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Sida Decentralised Evaluation

NIRAS Sweden AB

Evaluation of Sida's risk management of contributions

Final Report

Evaluation of Sida's risk management of contributions

**Final Report
February 2020**

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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Abbreviations and Acronyms

AECF	The Africa Enterprise Challenge Fund
AU	African Union
AUC	African Union Commission
AULO	African Union Liaison Office
BCtA	Business Call to Action
CMI	Chr. Michelsen Institute
COSO -ERM	Committee of Sponsoring Organisations of the Treadway Commission - Enterprise Risk Management
CSO	Civil Society Organisation
DDG	Danish Demining Group
DfID	Department for International Development
EBA	The Expert Group for Aid Studies
ESD	Education for Sustainable Development
EU	European Union
HWC	Health Work Committees
ILAC	International Laboratory Accreditation Cooperation
GALZ	Gays and Lesbians of Zimbabwe
ISO	International Organisation for Standardisations
ITP	International Training Programme
JFA	Joint Framework Agreement
LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
MAG	Mine Advisory Group
MSB	Myndigheten för Samhällsskydd och Beredskap
MENA	Middle East and North Africa
NGO	Non-Governmental Organisation
OECD	The Organisation for Economic Co-operation and Development
OHCHR	The Office of the High Commissioner for Human Rights
PPP	Public-Private Partnership
PDGP	Puntland Democratic Governance Program
RBM	Results Based Management
REACT	Renewable Energy and Adaptation to Climate Technologies
RFSU	Riksförbundet För Sexuell Upplysning
RRI	Rights and Resources Initiative
RWI	Raoul Wallenberg Institute

ABBREVIATIONS AND ACRONYMS

SAfAIDS	Southern Africa HIV and AIDS Information Dissemination Service
SCA	The Swedish Committee for Afghanistan
Sida	Swedish International Development Cooperation Agency
SRHR	Sexual and Reproductive Health and Rights
ToC	Theory of Change
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNW	United Nations entity for gender equality and the empowerment of women (UN Women)
USAID	United States Agency for International Development
WDR	World Development Report
WFP	World Food Programme

Preface

This evaluation was commissioned by Sida's Department for Management Support (LED). The purpose of the evaluation was to review and assess the effectiveness and relevance of Sida's risk management of contributions, with focus on the perceptions of Sida's cooperation partners. The evaluation was conducted by NIRAS with a team consisting of Annika Nilsson (Team Leader and main author of this report), Russell Price (risk management expert) and Jonas Norén (data analyst and responsible for the survey). Matilda Svedberg managed the evaluation process from NIRAS. Quality assurance was conducted by Mats Alentun. The evaluation was undertaken during the period September 2019 to January 2020. It was guided by a Sida reference group.

NIRAS would like to thank Sida and its cooperation partners for allocating their time to interact with the evaluation team and for the openness in providing information and participating in constructive discussions.

Executive Summary

This report was commissioned by Sida's Department for Management Support (LED). The purpose of the evaluation is to review and assess the effectiveness and relevance of Sida's risk management of contributions. The evaluation focuses on exploring Sida's cooperation partners' perceptions of the risk management approaches used. The goal was to provide Sida with concrete, prioritised and action-oriented recommendations, taking into account the practical issues found in the challenging environments that Sida and its partners operate in.

The findings and recommendations are based on a document review of 35 contributions and on semi-structured interviews with 34 key staff members at Sida's partner organisations. To ensure representation of all types of partners and strategies, the selection was based on a stratified random sample of contributions. The sample was limited to contributions which were planned and appraised during 2017 and 2018. A survey was sent to 20% of Sida's partners during the same period, in order to enable triangulation of findings.

The focus throughout the data collection and analysis was on partners' perceptions of how Sida has managed risk in its contributions. This approach was discussed with the Sida reference group who provided feedback on preliminary findings and on the draft report.

Overall, partners find Sida's risk management approaches to be relevant to them, for the following main reasons:

- Sida provides *core funding*, which enables partners to better manage uncertainties and make effective use of emerging opportunities. This also enables partners to be innovative and manage project funding provided by other donors without compromising their own strategic priorities and identity.
- Sida is *flexible* and open to negotiated changes in plans and budgets, which enables partners to manage uncertainties and changes. Sida provides an adaptive and agile approach that is often perceived as lacking with other donors.
- Sida's *level of engagement* with partners is perceived as high, with frequent opportunities to discuss up-coming issues, even though Sida seems to be understaffed compared to other donors.

There are, however, variations in the responses depending on the type of partner and on their experiences of working with the involved Sida staff. Some partners stated that the relevance of Sida's risk management approaches is affected by Sida's limited ability to adapt some of the formal requirements in agreements. A higher degree of adaptation would be better suited for the new situation for civil society organisations and public-private partnerships, where there is a need for sub-granting to emerging and informal initiatives. Some partners brought up Sida's reluctance towards sharing

risks related to financial loss in the sub-granting, which increases partners' uncertainty and unwillingness to support new initiatives or smaller/weaker organisations. This is particularly difficult for civil society partners that have no equity to mitigate such risks themselves.

Partners assess Sida's risk management approaches to be effective to a large extent. 70% state that Sida contributed to improvements in their risk management capacities and 65% state that Sida contributed to improved anti-corruption work. Several of the partners specifically referred to the *evaluations and system audits* commissioned and financed by Sida. Although the responses vary, many partners stated that the evaluations and audits have assisted them in improving their capacity.

A number of partners highlight that the effectiveness of Sida's approaches is affected by a lack of clarity on Sida's risk policy framework. This is sometimes leading to discrepancies in approaches and mixed messages regarding Sida's priorities and risk management principles.

While Sida is considered to engage with partners more than most other donors, a number of their partners feel that the effectiveness of Sida's approaches could be improved if the following issues were addressed:

- A disproportionate focus on risks related to financial loss; the institutional capacity of the partner; and on the preparatory assessment phase. This results in relatively less time being spent on other types of risks, follow up, adaptation and performance management.
- Limited time and opportunities for joint field visits and joint reflection, which sometimes makes risk assessments and mitigation measures more theoretical than practical.
- Limited opportunities to meet in safe spaces to openly and frankly discuss risks and the associated risk management. Sida's appraisals are generally not shared or discussed with partners (except with Swedish strategic partners). Many appraisals are written in Swedish, which limits transparency towards partners.
- Funding gaps that may occur as a result of long project appraisal timelines, inability to bridge Sida strategy periods or delays in disbursements.
- Limited coordination between Sida's risk management and the work with innovation and adaptive management (this was mentioned by two partners as well as by the three Sida staff members interviewed).

Based on the above findings, the evaluators conclude that Sida's risk management is fairly effective and largely relevant and aligned to the needs of partners. There are however some areas of improvement:

- There are inconsistencies in Sida's approaches to risk management which might reflect the absence of an explicit and transparent overall risk policy framework. There is potential for a clearer and more transparent framework.
- Sida is potentially communicating conflicting messages to some of its partners. The partners are expected to be adaptive and innovative and to work with the

most marginalised groups and innovative business ideas, while maintaining strict pre-determined standard agreement conditions for their sub-granting. There is potential for more unified approaches and new models for financial risk sharing with partners who experience complexities and high risks in their sub-granting.

- Sida's risk management is focusing mainly on the immediate partners' systemic capacities and track records. This is problematic in certain types of contributions, e.g. multilaterals with weak country offices and international CSOs with many levels of sub-granting. There is potential for increased mutual learning and more clarity in the risk management dialogue between Sida and its partners.
- Sida's risk management has a disproportionate focus on upward financial accountability, the appraisal phase compared to its focus on downward accountability and the monitoring/adaptation phase. There is potential for a better balance and a more holistic approach.
- While Sida's adaptive management, RBM and risk management are interdependent, they are yet to be systematically linked and seen as mutually supportive processes. There is potential for increased synergies.
- Trac is not being used as intended: as a supporting tool for risk management and the related decision making. Key concepts have been interpreted differently by different staff members, and risk assessments, mitigation measures and monitoring outcomes have not been systematically recorded. There is potential for capacity development and better support to staff.

Recommendations

Within its mandate as a Swedish authority, Sida could take a broader, more adaptive and tailor-made approach to risk management - while making the risk policy framework clearer and keeping a stronger focus on follow up and adaptation.

1. Sida could develop a simple and clear risk management policy framework based on the already existing implicit tools and guidelines, to underpin a more unified approach by Sida staff. This would be especially useful when approaches are broader and more adaptive.
2. Sida's leadership could provide more clarity and guidance on important priorities related to risk management and ensure that there is a common acceptance and understanding of these, along with knowledge, skills and resources to manage the level of engagement and risk agreed.
3. Sida could engage more in joint risk assessments with partners in order to transparently discuss risks and agree on how these should be managed and shared across the lifetime of the supported initiative. The dialogue might take a starting point in the partner risk assessments and add the specific Sida perspectives on risk.

4. Sida could invest more in managing uncertainties that go beyond the immediate partners' formal institutional capacities, such as their potential to reach outcomes and avoid doing harm through a plausible theory of change; well managed sub-granting mechanisms; and downward accountability.
5. Sida could develop agreement conditions and risk management approaches that allow for partner sub-granting to organisations and initiatives that are emerging and/or do not yet have sufficient systems and structures in place that meet the present formal systemic requirements.
6. Sida could review risk assessment procedures of multilaterals and focus more on national level capacities in countries where implementation is going to happen.
7. Sida could renegotiate the standard agreement models with multilaterals to be able to include some "special considerations" when needed to ensure adherence to Sida policy priorities and sufficient participation in monitoring of risks.
8. Sida could consider creating a guarantee fund to share certain financial and security risks with partners, including currency fluctuations.
9. Sida's risk management could be better linked to Sida's RBM, adaptive management and anti-corruption support. There could for example be joint trainings, tools and helpdesks.
10. Sida could improve some of its technical approaches, to make communication with partners smoother and more transparent. Potential improvements include a) preparing appraisals in English; b) providing feedback to partners on annual reports in writing, to reduce time spent on these at annual meetings and leave more time for dialogue on substance and best practice for risk management; c) allowing more time for field visits and dialogue; and d) preparing to bridge funding gaps and avoiding delays in disbursements.

1 Introduction

1.1 BACKGROUND AND AIMS

One of the objectives of Sida's operational plan is that Sida should become a donor organisation which has requirements that are clear, relevant and predictable, while at the same time offering appropriate opportunities for supporting innovation and flexibility. A study that was carried out in 2018 on cooperation partners' experiences from interactions with Sida indicated that the present Sida approaches may have some downsides¹, including discrepancies in interpretations of Sida's requirements among various staff members and partners. This evaluation explores some of the concerns related to risk management raised in the cited study and suggests ways for improvement.

The objective of the evaluation is to review and assess the effectiveness and relevance of Sida's risk management of contributions. The main focus is to understand the perspective of Sida's cooperation partners and provide Sida with concrete, prioritised and action-oriented recommendations. These should be sensitive to the practical issues found in the challenging environments that Sida and its partners are operating in under the 44 different strategies that are governing Sida. With the information and insight generated by this evaluation, efforts can be made to improve Sida's contribution management process. Sida could also identify areas for development of process, method support, systems and communication across its risk management processes, ultimately bringing benefits to all stakeholders. This should ultimately enable managers to deliver the current strategies with a more effective, efficient and adaptive risk management system.

The key evaluation questions are:

- In what way and to what extent has Sida's risk management been *effective* in supporting the *cooperation partner* in reaching the objectives of the contribution and in preventing corruption?
- In what way and to what extent are Sida's risk management and risk mitigation measures *relevant and aligned* with the policies and strategies of the *cooperation partner* and other donors for the contribution, and with the needs and priorities of the cooperation partners?

¹ Study of cooperation partners perceptions of Sida, NIRAS 2018

The evaluation is commissioned by the Sida department for Management Support (LED), and its Unit for Effective Development Cooperation.

1.2 USERS OF THE EVALUATION

The primary user of the evaluation is the Sida department LED (Department for Management Support). Secondary intended users include other Sida departments and units. The evaluation team proposes that Sida management also be considered important users of the evaluation. While partners will ultimately benefit from improved Sida practices, they are not seen as users of the evaluation.

1.3 CONTEXT

Sida's risk management is guided by the *Regulation on Internal Governance and Control (FISK²)* which is based on COSO-ERM³ and the *Policy framework for Swedish development cooperation and humanitarian assistance (2016⁴)*, which states that Sida should perform risk analyses both on strategy and contribution level. Sida should also make sure that the internal governance and control works to prevent corruption and other irregularities or misuse of money and power.

Sida has no overall explicit policy or framework for its risk management, but has developed various internal policies and tools to provide guidance on the subject.⁵ In order to promote local ownership and alignment to partners' systems, Sida does not require any specific application format from partners and rarely uses calls for proposals.

Sida promotes core and programme support rather than project support. Long-term engagement is also promoted, and there is an aim to support partners' own agenda for change, rather than using partners as implementing arms for Sida's strategies. There-

² Förordningen om intern styrning och kontroll, 2007:603 https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/forordning-2007603-om-intern-styrning-och_sfs-2007-603

³ <https://www.coso.org/Pages/erm-integratedframework.aspx>

⁴ <https://www.government.se/legal-documents/2017/05/policy-framework-for-swedish-development-cooperation-and-humanitarian-assistance/>

⁵ Help texts in Trac, rule for managing contributions, anti-corruption rule, Guidance for Sida's work with corruption as a development obstacle 2019-06-27 and Guidelines for organisations seeking financial support from Sida, 2019-07-30. Principal values for Sida and cooperating partners. A more extensive list is found in section 3.3.

fore, the focus of Sida's risk assessments is on partners' abilities to achieve the expected results outlined in their own proposals. Nevertheless, all supported initiatives must fulfil some basic preconditions defined by Sida.⁶

According to the various steps in Trac, the risk management is expected to consist of:

1. An assessment of the partner proposal in terms of:
 - fulfilling the formal preconditions;
 - the partner's ability to achieve the objectives, the clarity and realism of the objectives and the theory of change (often wrongly interpreted by staff as a requirement to have a results framework);
 - realism of the budget;
 - application of Sida's development perspectives⁷;
 - adherence to development effectiveness principles;
 - quality of governance and internal control;
 - credibility of anti-corruption measures;
 - quality of risk management;
 - any other relevant aspects.
2. Measures to support partners to improve the quality of the initiative through:
 - tailor-made agreement conditions;
 - formal dialogue questions (to be followed up and documented by Sida);
 - other measures (e.g. targeted support consultancies).

The risk assessment, agreements, dialogue questions, support measures and monitoring observations are documented in the internal Sida management system – Trac, although this is not consistently applied. The evaluation team also noted that the agreement conditions and notes from annual meetings are not posted in Trac. For Sida HQ, these can be found in Sida's document database, DOX, but documents produced by the embassies are only available locally. This makes it difficult to monitor how dialogue issues and agreement conditions are followed up.

Sida has already made some efforts to enhance clarity of its approaches. For example, during 2019, guidelines were updated for partners seeking support from Sida, for Sida's work with preventing corruption and for Sida's support to civil society. As of March 2018, Sida's mandatory standard risks have been removed from the Trac system to make risk assessments more tailor-made and relevant. These standard risks were focused around internal control. It should be noted that all but one of the 35 contributions covered by this evaluation were appraised before this change.

⁶ Relevance to Sida strategy, Alignment to Sida Principle Values, Not on EU sanction list, Not included in Sida list for exclusion, OECD/DAC definition of aid

⁷ Mentioned in the Framework for Swedish development cooperation and humanitarian assistance

2 Method

2.1 OVERALL APPROACH

The overall approach to the evaluation was formative, focusing on learning and finding ways for Sida to improve its risk management. The key evaluation questions were:

- In what way and to what extent has Sida's risk management been *effective* in supporting the *cooperation partner* in reaching the objectives of the contribution and in preventing corruption?
- In what way and to what extent are Sida's risk management and risk mitigation measures *relevant and aligned* with the policies and strategies of the *cooperation partner* and other donors for the contribution, and with the needs and priorities of the cooperation partners?

The evaluation had a utilisation focused approach. To ensure that it responded to the needs and expectations of Sida, the evaluation team met with the Sida reference group twice to discuss methods and preliminary findings. The team also kept regular communication with Sida LED/EFFEKT to discuss and adjust survey questions, analyse available data in the Trac system and get feedback on preliminary findings.

Annex 5 in this report constitutes the inception report for this evaluation. During the inception phase, the evaluation questions raised in the Terms of Reference were further developed. An evaluation matrix was presented in Appendix 1 of the inception report. Sida and the evaluation team also agreed on an analytical framework for the overall assessment in section 3.1 of the inception report and on the interview questions formulated in section 3.4 of the inception report. These tools were all developed in consultation with LED/EFFEKT and the Sida reference group. The survey questions were also developed in dialogue with LED/EFFEKT before the survey was launched. The agreed tools guided the data collection and the analysis of findings, enabling the team to answer the key questions regarding the relevance and effectiveness of Sida's risk management approaches.

The evaluation team also used the international risk management standards (ISO 31000 and COSO ERM) and good practices of other development partners as sources for learning and inspiration.

2.2 DATA COLLECTION

The evaluation largely relied on qualitative data generated through interviews with partners, combined with a review of the related Sida documentation in the Trac system. A representative sample of 35 contributions were selected for deeper analysis.⁸ This analysis consisted of:

- document review of assessments (beredning), decisions (beslut), dialogue meeting notes, conclusion on performance and the agreement including agreement amendments.
- semi-structured interviews with the partner programme managers and other relevant staff

The team also sent a web-survey to a sample of partner contribution managers with questions aimed to triangulate findings from the interviews. The survey was sent to 140 respondents representing around 20% of the total number of Sida partners. When analysing the 1195 contributions in the database that remained after removing duplicates and short-term consultancies, it turned out that these represented only 589 unique partners. Thus, the sample size was reduced compared to the number of partners expected in the inception report.

The respondents were selected using stratified, random sampling to ensure representation of the various types of Sida partners and strategies. The 1195 contributions were distributed as follows:

Table 1. Sample selection

Type of partner	Share of Number	Share of Budget
NGOs and civil society	40,75%	46,77%
Multilaterals	32,80%	38,91%
Public institutions	11,63%	7,44%
Public- Private Partnerships (PPPs) and networks	2,01%	1,45%
Privat sector institution	5,77%	1,34%
Universities, research institutions etc.	7,03%	4,10%

Type of strategy	Share of number
Country	38,75%
Global	36,33%
Regional	24,92%

⁸ A full list of the partners included in the sample is found in Appendix 2 of the Inception report.

Another important part of the evaluation was the mapping of existing knowledge on risk management in development cooperation⁹ and analysis of how Sida compares to other donors and international standards in the area of risk management. The recommendations have thereby been informed not only by the feedback from partners and analysis of documentation in Trac, but also by expertise on modern risk management.

In the inception report the team proposed to arrange web-based group conversations, to discuss and verify preliminary findings with different categories of respondents and get inputs on ways forward. However, as the interviews and document reviews were more time consuming than expected and the responses from the various types of partners provided rich information, it was no longer deemed necessary to arrange these group conversations. In consultation with Sida, the team agreed to instead organise a joint seminar with partners to present the evaluation report and receive their feedback.

At the end of the data collection phase, the team conducted interviews with Sida HQ staff working with innovation, RBM and adaptive management, to further enhance the triangulation of findings from different sources of information. Two reference group meetings were held, to discuss issues which arose during the data collection and to get preliminary feedback on methods and findings. The team also had several individual meetings with the Sida LED/EFFEKT Unit.

2.3 LIMITATIONS

Sida has made substantial efforts to develop its risk management approaches and its communication with partners over the past two years. Many new guidelines were produced in 2019 and an update of Trac risk management procedures and help texts was undertaken in 2018. All these shifts had not yet been noted by partners when they were interviewed, and subsequently the evaluation has not been able to capture the partners' perceptions of these changes. Only one of the contributions out of the sample of 35 had been appraised by Sida after the changes in Trac. Thus, it was not possible to draw any general conclusions regarding how these changes may have affected Sida's risk management practices.¹⁰

While the sample selected for interviews did indeed represent all types of partners and strategies, the sub-samples of some partner categories (private sector and PPPs) were too small to serve as a basis for conclusions regarding those categories. The

⁹ ISO 31000:2018, OECD, World Bank, DfID and WWF's Environmental and Social Safeguards Framework

¹⁰ The review of the one sample appraisal showed, however, that it was indeed more focused on issues that has a potential to make risk management more relevant and effective

same pattern was found in the survey responses. While the response rate of 56% was deemed sufficient for drawing overall conclusions, it was not sufficient for conclusions concerning the partner categories with few respondents (private sector, PPPs and research institution partners). This was kept in mind in the analysis of survey data according to type of partner (see Annex 1).

As explained in the Inception report (see Annex 5) and illustrated by the key evaluation questions, Sida explicitly wanted the evaluation team to capture the perceptions of its partners. During the inception phase, Sida LED/EFFEKT requested the evaluators to remove Sida staff as respondents. Interviews with Sida staff were therefore not included in the method. This means that some of the evaluation questions which related to Sida's internal procedures and practices had to be answered through document reviews in Trac and DOX, combined with the verification and feedback meetings with the reference group. Thus, the evaluation does not provide insights on how internal Sida staff perceives the risk management tools and processes or how they perceive the various internal guidelines and tools, including Trac. To ensure that the Sida perspective was incorporated, the evaluators relied on the document review, the reference group feedback, the consultations with Sida/EFFEKT and three interviews with centrally placed method support staff. This may have provided a limited evidence base for some of the findings and created a bias towards the interest and views of centrally placed Sida staff as opposed to locally placed staff.

Finally, it was challenging to draw general conclusions from the partner survey responses, as they had very diverse experiences to share about Sida's risk management. When presenting the findings in the report, the evaluators have indicated if the perceptions are held by "a few" (less than 10%), "some" (10-30%), "many/several" (31-50%) "majority" (51-75%), "most" (more than 75%) or "all" (99-100%). Even if a view is expressed only by a few partners, it might still provide important information to Sida. Moreover, the fact that views are so diverse is an important finding in itself, indicating that Sida's approaches may be inconsistent.

3 Findings

This chapter presents findings from the interviews with partners, the survey (presented in full in Annex 1) and the document review covering the 35 contributions. The findings are organised according to the evaluation questions which were agreed upon during the inception phase and formulated in the Inception report.

3.1 RELEVANCE

Do partners perceive that Sida's requirements and expectations regarding risk management are clear and predictable?

Partners are generally unaware of Sida's requirements and expectations regarding risk management. The reasons for this seem to be that; a) Sida does not have an explicit risk management policy framework – tools and guidelines are mainly internal; b) the appraisals of contributions are generally not shared with partners and are sometimes written in Swedish; c) in line with aid and development effectiveness principles, Sida aims to use partners' own systems and structures and to minimise the imposition of additional donor requirements.

Still, the survey showed that most partners (84%) agreed to the statement that they developed a common understanding with Sida about risks during the planning phase. Partners generally assume that there is a tacit agreement between Sida and themselves, as their contractual relationship is based on the risk matrix presented in their proposal. Sida's approaches are seen as supportive and not prescriptive. A few partners highlighted the proactive consultation process during the preparations as helpful in developing their risk assessments. Some partners felt that they, as owners and initiators of the proposed initiative, were responsible for the risk management and that they were trusted by Sida. These partners (especially multilaterals and private sector) assume that their own risk management is of high quality and has been accepted by Sida as the guiding framework for the contribution. They believe that Sida shares their assessment.

Positive experiences were described as follows by two CSOs:

We had proactive consultations between our organisation and Sida which identified risk areas. We agreed and set ourselves timelines on how to periodically review risks and report back. (CSO)

We had a very good SIDA-commissioned efficiency audit soon after receiving funds in 2016 which highlighted contextual and operational risks that we have been working on since then. (CSO)

At the same time, survey comments and interviews show that several partners (mainly CSOs) had expected more from Sida in terms of clarity and dialogue on risk management:

It is mainly us designing the risk matrix, not much co-creation. (CSO)

There is no joint dialogue on risks and Sida doesn't communicate the risks they have identified nor give any possibility for communication around it. It's unclear if and how different units assess the risks and there is no transparency in regard to the assessment. (CSO)

Sida has assessed our due diligence procedures are up to standard. No other form of "common understanding" has happened. Not sure how that would look like either. (CSO)

There is often a disconnect between the written agreement and the real expectations. And also, when staff change, the expectations change without always honouring the agreement. (CSO)

The interviews confirmed that partners were not informed about the contents of Sida's risk assessments, except for the Swedish framework organisations that have officially asked for the appraisal to be made available. All concerned partners (37% of the sample) were aware of the specific agreement conditions that were added by Sida to ensure that they improved certain systems or policies. However, very few were aware of the so-called dialogue issues or special measures that had been noted by Sida as mitigation measures in the appraisals. Their relevance could therefore not be commented on by partners.

Partners working in the humanitarian sector pointed to sector-based standards and performance criteria as key guiding tools for their risk management. Partners working with market systems on the other hand felt that adaptive management tools, which were also promoted by Sida, were more relevant for their risk management. These partners pointed to overlaps and potential synergies between Sida's work with adaptive management, results-based management and risk management.

Most partners, from all categories, were unaware of any support, escalation measures or stop clauses on Sida's part that would come into place if risks should materialise:

It would be good to know how our performance will be evaluated. What is good enough for Sida? I assume that Sida will support us in case some of programmatic risks materialise – is that not in the agreement? (Private sector)

Sida is very patient – I don't think they ever put their foot down – except in corruption cases. Where are their red lines? How can they help when risks materialise at national level? We have been stuck for almost a year now with poor performance and political obstacles. (Multilateral)

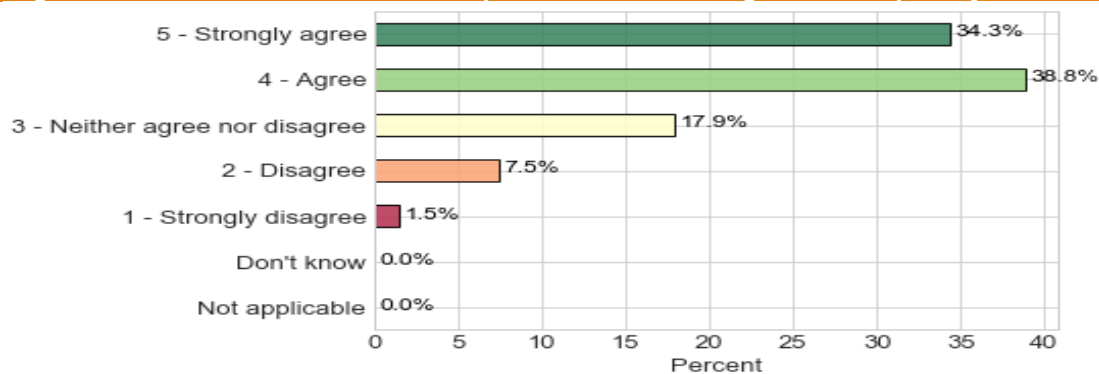
Sida is flexible in dialogue, but not when it comes to practice. One example is risk sharing, where Sida has not been able to produce one case or example when this would be possible. The flexibility therefore becomes more of lip service than reality. (CSO).

Do Sida's partners perceive that Sida's approaches are relevant to their own risk management?

A majority of partners perceived Sida's approaches as relevant to them. They mainly referred to the capacity support offered in RBM and to Sida's commissioning of evaluations and system audits. At the same time, some partners brought up Sida practices which have increased uncertainties, such as delays in disbursements, inconsistencies in staff messages and approaches, and limited risk sharing of financial losses that go beyond the control of the partner.

A majority of partners (72%) felt that Sida's support was relevant in terms of contributing to their improved risk management capacity:

Figure 1. Sida contributed to improved risk management capacity



There were great variations in responses depending on the type of partner and experiences of various Sida staff. Public and private sector actors were generally less positive about Sida's contributions, while CSOs had variable experiences, both positive and negative, as shown below:

We had a very good SIDA-commissioned efficiency audit soon after receiving funds in 2016 which highlighted contextual and operational risks that we have been working on since then. (CSO)

Sida's approach to risk management has brought substantial value to the organization, as it strongly supported our capacities for risk assessment and devising effective mitigation measures, not only within the programme supported by Sida but within our other initiatives and at the level of organization. (CSO)

The fact that Sida requires us to have risk management capacity helps us to develop it... but since there is not dialogue on the analysis, this does not necessarily contribute to improved quality in our risk management. (CSO)

We have not asked for support nor have they offered. It is up to the partner to have their own systems in place. (CSO)

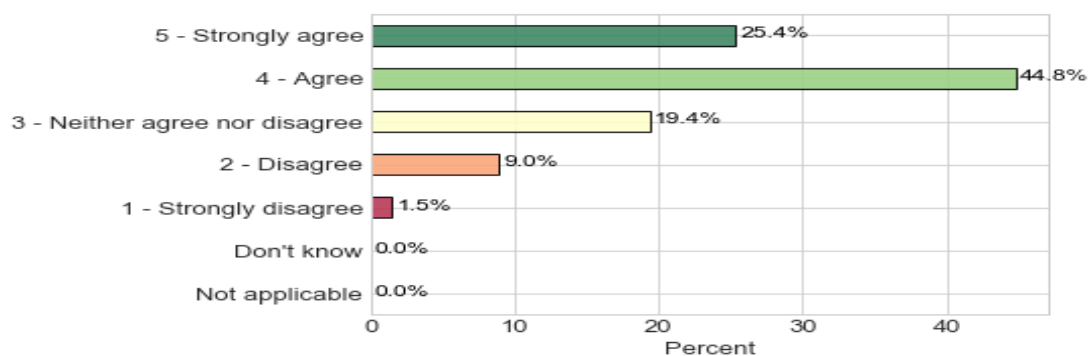
I deal with 10 Swedish Embassies and in general I find the desk officers weak on programme design with some shining exceptions. Many of them lack hands on experience from implementing and become quite technocratic. (CSO)

Sida provide advise based on their review of the Programme Risk Matrix but does not provide specialized support to improve risk management capacity. (Private sector)

While confident about the quality of their own risk management in interviews, the multilaterals indicated in the survey that Sida had contributed towards improving their risk management capacity. When analysing the reason for this, it was discovered that multilaterals especially appreciated the flexible Sida core or programme support which helped them manage uncertainties and unexpected events, where other donors were deemed as less flexible.

A majority of partners (70%) further indicated that the dialogue with Sida had helped them develop their programme design. The examples mentioned mainly related to a) RBM trainings that helped partners develop a better results framework or a theory of change and b) the support from Sida to undertake system audits, which helped partners identify and address weaknesses in internal systems.

Figure 2. Sida contributed to improved design of the programme



Among the 30% that did not feel that Sida's approaches were helpful, the following comments were noted:

We are already a risk aware organisation and SIDA's input did not affect design. However, core funding allows us to pay staff who help manage risks alongside other management functions. (CSO)

There is usually limited time taken by Sida to discuss the risks in the phase of the program design; Sida trusts us as a partner to have sufficient capacities to deal with this. (CSO)

Some partners pointed to problems caused by Sida's somewhat unpredictable management of contributions, which increases uncertainties and their ability to manage risks. Funding gaps may occur as a result of Sida's long project appraisal timelines, their inability to bridge strategy periods, or simply delays related to unexpected questioning of partner reports. This could in turn result in partners losing competent staff and momentum in their programmes.

Several partners, especially CSOs that have no equity, also mention problems with Sida's limited sharing of risks related to financial losses from sub-granting and exchange rate fluctuations. This increases partner uncertainty and unwillingness to support new initiatives or smaller/weaker organisations.

There is a "målkonflikt" - a conflict between the political side of the management of the grant and the financial control side, where the political side is asking for more risk-taking while the financial monitoring is not accepting any risk taking. (CSO)

Are the Sida risk management policies, tools and practices informed by lessons learnt and feedback from partners, existing standards and experiences of other donors?

Sida's risk management policy and practices have been influenced by its understanding of aid and development effectiveness, its wish to promote local ownership and a human rights-based approach aiming to fight corruption as a development obstacle and to do no harm. The strong focus on RBM has gradually been supplemented by an adaptive management approach and promotion of innovation and risk appetite. These underlying values and priorities (which are not explicitly spelled out as an important part of a Sida's risk management framework), makes Sida different from donors which means that lessons learnt by some other donors may be less relevant for Sida. Some partners (especially multilaterals) mention that Sida should be a role model for others, rather than the reverse.

Sida has taken feedback from CSO partners into account and attempted to create a risk sharing model for some of its strategic CSO partners. However, it was not clear to these partners when and if this risk sharing was going to be granted. They received conflicting messages from Sida. One partner had waited almost a year for a response. Private sector partners on the other hand assume that there was risk sharing (even if this was not evident from agreement conditions). That was also the idea behind the Sida supported guarantee instruments linked to some of the private sector initiatives. However, partners did not seem to know exactly what types of risks would be covered by these instruments.

It seems that Sida is in the forefront of testing new ways of working, and this is appreciated by partners – but it has also created uncertainty and differences in interpretations among staff and partners. Partners call for more joint learning:

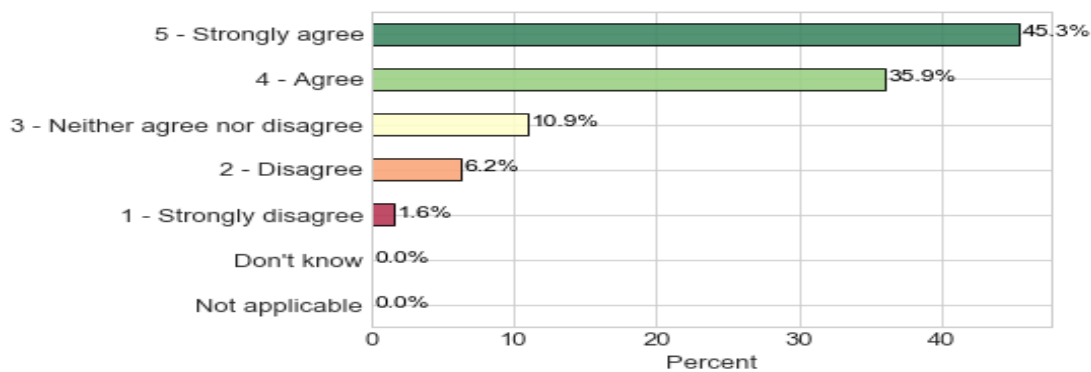
It would be useful to have more specific steer in terms of templates as we often get additional questions on how to report, and this may vary per contact within Sida. (CSO)

Sida could provide examples of best practice in effective risk management and reduction, and potentially some online/ digital training for implementation partners in this field. This would serve the joint objectives of building capacity and also standardising approaches, as much as is possible across different units, themes and geographies. (Multilateral)

Do Sida's cooperation partners perceive that Sida's requirements on risk management create conditions for innovation and flexibility?

Partners generally expressed that Sida's approaches have created conditions for innovation and flexibility. This mainly related to Sida's willingness to provide core and programme support, its willingness to harmonise with other donors in basket funds and its flexibility to accept adaptations in programmes and budgets. More than 80% of partners in the survey stated that Sida's approaches were helpful in this regard. CSOs and public sector partners were less positive than other types of partners.

Figure 3. Sida contributed to partners ability to be innovative



Similar responses were provided to the questions on Sida's contributions to flexibility. As with other areas of inquiry of this evaluation, there were big variations in experiences and responses. Multilaterals are generally more positive. CSOs have variable experiences:

Yes, core funding is a great contribution in this regard. With the current agreement, we have, however, for the first-time restrictions on certain countries in which we are not allowed to use the core funds. (CSO)

Core funding allows flexibility to innovate. Core funding is absolutely critical. (CSO)

Sida strongly supports innovation and creativity in its approach to local partners, which enabled us to think more 'outside of the box' and utilise innovative solutions within our initiative. (CSO)

Sida's risk appetite for new business models and approaches in programme delivery allows for innovation. (Private sector)

Sida has funded some of our most significant innovations because they are willing to allow us to take risk. (Multilateral)

SIDA had supported us with core funding which allowed us to be innovative. However, Sida funding moved to program funding which has complicated and limited our operational modalities. (CSO)

General rules and conditions apply and there is no room for more flexibility to allow for more innovative approaches. For example, regarding nexus programming and supporting informal actors. (CSO)

There is no incentive for innovation in the conditions. (CSO)

Many partners have noted an increasing trend in Sida programme staff talking about risk appetite, innovation and supporting emerging local initiatives. However, CSO and private sector respondents generally felt that these messages were not matched with the necessary changes in agreement conditions and monitoring practices.

At the same time, the flexibility in Sida approaches also has some down-sides. Several partners found that it has not been clear when (and on what issues) Sida is flexible about performance and where Sida draws the line. The lack of clarity raises questions among partners, such as; When and why does Sida phase out the support to a long-term partner or change core support to project support – are there any criteria?; Why do some partners manage to get long-term, harmonised, core support – but not others – while having similar capacities?; What reasons for poor performance are acceptable to Sida and what can be expected in terms of support and/or escalation measures to address risks that materialise? Many partners pointed to the inconsistency between the risk appetite messages from Sida programme staff members and the realities appearing in agreement conditions and monitoring procedures.

Are the risk management and risk mitigation measures proposed by Sida relevant in relation to the risk analysis and risk valuation? I there too much or too little attention to some types of risk? Are any obvious risks missed?

Based on the document review¹¹, Sida's risk mitigation focuses a lot on the institutional capacity of its immediate partners (23 of 35 appraisals). There is also a strong focus on risks related to financial loss. Risk assessment and mitigation measures mostly refer to partners' systems, policy documents and management guidelines, procurement regulations, and regulations for management of the sub-granting. While it is understood that Sida is a government authority that operates under certain regulations and must ensure minimum accountability standards, it should be acknowledged that it might be even worse if all the funds were accounted for, but nothing was achieved or serious harm done. The desk review revealed that, in general, the credibility/validity of the theory of change, lack of stakeholder analyses or pertinent governance issues (such as lack of downward accountability to target groups or members, self-appointed boards or grant committees, etc.) were rather absent in the risk assessments of the studied initiatives.

Efforts were, however, taken to broaden the approaches in a few contributions studied in the document review. The risk of doing harm (mentioned in 4 out of 35 appraisals) and security risks (mentioned in 8 out of 35 appraisals) were highlighted in appraisals of contributions in conflict and humanitarian contexts, and in programmes dealing

¹¹ Based on appraisals done before the changes in 2018.

with sensitive human rights issues such as land rights and SRHR. Downward accountability was mentioned in two out of 35 appraisals.

Mitigation measures in the form of agreement conditions almost always focused on institutional partner capacity development or production of internal guidelines. In a few cases, agreements required a revised results framework as a precondition for support. The dialogue issues covered a somewhat wider range of risk areas such as local ownership and doing harm/conflict sensitivity. When analysing mitigation measures that involved consultancies, these were typically either system audits, mid-term reviews or RBM trainings. No capacity development in risk management had been offered by Sida according to the documentation and interviews. Among the 35 contributions analysed, there were no examples where Swedish diplomacy was mentioned as a mitigation measure and no case mentioning collaboration with Sida funded programmes dealing with security of human rights defenders as a mitigation measure – although this would have been highly relevant in some of them.

In summary, Sida's risk management focused mostly on partners' institutional capacity. This means that Sida might have missed some significant risks such as:

- 1) Risks related to conflict of interest, abuse of power or lack of integrity of those deciding on sub-grants, research grants, private sector grants or ordinary disbursements. Boards and committees are often appointed by a director who created the CSO or company (if there is a board). Country directors of international CSOs rarely have a board with representatives of local stakeholders to ensure local ownership and downward accountability. National offices of multilaterals that have employed national staff do not always consider risks such as conflict of interest or abuse of power – or manage to recruit staff with the required competencies.
- 2) Risks related to poor design (ToC) of the intervention – most often gaps in the logic, insufficient stakeholder analyses and limited identification of networking opportunities, or too detailed activities and indicators, limiting flexibility.
- 3) Risks related to doing harm, limited local ownership and lack of downward accountability.
- 4) Risks related to inadequate staff capacity of both Sida and partners (especially in multilateral agency national level bodies) and the high staff turn-over in some CSOs where employment is often project based with low salaries.

The removal of the standard risks in Trac in 2018 was intended to address some of these concerns. Due to the sample limitations, this evaluation was not able to clearly establish the extent to which this has been achieved.

