



2017:1

Sida Studies in Evaluation

Evaluation at Sida

Annual Report 2016

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Sida Studies in Evaluation 2017:1

Evaluation at Sida

Annual Report 2016

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Preface

It is with great pleasure that I present to you the 2016 annual report of evaluation at Sida. The annual report provides an overview of the decentralised evaluations commissioned and published by Sida units and embassies as well as the strategic evaluations commissioned by the unit for Planning, Monitoring and Evaluation (PME) at Sida. It does not cover evaluations of Sida financed interventions commissioned by our partners or other donors.

We hope this annual report continues to support understanding of what Sida evaluates and why, and the implications for our policies, strategies and programmes around the world.

Joakim Molander

Head of Sida's Unit for Planning, Monitoring and Evaluation (PME)

Stockholm, March 2017

1 Overview of evaluations undertaken in 2016

Three strategic evaluations were completed in 2016, including: i) a joint evaluation synthesis by Sida, Danida and Norad of support to capacity development in partner countries; ii) an evaluation of Sida's use of guarantees for market development and poverty reduction that inter alia drew on four case-studies, two in Uganda, one in Bosnia and Herzegovina and one global intervention; iii) an evaluation of Sida's contribution management system and whether it is fit for its purpose. The strategic evaluations are considered to be of interest to the entire organisation.

Sixteen decentralised evaluations were published in 2016, the majority being end-of-programme phase/final evaluations of interventions (Figure 1).

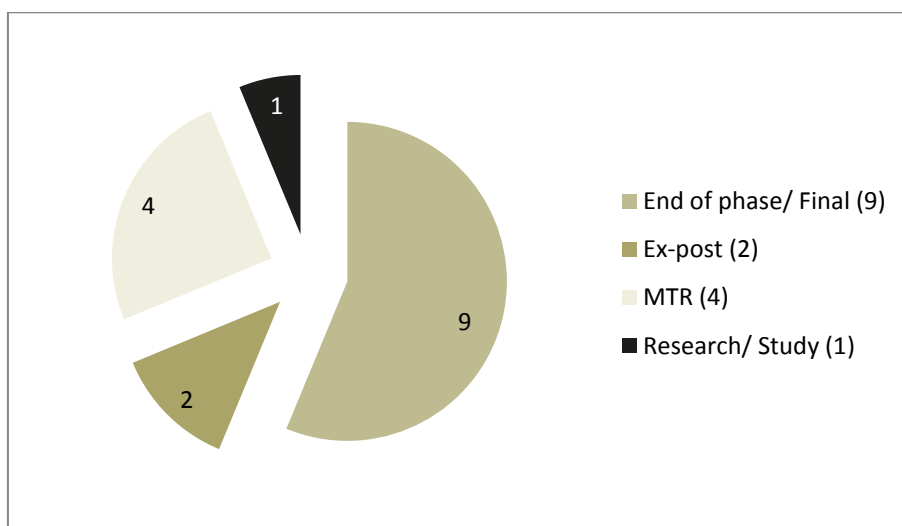


Figure 1: Type of evaluations commissioned. The majority of Sida commissioned evaluations published in 2016, were carried out at the end or towards the end of a programme phase.

The majority of publications concerned programme evaluations. One evaluated the implementation of a Swedish cooperation strategy¹. The number of decentralised evaluations was considerably lower in 2016 compared to earlier years (for example 50 evaluations in 2015). One possible explanation for this reduction in Sida

¹ Evaluation of Sida's Humanitarian Assistance.

commissioned evaluations was the absence of a valid framework agreement for evaluation services during part of 2016².

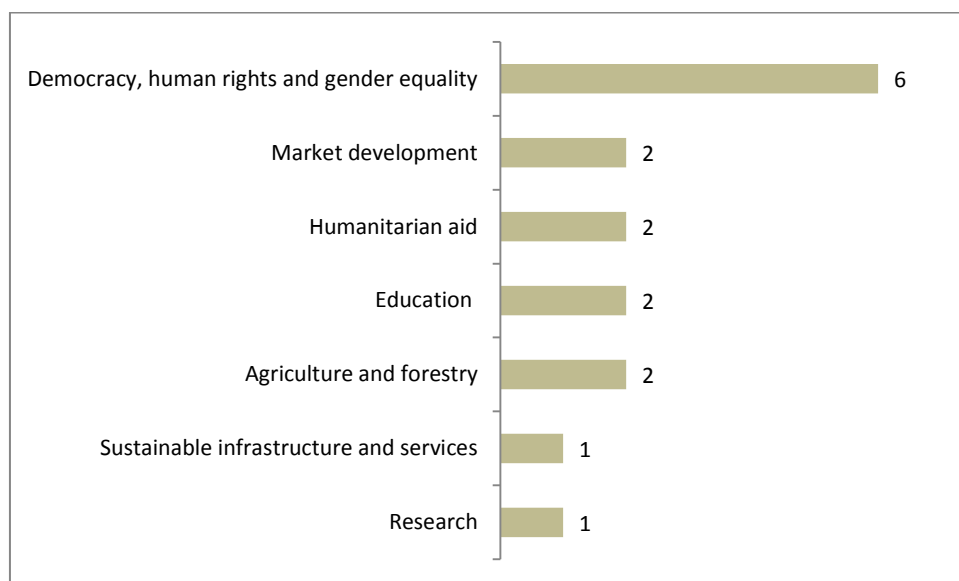


Figure 2: Number of evaluations per main sector. About one third of Sida commissioned evaluations were within the sector democracy, human rights and gender.

The decentralised evaluations were conducted within seven of Sida's twelve main sectors (Figure 2) and within 11 out of the 43 geographic and thematic strategies (Figure 3). Depending on the strategy cycle and programme cycle the number of evaluations within a sector or a strategy naturally vary from year to year.

² Sida's procurement of a new framework agreement for evaluation services was delayed (between April 2015 and February 2016) as the award of contracts was challenged in court.

