been achieved or not. Factors contributing to or explaining the performance, including for example unrealistic targets, needed modifications of an improper design or intervening circumstances should be reflected in the comments, but not in the score!

5. *Enter comments.*

A comment on the assessment and score given has to be provided – however brief. Aspects to cover could be:

- Key results achieved (optional but recommended!);
- Information if original plans have been substantially changed;
- Information if original results have been achieved;
- Comment on change since last rating;
- Possible explanation/reason for shortcoming or success
- Proposed action to be taken, if any;
- If the rating has been shared/agreed with the programme/project owner.

3.1.2 Overall Performance rating

When you have completed the Immediate Results rating, you proceed to the Overall Performance rating. This rating represents a comprehensive assessment of achievements and implementation of the programme/project, reflecting the total knowledge and insights of the programme officer concerned, bearing the programme/project objectives in mind.

The steps and inputs into such an overall assessment include:

- The overall and balanced assessment of the performance in terms of immediate results, carefully considering the relative weight and importance of the key results in terms of contribution to the project objectives;
- General management performance;

- Financial management and possible signs of corruptive practices (see also risk assessment – corruption aspects section 3.2);
- Overall cost-effectiveness aspects;
- How capacity has been built in the partner organisation that enables a solid national ownership of the strategic vision and monitoring and reporting of the results in relation to the objectives of the programme/project.

1. *Assign a score of the Overall Performance, using the rating scale for performance as above.*

It is important to note that the overall progress rating should not merely be an arithmetic average of the immediate results ratings. When balancing the immediate results, you should for example give a higher relative weight to the results that are more important for the achievement of the project objective than others. The overall assessment also includes other important aspects as listed above. At this level of assessment, overall progress towards the achievement of programme/project objectives should be given more weight than the strict implementation of original plans. Thus, well motivated and justified adaptation of the programme strategy and the ability to learn (“follow reality – not the map”) should be encouraged, while on the other hand avoiding unjustified and opportunistic changes. Well founded modifications should be clarified, recorded and properly agreed with the development partner as soon as possible,

2. *Enter comments.*

To facilitate the understanding of your rating, it is compulsory that you comment your rating. The comments could include:

- Information if original plans have been substantially changed, assessing justification and relevance with regard to programme/project purpose;
- Possible weight/importance of the various immediate results in the consolidated score;
- Comment on change in scoring since last rating;
- Possible explanation/reason for shortcoming or success;
- Proposed action to be taken, if any;
- If the rating has been shared/agreed with the programme/project owner;
- Financial management issues;
- Internal ability to monitor and report, including reporting quality;
- The quality, timeliness and cost of the Swedish contribution.

3.2 The Second step – The Risk assessment

The second dimension in the rating work flow is to assess the risk that the programme/project will not achieve its objectives.

The risk assessment is done at the overall programme/project level and distinguishes between two categories of risks:

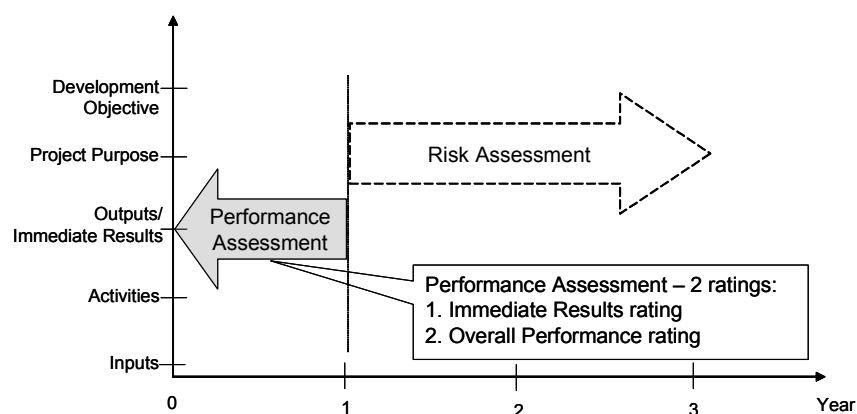
- *Internal risks* – i.e. the risk factors within the control of the programme/project itself;
- *External risks* – i.e. risk factors outside the scope and control of the project/programme management.

The questions to be answered are: Is the programme/project on the *right track*? Does it remain a relevant, effective, efficient, feasible and sustainable remedy to the problems? What other and external obstacles can be identified? What could be done to improve its chances of success?

Remember that the important thing is not the sometimes hazy distinction between internal and external risks as such. Much more important is to identify key risks that *need attention* and how identified risks can be *managed* – and *by whom*.

Figure 5. The two different ratings of risk – Internal Risk and External Risk.

The risks that the programme/project will not achieve its purpose is assessed and scored according to the following rating scale:



- *Low (L)*: There are currently no or negligible risks that the programme/project will not achieve its objectives.
- *Moderate (M)*: There are currently minor but manageable risks that the programme/project will not achieve its objectives. Follow-up and attention needed.
- *Substantial (S)*: There are currently considerable risks that the programme/project will not achieve its objectives and continuous attention and action is needed.
- *High (H)*: The risks that the programme/project will not achieve its objectives/purpose are concrete and serious. Immediate attention and action is needed.