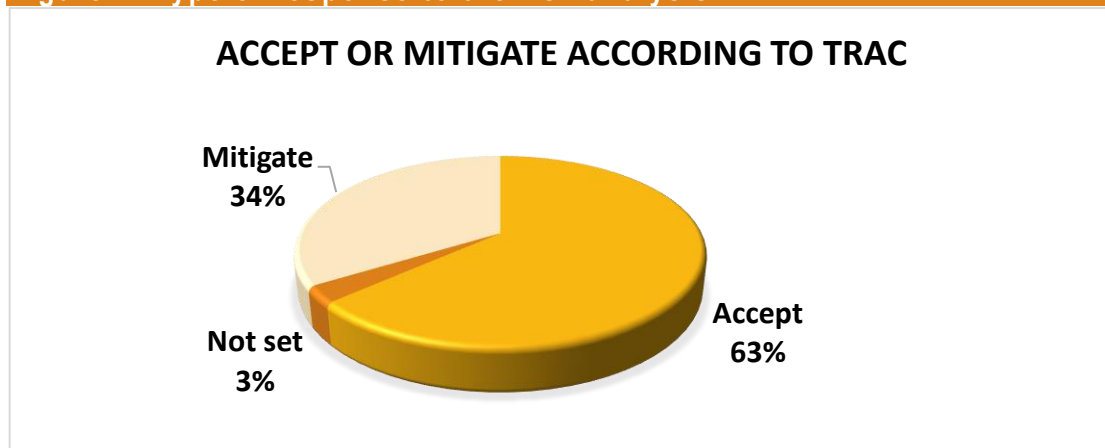
3.2 EFFECTIVENESS

Do Sida's assessments of contributions document a logical and clear link from identifying weaknesses and circumstances, to the risks described in the risk register? Are there general problems? Good practices?

Analysing appraisals of the selected 35 contributions revealed that thirteen contributions mentioned agreement conditions as a mitigation measure (37%). Dialogue issues and other measures have been identified for as many as 26 of the 35 contributions (74%). While the agreement conditions were followed up in subsequent annual meeting notes and conclusions of performance, this was not consistently done for dialogue issues and other measures. Among the contributions studied, only a few demonstrated a consistent link between the appraisal of risks, developing agreement conditions and dialogue issues, and subsequent systematic monitoring and documentation of how the events unfold and what is being done. The interviews revealed that partners were generally unaware of Sida's dialogue issues as they were not systematically shared in any written communication to partners. Nor did they consistently appear in annual meeting notes or conclusions of performance.

As many as 66% of the risks assessed in the 35 contributions were coded as “accepted” or “not set”¹². Still, many of these came with mitigation measures that required follow up by Sida. There seemed to be no common understanding of how to use the concept “acceptance” of risks.

Figure 4. Type of response to the risk analysis



The analysis of appraisals also showed various interpretations of when and how to make use of mitigation measures in the risk management of contributions. While nine

¹² The reason for this could be that Trac, before March 2018, used standard risks which were less relevant to the specific contribution.

contributions had no mitigation measure at all, four of the 35 contributions (three CSOs and one multilateral) each count between 22 and 27 “dialogue and other measures” that should be followed up by Sida. The number of mitigation measures was only to a small extent correlated to documented higher risks in these contributions, and rather seemed to depend on variable staff practices.

When looking at the mitigation measures recorded in the Trac risk tool (i.e. the actual risk data), there was a strong focus on partner capacity and their inadequate internal controls (see table below).

Table 2. Share of mitigation measures according to assessment area

Risk assessment area	Share of mitigation measures
Budget	5%
Objectives and theory of change, including ownership and sustainability	31%
Partner capacity	48%
Perspectives and development effectiveness	17%
Total	100%

The survey and interviews provided mixed responses regarding the focus of Sida’s risk mitigation. Partners appreciate Sida’s friendly and flexible approaches. At the same time, a number of respondents observed that Sida’s risk management has a strong focus on ensuring quality in partner’s formal systems and structures, while being more flexible in accepting a weak results framework, slow progress, or limited results - as long as the reporting is delivered in time, deviations explained, and funding accounted for.

My relationship with Sida does not involve feedback on programming but rather revolves around managing our partnerships, reporting and other contractual obligations. (Multilateral)

I don't know if it is directly on support to risk management, but we have been quite surprised with the level of micro-management of financial reports and budgets during the agreement phase and afterwards, given the fact that we receive core funding and received the new contract and a quite positive internal management review had been made by Sida-selected auditors. There seems to be less micro-management now in the second year of the agreement. (CSO)

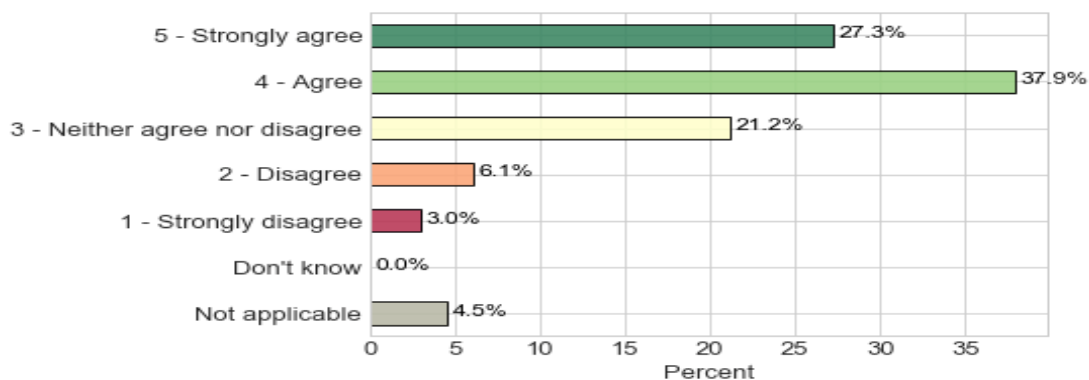
Finally, the evaluation team noted that the appraisals of contributions varied in quality and quantity. An average appraisal was around 30 pages long, but the 35 ones studied ranged from 15 up to 75 pages. In some units (especially the CSO unit), it was not uncommon for appraisals to be longer than partner proposals. The added value of these extensive documents is questionable. They may even make it *more* difficult to find the essence of the appraisal and get an overview of the risks.

To what extent is the risk of corruption identified and documented by Sida in a way that helps finding relevant and suitable risk mitigation measures that can be followed up?

Risks of corruption were assessed as an issue in 19 of the 35 contributions studied and mitigation measures are established for 10. The corruption risks identified were mitigated by agreement conditions or dialogue issues around implementation of audit recommendations, system audits, partner policies and guidelines or action plans (e.g. on corruption, procurement and sub-granting management). Corruption risks seem to have been consistently followed up in annual meetings and conclusion of performance.

The survey showed that the dialogue with Sida on corruption was seen as helpful by 65% of respondents. The rest felt that they already had sufficient measures in place.

Figure 6. Sida's support helped reduce risks of corruption



Again, opinions differed between various types of partners, with some civil society and private sector partners having more negative responses, while some multilaterals felt that the question was not applicable.

Our organisation is strong on internal control and it would be more helpful to have more focus on programmatic risks. (CSO)

We have had a zero-tolerance approach to corruption and bribery for a decade, but this was prompted by legislation and not by dialogue with SIDA. (CSO)

We already follow very stringent rules to ensure there's zero tolerance to corruption and a system of checks and balances that makes corruption very unlikely. (Multilateral)

Sida's request for systems-based audits help support organisational risk reduction linked to corruption. (CSO)

The document review showed that Sida assessments rarely contained analyses of the power relations which could enable, often encourage and even depend on corruption. For example, risk assessments generally did not comment on the composition (and appointment procedures) of boards or granting committees. Neither did they address lack of transparency within the management of partner organisations or the over dependence on one strong leader. When Sida meets partners, the discussion is mainly

with the leadership, making it difficult to pick up signals related to abuse of power or position. Similarly, the partners interviewed indicated that the corruption which had occurred among their sub-grantees was mostly not related to poor control systems, but rather the abuse of power by well-trusted, long-term leadership figures who moved above these control systems to enrich themselves directly or indirectly.

The risk of corruption in partner governments has been a big problem in the past, and according to our analysis, it has been mitigated in a special manner. Support to governments (via multilaterals or directly) tend to be based on payment on performance against concrete quantitative indicators to reduce corruption risks and ensure that the intended results will be achieved (e.g. Tanzania Finance Ministry and Bangladesh Health Ministry). There are specific indicators related to anti-corruption measures (proof of internal control mechanisms functioning etc). The studied examples demonstrated that there are still some difficulties in handling risks of delays, poor monitoring of indicators, non-performance, etc. So when should Sida refuse to pay? The practice of payment on performance (after implementation) can only be applied when partners have equity - such as governments or big businesses.

In summary, the evaluation finds that mitigation of corruption risks is mostly about requiring elaborate upward accountability and financial control mechanisms (i.e. small disbursements, detailed and frequent reporting, existence of good internal guidelines and payment on performance indicators). Some respondents mentioned that other mitigation measures would be more effective, such as the right to information and transparency towards the target group/members, creating opportunities for downward accountability. Existence of partner guidelines on anti-corruption is not a guarantee for their application.

Does Sida follow up the risks and the risk mitigation measures in order to reappraise the risk value and mitigation measures? Are risks formulated in such a way that they are conducive for monitoring?

The document review demonstrated an imbalance between the time and effort invested in the assessment phase and the follow up phase. While initial appraisals were substantial (30-75 pages, some taking up to two years to complete) and initial requirements very high in terms of institutional capacities of partners, the monitoring of performance was more relaxed and inconsistent in following up the variable number of risks and dialogue issues (between zero and 27 per partner).

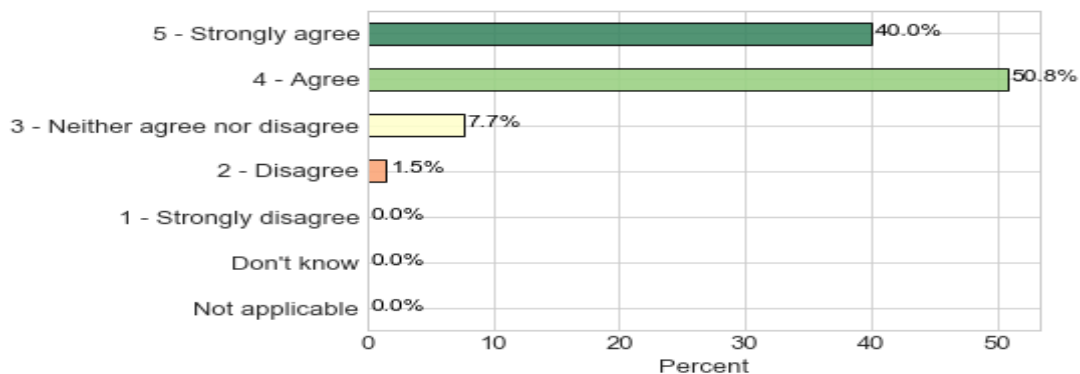
Notes from meetings with partners were difficult to access and assess (not part of Trac and variable quality) and the annual Conclusions of Performance contained limited analytical information. Even with an updated risk register where some new risks may have been entered, there was insufficient/no feedback on the outcomes of risk mitigation measures, which remained unchanged in the register. This means that many risk issues raised in the appraisals were potentially followed up in a rather ad

hoc manner – or recorded poorly. Also, many mitigation measures were vaguely formulated e.g. “Sida will continue to have a dialogue with the partner regarding the issue”.

While the documentation in Trac (the risk management tool and Conclusion of Performance) provided limited information on follow up, the interviews and survey responses indicated that there was indeed a practice of engaged dialogue with Sida throughout the implementation phases, which led to adjustments. 90% of the survey respondents confirmed that Sida was in regular contact and that interim adjustments were made (Fig.7). These adjustments were mostly related to budgetary issues, time frames and changes in activities.

A study of minutes from meetings and related e-mails available in the Dox system (which had to be opened in a different web-reader than the Trac system) showed that, for at least some contributions, there was indeed more rich information on the risk management dialogue and mitigation measures. However, this was not systematic or easily accessible - and practices varied between staff.

Figure 7. The dialogue with Sida leads to interim adjustments



Some of the statements made by partners:

We had continuous dialogue which is helpful in making adjustments. (Multilateral)

The various evaluations that have been done at Sida's request have all been very helpful and informative. Sida genuinely wants our organization to succeed and thinks of us as a partner. (CSO)

Due to the complex contexts, it is not uncommon that we need to request adjustments to projects during implementation. Sida consistently supports us by reviewing and approving budget revisions and no cost extension requests. (CSO)

This depends a lot on the staff member responsible and their contextual knowledge, our relationship (how well they know, understand and trust us) and the partnership approach. (CSO)

Are the Sida support measures effective to help partners reduce the identified risks, i.e. are they effective, reasonable and enables follow up according to the cooperation partners? Do partners express ideas or needs for additional support? If yes, what?

As previously mentioned, partners were generally not aware of Sida's risk assessments and risk mitigation measures. When probed to comment on how Sida's approaches may enable or disable their efforts to manage uncertainties and avoid corruption and doing harm, partners expressed their relationship with Sida and the support provided as satisfactory. The most appreciated approaches/risk mitigation measures mentioned were:

- Core (or programme) support
- Flexibility in budgets and timelines
- System audits and evaluations providing action plans to follow
- Friendly and supportive dialogue with Sida

While partners found these approaches to be helpful, several respondents indicated that the dialogue with Sida on risk had a strong focus on existence of policies, systems, RBM and reporting procedures. They perceived Sida as supportive in providing training and consultancies in these areas. However, they also called for more clarity and consistency in Sida's approaches to risk, to underpin its adaptive approaches, and for more joint learning and training on risk management. Below is a sample of ideas mentioned by partners in response to the survey question on what could be improved:

Take the time to clarify expectations, transparency on risk assessments and conclusions, provide support and not only interrogate and ask questions. Dialogue questions should be formulated jointly and be prioritised/not too comprehensive (because there is limited time to discuss them strategically). Less tick-box more support and dialogue. Better coordination internally - apparently all of Sida should follow the same risk management system but this is not evident in practice, it varies a lot. (CSO)

Sida could provide examples of best practice in effective risk management and reduction, and potentially some online/ digital training for implementation partners in this field. This would serve the joint objectives of building capacity and also standardising approaches, as much as is possible across different units, themes and geographies. (Multilateral)

Take it more seriously and improve communication about risks and risk management. Initiate dialogue IRL, not via papers and matrices. (Private sector)

Increased internal knowledge = speak with one voice and know what you are talking about and what you want (CSO)

Provide training, manuals and communicate requirements/needs better. (CSO)

Provide example/lessons from other partners who have managed risks effectively. (CSO)

Sida could consider the risks and effects of exchange rate loss. And could consider working with templates to make sure partner organisations meet the specific needs of Sida. (CSO)

Improving coordination between Sida global and local entities. Improving continuity and stability of funding - large fluctuations bring risk and difficulties in implementation - which ultimately impact our ability to deliver (CSO)

Promote a consistent approach toward risk management among like-minded bilateral aid agencies. (CSO)

All in all, partners indicated that there is a potential for Sida to provide more guidance and to be clearer and more consistent in its approaches.

Furthermore, some partners noted that Sida's processes tend to create funding gaps between strategy periods. This is a great risk to partners that may lose momentum or qualified staff members. The partners suggested that such risks could be reduced if partnership agreements were renegotiated while partners were still being provided with bridging funds. This would also allow for a better planned phase out in case the support came to an end.

Is risk management dialogue between Sida and its partners handled in a clear and transparent manner, or are there indications of hindering aspects, such as unwillingness to communicate high risks or to address topics?

It was obvious from the interviews that many partners did not know of the risks and dialogue issues identified in Sida's appraisals. They wanted Sida to be clearer and more transparent. Sida's efforts to be in the forefront of applying the principles of aid and development effectiveness was highly appreciated. However, it might have also led to some insecurity among partners, making them ask themselves; Are we doing enough?; Are we conflict and gender sensitive enough?; Have we fulfilled the requirements?; How will we be evaluated? In order to be on the safe side, some partners applied EU regulations on themselves (as these were considered to be the strictest and most bureaucratic). Among the pertinent recommendations from partners, many related to increased consistency and transparency from Sida on its risk management approaches, since Sida did not present formats or templates like other donors did.

Furthermore, there was an element of self-censorship among partners due to the power-relation between donor and recipient. The interviewed partners were careful in ensuring anonymity. They generally did not want to raise risks related to perceived weaknesses in Sida's management. Swedish based partners tended to be more open and franker, while multilaterals generally were more careful in their responses. A reason for this might be that they were given more trust and flexibility, and less scrutiny.

Still, a few multilaterals mentioned serious problems in the communication with Sida. These included lack of information about staff changes (for 6 months), complications when receiving support from more than one Sida unit to the same programme where the respective units (staff) have different interests and requirements, and complications of not being informed of roles and responsibilities of various Sida and embassy

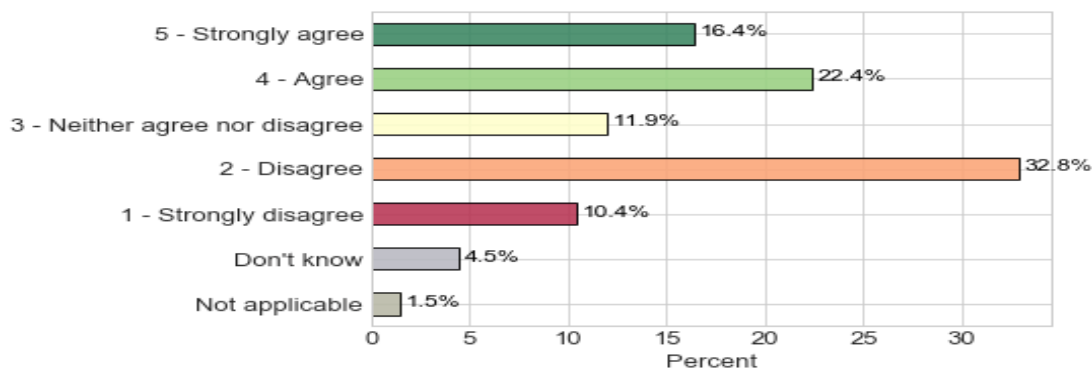
staff. Such confidence gaps affect the willingness to disclose problems and risks emerging in the Sida supported initiatives.

Most partners interviewed stated that Sida was generally easy to speak with and that they felt confident to bring up all kinds of issues related to risks. However, some mentioned that while risks related to poor performance or delays was always possible to negotiate with Sida, corruption issues were more difficult. The fear of losing funding due to such incidents made it harder to be transparent.

Are there any clear differences in approaches between different Sida units, types of projects or partners? If yes, in what way?

There were differences in approaches between individual Sida staff members. Almost 40% of the survey respondents felt that the variable approaches among Sida staff was a problem. This was evenly spread across all types of partners and confirmed by the interviews. However, the views were strongly divided and it should be noted that 43% of the respondents felt that the approaches were consistent.

Figure 8. Sida's approaches vary between on staff members



According to our organisation, this is a very big problem, creating inconsistency and damage to the project/collaboration with our partners and the sustainability that we are trying to contain. We consider this to be highly unprofessional and something that Sida should address with immediacy. (Private sector)

Yes, and even more so between different Sida units (CIVSAM, INFOKOM, HUM, Embassies). (CSO)

Some are much more rules-based than others. Some also demand much more detail than others. (Multilateral)

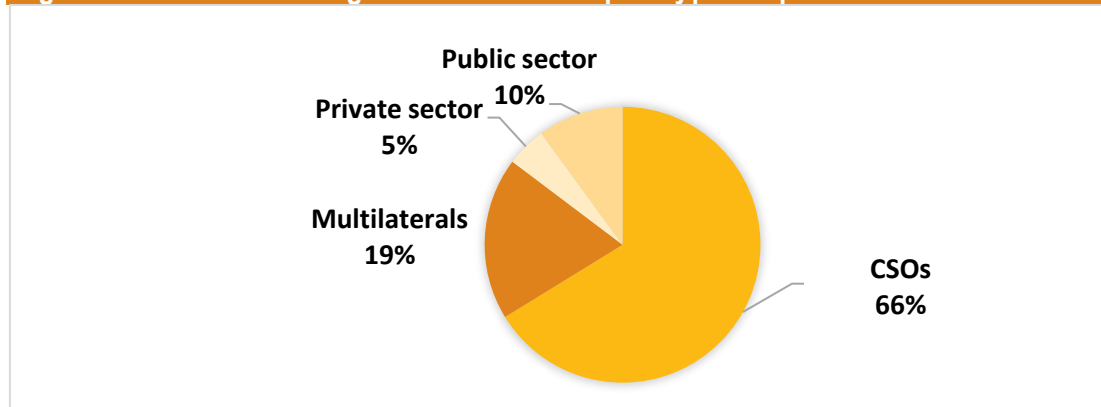
Any variation is effectively clarified via good communication centrally. (Multilateral)

SIDA staff have always provided consistent guidance on risk management. (Multilateral)

Despite changes in the staff that manage our programs, we have had consistent support. (CSO)

There were variations between different types of partners. Civil society partners seemed to be subjected to far more risk mitigation than multilaterals. 66% of all risk mitigation measures recorded in Trac (for the 35 contributions studied) related to civil society, while they represented 40% of the sample. Multilaterals made up 32% of the sample, but only 19% of mitigation measures. Other categories were fairly well represented (Figure 9). This might be related to increased risk levels in civil society, but it might also be due to difficulties to influence multilaterals, which are often supported through basket funds.

Figure 9. Share of mitigation measures per type of partner



Are there other risk mitigation measures that could have been used by Sida instead, for a more effective and/or cost- efficient risk management?

As the partners were largely unaware of Sida's mitigation measures, they could not have an opinion on their effectiveness/efficiency – apart from the appreciation of the evaluations and system audits commissioned. However, partners call for:

- More support and advice to partner's own risk management processes. Clarity on Sida's key priorities.
- More joint learning, sharing and training on risk management between Sida and its partners. Models of good practice.
- More engagement from Sida in the sharing of responsibilities for and mitigation of risks that may materialise along the implementation phase.
- More engagement from Sida in influencing other donor practices, especially in the basket funds.

The evaluators' analysis is that the heavy focus on the preparatory phase and on the existence of partner policies, systems and structures in Sida's risk management may not be efficient, as these formalities are not a guarantee for application of good practices. Investing more efforts and resources to the follow up phase and to adaptation

and mitigation measures along the implementation period could add to the effectiveness of the risk management, as not everything can be foreseen in the complex environments where Sida and partners operate. Investments in training and joint learning with partners might also increase effectiveness.

Do Sida's cooperation partners feel ownership of the agreed risk mitigation measures and those managed by dialogue? What could be improved?

As mentioned above, partners were generally not aware of Sida's risk mitigation measures, apart from those in the agreement. These mitigation measures mainly related to internal control systems and were seen as fair by partners. The partners did not feel ownership over dialogue issues as these were mainly known and controlled by Sida. However, partners maintained ownership of their own risk management and were confident that Sida approved it unless they expressed otherwise. They also felt that it was Sida who had approved their approaches and risk mitigation measures – not the other way around.

According to the survey, around 84% of respondents felt that they had a common understanding of the risks, indicating that the dialogue with Sida was seen as effective. Areas of improvement mentioned by respondents were similar to those mentioned in the previous section.

3.3 ANALYSIS

In this section, Sida's risk management approaches are analysed by the evaluators against a) the four key aspects of a good risk management framework that were defined and agreed on in the inception report b) approaches used by some other development agencies and international standards. The analysis is based on the document review and findings in the previous section.

The extent to which Sida's basic rules and principles for risk management are known and used for guidance in the risk management.

Sida's risk management is guided by the internal documents, rules and principles that are largely unknown to partners. The newly adopted *Guidelines for organisations seeking financial support from Sida* are not available on Sida's webpage and have not been mentioned by any of the interviewees. This might be because these guidelines are rather new, but could also be explained by the fact that Sida wants partners to maintain ownership, think for themselves and not just fill in pre-determined formats.

It seems that, in its efforts to adhere to the aid effectiveness agenda, promote local ownership, align the support to partners' systems and harmonise with other donors,

Sida's own objectives, rules and principles might have become a bit invisible for partners. If Sida disapproves of a programme idea, a theory of change, a management set up or a sub-granting scheme during the appraisal, this comes as a surprise to partners. The principles used in the assessments also seem to vary between Sida units and staff, which indicates that the much appreciated flexibility might also make it more difficult for staff to uphold common and overarching principles. Many partners called for more clarity upfront on how Sida assesses risks in various contextual, programmatic and institutional areas. Several partners suggested more transparent and joint risk assessments.

Even if there are unclarities, partners seem to be aware of the thematic/geographic strategic priorities guiding the contribution. These are available on the internet. Sida's priorities in the following two areas have also been communicated consistently:

- Human rights and gender equality are understood as Sida's top priorities which need to be adhered to in all Sida funded programmes. However, the exact meaning of a human rights-based approach and gender mainstreaming is not always understood. This was seldom highlighted as a programmatic risk in the appraisals.
- Zero tolerance of corruption has clearly been communicated by Sida. However, this was still mainly understood as a risk of embezzlement of money. The broader meaning of corruption as abuse of power and a general obstacle to development was not mentioned by respondents. Sida and its partners have mainly been focusing on corruption risks external to their own organisation.

There were some differences in how different types of partners perceive Sida's risk management approaches.

- Multilateral partners did not really care about Sida's risk management approaches as they looked at their own rules and principles as overarching, being accepted and controlled by Sida through Swedish or EU membership in their governing bodies. Several multilateral respondents however raised questions on how/against which criteria their performance would be evaluated by Sweden. This was not entirely clear to them.
- Swedish public sector actors stressed that they apply the same governmental regulations as Sida, (being peer authorities). Additional risk management requirements communicated by Sida relates to formalities on reporting rather than to more pertinent risks that might be jointly addressed (e.g. more cooperation with embassy staff on addressing contextual uncertainties and obstacles, reducing time lines for appraisals, and joint approaches to risk management of contributions).
- Civil society, private sector and research institution partners mentioned that their own risk management frameworks have been the guiding tools for them. Some partners felt that they were more experienced than Sida in terms of risk

management. One of them was even funded to serve as a help desk to Sida on management of security risks. Other partners would have liked more support from Sida and were asking for trainings and sharing of experiences and good practices.

The extent to which Sida's organisation, staff, procedures, internal guidelines and policies, management systems, help texts in Trac, etc., enable Sida to manage risks effectively and if procedures are simple and clear to all.

Sida has many agreement templates, internal rules, general principles and guidelines, partner type specific guidelines, policy documents and other tools aiming to guide and support staff in their risk management of contributions. Some of these were recently updated in 2019. The evaluation team identified a range of documents which have bearing on risk management (the below list may not be completely comprehensive):

General policies and guidelines:

- Policy framework for Swedish development cooperation and humanitarian assistance (2016)
- 44 thematic and geographic strategies, with their priorities and risk assessments
- Rule for managing contributions (2019)
- Risk-hantering inom utvecklingssamarbetet (2019) and its predecessor
- Principal values for Sida and Cooperation partners
- Regulation on Internal Governance and Control (FISK)
- Guidance for Sida's work with corruption as a development obstacle (2019)
- Help-texts in Trac 2, (2019)
- Sida's anti-corruption rule (2016)
- Sida's procurement guidelines (2004)
- General conditions for Sida support, 2015
- Sida's Standard Terms of Reference for Annual Audit of Project/Programme Support

For specific partner groups:

- Guidelines for organisations seeking financial support from Sida (2019)
- Collaboration principles for private sector
- Grant to Swedish governmental authorities – general conditions (2019)
- Guidelines for research organisations seeking financial support from Sida (2018)
- NGO core support - general conditions (2019)
- Procurement by Non-Governmental Organisations in the context of Sida-financed projects/programmes, version of 2013
- Agreement templates for various multilateral organisations, etc.

Having so many guiding documents, templates and rules that are regularly updated from Sida HQ surely makes it difficult for staff members to internalise and use them systematically and coherently. There seems to be an uneven understanding among

Sida staff regarding the principles, priorities, guidelines and minimum requirements framing the risk management. The level of anxiousness varies depending on staff knowledge and experience, leading to variations in approaches. The interviews and survey confirmed that many partners experienced problems with Sida staff members and units using different approaches to contribution management in general, and risk management in particular.

The extent to which Sida's mitigation and incentive measures are used and if they are seen as relevant and effective by partners.

As outlined in the findings section, the use of mitigation measures to manage risks has been unevenly practiced. The number of mitigation measures varied between zero and 27 per contribution and were not clearly linked to the level of risk assessed. 13 out of 35 contributions had used agreement conditions as the preferred mitigation measure - most of them requiring institutional capacity development of the partner. Partners generally appreciated these agreement conditions set by Sida and these were systematically followed up by both parties.

Mitigation measures categorised as “dialogue issues” or “other measures” were not known to partners beyond the group of strategic CSO partners who had read the Sida appraisals. These “softer” mitigation measures were hard to trace in minutes and performance assessments, making it difficult to assess how effective they had been.

When asked to comment on the most helpful Sida risk management approaches, most partners referred to the core support, flexibility and willingness to engage. Compared to other donors, Sida is considered to be engaged, supportive and easy to work with. Technical support and consultancies were specifically mentioned as helpful by partners who had received such support. This mainly referred to system audits, reviews, RBM trainings and trainings on Sida's policy perspectives. It was not seen as risk management mitigation as such, but rather as an investment in understanding Sida's requirements better.

Again, there were some differences in how different types of partners perceived Sida's risk management approaches:

- CSO partners supporting emerging social movements, new types of advocacy, networks and marginalised grassroots groups with developing capacities, complained about the present agreement conditions creating obstacles. The agreement conditions state that the same requirements on institutional capacity set for the partner should also apply to sub-grantees (and all subsequent levels of sub-granting). Partners had many ideas on how agreement conditions could be adapted to allow for the required risk appetite and innovation. These included risk sharing mechanisms and simplified procedures. There are examples of

such amendments in two of the studied contributions. However, other partners were told that such amendments were not possible.

- Agreements with multilaterals are standardised, based on negotiations with the global level entities of these institutions and agencies. They have provided little room for Sida to use special agreement conditions and have sometimes been making it hard for Sida to monitor performance. Furthermore, the capacity assessments undertaken in the appraisals are mainly based on MOPAN¹³ studies. These studies focus on the global systems, policies and guidelines that exist in the respective multilateral. However, the multilaterals strongly depend on their national level offices for the implementation of programmes. Their capacity varies greatly, which could pose a great risk. Still, only one of the multilateral contributions in the sample had identified a dialogue issue related to the risk of insufficient national level capacity. Another multilateral partner example showed that such risks, when they materialise, can greatly affect performance. While there are limitations in terms of the possibility of adding special agreement conditions (as Sida is bound to standard agreements for all multilaterals), each agreement has a cover page where Sida had sometimes introduced some special requirements around mid-term reviews and communication means. If the global agreements cannot be renegotiated to allow for country-specific risk mitigation measures, this might be an alternative way of addressing special requirements also to multilateral agreements.
- Similarly, support via Swedish authorities is guided by standard agreements that are hard to use for agreements on certain mitigation measures. However, Sida can make additional agreement conditions in the so-called “tjänsteöverenskommelse”. This was done in one of the contributions studied and might be a good alternative for others as well.

The extent to which Sida’s support and dialogue on risk has led to improved outcomes and reduced risks of corruption and doing harm

A majority of the studied partners said that Sida’s concern about financial accountability and anti-corruption has helped them reduce such risks. They further note that Sida has been very flexible and understanding about slow progress and limited results, giving partners many chances to improve. Sida was praised for staying onboard and taking a long-term approach to their partnerships. This reflects Sida’s approach of treating partners as important actors in their own right (especially CSOs) and not only

13 <http://www.mopanonline.org/>

as implementing arms of Sida strategies. While being highly appreciated, Sida's approach may also conduce to ineffective programmes being maintained for too long. Some partners called for more clarity on Sida's "red lines". Many of the studied contributions could have benefited from an enhanced downward accountability and engaging the target groups/members in monitoring of the contributions. This could be very helpful for detecting corruption and abuse of power, as well as signs of doing harm. Only two appraisals out of the 35 had identified downward accountability as a dialogue issue.

Sida compared to other development agencies and international standards

As part of the assignment, the evaluators were requested to assess Sida's risk management approaches in relation to other development actors and to international benchmarks.

While rooted in a history of auditing and accounting (i.e. internal control, enterprise risk management and fraud deterrence), the international standards ISO 31000 and COSO-ERM have both evolved in the past few years to taking broader approaches to risk management¹⁴. Modern good practice is based on an integrated, inclusive approach that supports the achievement of objectives. Successful risk management, especially in the context of more complex environments, needs to be able to be effective for, and adapt to, a range of diverse factors that might affect the successful achievement of the goals or even do harm. These factors include aspects of governance and compliance, strategic and operational risk, and risks that are shared with partners and other stakeholders.¹⁵ Risk management is seen as part of the organisation's structure, processes, objectives, strategy and activities – not as an isolated step in a management process. New approaches place a greater focus on creating value as the key driver of risk management and feature other related principles, such as continual improvement, the inclusion of stakeholders, being customized to the organization and consideration of human and cultural factors.

When comparing Sida's risk management approaches to these international standards, many components are already in place, such as the Trac contribution management system, policies, strategies, values and regulations that are guiding Sida's work. What seems to be missing is the overall framework that could help set priorities and clarify linkages between various levels of decision making and various ongoing related processes at strategic, methodological and management levels. COSO and ISO have both

14 <https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100426.pdf> ;
<https://www.coso.org/Documents/2017-COSO-ERM-Integrating-with-Strategy-and-Performance-Executive-Summary.pdf>

15 Also refer to the Inception report for more on the international emerging practices

developed frameworks for the new, broader approaches that might be helpful for Sida in taking the next step (refer to Annex 6 for a deeper analysis).

The comparison with other agencies showed that:

- Sida is more focused on supporting partner's own systems and structures and stressing their ownership of, and responsibility for, the risk management. Sida's willingness to provide core funding to partners, as well as its flexibility, trust and long-term engagement, makes Sida stand out compared to other donors. These approaches are important incentives for adaptivity and risk taking, while also having implications for Sida's risk management.
- Other agencies often have a more explicit, overall risk management framework for the agency, its various strategies/units, and the contributions to partners, which is linked to policy priorities. Sida is governed by 44 different strategies and has many different tools and guidelines, leading to diverse approaches in risk management. The lack of an explicit risk policy framework is sometimes leading to lacking clarity on, and links to, policy level principles and priorities. A common framework could help underpin a more unified approach.
- Other donors engage in rather detailed management of risks in supported projects and programmes. They have a range of mitigation and escalation measures from the preparatory phase throughout the lifetime of the initiative, such as insurances, coping mechanisms, enhanced monitoring and adaptation systems. Sida's risk management focuses more on ensuring the institutional capacity of its immediate partner to manage the contribution (through agreement conditions, dialogue and consultancy support).
- Due to its adaptivity, Sida may sometimes be carrying a higher risk than other donors who are less flexible and focused on project support. On the other hand, the adaptive approaches make Sida more effective in contributing to improved partner performance and sustainability of the results achieved. Risk management approaches needs to acknowledge, and be tailored to, Sida's specific policies and priorities. Other donor practices may not always be applicable for this.
- Some of Sida's partners are facing similar challenges as Sida, being big institutional grant makers themselves. Some have invested in developing adaptive and responsive risk management frameworks which could be relevant for Sida to learn from. A recent initiative that might be of interest is the WWF Environmental and Social Safeguards Framework (2019).

4 Conclusions and lessons learnt

4.1 CONCLUSIONS

4.1.1 Relevance and alignment

In what way and to what extent is Sida's risk management and risk mitigation measures *relevant and aligned* with the policies and strategies of the *cooperation partner* and other donors for the contribution, and with the needs and priorities of the cooperation partners?

Although partners were often unaware of Sida's risk assessments and the possible support measures that Sida offers to mitigate and share risks, they considered the general approaches of Sida to be helpful in managing risks. Sida's risk management approaches have been relevant to the needs of most cooperation partners because:

- Sida provides *core funding* which enables partners to better manage uncertainties and make effective use of emerging opportunities. This also enables partners to be innovative and to manage project funding provided by other donors, without compromising their own strategic priorities and identity.
- Sida is *flexible* and open to negotiated changes in plans and budgets, which enables partners to manage uncertainties and changes. In this way, Sida provides a more adaptive and agile approach that is often perceived as lacking with some donors.
- Sida's *level of engagement* with partners is perceived as high, with frequent opportunities to discuss up-coming issues, even though Sida seems to be understaffed compared to other donors.
- The *evaluations and system audits* commissioned and paid by Sida have assisted several partners to improve their capacity.
- The relationships with Sida are based on *long-term commitments and trust*, which is felt to be a necessary condition for risk taking and innovation. Partners are often confident that any matters arising could be solved amicably.

At the same time, the relevance for some partners has been affected by:

- Limited ability of Sida to adapt some of the formal requirements in agreements, so that they match the new scenario in civil society and public private partnerships. According to many partners from these groups, the promotion of innovation, risk appetite, local ownership and aid effectiveness does not always correspond with Sida's rather restrictive agreement conditions related to sub-granting. These are perceived to have too much focus on ensuring that sub-grantees are fulfilling the same formal systemic requirements and upward accountability as the partners themselves, rather than having conditions that help partners optimise the potential of these sub-grantees to gradually develop

capacities, try different approaches, form informal alliances and develop downward accountability in their contexts.

- Limited sharing of risks related to financial loss that may occur when subgrantees' reporting is poor/lacking, when their staff members misuse funds - despite that partner control measures have been in place, or when project ideas fail. This is particularly difficult for civil society partners that have no equity to mitigate such risks. This increases partner uncertainty and unwillingness to support new initiatives or smaller/weaker organisations that organise e.g. youth and marginalised groups. Partner also feel that exchange rate fluctuation risks need to be managed differently by Sida, so that losses (and gains) are not pushed to partners.
- Limited alignment between other tools used by Sida in management of contributions, e.g. humanitarian standards, adaptive management and results-based management.

4.1.2 Effectiveness

In what way and to what extent has Sida's risk management been *effective* in supporting the *cooperation partner* in reaching the objectives of the contribution and in preventing corruption?

Partners mainly referred to the overall positive relationship with Sida, the supportive and flexible attitudes and the alignment with partner systems as effective approaches that help them manage risks better. However, some partners mentioned that there were also downsides to Sida's flexibility, such as:

- The lack of clarity on Sida's risk management framework and policies is sometimes leading to discrepancies in approaches and messages, and between the partners own risk management processes and the expectations of Sida.
- The level of detail required in planning and reporting is inconsistent, and staff changes can impact on the continuity of work, resulting in confused messages on the priorities and risk management principles of Sida.

These observations by partners were supported by findings from the document review, which revealed great variations in interpretations, focus and documentation of risk management processes. These observations imply that there is a need to frame the flexibility within a clearer policy framework, and that such a framework is known to both partners and staff.

Most partners confirmed that the dialogue with and support from Sida helped them improve their own risk management (72%) and their anti-corruption work (65%). They also considered Sida to engage with its partners more than most other donors. Still, several partners pointed to areas of improvement, such as:

- Limited time and opportunities for joint field visits and joint reflection, which sometimes makes risk assessments and mitigation measures more theoretical and less practical.

- A rather time-consuming process with a lengthy preparatory phase, which sometimes results in outdated programme approaches and risk assessments. Relatively less time is spent on follow up, adaptation and performance management. The partners' observations of this imbalance were underpinned by the document review, where performance assessments were found to be short and contain limited analyses, while appraisals tend to be overly lengthy.
- Limited opportunities to meet in safe spaces to openly and frankly discuss risks and the associated risk management needed. Sida's appraisals are generally not shared or discussed with partners (except with Swedish strategic partners). Many appraisals are written in Swedish, which limits transparency to partners.
- Funding gaps that occur as a result of long project appraisal timelines, inability to bridge Sida strategy periods, or delays in disbursements, pose a risk to partners and have sometimes led to partners losing competent staff and momentum in programmes.
- Limited coordination between Sida's risk management and the work with innovation and adaptive management (mentioned by two partners and by the Sida staff interviewed for triangulation).
- A disproportionate focus on risks related to financial loss, rather than other types of risks related to inability of reaching outcomes or even doing harm, e.g. misuse of position and power, poor theory of change and limited downward accountability.

4.1.3 Evaluators conclusions

Sida's risk management approaches are considered relevant by partners to a large extent. It is clear from the feedback from partners that Sida is highly appreciated for being in the forefront in terms of aid and development effectiveness. Sida is seen by many as a role model for other donors in terms of harmonisation and flexibility, core support and alignment to partner systems, and rights-based approaches. These approaches, however, have not sufficiently been supported by an adapted risk management framework. The flexibility has to some extent led to inconsistencies and variable effectiveness in approaches. Several partners also felt that Sida is still focussing disproportionally on risks related to financial loss and formal institutional capacity, rather than having a wider approach to managing risks.