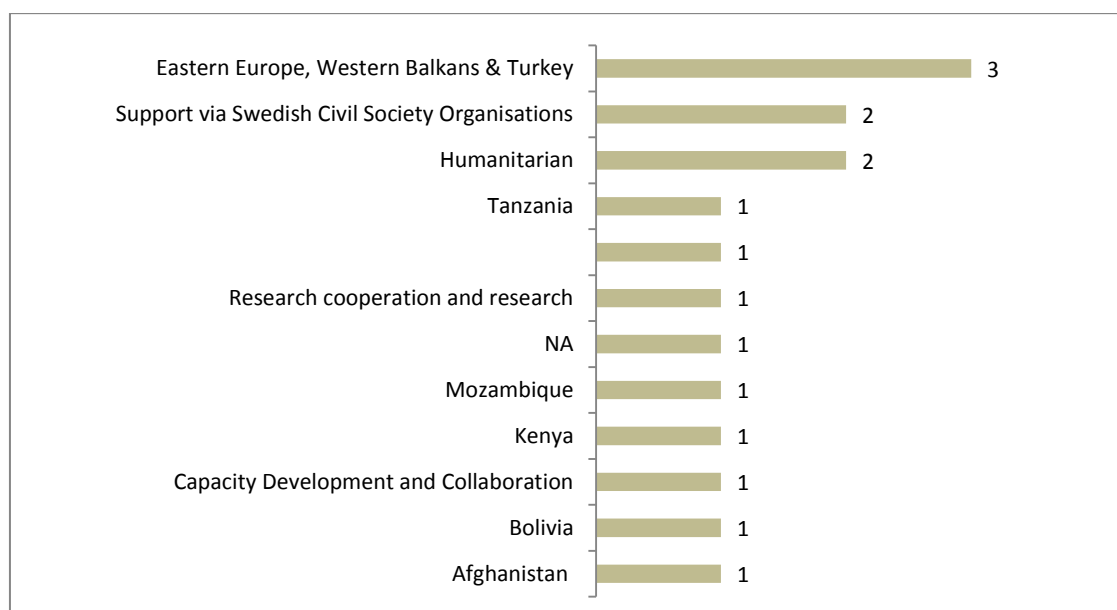


Figure 3: Number of evaluations per strategy. In 2016, decentralised evaluations were carried out within 11 of Sweden's 43 geographic and thematic strategies. "NA" refers to a desk study of Sida's experience from private sector collaboration.

Most evaluated interventions were implemented by non-governmental /civil society organisations (Figure 4). Evaluations of interventions implemented by multilaterals are generally low in numbers since multilaterals are responsible for monitoring and evaluating their activities. The aid type for programmes evaluated were mostly project type interventions followed by core contributions and pooled programs and funds (Figure 5).

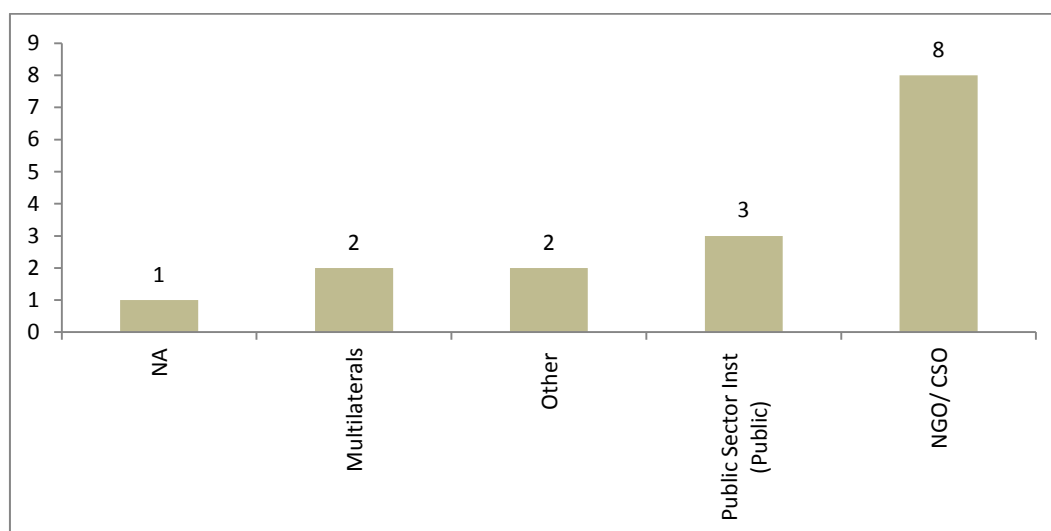


Figure 4: Number of evaluations per type of implementing organisation. The Evaluation of Sida's Humanitarian Assistance falls under the category "NA" as it has several partner organisations. The category "Other" refers to universities, teaching or research institutions, think-tanks or for-profit organisations.

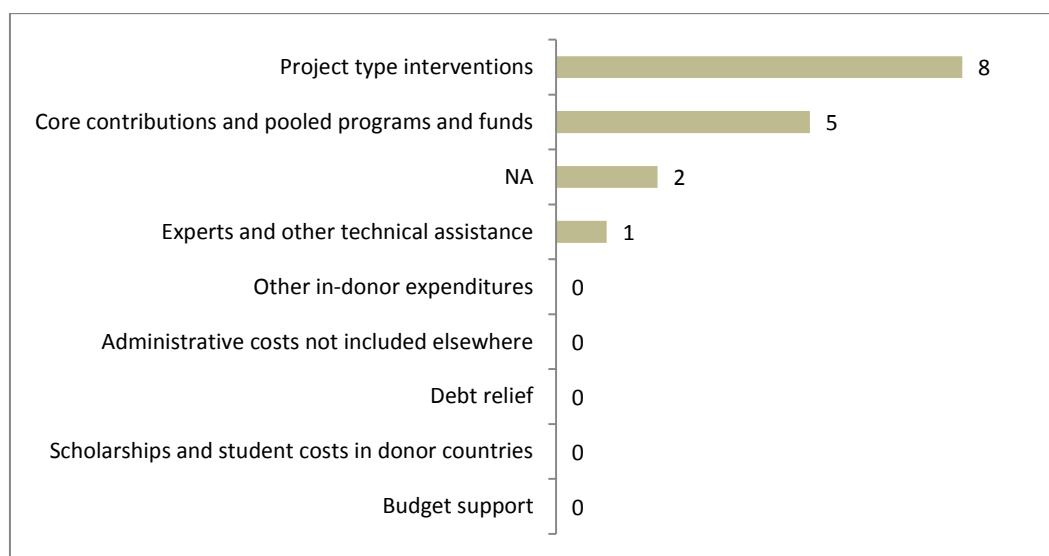


Figure 5: Number of evaluations per OECD-DAC aid type. “NA” refers evaluations of larger portfolios where several aid types are used.

The total cost for decentralised evaluations was about 8.8 MSEK. The costs of the evaluations varied from 200,000 SEK to 1,200,000 SEK and most were in the range of 400,000 - 600,000 SEK. The budget for the three strategic evaluations was about 3.2 MSEK in total.

2 Evaluation registries

2.1 DECENTRALISED EVALUATIONS

2.1.1 Decentralised evaluations per strategy

The table below shows decentralised evaluations, published by Sida in 2016 organised per strategy (geographical and thematic). Summaries from the evaluations can be found in Annex 1. The publications in the *Sida Decentralised Evaluation Series* can be downloaded from www.sida.se/publications.