A basic point of departure for the assessment is the risk analysis and assessment carried out during programme/project preparation and the preparation of the Swedish support. How have the risks evolved and been managed? Are there major changes in the risk scenario? Are there new risks that have not been considered? Can risk management be improved – if so, how and by whom?

The purpose is to ensure that the programme/project is regularly screened from these angles, and that features and factors representing particular risks be highlighted, considered and commented upon.

The intention is *not* to attempt an “aggregation” of the various risk factors – such an “amalgamated” score would in any case be rather pointless. Instead, the score assigned should reflect the risk factor or aspect that is currently deemed to be *the most serious risk* challenging the likelihood that the programme/project reaches its stated objectives.

3.2.1 Internal Risk rating

The assessment of internal risk is closely related to the design, organization and management of the programme/project - i.e, within the scope of influence or control of the programme/project partners.

An important feature of the risk assessment is to identify the party that controls the causes of uncertainty and should be responsible for handling the risk. The following aspects, all key dimensions and criteria in Sida’s assessment of proposals for Swedish contributions according to “Sida At Work” should be systematically reviewed and reflected upon in terms of their implications for achieving the project objective:

- Relevance
- Effectiveness and efficiency
- Feasibility
- Quality of the Development Cooperation Frame-work
- Sustainability

For key issues to include in the assessment – see Box!

Box 2 Internal risks – a checklist

1. *Relevance of the programme/project*⁶

- a) Do the programme/project objectives remain *relevant* and important (in relation to country specific development problems and needs, country strategy priorities etc)?
- b) More specifically, do the project objectives remain relevant with regard to *poverty alleviation* taking into account
 - Country specific poverty analyses, PRSP focus and priorities,
 - Swedish overall development goal and policy perspectives and relevant cross-cutting and thematic issues.
 - (Contribute to create conditions that will enable the poor to improve their lives, reflecting a human rights perspective and the perspective of the poor)
 - Needs and interests of the intended target group etc.
 - Newly emerged opportunities or risks?
- c) Does the programme/project adequately reflect the gender analysis carried out during project preparation and the goals and ambitions agreed on with regard to *gender equality*? Have new opportunities/risks emerged that would motivate changes in design or execution?

⁶ As mentioned above the relevance of the programme/project could also be affected by external risk factors

2. *Effectiveness and Efficiency*

These dimensions primarily relate to the programme/project design and the efficiency and effectiveness in the planned results chain.

- a) Is the intervention logic (objectives, results and indicators) adequately defined?
- b) Do programme/project strategy, activities and immediate results appear to remain *efficient and effective means* to achieve immediate objectives and longer term objectives?

What *outcome or other impact indicators* are used to ascertain effectiveness?

What *effects* (outcome-impact) including users' response have been registered? Are there negative and unplanned results and effects?

Is the programme/project design still appropriate to the *context* where it is being implemented?

Do programme activities and results still appear to be *cost-effective*?

Are *changes in the programme strategy* and plans motivated?

Is the Swedish contribution effectively and efficiently design, content and delivery?

- c) Risks of *corruption and financial mismanagement* need particular and recurrent attention. Key aspects are:

- Follow-up of the assessment of financial management and corruption made during the initial and in-depth contribution preparation phases. Does it appear adequate and have agreed measures been satisfactorily fulfilled?
- Have agreed financial and audit reports been presented and what signals do they provide?
- Special attention should be paid to sensitive activities such as procurement and transfer of funds and their adherence to agreed rules and procedures.
- In sector programme support, the agreed Code of Conducts and Memorandum of Understanding usually provide a good basis for continuous follow-up.
- If shortfalls in targets or overrun of costs are identified in the performance assessment, consider links to corruption risks.
- Have new dimensions and risks appeared that need attention and follow-up in accordance with Sida anti-corruption rules and guidelines?
- NB! Corruption is *never accepted by Sida and suspicions of corruption must always be reacted upon*.
- What changes in design, procedures, capacity, control or other action is required?

Proposed actions must always be noted in the column for comments.

For further guidance – please refer to *Sida's Manual on Anti-Corruption (2004)* and *Sida's Guide to Acting on suspicions of Corruption (2003)*.

- d) Have the risks for and consequences of *HIV/Aids* been taken sufficiently into consideration?
- e) All in all, have new opportunities, risks or needs appeared, motivating revisions or modifications of the programme/project strategy, design or execution?

3. *Feasibility*

- a) Are planned activities, results, targets and objectives realistic and achievable within the given time-frame, given context, capacity, resources?
- b) Does the assessment of organisational and institutional capacity made in connection with project preparation appear valid and realistic?
- c) Have capacity building needs been properly addressed? Are there other serious weaknesses related to management and implementation, such as unclear division of mandates and responsibilities between stakeholders or lack of ownership etc, that puts the objective in jeopardy?
- d) What changes, modifications and actions are needed?

4. *Quality of the Development Cooperation Framework*

- a) Does the assessment of the frame-work, incl. ownership, national coordination, harmonization and interaction between partners appear *valid*? How is the co-ordination with other donors?
- b) Are there major changes that motivate new/additional *risk assessment*?
- c) What modifications and actions are needed?

