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Working Party on Aid Evaluation

**1998 ANNUAL REPORT BY THE CHAIR
OF THE DAC WORKING PARTY ON AID EVALUATION**

(Note by the Chair of the Working Party on Aid Evaluation)

This annual report is submitted to enable monitoring of progress in the implementation of the work programme by members of the Working Party and the Development Assistance Committee. It is submitted for INFORMATION to the Working Party on Aid Evaluation to its meeting on 27-28 January 1999.

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**1998 ANNUAL REPORT BY THE CHAIR
OF THE DAC WORKING PARTY ON AID EVALUATION**

1. During 1998, the Working Party on Aid Evaluation (WP-EV) made considerable progress in implementating its work programme, although the Working Party had only one meeting in May. The WP-EV works in a highly participatory manner. Most studies are undertaken by task forces or sub-groups which meet on occasion to bring work forward. In addition, many Members participated during the year in seminars and workshops organised under the auspices of the WP-EV.

DAC review of subsidiary bodies

2. At the DAC review of its subsidiary bodies on 5 February 1998, the WP-EV received a strong endorsement of its contribution to the objectives of the Committee. The Group's evaluation activities were viewed as enhancing DAC efforts to advance the goals of the Development Partnerships Strategy. Joint evaluation efforts between donors and partner countries were encouraged, both to improve knowledge about the impact of aid (especially in poverty reduction) and as a participatory way to build up evaluation capacity in partner countries.

3. It was noted that working with other DAC subsidiary bodies had proven useful for "horizontal cross-fertilisation"; also noted in this context were the planned work on evaluation of humanitarian aid and conflict and development co-operation as a follow-up to the review of the Principles on Aid Evaluation.

Follow-up to the review of the DAC Principles for Evaluation of Development Assistance

4. In 1997, Members of the WP-EV completed the Review of the DAC Principles for Evaluation of Development Assistance, and it was published in 1998. The Review concluded and recommended that, although the Principles remain valid and sound, there is a need to complement and reinforce them to improve evaluation practices.

5. It was agreed at the May 1998 meeting of the WP-EV that the objective of follow-up work to the review is to contribute to improved evaluation practice in development co-operation. It will focus on two clusters of activities.

6. The first set will centre on encouraging and improving compliance with the Principles, in cases where adherence is still lacking. This is mainly the responsibility of Members countries.

7. The second cluster of activities will aim to complement and reinforce the Principles with good/best practices in key areas. It is proposed that work for the year 1999-2000 will start on partnerships in evaluation; feedback and communication practices to promote organisational learning, and performance management systems (see DCD/DAC/EV (99)5 for details).

8. These activities were chosen on the basis of the following considerations:

- Both the Review of the Principles and the 1998 Senior Level Meeting identified that partnerships with recipient countries in evaluation at both sector and country level is one of the main instruments to ensure that donor and recipient partners learn together from achievement and failure of development programmes.
- Feedback and communication practices are fundamental to permit an appropriate use of evaluation results and funding in policy development and programme design.
- The use of performance management systems is becoming more and more important, as development organisations are asked to demonstrate results.

Poverty

9. In response to the DAC initiative on ways to strengthen its poverty reduction work, the WP-EV has considered a two-pronged approach. One is to synthesise evaluation results and lessons learned based on existing evaluations; the scope and extent of such work will be elaborated in co-operation with the Poverty Network once the DAC Scoping Study on Members' Poverty Reduction Efforts has been completed. The other is to further develop and refine evaluation methods specifically for assessing poverty effects. The United Kingdom will lead this work by hosting a workshop in 1999.

Country programme evaluations

10. The donor community has committed itself to achieving a number of social, economic and environmental goals in the context of the 21st Century Partnership Strategy. To attain these goals it will be required to analyse aid interventions at the country level for both individual donors and the donor community as a whole, and to enforce a greater degree of co-operation in planning, implementing and evaluating development co-operation.

11. In view of these needs, the WP-EV agreed in November 1997 to revisit country programme evaluation (CPE) practice and theory, and to involve developing country partners in the discussion. At the May 1998 meeting, it was agreed to organise a workshop on Country Programme Evaluation to facilitate this task.