Afghanistan	
2016:8	Review of the UNICEF programme Basic Education and Gender Equality in Afghanistan 2013-2015 - Final Report
Bolivia	
2016:11	Evaluación del Programa de Reducción de la Vulnerabilidad de los Medios de Vida ante el Cambio Climático - Informe final (ENG: Evaluation of the Program for Reducing Vulnerability of Livelihoods to Climate Change - Final Report)
Eastern Europe, Western Balkans and Turkey (including older strategies for Bosnia and Herzegovina, Macedonia and Turkey)	
2016:9	Evaluation of the Swedish Core Support to the Human Rights Foundation in Turkey - Final Report
2016:12	Evaluation study in support of the Mid Term Review of the Pro-Tax II project
2016:16	Evaluation of the projects “Institutional Cooperation between the Department for WTO and Trade Defence at the Ministry of Economic Development and Trade of Ukraine and Swedish National Board of Trade” and “Trade Policy and Practice in Ukraine”
Kenya	
2016:2	Swedish Support to the Sustainable Urban Development Sector in Kenya, SSUDSK, and the role of UN-HABITAT in the project - Final Report
Mozambique	

2016:15	Midterm Review of GESTERRA Capacity Building Programme on Land Management and Administration within DINAT - Final Report
Tanzania	
2016:7	Evaluation of the Union of Tanzania Press Clubs Strategic Plan 2011-2015 - Final Report
Capacity Development and Collaboration	
2016:5	Evaluation of Sida's International Training Programme in Child Rights, Classroom and School Management - Final Report
Humanitarian	
2016:3	Evaluation of Sida's Humanitarian Assistance - Final Report
2016:13	Evaluation of Save the Children Sweden during Sida's contribution to Save the Children's humanitarian work 2013-2015
Research cooperation and research	
2016:10	Evaluation of Sida Support to TWAS, OWSD and GIS - Final Report
Special Initiatives for Human Rights and Democratization	
2016:1	Mid-term Review of the Raoul Wallenberg Institute's Programme in China - Final Report
Support via Swedish Civil Society Organisations	
2016:4	Evaluation of Union to Union - Final Report
2016:14	Evaluation of the Sida Child and Youth Initiative 2011-2015 - Final Report
Multiple strategies	
2016:6	Desk Study of Sida's Experience from Private Sector Collaboration - Final Report

2.1.2 Decentralised evaluations per main sector

The table below shows decentralised evaluations, published by Sida in 2016 organised per main sector. Summaries from the evaluations can be found in Annex 1. The publications in the *Sida Decentralised Evaluation Series* can be downloaded from www.sida.se/publications.

Agriculture and forestry	
2016:11	Evaluación del Programa de Reducción de la Vulnerabilidad de los Medios de Vida ante el Cambio Climático - Informe final (ENG: Evaluation of the Program for Reducing Vulnerability of Livelihoods to Climate Change - Final Report)
2016:15	Midterm Review of GESTERRA Capacity Building Programme on Land Management and Administration within DINAT - Final Report
Democracy, human rights and gender	
2016:1	Mid-term Review of the Raoul Wallenberg Institute's Programme in China - Final Report
2016:4	Evaluation of Union to Union - Final Report
2016:7	Evaluation of the Union of Tanzania Press Clubs Strategic Plan 2011-2015 - Final Report
2016:9	Evaluation of the Swedish Core Support to the Human Rights Foundation in Turkey - Final Report
2016:12	Evaluation study in support of the Mid Term Review of the Pro-Tax II project
2016:14	Evaluation of the Sida Child and Youth Initiative 2011-2015 - Final Report
Education	
2016:5	Evaluation of Sida's International Training Programme in Child Rights, Classroom and School Management - Final Report
2016:8	Review of the UNICEF programme Basic Education and Gender Equality in Afghanistan 2013-2015 - Final Report
Humanitarian aid	
2016:3	Evaluation of Sida's Humanitarian Assistance - Final Report
2016:13	Evaluation of Save the Children Sweden during Sida's contribution to Save the Children's humanitarian work 2013-2015
Market development	
2016:6	Desk Study of Sida's Experience from Private Sector Collaboration - Final Report

2016:16	Evaluation of the projects “Institutional Cooperation between the Department for WTO and Trade Defence at the Ministry of Economic Development and Trade of Ukraine and Swedish National Board of Trade” and “Trade Policy and Practice in Ukraine”
Research	
2016:10	Evaluation of Sida Support to TWAS, OWSD and GIS - Final Report
Sustainable infrastructure and services	
2016:2	Swedish Support to the Sustainable Urban Development Sector in Kenya, SSUDSK, and the role of UN-HABITAT in the project - Final Report

2.2 STRATEGIC EVALUATIONS

The table below shows strategic evaluations published by Sida in 2016. Summaries from the evaluations can be found in Appenx 2. The publications in the *Sida Joint Evaluation Series* and *Sida Evaluation Series* can be downloaded from www.sida.se/publications.

Joint Evaluation Series	
2016:1	Joint Scandinavian Evaluation of Support to Capacity Development - Synthesis Report
Evaluation Series	
2016:1	Evaluation of Sida's use of guarantees for market development and poverty reduction
2016:2	Utvärdering av ändamålsenligheten i Sidas arbete med insatshantering – Slutrapport (ENG: Evaluation of the extent to which Sida's contribution management system is fit for its purpose – Final report)

3 Sources of information

3.1 INFORMATION SYSTEMS

Sida's internal planning system for contributions (PLANit)

Sida's internal tool for result management and appraisal of contributions (Trac)

Sida's publication database at www.sida.se

3.2 REPORTS

NIRAS Indvelop, 2016: Framework Agreement regarding Consultancy Services for Evaluations – Annual Report (March 2016 - February 2017).

FCG SIPU International/ORGUT Consulting, 2016: Sida Framework Agreement - Consultancy Services for Evaluations – Annual Report 2016.

Annex 1: Summaries of decentralised evaluations

In this section you will find brief presentations of decentralised evaluations published by Sida in 2016. They are listed according to publication number. The publications in the *Sida Decentralised Evaluation Series* can be downloaded from www.sida.se/publications.