5. *Sustainability*

- a) Is it likely that there will be capacity to *sustain and develop* what has been achieved after the agreement period?
- b) Does the programme/project adequately reflect the Environmental Impact Assessment (or similar) done during project preparation and the goals and ambitions agreed on with regard to *environmental dimensions and sustainability*? Have new opportunities/risks emerged that would motivate changes in design or execution?
- c) Does future *sustainability of project achievements and results* appear possible and realistic given for example institutional framework, choice of technology, ownership and commitment, financing, national competence and capability etc.
- d) Is anything needed to further enhance sustainability or to reduce risks of poor sustainability?

3.2.2 External Risk rating

This part of the assessment involves a similar review of major external factors outside the scope and direct control of the programme/project and their possible implications for the achievement of the project purpose and development objectives:

External risk factors often have a macro level character, and while not directly related to the programme/project, they may imply serious risks for outcomes and impact. Such factors include:

- Major changes in the institutional environment at national level;
- Availability of national human or budget resources;
- Political environment and stability;
- National ownership and donor coordination;
- Demographic factors;

- HIV/Aids;
- Environmental degradation – climate change;
- Emergency – natural disasters;
- Corruption;
- Other.

The list could often be made endless but the purpose is of course not to revisit any potential factor with any possible linkage or repercussion on the programme/project. The focus should rather be on such factors that appear vital and of obvious importance to the programme and its ability to reach its objectives. The initial risk assessment remains an important point of departure for the assessment.

3.2.3 Comments

Both the internal and external risk must be commented upon, identifying the key risk factors, reasons for the judgement and proposed action, if any.

3.3 SiRS and Sector Programme Support⁷

There are significant differences between Sector Programmes and projects. From a SiRS perspective the most important are the size, the stronger process orientation, the multitude of actors and greater variety in categories of results and a persistent lack of broken down yearly plans. Also the concept of external risk receives a different connotation in Sector Programmes. The underlying intervention logic and related results chain (“The Track”) is for many reasons much more tentative, emphasising the need for continuous learning and adaptation with the programme objectives, outcomes and impact consistently in focus.

From a rating perspective, however, it is still a question of making a balanced assessment of whether the programme is *on track* (performance assessment) and if it is on the *right* track (the risk assessment) – i.e. appears to be relevant and effective, approaching its objectives and thus generating results at the outcome and impact levels.

The size and complexity is dealt with by moving up from the formal “output-level” and focusing on components or sub-programmes – and treating them as Immediate Results, while using agreed targets, result and other progress indicators of different kinds as inputs into a balanced assessment of performance. In this process, it is important to be aware of the differences and character of the specific indicators used. Generally, higher relative weight should be given to external results – i.e. indicators providing information on initial or intermediate effects at outcome and impact level, if such indicators are available⁸.

When rating a sector programme, you are encouraged to apply a more holistic and overall perspective regarding the performance, taking into account that the sector programme is a long term and complex intervention, often with a less clearly defined track.

⁷ In Annex 2 you find a more detailed guidance on how to apply SiRS in Sector Programmes.

⁸ An imbalance between different categories of results, or a lack of focus on impact on beneficiaries, should be addressed in the policy dialogue.

A high number of Sida supported Sector Programmes either lack detailed annual planning or have reporting that does not correspond to the annual planning. The basic principle described above also is valid in these cases. Be pragmatic, use the information available and make the most possible out of it. Use the column for comments to clarify the basic approach and most important indicators used.

If you, however, conclude that it is not possible to fairly assess the progress of a component, you are advised to use the score Not Applicable (N/A) in the SiRS. In such case you should always comment on why it was not possible to assess the performance of the component (and take actions to avoid that the same thing happens next year).

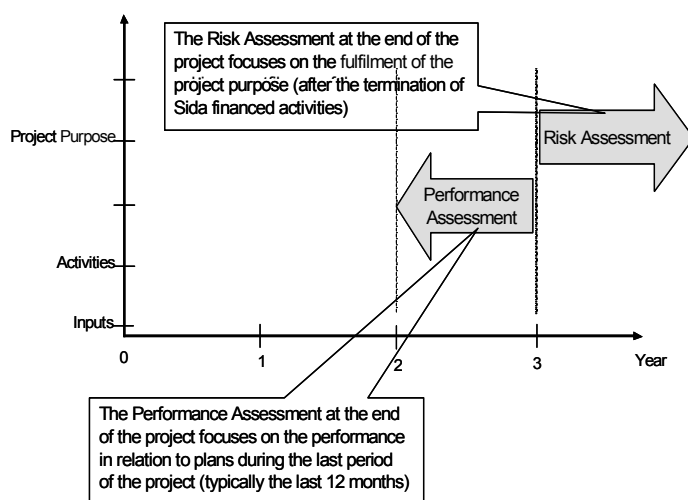
The definition of external risk in sector programmes must take into consideration that a political commitment by the government to develop a sector necessarily implies that policy and institutional aspects in the sector now become internal factors, thus reducing the scope of external factors to virtually non-sector risk factors.

