

► Germany

Evaluation of Development Cooperation and Audit Division, Federal Ministry for Economic Cooperation and Development (BMZ)

Evaluation Department, KfW Entwicklungsbank (KfW)

Evaluation Unit, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)

Mandates

The lead agency for the evaluation of German development cooperation is the Evaluation and Audit Division of the Federal Ministry for Economic Cooperation and Development (BMZ-E). It has the overall responsibility for the evaluation system of German development cooperation, is tasked with providing guidance and quality assurance of evaluation systems of implementing agencies, and represents Germany in international evaluation fora. A new evaluation policy and guidance for the German development cooperation evaluation system is being finalised at the time of writing.

BMZ has devolved the responsibility for systematic and independent project evaluation of concluded interventions of its bilateral aid to its implementing agencies, including GTZ and KfW (the two largest agencies). The evaluation units of GTZ and KfW manage evaluations of Technical Cooperation and Financial Cooperation respectively. An evaluation working group led by BMZ-E helps to ensure coordination between BMZ's evaluation unit and the units of four major implementing agencies, including KfW and GTZ.

BMZ's management and implementation system is poised for reforms, including in particular a merger of three technical cooperation agencies, which might have repercussions also on evaluation functions.

Evaluation of Development Cooperation and Audit Division, BMZ

Besides providing guidance and oversight on implementing agencies' and civil society organisations' evaluations and evaluation systems, BMZ-E is charged to conduct development policy relevant evaluations of German Development Cooperation as a whole. BMZ funded interventions of all implementing agencies and NGOs, as well as contributions to multilateral organisations are covered on a selective basis. About one third of its evaluations are conducted jointly with other donors and partner countries. In addition BMZ-E assists policy divisions on statutory performance audit issues required by the budget code and is also establishing a programme on evaluation capacity development.

BMZ-E operates independently from BMZ policy divisions. As a separate unit – merged with audit in 2008 – within the Directorate "Central Management and NGOs" the head of division reports to the State Secretary through the Director General. All evaluations are conducted by external consultants, usually contracted following an EU tender process,

Evaluation set up in BMZ



who have the final say on the content of the reports. The evaluation reports are available to the public upon request and executive summaries are published on BMZ's website.

Quality is assured by a stepwise process, including a mandatory inception report, involvement of stakeholders and increasingly of external experts through establishment of a reference group for each evaluation. The evaluation unit undertakes a quality control of evaluation reports using a related checklist. The format and content of this list have been updated according to the new DAC Quality Standards for Development Evaluation.

BMZ-E has a two year work programme with some room for flexibility to accommodate joint evaluations or additional demand from the BMZ political level. The planning process follows a bottom up process in which every division is consulted. BMZ-E collects requests and formulates a proposal (including its own suggestions) that is presented to the state secretary who decides on the final programme. So far, the evaluation programme is mainly demand driven, but this is about to change to ensure more systematic coverage and better reflect risks.

Participatory evaluation processes that involve all stakeholders, including those at the local level (without compromising the independence of evaluations) enhance the use of evaluation results and recommendations. In addition to fostering such participation, BMZ-E also actively engages in disseminating findings, and tracks the implementation of recommendations. A formal procedure for follow up has been in operation since 2001, which entails the following steps: inclusions of major recommendations in an implementation plan, description of the intended follow up by the operationally responsible division, a review some 18 months later through self assessment, analysis of this assessment by an external consultant, and finally the submission of the results to BMZ policy level.

Evaluation Department, KfW

Within KfW *Entwicklungsbank* all *ex ante* evaluation and most of interim evaluations of projects to be implemented by our partners are conducted by the operating departments. The Evaluation Department concentrates on independent *ex post* and thematic evaluations. The Department also conducts seminars and workshops on evaluation principles, assesses experiences from KfW funded projects and informs the federal government and the public about the results of its evaluations. Regular meetings are held with evaluation departments in BMZ, GTZ, InWent, and DED (working group referred to above) to exchange lists of evaluations planned, co-operate on evaluation capacity development, and work together on specific cases.

Independent experts are assigned to conduct *ex post* evaluations. These experts may be freelancers or KfW staff; they do not qualify if they have previously worked in or for the project to be evaluated. The Department is an independent entity reporting to the board. Manuals and guidelines help ensure quality of evaluations. For decentralised evaluations self-reviews are done for certain topics and there is permanent internal and external auditing.

The evaluation agenda is determined according to a set of rules for a multi-year plan, but the formal work programme is agreed on an annual basis. A stratified random sample of all finished programmes and projects is evaluated each year out; there is a rolling planning for thematic and cross cutting issues.

The Department has a number of instruments to support institutional learning including: discussion of the evaluation results with all stakeholders, dissemination of general conclusions (lessons learnt), and learning by exchanging roles. Reports and presentations are used to inform agency staff and management, as well as the general public about evaluation results. There is no institutionalized process to enforce management responses to each and any evaluation.

Evaluation Unit, GTZ

As part of its corporate tasks, the Evaluation Unit further develops the GTZ-evaluation system (concepts, procedures, methods and instruments), advises the operative departments on decentralised evaluation, analyses evaluation findings for learning and accountability purposes, and communicates evaluation methods and results to the external and internal public. The unit manages evaluations within GTZ on behalf of BMZ (independent project evaluations), other commissioning parties and of the Managing Directors (for example, corporate policy themes and strategies, such as the GTZ gender strategy). Beyond these duties, the unit supports BMZ in its efforts to coordinate and harmonise evaluations of German DC.

In accordance with the principle of independence, the GTZ Evaluation Unit is clearly separated from the operative departments, and reports directly to the Office of the Managing Directors. Independence is furthermore promoted by contracting independent consulting firms and independent institutes to conduct evaluations. The head of the unit participates in meetings of Senior Management but not in the highest Management Team.

To support quality the unit uses process documents and templates, training of consultants, inception reports, quality check of evaluation staff members supported by a quality check list, joint/peer reading of the evaluation report, and joint debriefing sessions with involved persons.

Projects to be evaluated are selected on the basis of a random sample of concluded projects within two sectors per year. Projects with a high potential for learning are added. The sectors are chosen on the basis of the evaluation interest of Senior Management within GTZ and agreed with BMZ. On this basis GTZ co-ordinates with other organisations for joint evaluations.

A management response system has been agreed upon and will be piloted in 2010.