2016:1 Mid-term Review of the Raoul Wallenberg Institute's Programme in China - Final Report

The Mid-term Review of Raoul Wallenberg Institute's Human Rights Capacity Development Programme in China (2014-2016) assessed effectiveness, relevance, sustainability and efficiency. Under current complex and difficult circumstances in China, the evaluation found that the RWI programme is making progress toward reaching its objectives. A majority of the results so far are at output level, but there are also outcome achievements and spin-offs for each outcome area – not least because the support is the result of cumulative efforts over several years. Among the factors contributing to effective implementation are a long track record, high credibility, competent and committed staff and the ability to identify change agents form within the system who enjoy high ownership of the efforts. The programme is relevant to both Chinese and Swedish policy and to the needs in the country. The evaluators deem that the programme has a moderate to moderately high level of sustainability. The review recommends that RWI, Sida and the Swedish Ministry for Foreign Affairs should convene regular to discuss issues of mutual interest and also aim to meet annually with the other Nordic counterparts. Among the recommendation to RWI is the need to systematically use e-surveys to monitor the training efforts.

2016:2 Swedish Support to the Sustainable Urban Development Sector in Kenya, SSUDSK, and the role of UN-HABITAT in the project - Final Report

The primary objective is to evaluate the effectiveness of the Strategic Advisory Component (SAC) of the Swedish Support for Urban Development Strategies in Kenya (S-SSUDK), and define the way forward. The evaluation covers the period from programme inception in 2009 up until the March 2015 reporting period. It offers critical insight into the normative or operational aspects, including; programme design, work plans and budgets (accounted and unaccounted for funds), and compliance, the project leadership at the UN-Habitat and; Sweden's performance in monitoring and evaluating the project. In addition to procedural milestones, the evaluation also considers the project's substantive outcomes. Here, it sheds some light regarding the short-term influence of the coordination initiative and small projects. Evaluation findings indicate that the project has recorded a dismal performance with respect to key procedural milestones, a state of affairs that is attributed, in part to shortcomings in the project design, implementation challenges, and changing

circumstances of context. The evaluation observes that the project registered some successes with regards to anticipated substantive outcomes. Notwithstanding, the record is too modest to vindicate the project's effectiveness in achieving what is undoubtedly an ambitious catalogue of expectations. In spite of the foregoing, the evaluators find that immense opportunities subsist to justify a renewal of the Swedish support and extended engagement with the UN-Habitat.

2016:3 Evaluation of Sida's Humanitarian Assistance - Final Report

Sida commissioned this evaluation to examine its implementation of the goals and perspective in its humanitarian strategy from 2011-2014, identifying what is working well and challenges. The evaluation concluded that Sida is a leading humanitarian donor, not only in terms of financial resources but also in implementing the Good Humanitarian Donorship principles and strengthening the humanitarian system. Sida's high level of achievement has raised expectations amongst partners and its own staff of continued progress, despite resource constraints. In particular, Sida could consolidate gains made through different initiatives on crosscutting and thematic issues, basing its funding on objective criteria, and strengthening partnerships, for example by linking partner performance to funding decisions.

2016:4 Evaluation of Union to Union - Final Report

This report shares the findings and recommendations from an evaluation of Union to Union. The purpose of the evaluation was to assess the relevance, added-value, effectiveness and ownership of Union to Union's operations as well as the results attained in relation to Union to Union's objectives and the partnership models applied. The evaluation focused on the support to local trade unions around the world through either bilateral or multilateral projects. Analysis of the documentation and statistics as well as semi-structured interviews with stakeholders and key informants were used in the evaluation. Special focus was placed on analysing interventions in four project countries (Botswana, Colombia, South Africa and Uruguay), but all current Union to Union interventions were, when possible, used for statistical purposes.

2016:5 Evaluation of Sida's International Training Programme in Child Rights, Classroom and School Management - Final Report

The International Training Programme (ITP) "Child Rights, Classroom and School Management", implemented by Lund University, trained 630 participants from 28 countries over 13 years. The evaluation assesses relevance, effectiveness, efficiency and sustainability. It concludes that the programme was successful in producing a cadre of change agents committed to making a difference for children in the school system. Over time, and with a critical role played by change agent networks at country level, the programme contributed to significant wider effects. Meanwhile, Sida/ Swedish embassies missed opportunities to promote synergies. Given the high relevance of the subject area; the ability to achieve results on the ground; and, Sweden's leading expertise in the area; the evaluation recommends that Sida strongly considers continuing the programme. Lessons learnt for the benefit of Sida, future ITP organisers and child rights in education actors are provided.

2016:6 Desk Study of Sida's Experience from Private Sector Collaboration - Final Report

This report deals with experiences from private sector collaboration (PSC). It has its focus upon the Business for Development (B4D) programme that Sida launched in 2010. Sida has found that time is now ripe to collect experience from PSC and for drawing conclusions for continued method development and learning. The study was seen as a first step in a larger learning initiative. The purposes of the study were (i) analysis and conclusions regarding Sida's collaboration with the private sector and its results (ii) analysis and conclusions regarding international experience of such collaboration and (iii) conclusions regarding the knowledge front in the area of private sector collaboration. The study covers all sectors and thematic areas as well as all modalities and approaches which Sida is using in its collaboration with the private sector. Sida's guarantee instrument which is seen as an integral part of Sida's PSC tool box was part of the overall portfolio mapping.

2016:7 Evaluation of the Union of Tanzania Press Clubs Strategic Plan 2011-2015 - Final Report

The Union of Tanzania Press Clubs, UTCPC, is an umbrella organisation, which supports a total of 28 local Press Clubs all over the country. The organisation describes its vision as: "A democratic Tanzania fully embracing a free, independent and robust media", and the mission is formulated as: "To create an environment that enables strong, efficient and effective Press Clubs in Tanzania which eventually contribute towards a democratic and just society." The evaluation concludes that the UTCPC does have the potential to contribute to a democratic development in Tanzania as described in the vision and mission statements. It is the only member based media organisation with a national coverage.

2016:8 Review of the UNICEF programme Basic Education and Gender Equality in Afghanistan 2013-2015 - Final Report

The summative and formative evaluation of the UNICEF Afghanistan Basic Education and Gender Equality Programme, undertaken in cooperation with the Ministry of Education (MoE), finds that it is relatively relevant to the national education strategy. UNICEF has untapped potential in promoting a more creative, innovative and rights-based support to basic education in the country. While the programme is contributing to increased access to education it shows little progress in contributing to quality education and to gender equality. The practice of human rights-based approach is found to be weak, and the support to child friendly teaching methods has so far been based on sporadic and non-comprehensive capacity development initiatives. UNICEF needs to review their strategies of how to best support the capacities at the MoE to manage, develop and monitor the basic education provided to girls and boys in Afghanistan.