3.4 Rating of completed programmes and projects

When an agreement on a specific contribution has ended, the responsible unit is required to prepare a *Completion Memo* as further defined in *Sida at Work*. As a vital input into such a report, a *Completion Rating* should be carried out. At this point in time you should thus carry out *two ratings* - one regular rating covering the last period of implementation and one completion rating assessing the whole programme/project period in retrospect.

When the programme/project is completed, the *last regular rating* is on the whole performed as a normal rating described above (see figure 5 below). The only difference is that the risk assessment at this point focuses on the likelihood that the programme/project purpose(s) will be *achieved upon and maintained after* the termination of the programme/project agreement phase and the corresponding Sida contribution.

Figure 6. Regular Rating at the end of the programme/project – the Performance and Risk Assessments.



The *completion rating* is a comprehensive final rating covering the whole life-cycle, from the start of the programme/project all the way to the likelihood of achieving the development objectives (see figure 6 below). The completion report from the partner organisation often takes up to six months to complete, and for this reason there will also be a similar gap between the last regular rating and the completion rating. The *performance assessment* shall address the implementation during the *whole life-cycle and in relation to the original plans*. The comments shall primarily relate to the lessons learnt and the reasons behind successes and/or failures. The *risk assessment* in the completion rating addresses the fulfillment of the programme/project purpose and the likelihood that it will make an *effective and sustainable contribution to the development objective*. With the completion of a programme/project structure, external risk factors become more dominant while internal risks would refer qualitative, structural and institutional prevequisites to reach long-term objectives. Please also counsult the *Completion Memo checklist in Sida at Work (Manual)* before embarking on your Completion Rating!

Figure 7 Completion Rating – the Performance and Risk Assessments

3.5 Final Steps

3.5.1 Sharing the assessment

When the performance and risks have been assessed and rated, the preliminary assessment must be formally shared with your nearest supervisor, normally the Head of the Unit (see above section 2.2.2). The simplest way is to print out and use your draft Contribution Report as a basis for a joint review and discussion on the assessment and possible actions. You can then proceed to fill in the box “*Reviewed by/Shared with*” by entering title and name of the person you shared the rating with.

As noted under section 2.2.2, you are also encouraged to share and discuss the assessments both in draft and final shape with concerned colleagues, while the assessment in substance, of course, should be used in your dialogue and consultations with your development partner.

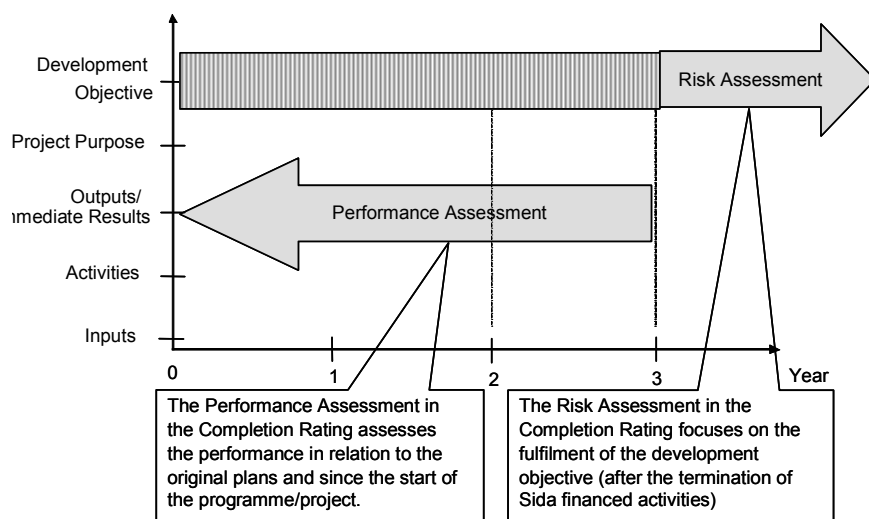
3.5.2 Confirmation of the rating

The last step is to finally confirm the rating made by pressing the button “*Confirm Ratings*”. Once confirmed, *no further changes can be made in the registered ratings and comments*. The Contribution Report will be added to the SiRS data-base and will be marked “Confirmed” in the form of a water-proof seal, and the rating will be listed as confirmed in the rating status list. A copy of this confirmed version should be filed in the concerned archive file.

3.6 Additional advice and suggestions

1. As SiRS is an internal support tool and is purely based on the intervention logic and result indicators of the programme/project agreed upon, it does not represent any obstacle in terms of broader partnership arrangements and harmonisation efforts.

