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**Working Party on Aid Evaluation**

**STRENGTHENING THE DAC'S PEER REVIEW PROCESS :  
THE ROLE OF THE WORKING PARTY ON AID EVALUATION**

*The attached document is submitted to the Working Party on Aid Evaluation for CONSIDERATION at its meeting on 22-23 November 2000*

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## **STRENGTHENING THE DAC'S PEER REVIEW PROCESS: THE ROLE OF THE WORKING PARTY ON AID EVALUATION**

### **I. Introduction**

1. Peer reviews are a core activity in the DAC and rank as a high priority for almost all Members. The process is well established at the OECD and has been practiced in OECD committees including the DAC since the beginnings of the Organisation in 1961. It is a basic discipline of the DAC that all Members participate in the peer review process. Based on a schedule established by the Secretariat and the Committee, all Members are reviewed periodically. Guidelines on the preparation of the peer reviews were approved by the DAC in 1996.

2. Peer reviews have three basic goals:

- To assess the performance of Members against the goals and policies agreed in the DAC.
- To identify best practices.
- To provide information on Members' policies and programmes.

3. Annex 1 contains a brief description of the peer review process and Annex 2 is an indicative outline of the main review report. Annex 3 provides the 2000-02 programme of peer reviews.

### **II. Collaboration with WP-EV**

4. Innovative ways to further improve the Peer Review process are continuously being sought, not least by the Peer Review and Policy Monitoring Division (PRPM) of the DCD Secretariat, whose main responsibility is to draft the key peer review documents and to organise the review process. The idea of collaboration between peer review orchestrators and the Working Party on Aid Evaluation (WP-EV) emerged when a "peer review retreat" was held in early 2000. The DAC's review of subsidiary bodies, also held in early 2000, encouraged closer collaboration between peer reviews and DAC subsidiary bodies generally, and suggested an expanded role for the WP-EV.

5. During the discussions on the review of subsidiary bodies, a number of delegates specifically suggested closer collaboration between peer reviews and the WP-EV, with the objective of providing support and advice to the Peer Review process. The issue was first brought to the fore at the 29 February - 1 March 2000 DAC meeting on subsidiary bodies, where it was concluded that "...the Working Party on Aid Evaluation should continue on its present basis, with a defined role in the peer review process" (DCD/DAC/M(2000)3/PROV). It was further agreed that precise modalities should be elaborated, in consultation with the WP-EV, by the end of 2000. The issue was again brought up for discussion at the DAC meetings on 10-11 April and more recently the 12 September meeting.

6. At the 12 September meeting Delegates discussed a note on Strengthening the DAC's Peer Review Process [DCD/DIR(2000)5], and again expressed support for increased co-operation between WP-EV and Peer Reviews, pointing to the potential for a synergistic relationship due to the evaluative nature of work in both areas and the complementary expertise residing within WP-EV. Many delegates expressed support for the initiative and confidence in its potential advantages, with one delegation expressing some reservations. As noted above, the mandate renewal calls upon the WP-EV to define appropriate modalities.

7. The suggestions stemming from these discussions and from consultations between the Bureau of the WP-EV and the Secretariat are summarised below.