A review of the components in Trac showed that the system indeed has a broader scope, where risks are assessed from a number of aspects. The challenge seems to lie in the utilisation of these opportunities, in the application of various mitigation and coping mechanisms and in the dialogue with partners on how to work together to manage the various risks over time. The present tools, guidelines and policies are not sufficiently backed by an overall risk policy framework, which could provide more clarity and guidance to partners and staff. The key areas of improvement of Sida's risk management relate to:

The inconsistencies in Sida's risk management approaches. Sida is potentially giving conflicting messages to some of its partners. Even though they are expected to be adaptive and innovative and to work with the most marginalised groups and innovative business ideas, strict pre-determined standard agreement conditions for their sub-granting still persist. Some agreements have been tailored to allow for a more adaptive management, more risk sharing and more acceptance of sub-granting to informal or emerging initiatives. However, this is not consistently done and other partners are told that it is not possible to make alterations to the standard conditions. Programme managers and controllers have yet to speak with one voice. This suggests that, while Sida are generally seen as flexible and adaptive by partners, the underlying processes create a degree of confusion in interpretation, resulting in a mixed understanding both by Sida staff and partners on how to manage risk. Each of the 44 Sida strategies have their own risk assessments and risk appetite, but there are some overarching principles that could be established to frame and guide the risk management approaches. There is potential for a clearer framework, unified approaches and new models for risk sharing with partners who have complexities and high risks in their sub-granting.

The internal and external **guidelines, tools and policy documents present a range of goals and principles to strive for and processes to follow.** However, since there is no explicit and transparent risk policy framework, partners do not know for sure what Sida expects as a minimum in terms of adherence to these policies and guidelines or in terms of achievement towards the expected outcomes of the Sida funding. Consequently, they do not know when Sida is flexible about performance and where Sida is drawing the line. They also do not know about possible support measures that Sida offers to mitigate and share risks, nor about escalation procedures and break clauses that will be used to respond to issues arising. There is potential for a clearer and more transparent framework.

The recognition of the **joint responsibility with partners for managing risks.** Sida mostly cooperates with bigger and already well capacitated UN agencies, institutions and international CSOs.¹⁶ To some extent, this has led to Sida transferring the responsibilities for managing contextual, programmatic and institutional risks to the partners, that often serve as intermediaries for further sub-granting to other stakeholders or programmes. Thus, Sida focuses mainly on ensuring partner's capacity, while the contributions are managed according to partners' own risk management systems, which are of variable quality. Some of them are more advanced than Sida's, while others are limited to the filling in of a risk matrix. If things go wrong, all parties are held accountable and may suffer reputational and financial loss – or (even worse) achieving nothing or doing harm. There is limited clarity on how responsibilities between Sida and partners should be shared. There is potential for

16 Review of Civil Society Support Modalities at Sida HQ and Swedish Embassies, 2013

mutual learning and more clarity on roles and responsibilities in the risk management between Sida and its partners.

Despite a wider scope in Trac, **Sida's risk management still focuses mainly on the immediate partners' formal capacities**, system audits, M&E systems, control mechanisms and upward accountability (to Sida). Less attention (time and tools) is given to assessment of the partners' own risk management, theory of change and ability to contribute effectively to the desired results. It appears as though there is **little focus on the downward accountability**, often linked to the partners sub-granting processes and their ability to ensure local ownership and agency¹⁷, which is critical to the overall management of project risk. These observations by partners were confirmed by findings from the desk review of 35 case contributions. There is potential for a better balance in and a more holistic approach to risk management.

Adaptive management, RBM and risk management are interdependent, and could be more systematically linked to serve as mutually supportive processes. This observation by a few partners was confirmed by interviewed Sida staff. Similarly, there could be opportunities for synergies with quality standard tools used in the humanitarian work. Overall, there is potential for better synergies in approaches, tools and capacity building.

The internal Trac system tools for risk management were changed in 2018. It is too early to evaluate the outcomes of these changes, but the desk study of case contributions from the previous Trac version showed that **Trac was not being used as intended by Sida staff** (as a supporting tool for risk management and the related decision making). Key concepts were interpreted differently by staff and risk assessments and mitigation measures were not systematically recorded. It was also noted that relatively less effort was spent on follow up of performance as compared to the appraisal phase. Effective risk management will require that Sida invests more in the follow up/adaptation phase. Sida staff need to have the ability to judge if the proposed contribution has the potential to achieve its objectives (and adhere to Sida's rules, guiding principles and policy priorities) and to assess the most prominent contextual, programmatic and institutional risks at hand. This requires a degree of thematic and contextual understanding and not only abilities to judge if the partner has institutional systems and procedures in place, and a trac record. There is potential for staff capacity development and a more enabling environment for Sida staff to work with risk management.

¹⁷ Local ownership means that the supported initiative is driven by local stakeholders. It means that local organisations have their own agency and are not merely used as implementing arms of donor strategies. Initiatives that are not driven by domestic actors are unlikely to reflect local needs or dynamics, to be implemented properly, or to be sustained.

4.2 LESSONS LEARNT

Risk management is a shared responsibility

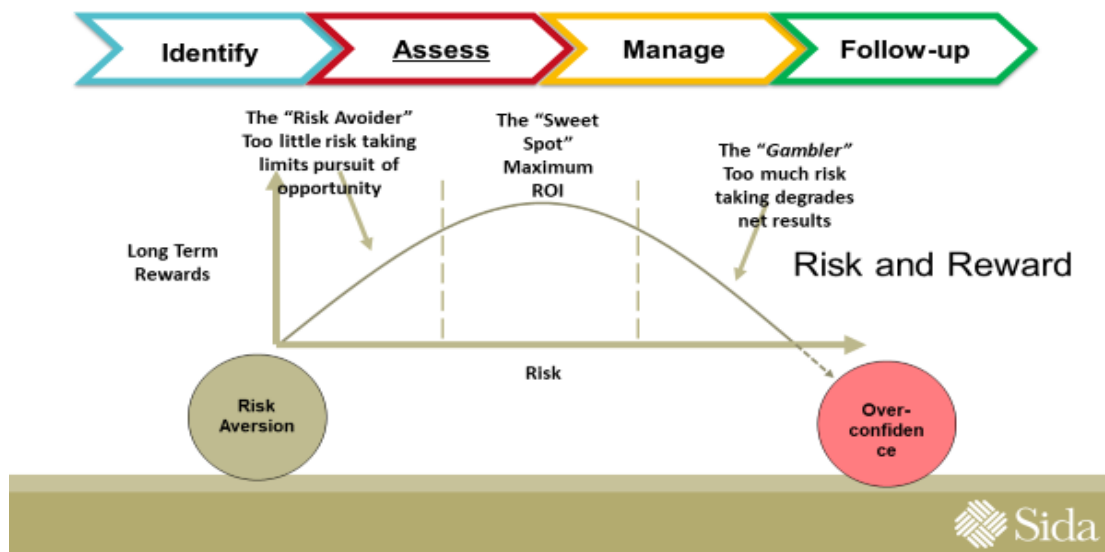
The different type of risks that Sida and its partners need to manage are contextual, programmatic and institutional. If these risks materialise it will create problems for Sida, partners, their sub-grantees and the intended target group in different ways. It may even do serious harm to people involved. Therefore, Sida cannot abdicate from responsibility for the risk management after ensuring that their immediate partner has all the formal institutional capacities in place. There seem to be four areas of concern:

- Sida is sometimes putting trust in partners, based on initial formal capacity assessments and track record, without ensuring that Sida can take a meaningful and active part in the monitoring and mitigation of key risks that may materialise along the implementation period. Such engagement must be supported by contractual conditions, sufficient staff resources and leadership support/braveness in difficult decision making. Presently, some agreements with multilaterals and authorities limit Sida's possibilities to engage in proper monitoring.
- Engaging in monitoring, mitigation measures etc., reviewing risks and agreeing on adaptations, requires sufficient resources from Sida and in partner organisations. This evaluation concludes that even if Sida is better than many other donors, not enough resources are invested in monitoring, mitigation and adaptation. Partners estimated that the workload of Sida programme staff is three times as heavy as other comparable donors. *"We see the same Sida person in all UN meetings, always making excellent contributions – I don't know how s/he copes"*.
- Sida's engagement with partners' own risk management frameworks is limited. None of the studied appraisals have provided comments or suggested revisions of these as an agreement condition or dialogue issue. Sida could more deliberately engage with and supplement partner risk assessments. Some partners have a very advanced risk management systems that could inform Sida's risk own assessments.
- Neither Sida nor partners transparently communicate risks related to institutional capacities internally and in each other's management. For example, partners identify two major risks related to Sida's management: a) delays in disbursements (as many do not have equity to cope with funding gaps) and b) change of Sida focal point staff, creating uncertainty of Sida's priorities and policies. Similarly, Sida's risk assessments are generally not known to partners (except the strategic CSO partners).

Risk management is not risk minimization

Risk management is about taking informed risks to achieve sustainable outcomes, exploring opportunities, identifying risks that can be increased or mitigated, and designing and implementing mitigation measures and monitoring developments closely to be able to adapt to new information and conditions. Sida's own fact sheet demonstrates this in the following way:

Figure 10 – Risk management model presented in Sida fact sheet



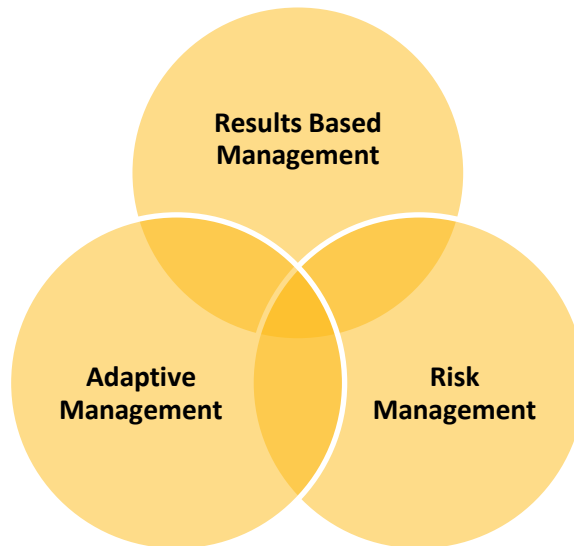
However, risk management of both Sida and its partners is currently focussing mostly on reducing risks – most often risks of insufficient institutional capacities of grantees or corruption risks. Only one of the studied Sida appraisals in the desk review mentioned supporting partners to increase risk taking as a means to achieve better outcomes. Two other contributions did however take such calculated risks according to interviews. In both cases Sida/embassies were involved in the risk management through close contacts and linking partners to some of its diplomacy initiatives. The appraisals for these contributions were however not discussing the risk taking and the mitigation measures involved. These two contributions are both found under so called “simplified appraisals”.

Other examples of positive risk taking include the innovation/challenge funds and research grant funds that are supported by Sida under strategies that may have a certain level of risk appetite. Still, the risk appraisals of contributions mainly deal with minimising risks and safeguarding systems and on accountability mechanisms.

Risk management is interrelated with RBM and adaptive management

While risk management is a specific discipline with its own standards, it is also an integral part of both aid effectiveness and monitoring and evaluation. Sida is presently developing its management tools and practices in three areas: RBM, Adaptive Management and Risk Management. A recent evaluation of Sida's Market Systems Development Approach (Sida 2018:2a) which studied aspects of adaptive management made observations and recommendations similar to those in this evaluation.

The three different methodological areas are clearly interlinked (figure below). There is potential for synergies, joint learning, combined guidelines and trainings and simplified tools. Also, the present helpdesks for these issues might benefit from working in one team.

Figure 11 – Interrelationship

5 Recommendations

Within its mandate as a Swedish authority, Sida could take a broader, more adaptive approach to risk management, while adhering to its basic rules and principles. The recommended actions below are linked to the conclusions and lessons learnt in chapter 4.

5.1 RECOMMENDED ACTIONS

1. Sida could develop a risk policy with a clearer and simpler risk management framework which could add value to the already existing processes in the Trac system, provide a common framework for various existing tools and guidelines and bring a more unified approach by Sida staff.
2. Sida's leadership could consider how it can provide more clarity and guidance on important overall priorities related to the risk management and ensure that there is a common acceptance and understanding of these along with knowledge, skills and resources to manage the level of engagement and risk agreed.
3. Sida could engage more in joint risk assessments with partners to transparently discuss and agree on how these should be managed and shared across the lifetime of the supported initiative. The dialogue could take its starting point in the partners' risk assessments and mitigation measures and add aspects and measures that would be important to Sida.
4. Sida could invest more in managing uncertainties and opportunities that go beyond the immediate partner's capacities to fulfil formal systemic requirements, such as their potential to reach the intended outcomes and avoid doing harm through a plausible theory of change, well managed sub-granting mechanism and downward accountability. The changes in Trac 2018 seem to be a step in this direction.
5. Sida could develop agreement models and risk mitigation measures that allow for partner sub-granting to organisations and initiatives that are emerging and/or do not yet have systems and structures in place and therefore may not meet the present systemic requirements.
6. Sida could consider creating a guarantee fund to share certain financial and security risks with partners, including currency fluctuations.
7. Sida could review assessment procedures of multilaterals and focus more on national level capacities in countries where implementation is going to happen.

8. Sida could renegotiate the standard agreement models with multilaterals to be able to include some “special considerations” when needed, to ensure adherence to Sida policy priorities and sufficient participation in monitoring of risk. Sida should not agree to conditions that limit its possibilities to monitor performance.
9. Sida could consider how to work with peer authorities in a more transparent and systematic manner, based on the standard agreements in combination with a tailored “tjänsteöverenskommelse”. Documentation in English could be the rule, not the exception.
10. Sida could take steps to enhance the synergies between its method and capacity development efforts in the areas of risk management, RBM, adaptive management and innovation areas. There could for example be joint trainings, toolboxes and helpdesks to support units and embassies (as with corruption and RBM).
11. Sida could make stronger efforts to ensure that a risk management framework is jointly understood and communicated by programme staff, controllers and lawyers - and leadership. Offer more systematic training to staff and partners on risk management and provide help-desk support in the same manner as is presently done in the area of RBM.
12. Sida could improve some of its technical approaches, to make communication with partners smoother and more transparent, such as:
 - a) preparing appraisals in English;
 - b) providing feedback to partners on annual reports in writing to reduce time spent on these at annual meetings (they refer to results and performance that is already one year old) and increasing the time for dialogue on substance and best practice for risk management - this is already practiced by some staff;
 - c) making more time for field- and dialogue visits as a basis for a debate on risks with partners and their subgrantees to determine what the actual risks are (and their importance) to Sida and its partners;
 - d) creating safe spaces for transparent dialogue;
 - e) preparing to bridge funding gaps and avoiding delays in disbursements;
 - f) improving hand over procedures - as a minimum, partners need to be informed of the contact details of the incoming new staff and where to turn if the new staff has a completely different approach.

5.2 TENTATIVE CONSOLIDATED FRAMEWORK

While not required from the Terms of Reference for this assignment, the evaluators have attempted to provide some ideas as an input for Sida in its deliberations to develop a consolidated risk framework. Such a framework would build on the already existing principles, values and priorities of Sida that are presented in various documents and used to inform the steps in Trac. The framework could for example take its starting point in the below six assessment categories – much of it already part of Trac, but not explicitly communicated as a risk management policy framework and not accompanied with clear priorities and actions.

Each assessment area could take its starting point in the partner's risk assessment and then add aspects that are important for Sida. The assessment could be followed by an agreement with the partner on what needs to be improved, how and when. These agreements should be recorded in Trac and form the basis for dialogue, follow up and adaptation. In this way, the vague “dialogue issues” could become clearer to partners.

Contextual risks

1. To what extent is the proposal informed by a *rights-based and conflict sensitive context* analysis that has considered:
 - a. power relations, gender inequalities and conflict areas of importance to the initiative
 - b. key stakeholders (people and institutions of power, potential change agents, rights holders, other initiatives, etc)

Agree with the partner on what needs to be improved in the context analysis, how and when.

Programmatic risks

2. To what extent does the proposal have a *plausible Theory of Change* which considers:
 - a. contextual challenges and opportunities
 - b. synergies with other stakeholders and initiatives
 - c. sphere of influence of the programme
 - d. local ownership
 - e. effectiveness of the selected strategies selected

Agree with the partner what needs to be improved, how and when.

3. To what extent the proposal has *considered Sida's five policy perspectives*. Be clear on minimum requirements for each perspective as they are very general and open for various interpretations.

Agree with the partner on what needs to be improved, how and when.

4. To what extent has the proposal considered *aid effectiveness principles*, especially:
 - a. local ownership of problem identification and solutions
 - b. core/programme/basket support to sub-grantees
 - c. accountability and transparency towards the target group/members (downward accountability)
 - d. ensuring not doing harm.

Agree with the partner on what needs to be improved, how and when.

Institutional risks

5. To what extent has the partner *considered measures to reduce risks of abuse of power, conflict of interest and corruption* within its own and sub-grantees operations, especially:
 - a. governance and decision-making
 - b. existence and adherence to policies and
 - c. existence of a set of reasonable response measures

Agree with the partner on what needs to be improved, how and when.
6. To what extent does Sida, partners and their sub-grantees have the *systems and capacity in place* to achieve the desired outcomes:
 - a. ability to be adaptive and respond adequately to emerging opportunities and challenges
 - b. abilities to plan, monitor and evaluate progress and to learn from this
 - c. ability to account for funds used and how they contributed to outcomes
 - d. ability to describe their risk assessments and mitigation measures

Agree with the partner on what needs to be improved, how and when.

The above effort should be considered as an example. The exact contents of a framework have to be discussed and elaborated internally at Sida. There is also great potential to learn from partners' risk management approaches and from international risk management standards, as outlined in section 3.3.

Annex 1 – Survey details

The data collection for the evaluation included a perception-based survey on Sida's risk management approach. This annex sets out to assess collected survey data from stakeholders tied or related to the Sida's approach for risk management of contributions. The survey is part of a larger independent evaluation of Sida's risk management. The purpose of the survey was to shed light on key stakeholders' views, opinions and perceptions concerning their experience with Sida and their risk management. The analysis below is strictly descriptive and does not assess potential underlying causes for specific observations or patterns. The aim is nevertheless to give a good and fair insight to the recorded data.

A1. METHOD

The design of the survey was to a large extent based on deductive reasoning and expectations gathered from research of project documents. Sida was consulted during the design phase and the survey was altered based on constructive feedback from a test group as well as from Sida staff. The survey is composed of mixed types of questions, where the recipients were asked to respond using both pre-programmed responses and narrative answers. The survey was conducted in English.

The target group was composed of a semi-random sample of organisations that has received support from Sida during the last couple of years. In total, a survey invitation was sent to 140 unique participants/organisational representatives. The data was collected between 25 November and 13 December, 2019. At the end of the data collection phase, 78 unique individuals had engaged with the survey, generating a 56% response rate. The recorded data is deemed to be of good quality and provided good insights to the evaluation in terms of the respondents' perception on Sida's approach for risk management during recent years.

Figure A1.1. Response rate

ResponseRate	
Full target group	140
Responses	78
Completed	64
Incomplete	14
ResponseRate	56%

A2. ANALYSIS

In this section, the collected data is analysed and presented with graphs and brief descriptive texts. The disposition of the remainder of the section is divided into six sub-sections:

- 2.1) Background data
- 2.2) Perception on Sida's Risk Management for Contributions
- 2.3) Perception on most important messages relating to Sida's risk management
- 2.4) Final comments
- 2.5) Additional data and graphs on sub-groups

2.1 Background data

This sub-section contains background data on respondent characteristics.

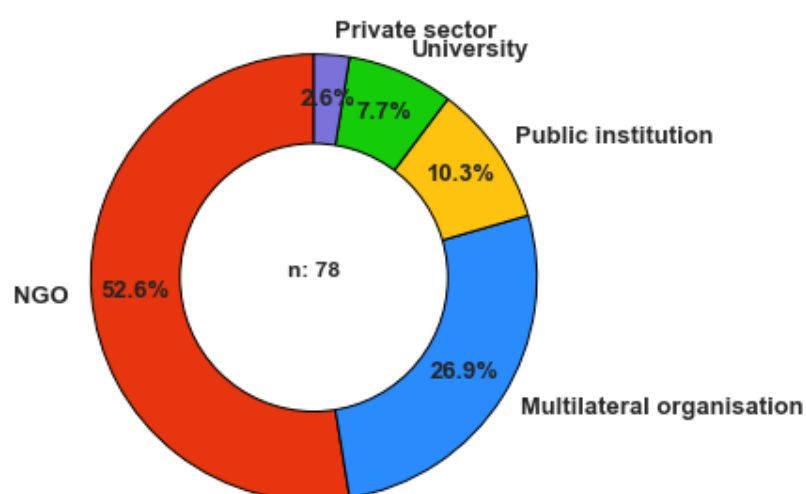
Figure A2.1. Type of Organisation

Figure 2.1 presents the type of organisations that compose the respondents. More than half of the respondents are NGOs (52,6%). The second largest sub-group was Multilateral organisations (26,9%), and the remaining quarter consists of Public institutions (10,3%), Universities (7,7%) and Private sector actors (2,6%).

Figure A2.2. Type of Sida support

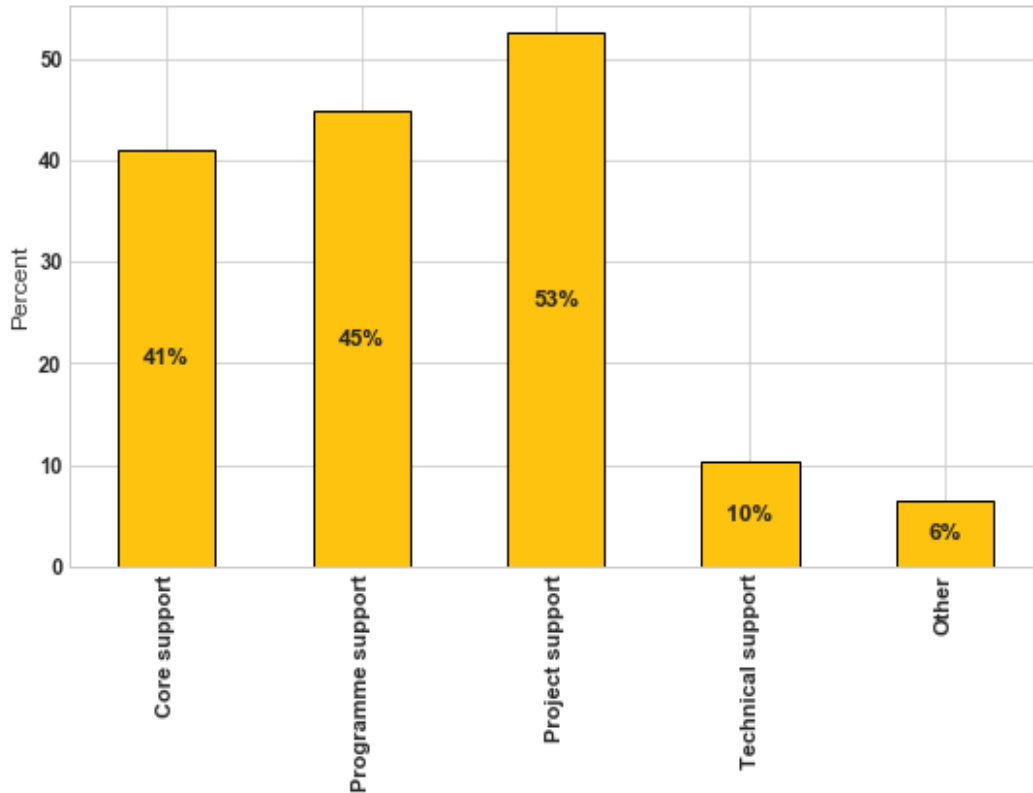


Figure 2.2 displays the type of support that the organisations have received from Sida. Note that an organisation can have received more than one type of support. The most common type is Project support, which more than half (53%) of the responding organisations have received. Programme support (45%) and Core support (41%) make up the second and third most common types of support. Technical support amounts to 10% of the respondents.

Figure A2.3. Perceived importance of the Sida support

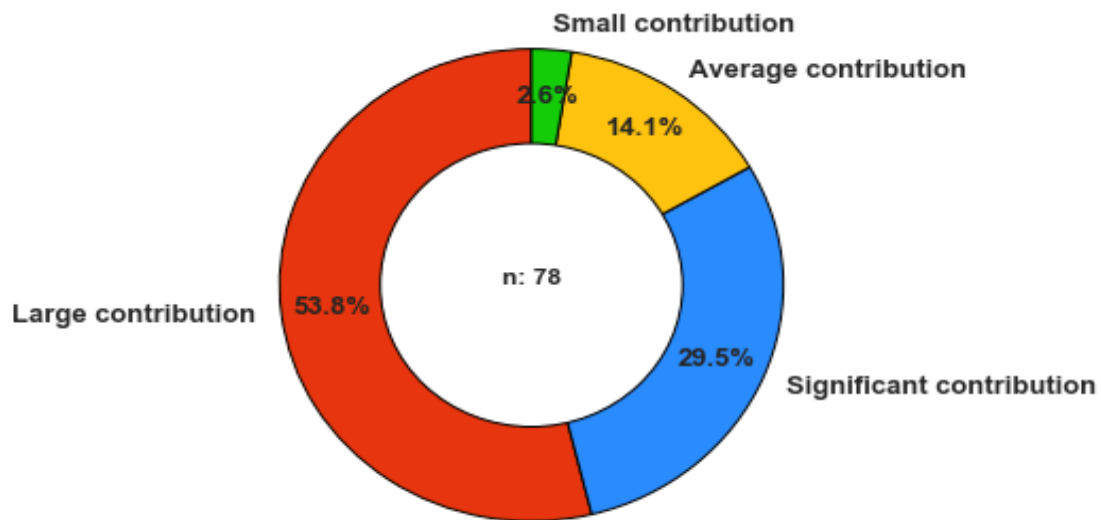


Figure 2.3 shows the respondents' answers relating to their perception of the importance¹⁸ of the Sida contribution. More than half (53,8%) of the respondents estimated the Sida support to constitute a Large contribution to their organisation. 29,5% considered it to be a Significant contribution, 14,1% Average contribution and the final 2,6% responded that it was considered as a small contribution. Note that parts of the analysis below will utilize and group data based on these two sub-groups. It should, however, be noted that some sub-groups - Private sector, University and organisations with small contributions are underrepresented. This need to be taken into consideration when assessing the results and comparing between groups.

¹⁸ **Significant contribution** - i.e. the single largest financier; **Large contribution** - i.e. one of several key financiers; **Average contribution** - i.e. one of many financiers; **Small contribution** - i.e. minor financial support; **Insignificant contribution** - i.e. financial support of marginal importance.

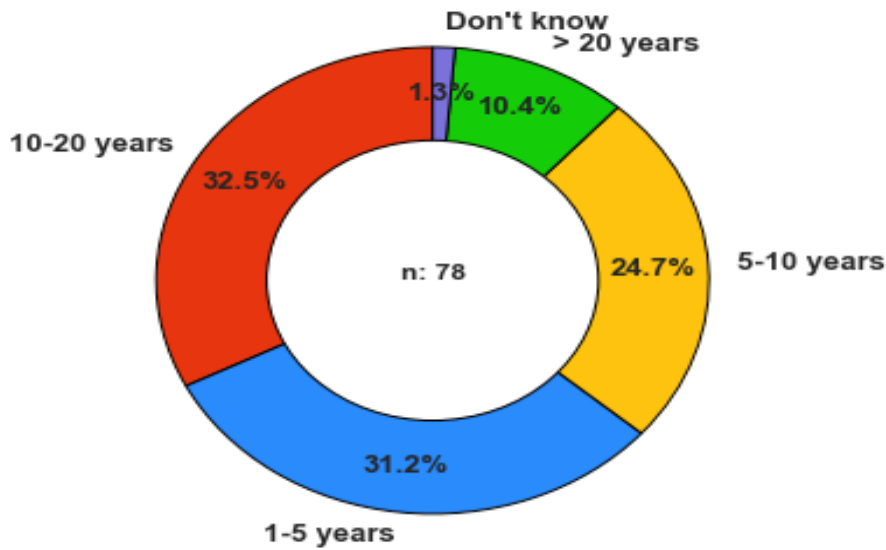
Figure A2.4. Time with Sida support

Figure 2.4 show the respondents' answers relating to their organisation's financial support from Sida. There are two larger and relatively equal shares of respondents, namely organisations that have received support 10-20 years (32,5%), and 1-5 years (31,2%). The last third consists of organisations with 5-10 years of support (24,7%), and more than 20 years of support (10,4%).

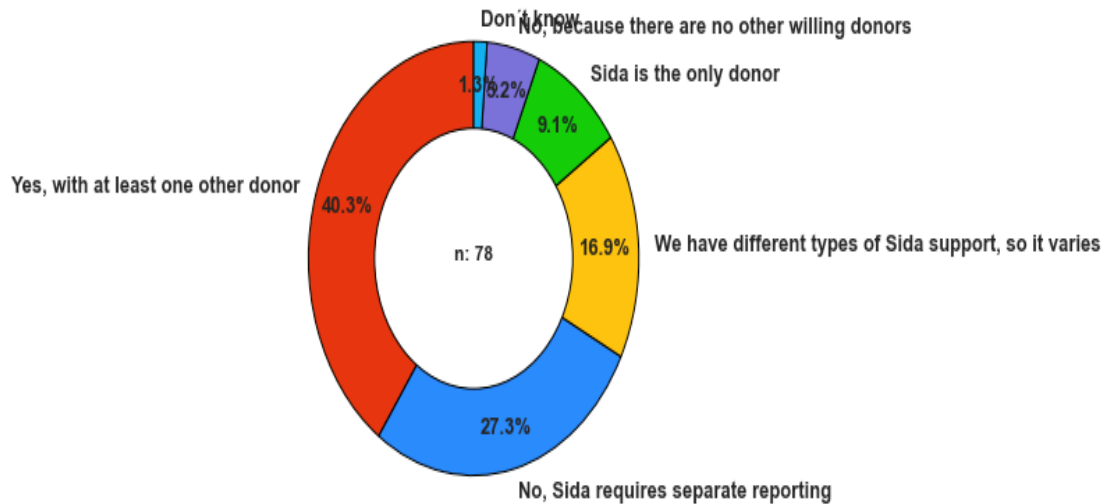
Figure A2.5. Sida harmonised with other donors

Figure 2.5 suggest that the respondents are somewhat divided in their view on Sida's alignment with other donors. The single largest share (40,3%) stated that Sida is harmonised with at least one other donor. Little more than one fourth (27,3%) responded 'No', and the third largest response category, in relative terms, was that the responding organisations have different types of Sida support and that it varies (16,9%).

2.2 Perception on Sida's Risk Management for Contributions

This sub-section focuses on the respondents' perception of Sida's approach for risk management. The section has been divided into twelve different parts with various statements that the respondents have been asked to agree or disagree to. Note that recorded narrative is available in section 2.6. Before the presentation of results for the individual statements/parts, a more overarching analysis with average scores¹⁹ for all statements is presented. The overarching question for this section was formulated as follows:

Q5. Based on your experience of the partnership with Sida during the past two years, please indicate to what extent you agree or disagree to the following twelve statements about Sida's approaches to risk management.

After each scoring you can make a comment if you want to elaborate on your answer (optional). Please give your response on a scale from 1 = Strongly disagree and 5 = Strongly agree.

¹⁹ The average scores have been calculated based on the following key: 1 - Strongly disagree; 2 – Disagree; 3 - Neither agree nor disagree; 4 – Agree; 5 - Strongly agree. In short, the average score correlate positively with the degree of agreement.

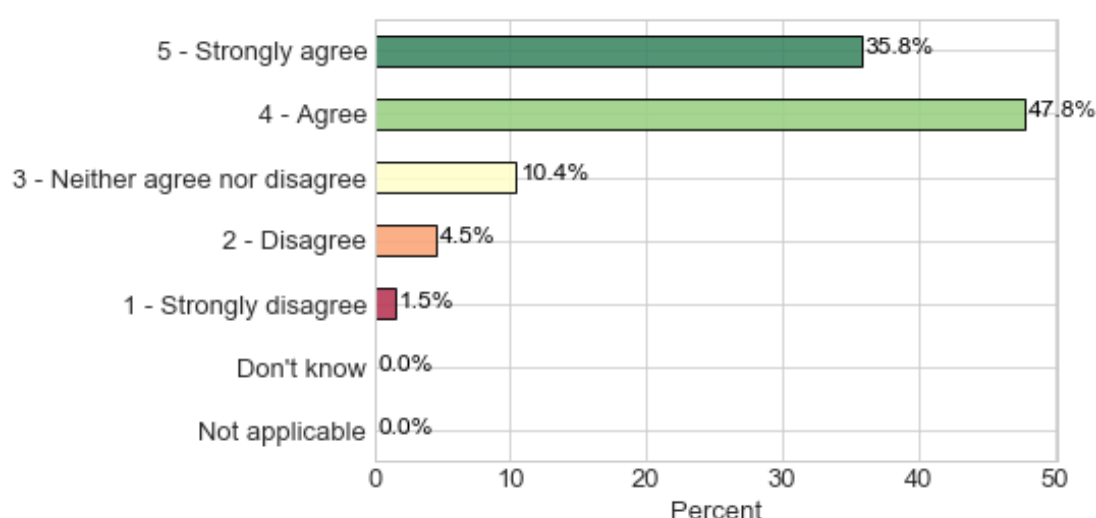
Table A1. Compilation of perception on Sida's risk management approach

<p>Q5. Based on your experience of the partnership with Sida during the past two years, please indicate to what extent you agree or disagree to the following twelve statements about Sida's approaches to risk management.</p> <p>Please give your response on a scale from 1 = Strongly disagree and 5 = Strongly agree.</p>			
	mean	std	len
5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional)	4,12	0,88	67
5.2. Sida and your organisation have agreed on how to manage risks that have been accepted.	4,24	0,76	67
5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced.	4,06	0,79	65
5.4. The support from Sida helped improve your organisation's risk management capacity.	3,97	0,98	67
5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s).	3,84	0,96	67
5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption	3,84	1,02	63
5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities)	4,17	0,97	64
5.8. Sida's flexibility enables your organisation to manage risks better.	4,14	0,90	65
5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions)	4,31	0,85	65
5.10. Sida's approaches vary between different Sida staff members.	3,02	1,33	63
5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s).	4,29	0,68	65
5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements)	2,66	1,14	67

This table summarises the collected responses for all twelve statements under question five. Note that the average score correlates positively with the degree of agreement (i.e. high average scores suggest high degree of agreement and vice versa). The statement with the largest degree of agreement relates to the statement that Sida has clearly communicated its expectations on the organisations' performance (4.31). At the other end of the spectrum – highest degree of disagreement – one finds the statement relating to whether or not the dialogue with Sida mainly focuses on the annual reporting (2.66).

The first statement was intended to assess the partners' view on Sida's ambition to establish a common understanding of the risks at the outset of a contribution. The statement was formulated as follows:

Q5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional)

Figure A5.1. Common understanding of contribution risks

A majority (84%) agreed that Sida and their organisation has had a common understanding of identified risks. 6% of the respondents disagreed to this statement. The comments added to the scoring show that Sida has mainly communicated its views by accepting the risk assessments made by partners. Generally, partners do not know about Sida's own assessments, which are not shared. Two comments highlight the lack of communication between Sida's HQ and embassies. Humanitarian actors are more positive to the dialogue with Sida and refers to the possibility of sharing risks.

Comments

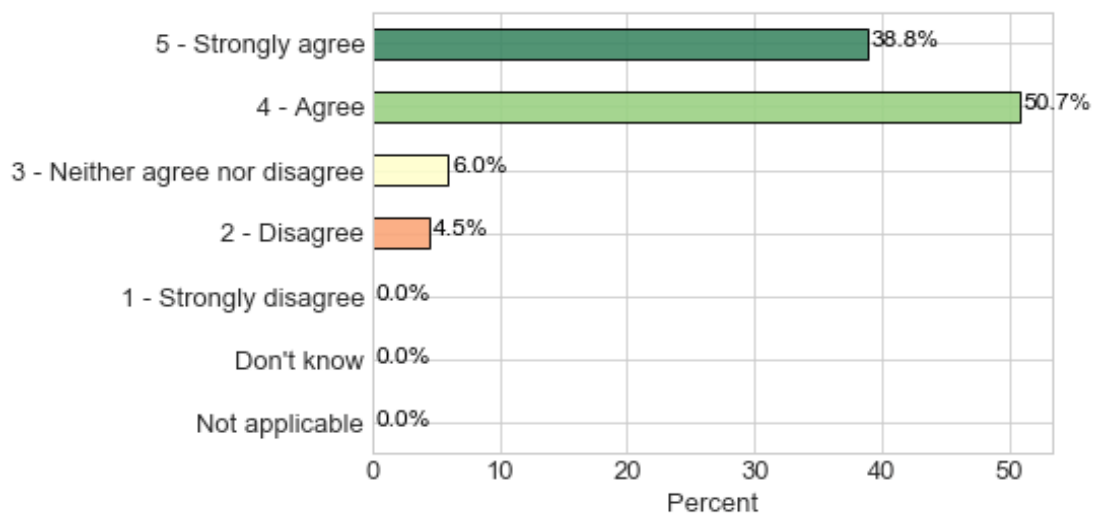
- We had proactive consultations between our organisation and Sida which identified risk areas. We agreed and set ourselves timelines on how to periodically review risks and report back.
- We had a very good SIDA-commissioned efficiency audit soon after receiving funds in 2016 which highlighted contextual and operational risks that we have been working on since then.
- We develop the risk matrix which is then shared with Sida for review and comments.
- We are a parliamentary capacity development institute, providing neutral services in a non-partisan manner.
- This response only reflects the experience from the HQ/ Donor Relations Division perspective, mostly involved with Sida humanitarian funding. Our organization is highly decentralized therefore it is difficult to capture experiences from country level interactions.
- This can sometimes be unnecessarily duplicative as we have an overall agreement with SIDA for which we have a common understanding of risks. But when our field offices engage with SIDA the whole process can sometime begin again.
- There is no joint dialogue on risks and Sida doesn't communicate the risks they have identified nor give any possibility for communication around it. It's unclear if and how different units assess the risks and there is no transparency in regard to the assessment.
- SIDA were among the donors that were at the inception of the Programme and supported its new shaping after the former programme and that included the aspects of risks and opportunities involved.
- Sida has not shown interest during the development phase.

Sida has assessed our due diligence procedures are up to standard. No other form of "common understanding" has happened. Not sure how that would look like either.
Sida asked us to develop further our risk assessments and matrices in our own formats and approved them.
Sida asked about risks, but it wasn't developed jointly.
Risk management plan was thoroughly discussed with Sida representatives during the preparatory phase.
Risk analysis plan was developed and incorporated in the initial project documents.
Mainly programmatic and institutional; not so much contextual. However, exchange rate losses are not perceived by Sida as a risk, e.g. responsibility partner organization, though it has serious impact on what can be delivered.
It is mainly us designing the risk matrix, not much co-creation
During Sida's partnership visit, the risks that are involved in the types of humanitarian programmes we are running (i.e.: security and fraud related risks) were detailed to Sida. From our perspective, if we can demonstrate a needs-based approach and robust risk management plan, Sida accepts shared risks.
For our Programme, we included a Risk Management Section in the funding proposal, this was strengthened and detailed during the Programme Inception Phase and gets improved progressively during the programme implementation.

The second statement was drafted to shed light on the perception in relation to the agreement on how identified risks should be managed. Q5.2. Sida and your organisation have agreed on how to manage risks that have been accepted.

Q5.2. Sida and your organisation have agreed on how to manage risks that have been accepted.