12. The main objectives of the workshop are to contribute to the implementation of the 21st Century Partnership Strategy; establish better linkage and coherence between evaluation results and policy directions and operations at the country level; share experience, especially with partner countries, in the process of planning, implementing and evaluating country programmes with special focus on methodologies used throughout the whole cycle of CPEs; and distil key elements/good practices of CPEs.

13. This workshop will be hosted by Austria, and held in Vienna on 11-12 March 1999.

14. Case studies are in the process of being prepared to facilitate the discussion at the workshop on Country Programme Evaluation.

Joint evaluations

15. The WP-EV is currently focusing on joint sector evaluations in selected developing countries. The WP-EV has found that in the medium term this will be particularly relevant for monitoring progress towards achieving the goals of “Shaping the 21st Century”, and the intention is to select sectors relevant to it.

16. In order to facilitate joint evaluations, the WP-EV has developed several tools: a framework “Options for Actions” by the WP-EV in support of the *Shaping the 21st Century Strategy*; an overview of donors’ key sectors of interest; and a more systematic exchange of evaluation plans. The Working Party reviewed a first draft of “Donor Experience with Joint Evaluations: A Typology and Lessons learned” at its May 1998 meeting. Based on the discussion and further experience of DAC Members with multidonor evaluations, a paper entitled “Effective Practices for Multidonor Evaluations” was drafted to provide guidance for future multidonor evaluations. The United States is heading this work, which is expected to be finalised early in 1999.

17. The WP-EV also established contact with the “Special Programme for Africa” (SPA) in order to link up with the SPA pilot effort to streamline and harmonise donor procedural arrangements for monitoring and evaluation in Zambia (health); Ethiopia (education); Cote d’Ivoire (health); and Mozambique (agriculture).

18. In 1997, work continued on a joint evaluation involving the EU Member States and the European Commission which covers the European Union aid programme with the African, Caribbean and Pacific region, development aid to the Mediterranean region, aid programmes to Asia and Latin America, and humanitarian aid. Furthermore multi-donor evaluation of the United Nations Capital Development Fund and UN Programme for Accountability and Transparency (PACT) are being carried out.

19. Although the evaluations mentioned in the preceding paragraph are not part of the formal DAC agenda, reporting on these and all major joint evaluations takes place at meetings of the WP-EV. Collaboration between agencies is largely facilitated due to the existence of the Working Party.

Performance measurement

20. There are growing pressures on donor agencies to show development results. In response, many agencies are beginning to develop and implement results-oriented management systems to complement more traditional evaluation systems. In October 1998, Sida and UNDP hosted a workshop to share donors’ experiences with introducing performance management systems.

21. The workshop clearly showed that the links between performance measurement and management/policy decisions are weak and that there are serious methodological difficulties in linking donor management decisions to development outcomes. It was also evident that agencies have differing ideas about performance monitoring systems and that there is a danger of such systems becoming complex, costly, and time-consuming.

22. While individual Members will be involved in performance monitoring and management at agency level, the WP-EV will focus on linking evaluation to performance monitoring as a means of verifying outcomes as well as explaining performance and development outcomes achieved.

Best practice in evaluating humanitarian aid

23. A review of humanitarian aid practices and experiences was initiated under the leadership of Denmark in collaboration with the United Kingdom, the Netherlands and Finland in 1997. The aim of the review was to identify and disseminate best practices in the evaluation of humanitarian assistance programmes. It is hoped that this will enhance the effectiveness of the evaluation process by improving the quality, comparability and degree of commonality of evaluations, and reduce duplication. The review also aims to inform those involved in the future development of good practice on monitoring and reporting of humanitarian aid by furthering understanding of the criteria and indicators that may be used to measure the performance of relief operations.

24. A first draft was discussed at a workshop hosted by Danida in Copenhagen in January 1998. It was subsequently decided to produce two reports: i) "Best Practice in Evaluating Humanitarian Aid", primarily for humanitarian field workers. This document was published in October 1998 by the Relief and Rehabilitation Network, which collaborated with the WP-EV in this project; ii) "Guidance for Evaluation Managers". This report will be submitted for final review by the WP-EV in January 1999 prior to its being published in 1999.