2016:9 Evaluation of the Swedish Core Support to the Human Rights Foundation in Turkey - Final Report

The Human Rights Foundation in Turkey (HRFT) documents evidence of torture, offers treatment to survivors of torture and combats torture and other serious human rights violations. The evaluation assessed the performance of HRFT (1993-2015) and

the capacity to implement its strategic plan for the next five years. The evaluation found that HRFT has improved wellbeing of thousands of torture survivors and has influenced policy and practice of the Turkish government and the international community. HRFT faces extraordinary contextual challenges that will require increased organisational capacity and revised strategies and approaches. The evaluation recommends that Sweden continue and substantially increase its support to HRFT.

2016:10 Evaluation of Sida Support to TWAS, OWSD and GIS - Final Report

This report presents the findings, conclusions and recommendations of an evaluation of Sida's support to the World Academy of Science (TWAS), the Organisation for Women in Science for the Developing World (OWSD) and GenderInSITE (GIS). The purpose of this evaluation was to i) provide an assessment of the results achieved so far by TWAS/OWSD/GIS; ii) provide Sida and TWAS/OWSD with recommendations to upcoming discussions concerning possible continued cooperation; and iii) provide Sida and GIS with recommendations on future directions to be taken by GIS.

2016:11 Evaluación del Programa de Reducción de la Vulnerabilidad de los Medios de Vida ante el Cambio Climático - Informe final

This summative and formative evaluation of Programa de Reducción de la Vulnerabilidad de los Medios de Vida ante el Cambio Climático – PRV (Programme for the Reduction of the Vulnerability of Livelihoods to the effects of Climate Change), analyses the relevance of the results and the sustainability of the actions with the objective of drawing lessons-learned and specific recommendations for a new proposal. The programme timeframe evaluated was from January 2012 to December 2015. The evaluation concluded that the design of PRV has been relevant in relation to local needs, the national and regional environmental and climate change policies, and to the cooperation strategy of Sweden in Bolivia. One of PRV's strengths has been its approach at the local level and promotion of rights-holders' participation in the implementation of comprehensive models but at the same time PRV has failed to apply the human rights-based approach and gender perspectives foreseen in the original design of the programme. The programme lacks a Theory of Change to define clear strategies with indicators and specific goals to guide concrete results of adaptation to climate change and reducing vulnerability of communities' livelihoods. Despite some weaknesses also noted with regard to relations with actors at local authorities, there are significant output results noted under one component such as increased access to water for human and animal consumption, increased efficiency of irrigation systems and increased food production on targeted families. These results have not been scaled up to community level.

2016:12 Evaluation study in support of the Mid Term Review of the Pro-Tax II project

This report presents the findings, conclusions and recommendations of a mid-term review of the ProTax 2 project, which is the second of two projects to develop the property tax system in Kosovo. The purpose of the evaluation was to assess the

ProTax 2 project's potential to reach its intended outcomes and produce sustainable results, and based on the findings provide recommendations for future decisions and direction of the project.

2016:13 Evaluation of Save the Children Sweden during Sida's contribution to Save the Children's humanitarian work 2013-2015

The objective of this evaluation was to assess Save the Children's (SCS) capacity and role in achieving the expected results of SCS's humanitarian programmes 2013-2015 funded by Sida and to provide recommendations for possible new long term collaboration. The evaluation complemented the organisational assessment carried out by SIPU International in 2013. The evaluation concluded that SCS's ability to address the needs of children in emergencies has improved significantly and globally. SCS would benefit from developing and sharing with Sida a theory of change that illustrates how the different ways they work as a member of Save the Children international contributes to SCS's overarching goals. The evaluation recommends that Sida enters into a new multiyear framework agreement with SCS. The new agreement should have a more coherent and more measurable results framework.

2016:14 Evaluation of the Sida Child and Youth Initiative 2011-2015 - Final Report

The Child and Youth Initiative (CYI) was a political steering tool, of unprecedented speed and scale, adopted in December 2010. Between 2011 and 2015, a total of 758 MSEK was provided to 13 selected civil society organisations. The evaluation assesses the effects and sustainability of CYI on the longer term policies and practices of grantees. The evaluation found that such results varied a lot between grantees. Success factors were a) longer timeframes for planning and implementation b) explicit objectives for internal capacity development c) ability to make strategic use of the funding rather than gap filling and extensions of existing work. The evaluation concludes that, despite a few notable achievements, large, short term, financial injections in long term development cooperation are generally not effective.

2016:15 Midterm Review of GESTERRA Capacity Building Programme on Land Management and Administration within DINAT - Final Report

The purpose of this mid-term review is to provide the donors and the National Land Directorate of Mozambique (DINAT) with recommendations on how to improve the functioning of the Capacity Building Programme on Land Management and Administration (GESTERRA). Given the early stage in programme implementation, methods for this focused on assessing potential contributions of the programme to intended goals and the capacity that has been developed to adapt the programme to changing conditions. The Review found that the overall Theory of change is largely consistent with Mozambican, Dutch and Swedish policy goals. The programme had a challenging start and effectiveness has thus not been assessed against its original objectives. Strong commitments to land administration in the Terra Segura have contributed to that structures are in place and actors have been mobilised, which shows promise for future development. There are plausible assumptions about paths to sustainability for GESTERRA's outcomes in the long-term, but these assumptions

are dependent on mid-term actions to define clearer roles and more realistic judgements. Worth noting is also the strong commitment to gender equality.

2016:16 Evaluation of the projects “Institutional Cooperation between the Department for WTO and Trade Defence at the Ministry of Economic Development and Trade of Ukraine and Swedish National Board of Trade” and “Trade Policy and Practice in Ukraine”

The main objective of the evaluation was to determine the impact and efficiency of the projects “Institutional Cooperation between the Department for WTO and Trade Defence at the Ministry of Economic Development and Trade of Ukraine and Swedish National Board of Trade” and “Trade Policy and Practice in Ukraine”. Specific attention was also paid to sustainability and the capacity of MEDT to take on additional trade-related projects with DCFTA linkages. The evaluation concluded that the projects have been largely relevant to Ukrainian priorities and beneficiary’s needs. Project impact was confined to the knowledge and skills gained by individuals but project effectiveness was regarded as questionable. Project efficiency was high in terms of number of activities and deliverables, but low with regard to the achievement of longer-term results. Prospects for sustainability are poor given weak government ownership and donor dependency. The evaluation recommends that Sida should refrain from providing further support to the MEDT at the time being and contemplate how to best support trade reform and DCFTA implementation in Ukraine. The value-added of possible future Swedish support must be clearly established at the outset given the renewed interest of major donors such as the EU and USAID in this area.