Figure A5.2. Common agreement on how to manage risks



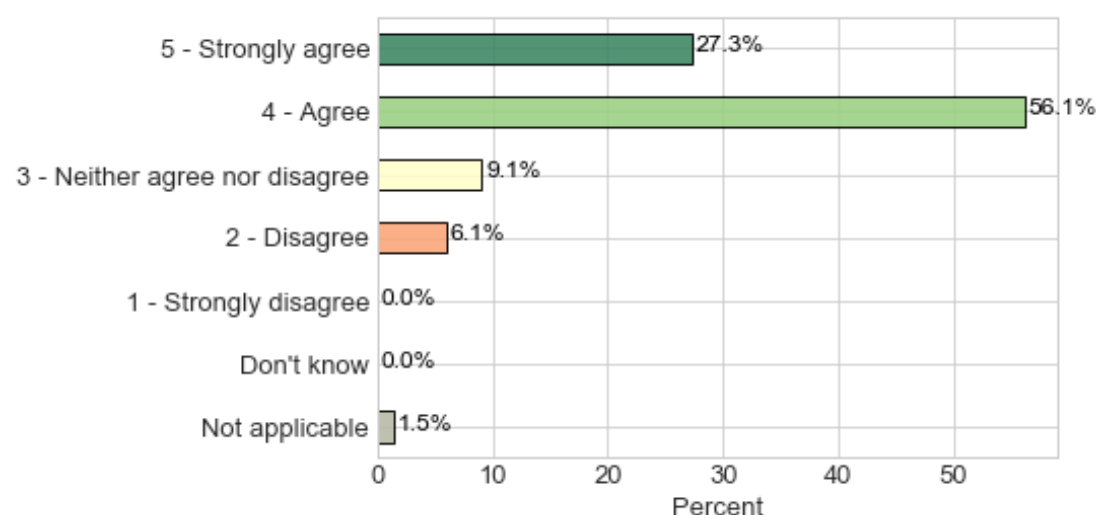
Close to 9 in 10 agreed to the statement that there was an agreement on how to manage identified risks. Comments show that this mainly relates to Sida's approval of the risk matrix developed as part of the proposal.

Comments
We have an agreed Programme Risk Matrix.
Through periodic reviews, even before mid-term and end-term evaluations
The risk plan included risk mitigation strategies.
the requirements are stated in the agreement, that we have signed so in that case agreed yes.
Since the inception of the programme, a risk framework was established at the programmatic and fiduciary aspects. Along with other donors, SIDA was involved in approving such framework and provided inputs as required.
Sida has agreed on our proposed risk management but has not had any own input or suggestions for improvement.
Sida approves our risk analysis / approach that is part of our program design and updated on a yearly base; except for exchange rate loss
Proposed measures to mitigate and manage potential risks were deliberated with Sida representatives and accepted.
Our partnership with Sida is characterized by detailed, open and proactive dialogue at all stages of contributions.
In a few cases (mainly Embassy) it's more of a dialogue about it, but not a structured or formally agreed decision. In other cases (Civsam, Sida HUM and Info/kom) it's assumed to be agreed if Sida approves a proposal with a risk management plan. For Civsam it's captured in so called dialogue questions and followed up regularly, but we don't have any possibility to influence the formulation or the analysis of the risks. (Swedish framework organisation)
Key programmatic and contextual risks are documented in the project proposals approved by Sida. Sida is clear on our approach to the management of risk, corruption and safeguarding. Also understands our Financial Systems, Management Controls and procedures for forwarding of funds to local partners. Furthermore, Sida's General Conditions guidelines are clear and regular dialogue with Sida ensures a good management of the risks. (Humanitarian actor)

The next statement was formulated to assess the respondents' perception of a common view on how selected risks should be reduced.

Q5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced.

Figure A5.3. Common agreement on how to reduce risks

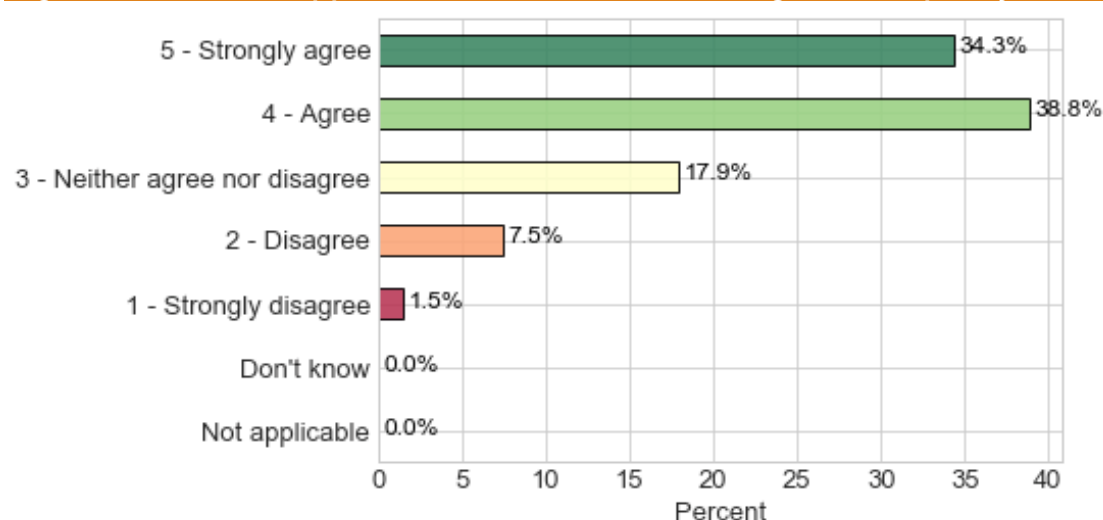


Roughly 83% of the respondents agreed that Sida and their organisation came to an agreement on how to reduce risk in need of attention. The comments show that this mainly relates to the Sida approval of the risk matrix, but there are also some critical views. Again, positive feedback was provided from humanitarian actors.

Comments
Yes, outlined in the risk management plan.
We do not fully agree what is a big or minor risk. Before we have agreed on this Sida has put extra requirements on our reporting - requirements not included in our agreement.
The risk framework agreed by the Board including all donors (SIDA being one of the donors), has a risk matrix that shows level of risks and their mitigation as well as identify the responsibility level and the time frame for actions.
Sida has assessed our due diligence procedures are up to standard, and we know of the requirements from Sida, so yes.
Risk mitigation actions are documented in the Programme Risk Matrix. Such actions are embedded in the organizations and workplans for the subsequent periods. Actions which require downstream grantee actions are discuss with grantees during individual visits and implementation followed up.
Our approved risk matrices include mitigation strategies
Measure for reduction of identified risks were also discussed and agreed upon with Sida representatives.
In a few cases yes, but not systematically and most often not.
For example, Sida identified risks around working with partners, both local and via our affiliates. Therefore, Sida included a specific section within Annex IV Sida's Standard Terms of Reference for Annual Audit of project/programme support, to ensure that we follow Sida's Terms and Conditions. The dedicated Sida HPA Team works closely with stakeholders to ensure the associated risks around the forwarding of funds are understood and managed. The most recent HPA audit performed by external auditors BDO in 2019 reported no weaknesses in this area.
Based on our proposals. Sida has not had any own input or suggestions for improvement.

Statement 5.4 was drafted to estimate Sida's support regarding the recipient organisation's own capacity to conduct risk management.

Q5.4. The support from Sida helped improve your organisation's risk management capacity.

Figure A5.4. Sida support contributes to risk management capacity

The share of the respondents that agreed (roughly 72%) to this statement where, in relative terms, somewhat lower than the statements above. This is mainly explained by a larger share of respondents giving the answer ‘Neither agree nor disagree’ (18%). The comments show that Sida’s approach is sometimes seen as rather technocratic, focusing on existence of policies and capacities, rather than engaging in dialogue on the content of the risk analysis. Humanitarian respondents refer to the helpfulness of the HAP framework.

Comments

Yes definitely. SIDA requests us to update our risk matrix annually which is a good practice.

We periodically conduct joint meetings to review the partnership and agreed outcomes and results. In addition, we invite Sida into our meetings such as staff retreats, Board sessions and Annual Assemblies to participate as observers and partners. This enables Sida to assess our progress and early warning risks to flag them off

We have not asked for support nor have they offered. It is up to the partner to have their own systems in place.

The risk management approach developed with SIDA was used for other similar projects.

The fact that Sida requires us to have risk management capacity helps us to develop it... but since there is not dialogue on the analysis, this does not necessarily contribute to improved quality in our risk management.

Sida's approach to risk management has brought substantial value to the organization, as it strongly supported our capacities for risk assessment and devising effective mitigation measures, not only within the programme supported by Sida but within our other initiatives and at the level of organization.

Sida provide advise based on their review of the Programme Risk Matrix, but does not provide specialized support to improve risk management capacity.

Over the past years, Sida's collaboration has helped us focus on improving areas of weakness such as developing more robust monitoring systems and follow up mechanism with country teams. This has been possible through a dedicated Programme Management budget under the HPA. This budget enables us to employ a dedicated HPA programme management team, cover costs for country monitoring visits, and deploy humanitarian expertise in countries that are responding to humanitarian crisis but are lacking expertise in key areas (e.g. Cash Expert).

Outlining the potential risk and expected mitigation strategies was helpful in planning for the risk before it occurs.

Our organisation had already in the past a risk management on a very high level. We are controlled by several German state Institutions, e.g. the auditing departments of several ministries and the federal auditing court.

Indeed, SIDA as part of the important donors, did contribute significantly in risk management.

If risks are discussed Sida asks questions (sometimes very detailed) that we need to respond to and there is normally no constructive support provided.

I deal with 10 Swedish Embassies and in general I find the desk officers weak on programme design with some shining exceptions. Many of them lack hands on experience from implementing and become quite technocratic.

Financial support helps in the improvement of risk management - i.e. Sida does not provide specific technical support in this area.

As partners, our organization and Sida are close strategic peers, interlocutors and sparring partners who hold one another to high account.

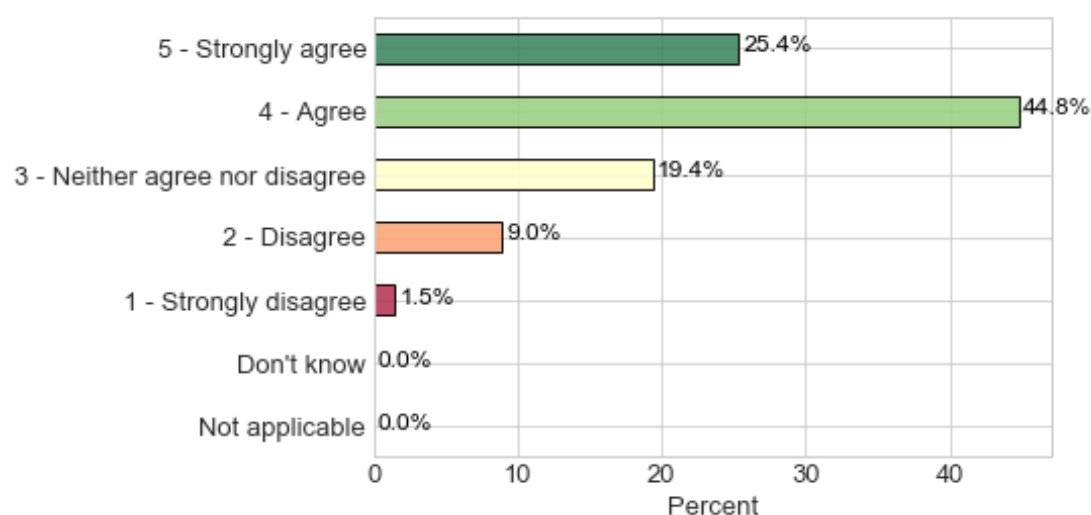
Additional financial support was provided to the development of a new/improved general M&E system during the first year of the contract with Sida. This included the improvement of the risk assessments.

A few of the items have been incorporated in the Organization's risk register for regular monitoring.

In an attempt to estimate if the (risk)dialogue with Sida led to an improved design of the programme or project the following statement was included.

Q5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s).

Figure A5.5. Sida dialogue led to improved design of contribution

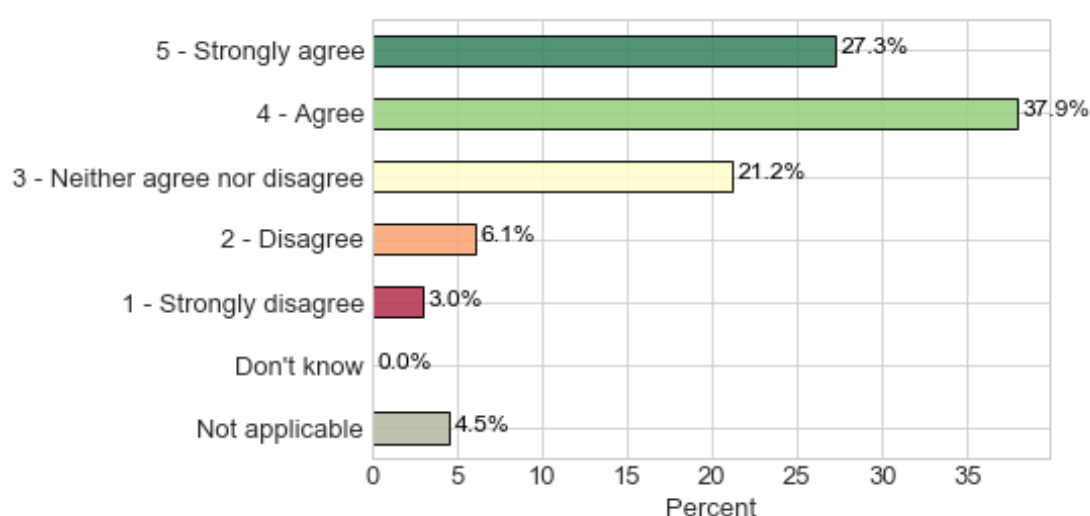


Roughly 70% agreed to this statement. Comments show that partners did not quite understand the question as intended, but rather commented on Sida's risk management dialogue in general. The comments demonstrate that partners indeed have variable experiences of Sida's approaches.

Comments
We are already a risk aware organisation and SIDA's input did not affect design. However, core funding allows us to pay staff who help manage risks alongside other management functions
To some extent. It was clarified through dialogue with Sida before the development of the assessment/framework what Sida needed to see. It was underlined from Sida's part that the RBM should mainly be useful for us and to a lesser extent for Sida.
This enabled us to reformulate and strengthen the implementation approaches as part of the mitigation strategies and maximization of impact.
There is usually limited time taken by Sida to discuss the risks in the phase of the program design; Sida trusts us as a partner to have sufficient capacities to deal with this.
There is a "målkonflikt" a conflict between the political side of the management of the grant and the financial control side, where the political side is asking for more risk-taking while the financial monitoring is not accepting any risk taking.
The latest meeting with Sida, for instance, raised the issue of heavy reliance on Sida funding as a risk to our sustainability. We clarified that this is something in our focus and already in discussion with diverse partners to expand our resource base, despite the shifting donor priorities. One of the sustainability strategies which has worked is joint fundraising and crowd-pulling where we are leading several other partners in consortium for joint fundraising.
The fact that Sida requires us to have risk management capacity helps us to develop it... but since there is not dialogue on the analysis, this does not necessarily contribute to improved quality in our risk management.
The discussion that took place with SIDA on risk management and how to address it, did surely contributed to the improvement in the design of the initiative with major changes including the risk management from a programmatic and fiduciary aspects.
The dialogue with Sida regarding the risk management has certainly improved the approach within our supported initiative, which reflected in our stronger capacity to predict, foresee and adequately prepare for potential challenges in implementation. This was also important in terms of our ability to prevent occurrences that could influence the pace of implementation and the overall effect of employed interventions.
Since there is no real support provided by Sida and this is not taking place in the design phase, hence it's normally too late in the process to make changes in design. Might be possible to add mitigating measures at that stage.
Sida is open to dialogue to discuss the difficult issues and supports us to find appropriate solutions. Under the HPA, risks are now systematically identified at the design phase. For example, if the response involves working with a partner, all the necessary checks regarding project monitoring and partner's training will be done. Sida has commented that there is an improvement in this area.
Sida is not very familiar with programs supporting parliamentary research and relies on the Swedish parliamentary research service to advise us, which contributes to improve the design of our program.
From memory, Sida provided no additional comments on the risk matrix provided.

The next statement was raised to assess if the dialogue with Sida had any effect on lowering risks of corruption among the responding organisations:

Q5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption.

Figure A5.6. Sida dialogue led to reduced risks for corruption

65% of the respondents agreed that the dialogue with Sida had helped their organisations to reduce risks for corruption. A fifth of the respondents could not give a firm agreement /disagreement, and the reminding 10% disagreed.

The comments show that partners generally feel that they have high level anti-corruption policies in place, but these have not been prompted by Sida. Partners refer to system audits as helpful. Some respondents feel that Sida should focus more on programmatic risks. The Sida inflexibility in asking for return of funds that have been lost in fraud from partners without equity is mentioned as problematic.

Comments
Yes. Through improved governance and improving on checks and balances, including improving on our whistleblowing by opening various online and offline anonymous channels of communication. Also, through regular information sharing and regular updating on various governance organs.
We tend to see risks more in terms of contextual political changes that risk our outcomes to be met. An external audit of our procedures strengthened our ways to reduce corruption risks.
We have had a zero-tolerance approach to corruption and bribery for a decade, but this was prompted by legislation and not by dialogue with SIDA
We already follow very stringent rules to ensure there's zero tolerance to corruption and a system of checks and balances that makes corruption very unlikely.
The fact that Sida requires us to have risk management capacity helps us to develop it... but since there is not dialogue on the analysis, this does not necessarily contribute to improved quality in our risk management.
The efficiency audit reviewed and endorsed many of our anti-fraud and anti-corruption systems. But it also resulted in a structured risk assessment and management matrix that we are using.
The dialogue with Sida on risks, particularly through the internal audit prior to and during the implementation of supported initiative, has helped us to further strengthen internal anti-corruption policies and procedures and reduce risks of corruption, thus contributing to strengthening of the overall accountability of the organization.
Sida's request for systems-based audits help support organisational risk reduction linked to corruption

Our organisation has strengthened the way in which it manages the risk of fraud. All staff are required to completed Anti-fraud and Corruption training. Whenever a suspicion of fraud arises, Sida is systematically informed by the contact person who works in close collaboration with our Anti-fraud and corruption team. This team will lead on the investigation and provide updates at key stages of the process, which are then communicated to Sida.

Our regulations are already on high level.

Our organisation is strong on internal control and it would be more helpful to have more focus on programmatic risks.

In an instance of kickbacks on a country grant that we reported to Sida, Sida was initially very understanding and supportive. We thought the matter was concluded when, to our surprise, Sida asked for the funds that were involved in the fraud to be returned. We tried to explain that the items purchased were received and we had no extra funds to "return" but they insisted. It was very demoralizing and a disincentive to reporting misconduct.

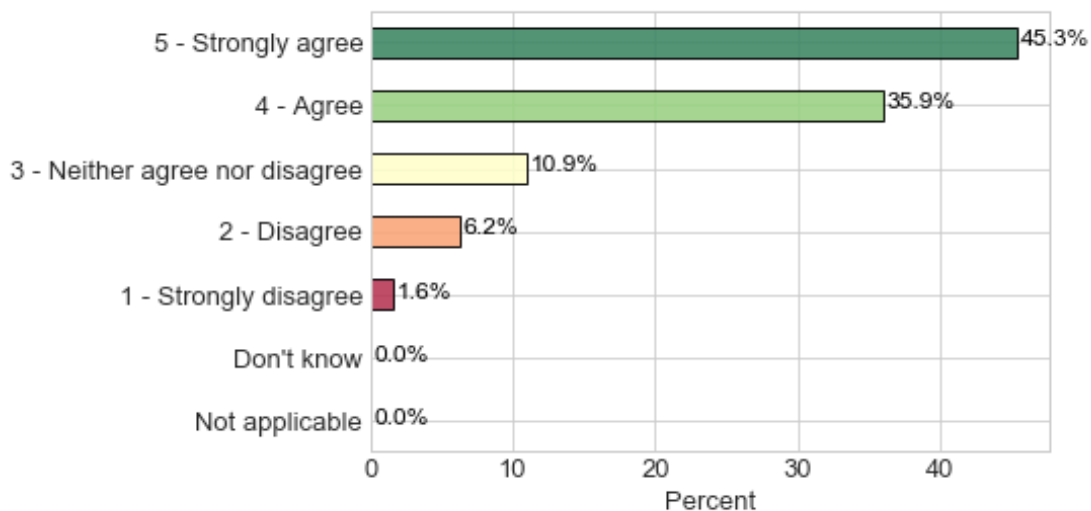
From a fiduciary perspective, discussions with SIDA and all the donors of the [-] does surely improve in the approach and methods to reduce the risks on corruption and misuse of funds.

Although corruption was not one of the major risks the Programme was able to identify potential corruption risk and established a mechanism to overcome.

Statement seven was included to collect perception on Sida's agreement conditions:

Q5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities)

Figure A5.7. Sida agreement enables organisations to be innovative

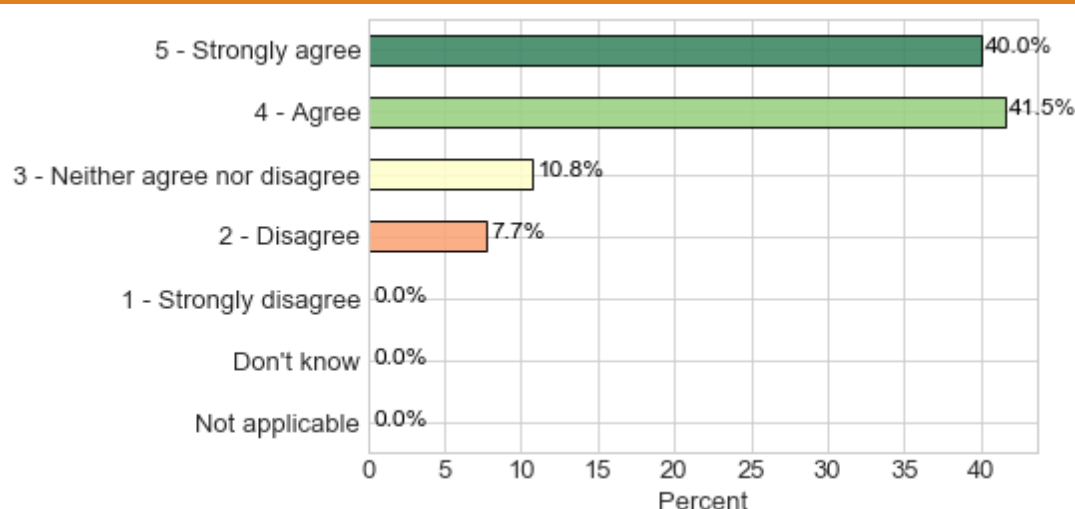


45% of the respondents strongly agreed to this statement and 36% agreed – 81% agreed to some extent in total. Comments show that it is mainly the core support from Sida that is helping partners to have flexibility and be innovative. Also, private sector actors perceive Sida as risk willing. Again, there are rather big differences in partner experiences.

Comments
Yes, core funding is a great contribution in this regard. With the current agreement, we have, however, for the first-time restrictions on certain countries in which we are not allowed to use the core funds.
There is no incentive for innovation in the conditions.
The Sida funding has given us stability in terms of resource base, and catalysed partnerships and designing of many initiatives that have attracted additional sector-thematic based funding that has expanded our funding base. E.g. Energy, Forestry, Gender, Youth, Legislators, SDGs, etc
Sida's risk appetite for new business models and approaches in programme delivery allows for innovation.
SIDA's agreement conditions are the same as all the other donors. They have been agreed by all donors. These conditions allow the programme to develop new projects modalities and new partners as far as it is presented and approved by the Board and any partner fulfil the eligibility criteria to access the resources.
Sida strongly supports innovation and creativity in its approach to local partners, which enabled us to think more 'outside of the box' and utilise innovative solutions within our initiative.
Sida is supportive of the project design which we put forward which is greatly appreciated as this allows us to respond to the needs of clients as we see fit which at times, includes innovative responses. I wouldn't say that Sida specifically drives innovation or restricts it.
Sida is open to dialogue and supports a needs-based approach and interventions that strengthen the capacity of our organisation and of the humanitarian system as a whole. We have been able to carry out various innovative projects through Sida funds and in general, strives to mainstream innovative approaches in all Sida HPA projects (particularly regarding crosscutting approaches like protection, community engagement, gender, Local Humanitarian Leadership...).
Sida has funded some of our most significant innovations because they are willing to allow us to take risk.
SIDA has allowed us to engage with other implementing agencies to leverage on their expertise and also work closely with government agencies despite their low capacity, which has enables us to indirectly and directly build their capacity.
SIDA had supported us with core funding which allowed us to be innovative. However, Sida funding moved to program funding which has complicated and limited our operational modalities.
Maybe not so much after the agreement but definitely in the programme design. This also varies quite a lot from Embassy to Embassy. Some are very rigid demanding a detailed results framework for the whole programme and demanding to see all partner activities and budgets beforehand. While other understand the need for agility if we want to make change.
General rules and conditions apply and there is no room for more flexibility to allow for more innovative approaches. For example, regarding nexus programming and supporting informal actors.
Core funding allows us to develop innovative programmes and take risks.
Core funding allows flexibility to innovate.

Statement eight was included to collect perception on Sida's flexibility and its effect on the organisations ability to manage risks:

Q5.8. Sida's flexibility enables your organisation to manage risks better.

Figure A5.8. Sida agreement flexibility enables organisations to manage risk better

8 in 10 of the respondents claim that Sida has a flexibility that enabled their organisation to better manage risks. The comments were similar to those on the previous question on innovation. Again, the core funding is seen as essential along with flexibility in budgets. Respondents point at the different practices of embassies and the inflexibility in risk sharing (especially civil society partners).

Comments

Wherever there is need for adjustment we discuss with the Sida Programme Staff and they have demonstrated flexibility based on circumstances and emerging challenges/opportunities.

The flexibility has allowed us to review and cause various approaches to suit the context and also make them more fit for purpose.

Sida's flexibility has certainly strengthened our risk management capacities. Sida representatives are always very open to hear about potential challenges that may influence implementation of planned activities and could require certain adjustments, and available for consult and advice regarding measures and possible solutions to be explored in overcoming identified issues.

Sida is flexible in dialogue, but not when it comes to practice. One example is risk sharing, where Sida has not been able to produce one case or example when this would be possible. The flexibility therefore becomes more of lip service than reality.

Sida champions flexible funding that enables our organization to plan ahead, have a strong foundation to its work, and to respond rapidly.

Knowing that we have strong processes but also recognising that when risks materialise, Sida's approach to risk management means that a number of options will be on the table for consideration (such as changing project location, revising the targets, redesigning the projects, revising the budget to respond to emerging needs) enables us to focus on needs and reach the most vulnerable affected people.

In the last grant agreement, we were able to negotiate 10% flexibility on funds spend at a detailed line level. This supports our ability to respond to emerging needs and changes in the context. Changes in funding levels however increases risk through uncertainty and results in gaps in service provision and effects sustainability.

In principle, yes. We have not invested further in risk management after developing the new framework, but the core funding would allow us to do so if we assess that it would be needed.

Flexibility is often provided through room for making changes to the budget without prior approval or approving to have a budget which is not so detailed. This is indeed important from a risk management perspective. Different units within Sida give very different room for flexibility in that sense.

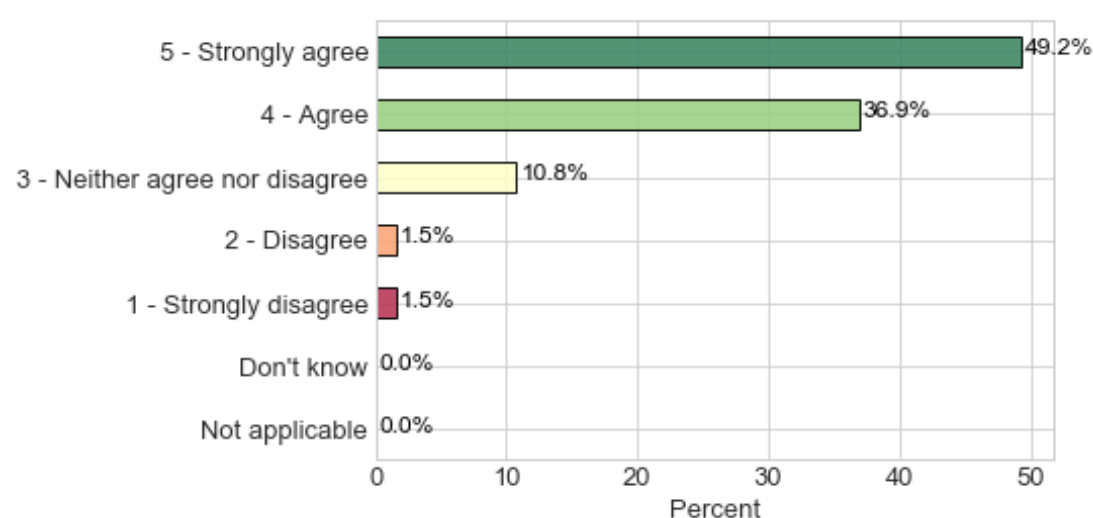
Our programme risks are managed following a framework agreed upon by the Board and all the donors (including SIDA). Any changes and adjustment to the risk framework is discussed all the partners including SIDA,

Core funding is absolutely critical.

Statement 9 was formulated to assess how partners perceived Sida's expectations on their performance:

Q5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions)

Figure A5.9. Sida has communicated expectations on performance



Almost half of the respondents (49%) strongly agreed to the statement that Sida has been clear on what performance they expect from the responding organisations. Addition 37% agreed – in total, 87% agreed to this statement. Several partners commented on the different approaches used by different embassies/units and the need to be more streamlined and more transparent about Sida's contribution management system.

Comments

Yes, this is done on an annual basis whenever the annual report is submitted. Sometimes whenever need arises the expectations are communicated in advance.

Yes, Sida is very clear in what they expect from us in terms of project deliverables, financial management and organisation systems and processes.

Yes, but with great flexibility and always with a focus to the usefulness for our work.

We set the indicators for success and generally the Sida staff agree with them. I would not want this to change as we are in a better position to determine what success looks like than Sida staff are.

We have had one experience where Sida INFOKOM went through the agreement conditions with us (upon request). Usually an agreement is not explained in detail. We have little experience of tailor-made conditions. It would be good if the questions Sida needed to answer from their contribution management system was transparent for increased clarity on expectations. These can usually not be found in the guidelines. Having different conditions for different funding streams creates confusion in expectations.

There is often a disconnect between the written agreement and the real expectations. And also, when staff change, the expectations change without always honouring the agreement.

The planning and working together means that we agree on realistic outcomes and results which we deliver together. The relationship is not Donor-recipient but one that understand each other's strategies and harmonise to ensure there is mutually beneficial deliverables.

The overall collaboration has been very good.

Moving forward, we would welcome more guidance on Sida's strategic priorities and how we can position ourselves to receive Sida humanitarian funds in specific countries. Also, we would welcome feedback from Sida teams visiting its country projects.

It would be useful to have more specific steer in terms of templates as we often get additional questions on how to report, and this may vary per contact within Sida.

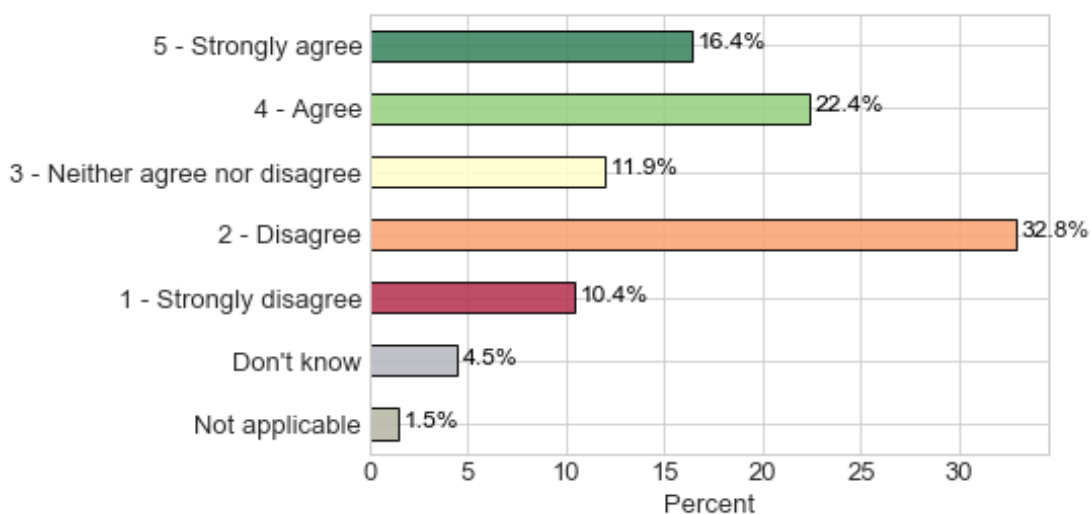
As mentioned above the decentralizing of SIDA has increased the need to streamline the expectations as each SIDA country office often begin engagement with our organization from scratch and not from the agreement with SIDA HQ.

Along with clearly communicated expectations, Sida representatives' commitment and true support to local partners is reflected in an ongoing communication and exchange, which adds to our clear understanding of Sida's expectations on our organization's performance.

Statement 10 was included to explore if Sida's approaches and/or requirements vary depending of responsible staff:

Q5.10. Sida's approaches vary between different Sida staff members

Figure A5.10. Sida approaches change between on staff members



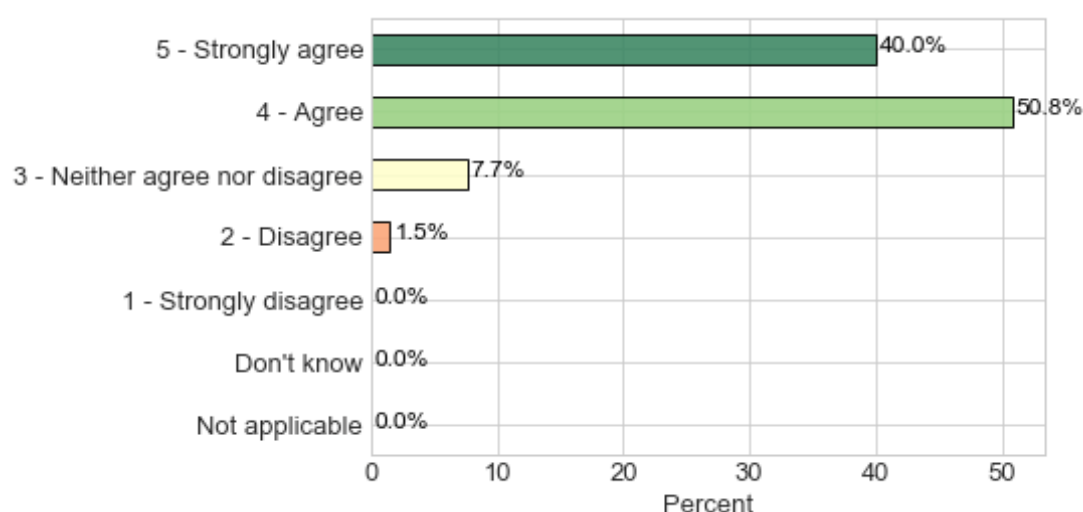
This statement seems to divide the respondents in two groups. One group that disagree (43%) and the other that agree (39%). In addition, there is 7 % that stated don't know

or not applicable. The problems of inconsistencies mentioned by so many partners should be a concern for Sida

Comments
Yes, and even more so between different Sida units (CIVSAM, INFOKOM, HUM, Embassies)
We only work with Environment and Climate Change Programme team and we have not noticed whether there is variance on staff approaches
We engage well at a local level with embassy staff and find this relationship invaluable. Our relationships at a global level vary somewhat and we are committed to improving our engagement with HQ staff to share the work we do and improve these relationships (which are strong but could be strengthened).
To some extent. Perhaps not so much approaches but rather focus to different (levels of) details.
This is the case initially, but after negotiations generally we come to a common understanding based on the agreement with HQ, but it can take a fair amount of work.
There are some standard guidelines, but each project/programme has its specific challenges to address, therefore the approach could be different.
Some are much more rules-based than others. Some also demand much more detail than others.
Some are more lenient than others in how the guidelines should be interpreted.
Sida staff members we cooperate with share common understanding within Sida's approaches and are unified in commitment to promote values and principles of Sida's cooperation strategy.
SIDA staff have always provided consistent guidance on risk management.
Sida staff changed over time; but the approach remained the same.
See previous question.
My division primarily interacts with one main interlocutor within Sida HQ.
I have only experience from one staff member
HPA: Generally, Sida's approach is consistent from one team member to the next.
Good understanding of the political economy of our organisation and trust between us is an important condition for good program performance.
Despite changes in the staff that manage our programs, we have had consistent support.
Any variation is effectively clarified via good communication centrally.
According to our organisation, this is a very big problem, creating inconsistency and damage to the project/collaboration with our partners and the sustainability that we are trying to contain. We consider this to be highly unprofessional and something that Sida should address with immediacy.
Absolutely.

Statement 11 was drafted to assess if the dialogue with Sida lead to interim changes in the supported projects and programmes:

Q5.11. The dialogue with Sida supports your organisation to make continues adjustments in the supported initiative(s)

Figure A5.11. Dialogue with Sida leads to interim adjustments

9 in 10 of the respondents agree to this statement. The comments show an appreciation of Sida's flexibility (especially HUM, CIVSAM and INFOKOM) and the usefulness of evaluations, while some partners point at areas of improvements and ask for a greater focus on programming in the dialogue.

Comments

We had continuous dialogue which is helpful in making adjustments.

This is possible due to periodic consultation between Sida and us and especially the annual Joint review meetings, which looks at challenges and opportunities arising from the Project implementation.

This depends a lot on the Staff member responsible and their contextual knowledge, our relationship (how well they know, understand and trust us) and the partnership approach (CIVSAM and INFOKOM is fairly good).

The various evaluations that have been done at Sida's request have all been very helpful and informative. Sida genuinely wants our organization to succeed and thinks of us as a partner.

The dialogue with Sida enables us to continuously assess approaches within our supported initiative, learn from the process, build upon lessons and adjust interventions towards better effectiveness and impact, with an ongoing advice and insights from Sida representatives.

On annual basis, whenever an annual report was submitted, the Programme also submitted an updated risk management plan which was discussed with SIDA and necessary adjustments were done.

Not the direct dialogue with Sida, but a Sida commissioned evaluation made ahead of the current agreement did to a large extent.

My relationship with Sida does not involve feedback on programming but rather revolves around managing our partnerships, reporting and other contractual obligations.

Maybe not so much contributes, but rather is a demand for improvement on Sida's behalf, leaving us with no choice but to comply.

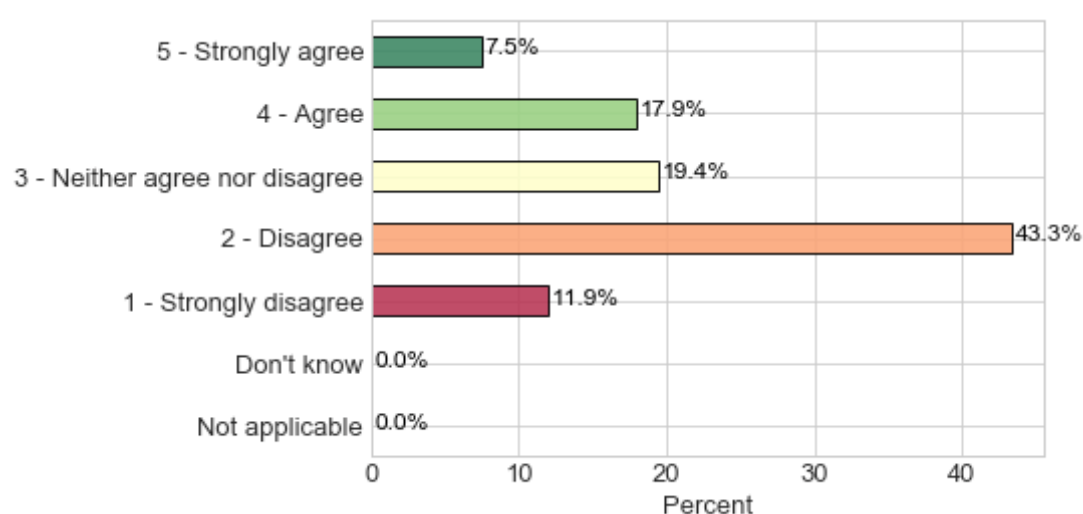
Due to the complex contexts of Sida HPA funded projects, it is not uncommon that we need to request adjustments to projects during implementation. Sida consistently supports us by reviewing and approving budget revisions and no cost extension requests.

Discussions at a local level are very supportive and Sida understands the changing and varied nature of programme delivery. We could do better to translate this through contract amendments and reforecasts which we are clear that Sida would like and are open to.

Statement 12 seeks partners views on the issues that are in focus during their dialogue with Sida:

Q5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting (e.g. results, deviations and financial statements)

Figure A5.12. Focus on annual reporting during dialogue with Sida



A majority (55%) stated that they disagree to this statement. One fifth does not agree nor disagree, and the final fourth agree that their dialogue mainly focused on their annual reporting. The comments point at the regular ongoing dialogue with Sida which is carried out in addition to the annual meetings.

