



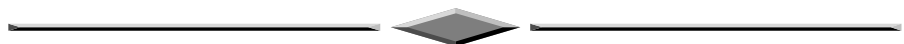
ROOM DOCUMENT 12

DAC Network on Development Evaluation

NEW AID ARCHITECTURE – IMPLICATIONS FOR EVALUATION

A paper for the DAC Evaluation Network

This note has been prepared by Eva Lithman (SIDA) and Julia Compton (DFID) for discussion at the 6th meeting of the DAC Network on Development Evaluation, 27 – 28 June 2007.



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1. Introduction

In 2005, over 100 national governments and organisations, including most donor members of the DAC Evaluation Network (Evalnet), signed up to the Paris Declaration, supporting donor harmonisation and alignment with countries' own development plans. This is a tangible expression of the current changes in the relationship between donors and partner countries and in the architecture of aid. Although a partnership approach to evaluation² and joint work³ has been practiced and advocated by the Network for a long time we have yet to consider in depth the implications of the new aid architecture and the Paris Declaration for the organisation of evaluation work.

The precepts of the Paris Declaration constitute a useful foundation for advancing the discussion of the role of evaluation in the changing aid context. The purpose of this paper is to indicate what the implications of the Paris Declaration Principles are for the Network and for its members, and to raise some issues and preliminary proposals for discussion. A proposal is made that the Network engages in further work in this field.

1.1 Changing country context

At country level the aid landscape is undergoing rapid change. To mention but a few: the adoption of Poverty Reduction Strategies, a combination of enhanced country ownership and donor coordination efforts resulting in Joint Assistance Strategies, the presence of a variety of global initiatives and emerging donors, all with their own mandate and agenda. Thus as the aid landscape is changing so are the premises for evaluation work. Some partner countries respond by setting up comprehensive, although mostly weak, frameworks for monitoring and evaluation, other find that they have little capacity to influence or participate in evaluation work being done in their country. At the same time organisations such as AfREA are strongly pressing for a change of focus from aid and donor-led evaluation to development and partner led evaluation practices.

¹ This paper has been prepared by Julia Compton, Dfid, and Eva Lithman, Sida.

² DAC Principles for Evaluation of Development Assistance (1991). OECD 1991 (OECD/GD(91)208).

³ Guidance for Managing Joint Evaluations. DAC Evaluation Series. OECD/DAC 2006; Sourcebook for Evaluating Global and Regional Partnership Programs. Indicative Principles and Standards. IEG-World Bank and DAC Network on Development Evaluation 2007 Washington, D.C. <http://www.worldbank.org/ieg/grpp>

2. The Paris Declaration

The five Paris Declaration Principles pose a significant challenge for evaluation for both donors and partner countries. In the following sections the implications of these principles will be discussed. These are: Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability.

There are no set targets that relate directly to evaluation in the Paris Declaration but some specific references are made to evaluation and in general the principles, and some targets, should apply also to evaluation work. Thus, the Paris declaration commits its signatories to supporting a joint, in-country approach to evaluation wherever possible⁴. Moreover, the Paris declaration sets targets and deadlines for reducing individual donor 'missions'⁵, including evaluation visits⁶, while partner countries are starting to declare 'mission-free periods'⁷. Recent DAC peer reviews (e.g. the 2006 review of the UK) have also urged donors to adopt a more joined-up approach to monitoring and evaluation.

2.1 Ownership

'Donors commit to respect partner country leadership and help strengthen their capacity to exercise it.'

Partner countries have varying experience in leading evaluation of both their own programmes and donor-supported projects and programmes. Some partner countries have already or are in the process of setting up government wide systems for monitoring and evaluation or mechanisms for follow-up of poverty reduction strategies and their equivalents. Vietnam and South Africa⁸ have undertaken evaluations and studies of donor funded projects and programmes.

At the international level, the current evaluation of the Paris Declaration aims to be at least partly 'country led' with a co-chairing arrangement and a number of country-led case studies.

It would be worth examining these and other experiences to learn lessons about the motivations, institutional structures and other issues related to country ownership of evaluation of development programmes and donor performance. As with donor evaluations one aspect concerns what we mean by country ownership in the context of evaluation, is this limited to government or referring more broadly to civil society?

Equally interesting to study would be the incentives and motivational forces behind donor-led evaluations. Some studies of donor-led evaluations indicate that many evaluations that are carried out at both project/programme and policy level are for the

⁴ Paris Declaration point 32: 'Implement, where feasible, common arrangements at country level for planning, funding, disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows.'

⁵ The relevant targets are that by 2010, '40% of donor missions will be joint' and '66% of country analytic work will be joint' <http://www.oecd.org/dataoecd/57/60/36080258.pdf>

⁶ The number of individual donor evaluations is already being checked and counted against donor performance in some countries, for example Mozambique (Castel-Branco, C (2007) Performance of Programme Aid Partners in Mozambique 2006.