Gender Action Plan

25. As part of the WP-EV input to the DAC Gender Action Plan, one of the tasks performed is a review of the implementation of the recommendations of the 1993/94 *Assessment of DAC Members' WID Policies and Programmes*. Its purpose is to review the extent to which Members have taken into consideration 1993/94 assessment observations. This will provide a view of how far Members have come in addressing gender equality and women's empowerment in evaluations, and provide ideas and suggestions for future action. Members have provided their input to the follow-up review through a Guide for Reporting. This synthesis report, which is being co-ordinated by Sweden, will be presented to the WP-EV during the first half of 1999. The results will be discussed at a workshop later in the year.

Capacity development in environment

26. A synthesis study of donor support for the development of institutional capacity in environment, one of the key areas of *Shaping the 21st Century*, was initiated in 1997. This study, which is co-ordinated by the Netherlands in collaboration with Denmark and the United Kingdom, aims to assess DAC Members' capacities to support the two key processes of capacity development in environment, i.e. integrating environment and development concerns, and "ownership" at national and local levels by strengthening institutional pluralism. The synthesis will be based on existing evaluation material and other sources of information, and will identify lessons learned and provide recommendations for institutional capacity development.

27. A first draft of the study was shared with Members of the WP-EV and discussed at its May 1998 meeting. Following this discussion, Members were given further time to provide inputs and comments. The study will be finalised by the end of 1998 and submitted for review to the WP-EV in January 1999, the results will be shared with the Working Party on Development Co-operation and Environment prior to being published in 1999.

Evaluation Inventory

28. In 1998, the Evaluation Inventory was updated and distributed to Working Party Members as a CD-Rom, which contains the full version of the Inventory. As agreed by the Working Party, the Evaluation Inventory was put on Internet in early 1998, under the direction and management of CIDA. The instrument has a considerable potential and WP Members will continue to work on improving it as a knowledge tool.

29. The Evaluation Inventory is a valuable instrument for evaluators and researchers and the intention is to make it more widely known in partner countries and in the broader development community.

Building expertise in Member agencies

30. Building evaluation expertise in Member agencies is one of the core elements in the WP-EV mandate. Co-operation in the WP synthesis work, developing best practices, and sharing methodologies and new approaches at seminars and workshops contribute to this. In addition, the WP-EV occasionally organises joint training for staff. In May 1998, Sida hosted a four-day training workshop on Aid Evaluation: "Challenges and Opportunities", in Stockholm; 35 participants from 14 Member agencies attended.

Evaluation capacity building

31. This subject is part of the mandate of the WP-EV and is an area where the WP has been particularly active. The WP has held seminars and conferences in Africa, Asia and Latin America. And several Members provide direct assistance, although most assistance is undertaken by the multilateral agencies such as UNDP, World Bank and the regional banks.

32. In November 1998, the African Development Bank and the WP-EV hosted a regional seminar, in Abidjan, on Monitoring and Evaluation Capacity Development, to provide an understanding of the critical linkages between evaluation, public sector reform, public sector expenditure management, and good governance. Furthermore, the seminar was an opportunity for developing an action plan for establishing an appropriate monitoring and evaluation capacity in African countries in collaboration with the donor community. The seminar drew 40 participants from 14 African countries and organisations and 23 participants from the WP-EV.

33. African countries' experience indicated that in recent years the need for accountability, transparency and good governance has reinforced the importance of, and need for, monitoring and evaluation. The level of capacity varies considerably from country to country; in some, small political demand and incentives for transparency are limiting factors, while in others lack of human capacity and institutional infrastructure are key obstacles.

34. The seminar identified several ways the donor community can enhance African evaluation capacity, i.e. twinning arrangements, partnership in evaluation (joint evaluations), and increased use of local consultants and institutions.

35. While donors can support evaluation capacity development in many ways, and the seminar indicated that there is a readiness to do so, evaluation should not be donor driven, but be based on domestic need and commitment within an broader context of good governance.