Annex 2: Summaries of strategic evaluations

Provided below are summaries of Sida's strategic evaluations published in 2016. The publications in the *Sida Joint Evaluation Series* and *Sida Evaluation Series* be downloaded from www.sida.se/publications

Sida Joint Evaluation Series

2016:1 Joint Scandinavian Evaluation of Support to Capacity Development - Synthesis Report

Capacity development is an essential component of the development support provided by the three Scandinavian donors. A thorough understanding of context, priorities and capacity needs at all levels is necessary for successful programmes. Specific attention to capacity development in all project phases is necessary for development results.

These are some of the highlights of the synthesis of the evaluations of support to capacity development conducted jointly by Danida, Norad and Sida. The aims of this joint Scandinavian evaluation were to generate knowledge and assess the results of the agencies' portfolios of support to capacity development in public sector organisations and provide guidance for the design of future capacity development programmes. This report synthesises the findings and conclusions of the Danida, Norad and Sida evaluations and identifies learnings to the development community more widely.

The synthesis employed a method of content analysis of documentation from the three evaluations, the background studies to the joint evaluation and other literature on the subject of capacity development. It focuses on the common findings and conclusions that were backed by sufficient evidence in the three evaluations, but also highlights particularities of individual donors' support that are especially illustrative or instructive.

Capacity development is a process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacities over time. These include generic capacities to plan and manage changes in organisations, and specific capacities to deliver improved services or products. (OECD-DAC definition of capacity development)

The capacity development support by the Scandinavian donors is considered credible by its partners

Important aspects for the credibility and acceptance of the Scandinavian support include (i) the alignment of the support with the partner country's strategies and in-country systems, and (ii) efforts to promote government ownership. This often involved direct engagement of partner organisations in the design and implementation of the intervention.

The evaluations found that fostering ownership and commitment to the capacity development process by the cooperation partners were related to the following: the degree of partner steering of the intervention; the duration of the donor commitment; the degree of flexibility exercised by the donor towards partners; other stakeholders and the technical advisors; and the degree of direct donor engagement in the capacity development process. Commitment by political and senior management actors is particularly important for ensuring leadership and space for change. In its absence donors might consider not engaging in support to capacity development at all. It was found more difficult to foster shared ownership and commitment when a larger number of stakeholders were involved.

Scandinavian-supported interventions helped strengthen capacity and performance in different sectors

The evaluations reported several cases of Scandinavian-supported interventions leading to enhanced performance of partner organisations and the sectors. This was in some cases associated with capacity gains at the individual and organisational levels. Despite weaknesses in the evidence base, the three evaluations found that when changes in organisational performance and capacity were observed they could largely be attributed to the donor-funded intervention.

Capacity gains may be threatened by financial instability and difficulties in retaining staff at the partner organisations

Shortage of financial resources was a particularly acute problem in low-income countries, where donor financing is the norm, and in non-revenue-generating sectors. In commercial sectors, such as oil and gas, the ability of public sector partner organisations to mobilise financial resources appeared more likely. In some of the interventions studied retaining technically skilled staff was a major challenge to the sustainability of the capacity gains, given the greater attractiveness of such staff to other employers. Positive incentives such as supplementary income-earning possibilities, and negative ones such as non-transferrable certifications were attempted in some of the interventions to retain qualified staff.

A good understanding of the context is necessary for aligning the capacity development support to the needs, interests, priorities and capacities of the partners

In the interventions studied, contextual or capacity needs assessments were seldom performed in a structured and comprehensive manner. Rather the design of the interventions relied more on *ad hoc* than on structured assessments. All three evaluations concluded that such informal assessments were insufficient for a thorough

understanding of needs and context, especially in more complex interventions. Thorough assessments enable (i) the understanding of the policy drivers supporting or hindering the capacity development process; (ii) the identification and assessment of the actors capable of affecting the process and their readiness to support the change process; and (iii) the identification of the most pressing capacity priorities and gaps. The evaluations did not prescribe a specific form or timing for the realisation of capacity needs or contextual assessments.

The capacity of the Scandinavian donors' staff and of technical advisors to manage capacity development processes varied considerably.

Donor staff often manages large portfolios, which was seen to limit their ability to adequately oversee capacity development interventions or to engage regularly and directly with partners. This limited the insight and knowledge of the interventions, the amount of learning and the ability to do meaningful follow-up. Despite the availability of considerable guidance on capacity development produced by the Scandinavian donors, donor, partner and technical advisory staff seldom used this material, which was particularly criticised for its alleged lack of clarity and practical applicability.

Support to capacity development is more likely to succeed when the partners have some capacity to manage the process and to make use of the new capacities

Donor-supported interventions are likely to generate greater capacity gains when cooperation partners have the capacity to invest the necessary time and resources in the process. Donors should assess the degree to which the cooperation partners possess such capacity and should not transfer management responsibilities to them without adequate support. The evaluations found that organisations with the capacities to network, reach out and retain staff achieved better and more sustained capacity results. A successful capacity development support strategy might therefore involve supporting organisations develop those capacities along the development of other capacities.

Recognising the interdependencies between the individual, organisational and institutional levels of capacity development is necessary for selecting the adequate modalities for support.

The manner in which the three levels affect each other is specific to the context of the partner country and organisations and to the capacities being developed, and should therefore be part of the initial contextual assessment. Overall, the evaluations found that the Scandinavian donors prioritised individual knowledge and skills over support to the development of organisational and institutional capacities. However, the support was considered more effective when the goals in terms of organisational capacity and performance were given priority and used to guide capacity development at the individual and institutional levels. At the same time evidence from the interventions also shows that strong institutional support is required to ensure effective performance of partner organisation. The choice of support modalities in itself does not have a discernible effect on the effectiveness of the donor support, the evaluations showed. Rather, it is the specific relevance vis-à-vis the

capacity development goals and the capacity of partners to manage and absorb the new capacities that seems to dictate effectiveness.

Whether and how to combine supply- and demand-side approaches in donor-supported capacity development needs to be assessed case-by-case.

The evaluations did not discern any generic effect of combining these approaches in the Scandinavian support to capacity development. Despite recognising the importance of support to the demand-side for strengthening the institutional environment for capacity development, none of the interventions studied conducted a thorough assessment of how demand-side organisations could be supported or used. Adopting a case-by-case approach in which supply- and demand-side actors in donor-supported capacity development interventions may be combined must be based on an assessment of the likely dynamics of such combinations and what effectiveness they may have on the capacity development intervention. An assessment of the dynamics and the benefits of combining supply- and demand-side approaches can guide the choice of priorities and modalities for more effective support.