⁷ For example, the Government of Ghana has declared a two month 'mission free' period per year.

⁸ DEVELOPMENT CO-OPERATION REPORT. Report on Evaluations of Donor Assistance to the Republic of South Africa, 1994 – 1999. Department of Finance, International Development Co-operation. October 1999.

purposes of gathering information required for decisions on donor policy or programming.⁹ Ownership of these by partner countries is variable and the impression is that this could be much improved. However, donors need to consider that leadership of and participation in evaluations also carries a cost to partner countries, particularly where human and financial resources are scarce. Partners do not always pressure donors for more country involvement, especially where they do not feel that the evaluations are answering questions of sufficient relevance to their own decisions.

2.2 Alignment

'Donors base overall support on partner countries' systems and procedures... which typically include ...results frameworks and monitoring [and evaluation]'

In many countries, frameworks and capacity for M&E are weak, both in government and in civil society organisations. Nevertheless several countries have introduced comprehensive government wide monitoring and evaluation frameworks, e.g. Sri Lanka, Vietnam, Uganda and South Africa.

However progress is uneven. Although considerable advance been made over the last decade in training people to carry out evaluations and in establishing guidelines and evaluation associations, the capacity to commission, contract and manage evaluations is often still a weak area.

Even where structured frameworks for M&E exist in government it is unclear if they are being systematically used by all donors. The reasons for this may be related to the overall incentives influencing donors' evaluations. See also 'Mutual Accountability' below.

2.3 Harmonisation

Donors commit to:

- *Implement where feasible common arrangements for evaluating and reporting...*
- *Make full use of their comparative advantage at sector or country level by delegating authority to lead donors for execution of programmes, activities and tasks [including evaluation]*
- *Harmonisation is even more crucial in fragile states in the absence of strong government leadership*

At country level, there are some examples of individual donors taking a lead in harmonising evaluations and in some cases also promoting partner government leadership. Denmark for example has taken the lead in several harmonised evaluations including a 5-donor country programme evaluation in Afghanistan (2004) and agriculture and health sector evaluations in Mozambique (2004) and Tanzania (2007). There are also current plans for a joint donor country programme evaluation in Bangladesh, led by the World Bank. However, these are the exception rather than the rule.

Donors generally have a poor track record in harmonising their support for civil society and private sector organisations as well as in humanitarian aid. Harmonising evaluations in this area is also a challenge.

⁹ S. Bandstein, 2006. Views on Evaluation. UTV Working Paper 2006:1.

2.4 Managing for results

'Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision making. Donors commit to:

- *Align [country programming and resources] with effective partner country evaluation systems, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies*
- *Harmonise their monitoring and reporting requirements, and until they can rely more extensively on partner countries statistical monitoring and evaluation systems, [harmonise] with partner countries to the maximum extent possible on joint formats for periodic reporting.'*

There are several linked points here. The first is the better use of evaluation evidence at all levels to inform policy and programming. This is a perennial question as much for developed as developing countries. A particular case of this is the increased use of impact evaluation to fill evidence gaps, particularly for innovative and pilot programmes. Much in response to the initiative by the Centre for Global Development¹⁰ a new Network of Networks for Impact evaluation (NONIE) has been created with the general purpose of developing definitions and approaches, exchanging experiences and to stimulate joint work.

The second point is about the indicators on individual donor projects and programmes: how much do they link into partner governments' own performance frameworks?

The third point is about country-level harmonisation of evaluations (see Harmonisation section). This might for many donors mean the need for increased levels of delegated authority to manage evaluation at country level and adapt their evaluations to country realities. Also, joint assistance strategies need strengthening as regards evaluation.

2.5 Mutual accountability

This Paris commitment mainly concentrates on increasing the predictability of aid flows. There is also a commitment for donors together with partner countries to: *'Jointly assess through ... country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including these Partnership Commitments.'*

Of all the commitments, we are currently closest to meeting this one. A monitoring framework for the Paris Declaration is in place, and an evaluation of progress is underway. The evaluation plans to include country-led country case studies.

However, generally speaking country-led mechanisms for holding donors accountable are still incipient. Some individual countries and donor groups such as Tanzania and Mozambique have commissioned independent reviews of donor behaviour.¹¹

¹⁰ "When Will We Ever Learn? Improving Lives Through Impact Evaluation". Evaluation Gap Working Group, Center for Global Development, Washington DC, 2006.

¹¹ A. Rocha Menocal and S. Mulley, 2006. Learning from experience? A review of recipient-government efforts to manage donor relations and improve the quality of aid. ODI Working Paper 268. May 2006

3. Challenges for donors and donor evaluation departments

What are the main challenges for donors and donor evaluation departments in meeting the new aid context and in complying with the Paris declaration? Over a number of years DAC Evalnet has been a forum for proposing and carrying out joint evaluations. A review has been carried out of experiences from joint evaluations on the basis of which some general guidance has been elaborated for joint evaluations¹². A number of joint evaluations have been carried out under the auspices of the Network, some high profile such as the joint evaluation on General Budget Support. However, the vast majority of evaluations carried out by network member departments are still sole donor evaluations. There are also examples where donors undertake their own evaluations in areas that have been covered by joint evaluations and where donors will commission individual evaluations concerned with the same theme.