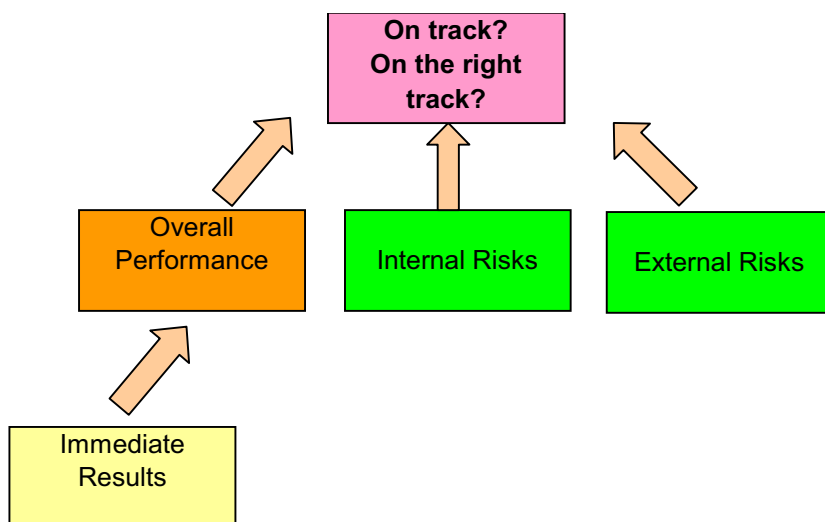
2. As SiRS is linked to PLUS, you are strongly advised to ensure that



PLUS is properly up-dated with regard to your contribution portfolio, including status and responsible unit and officer.

In summary, the Sida Rating System can be illustrated as follows:

Figure 8. The Sida Rating System – summary



4. Using SiRS and the Rating Data

4.1 Weaknesses and strengths of SiRS

It may be important to bear the relative weaknesses and strengths of the Sida Rating System in mind when considering the use for various purposes.

Obvious *weaknesses* include:

- Being a “simple, fast and focused” instrument, it covers only a few dimensions and aspects;
- Aspects such as cost efficiency and financial management are only dealt with in a rather cursory manner;
- It is not in itself an analytical tool and does not provide answers to “why” and “how”;
- It does not in itself provide new knowledge;
- To a large extent it reflects the judgement and interpretation of “reality” of the programme officer concerned. Although identifying key sources for the assessment, the scores made are not really reliable or verifiable;
- It does take some time and some discipline – especially when rating a contribution for the first time.

The simplicity of the method is, however, also a strength. And in spite of simplicity and shortcomings, *the method is intended to contribute* to overall quality assurance and results based management in at least three different ways.

4.2 In the rating process

The method contributes to quality assurance and results based management by:

- Promoting a structured project/programme assessment on a regular basis;
- Its focus on the agreed programme/project objectives, expected results/outputs, basic assumptions and risks, both in terms of the original design and to the reporting, presentation and analysis of progress and performance of the project/programme;
- The exchange of experiences with colleagues at the same unit/department, other units within Sida or other development partners.

4.3 In follow-up and dialogue

The results of the rating could and should be used for:

- Internal discussions and agreement within the Sida-unit on possible follow-up actions on, or approaches towards, the programme/project and the Swedish contribution;
- A more profound annual dialogue with the programme/project owner/partners focusing on performance (on track?), the extent to which the programme appears effective and is likely to generate planned outcomes and sustainable impact (on the right track?) and what changes in design or implementation that may be needed;
- Improvements of the form and content of programme/project reports focusing on results, goal achievements and risk analysis.

4.4 For Strategic overviews, learning and management

SiRS can provide a multitude of reports and overviews at different levels of aggregation from its data-base. A presentation of standard reports based on the SiRS database (Contribution Profile Report, Programme Officer Portfolio Overview and Unit Portfolio Overview), easily available in the Computer Tool, is given in Annex 2. Tailor-made reports and overviews can be designed and produced in Excel via the Export to Excel function. Further guidance to this function is given in the *Hands-on User Manual*.

The availability of rating information will:

- Provide Sida managers with an overview of the status and performance of the contribution portfolio of the unit or department;
- Contribute to country reporting and country portfolio analyses;
- Contribute to country and result analyses, and thus to the identification of priorities and strategic choices in connection with the country strategy process, country programming, planning and reporting etc;
- Enhance both continuity and learning through documentation of the assessments with trends over time and as inputs into Completion Reports, special studies and evaluations.

4.5 How to use – and not to use! – the information in the SiRS Database

As noted above, the main use of SiRS and its data is at unit/divisional level and for recurrent follow-up, dialogue and portfolio analysis. The immediate users are Programme Officers, Programme Coordinators and their Supervisor/Head of Unit). The use and presentation of SiRS aggregated rating data at higher organisational levels should be done with some caution, adhering to the following basic principles:

- The type and quality of the data in the system with its degree of subjectivity, making comparisons between units, sectors and countries highly questionable, must be fully understood;
- SiRS awards a “high score” for good achievements of planned results – irrespective of their effective contribution to the project objectives,

while “unplanned results” often will receive low marks. It is thus important to understand what the system records and what it does not record;

- SiRS is primarily limited to providing a simplified focus on planned and achieved results, performance and risks. It may function as a warning signal but does not in itself provide the full picture or the causes or reasons for the situation;
- It is important that Sida’s management avoids setting targets for “acceptable/desirable” rating results;
- It must be fully understood that it is part of Sida’s job and mandate to take substantial risks. While risk awareness, risk management and risk minimization should be encouraged, risk aversion in itself is not desirable;
- “Good ratings” are probably easier to obtain or expect in certain types of contributions than others – with similar differences between countries, sectors, and aid modalities.
- Rating data should not be used in a way that fosters anxiety of “punishment” and “fake” assessments;
- Judgements and decisions with regard to contributions, portfolios, cooperation programmes, budget allocations, performance of units and staff etc, should never be based on rating results only;
- Aggregated data on sector, departmental or corporate levels should thus only be used with a high degree of caution. At this level, emphasis should be on trends rather than the snap-shot status. Rather than immediate conclusions, the information should be used for reflection, discussion and identification of further information and knowledge needed in order to grasp the reality behind the rating scores.