### III. Suggested forms of interaction

- A small WP-EV task force could be created to interact with PRPM and give informal advice on the peer reviews from an evaluation standpoint. This task force would include interested Members.
- The first task of the Task Force would be to consider how it might contribute to the **follow-up to peer review recommendations and conclusions**. Peer reviews are currently held every four years. The suggestion has been made that DAC Members undertake a **mid-term self-assessment** of the degree of implementation of specific DAC recommendations and of the main points raised in the peer review. The assessment would be one way to ensure follow-up to the peer reviews's main recommendations and be part of a general framework for follow-up.
- The Task Force would establish the parameters for this new mid-term self-assessment which **would be started on a pilot basis for a number of interested agencies**. The assessment could be done by the evaluation department of the agency/ministry in question, or another unit (in-house or outside) with sufficient assessment expertise. After a trial period, a recommendation would be made to the DAC on whether to make this a more permanent feature of the peer review process or not.
- A second issue to address concerns **participation in the team of examiners**. When a country is designated as a DAC co-examiner, more active participation by members of its national evaluation unit could be envisaged. A recent example of this is Switzerland for which the examiner for France came from an evaluation function. The suggestion has also been made to include a third co-examiner, which would add evaluative expertise to the review team.
- A third issue concerns possible **inputs by the evaluation department into the peer review start-up phase**. Evaluation departments seem uniquely placed in many agencies to provide the kind of synthetic information needed for any serious attempt to assess aid effectiveness issues. Currently, considerable importance is placed on efficiency issues in peer reviews, notably organisation, management issues, and implementation practices. Increasingly, however, the reviews are addressing effectiveness issues, at least in cases where there is a basis for such an approach. An option to consider here is whether the evaluation department of the country under review could prepare a synthesis of evaluation findings for use in the review. This would serve to draw attention early on the process to important effectiveness issues to be discussed in capitals and possibly also in the ensuing peer review meeting in Paris. The Task Force could look into the feasibility of such an arrangement and how this work could be structured and meet evaluation criteria and standards.
- A fourth issue is the suggestion to **include in the agenda of the WP-EV an annual item on peer reviews which would could either be retrospective or prospective or both**. This

would involve either looking back on results of recent reviews with regard to evaluation and aid effectiveness; alternatively, it could focus on identifying issues related to evaluation for future reviews. Such a discussion would require some insights into the examined countries' evaluation work for there to be added value. It is expected that this would reinforce exchange of information about evaluation units' work and challenges since the objective would not be to have a "frontloaded" peer review on evaluation issues within the Working Party.

#### **IV. Issues for discussion**

8. Members are invited to provide suggestions for collaboration with peer reviews and to explore modalities, including the forms of interaction indicated above. In addressing these issues, Members may wish to bear in mind the following points:

- Who would be interested in participating in the Task Force? What would be a realistic level of engagement for Members in this work? What would be the appropriate size of such a task force?
- Are there issues, in addition to those outlined above, that the Task Force and the WP-EV should consider addressing in order to contribute to DAC efforts to strengthen the peer review process? Should work focus on a pre-defined limited set of issues or should a flexible arrangement be sought which would try to respond to evaluation issues that arise in the peer review processes?
- Would it be helpful if future WP-EV agendas included an item covering an overview of sections from previous peer reviews relevant to evaluation in order to increase WP Members' knowledge of peer reviews? Or should the focus be more forward-looking towards the array of upcoming peer reviews with the objective of identifying issues for debate?
- How can members of WP-EV play a more active role as co-examiners as and when appropriate? What extent of involvement can be expected in this regard?

## ANNEX 1

### THE DAC'S PEER REVIEW PROCESS

#### Introduction

The peer reviews are a central activity of the DAC. Guidelines on the preparation of the peer reviews were approved by the DAC in 1996 [DCD/DAC(96)25]. The Guidelines specify goals, approaches and reference points for the peer reviews, the coverage/content and the processes by which they are prepared and conducted. (See para. 2 for the basic goals of peer reviews.)

Since 1993, the peer reviews have been published - and in the DAC Journal format since 1999. The Main Findings and Recommendations are posted on the OECD/DAC website as soon as approved in final form by the Committee. A press statement is issued following the peer review, on the responsibility of the Chairman.

#### Assessment

The DAC peer reviews have steadily increased in their scope and reach over the last decade. They are now complex processes which draw in many actors. They serve as a point both of input and reference for Member agencies, for Parliamentarians, academics, NGOs and the wider public.