Comments

We main regular dialogue throughout the year with Sida to track progress and implementation.

We have regular consultations over and beyond annual reporting. This helps us to address emerging challenges and risks even before the annual reporting.

We have daily cooperation

We engage regularly throughout the year

We discuss policy areas of mutual interest as well as the formal reports.

This varies per contact.

This varies a lot between Embassies. Some are funding partners - others are funding controllers. It also varies a lot within the Embassy teams where the Head of Development Cooperation sets the tone.

There is an on-going dialogue

The dialogue with Sida is constant and useful.

The dialogue with SIDA goes beyond Annual reporting as it does cover Value for Money, Risk management and Monitoring and Evaluation aspects.

The dialogue is frequently, not only across the annual reports

The dialogue is about our work, but also about the broader movement, the state of civil society, the role of multilateral orgs, the role of bilateral donors, and much more. It's a relationship based on trust and a belief that we share a common goal.
Sida continuously engage although the programme period.
Our dialogue with Sida goes beyond our annual reporting, which is highly appreciated.
Our dialogue with Sida covers meetings & consultations related to the whole project cycle, as well as regular meetings with the other donor, and invitations to attendance important seminars and presentations by our parliamentary fellows.
Now, two years into the current agreement, yes. In the first year it was to a large extent focused on the improvement of the M&E framework + risk assessments etc. as follow up on an action plan for implementation of the evaluation's recommendations.
It is not only organization's annual report, it also includes semi-annual reporting, other report like mid-term evaluation report
In our experience, Sida representatives maintain regular communication and an ongoing exchange with local partners and are engaged in the dialogue throughout the implementation of supported initiatives, beyond the annual reporting process.
In other cases, SIDA has had dialogues with our organization aimed to accelerating performance review of strategies and innovation.
HPA: The dialogue with Sida is not mainly focused on the annual reporting, since we're communicating with Sida humanitarian department several times a week on various programmatic, strategic and financial issues.
CIVSAM – we also have other meetings, spot checks, follow up visits and other issues that come up regularly HUM – we have continuous dialogue due to the changes in context and need for Sida approval of changes. Embassies - in general expect a very close and regular dialogue
At a global level it is often focused on annual reporting however at a local level it is much more regular and focused on day to day programme implementation achievements and challenges. We have made a plan to engage more regularly outside of the reporting cycle at a local and global level which we hope to do more in 2020.
Annual reporting is not the only focus. We also talked of activity implementation, budget management, project results on the ground, etc.

2.3 Perception on most important message relating to Sida's risk management

In this sub-section the attention lies on the respondents' perception relating to how Sida have communicated about its work related to risk management for the last two years. The collected data has been analysed in the matrix below, which show the general averages for eleven different areas. Note that this data is also displayed for sub-populations in section 2.4. The actual questions for this section was formulated as follows:

Q6. Which messages have come across as most important in Sida's communication on risk management in the past two years?

Please give your response in a scale from 1= Unimportant to Sida and 5 = very important to Sida.

Table A2. Compilation of perception on most important messages from Sida relating to risk management

Q.6 Which messages have come across as most important in Sida's communication on risk management in the past two years? Please give your response on a scale from 1 = Unimportant to Sida and 5 = Very important to Sida.			
	mean	std	len
6.1. Sida wants partners to be braver in promoting human rights principles.	4,15	0,91	59
6.2. Sida wants partners to be braver in promoting gender equality.	4,64	0,70	64
6.3. Sida wants partners to be more innovative in their efforts to reach results.	4,05	0,94	65
6.4. Sida wants partners to better reach and empower the most marginalised groups.	4,35	0,92	63
6.5. Sida wants partners to increase efforts to provide core funding to their sub-grantees.	3,27	1,28	33
6.6. Sida wants partners to reduce risks of doing harm (negative side-effects).	4,27	0,82	64
6.7. Sida wants partners to reduce risks of poor achievement of results.	4,15	0,94	60
6.8. Sida wants partners to reduce risks of poor ownership/sustainability.	4,27	0,84	60
6.9. Sida wants partners to reduce risks of corruption.	4,64	0,57	64
6.10. Sida wants partners to reduce security risks.	3,86	1,07	59
6.11. Sida wants partners to reduce risks for the environment and climate change.	4,05	1,15	61

Table 2 summarises given scores from the respondents. There seems to be two areas that are deemed to be slightly more important. First, that Sida wants the organisations to be braver in promoting gender equality. Second, that Sida want the organisation to reduce risk for corruption. Note also that the standard deviations for both these areas are relatively low, showing limited variation in the data. The least important area seems to be that Sida wants partners to increase efforts for providing core funding to sub-grantees.

Partners were also asked to comment on other areas that had been communicated by Sida. The comments are presented below.

Any other Sida messages on risk that has been strong?

The first question is not applicable to us as we are the UN Human Rights Office, we assume it is important, but it is our mandate we do not know what SIDA asks of others.

That Sida is willing to accept higher levels of risk than other development partners, in more imaginative ways, to pilot new approaches and support innovations.

SIDA wants to see policy change at the national level to benefit rights holders who are marginalised or experiencing discrimination.

Sida is truly committed to supporting citizen-driven demand for democracy and local initiatives aimed at strengthening the rule of law, democratic culture and media freedoms.

Sida is excellent in rhetoric and policy but does not follow up with applicable practices. If one person says yes, please be brave - the controller says no, this will not be possible.
Risk's mitigation has been as strong as the identification of the risk itself.
Promoting Human Rights vis-a-vis 2030 Agenda. Human Rights are obligations; SDG are goals and targets. This should not be overseen in the UN reform process.
Organisational management and systems are in focus for Sida, which is great for supporting ongoing organisational improvement.
Internal organisational capacity, due diligence in relation to forwarding of funds, proper procurement, importance of robust planning,
Emphasis on mitigating corruption/fraud issues in implementation of the Project.
Develop and maintain a risk management system
Cost effectiveness, donor coordination and harmonisation
1. Sida wants partners to reduce risk of "double dipping"
2. Sida wants partners to reduce risk of solely depending on Sida funding for business.

2.4 Final questions

In a final survey section, the respondents were asked to give narrative responses. The questions had bearing on areas of improvement as well as aspects that Sida should keep doing.

What should Sida do to improve its support?

There is, of course, a relatively large variation in the recorded responses. However, many responses elaborated on given ratings in the survey, and focused on for example improved consistency and transparency in risk management approaches, increased dialogue and flexibility and importance of enhanced capacity and sharing of best practices in risk management etc.

In terms of specific improvements, the respondents are asking Sida to spend additional time to understand things on the ground; to increase support for monitoring and trainings/capacity building; to co-share financial risks/exchange rate losses; to conduct less of so called “tic-box” reporting and increase the dialogue components, and provide best practices and guidelines for risk management.

What could Sida do to improve its support to partners in terms of risk management?

While Sida's approach to local partners in terms of risk management is highly supportive, perhaps sharing of best risk management practices and approaches from similar environments, and Sida's experience in supporting similar organisations, could be beneficial to its local partners.

We have always received support from the Embassy and Sida for the development and implementation of the project. We do the regulatory meetings, but they are always willing to receive us and listen to the difficulties that can arise in the day to day. We even receive support in important project activities (degrees, meetings with allies, trips etc).

Training for partners

They could organize trainings, share new ideas.

There is need for humanitarian funds set aside for assisting in disaster situations

Take the time to clarify expectations, transparency on risk assessments and conclusions, provide support and not only interrogate and ask questions. Dialogue questions should be formulated jointly and be prioritised/not too comprehensive (because there is limited time to discuss them strategically). Less tick-box more support and dialogue. Better coordination internally - apparently all of Sida should follow the same risk management system but this is not evident in practice, it varies a lot. Mainstream both conditions placed in agreements and approaches/practices.
Take it more seriously and improve communication about risks and risk management. Initiate dialogue IRL, not via papers and matrices.
Spend more time to understand the reality of aid from the partner's perspective and understanding the challenges project funded partners have on a day-to-day basis. Hire desk officers with hands-on experience from development, not only from funding development.
SIDS is so far doing what is appropriate
SIDA is good at reaching out, in my personal experience.
SIDA is already doing very well. Nothing more to add.
SIDA has been a very supportive and flexible partner that understands the challenges in our context well.
SIDA could share best practices and experiences with other partners to enable lessons learned and more of knowledge sharing.
Sida could share a guidance note/guidelines and recommendations with partners as to how they can improve their management of risks.
Sida could provide examples of best practice in effective risk management and reduction, and potentially some online/ digital training for implementation partners in this field. This would serve the joint objectives of building capacity and also standardising approaches, as much as is possible across different units, themes and geographies.
Sida could consider the risks and effects of exchange rate loss. And could consider working with templates to make sure partner organisations meet the specific needs of Sida.
Risk management needs to be supported via improvement in personnel skill. The ability of organisations to support staff is limited due to limited funding. Supporting improvement of skill of personnel to handle risk better is urgent.
Provision of risk management training to Project Managers
Provide training, manuals and communicate requirements/needs better
Provide example/lessons from other partners who have managed risks effectively.
Promote a consistent approach toward risk management among like-minded bilateral aid agencies.
Perhaps by having regular session on risks for partners. Partners can be better informed of what emerging issues in specific risk. If cannot be annually then every two years.
Monitoring courses and support monitoring funding/resources
Maybe to organise some trainings for their partners as a capacity building for risk management.
Joint workshops
Increased internal knowledge = speak with one voice and know what you are talking about and what you want
Increase on capacity building
Improving coordination between Sida global and local entities. Improving continuity and stability of funding - large fluctuations bring risk and difficulties in implementation - which ultimately impact our ability to deliver

I don't know if it is directly on support to risk management, but we have been quite surprised with the level of micro-management of financial reports and budgets during the agreement phase and afterwards, given the fact that we receive core funding and received the new contract and a quite positive internal management review had been made by Sida-selected auditors. These seems to be less micro-management now in the second year of the agreement.

Help and support good practice in feminist organisations re risk management and feminist. sharing risk approaches between grantees in learning space

Have a more vivid dialogue. We have not really talked about these things, but we have got a matrix to fill in Risk management and mitigation.

Conversation on the organisation's risks should be more explicit in the grant design and conceptualization phase, as well as discussion about support available from SIDA to mitigate identified risks.

Contracts' terms and timetables of interconnected projects should be coordinated before signing the contracts

Constant communications and interactions if possible. Feedback from reviews and reports are also in order to help us minimize risks arising from our programming and organizational structures. Redouble the ongoing effort on accompanying partners in implementation rather than waiting for annual reports and end-of-project reports. This way, it becomes possible to identify and address risks as they emerge.

Be more understanding of the risk environments of the countries in which we operate. Better understand the resources it takes to manage risk.

Based on my experience working with Sida, the agency is already doing very good.

Audit

The project is working to reduce gender-based violence and reduce vulnerability of climate change effected people. Climate change impacts on women, girls and most marginalized people. So, to mitigate the risk we need long-term support.

1. Structured capacity building programme for partners on risk management, both at programmatic and institutional levels.

2. Improved cross learning amongst partners on risk management approaches.

3. Funding multiple partners.

* share the financial risk with partner organisations

* the financial and legal staff and controllers need to be included in the political management - not act as stand-alone detached from the rest of Sida. They need to act to support the decision being made by Sida, and be ONE Sida, not a contracted firm on the side doing something else.

* Provide annual training on Sida's general conditions, grant compliance and risk management guidelines

* Provide more time for partners to develop proposals as risk assessment for new projects requires time and proposal deadlines are always very tight

What should Sida continue to do?

Aspects in Sida's current approach that the respondents wanted to see continue were for instance, that the communication and constructive dialogues with partners on all levels should be upheld; to encourage partners to contemplate risks; to provide core funding; to be aware to risks and complexity at the local context; to allow for flexibility; to support innovation and strategic partnerships.

Some of the comments to this final question, were more related to areas of improvement (as the previous question) – such as making clearer demands; provide more

trainings; improve the risk sharing and setting up separate funds for management of risks, strengthen tools and Sida's institutional memory etc.

What should Sida continue to do in terms of risk management?

To continue with risk management issues.

Sida should maintain its commitment to supporting and strengthening risk management capacities of local partners, and continue with an ongoing dialogue, communication and exchange with partners throughout the implementation of supported initiatives.

SIDA should continue to accept programme flexibility where the political shifts make it necessary.

Sida shall continue focusing on gender equality, the reduction risks and of negative side effects.

Sida is aware of the risks and puts at our disposal all its capacity as a relevant actor in international cooperation. I don't think it's easy for them to do more. We count on Sida as a donor, a partner and an ally. They control what we do but let us do our work in a relation of trust

SIDA is already doing much to help on this.

Sida continues to provide appropriate support for our programs and shows understanding of our particular situation as a non-partisan institute providing training for parliamentary staff to conduct balanced neutral research services for parliament. Our activities ensure the long-term professional development of the parliaments and enables parliamentarians to improve delivery of their representative legislative and oversight functions for the benefit of their constituencies.

Provide its guidelines in terms of risk management and communicate/discuss with the partners the implementation in line with the specificity of each partner and/or programme supported by SIDA. Provide flexibility as required in view of implementation realities in the field.

Provide guidance to partners in those areas where there is room for improvement.

Provide core funding. Providing even longer-term support would be beneficial.

Promote partnership building like CIVSAM, invest in relationships, to better understand partners perspectives and enable more strategic dialogue.

Open dialogue and trust in capacities of partner organisations. Flexibility, where needed.

More courses in RBM

Mid-term assessments are really helpful.

Make clear demands

Emphasis on quality reporting, and preventing fraud

Dialogue, dialogue, dialogue. Provide a safe space for partners to have open and candid conversations about contextual risks. Commission efficiency audits/risk management audits of partners, but with a strong message that the process is designed to improve risk assessment and management/mitigation practices.

Continuous support, close collaboration

Continuous follow ups or review on the proposed risk mitigation with the organization especially in high risk environment given the context is rapidly changing.

Continue with the flexible approach and the focus that requirements should be well balanced against the principle that it should be useful for the organisation itself (to e.g. develop more tools/frameworks etc)

Continue to understand the complexity and changes in context which can affect our ability to adhere to contractual requirements - e.g. budget variances. Also continue to understand and be supportive of the complex nature of the security context which requires dynamic responses to programming. Sida's flexibility for our adaptive programming and reporting has been invaluable

Continue to ensure that beneficiaries, and their rights, are at the heart of risk management activities.

Continue to encourage partners to think about potential risks and corresponding strategies in the proposal stage of a project or programme.
Continue to assess risk management system and provide recommendations to improve the system.
Continue supporting partners through capacity building in programme management and in organizational development (OD).
Continue dialogues with partners
Continue core support. continue the positive dialogues and annual meeting. continue strategy partnerships
Continue Annual Review Meetings. Provision of core funding to allow for flexibility to support risk management efforts
Continue and strengthen existing controls.
Communications with partners on all stages of projects' implementation and hearing their position, which is effectively made by Sida, is a great help in risk management.
Change the grant agreement so that it more tolerant of risk. For example, we currently have to report to Sida if there is even a suspicion of fraud. This is too low a bar since a suspicion is often not substantiated, but precious staff time is spent in keeping Sida staff informed about a suspicion. A threshold approach would be better. Sida should provide additional/separate funds for risk management as it is costly in terms of staff time, legal fees, auditing, etc. Endless sums could be spent on risk management to the detriment of the program. Risk, however, will never be entirely eliminated so a balanced approach is needed.
Build capacity of partners /grantees, public service delivery institutions, knowledge management for record and dissemination of risk management experience.
Be in continuous dialogue, follow up, monitor
Base their expectations and advice on evidence-based experiences
Allow for flexibility. Continued dialogue
Active dialogue with partners
1. Flexibility for partners to explore riskier markets and target groups. 2. Emphasis to address multi-dimensional causes of poverty, with multiple interventions, approaches and multiple partners.
Continue to be open to dialogue and flexible - Continue to have a needs-based approach and support partners to adapt their response when risk arise - Continue to support innovation in the delivery of humanitarian aid
Assess the systems in place of their partners and have an institutional memory of what it has been done.

2.5 Additional data and graphs on sub-groups

This section holds additional data and graphs. The collected data have been disaggregated on sub-populations in the target group – Type of organisation and Importance of Sida contribution (see above in section 2.1 for details). This analysis and the displayed graphs below enable a deeper understanding that potentially can unveil new patterns and insights.

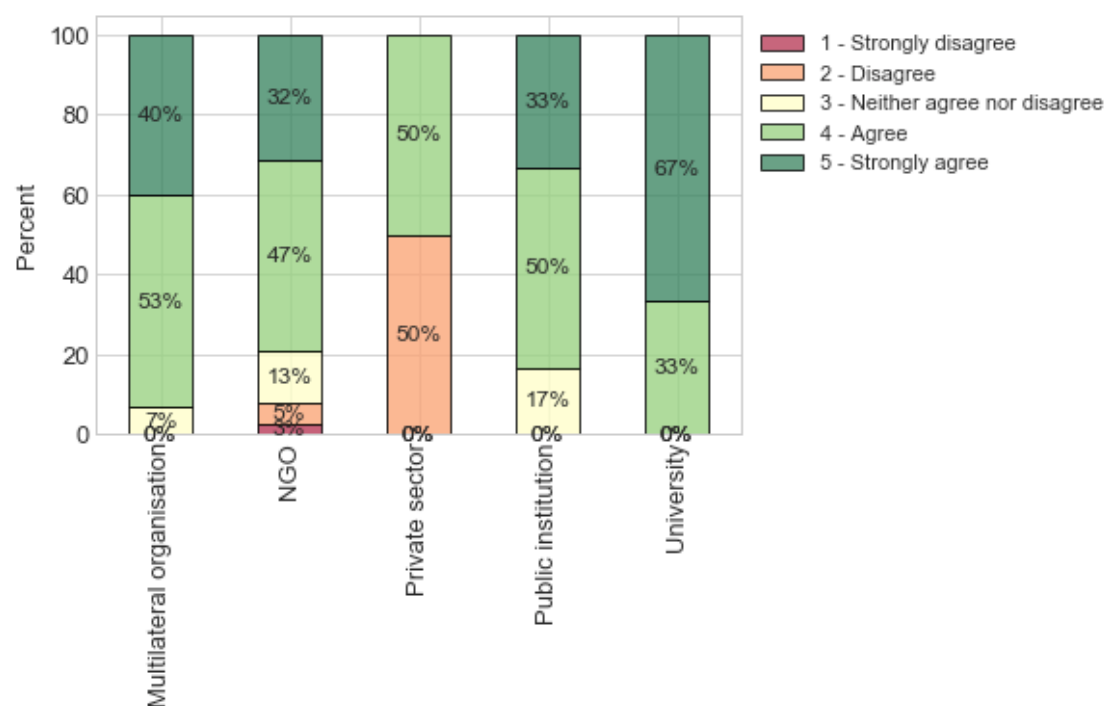
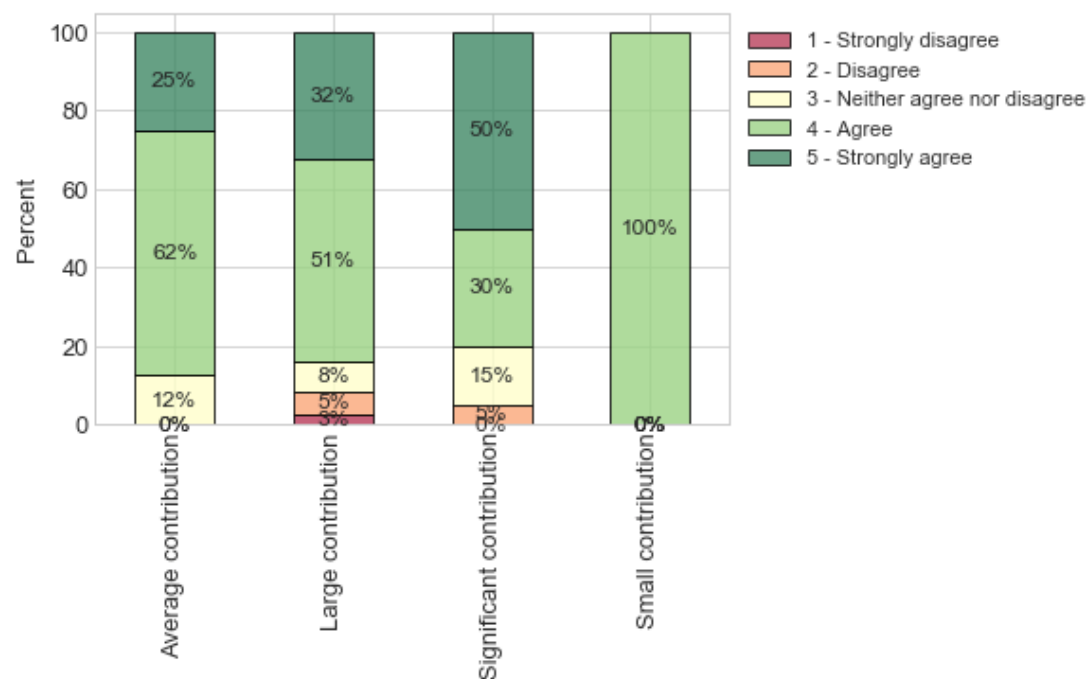
Figure A5.1. Common understanding of contribution risks*b. Type of organisation**c. Importance of Sida contribution*

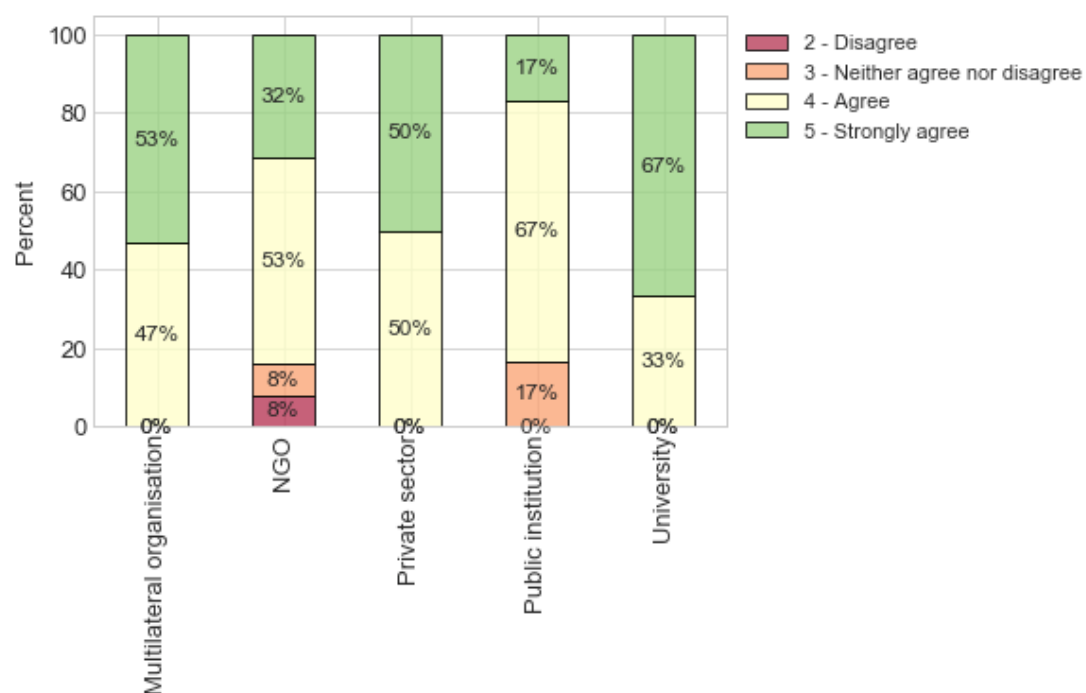
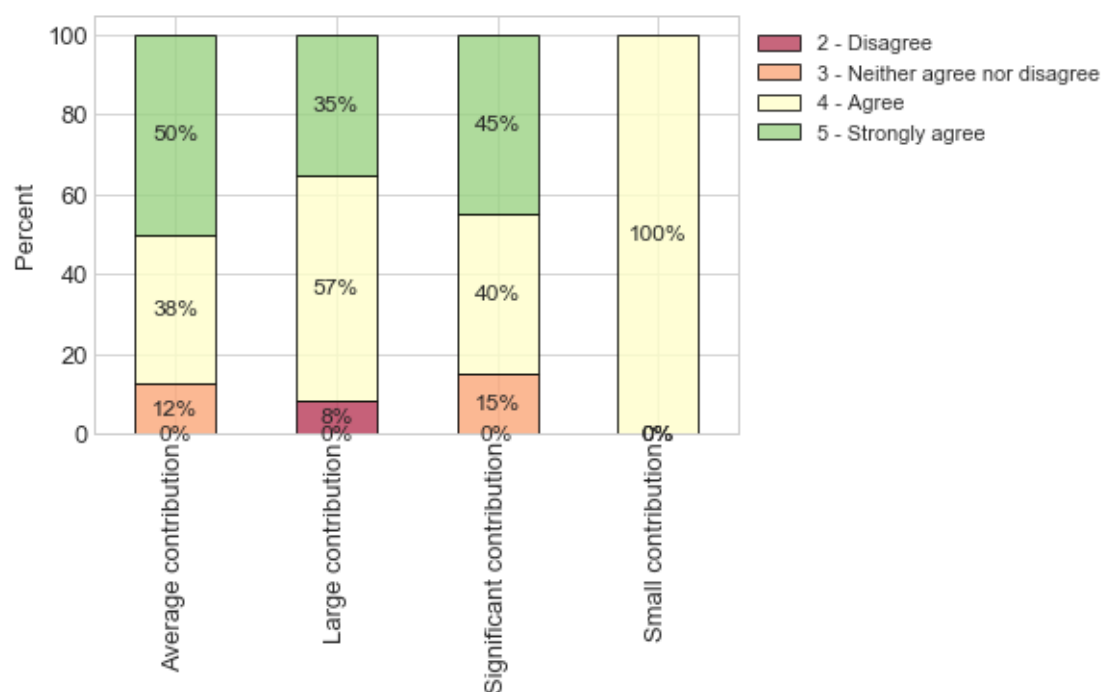
Figure A5.2. Common agreement on how to manage risks*b. Type of organisation**c. Importance of Sida contribution*

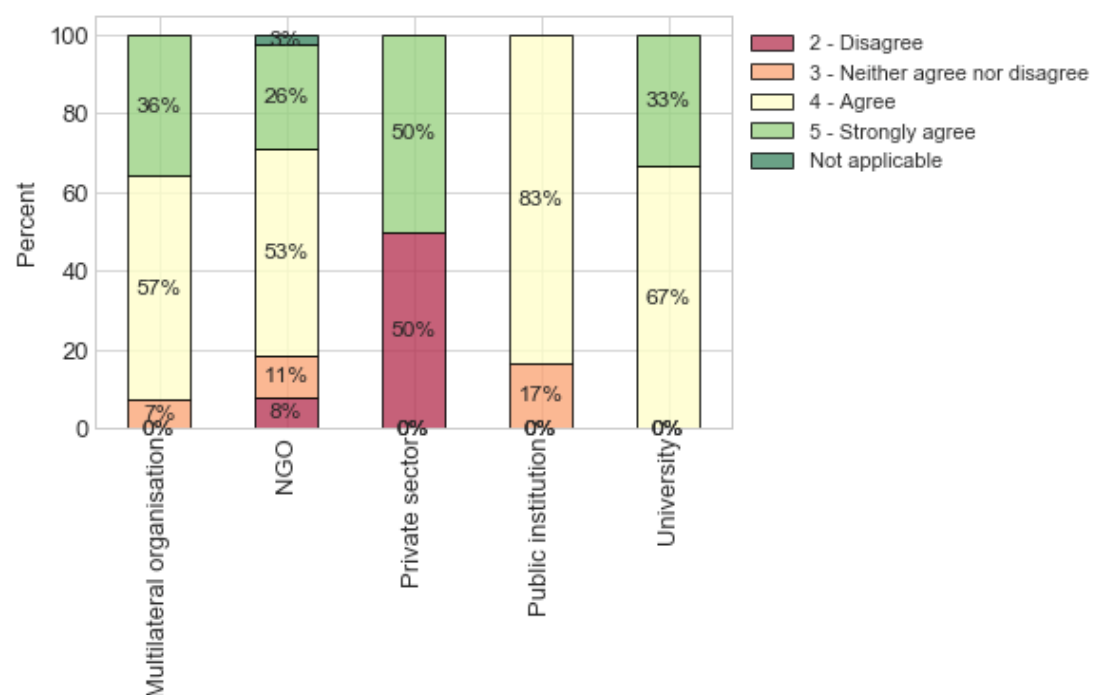
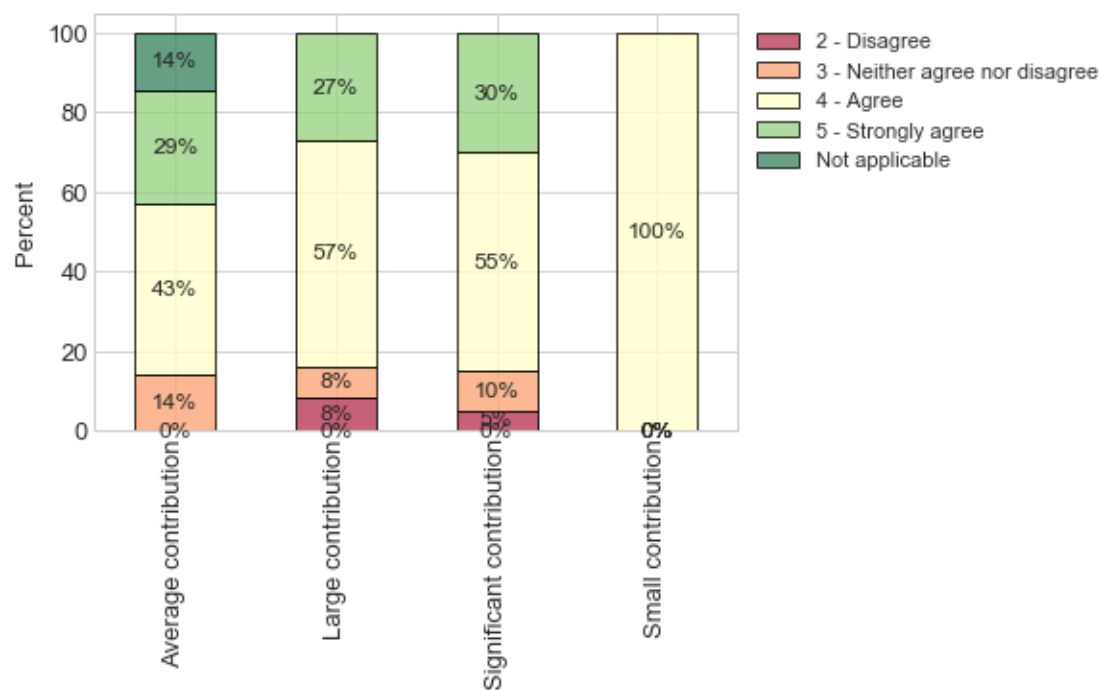
Figure A5.3. Common agreement on how to reduce risks*b. Type of organisation**c. Importance of Sida contribution*

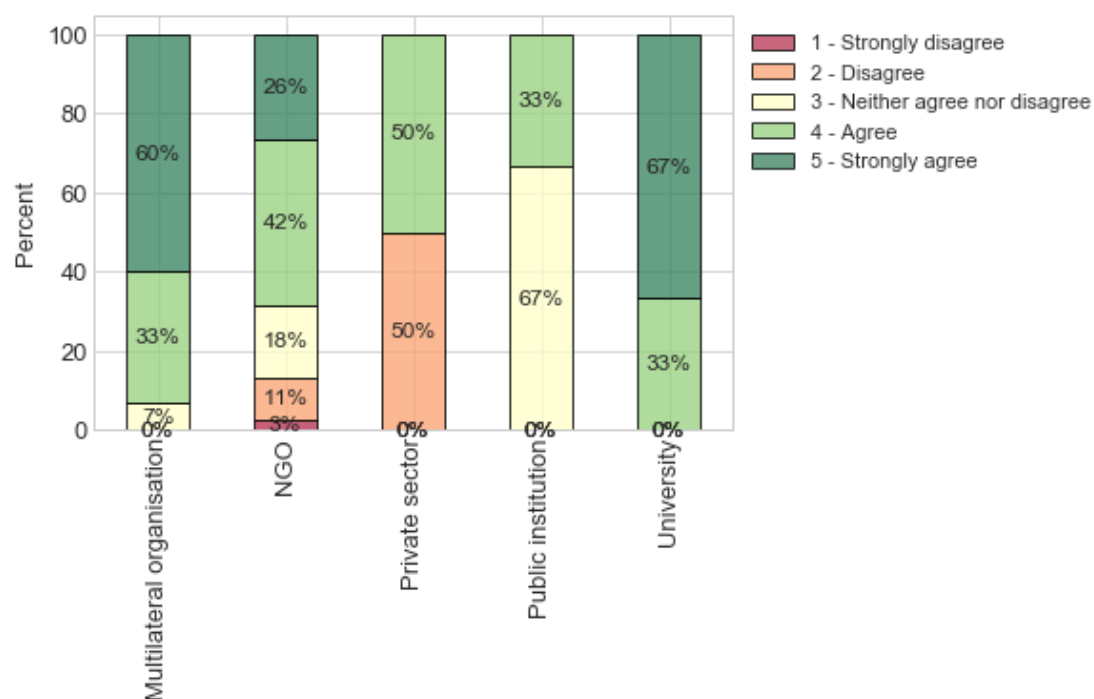
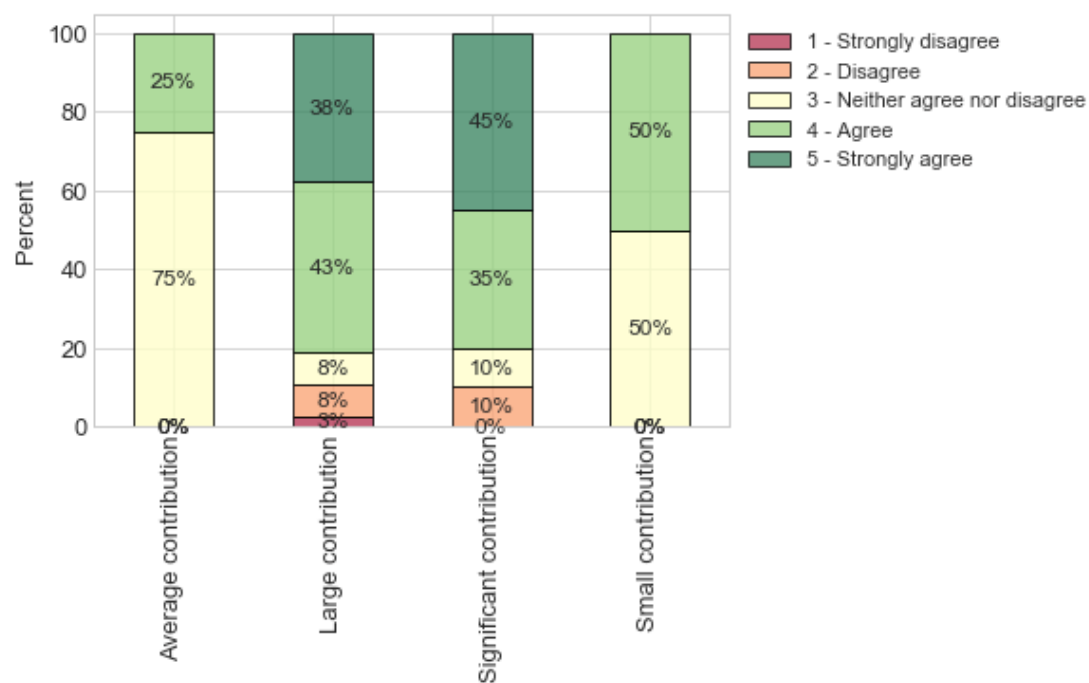
Figure A5.4. Sida support contribute to risk management capacity*b. Type of organisation**c. Importance of Sida contribution*

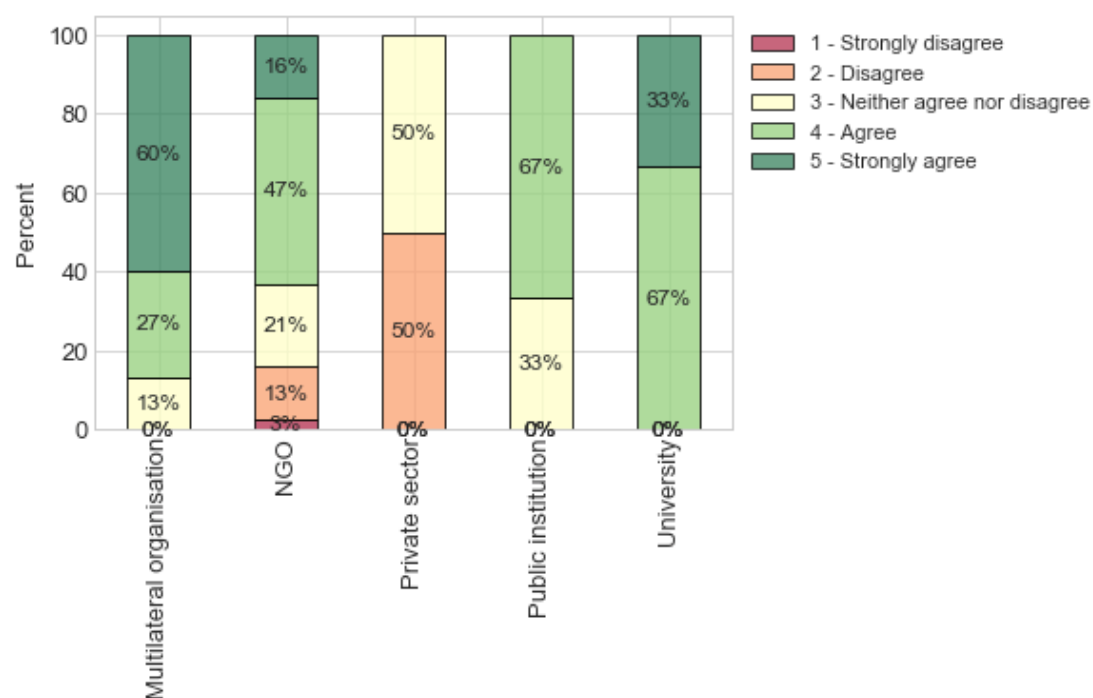
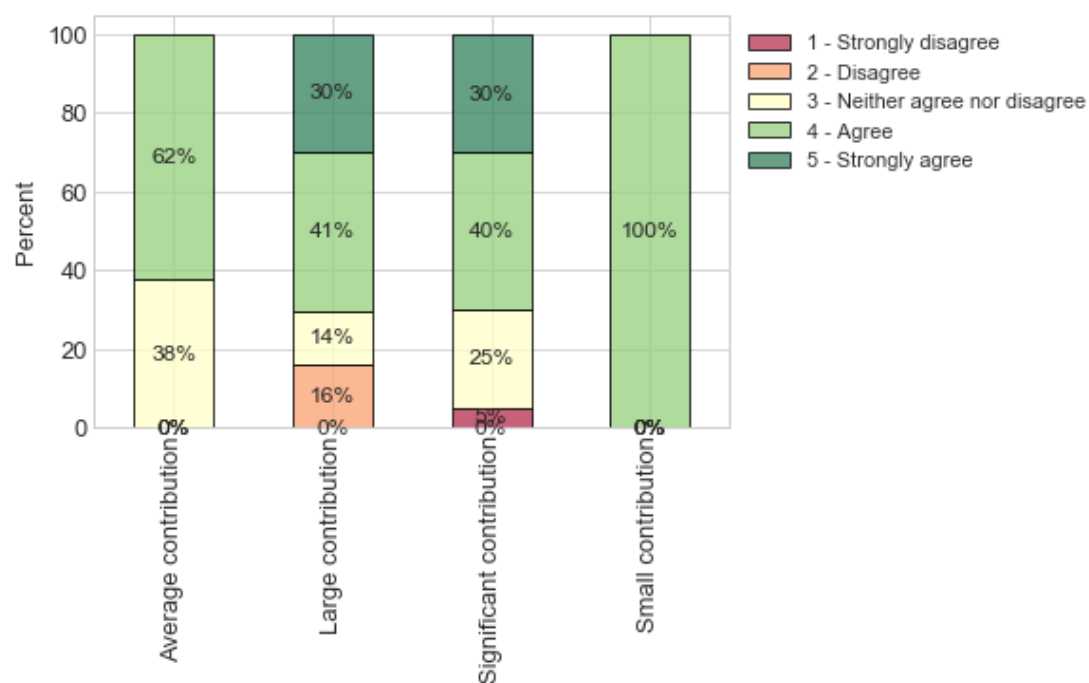
Figure A5.5. Sida dialogue led to improved design of contribution*b. Type of organisation**c. Importance of Sida contribution*