Annex 1

Results and Indicators

– Some Definitions

1. General

In order to choose programme results that can be rated for SiRS purposes, one must be able to identify indicators of performance and achievements at various levels and understand their implications. In programme support, two terms are essential to such an exercise and need to be defined; indicators and monitoring mechanisms.

An *indicator* is a measure of status (baseline/benchmark situation) and of performance or goal achievement. If performance or the goal is a broad concept, the indicator may only give a partial picture of performance or goal achievement. For instance, the “literacy rate” is an indicator giving information about the proportion of the grown population that is able to read and write. In one way or another, this proportion can be measured. It can be measured geographically, for different social strata, and by means of a number of statistical instruments or tools. A *monitoring mechanism* is an arrangement for systematically observing the development of performance or goal achievement, usually by observing and analysing indicators.

Historically, there has been little coherence of indicator typology in the development aid community. To a high degree, this lack of coherence still exists. However, at a basic level there is now reasonable consensus regarding the following standard⁹ typology of input, output, outcome, and impact indicators.

The four groups represent results at different levels that can be interpreted as *monitoring levels*. On the level of output, for instance, an event is monitored such as *number of schools built*. This measurement becomes the output indicator.

2. Terminology

1. Indicators of *input* measure the financial, administrative and regulatory resources provided in programme. *Ex¹⁰: Share of budget devoted to education expenditure; number of classrooms available.*
2. *Activities* are actions and work undertaken to translate inputs into planned outputs. Normally, no separate indicators are needed at this level.

⁹ See DAC guidelines and reference series; Harmonising donor practices for effective aid delivery, p. 57, OECD 2003, or the European Commission; Guidelines for the use of indicators for country performance assessment, p. 3, October 2002.

¹⁰ For the sake of clarity all examples are taken from education sector programme support.

3. Indicators of *output* measure the immediate results and concrete consequences of the measures taken and resources used. *Ex: Number of schools built, number of teachers trained.*
4. Indicators of *outcome* measure the intermediate results or consequences of output at the level of beneficiaries. *Ex: average repetition rates in primary school, pupil teacher ratio.*
5. Indicators of *impact* measure the long term and aggregated results or changes in a segment of society targeted by an operation. *Ex: Literacy rates, portion of the population with tertiary education.*

It is not uncommon to distinguish between:

- a) *Status* indicators, providing concrete information on how things are at a certain point of time (number of schools, enrollment rate, teachers trained, girl/boy ratio etc)
- b) *Process* indicators, (sometimes also referred to as governance indicators) which try to capture the status relating to key processes of change or prerequisites for change (legal, institutional or economic reforms, pre-conditions and instruments for capacity development, empowerment etc).

A distinction is also often made between:

- a) *Internal results* – covering the levels of activities and outputs (thus more directly generated by the programme/project)
- b) *External results* – effects at the level of beneficiaries and thus corresponding to outcome and impact.

The four monitoring levels – input, output, outcome and impact – are linked together in what may be called a *chain of results (or Intervention Logic)*, and these links should ideally be made explicit in the programme document and the corresponding programme monitoring mechanism.

SiRS, as a tool for quick and recurrent assessment during the implementation stage of a development intervention, focuses on the generation of immediate results/outputs, and short-term outcomes. Long-term outcomes and impact is dealt with by more sophisticated instruments, such as built-in Monitoring and Evaluation systems and external impact studies and evaluations.

3. The problems of attribution

The problem of attribution concerns our ability to make associations between programme activities/operations, and the results that follow in the target environment. In other words to determine what is “cause” and what is “effect”. In SiRS, the rating should as far as possible rely on the assessments made in monitoring reports. The lower the degree of attribution, the more likely is a misinterpretation of the implementation progress of the programme based on the indicator. This, in turn, may lead to poorly founded decisions on how to proceed with the programme, which would be counterproductive to the idea of the rating tool.

If monitoring reports show hesitation on whether a particular result is the consequence of programme operations, one should consider avoiding that indicator for SiRS purposes.

Indicators chosen for rating should preferably be securely founded in an analysis linking input, output and outcome together. If this is not the case, there is reason to make a comment in SiRS computer tool.

Annex 2

SiRS and Sector Programme Support

1. Background

The basic principles of SiRS are to assess the results and implementation of the programme/project in relation to plans and to review the risk situation. These basic principles should also be applied in sector programme support (SPS). The rating of sector programmes may however include some additional challenges: the size of a SPS is often much larger than a regular programme/project, an SPS more often involves a process orientation where objectives are gradually developed along the track, and the complexity in terms of structure (sub-programmes, components, outputs etc) is much higher.

This annex provides further guidance on how to apply the Sida Rating System in connection with contributions in connection with SPS¹¹. These methodological guidelines may also apply to other modes of cooperation, such as budget support and budget support to organisations etc. These additional guidelines contain a brief recapitulation of the central definitions regarding results and indicators, and suggest how rating of overall performance and risks should be carried out. In a separate appendix there is a case study where the recommendations of these guidelines have been applied. The case study is the Swedish support to the education sector in Cambodia.

