

Audit of the sustainability of bilateral development cooperation projects

Swiss Agency for Development and Cooperation

Key facts

The Confederation spends up to CHF 1 billion annually on bilateral development cooperation. In Nepal and Bangladesh, both key countries for Swiss development aid, the Swiss Agency for Development and Cooperation (SDC) has for decades supported numerous projects in several sectors, providing each country with around CHF 30 million per year.

The Swiss Federal Audit Office (SFAO) conducted an audit on the "Sustainability of bilateral development cooperation projects", which included on-site visits to Nepal and Bangladesh. The audit focused on the question of whether and, if so, what sustainable effects from projects can still be identified years after their completion. To this end, a total of five completed projects were included in the audit. The total project funds used for this purpose amounted to around CHF 87 million.

The results of the sustainability assessment show that the completed projects still required considerable support in 2019. Despite challenges such as natural disasters and armed conflicts, all projects were implemented according to plan and are still having the desired effects years on from completion.

Sustainable effects of completed SDC projects globally satisfactory

The main development objectives were achieved in all examined projects and in 2019, i.e. an average of about five years after completion, significant activities can still be identified that are making a contribution to solving the envisaged problems. None of the measures shows any substantial loss of impact. However, differences can be observed.

For certain projects, the funds or financing are no longer guaranteed to the same extent. In this respect, the long-term survival of these projects is not necessarily guaranteed. On the other hand, other projects, such as the development of value chains based on market principles in agriculture, are largely unaffected by a lack of state support. The target groups are thus in charge of generating income and prosperity for themselves and their families. The greatest consequential risk is the increasing environmental pollution caused by the growing use of resources. This primarily concerns projects in the agricultural and water sectors.

Building on the results of the projects, the SFAO has reached the following conclusions and makes the following suggestions on ways of optimising the projects to better ensure their long-term effectiveness.

Identifying key influencing factors and dependencies as risks

Once a development cooperation project has been completed, the SDC can only exert limited influence, if at all, on its future progress. Similarly, abrupt changes in the political, economic and social situation in the supported countries cannot be predicted.

The SFAO is of the opinion that key influencing factors, whether conducive or obstructive, as well as critical dependencies, should be systematically identified, especially in the final phase of a project or upon completion. These could be discussed with the project's (future) managers and target groups. Such a "risk analysis for sustainability" could, on the one hand, sensitise the central stakeholder groups of a project and, on the other hand, identify possible alternative and/or reduction strategies if necessary.

Partial SDC withdrawal before project completion as a stress test for continuation

In the project to promote the health and hygiene situation of households in rural areas of Bangladesh, the SDC partially withdrew from certain target groups before the end of the project. It was agreed that the SDC would provide support again if necessary. In this way, it can carry out a reality check and gain an initial insight into how a project might potentially continue and develop without SDC support and where problems might arise.

The SFAO sees potential for broader use of this type of intervention.

Combined humanitarian aid and development cooperation interventions

In 2015, devastating earthquakes in Nepal destroyed over half a million houses either partially or completely. At the time of the disaster, an SDC vocational training project focusing on craft trades was nearing completion. As a result of the earthquakes, Switzerland was also requested to provide disaster relief. The SDC's vocational training project was then immediately continued as a second phase. Additional humanitarian aid funds were used to extend the project once again in order to ensure the fastest and greatest possible support for the reconstruction of destroyed houses in the affected areas of Nepal.

This example illustrates the rapid and effective support that can be provided when the need of the affected people is greatest. In view of the increasing frequency of natural disasters and armed conflicts worldwide, the SFAO welcomes the SDC's evaluation and implementation of the possibilities of combined operations in specific cases.

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