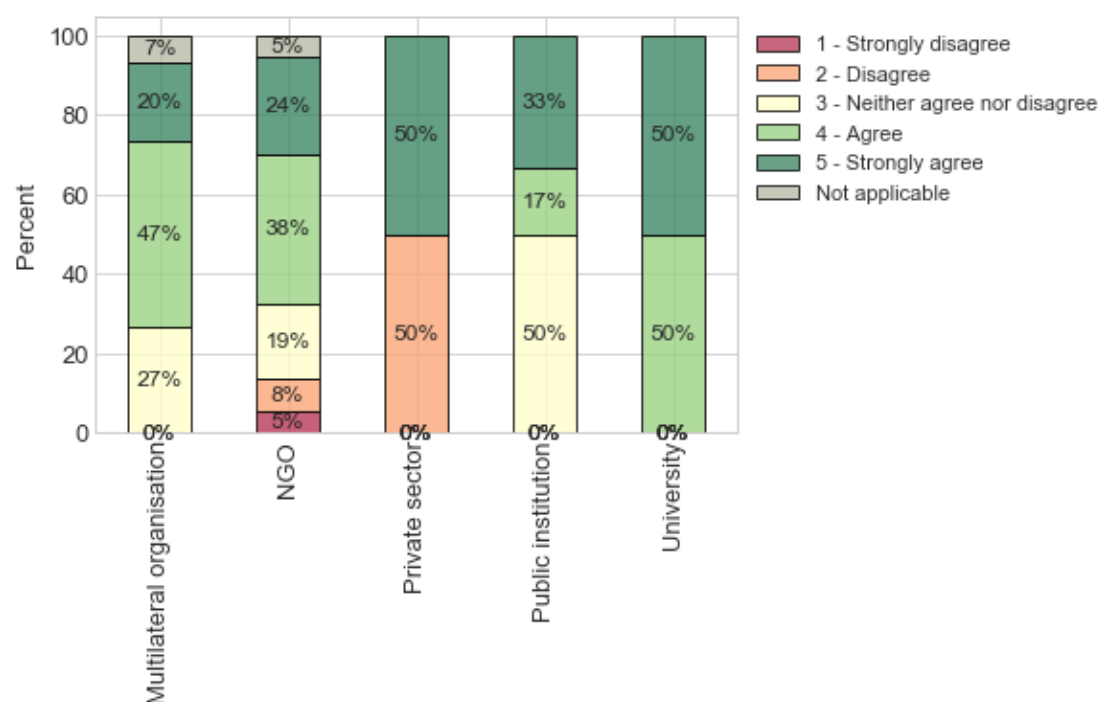
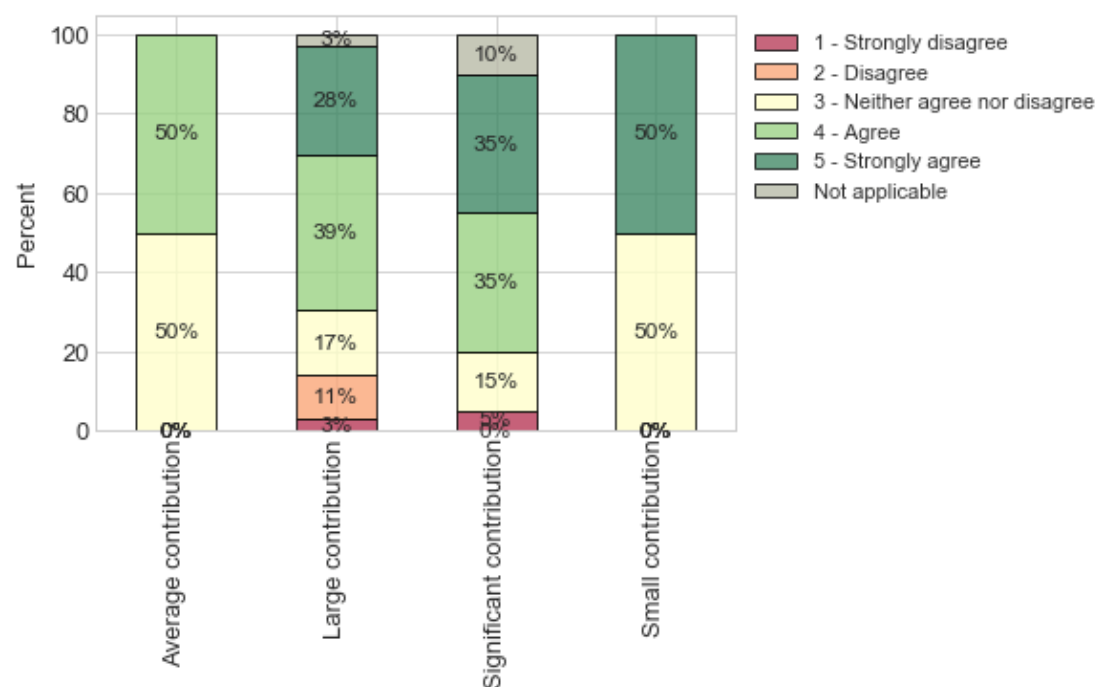
Figure A5.6. Sida dialogue led to reduced risks for corruption*b. Type of organisation**c. Importance of Sida contribution*

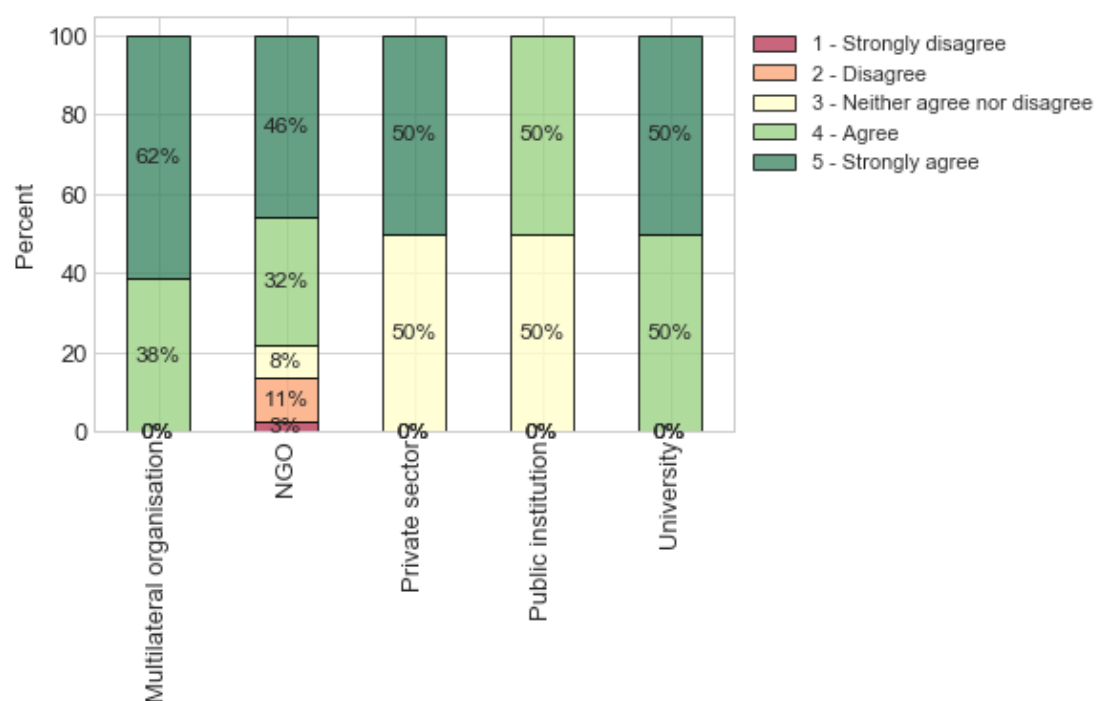
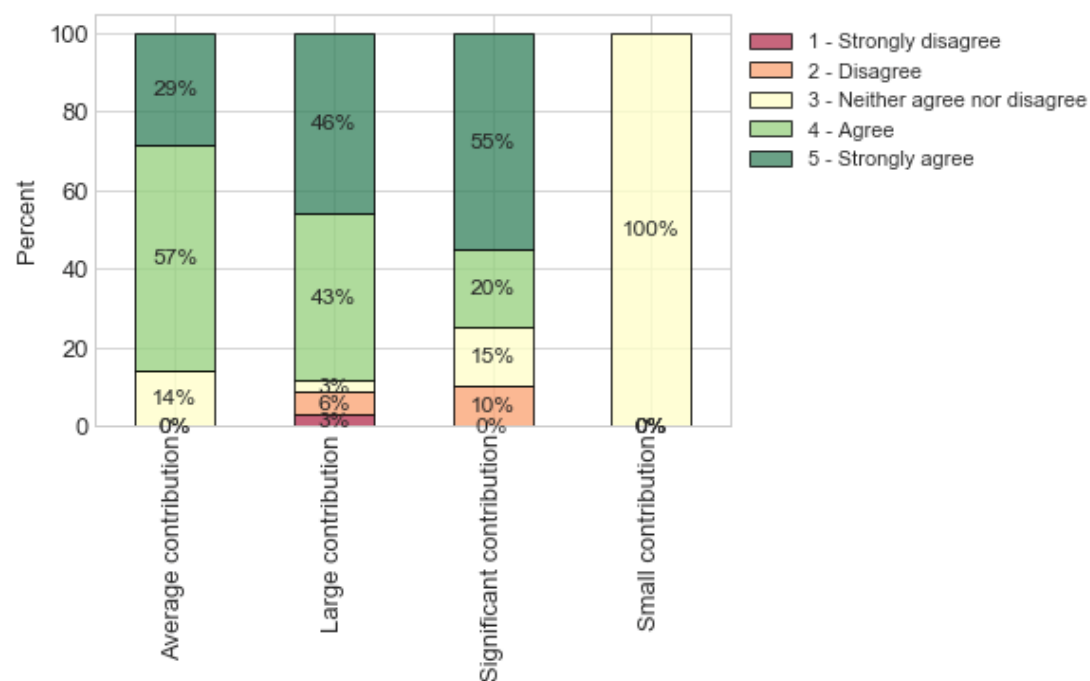
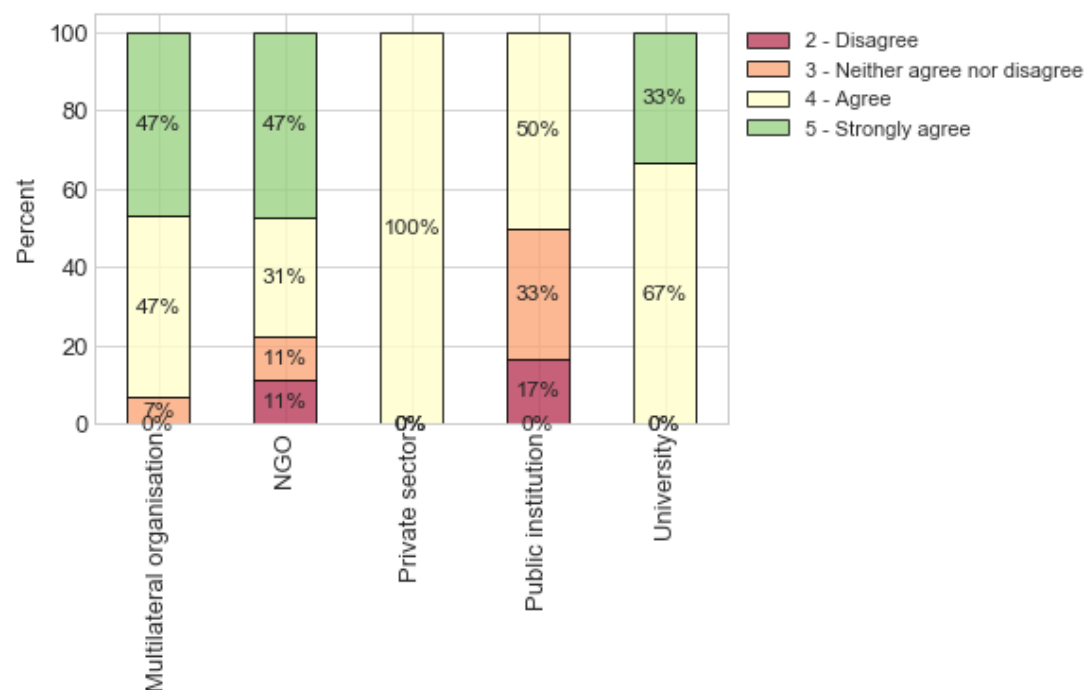
Figure A5.7. Sida agreement enables organisations to be innovative*b. Type of organisation**c. Importance of Sida contribution*

Figure A5.8. Sida agreement flexibility enables organisations to manage risk better

b. Type of organisation



c. Importance of Sida contribution

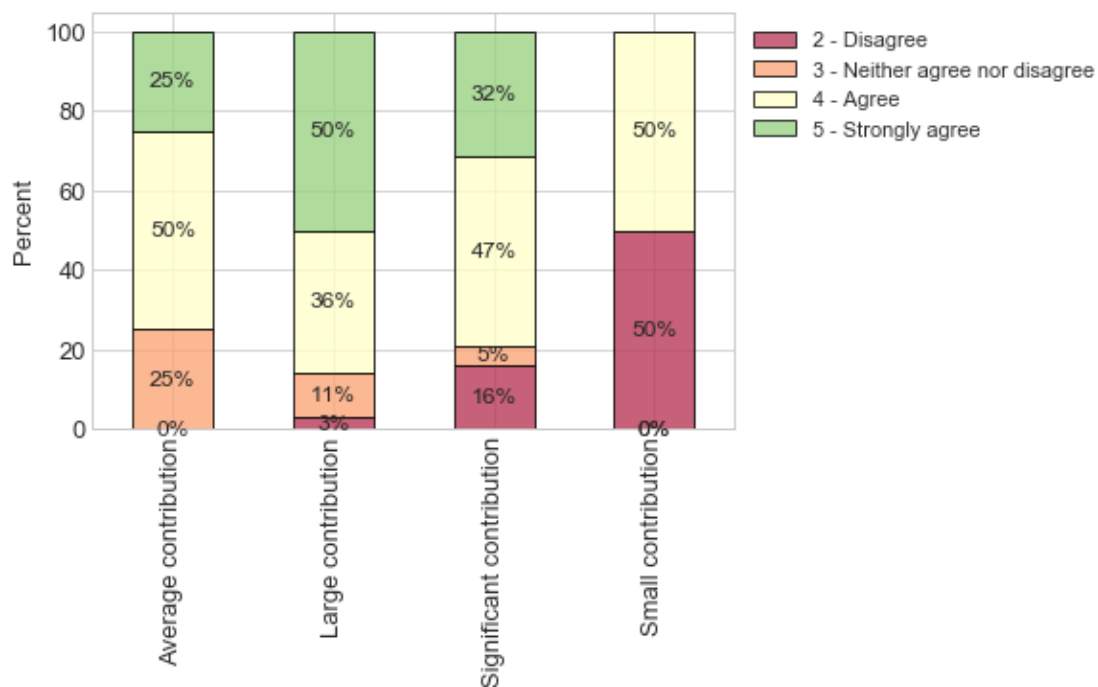


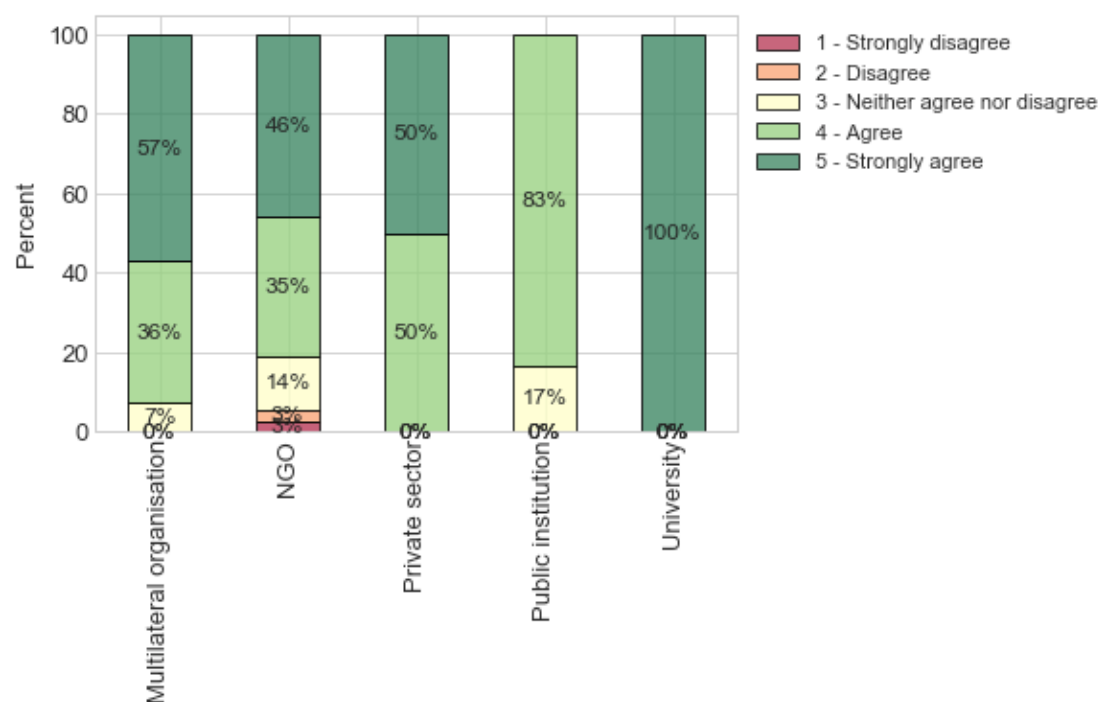
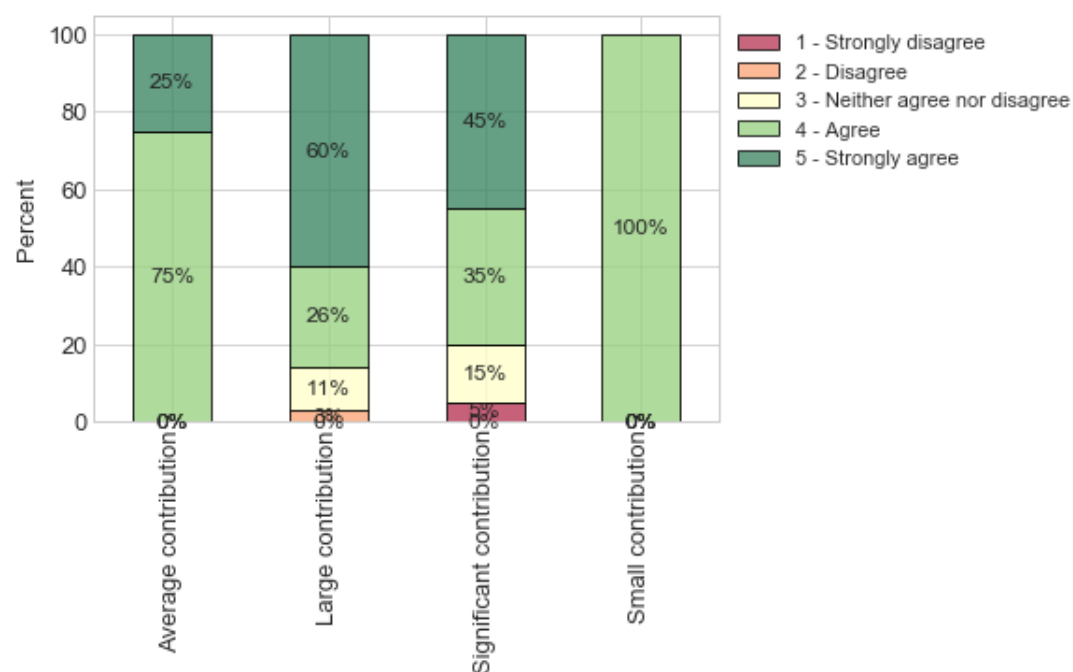
Figure A5.9. Sida has communicated expectations on performance*b. Type of organisation**c. Importance of Sida contribution*

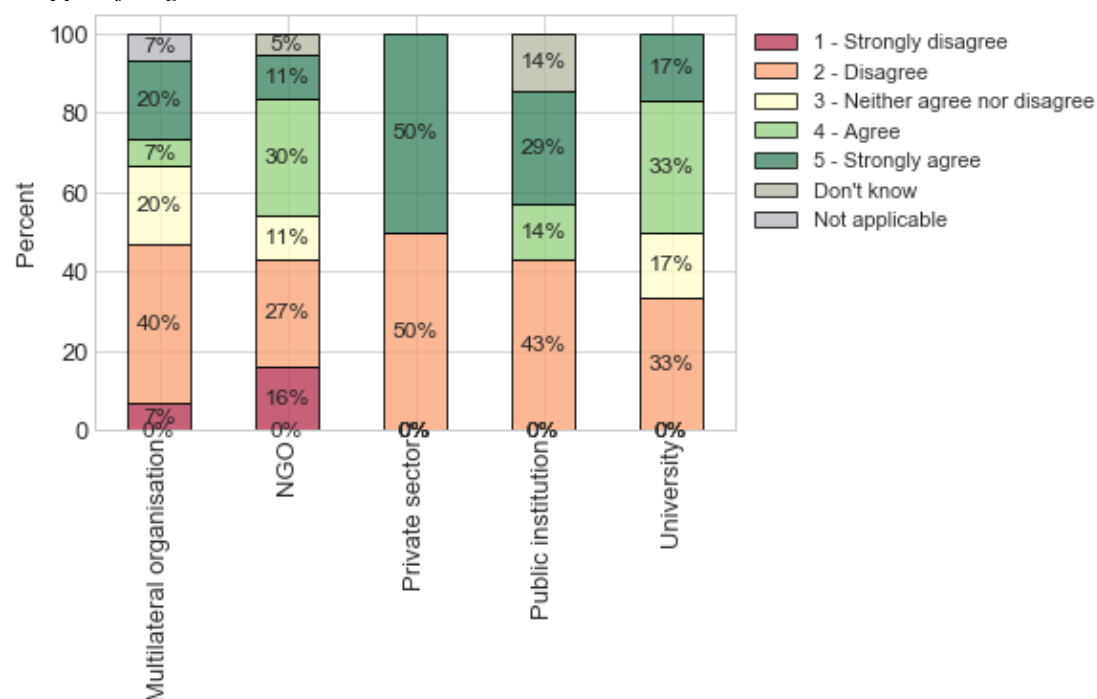
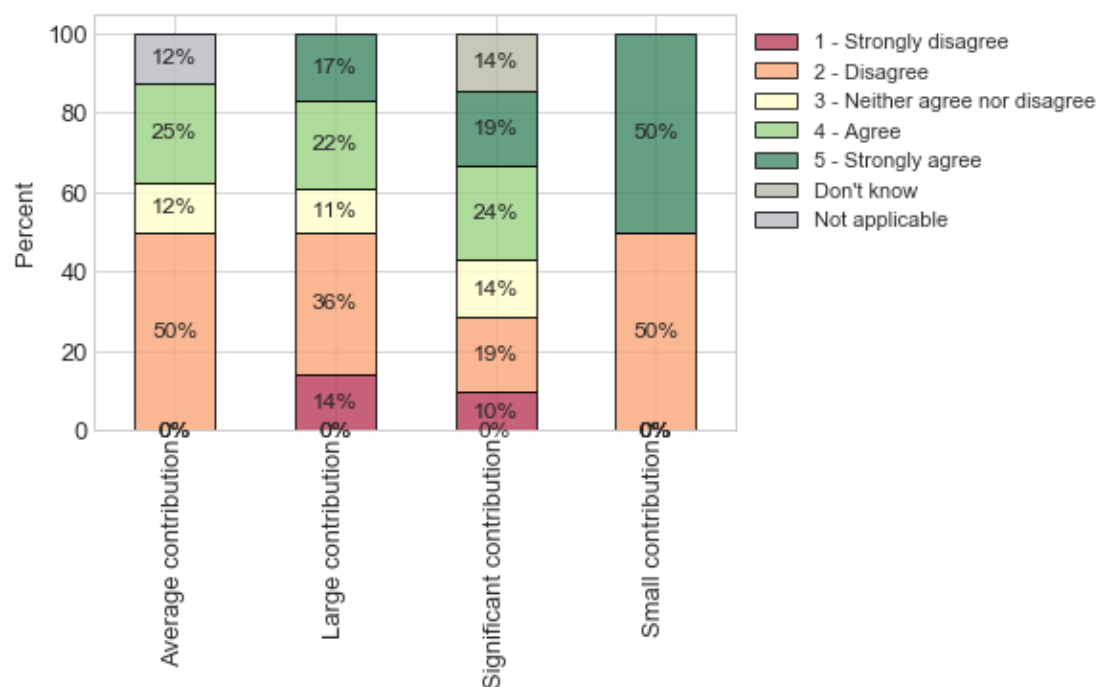
Figure A5.10. Sida approaches change between on staff members*b. Type of organisation**c. Importance of Sida contribution*

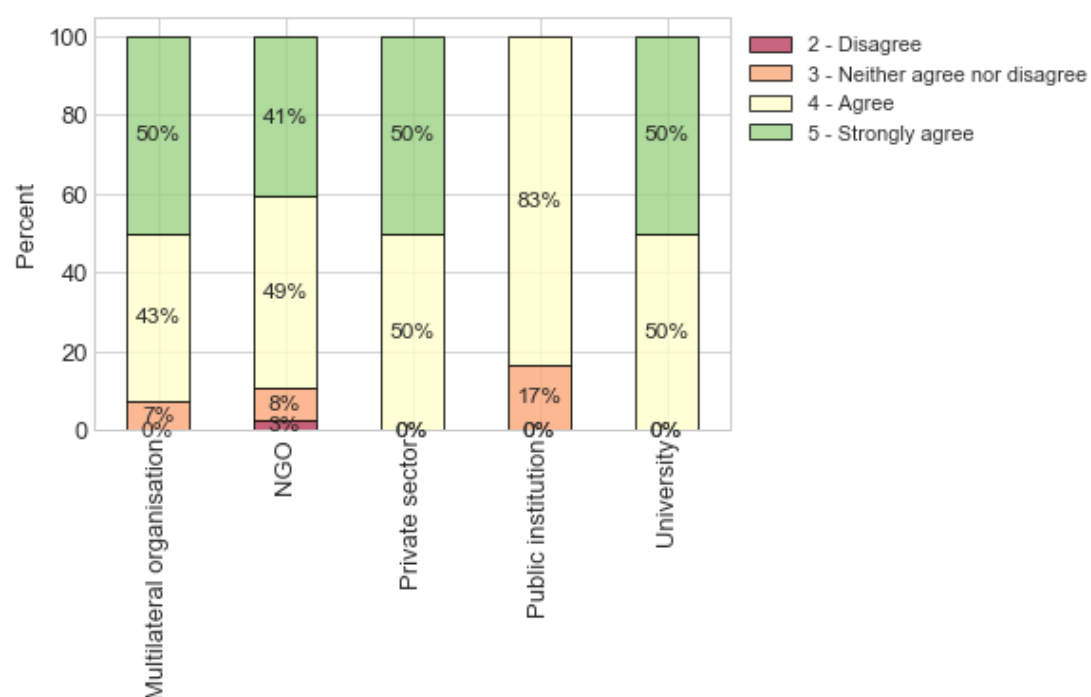
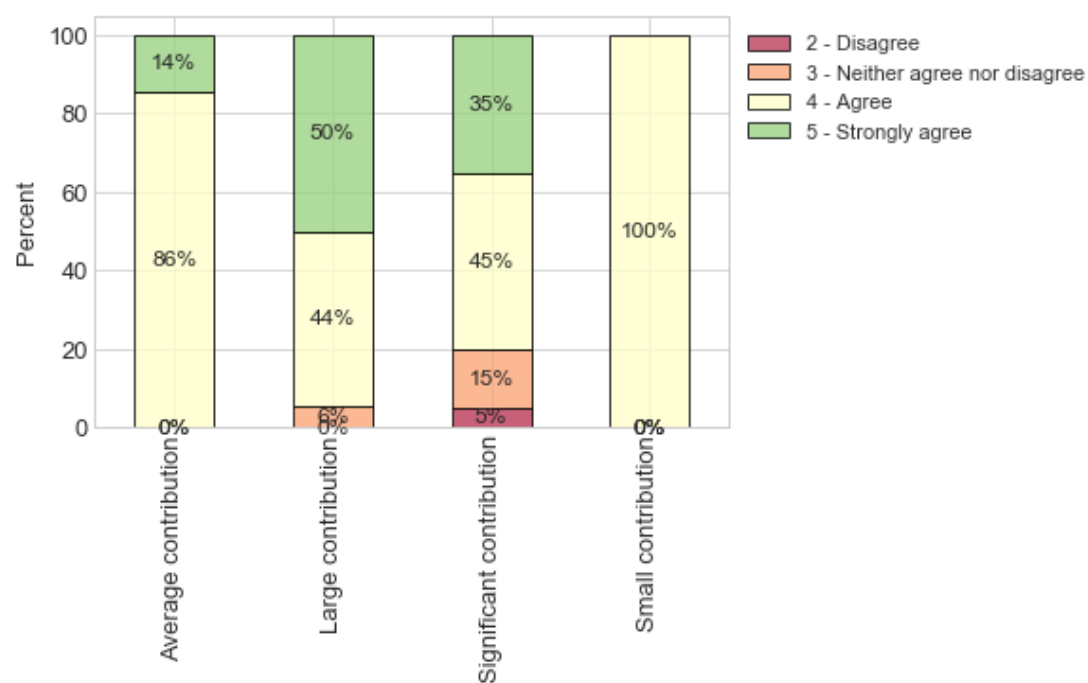
Figure A5.11. Dialogue with Sida leads to interim adjustments*b. Type of organisation**c. Importance of Sida contribution*

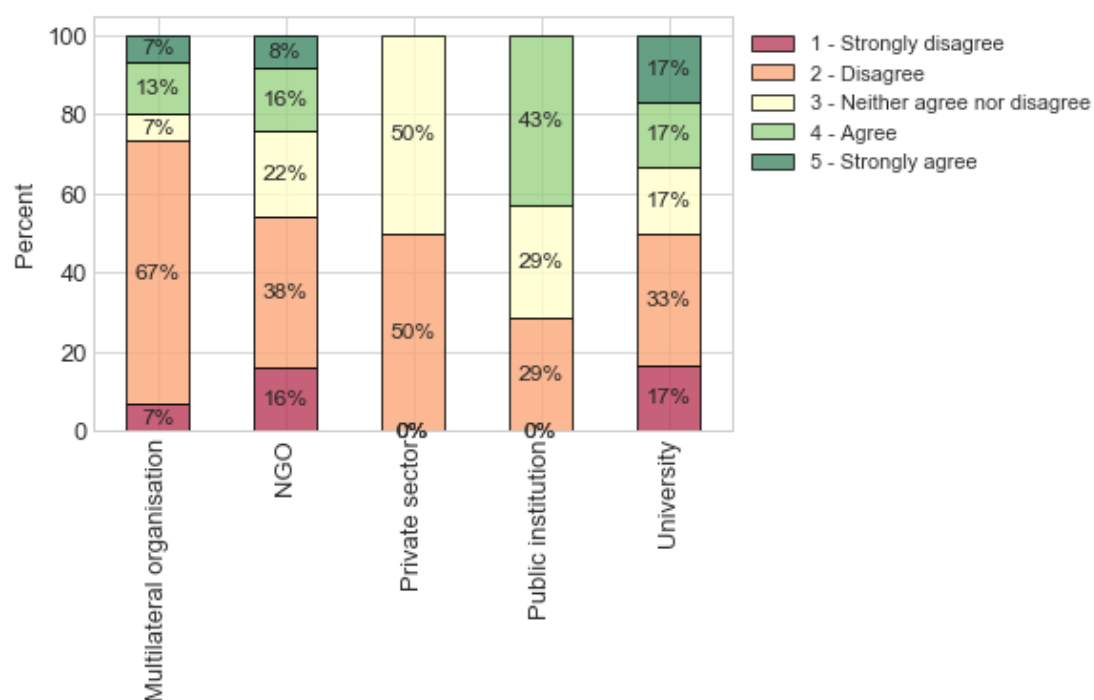
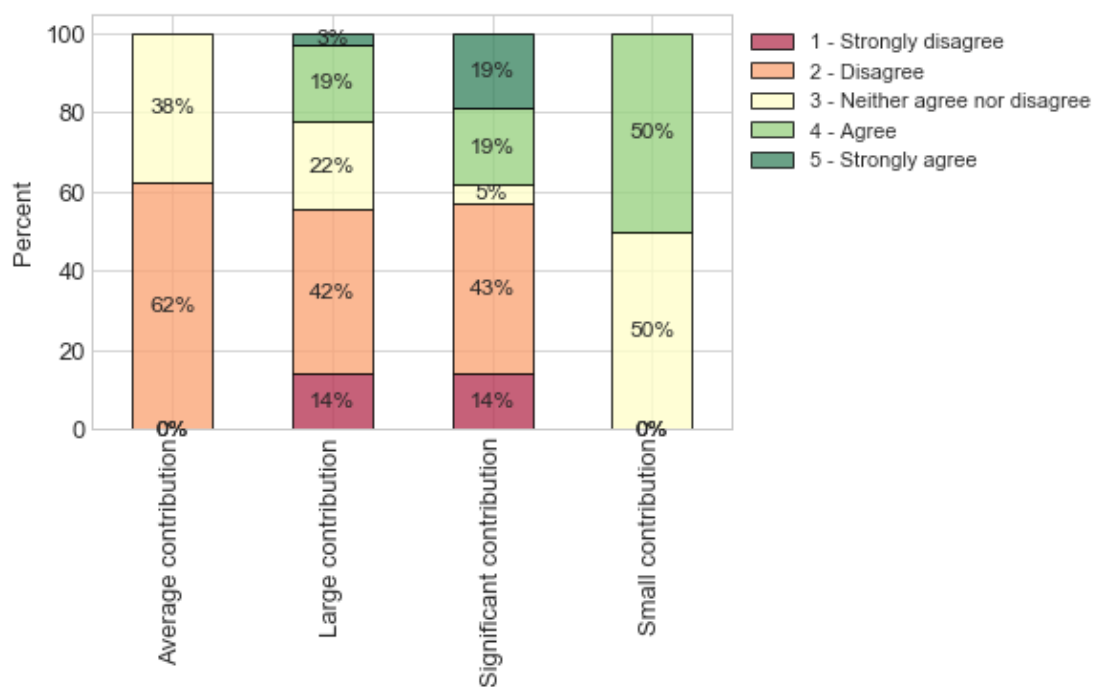
Figure A5.12 - Focus on annual reporting during dialogue with Sida*b. Type of organisation**c. Importance of Sida contribution*

Table A3. Compilation of perception on Sida's risk management approach*b. Type of organisation*

	Multilateral organisation	NGO	Private sector	Public institution	University
5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional)	mean 4.333333 std 0.617213 len 15.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.000000 std 0.958603 len 38.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 3.000000 std 1.414214 len 2.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.166667 std 0.752773 len 6.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.666667 std 0.516398 len 6.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64

5.2. Sida and your organisation have agreed on how to manage risks that have been accepted.	mean 4.533333 std 0.516398 len 15.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.078947 std 0.850487 len 38.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.500000 std 0.707107 len 2.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.000000 std 0.632456 len 6.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.666667 std 0.516398 len 6.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64
5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced.	mean 4.285714 std 0.611250 len 14.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 4.000000 std 0.849837 len 37.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 3.500000 std 2.12132 len 2.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 3.833333 std 0.408248 len 6.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 4.333333 std 0.516398 len 6.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64

5.4. The support from Sida helped improve your organisation's risk management capacity.	mean 4.533333 std 0.639940 len 15.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 3.789474 std 1.043847 len 38.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 3.000000 std 1.414214 len 2.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 3.333333 std 0.516398 len 6.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 4.666667 std 0.516398 len 6.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64
5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s).	mean 4.466667 std 0.743223 len 15.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s), dtype: float64	mean 3.605263 std 1.001066 len 38.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s), dtype: float64	mean 2.500000 std 0.707107 len 2.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s), dtype: float64	mean 3.666667 std 0.516398 len 6.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s), dtype: float64	mean 4.333333 std 0.516398 len 6.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s), dtype: float64

5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption	mean 3.928571 std 0.730046 len 14.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 3.714286 std 1.126458 len 35.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 3.50000 std 2.12132 len 2.00000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 3.833333 std 0.983192 len 6.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 4.500000 std 0.547723 len 6.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64
5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities)	mean 4.615385 std 0.506370 len 13.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 4.081081 std 1.115008 len 37.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 4.000000 std 1.414214 len 2.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 3.500000 std 0.547723 len 6.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 4.500000 std 0.547723 len 6.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64

5.8. Sida's flexibility enables your organisation to manage risks better.	mean 4.400000 std 0.632456 len 15.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 4.138889 std 1.018480 len 36.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 3.333333 std 0.816497 len 6.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 4.333333 std 0.516398 len 6.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64
5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions)	mean 4.500000 std 0.650444 len 14.000000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 4.189189 std 0.967179 len 37.000000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 4.500000 std 0.707107 len 2.000000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 3.833333 std 0.408248 len 6.000000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 5.0 std 0.0 len 6.0 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64

5.10. Sida's approaches vary between different Sida staff members.	mean 2.928571 std 1.328057 len 14.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 2.914286 std 1.336621 len 35.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 3.50000 std 2.12132 len 2.00000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 3.333333 std 1.505545 len 6.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 3.333333 std 1.211060 len 6.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64
5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s).	mean 4.428571 std 0.646206 len 14.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.270270 std 0.732145 len 37.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.500000 std 0.707107 len 2.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 3.833333 std 0.408248 len 6.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.500000 std 0.547723 len 6.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64

5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements)	mean 2.466667 std 1.060099 len 15.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 2.621622 std 1.186764 len 37.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 2.500000 std 0.707107 len 2.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 3.142857 std 0.899735 len 7.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 2.833333 std 1.471960 len 6.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64
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c. Importance of Sida contribution

	Average contribution	Large contribution	Significant contribution	Small contribution
5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional)	mean 4.12500 std 0.64087 len 8.00000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.054054 std 0.941215 len 37.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.250000 std 0.910465 len 20.000000 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.1. During the preparatory phase Sida and your organisation developed a common understanding of the risks at hand. (contextual, programmatic and institutional) , dtype: float64

5.2. Sida and your organisation have agreed on how to manage risks that have been accepted.	mean 4.375000 std 0.744024 len 8.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.189189 std 0.810961 len 37.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.300000 std 0.732695 len 20.000000 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.2. Sida and your organisation have agreed on how to manage risks that have been accepted., dtype: float64
5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced.	mean 4.166667 std 0.752773 len 6.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 4.027027 std 0.832883 len 37.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 4.100000 std 0.788069 len 20.000000 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.3. Sida and your organisation have agreed on how to act on risks that need to be reduced., dtype: float64

5.4. The support from Sida helped improve your organisation's risk management capacity.	mean 3.25000 std 0.46291 len 8.00000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 4.054054 std 1.025940 len 37.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 4.150000 std 0.988087 len 20.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64	mean 3.500000 std 0.707107 len 2.000000 Name: 5.4. The support from Sida helped improve your organisation's risk management capacity., dtype: float64
5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s).	mean 3.625000 std 0.517549 len 8.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s)., dtype: float64	mean 3.837838 std 1.041194 len 37.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s)., dtype: float64	mean 3.900000 std 1.020836 len 20.000000 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s)., dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.5. The dialogue with Sida on risks contributed to improvements in the design of the supported initiative(s)., dtype: float64

5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption	mean 3.500000 std 0.534522 len 8.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 3.800000 std 1.079215 len 35.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 4.055556 std 1.055642 len 18.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64	mean 4.000000 std 1.414214 len 2.000000 Name: 5.6. The dialogue with Sida on risks helped your organisation reduce risks of corruption, dtype: float64
5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities)	mean 4.142857 std 0.690066 len 7.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 4.228571 std 0.972738 len 35.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 4.200000 std 1.056309 len 20.000000 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64	mean 3.0 std 0.0 len 2.0 Name: 5.7. Sida's agreement conditions enable your organisation to be innovative. (e.g. engage with new types of projects, partners and modalities), dtype: float64