2. Differences between Sector Programmes and projects

There are numerous and significant differences between sector programmes and regular projects. But from a rating perspective they are not impossible to cope with. It is still a question of assessing whether the programme is *on track* (implementation progress assessment) and if it is on the *right track* (risk assessment).

Nevertheless, the sheer size of the intervention is one very tangible difference between a sector programme and a project. A sector programme may consist of hundreds of outputs, which projects seldom do. The problem of size is addressed in section 2.1 below.

Another difference is that sector programmes normally are more process oriented than projects. This means that the intervention logic and result chain – i.e. the road ahead (track) is less firmly laid out com-

¹¹ In addition to the Principles and guidelines for SiRS, reference is also made to Sida's Policy for SPS.

pared to more narrowly designed projects. This in turn means that both the strategy and the identified means to reach the defined medium- and longterm objectives are much more hypothetical and need to be reassessed and probably modified under way. Keeping the objectives in mind and using indicators of effects (*outcome(s)* and *impact*) in order to ensure that the programme *is on the right track is even more fundamental* than in traditional projects. At the same time, and from an external partner's point, less attention to detailed implementation and immediate results performance might be justified.

Also the results of sector programmes are to a higher degree a mix between outcome(s), outputs, process development etc, which may make the follow up and result assessment somewhat more problematic. The issue of process orientation and different categories of results is dealt with in section 2.2 below.

A third difference is that the planned results in sector programmes – in practice – are often not broken down in annual plans. This problem is approached in section 2.3 below.

The notion of external factors also differs between regular projects and sector programmes since virtually only non-sector risks are to be considered as external (see 3 below).

2.1 How to deal with high numbers of immediate results

The number of immediate results (outputs) that can be rated is limited to ten in the SiRS Computer Tool and this also serves as a restriction in the rating of SPS. The way to deal with this dilemma is to look at more aggregated result levels.

The results in a sector programme are often defined as outputs and they are, in turn, often organised in “components”, “target areas” or “areas”, some-times structured into “sub-programmes”. The results within these components are normally closely related, for example on a sub-sector or thematic basis. When this is the case, you are advised to carry out the rating of “immediate results” by components (or by sub-programme). The results at output level are weighed together and the component is given one joint score in accordance with the rating scale. The rating for the component is registered in the SiRS Computer Tool in the view “Rating of Immediate Results”. In the boxes for comments you should register how the results were assessed and balanced, what outputs were given priority etc. (See below for some additional advice on how to go about it). The same procedure is thereafter repeated for the other components.

Finally the Overall Performance is rated, based on the performance of the components/ immediate results. In the box for comments you should here also register how the components were balanced together.

2.2 How to deal with process orientation and different categories of results

Sector programmes often encompass a greater variety of categories of results as well as of indicators of achievements and it is important to understand the terminology, differences and use the different types. For further guidance to understand the difference between results and result indicators and between immediate results and effects (*outcome(s)*, *impact*), please refer to appendix 1.

The results or other indicators of progress and performance may relate to the service production received by the beneficiaries, but they may also relate to planned changes in the cooperative framework itself or the results relating to inputs, activities or internal processes of change and reform.

Much could be said about what kind of results should be included and given priority when a Sector Programme¹² is *designed*. When the performance of the Sector Programme is *rated*, however, the expected results and progress indicators as included in the annual plan of the Sector Programme have to be taken as given, regardless if they relate to the service production, the internal processes or the cooperative framework. As a programme officer, you should however be aware of the different categories of results, and weigh the performance so that important results are given a high relative “weight” in the rating. When doing so, the objective of the programme – which should express the intended improvements for the beneficiaries – has to be kept in mind.¹³

For example, results relating to inputs, activities, internal processes, monitoring systems and the cooperation framework may be strategically important and successfully achieved and thereby justifying a positive rating. But if, at the same time, no results are achieved that directly relate or can be attributed to the service production or the situation for the beneficiaries, it is less obvious that the programme is performing well.

Given the character of sector programmes, you are also advised to give priority and *high weights to indicators as close as possible to the programme purpose and reflecting effect at beneficiary level* (outcome indicators), if such result indicators are included in the programme document and information is available through programme or national monitoring mechanisms on a recurrent basis.¹⁴

Some types of indicators may also be more important during certain phases of the programme than others. During the initial and preparatory stages, *process indicators* of different kinds may provide much more important information on performance and progress than more concrete result indicators – and vice versa. Please note that the “result indicators” always can be changed between rating rounds, although such changes should be commented upon.

There could be several other factors involved in the actual set of result indicators you choose among and finally select. First of all, the results and other indicators agreed upon in the programme documents may prove to be less than satisfactory, or the installed monitoring and information system supposed to provide the related and up-dated information does not work properly. In both cases, changes and improvements have to be pursued in dialogue with development partners. Secondly, programme support normally *involve many other partners* and the preferences, comparative advantages or division of labour may affect the set of result indicators you may finally choose.