Specific skills are required for monitoring and evaluating capacity gains

Most interventions included in the evaluations employed rather poor result based management procedures. The diffuseness of the concept of capacity development and especially the limited capacity of the key stakeholders to design and use results management frameworks were considered the two main reasons. An important limitation in the joint Scandinavian evaluation was the shortage of capacity development-specific monitoring systems. This constrained the ability of the evaluations to assess the contribution of the donor support to capacity changes in the partner organisations. A clear vision of the results to be achieved may help the donor and partners develop a common understanding of purpose and channel resources towards attaining it. However, the important link between the quality and use of results framework and the need for measuring effectiveness is critical for determining the success or the failure of support to capacity development.

Donor-supported interventions that are flexible and adaptable yield better results

In the support granted by the Scandinavian donors, this aspect was seen to depend on how flexible the management structures and how formal the authority at the partner organisations were. It was found that rigid and formal hierarchies resulted in low delegation of management decisions to lower operational levels, which rendered communication between different authority levels more difficult and delayed corrective action. The ability to adjust course based on the experiences of implementation is linked to the quality of the follow-up of capacity development progress and results.

Support that combines a long-term commitment with ‘quick wins’ is more likely to be efficient and lead to sustainable results

Long-term engagement allows sufficient time for trusting relationships to develop and for new capacities to be absorbed and put to use in the partner organisation. Recognising the distinct dynamics of change at the individual, organisational and institutional levels of capacity development enables donors and partners to combine a

long-term engagement with short-term ‘quick wins’. These provide smaller and more immediate returns that help keep the motivation for and the momentum of the long-term capacity development processes. Sustained capacity gains were observed when the Scandinavian donor support extended for longer periods.

The report was jointly commissioned by Danida, Norad and Sida. It was written by Svend Erik Sørensen (lead author) and Gonçalo Carneiro under a contract with NIRAS, between October 2015 and June 2016. The report can be downloaded from www.sida.se/publications

The synthesis is based on the following evaluation reports:

- Support to Capacity Development – Identifying Good Practice in Swedish Development Cooperation, 2015.
- Evaluation of Capacity Development in Danish Development Assistance, 2015.
- Evaluation of Norwegian Support to Capacity Development, Norad, 2015.

The reports can be downloaded from the respective donor’s website: www.sida.se; www.norad.no; and <http://um.dk>.

Sida Evaluation Series

2016:1 Evaluation of Sida’s use of guarantees for market development and poverty reduction

Guarantees positively contribute to private sector development and the development of financial markets. In cases where financial intermediaries are not able to lend to clients because of the risks involved, guarantees can bridge the risks and allow intermediaries to reach out to clients that could otherwise not be served. When it comes to overcoming the weaknesses of the financial markets overall, the guarantee is an important instrument but it is not sufficient on its own. These are two of the main conclusions of the evaluation of four guarantee interventions of Sida.

Purpose was learning

Sida has used guarantees for approximately ten years and currently has close to 35 on-going guarantees. This is the first evaluation of this instrument and its purpose was to deepen Sida’s knowledge of the instrument and to draw lessons of broader relevance from a limited number of interventions covering different types of guarantees, partners and time periods. It presents conclusions and lessons on which instruments work to promote market development and reduce poverty, and which don’t, in different circumstances. The evaluation is based on Sida documents, interviews with Sida staff as well as four case-studies; two in Uganda, one in Bosnia and Herzegovina and one global intervention.

Four types of common guarantees for achieving development impact:

- A **loan guarantee** involves guaranteeing a loan between identified lenders and identified borrowers.
- A **portable guarantee** is a letter of commitment which enables a borrower to approach a financial institute and to negotiate more favorable terms.
- A **volume guarantee** is an agreement that buyers make with suppliers in regards to purchasing a minimum volume of products or services. This is often combined with a low supply contract that determines the prices of future deliveries.
- A **loan portfolio guarantee** is a guarantee that collects several investments or loans in one portfolio.

Source: <http://www.sida.se/English/partners/our-partners/Private-sector/Innovative-Finance/>

The optimal use of guarantees is that there should be a demand for the products the guarantee is expected to cover

It is needed to keep in mind that a guarantee may be necessary, but it is never a sufficient instrument - that is, it cannot stand on its own. Without a given demand for investment credits there is also no demand for guarantees as these are used to enable investments that might be too risky for investors. The demand for guarantees is dependent on the turnover and profit expectations on the side of the ultimate borrower. This leads to a paradox - the better the economic situation, the more the guarantee is likely to be used as more investments will be considered. This in combination with the risk-awareness that is typical for financial institutions puts a strain on the additionality of a guarantee.

The guarantee is more likely to be used where a country shows growth or is recovering from a recession or otherwise have an investment climate that offers opportunities for small and medium sized enterprises. The evaluation confirmed the importance of using the guarantee instrument for attracting investors to invest in new markets. The following needs to be considered:

- Is the guarantee additional from a development perspective? Does it result in additional financing that is not otherwise available in the market?
- Is it important to create an additional source of financing from a diversification point of view? For instance to engage two banks or more banks to stimulate competition.
- It is important to ensure that the structures created benefit the ultimate development purpose and do not just benefit the fund manager and/or the recipient of the guarantee.

A guarantee can be more beneficial for promoting and stimulating the private sector in developing countries since providing grants and subsidies to finance companies and commercial activities often creates unfair competition. An over-dependency on subsidies can also hamper the private sector to compete internationally in the long-run. It is important that the local environment, and in particular the status of the financial sector, is well analysed to ensure maximum effect of guarantees.

Guarantees should be applied to borrowers who are in essence good entrepreneurs and have viable business plans, but who lack security for a regular credit

To maximise pro-poor market development there are a range of considerations this evaluation proposes. Loan criteria and compliance are two important elements to consider. In the case of portfolio guarantees it is essential that banks and Sida agree on the profile of the borrowers and the loans guaranteed. Guarantees should be applied to borrowers who are in essence good entrepreneurs and have viable business plans, but who lack security for a regular credit. Ideally when considering cooperating with banks they should show a certain pipeline of applications, or a list of recent rejections that fit these criteria. It would be beneficial if a certain share of the guaranteed amount were reserved for first-time borrowers. Care should be taken to ensure the selected bank has a branch network in the areas where the target group reside.

It should be expected that there will be some future claims on any guarantee. It is a matter of using solid credit assessment methods to ensure that this risk is manageable. It is also important to check that a country's overall regulatory situation is in line with what one wish to achieve with the guarantee. For example, in most cases the guarantee should be considered full collateral to substitute for the collateral otherwise demanded from the borrowers.