5.8. Sida's flexibility enables your organisation to manage risks better.	mean 4.000000 std 0.755929 len 8.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 4.333333 std 0.792825 len 36.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 3.947368 std 1.025978 len 19.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64	mean 3.000000 std 1.414214 len 2.000000 Name: 5.8. Sida's flexibility enables your organisation to manage risks better., dtype: float64
5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions)	mean 4.25000 std 0.46291 len 8.00000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 4.428571 std 0.814779 len 35.000000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 4.15000 std 1.03999 len 20.00000 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.9. Sida has clearly communicated its expectations on your organisation's performance. (e.g. clear and consistent guidelines, tailor made agreement conditions), dtype: float64

5.10. Sida's approaches vary between different Sida staff members.	mean 2.714286 std 0.951190 len 7.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 2.916667 std 1.360147 len 36.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 3.277778 std 1.363626 len 18.000000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64	mean 3.50000 std 2.12132 len 2.00000 Name: 5.10. Sida's approaches vary between different Sida staff members., dtype: float64
5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s).	mean 4.142857 std 0.377964 len 7.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.444444 std 0.606839 len 36.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.100000 std 0.852242 len 20.000000 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64	mean 4.0 std 0.0 len 2.0 Name: 5.11. The dialogue with Sida supports your organisation to make continuous adjustments in the supported initiative(s)., dtype: float64

5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements)	mean 2.375000 std 0.517549 len 8.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 2.555556 std 1.054093 len 36.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 2.857143 std 1.424279 len 21.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64	mean 3.500000 std 0.707107 len 2.000000 Name: 5.12. The dialogue with Sida is mainly focused on your organisation's annual reporting. (e.g. results, deviations and financial statements), dtype: float64
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Table 4. Compilation of perception on most important messages from Sida relating to risk management*b. Type of organisation*

	Multilateral organisation	NGO	Private sector	Public institution	University
6. Sida wants partners to be braver in promoting human rights principles.	mean 4.461538 std 0.776250 len 13.000000 Name: 6. Sida wants partners to be braver in promoting human rights principles., dtype: float64	mean 4.114286 std 0.963188 len 35.000000 Name: 6. Sida wants partners to be braver in promoting human rights principles., dtype: float64	mean 3.500000 std 2.12132 len 2.00000 Name: 6. Sida wants partners to be braver in promoting human rights principles., dtype: float64	mean 4.25 std 0.50 len 4.00 Name: 6. Sida wants partners to be braver in promoting human rights principles., dtype: float64	mean 3.800000 std 0.447214 len 5.000000 Name: 6. Sida wants partners to be braver in promoting human rights principles., dtype: float64
6. Sida wants partners to be braver in promoting gender equality.	mean 4.933333 std 0.258199 len 15.000000 Name: 6. Sida wants partners to be braver in promoting gender equality., dtype: float64	mean 4.542857 std 0.852086 len 35.000000 Name: 6. Sida wants partners to be braver in promoting gender equality., dtype: float64	mean 4.500000 std 0.707107 len 2.000000 Name: 6. Sida wants partners to be braver in promoting gender equality., dtype: float64	mean 4.666667 std 0.516398 len 6.000000 Name: 6. Sida wants partners to be braver in promoting gender equality., dtype: float64	mean 4.500000 std 0.547723 len 6.000000 Name: 6. Sida wants partners to be braver in promoting gender equality., dtype: float64

6. Sida wants partners to be more innovative in their efforts to reach results.	mean 4.266667 std 0.703732 len 15.000000 Name: 6. Sida wants partners to be more innovative in their efforts to reach results., dtype: float64	mean 4.055556 std 1.067559 len 36.000000 Name: 6. Sida wants partners to be more innovative in their efforts to reach results., dtype: float64	mean 4.000000 std 1.414214 len 2.000000 Name: 6. Sida wants partners to be more innovative in their efforts to reach results., dtype: float64	mean 3.500000 std 0.547723 len 6.000000 Name: 6. Sida wants partners to be more innovative in their efforts to reach results., dtype: float64	mean 4.000000 std 0.894427 len 6.000000 Name: 6. Sida wants partners to be more innovative in their efforts to reach results., dtype: float64
6. Sida wants partners to better reach and empower the most marginalised groups.	mean 4.769231 std 0.599145 len 13.000000 Name: 6. Sida wants partners to better reach and empower the most marginalised groups., dtype: float64	mean 4.250000 std 0.996422 len 36.000000 Name: 6. Sida wants partners to better reach and empower the most marginalised groups., dtype: float64	mean 3.500000 std 2.12132 len 2.000000 Name: 6. Sida wants partners to better reach and empower the most marginalised groups., dtype: float64	mean 4.166667 std 0.752773 len 6.000000 Name: 6. Sida wants partners to better reach and empower the most marginalised groups., dtype: float64	mean 4.500000 std 0.547723 len 6.000000 Name: 6. Sida wants partners to better reach and empower the most marginalised groups., dtype: float64

6. Sida wants partners to increase efforts to provide core funding to their sub-grantees.	mean 3.714286 std 1.380131 len 7.000000 Name: 6. Sida wants partners to increase efforts to provide core funding to their sub-grantees., dtype: float64	mean 3.050000 std 1.234376 len 20.000000 Name: 6. Sida wants partners to increase efforts to provide core funding to their sub-grantees., dtype: float64	mean 5.0 std NaN len 1.0 Name: 6. Sida wants partners to increase efforts to provide core funding to their sub-grantees., dtype: float64	mean 3.0 std NaN len 1.0 Name: 6. Sida wants partners to increase efforts to provide core funding to their sub-grantees., dtype: float64	mean 3.25 std 1.50 len 4.00 Name: 6. Sida wants partners to increase efforts to provide core funding to their sub-grantees., dtype: float64
6. Sida wants partners to reduce risks of doing harm (negative side-effects).	mean 4.666667 std 0.487950 len 15.000000 Name: 6. Sida wants partners to reduce risks of doing harm (negative side-effects)., dtype: float64	mean 4.342857 std 0.764771 len 35.000000 Name: 6. Sida wants partners to reduce risks of doing harm (negative side-effects)., dtype: float64	mean 4.000000 std 1.414214 len 2.000000 Name: 6. Sida wants partners to reduce risks of doing harm (negative side-effects)., dtype: float64	mean 3.666667 std 0.816497 len 6.000000 Name: 6. Sida wants partners to reduce risks of doing harm (negative side-effects)., dtype: float64	mean 3.500000 std 1.048809 len 6.000000 Name: 6. Sida wants partners to reduce risks of doing harm (negative side-effects)., dtype: float64

6. Sida wants partners to reduce risks of poor achievement of results.	mean 4.461538 std 0.660225 len 13.000000 Name: 6. Sida wants partners to reduce risks of poor achievement of results., dtype: float64	mean 4.212121 std 0.892944 len 33.000000 Name: 6. Sida wants partners to reduce risks of poor achievement of results., dtype: float64	mean 3.50000 std 2.12132 len 2.00000 Name: 6. Sida wants partners to reduce risks of poor achievement of results., dtype: float64	mean 3.333333 std 1.211060 len 6.000000 Name: 6. Sida wants partners to reduce risks of poor achievement of results., dtype: float64	mean 4.166667 std 0.752773 len 6.000000 Name: 6. Sida wants partners to reduce risks of poor achievement of results., dtype: float64
6. Sida wants partners to reduce risks of poor ownership/sustainability.	mean 4.384615 std 0.767948 len 13.000000 Name: 6. Sida wants partners to reduce risks of poor ownership/sustainability., dtype: float64	mean 4.363636 std 0.859440 len 33.000000 Name: 6. Sida wants partners to reduce risks of poor ownership/sustainability., dtype: float64	mean 3.500000 std 0.707107 len 2.000000 Name: 6. Sida wants partners to reduce risks of poor ownership/sustainability., dtype: float64	mean 3.666667 std 1.032796 len 6.000000 Name: 6. Sida wants partners to reduce risks of poor ownership/sustainability., dtype: float64	mean 4.333333 std 0.516398 len 6.000000 Name: 6. Sida wants partners to reduce risks of poor ownership/sustainability., dtype: float64

ANNEX 1 – SURVEY DETAILS

6. Sida wants partners to reduce risks of corruption.	mean 4.733333 std 0.593617 len 15.000000 Name: 6. Sida wants partners to reduce risks of corruption., dtype: float64	mean 4.685714 std 0.471008 len 35.000000 Name: 6. Sida wants partners to reduce risks of corruption., dtype: float64	mean 4.000000 std 1.414214 len 2.000000 Name: 6. Sida wants partners to reduce risks of corruption., dtype: float64	mean 4.833333 std 0.408248 len 6.000000 Name: 6. Sida wants partners to reduce risks of corruption., dtype: float64	mean 4.166667 std 0.752773 len 6.000000 Name: 6. Sida wants partners to reduce risks of corruption., dtype: float64
6. Sida wants partners to reduce security risks.	mean 4.166667 std 0.834847 len 12.000000 Name: 6. Sida wants partners to reduce security risks., dtype: float64	mean 3.909091 std 1.100103 len 33.000000 Name: 6. Sida wants partners to reduce security risks., dtype: float64	mean 3.000000 std 1.414214 len 2.000000 Name: 6. Sida wants partners to reduce security risks., dtype: float64	mean 3.50000 std 0.83666 len 6.00000 Name: 6. Sida wants partners to reduce security risks., dtype: float64	mean 3.666667 std 1.505545 len 6.000000 Name: 6. Sida wants partners to reduce security risks., dtype: float64

6. Sida wants partners to reduce risks for the environment and climate change.	mean 4.428571 std 0.755929 len 14.000000 Name: 6. Sida wants partners to reduce risks for the environment and climate change., dtype: float64	mean 4.000000 std 1.145644 len 33.000000 Name: 6. Sida wants partners to reduce risks for the environment and climate change., dtype: float64	mean 3.000000 std 2.828427 len 2.000000 Name: 6. Sida wants partners to reduce risks for the environment and climate change., dtype: float64	mean 4.000000 std 1.095445 len 6.000000 Name: 6. Sida wants partners to reduce risks for the environment and climate change., dtype: float64	mean 3.833333 std 1.471960 len 6.000000 Name: 6. Sida wants partners to reduce risks for the environment and climate change., dtype: float64
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Annex 2 – Terms of Reference

Terms of Reference for the Evaluation of Sida's risk management of contributions

Date: 13 May 2019

1. Evaluation object and scope

Sida is a governmental agency working with Swedish development cooperation. All governmental agencies in Sweden are obliged by regulation to perform risk analysis for the internal processes (*Förordningen om intern styrning och kontroll* – “*The regulation on internal governance and control*”, 2007:603). The agency should also make sure the internal governance and control works to prevent corruption and other irregularities or misuse of money and power. *The policy framework for Swedish development cooperation and humanitarian assistance* states that Sida should perform a risk analysis on both the strategy and the contribution level (<https://www.regeringen.se/rattsligadokument/skrivelse/2016/12/skr-20161760/>). It also states that risk management should be integrated in the assessment, monitoring and follow up of a contribution. The policy mentions that the identified risks should be valued. Risks that cannot be accepted should have suitable risk mitigation measures that are followed up. Dialogue and consultation between actors should be carried out in relation to risk valuation and risk tolerance, and Sida should consider those who could be affected negatively if the risk occurs.

The objective of Swedish development cooperation is to create opportunities for people living in poverty and under oppression to improve their living conditions. The government decides how much money is allocated to development in the annual budget and decides on the different result strategies that govern Sida's work. Sida has bilateral development cooperation with 35 countries in Africa, Asia, Latin America and Europe. Sida also has regional development cooperation in Africa, Asia, the Middle East & North Africa and Europe and supports organisations that contribute to poverty reduction globally. At the moment Sida gives funding to more than 3 000 interventions, working with more than 1000 different cooperation partners. One of the objectives of Sida's operational plan is that Sida should become a donor organisation which has requirements that are clear, relevant and predictable, at the same time as they create conditions for innovation and flexibility. In order to implement the result strategies and carry out the work, Sida cooperates with different types of organisations, associations, agencies, companies and cooperatives.

The main process at Sida is the Strategy process, which includes planning, operationalisation of the strategy into portfolios of interventions, and the assessment and follow up of each intervention. In preparing the finance of an intervention and create an agreement with a cooperation partner, Sida uses the internal system *Trac*. *Trac* provides support to the Programme Manager to assess, appraise and follow up the project

in relation to rules and regulations. In *Trac* the assessment of the contribution includes an analysis of the weaknesses of the context, the project and the cooperation partner, which are the basis to identify risks. Risks are defined as uncertainties that matters for the expected results (including what could do harm, such as enhancing a conflict or cause corruption, i.e. having negative effects if it occurs). In *Trac* the Programme Manager will include the relevant and pertinent risks and assess the value of the risk based on likelihood and consequence, and document if the risk should be accepted or mitigated. As risk mitigation measure Sida can for example add a requirement in the agreement, in the ToR for audit of the project or as a specific dialogue issue for the intervention, with the cooperation partner. Another risk mitigation measure could be procuring a consultant to support or train the cooperation partner. Note that not all agreements or ToR for audits can be changed, since when working with multilateral organisations and regional development banks the terms in the agreements are fixed, hence there is a limitation to what types of mitigation measures that can be used. Risk mitigation at Sida is used to support the cooperation partner to build capacity and to reach expected results with the project. Please note that risks can relate to all Sida's assessment areas of a contribution, for example including the gender and environment perspective, and does not only concern internal control and accountability.

In 2016 Sida commissioned a quality analysis covering a selection of Sida's contribution regarding risk and results management in *Trac*. As the analysis contains information that relates to the objective of this evaluation will be provided during the inception phase. In 2012, when the contribution management process and *Trac* was introduced, the risk management was based on mandatory standard risks, plus the possibility to add other risks. In March 2018 the system was changed in order to provide better flexibility and a free description of the risk name and content, in order to become more relevant and concrete in each contribution. Both the old and the new versions include risk valuation, risk management and risk mitigation measures, but use slightly different terms and methods.

The focus of the evaluation should be on the cooperation partners' experience of risk management and risk mitigation and the efficiency and effectiveness of risk mitigation, since that has not been evaluated before. The evaluation is to be based on a sample of so called "normal" contributions in *Trac* with a suitable variation of categories, such as the agreed total amount of a contribution, the type of strategy (thematic or geographic) and region and in relation to the type of cooperation partner. To enable the collection of relevant data, the date for the "decision on contribution" should not be older than three years. The tenderer should elaborate on the scope of the evaluation in the tender and describe how a representative sample size can be ensured. During the inception phase Sida will provide the evaluator with data on all the contributions sorted by the different categories. The evaluator and Sida will agree on the selection at an inception meeting, before the implementation phase of the evaluation starts. The scope of the evaluation shall be further elaborated and described by the evaluator in the inception report.

2. Evaluation rationale

The evaluation is relevant to analyse both the partner's and Sida's experiences of the risk management system that Sida uses since 2012 in order to understand both the effectiveness and relevance of risk analysis and risk mitigation for contributions. The implementation of relevant aspects from the evaluation involves both system and method development and is possible to incorporate in the updates of Trac starting in 2020, i.e. two years after the new version of risk management was launched by Trac 7.0. Therefore, the evaluation is needed by Q1 2020 so that necessary updates can be done for an effective development of the contribution management process and system to support the operations in the best way. This type of evaluation of risk management, involving the partners perspective, has not been conducted before.

Sida is obliged by regulation and policy to perform a risk analysis and to prevent corruption. In addition, Sida uses risk management as a tool to support the cooperation partner to reach the expected results with the contribution. From 2012 Sida has worked with risk management in a structured manner in the contribution management process and in Trac. Sida uses a noticeable amount of time to assess and appraise interventions including identifying risks, deciding on the risk value, the management and the mitigation measures and to follow up the risks and risk mitigation measures. Based only on the documentation in Trac, it has not been possible to determine whether Sida has worked with risk management in an effective manner and if the risk mitigation measures have been relevant for our partners and the contributions. It has also been difficult to assess what effect the risk mitigation measures have had on the risk value, as well as if the so called risk register of a contribution have been sufficiently used by the Programme Manager to revisit risk values and identify new risks. Furthermore, Sida lacks knowledge about the partner experience in relation to risk. Do partners experience that Sida have a dialogue about the risks Sida has identified and about the risk mitigation measures? Is there a shared understanding of the rationale for mitigation?

3. Evaluation purpose: Intended use and intended users

The purpose of the evaluation is to provide Sida with information about risk management and risk mitigation within the contribution management process in relation to its effectiveness and relevance.

With this information Sida can work to improve the contribution management process, and identify needs for development of process, method support, system and communication about risk management.

The primary intended user of the evaluation is the Sida department LED (Department for Management Support). Secondary intended users are other Sida departments working with the Strategy process.

The evaluation is to be designed, conducted and reported to meet the needs of the intended users and tenderers shall elaborate in the tender how this will be ensured during the evaluation process.

4. Evaluation criteria and questions

The objective of this evaluation is to assess the effectiveness and relevance of Sida's risk management in interventions. The main focus in this evaluation is to understand

the perspective of Sida's cooperation partners and provide Sida with concrete, prioritised and action-oriented recommendations.

The main evaluation questions are:

- In what way and to which extent has Sida's risk management been *effective* in supporting the *cooperation partner* in reaching the objectives of the contribution and in preventing corruption?
- In what way and to what extent is Sida's risk management and risk mitigation measures *relevant and aligned* with the policies and strategies of the *cooperation partner* and other donors for the contribution, and with the needs and priorities of the cooperation partner in managing their programme?

Evaluation questions are expected to be developed in the tender by the tenderer and, if deemed necessary, further developed during the inception phase of the evaluation. *The questions below indicates the areas of interest to Sida.*

Suggestions with motivations for narrowing the scope of questions while achieving the Evaluation's purpose, may be made in the proposal. The tenderer is welcomed to suggest a suitable focus based on the indicated areas of interest below, in relation to a suitable method to use in order to identify relevant themes and draw conclusions on the selected data.

1. Do Sida's assessments and appraisals of contributions document a logical and clear link from identifying weaknesses and circumstances, to the risks described in the risk register? If yes, why? If no, why not?
2. Is it possible to see a link between Sida's assessment and valuation of the risk and the proposed risk management and risk mitigation, i.e. is the proposed risk management and risk mitigation measures relevant in relation to the risk analysis and risk valuation? If yes, why? If no, why not?
3. Is the risk of corruption identified and documented by Sida in a way that helps finding relevant and suitable risk mitigation measures that can be followed up? If yes, why? If no, why not?
4. Does Sida follow up the risks and the risk mitigation measures in order to reappraise the risk value and mitigation measures? Are risks formulated in such a way that they are conducive for monitoring? If yes, why? If no, why not?
5. Do Sida's cooperation partners feel ownership of both the agreed risk mitigation measures and those managed by dialogue? If yes, why? If no, why not?
6. Are the used risk mitigation measures effective to reduce the identified risks, i.e. are they effective, reasonable and enables follow up according to the cooperation partners? If yes, why? If no, why not?
7. Are there other risk mitigation measures that could have been used instead, for a more efficient and/or cost-efficient risk management? If yes, why? If no, why not?
8. Do Sida's cooperation partners feel support from Sida to manage risks, adding new risks or do they express ideas or needs for additional support? If yes, why? If no, why not?
9. Do Sida's cooperation partners perceive that Sida's requirements and expectations regarding risk management are clear, predictable and relevant? If yes, why? If no, why not?

10. Do Sida's cooperation partners perceive that Sida's requirements on risk management create conditions for innovation and flexibility? If yes, why? If no, why not?

11. Is risk management dialogue between Sida and its partners handled in a clear and transparent manner, or are there indications of hindering aspects, such as unwillingness to communicate high risks or to address topics? If yes, why? If no, why not?

12. Are there any clear differences between the different types of projects or partners, such as the difference between project and core support or between and agreement with a local NGO and a Multilateral organisation? If yes, in what way? If no, why not?

5. Evaluation approach and methods for data collection and analysis

It is expected that the evaluator describes and justifies an appropriate evaluation approach/methodology and methods for data collection in the tender.

Considering the vast number of Sida's cooperation partners and the limited scope of this evaluation it will be impossible to retrieve information from all Sida's cooperation partners. Therefore, it is crucial that the evaluator designs selection criteria so that the findings will be a fair representation of Sida's cooperation partners.

A proposal of selection criteria is to be presented in the tender, as well as an indication of possible selection size. As an indication of expected scope, a tentative 15 partners could be relevant for a qualitative review, subject to approach suggested in the tender in relation to the proposed method. An approach that requires less effort per partner, such as a quantitative survey approach, would of course impact number as well. In addition, the tenderer might identify a need to also include a small number of Sida personnel to complete the information collection in relation to the scope.

However, the exact selection criteria will be decided jointly with Sida at the start-up meeting. The findings should be analysed in a way so that it will be possible to identify common themes that comes from the data and the possibility for Sida to draw conclusions based on reliable data.

Sida's approach to evaluation is utilisation-focused, which means the evaluator should facilitate the entire evaluation process with careful consideration of how everything that is done will affect the use of the evaluation. It is therefore expected that the evaluators, in their tender, present i) how intended users are to participate in and contribute to the evaluation process and ii) methodology and methods for data collection that create space for reflection, discussion and learning between the intended users of the evaluation.

Evaluators should take into consideration appropriate measures for collecting data in cases where sensitive or confidential issues are addressed and avoid presenting information that may be harmful to some stakeholder groups.

The evaluators must ensure a high level of integrity. The tender must clearly describe how the risk of potential conflicts of interest will be mitigated in this assignment, and strategies for how such conflicts will be handled if they do arise.

6. Organisation of evaluation management

This evaluation is commissioned by the Sida department LED. The intended user is primarily Sida-LED. However, depending on the findings and the recommendations the evaluation could be useful for other departments at Sida. Hence the commissioner will evaluate tenders and approve the final report of the evaluation, together with a steering group for the evaluation with members from different departments and units at Sida. The start-up and inception meeting will be held with the commissioner and some of the members of the steering group. The inception and the debriefing/reporting meetings may also include other departments at Sida.

7. Evaluation quality

All Sida's evaluations shall conform to OECD/DAC's Quality Standards for Development Evaluation²⁰. When deemed relevant the evaluators shall use the Sida OECD/DAC Glossary of Key Terms in Evaluation²¹. The evaluators shall specify how quality assurance will be handled by them during the evaluation process.

8. Time schedule and deliverables

It is expected that a time and work plan is presented in the tender and further detailed in the inception report. The evaluation shall start as soon as possible, but no later than the 1st of September 2019, and it shall end by 30th of January 2020. The timing of any field visits and interviews need to be settled by the evaluator in dialogue with the persons involved.

The table below lists key deliverables for the evaluation process. Deadlines for the final report must be kept in the tender but alternative deadlines for other deliverables may be suggested by the consultant and negotiated during the inception phase.

²⁰ ¹ DAC Quality Standards for development Evaluation, OECD, 2010.

²¹ ² Glossary of Key Terms in Evaluation and Results Based Management, Sida in cooperation with OECD/DAC, 2014

Deliverables	Participants	Deadlines
1. Start-up meeting at Sida Stockholm	Evaluator and Sida LED	No later than one week after signing of contract.
2. Draft inception report		No later than three weeks after the start-up meeting and before the inception meeting.
3. Inception meeting at Sida Stockholm	Evaluator and Sida LED and members of the steering group from different departments	To be decided, but within two weeks after the start-up meeting. Tentative late September!
4. Final inception report		One week after the inception meeting.
5. Draft evaluation report		To be decided
6. Debriefing on findings and recommendations	Evaluator and Sida LED and possibly other Sida departments	During the week starting 13 th January 2020
7. Final evaluation report		27 th January 2020

The inception report will form the basis for the continued evaluation process and shall be approved by Sida before the evaluation proceeds to implementation. The inception report should be written in English and cover evaluability issues and interpretations of evaluation questions, present the evaluation approach/methodology, methods for data collection and analysis as well as the full evaluation design. The report shall contain information on selection criteria, list of organisational categories to be used, number of organisations to be contacted for each organisational category. A clear distinction between the evaluation approach/methodology and methods for data collection shall be made. A specific time and work plan, including number of hours/working days for each team member, for the remainder of the evaluation should be presented. The time plan shall allow space for reflection and learning between the intended users of the evaluation.

The final report shall be written in English and be professionally proof read. The final report should have clear structure and follow the report format in the Sida Decentralised Evaluation Report Template for decentralised evaluations (see separate file provided called *Decentralised Evaluation Report Template*). The report should be analytical, concise and to the point. The executive summary should be maximum 3 pages. The evaluation approach/methodology and methods for data collection used shall be clearly described and explained in detail and a clear distinction between the two shall be made. All limitations to the methodology and methods shall be made explicit and the consequences of these limitations discussed. Findings shall flow logically from the data, showing a clear line of evidence to support the conclusions. Conclusions should be substantiated by findings and analysis. Recommendations and lessons learned should flow logically from conclusions. Recommendations should be concrete, specific, action-oriented and if relevant categorised as a short-term, medium-term and long-term. The findings, conclusions and recommendations should be presented so that it will be possible for Sida to identify what category of organisation it relates to. In addition to the report the evaluator is to provide Sida with the data, e.g.

survey response or transcriptions from interviews, from which the conclusions are drawn. The data should be provided in anonymised format so that the source of the information will not be revealed. The report should be no more than 25 pages excluding annexes (including Terms of Reference and Inception Report). The evaluator shall

adhere to the Sida OECD/DAC Glossary of Key Terms in Evaluation. The evaluator shall, upon approval of the final report, insert the report into the Sida Decentralised Evaluation Report for decentralised evaluations and submit it to Nordic Morning (in pdf-format) for publication and release in the Sida publication data base. The order is placed by sending the approved report to sida@nordicmorning.com, always with a copy to the Sida Programme Officer as well as Sida's Evaluation Unit (evaluation@sida.se). Write "Sida decentralised evaluations" in the email subject field and include the name of the consulting company as well as the full evaluation title in the email. For invoicing purposes, the evaluator needs to include the invoice reference "ZZ610601S," type of allocation "sakanslag" and type of order "digital publicering/publikationsdatabas.

9. Evaluation Team Qualification

In addition to the qualifications already stated in the framework agreement for evaluation services, the evaluation team shall include the following competencies:

- Swedish language skills in addition to English, in order to read documentation for Sida interventions managed in Swedish as well as in English.
- One team member shall have the role as the Team Leader (Core Consultant - Level 1) with the overall responsibility for the evaluation. At least one team member should be Level 2 Consultant.

It is desirable that the evaluation team includes the following competencies:

- academic/course credentials around risk management in development cooperation, including application of relevant international standards, such as the COSO-model's Enterprise Risk Management and the ISO 31000 standard
- academic/course credentials around results based and adaptive management approaches in development cooperation
- practical work experience from COSO and/or ISO standard risk management approaches
- practical work experience from flexible risk management approaches
- practical work experience from results- based management approaches
- practical work experience from adaptive management approaches

A CV for each team member shall be included in the call-off response. It should contain a full description of relevant qualifications and professional work experience.

It is important that the competencies of the individual team members are complementary. It is highly recommended that local consultants are included in the team if appropriate.

The evaluators must be independent from the evaluation object and evaluated activities, and have no stake in the outcome of the evaluation.

10. Resources

The maximum budget amount available for the evaluation is SEK 500 000,-

The contact person at Sida is Jessica Fasano, Senior Advisor Risk Management, Inpro Unit at LED. The contact person should be consulted if any problems arise during the evaluation process.

Relevant Sida documentation will be provided by Jessica Fasano, Senior Advisor Risk Management, Inpro LED.

Information on Sida's cooperation partners will be provided by Jessica Fasano, Senior Advisor Risk Management, Inpro LED.

The evaluator will be required to arrange the logistics, e.g. booking interviews and distributing surveys including any necessary security arrangements.

11. Annexes

Annex A:

The object of the evaluation is the cooperation partners' experiences and view of the interaction with Sida.

Sida has a vast number of cooperation partners such as:

- Swedish public sector institutions (about 40);
- recipient government public institutions (about 100);
- international NGOs (about 300);
- Swedish NGOs which have framework agreements with Sida (about 15);
- Swedish NGOs which do not have framework agreements with Sida (about 80);
- development country-based NGOs (about 240) ;
- multilateral organisations including regional development banks (about 120)
- universities, colleges or other teaching institutions, research institutes or think-tanks (about 120);
- multilateral organisations (about 100);
- Swedish private sector institutions (about 70);
- private sector institutions in recipient or third country (about 70).

(Please note that the figures in scopes are estimates)

Sida has bilateral development cooperation with 35 countries in Africa, Asia, Latin America and Europe. Sida also has regional development cooperation in Africa, Asia, the Middle East & North Africa and Europe and supports organisations that contribute to poverty reduction globally. At the moment Sida gives funding to more than 3 000 interventions, working with more than 1000 different cooperation partners.

Annex 3 – Organisations consulted

Agreement partner	Contribution title
OECD - ORGANISATION FOR ECONOMIC DEVELOPMENT	OECD MENA Competitiveness 2016-2020
THE WORLD BANK	World Bank/Global Water Security & Sanitation Partnership 2016-2021
FOJO MEDIA INSTITUTE / LINNEUNIVERSITETET	FOJO, 2018-2019, media reform
UNICEF - UNITED NATIONS CHILDREN'S FUND	UNICEF Children's Rights and Protection 2016-2018
ARBETSFÖRMEDLINGEN	Swedish Public Employment Service: Skills Development, 2017-2019
IBRD - INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	Health Sector Programme Bangladesh 2017-2022
UNDP - UNITED NATIONS DEVELOPMENT	Business Call to Action (BCtA) 2018-2020
RAOUL WALLENBERG INSTITUTE	RWI Reg. Asia Progr. Human Rights and Sustainable Development 2017-2021
ICIPE - INTERNATIONAL CENTRE OF INSECT PHYSIOLOGY AND ECOLOGY	BIO-INNOVATE Phase II, 2016-2021
ILO - INTERNATIONAL LABOUR ORGANIZATION	Promoting decent work in Rwanda's informal economy
AFRICAN UNION	AUC/JFA AUOs 2016-2019 AU Liaison Offices
POLISMYNDIGHETEN	ITP 315 Gender Based Violence
RFSU - RIKSFÖRBUNDET FÖR SEXUELL UPPLYSNING	RFSU AmplifyChange + GPA
THE AECF - AFRICA ENTERPRISE CHALLENGE FUND	AECF 2017-22 Renewable Energy and Adaptation to Climate Technologies (REACT)
KVINNA TILL KVINNA	Kvinna till Kvinna Reg MENA and Syria Programme
WFP - WORLD FOOD PROGRAMME	WFP HUM 2015-2018
WE EFFECT	We Effect frame 2018-2022
NATURSKYDDSFÖRENINGEN	Naturskyddsföreningen framework 2017-2020
MSB - MYNDIGHETEN FÖR SAMHÄLLSSKYDD OCH BEREDSKAP	MSB - agreement 2018 - 2020
SAFERWORLD	Saferworld Core support 2017-2020
RIGHTS AND RESOURCES INSTITUTE	Rights and Resources Initiative (RRI) 2018-2021
FORUM SYD	Forum Syd info/com 2018-2019, 2020-2022
SKATTEVERKET	TAX SYSTEM REFORM IN BIH
IMS - INTERNATIONAL MEDIA SUPPORT	International Media Support Basket Fund 2016-2019
UNESCO - UNITED NATIONS EDUCATION SCIENTIFIC AND CULTURAL ORGANIZATION	ESD Capacity development
ACTION AID ZAMBIA	Action Aid Zambia: CSO Support

UN WOMEN- THE UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN	UN Women Strategic Partnership Framework
SVERIGES RADIO AB	Public service broadcasting in practice
DIAKONIA	Diakonia, Puntland Democratic Governance Program (PDGP) 2016-2019
SVENSKA AFGHANISTANKOMMITTEN	SCA core support 2018-2021
HAKIELIMU	HakiElimu 2017 - 2021 Strategy
SAfAIDS – SOUTHERN AFRICA HIV & AIDS INFORMATION DISSEMINATION SERVICE	SAfAIDS Info/Diss Phase III
HWC - HEALTH WORK COMMITTEES	HWC- SRHR in Palestine 2016-2019
MINISTRY OF FINANCE AND PLANNING	Economic and Fiscal Governance Programme
UN-HABITAT/UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME	Yangon resettlement programme
Sida HQ	Responsible for the Evaluation of Market System Development
Sida HQ	Responsible for Innovations at Sida HQ
Sida HQ	Responsible for RBM at Sida HQ

Sida reference group

Annex 4 – Documents reviewed

1. Guidance for Sida's work with corruption as a development obstacle FINAL 2019-06-27
2. Guidelines for organisations seeking financial support from Sida FINAL 2019-07-30
3. Gulrajani, Nilima and Linnea Mills (2019), Fit for Fragility? An Exploration of Risk Stakeholders and Systems Inside Sida, EBA Report 2019:02, Expert Group for Aid Studies (EBA), Sweden.
4. Help-texts Trac 2, 2019-08-20
5. Gouzou, Jérôme; Bisiaux, Raphaëlle and Emelie Pellby (2018), Study on Co-operation Partners experiences of the interaction with Sida, unpublished, NIRA-S, Sweden.
6. OECD 2014-10-30 Approaches to Risk FINAL
7. OECD Recommendations on risk and corruption
8. Policy framework for Swedish development cooperation and humanitarian assistance
9. Principal values for Sida and Cooperation partners
10. Risk presentation workshop Trac 2, Powerpoint
11. Risk-hantering inom utvecklingssamarbetet
12. Riskmanagement Trac 1, Powerpoint
13. Rule for managing contributions 2019-09-02
14. Sida written comments EBA Report Fit for Fragility JF summery
15. Sidas anti-corruption rule 2016-02-29
16. Sidas-antikorrupsionsregel-2016-02-29-master
17. Sweden Sida National Statement 2018
18. Utvärdering av ändamålsenligheten i Sidas arbete med insatshantering
19. World Bank report Risk and Opportunity 2013
20. Brief information to Sida's cooperation partners
21. Collaboration Principles for Private sector
22. Evaluation of the market systems development approach – Lessons for expanded use and adaptive management at Sida. Volume 1: Evaluation report
23. Grant to Swedish Governmental Authorities- General Conditions
24. Guidelines for research organisations applying for regional and international research collaboration support

25. Guiding Principles for Sida's Engagement with and Support to Civil Society, 2019
26. Illustration of Sida's intervention process
27. ISO 31000:2018 <https://www.iso.org/obp/ui/#iso:std:iso:31000:ed-2:v1:en>
28. NGO Project Core Support - General Conditions
29. Principal values for Sida and cooperation partners
30. Principal values for Sida and cooperation partners
31. Riktlinjer för ramorganisationer inom anslagsposten Informations- och kommunikationsverksamhet, 2017
32. Sida Procurement Guidelines (SPG), 2004
33. Sida's support to national research systems
34. Sidas Riktlinjer för ramorganisationer inom anslagsposten Stöd genom svenska organisationer i det civila samhället, 2017
35. Smart Rules – better programme delivery (DfID), April 2019
36. WWF – Environmental and Social Safeguards Framework
37. ISO 31000 Framework <https://www.iso.org/files/live/sites/iso-org/files/store/en/PUB100426.pdf>
38. COSI-ERM Framework; <https://www.coso.org/Documents/2017-COSO-ERM-Integrating-with-Strategy-and-Performance-Executive-Summary.pdf>

Annex 5 – Inception report

Evaluation of Sida's Risk Management of Contributions

INCEPTION REPORT

ANNIKA NILSSON

JONAS NORÉN

RUSSELL PRICE

30 SEPTEMBER 2019

1. Assessment of the scope of the evaluation

1.1 Sida context

One of the objectives of Sida's operational plan is that Sida should become a donor organisation which has requirements that are clear, relevant and predictable, while also offering appropriate opportunities that can support innovation and flexibility.

Sida's risk management is guided by the *Regulation on Internal Governance and Control (FISK²²)* which is based on COSO-ERM²³ and the *Policy framework for Swedish development cooperation and humanitarian assistance (2016²⁴)* which states that Sida should perform a risk analysis on both the strategy and the contribution level. The agency should also make sure the internal governance and control works to prevent corruption and other irregularities or misuse of money and power.

The central concept of Swedish development cooperation is to enhance capacities of civil society organisations, public institutions, cooperatives and private sector actors who operate in countries and environments that are prone to risk, such as environmental disasters, political or religious conflicts, inequalities and injustices, poor governance and poor rule of law, etc. It is also Sida policy to support those who represent the most marginalised groups and those that promote human rights and challenge harmful traditional norms and people of power.

Most Sida partners are big institutions or civil society actors and many of them are grant makers themselves. Sida expects its partners to identify and manage risks²⁵ as an integral part of their work as they almost always operate in high risk contexts. Sida promotes partners to include their own risk analysis in the proposals and provide information about their risk management. Sida then makes its own risk analysis as part of the assessment of the proposal. Until March 2018, Sida's risk analysis for contributions was based on some mandatory standard risks and the possibility to add additional standard risks, beyond an overall narrative text analysis. These mandatory standard risks were later removed to make risk assessments more tailor-made and relevant. Risks are now added in relation to the different assessment areas – for example the budget, the partner capacity and the objectives and theory of change.

Among others, the Sida risk analysis covers the partner's ability to manage risk and achieve the outcomes planned for. Sida finds that partners risk analyses often focus on external risks that are beyond the control of the partner and might even be the reason for the project proposal. Sida therefore focuses more on institutional and programmatic risks in its assessments. The figure below from Sida's draft Guidelines for organisations seeking financial support from Sida demonstrates how these risk categories are interlinked and what they entail.

²² Förordningen om intern styrning och kontroll, 2007:603 https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/forordning-2007603-om-intern-styrning-och_sfs-2007-603

²³ <https://www.coso.org/Pages/erm-integratedframework.aspx>

²⁴ <https://www.government.se/legal-documents/2017/05/policy-framework-for-swedish-development-cooperation-and-humanitarian-assistance/>

²⁵ Risks are defined as uncertainties that matter for the expected results (including what could do harm, such as escalating a conflict or adding to corruption, i.e. having negative effects if it occurs).

Figure 1, Risk categories from Sida's Guidelines

Sida has no overall, explicit policy for its risk management work but has developed internal policies and tools to provide guidance on the subject²⁶. In order to promote local ownership and alignment to partners systems, Sida does not require any specific application format from partners and rarely uses call for proposals. Sida promotes core and programme support rather than project support.

Sida's risk management consists of:

3. an assessment of the partner proposal in terms of; fulfilling the key preconditions²⁷, quality of theory of change and results framework (RBM), realism of the budget, application of Sida's development perspectives, adherence to development effectiveness principles, quality of governance and internal control, credibility of anti-corruption measures, quality of risk management, and any other relevant aspects;
4. measures to support partners to improve the quality of the initiative through; tailor-made agreement conditions, formal dialogue questions (to be monitored at least once a year at annual meetings) and targeted support consultancies.

The risk assessment, agreement conditions, dialogue questions, support measures and monitoring observations are documented in the internal Sida management system – Trac.

Sida is keen to promote flexibility and risk appetite²⁸ in its approaches to enable innovation and increase local ownership. The assessments of partner proposals should identify material risks

²⁶ Such as help texts in Trac, rule for managing contributions, anti-corruption rule, Guidance for Sida's work with corruption as a development obstacle 2019-06-27 and Guidelines for organisations seeking financial support from Sida, 2019-07-30

²⁷ Relevance to Sida strategy, Alignment to Sida Principle Values, Not on EU sanction list, Not included in Sida list for exclusion, OECD/DAC definition of aid

²⁸ Riskhantering i utvecklingssamarbete och humanitärt bistånd, 2019

to be mitigated or accepted and monitored, rather than register all possible risks (in terms of e.g. poor RBM, poor governance and poor risk management that could lead to substantial money loss and/or consequences to people's lives and environment)²⁹. At the same time, many civil society partners report that some of the Sida requirements on institutional capacity may not be conducive to innovation and flexibility, e.g. support to new types of informal social movements or youth groups³⁰.

A recent study indicates that the present Sida approaches may have some down sides³¹ such as:

- *“Discrepancies in interpreting requirements between headquarters and embassies and/or between staff hurts Sida’s image among its partners. It is therefore of utmost importance for Sida to address the question of the difference in interpretation of its requirements taking into account its multi-dimensional aspects”.*
- *“There is a need to find a balance between necessary focus on administrative/financial requirements and content-related issues (management of change processes and risk, RBM, effectiveness of development cooperation etc.)”.*
- *“Lack of clarity about sharing risks is an issue of concern for most partners. Clear guidelines detailing the managerial responses needed when a case of corruption is suspected would have the advantage of reassuring partners and strengthening their ability to adequately manage potential cases of corruption”.*

We understand that Sida wants this evaluation to explore some of the concerns raised in the cited study and suggest ways to improve. We note that Sida has already made efforts to address some of the issues facing partners and Sida managers that are struggling in the flexible policy environment. Sida has recently developed a *Guideline for Partners Seeking Financial Support from Sida* to clarify its requirements and assessment criteria³².