At country level there are a very large number of project and programme evaluations carried out by individual donors, many of which may not even be recorded by donors' central evaluation departments. Although many countries are moving towards Joint Assistance Strategies and associated joint instruments such as budget support, M&E systems for these are often set up years later, and are often the weakest part of the arrangements.

Challenges for individual donors in moving towards more joint evaluation work are thought to include:

- Accountability needs for donors' own governments, including rules and regulations about reporting on and evaluating aid.
- Timing considerations: individual donors may need to time their evaluations to particular events, policies or political announcements
- Perceived increased transaction and time costs of working with others
- Joint evaluations may produce findings which are too general for individual donor needs for policy-making or accountability, and/or do not answer specific evaluation questions held by different donors. Moreover, many joint evaluations have no mechanism for follow-up of the recommendations made with individual donors, diminishing their usefulness for accountability purposes. Perceived quality and credibility of joint evaluations may also be an issue, although the recent elaboration of DAC and UNEG quality standards may improve this.
- Country focus: some donors have particular countries of interest and joint evaluations may not cover these in sufficient depth
- Annual programming processes may not be aligned or timed in such a way as to facilitate joint programming

¹² Breier, Horst (2005). Joint evaluations: recent experiences, lessons learned and options for the future. DAC Evaluation Network Working Paper.

- Often evaluations are used in an ad hoc way to collect information which might properly have been collected by monitoring systems. This risks that information collection is ad hoc and not integrated into country systems.

Donors generally carry out evaluation at several levels which are not always well coordinated or linked internally. These include:

- Project and programme evaluation
- Country Programme Evaluation/ Country Strategy Evaluation
- Donor policy evaluation
- Thematic evaluation
- Partnership evaluations, e.g. between bilateral donors and multilaterals or bilateral donors and international NGOs

Each of these types of evaluation poses different challenges for complying with Paris Declaration Commitments. Central thematic studies with several country case studies perhaps pose the greatest challenge in terms of joint planning and in terms of ensuring that different donors' needs are met.

4. Issues to discuss

Some issues thrown up by the above analysis are listed below. These are not comprehensive. Some others are raised in the already mentioned study on joint evaluations.

4.1 Country level evaluations (project/programme and country strategy)

- What challenges have we got in our own agencies/countries that make joint evaluation work difficult at country level? How can these be overcome?
- Joint assistance strategies are usually weak when it comes to evaluation, how could this be changed?
- How can new actors be included in country level evaluation frameworks?
- What processes are needed to ensure better leadership by country partners? What are the implications for donor practice?
- Can we conduct evaluations better in order to build capacity and institutional frameworks for country-led evaluations?
- What would be a good approach to improving country level arrangements for joint evaluation?
- Can we exploit better the opportunities to rationalise and delegate, letting different donors lead on different evaluations?
- Can we look at policy and procedural barriers to doing more joint evaluation at country level?
- What could be the role of central donor evaluation departments?

4.2 Central (donor) thematic, policy and partnership evaluations

- What challenges have we got in our own agencies/countries that make joint evaluation work difficult? How can these be overcome?
- Can we plan better jointly to avoid duplication and use joint country case studies for thematic evaluations?
- Can we use previous/other donor evaluation findings more efficiently to avoid duplication of effort?

- Can we exploit better the opportunities to rationalise and delegate, letting different donors lead on different evaluations?
- How can we integrate the Paris Declaration principles better into partnership evaluations, for example between bilateral donors and multilaterals or NGOs?
- Is there an opportunity for partner countries to input better into the planning of our thematic, policy and partnership evaluations? If so, how?

4.3 For the DAC Evaluation Network

- How could the Network encourage changed practices? Should we propose targets for meeting the Paris Declaration commitments and how to measure progress against these?
- What support could the network offer towards harmonising donor practices in evaluation in order to avoid duplication and encourage joint work on both country and thematic evaluations?
- What is the role of the Network regarding evaluation capacity building evaluation of partner countries? In donor countries?

5. The way forward

Many of the issues raised in this paper merit more in depth penetration and discussion than has been possible in this paper. Therefore it is proposed that this meeting nominate three ad hoc working groups to take forward the three areas identified above, that is: (i) country level, (ii) central thematic and partnership evaluations and (iii) actions for the network. The aim of the working groups should be to discuss the issues listed above and raised during the Network meeting – and others that the group thinks are important – and to make concrete proposals for action by individual donors and for the Network within a given time-frame. The authors of this paper offer to coordinate the proposals from the three working groups into a document to present at the next Network meeting.