¹² This will not be repeated here; instead reference is made to Sida Policy for Sector Programme Support.

¹³ An imbalance between different categories of results, or a lack of focus on impact on beneficiaries, should be addressed in the policy dialogue.

¹⁴ Internal processes, relevant capacity, proper monitoring etc. could also be considered to be necessary means to improve the service production, why these achievements to some extent could be considered to be included in results regarding the service production.

All in all, the selection of result indicators should reflect a *careful mix*, the information value, the current stage of the programme, and to the extent possible provide information on effects at beneficiary level. The choice should be commented upon in the box for comments in the Computer Tool.

2.3 How to deal with the absence of annual plans and/or annual follow-up

The core of the performance rating in SiRS is to annually compare the actual results to the planned results. This requires that the overall plan of the programme/project, which may encompass any number of years, is broken down into annual plans, including results and their indicators. Furthermore, it requires that the reporting of the programme/project is done with the same periodicity and corresponds to the annual plan. More or less explicitly, this how most projects are organised, and this should also be the case for sector programmes.

In reality, however, it seems that a majority of Sida supported sector programmes either lack detailed annual planning or have reporting that does not correspond to the annual planning. Even if this situation could be improved over time, the question is how to apply the SiRS methodology in these cases.

The basic principle described above is also valid in this case. Available information should be used and made the most possible out of. For example some “components” may be better described and monitored than others and, hence, easier to rate. Some components may be explicitly linked to certain well defined and monitored outcome indicators, which may serve as indicators of progress.¹⁵ Some results may be clearly defined for a 5-year period and may be followed up annually.

If you, however, conclude that it is not possible to fairly assess the progress of a component, you are advised to use the score Not Applicable (N/A) in the SiRS. In such a case, the reasons why it was not possible to assess the progress of the implementation of the component should be given in the comments. Action should also be taken to avoid that the same thing happens next year.

3. The rating of risk in Sector Programmes

As noted above, the process character of sector and similar complex development programmes makes learning, piloting and adaptation to key features in programme management. The objectives and identifiable outcome(s) provide the compass and important indications with regard to the question – *on the right track?*

In SiRS, this dimension is dealt with by the *risk assessment*, which thus becomes even more important in SPS than in more traditional project support.

Another important feature of the risk assessment is to identify the party that controls the causes of uncertainty and should be responsible for handling the risk. The assessment of internal risk is closely related to the design, organisation and management of the project/programme – i.e. within the scope of influence or control of the programme/project

¹⁵ See SiRS Principles, Annex 1 regarding the problems of attribution.

partners. In a regular project, it is therefore often reasonable to define adoption of supportive *government policies as external to the project*. The same goes organisational weaknesses in relevant sector institutions, which are not key actors in the implementation of the project.

However, in a sector programme, the purpose is often to develop and strengthen the sector as a whole, including its strategies, policy guidelines, key sector institutions and delivery systems. Also budgetary allocations targeted to the sector should be treated as an internal factor. This implies that *the scope for defining external factors* becomes relatively smaller. Still, however, parliamentary approval of supportive legislation, macro-economic shocks, the impact of HIV/Aids and other such non-sector factors should be part of the external risk assessment.

Sector programmes are quite often monitored by special monitoring arrangements with well defined indicators of outcome(s) and impact at sub-sector or sector level. If these indicators show little progress over time, in relation to set targets, it is a serious indication that the programme is not on track, i.e. that the risks of not achieving the objective are imminent. It is important that annual reports and similar reporting should capture this data in a form that facilitates follow up. When logframes and matrices have been developed and agreed upon in the programme document, they should also be included in the follow up reports on results, and go as high up as possible in the logframe hierarchy.

It should also be remembered that the important thing is not the distinction between internal and external risks as such. What matters is to identify the scope of attention and action needed to manage a situation when the assessment shows:

- a) A situation with a substantial or high risk that the programme /project will not reach its objectives; or if
- b) the project has been outtaken by internal or external events and the objectives have lost its relevance.

Finally, when rating a sector programme, it should be emphasised that the rating only is one component in the follow up and monitoring framework of the programme. Other parts of the follow up which are not covered by SiRS – such as special studies, evaluations - should be addressed according to Sida at work.

Good luck with your rating!

Annex 3

SiRS Reports

1. Standard Reports

The Computer Tool contains the following three standard reports:

1. *Contribution Profile Report*: which is the presentation of rating data for each contribution rated, including previous ratings.
2. *Programme Officer Rating Portfolio Report*: Presents all contributions registered in the Computer Tool (rating in progress or confirmed), status of rating and rating scores for the two latest registered rating exercises.
3. *Unit Portfolio Overview*: Presents an overview of all contributions registered in the SiRS Computer Tool and which according to PLUS are within the financial authority of a selected unit. The report provides information on the rating status as well as the rating scores from the two last registered rating exercises.

These reports are fixed and cannot be processed or manipulated for individual information needs.

2. Tailor-made reports via Excel

The Computer Tool includes a function to export registered data to Excel, which can be used to sort and present data according to the needs of the users. A special guide on how to use Excel in connection with SiRS and rating data has been prepared and is also electronically available as part of the SiRS tool box and support functions.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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