1.2 Risk management context

Modern good practice risk management is based on an integrated, inclusive approach that supports the achievement of objectives³³. Successful risk management, especially in the context of more complex environments needs to be able to be effective for, and adapt to, a range of diverse factors that could affect the successful achievement of the goals or objectives. These factors include aspects of governance and compliance, strategic and operational risk, as well as risks that are shared with partners and other stakeholders.

²⁹ Risk och väsentlighet, Risk and materiality

³⁰ CIVSAM representative

³¹ Study of cooperation partners perceptions of Sida, NIRAS 2018

³² Guidelines for partners seeking financial support from Sida, version August 2019

³³ ISO 31000:2018 Definition of Risk is ... the effect of uncertainty on objectives.

A well-structured approach to risk management needs to adapt to the practical challenges faced by the organisation and integrate well with its culture. Effective risk management operates at multiple levels and can deliver opportunities for improved effectiveness and support innovative solutions to mitigate negative risks (Box 1).

The risk management process aims to create a performance-focused approach that helps deliver objectives and build resilience across organisations and communities. The approach taken needs to support the management team in understanding risks in the context of their roles and responsibilities. Risk management must compliment and support innovation by providing reliable information that supports effective decision making.

Verification and assurance are key elements of the risk management process that work to ensure that the systems are functioning as intended and that issues can be identified and acted on proactively.

Applying the principles of International standards, such as ISO 31000, provides a flexible and adaptive framework that can be tailored to fit the needs of any organisation. Standards also improve the consistency and efficiency of risk management between organisations collaborating on activities by creating not only a common understanding of the principles governing the shared activities, but also building on the shared knowledge need to deliver the results needed.

It is important that the risk management process is designed to focus very specifically on the aims and objectives of the organisation and consider both the culture and resources available. There are OECD and World Bank studies³⁴ on risk management in development work that might provide useful inputs to the evaluation.

In the context of Sweden and Sida's development cooperation, The Expert Group for Aid Studies (EBA) is also raising the subject in a recent report³⁵. This study includes comparisons with DfID and USAID practices.

Collating feedback and lessons learnt by other development partners is an important input to this evaluation and will be key in informing how Sida can lead the development of risk management across the sector.

Box 1

The ISO definition and the recent changes to the COSO model both recognise that Risk is a state of uncertainty that can have *both* positive and negative consequences/effects. With only a focus on mitigating negative risks, one might restrict desirable positive outcomes too.

In addition, by encouraging planning to consider the positive aspects/outcomes steps that could encourage innovation can be considered and weighed more favourably in the risk planning process.

Box 2

"To manage risks effectively, two changes in people's mind-set related to individual and social responsibility are critical: moving from dependency to self-reliance, and from isolation to cooperation. Providing the right incentives can contribute in both regards."

World Development Report (WDR) 2014, Director

³⁴ <http://www.oecd.org/dac/conflict-fragility-resilience/docs/2014-10-30%20Approaches%20to%20Risk%20FI-NAL.pdf>, <http://www.worldbank.org/en/news/feature/2013/10/06/Managing-risk-for-development-From-crisis-fighting-to-sys-tematic-risk-management>, <http://www.oecd.org/corruption/oecd-recommendation-for-development-cooperation-ac-tors-on-managing-risks-of-corruption.htm>

³⁵ Fit for Fragility – an exploration of risk stakeholders and systems inside Sida, 2019

1.3 Aims and scope of evaluation

The objective of the evaluation is to review and assess the effectiveness and relevance of Sida's risk management in contributions with partners.

The main focus is to understand the perspective of Sida's cooperation partners and provide Sida with concrete, prioritised and action-oriented recommendations that are sensitive to the practical issues found in the challenging environments Sida and its partners are operating in.

The team suggests that evaluation should specifically highlight opportunities:

- to simplify processes for stakeholders while meeting defined risk management objectives
- to provide flexibility, without generating unnecessary additional risks
- that can adapt to a wider range of circumstances
- that are realistic in practical application
- that meet or exceed expectations of Good Practice

With the information and insight generated by this evaluation, it is expected that Sida can work to improve the contribution management process, and identify areas for development of process, method support, system and communication across its risk management processes bringing benefits to all stakeholders. This will also enable managers to deliver the current strategies with a more effective, efficient and adaptive risk management system.

1.4 Users of the Evaluation

The primary user of the evaluation is the Sida department LED (Department for Management Support). Secondary intended users are other Sida departments and units. The team proposes that Sida management also be considered important users of the evaluation. Partners will also benefit from improved Sida practices but are not seen as users of the evaluation.

2. Relevance and evaluability of evaluation questions

We note that the main questions to be answered by the evaluation are:

- In what way and to what extent has Sida's risk management been *effective* in supporting the *cooperation partner* in reaching the objectives of the contribution and in preventing corruption?
- In what way and to what extent is Sida's risk management and risk mitigation measures *relevant and aligned* with the policies and strategies of the *cooperation partner* and other donors for the contribution, and with the needs and priorities of the cooperation partners?

These key questions will provide the main guidance for data collection and analysis. The ToR also raise a number of more detailed evaluation questions. We find that these are relevant and generally possible to evaluate. However, based on the feedback from the reference group during the inception phase, the team has rephrased some of the questions to reflect the following (details are found in the evaluation matrix in Annex 1):

- Focus should be on how effective Sida is in supporting partners to achieve results and how relevant the Sida support is in relation to partner policies and strategies and those of other donors.
- Questions should be more focused on good practices and recommendations on the way forward rather than on confirming weaknesses that are already known to Sida (and mentioned in the previous “Study on Cooperation Partners Experiences with the Interaction with Sida” from 2018).
- As part of the question on how Sida’s approaches may enable or hamper flexibility and innovation, specific attention will be given to the possibility for partners to support e.g. informal groups, social media campaigns (or counter actions) and grassroots movements under the Sida contribution. Furthermore, the team will look at the different experiences of partners with project support and those with programme or core support to see how this affects flexibility and risk. This is also mentioned in the ToR as an issue to study.
- Sida’s efforts to promote programmes that apply a human rights-based approach (HRBA) and gender mainstreaming and the explicit focus on support to human rights defenders and sexual and reproductive health and rights may challenge existing norms and practices and lead to risks for partners. The team will seek to explore how Sida’s position (discouragement or encouragement and back-support to activists) may affect partners’ decisions on advocacy methods, risk appetite and risk mitigation.
- The evaluation question on cost effectiveness and possible better risk mitigation alternatives (mentioned in the ToR) will be treated as part of a wider question on Sida’s learning and to what extent Sida’s risk management practices have been informed by feedback from partners and by international good practices and standards.

In order to better understand what data is available in Trac, the team has reviewed documentation from two example contributions. We found that it might be difficult to get the required information from these documents. There is insufficient information on justifications for the valuation, acceptance and mitigation measures and there is limited information on follow up – at least in one of the examples. The two contributions have taken rather different approaches to the risk management process. The team concludes that we may have to rely more on interviews with partners to get the additional information – and possibly to write e-mail questions to Sida programme managers to seek clarification.

3. Proposed approach and methodology

3.1 Overall approach

The overall approach to the evaluation is formative. The evaluation is about learning and finding ways for Sida to improve its risk management. As part of the inception phase, the team has tried to establish how the current risk management framework at Sida is supposed to function (Section 1.1 above). We wanted to use Sida’s framework to inform the design of the evaluation methodology. It has been a bit of a challenge as there is no overall policy framework, but rather a plethora of policies, tools and guidelines. Many of these guidelines are quite recent (2019) and may not yet influence Sida practices and thereby the experiences of partners although the main messages

have been communicated for several years internally at Sida. The new guidelines could still be assessed for their potential. In summary we have understood that the risk management framework is designed as follows:

1. There are some preconditions which all partners must adhere to, such as minimum legal and administrative requirements and Sida policy and strategy requirements. There are also some principles and perspectives that should be guiding the contributions, when relevant. We do not know to what extent these basic rules and principles are known or used for guidance by partners, although they are official documents.
2. At Sida, there is organisation, staff, procedures, internal guidelines and policies, management systems, help texts in Trac, etc., that are supposed to enable Sida to manage risk in order to achieve its strategic objectives. We do not know to how well these are functioning and if procedures are simple and clear to all. We have indications from a previous study³⁶ that there may be inconsistencies in approaches taken by various staff.
3. Then, there are the actual risk management actions taken by Sida, which should be documented in Trac (such as assessments, agreement conditions, dialogue issues and support consultancies). We do not know to what extent these measures are used by staff members or if they are seen as relevant and effective by partners.
4. Then, there are the results of the Sida risk management in terms of improved programme designs (or results frameworks), implementation of better risk mitigation measures, better monitoring and better reassessment of risk and programme direction, increased use of innovative methods etc. – leading to better outcomes. We do not know to what extent this is happening and how partners perceive Sida's role and support in the design and monitoring processes of contributions. We have indications from the previous study that some Sida staff may focus more on administrative procedures than on content and strategic choices in its engagement with partners. (The study showed both – that Sida is an engaged and supportive partner, but that some staff focus more on administration and documents rather than flexibility and dialogue).

We propose that the above risk management framework serves as a basis for our assessment. We also suggest using the international ISO 31000 standards and good practices of other development partners, as sources of learning and inspiration.

To ensure that we are responding to the needs and expectations of Sida, we propose to have feedback meetings with the Sida reference group on a regular basis to discuss the findings and adjust questions and methods.

3.2 Data collection

The evaluation will largely rely on qualitative data generated through interviews with partners, combined with a review of the related Sida documentation in the Trac system. We propose to select a representative sample of around 35 contributions for deeper analysis. This analysis will consist of:

³⁶ Study of cooperation partners perceptions of Sida, NIRAS 2018

- document review of assessments (beredning), decisions (beslut), dialogue meeting notes and conclusion on performance and the agreement including agreement amendments.
- semi-structured interviews with the partner programme managers and other relevant staff

We note that 15 Sida partners manage more than 10 contributions each. Another 90 partners manage more than two. Some of these may therefore be able to compare how different Sida units work with risk management. In our proposal, we had suggested having data collection workshops with Sida partners based in Sweden, but after discussions with Sida, it was decided to exchange these for a verification and feedback seminar in January - based on the draft evaluation report.

Another important part of the evaluation will be a mapping of existing knowledge on risk management in development cooperation. There are many examples of good practices of how mod-

Busan Partnership for effective Development Cooperation

- **Ownership of development priorities by developing countries.** Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs.
- **Focus on results.** Our investments and efforts must have a lasting impact on eradicating poverty and reducing inequality, on sustainable development, and on enhancing developing countries' capacities, aligned with the priorities and policies set out by developing countries themselves.
- **Inclusive development partnerships.** Openness, trust, and mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.
- **Transparency and accountability to each other.** Mutual accountability and accountability to the intended beneficiaries of our co-operation, as well as to our respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.

ern simplified approaches can help manage risk far more effectively than old rigid systems and bring a lot of flexibility to the work. We will take into consideration that Sida strives to work in line with the Paris, Accra and Busan agreements on effective development cooperation and that Sida strives to promote local ownership and alignment, to be flexible and open to a certain risk appetite.

We also propose to send a web-survey to a sample of contribution managers with a few pertinent questions in an effort to triangulate findings from the evaluation. The ambition is to select a sample of e-mail addresses that compose approximately 20% of the population (20% of 1236 is 247). The sample selection will be based on a stratified random sampling method to ensure that the sample is representative of the types of partners and types of strategies. Sida has confirmed its ability to provide contact information for the ones selected, up to maximum 260 partners.

Finally, we propose to set up five group conversations (web-based), to discuss and verify preliminary findings and get inputs on ways forward. These conversations will be used to test findings and to refine and develop our conclusions and recommendations. The four groups would consist of a) the Sida reference group, b) a group of Embassy staff, c) civil society part-

ners, d) multilateral partners and e) other types of partners. We will select 4-6 persons to participate in each group meeting. These will be selected to represent different geographical areas and contexts.

3.3 Sample selection

As part of this inception report, we have undertaken an analysis of the portfolio (contributions approved January 2016 - August 2018) to come up with a sample for the desk review and interviews.

After removing consultancies (audits, evaluations) and contributions that did not have a specific partner, we remained with 1236 contributions, as described below in Table 1.

Table 1		
Type of partner	Number	%
Civil society organisation	491	40%
Multilateral organisation	413	33%
Public institution	159	13%
Public-private partnerships (PPPs) and networks	24	2%
Private sector institution	63	5%
University, research institution or think tank	86	7%
Total	1236	100%

After removing contributions of strategies that were no longer active, we remained with 307 contributions from global thematic strategies, 399 contributions from country strategies and 305 contributions from regional strategies (half of them from the strategy for Eastern Europe, Western Balkans and Turkey).

Among these we selected a sample of 35 contributions that represented all types of Sida strategies with focus on those that had received the most substantial financial contributions. The final selection is described in Table 2 below.

Table 2					
	Country strategy	Global strategy	Regional strategy	Total	%
Selection					
Civil society organisation	5	5	3	13	37%
Multilateral organisation	4	5	2	11	31%
Public institution	2	1	2	5	14%
Public-private partnerships (PPPs) and networks	0	1	0	1	3%
Private sector institution	1	0	1	2	6%
University, research institution or think tank	1	1	1	3	9%
	13	13	9	35	100%

In addition, we will include the two example contributions that we studied during the inception phase. This will increase the share of civil society partners to the desired 40%.

In our proposal to Sida, we suggested having a randomised selection of partners, but Sida's reference group suggested that it was better to ensure that all strategies and partner types were represented and that we selected strategies and partners that managed important and substantial contributions. As there were no budgets or descriptions of the contributions in the Excel list provided to the team, some of the selected contributions may not be suitable for the review (too small or too diverse). We may therefore need to make some final adjustments when we have received feedback from the responsible programme managers.

The strategies are represented in the sample as follows:

	CSOs	Multilaterals	Public institutions	PPPs and networks	Private sector	Universities and research instl.	Total
Strategies							
Afghanistan 2014-2019	1						1
Bangladesh 2014-2020			1				1
Ethiopia 2016-2020		1				1	2
Research cooperation 2015-2021						1	1
Global strategy for sustainable social dev. 2018-2022	1						1
Humanitarian assistance 2017-2020	(1)	1					1
Sustainable peace 2017-2022	1						1
Sustainable environment, climate and natural resources 2018-2022		1		1			2
Information- and communication 201607-2022	1						1
Cambodia 2014-2018			1				1
Capacity dev, partnerships and methods supporting Agenda 2030 2018-2022		1	1				2
Human rights, democracy and rule of law 2018-2022	1	1					2
Palestine 2015-2019	1						1
Reform cooperation with East Europe, Western Balkan and Turkey 2014-2020	1		1				2
Regional Africa 2016-2021		1	1		1		3
Regional Asia and Pacific 2016-2021						1	1
Regional MENA 2016-2020		1					1
Regional SRHR 2015-2021	1						1
Rwanda 2015-2019		1			1		2
Somalia 2013-2017	1						1
Support through Swedish civil society organisations 201609-2022	1						1
Sudan 2014-2016		1					1
Global Strategy for economic sustainable development 2018-2022	(1)	1					1
Syria crisis 2016-2020	1						1
Tanzania 2013-2019	1		1				2
Zambia 2018-2022	1						1
Zimbabwe 2017-2021	1	1					1
Total	13 (2)	11	5	1	2	3	35 (2)

A full list of the proposed sample is found in Annex 2.

3.4 Interview and survey questions

The *interview questions* aim to capture sufficient information to be able answer the evaluation questions in Annex 1. Thus, we propose the following:

1. Do you perceive that Sida's requirements and expectations on your risk management have been clear and predictable?
2. What kind of issues related to uncertainties (external, programmatic, institutional) were discussed with Sida as part of the assessment of your proposal? What was the result of this dialogue in terms of adaptations of the programme (e.g. results frameworks, management systems, budgets, flexibility measures etc.), agreements on dialogue issues or capacity development – if any?
3. Do you feel that the dialogue with Sida or the adaptations and support measures that Sida proposed helped you improve the programme, and are they relevant and aligned to your own priorities? Are there other measures that would have been more important?
4. How relevant and effective do you find Sida's policy and approach for anti-corruption? To what extent do they match your own policies?
5. To what extent do you discuss a) programme developments and measures to manage uncertainties or perceived weaknesses in the programme b) your own organisational capacity or the capacity of your implementing partners at annual dialogue meetings with Sida? How do you perceive the balance between discussing administration and formalities and "content" issues at these meetings – should focus be shifted and other topics addressed at meetings with Sida?
6. How do you manage to deal with operation in a high-risk environment, while being required to manage risks? How do you support innovation and flexibility, while managing risks? How do you manage to reach marginalised and informal groups, while managing risk?
7. How well are Sida's policies and support/dialogue helping you in finding a balance between opportunity and risk (as discussed in question 5)? Does Sida sometime push for or restrict certain risk-taking too much? Please explain.
8. If you are dealing with more than one Sida unit/contribution – how different are their approaches to risk management?
9. If you have other donors, how are Sida's approaches different? Is the dialogue climate with Sida conducive to openness and transparency on risks?
10. What would be your top recommendations to Sida's on how they can improve assessment of proposals and dialogue with partners on monitoring of outcomes and risk mitigation?

The *web-survey questions* are tentative and will be revised after the interviews have been carried out. They need to be few in numbers and only address issues of key concern. Each respondent will first give some data on its organisation and the type of Sida support.

Type of organisation: CSO/Multilateral/Public/PPP or network/Private/University or research institution

Country/region: Select from list

Type of support from Sida: Core/Programme/Project

Importance of relationship with Sida: major donor/medium donor/small donor

Number of agreements with Sida: 1, 2-3, more than 3.

We suggest the following indicative questions – to be revised based on experiences from the interviews.

1. Please indicate to what extent you agree or disagree to the following eleven statements about Sidas' risk management (on a scale 1-5, or do not know). With "risk management" we mean Sida's support and guidance to partners to manage uncertainty and to address possible weaknesses in the programme or organisational capacity of implementing organisations. After each questions the respondents will be encouraged (not forced) to elaborate on the given score in a more narrative manner.
 - a. Sida has clearly communicated their expectations on our programme management capacity
 - b. The support from Sida helped us improve the management capacity
 - c. Sida has clearly communicated their opinion on possible weaknesses in the programme design
 - d. The dialogue with Sida helped us improve the programme design
 - e. Sida's policy and approach to anti-corruption adds value to our own work on corruption
 - f. Sida's policies and approaches to risk management allows our organisation to be innovative
 - g. Sida's policies and approaches to risk management allows our organisation to be flexible
 - h. Sida's policies approaches to risk management allows our organisation to reach marginalised groups
 - i. Sida supports us to monitor and reassesses weakness in the programme throughout the programme cycle?
 - j. The annual meetings with Sida give sufficient attention to assessment of programme progress
 - k. The annual meetings with Sida give sufficient attention to assessment of programme management challenges
2. What could Sida do to improve its support to partners in terms of risk management?

3.5 Limitations

Due to the scope (time and budget) of the evaluation, it is agreed that the evaluation will only cover the experiences and perceptions of the immediate partners of Sida. We will not manage to include the perceptions of their sub-grantees or members. This represents a limitation as

most Sida partners are grant makers themselves and not implementers. In a few cases, Sida funding is channelled through as many as five levels before reaching the actual implementing community organisation. The evaluation will ask partners some questions related to this issue, to highlight the problem of “passing the risk bucket”. However, we will not directly interview or send surveys to partner’s sub-grantees.

We depend on Sida to identify the right contact persons who have the most interactions with Sida and who are aware of the administrative, financial and reporting requirements. We need to talk to Programme and Grant Managers and not Executive Directors (generally). If we do not manage to get the right person, this will limit the usefulness of interviews. We may also be limited by the availability of respondents during the evaluation period. If needed, we will select a replacement respondent from the same cluster (strategy type and partner category) to replace the one which cannot be reached.

We also depend on Sida to give us the e-mail addresses to the right persons in order to get informative responses. In order to manage this, we propose to limit the number of respondents to be included in the survey to 10-20% of the sample contributions, while ensuring to have at least one contribution from each strategy and a fair representation of all types of partners. Based on discussions with Sida, and the understanding that collecting e-mail addresses to a wider circle of stakeholders is associated with major challenges, it is more likely that the survey will reach out to a sub-population where e-mail addresses are ready available. This will affect the external validity of the survey results. The team will however make sure to collect and present a range of background variables which will allow for a deductive estimation on how good the representativeness of the sample is. The team will, in any event, be dependent on submission of a list of e-mail addresses to partners’ contact persons from Sida.

We might find that Sida partners are biased in their responses as they are afraid to say something that may affect their existing funding relationship with Sida negatively. The team will be clear about anonymity of all respondents and encourage them to give their honest opinion about their experiences and views. It will be helpful if Sida sends an introductory letter, encouraging partners to suggest areas of improvement in the relationship and confirming that the responses will be confidential and not affect the funding relationship.

4. Deliverables and timetable

The evaluation will include the following milestones:

What	Who	When
Start-up meeting at Sida Stockholm	<i>Sida LED and NIRAS</i>	Monday 26 th August
Inception meeting at Sida Stockholm	<i>Sida LED and NIRAS</i>	Thursday 12 th September
Submission of the draft inception report	<i>NIRAS</i>	Thursday 19 th September
Comments on inception report	<i>Sida LED & stakeholders</i>	Wednesday 25 th September
Submission of final inception report	<i>NIRAS</i>	Monday 30 th September
Approval of inception report	<i>Sida (stakeholders)</i>	Friday 4 th October
Data collection	<i>NIRAS (stakeholders)</i>	7 th October – 20 th November
Debriefing 1	<i>NIRAS & reference group</i>	Late October
Debriefing 2	<i>NIRAS & reference group</i>	Late November
Submission of draft evaluation report	<i>NIRAS</i>	Monday 6 th January, 2020
Debriefing on findings and recommendations	<i>Sida LED, NIRAS</i> <i>Possibly other Sida departments</i>	Monday 20 th January, 2020
Comments on draft report	<i>Sida & NIRAS</i>	Monday 20 th January, 2020
Submission of final report	<i>NIRAS</i>	Wednesday 5 th February, 2020
Final report approved	<i>Sida</i>	No later than Monday 10 th February, 2020

Appendix 1: Evaluation Matrix

Questions raised in ToR	Indicators to be used in Evaluation	Methods	Sources	Availability and Reliability of Data /comments
Relevance				
To what extent do Sida's cooperation partners perceive that Sida's requirements and expectations regarding risk management are clear, predictable and relevant? What is working and what is not working well?	Existence of clear and easy to understand policies and guidelines Perceptions of partners	Review of documents Interviews with partners Consultations with Sida reference group Comparisons with other donor policies and guidelines Survey	Sida policy documents and guidelines 45 Sida partners Policy documents on risk policy and management of other donors 247 survey partners	The 45 partners represent approx. 10% of the total number of partners and 4% of the number of contributions. They have been selected to represent all types of partners and Sida strategies. It is expected that the survey will serve as a supplement for triangulation of findings. Experience show that response rate may be around 30-40 %. The survey requires that Sida can provide us with a list of e-mail addresses. The survey will be sent to 20% of the number of contributions.
To what extent are the Sida risk management policies, tools and practices informed by lessons learnt, such as feedback from partners, existing standards and experiences of other donors? What has enabled or hindered learning?	Existence of clear and easy to understand policies, processes and guidelines Staff Training and	Interviews with partners Consultations with Sida reference group Comparisons with other donor policies	Sida policy documents and guidelines 45 Sida partners Policy documents on risk policy and	As above

	management reports	and guidelines and existing standards	management of other donors	
To what extent do Sida's cooperation partners perceive that Sida's requirements on risk management create conditions for innovation and flexibility? Conditions for reaching also marginalised and informal groups? Conditions for applying the Sida perspectives – especially HRBA and gender equality? What are enabling and disabling factors in Sida's approaches and regulations?	Examples of enabling and disabling factors Perceptions of partners	Review of documents Interviews with partners Consultations with Sida reference group Comparisons with other donor policies and guidelines Survey	Sida policy documents and Trac help texts 45 Sida partners Policy documents on risk policy and management of other donors 247 Sida partners	The quality of documentation from the Trac system seems to vary. We may have problems to retrieve sufficient evidence from the documentation relating to the 45 sampled partners.
To what extent is the risk management and risk mitigation measures proposed by Sida relevant in relation to the risk analysis and risk valuation? Is there too much or too little attention to some types of risk? Are any obvious risks missed?	Examples of good and poor correlation between mitigation measures and risk analysis Examples of substantial missed risks	Review of documents Interviews with partners Consultations with Sida reference group	45 Sida partners 247 Sida partners	As above

	Perceptions of partners			
Impact – There are no questions related to impact in this evaluation				
Effectiveness				
To what extent do Sida's assessments of contributions document a logical and clear link from identifying weaknesses and circumstances, to the risks described in the risk register? Are there general problems? Good practices?	Existence of clear links in assessments and appraisals	Document review Consultations with Sida reference group	45 Sida partners	As above
To what extent is the risk of corruption identified and documented by Sida in a way that helps finding relevant and suitable risk mitigation measures that can be followed up?	Existence of relevant anti-corruption measures and mitigation in assessments and appraisals	Document review Consultations with Sida reference group	45 Sida partners	As above
To what extent does Sida follow up the risks and the risk mitigation measures in order to reappraise the risk value and mitigation measures? Are risks formulated in such a way that they are conducive for monitoring?	Existence of follow up of risk mitigation measures in dialogue notes or conclusion of performance Existence of SMART risk formulation in assessments and	Document review Interviews Consultations with Sida reference group	45 partners	As above

	appraisals Perceptions of partners			
To what extent are the Sida support measures effective to help partners reduce the identified risks, i.e. are they effective, reasonable and enables follow up according to the cooperation partners? Do partners express ideas or needs for additional support? If yes, what?	Perceptions of partners	Interviews Survey	45 Sida partners 247 Sida partners	As above
Is risk management dialogue between Sida and its partners handled in a clear and transparent manner, or are there indications of hindering aspects, such as unwillingness to communicate high risks or to address topics?	Perceptions of partners Perceptions of Sida staff	Document review Interviews Survey Consultations with Sida reference group	45 Sida partners 247 Sida partners	As above
Are there any clear differences in approaches between different Sida units, types of projects or partners, such as the difference between project and core support or between an agreement with a local NGO and a Multilateral organisation? If yes, in what way?	Examples of systematic differences across Sida's portfolio	Document review Interviews Survey	45 Sida partners 247 Sida partners	As above
Cost Efficiency				

Are there other risk mitigation measures that could have been used by Sida instead, for a more efficient and/or cost- efficient risk management?	Examples of systematic use of in-efficient risk management measures where there are alternatives	Document review Comparisons with other donor policies and guidelines	45 Sida partners	The cost efficiency question may be hard to answer as it is not always clear how much a particular measure would cost. The team will mainly focus on assessing if there are other alternatives that seem more efficient in terms of effort. The question is overlapping with evaluation question 2 on Sida's learning.
Sustainability				
To what extent do Sida's cooperation partners feel ownership of the agreed risk mitigation measures and those managed by dialogue? What could be improved?	Perceptions of partners	Interviews Survey	45 Sida partners 247 Sida partners	As above

Appendix 2: Sample contributions

	NGOs	Multilaterals	Public institutions	PPPs	Private sector	Universities etc.	Total
Selected sample							
Afghanistan 2014-2019	1						1
SCA core support 2018-2021	1						1
Bangladesh 2014-2020		1					1
Health Sector Programme Bangladesh 2017-2022		1					1
Etiopien 2016-2020						1	1
FOJO, 2018-2019, media reform						1	1
Forskningssamarbete 2015-2021						1	1
BIO-INNOVATE Phase II, 2016-2021						1	1
Global strategi för socialt hållbar utveckling 2018-2022	1						1
RFSU AmplifyChange + GPA	1						1
Humanitärt bistånd 2017-2020		1					1
Swedish Mission Council Humanitarian frame 2017-2019	(1)						(1)
WFP HUM 2015-2018		1					1
Hållbar fred 2017-2022	1						1
Saferworld Core support 2017-2020	1						1
Hållbar miljö, hållbart klimat och hav samt hållbart nyttj. av naturresurser 2018-2022		1		1			2
Rights and Resources Initiative (RRI) 2018-2021				1			1
World Bank/Global Water Security & Sanitation Partnership 2016-2021		1					1

Informations- och kommunikationsverksamhet 201607-2022	1			1
Forum Syd info/com 2018-2019, 2020-2022	1			1
Kambodja 2014-2018		1		1
Swedish Public Employment Service: Skills Development, 2017-2019		1		1
Kapacitetsutveckling, partnerskap och metoder som stöder Agenda 2030 för hållbar utveckling 2018-2022		1	1	2
ESD Capacity development		1		1
ITP 315 Gender Based Violence			1	1
Mänskliga rättigheter, demokrati och rättsstatens principer 2018-2022	1	1		2
International Media Support Basket Fund 2016-2019	1			1
UN Women Strategic Partnership Framework		1		1
Palestina 2015-2019	1			1
HWC- SRHR in Palestine 2016-2019	1			1
Reformsamarbete med Östeuropa, Västra Balkan och Turkiet 2014-2020	1	1		2
EU TWinning Swedish Environmental Protection Agency Georgia, phase 1			1	1
We Effect frame 2018-2022	1			1
Regionalt Afrika 2016-2021		1	1	3
AECF 2017-22 Renewable Energy and Adaptation to Climate Technologies (REACT)			1	1
AUC/JFA AULOs 2016-2019 AU Liaison Offices		1		1
MSB - agreement 2018 - 2020			1	1
Regionalt Asien och Oceanien 2016-2021				1
RWI Reg. Asia Progr. Human Rights and Sustainable Development 2017-2021			1	1
Regionalt MENA 2016-2020		1		1
OECD MENA Competitiveness 2016-2020		1		1
Regionalt SRHR 2015-2021	1			1
SaFAIDS Info/Diss Phase III	1			1
Rwanda 2015-2019		1	1	2
Promoting decent work in Rwanda's informal economy		1		1

Public service broadcasting in practice						1		1
Somalia 2013-2017	1							1
Diakonia, Puntland Democratic Governance Program (PDGP) 2016-2019	1							1
Stöd genom svenska organisationer i det civila samhället 201609-2022	1							1
Naturskyddsföreningen framework 2017-2020	1							1
Sudan 2014-2016		1						1
UNFPA Sudan 2017-2020		1						1
Sveriges globala utvecklingssamarbete inom hållbar ekonomisk utveckling 2018-2022		1						1
Fair Financial Flows 2017-2019	(1)							(1)
Business Call to Action (BCtA) 2018-2020		1						1
Syrienkrisstrategin 2016-2020	1							1
Kvinna till Kvinna Reg MENA and Syria Programme	1							1
Tanzania 2013-2019	1		1					2
Economic and Fiscal Governance Programme			1					1
HakiElimu 2017 - 2021 Strategy	1							1
Zambia 2018-2022	1							1
Action Aid Zambia: CSO Support	1							1
Zimbabwe 2017-2021		1						1
UNICEF Children`s Rights and Protection 2016-2018		1						1
Total	13 (2)	11	5	1	2	3		35 (2)

Appendix 3: Work plan - revised

2019-2020			August					September					October					November					December					January, 2020					February 2020				
	AN	RP	JN	w31	w32	w33	w34	w35	w36	w37	w38	w39	w40	w41	w42	w43	w44	w45	w46	w47	w48	w49	w50	w51	w52	w1	w2	w3	w4	w5	w6	w7	w8	w9			
Inception Phase																																					
Start-up meeting with Sida	0,5																																				
Documents review and methods development	2	2	1																																		
Drafting inception report	2	1	1																																		
Inception meeting at Sida	0,5																																				
Submission of draft inception report																																					
Comments/no-objection sent by Stakeholders																																					
Submission of final inception report																																					
Data Collection Phase																																					
Key information interviews (skype /telephone)	11	2																																			
Debriefings with Sida	2																																				
Survey work			5																																		
Additional documents review	1	1																																			
Data Analysis and Reporting Phase																																					
Report writing	6	3	2																																		
Submission of Draft Report																																					
Feedback from stakeholders on draft report																																					
Evaluation seminar (presentation and discussion)	1	1																																			
Finalisation of the report	1																																				
Submission of Final Report																																					
Approval of the final report																																					
Total days	27	10	9																																		
Initials: AN=Annika Nilsson, RP=Russell Price, JN=Jonas Norén																																					

Annex 6 - Assessment against international standards - ISO 31000

General observations of risk management approaches across all development agencies studied seem to be that:

- Risk management is seen as more a set of controls with a compliance focus rather than a set of tools that could/should build performance and innovation;
- Most agencies have not adopted the layout and integration of formal standards, such as ISO 31000.

The below illustrations show how Sida's approaches were assessed against ISO 31000:2018 standards.

ISO 31000:2018 sets out eight principles that should inform the risk management framework used by organizations. These characteristics should be able to be evidenced through the processes, procedures and decision making of those involved.

Figure A6. Principles

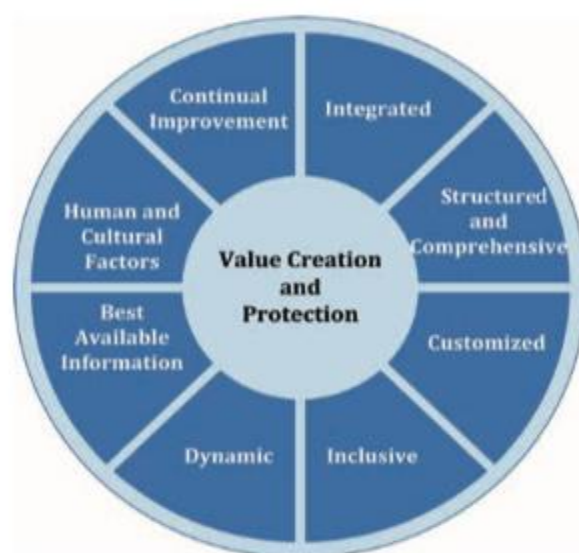


Figure 2 — Principles

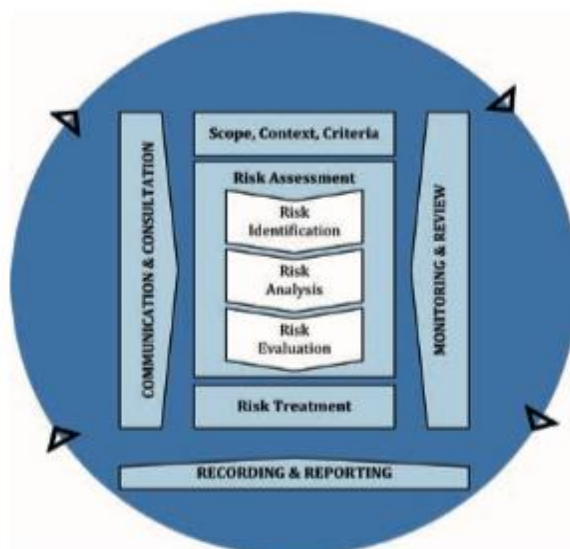
The evaluation shows that Sida's approaches were seen as being dynamic/flexible and customized to a rather large degree. There was also evidence of risk management approaches being improved over time based on lessons learnt. However, the evaluation also shows that some Sida approaches were contradictory and unable to effectively underpin the risk management processes being used. They were also not inclusive of all stakeholders involved, as partners' risk management was treated as something separate from Sida's.

While the roles and responsibility might differ, the risk management of contribution could to be more jointly managed. This may also include other donors. The weakest point of Sida's approaches in relation to the ISO principles seemed to be in the area "structured and comprehensive".

Figure A7. ISO framework**Figure 3 — Framework**

In this figure illustrates the key stages and on-going maintenance of the Framework provided by ISO 31000. The central focus is the role of the executive in providing on-going leadership and commitment that will enable and support the achievement of the organisation's objectives. This sets a context for risk management that is performance oriented and that can support innovation. The feedback provided in the evaluation strongly suggested that the policies, priorities and processes in place at Sida to guide risk management were not sufficiently

clarified and communicated by the leadership. Processes were often focusing on a narrow part of the risk spectrum and mostly carried out in the design phase and they were often compliance focused.

Figure A8. ISO process**Figure 4 — Process**

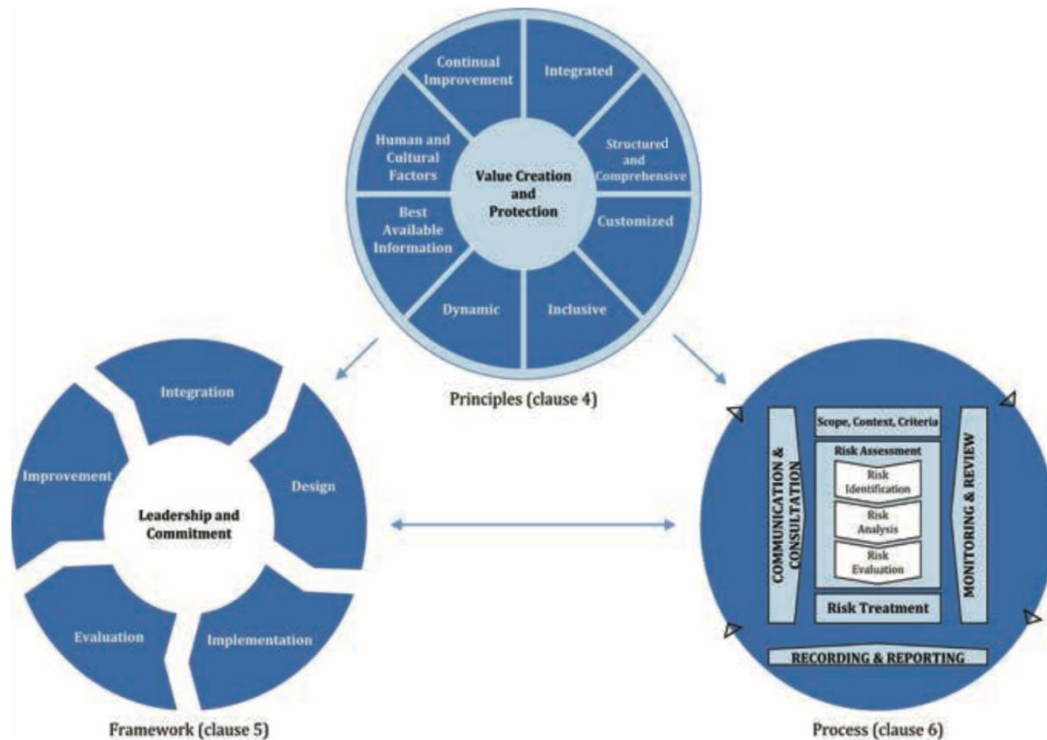
This illustration details the Risk management process expected within not only ISO 31000, but also most other good practice around the world.

According the evaluation findings, the trac systems fulfils much of these requirements for the management process. While not always used to its full potential, the Trac system has a potential to be supporting Sida's risk management effectively. Still, our findings suggest this is done inconsistently and to variable degrees in scope and depth.

An illustration of the above processes and how they are supposed to interact, inform and support each other is presented below. The Principles clauses provides a lot of

flexibility that can be tailored to almost any situation and organisation. It directly supports and encourages flexibility, but in a way that maintains adherence to the principles and objectives of the organisation.

Figure A9. ISO principles, framework and process



The application of good risk management practice in Sida is still incomplete and is lacking in depth and perspective. This is not only in Sida, but right across the development sector.³⁷ This situation not only limits the effectiveness of the risk management processes, but it also is likely to introduce additional and unnecessary costs and stifle progress.

³⁷ According to the experience of Russell Price



Evaluation of Sida's risk management of contributions

This is an evaluation of the relevance and effectiveness of Sida's risk management of contributions, with focus on the perceptions of Sida's cooperation partners. It was commissioned by Sida and covers contributions appraised in 2017 and 2018. The evaluation concludes that Sida's risk management approaches are largely relevant and effective, especially the flexibility, the core support and the capacity strengthening consultancies. Areas of improvement include the need for more clarity and unity on Sida's risk policy framework, more adaptability of agreement conditions, more joint engagement with partners in risk management and more focus on risks related to poor performance, limited local ownership and lack of downward accountability. The evaluation presents recommendations to Sida on how to move forward.

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