Technical assistance (TA) can be an important instrument to improve effectiveness and impact of a guarantee. An example of this is that the bank refers borrowers to a TA provider to strengthen some elements of business performance. However, then the TA provider needs to be sufficiently equipped and professional to warrant the trust of the bank and its client. Another example is to use TA to strengthening the awareness of the guarantee by the bank's loan officers so they understand the conditions of the guarantee and are able to identify clients and their financial needs. It is better to search for proven TA providers that are properly vetted and trusted by enterprises and the banking community rather than setting up new providers.

Guarantees carry a lower risk of market distortion than grants or loans provided by donors

Market distortion was not observed in the case-studies used in this evaluation, but this does not mean that there is no such risk. However, generally, guarantees carry a lower risk of market distortion than grants or loans provided by donors, as they do not directly fund projects or companies but 'merely' decrease the risk of transactions for the financial intermediaries involved. Making the guarantee available more broadly avoids unfair competition as long as the banks are all active in the specific field. The banks also have to be able to access the guarantee and pay a fair price for using it. The price should be set at a level which makes it attractive (and affordable) for borrowers.

A guarantee is a market and demand-driven instrument, so ultimately Sida has limited influence on the real use. It is therefore important to monitor the use and be prepared to act if the guarantee is not used optimally and for example phase out that specific bank so the guaranteed amount can be made available to other banks. It could also be

beneficial if the bank is allowed to set its own variance on how much it wants to guarantee a specific loan, applying higher percentages for riskier loans and lower for less risky. This might serve additionality and also a larger number of borrowers could be reached. Pricing of the guarantee is important and it is a balancing act between charging enough from the banks so they don't consider it to be free and at the same time take into account appropriate risk while making sure that the costs for the guarantee are affordable for the ultimate borrowers. So if there is a subsidy, and depending on the nature of the guarantee, it should be ensured that the subsidy benefit the ultimate beneficiaries (the borrower), not the intermediaries (the bank) implementing the facility.

Cooperation between the Unit for Loans and Guarantees and those responsible for implementing strategies is very important

Coordination and ownership are crucial for making sure that guarantees are used effectively and efficiently within Sida's different strategies (how cooperation is conducted with individual countries and in different areas of work is described in strategies decided by the Swedish government). Cooperation between the Unit for Loans and Guarantees at Sida and those responsible for implementing strategies is very important. It requires that all relevant Sida staff understand when it is beneficial to use the guarantee instrument, especially in combination with other interventions that years at Sida it has taken many years to learn and develop knowledge on how to best use the instrument. It can therefore be considered a "newer" form of modality. It may also be noted that guarantees may be necessary for longer stretches of time in order for banks to remain interested in lending to less secure small and medium enterprises (also in countries with a developed financial market, guarantees are used by governments to induce banks to lend, e.g. to new businesses).

Monitoring and evaluation

Coordination and ownership are crucial for efficient monitoring of guarantees. At Sida, the Unit for Loans and Guarantees is different from the rest of Sida and working with guarantees is different from working with grants as it requires different decision making and monitoring systems and procedures. Financial and development effects overlap and impact is first and foremost measured on the level of the financial intermediary and borrowers. To enhance the use of guarantees as one instrument to be used to achieve the goals set out in strategies will lead to better monitoring and evaluation of development effects and systemic changes. In many of the guarantees, Sida has worked closely with USAID which has contributed to Sida's learning. Sida also benefitted from their solid monitoring systems. The monitoring can however be improved by a stronger cooperation between those responsible for implementing strategies at Sida especially Sida staff in the embassies and the Unit for Loans and Guarantees.

For additional findings, lessons and recommendations for the use of guarantees for market development and poverty reduction, the full report as well as the case studies for the evaluation (Sida Evaluation series, publication no: 2016:1a) can be downloaded at www.sida.se/publications

The evaluation was commissioned by Sida and carried out by Hans Slegtenhorst (team leader), Mart Nugteren, Alwin de Haas, Marie Heydenreich, Rien Strootman, Paulo Luswata, Nino Serdarevic, Anders Grettve and Bart Schaap from Carnegie Consult and associates between November 2015 and June 2016.

Sida Evaluation Series

2016:2 Utvärdering av ändamålsenligheten i Sidas arbete med insatshantering – Slutrapport (ENG: Evaluation of the extent to which Sida's contribution management system is fit for its purpose)

In order to address weaknesses in its contribution management, in 2012 Sida introduced new procedures and processes for managing aid interventions, which included a new IT-based contribution management system called Trac. Since then, the organisation has worked to adjust its tools and working methods. However, the changes are at times found to be time-consuming and not always perceived as fit for their purpose. It is with this background that the Department for Organisational Development at Sida commissioned this evaluation to review Sida's work with contribution management.

The purpose of the evaluation is to add to Sida's internal projects and analytical work to simplify, develop and strengthen practices and processes by reviewing the extent to which Sida's contribution management system is *fit for its purpose*, with regards to tools and working methods. One of the conclusions of the report is that the new contribution management process has achieved a clearer and more uniform structure, particularly in the assessment of future contributions and a more consistent documentation of the various parts of the process. However, there is also a downside to the consistency where it can cause problems with the management of contributions that do not quite fit in the basic model. Another conclusion is that the focus of the contribution management process and monitoring has to some extent shifted towards Sida's and the Swedish government's desire for reliable and problem-free management at the expense of an approach that focuses on the partner's interests and is adapted to their capacity. The evaluation also finds that it is doubtful whether the current system is a cost effective solution for contribution management. The report recommends that the risk assessment is considerably simplified, that the results register is replaced with a more holistic view of the results of a contribution and that the content of the current appraisal stages are reviewed.

For additional findings, lessons and recommendations, the full report (note that it is only available in Swedish) can be downloaded at www.sida.se/publications

The evaluation was carried out by Leif Danielsson, Stefan Dahlgren and Johanna Lindström of FCG SIPU International.



Evaluation at Sida

Annual Report 2016

The purpose of this annual report is to provide an overview of evaluations commissioned and published by Sida (units and foreign embassies) in 2016 and to briefly present results from these 16 evaluations. The 16 decentralised evaluations represent a reduction compared to earlier years (for example 50 evaluations in 2015), which is due to the 10 month absence of a valid framework agreement for evaluation services. The majority of evaluations were programme evaluations and were carried out within 11 out of Sweden's 43 results strategies. They covered seven of Sida's twelve main sectors, and about one third were within the sector democracy, human rights and gender. One evaluation concerned a Swedish cooperation strategy. The evaluations are of direct use to Sida and partners for learning and to improve design and implementation. Brief summaries are provided for all evaluations. The total cost for Sida commissioned evaluations in 2016 was about 12 MSEK.

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