This increase in the intensity of the peer reviews is visible and tangible in the evolution of the main components of the process:

- *The mission to the capital of the Member under review*
  - Led by the Director or Deputy Director, the missions now commonly include 2-3 other Secretariat staff and 2-4 examiners. The missions take 4-5 days, during which a wide range of functional units within the aid ministry/agency are interviewed. Opening and closing sessions are commonly held with the head of agency and usually there is a meeting with the Development Co-operation or Foreign Affairs Minister. Meetings with Parliamentarians are also usual as are sessions with NGO umbrella groups. Academics and research initiatives sometimes provide invaluable information and critiques.
  - The mission to the capital is prepared on the basis of a series of questions sent by the Secretariat to the capital. This commonly sets off a complex process of co-ordination and interaction within the Member country itself, notably within the aid ministry/agencies but extending also to other ministries, especially as policy coherence issues become more prominent. The peer review process thus stimulates a unique overview of development co-operation policies and programmes and institutional and staffing arrangements by the Member country itself, which reaches its peak at the time of the visiting mission.

- *Missions to the field*
  - On average, there are now two field missions for each review, comprising two members of the Secretariat and often one or more examiners. The field missions also involve intensive preparations on the part of all concerned - the Secretariat and examiners, and the DAC Member and its field mission. Usually taking up to a week, the field mission schedule is crowded with travel and meetings with a wide range of local actors, including government officials and other DAC Members in the field.
- *The documentation, which for each review consists of:*
  - The Main Report, prepared by the Secretariat.
  - The Summary and Conclusions, prepared by the Secretariat in consultation with the examiners.
  - The Country Memorandum or most recent Activity Report, prepared by the examined DAC Member.
  - The Main Issues Paper, prepared by the Secretariat and examiners, and cleared with the DAC Chairman in advance.
  - The field mission reports, prepared by the Secretariat.
  - The press statement, issued by the DAC Chairman following the meeting.
- *The Peer Review Meeting in Paris:*
  - The delegation of the examined Member country is normally led at the head of ministry/agency level.
  - Examiners must be committed to attending the review in Paris and co-ordinating with the Chairman on the organisation of the examination.
  - Delegates in Paris must be committed to preparing for the examination by absorbing the documentation and organising input from their capitals and field missions, as the basis for active participation in the several rounds of questioning and response.

In summary, the peer review process involves a heavy investment of time and attention by many people, up to the most senior levels. This can only be warranted if indeed the reviews are producing commensurate results in terms of a clear and authoritative analysis of the key trends and issues in the Member's aid policies and programmes, with recommendations that are helpful and have impact in terms of improved policy, programmes and implementation capacities.

## ANNEX 2

### INDICATIVE OUTLINE OF A PEER REVIEW REPORT

#### SUMMARY AND CONCLUSIONS

#### **PART I: GOALS, PRIORITIES AND PROGRAMME STRUCTURE**

##### CHAPTER 1: OVERALL GOALS AND PRIORITIES

- 1.1 Examined Member's development co-operation programme: the context and rationale
- 1.2 Overall policy framework
- 1.3 Other related policies
- 1.4 Carrying the Examined Member's policy framework forward

##### CHAPTER 2: AID VOLUME, CHANNELS AND ALLOCATIONS

- 2.1 Aid volume and bilateral/multilateral share
- 2.2 The bilateral channel: policies and allocations
- 2.3 The multilateral channel: policies and allocations
- 2.4 Non-governmental organisations: policies and allocations

#### **PART II: IMPLEMENTATION: STRATEGIES AND BROADER INSTRUMENTS**

##### CHAPTER 3: POLICIES AND ALLOCATIONS FOR KEY SECTORS AND CROSS-CUTTING AREAS

- 3.1 Social infrastructure and services, gender and poverty reduction
  - 3.1.1 Education
  - 3.1.2 Health
  - 3.1.3 Basic social services
  - 3.1.4 Gender and development
  - 3.1.5 Support for poverty reduction
- 3.2 Other development priorities and objectives
  - 3.2.1 Private sector development
  - 3.2.2 Environmental sustainability
  - 3.2.3 Good governance, human rights and respect for the rule of law
- 3.3 Conflict resolution and humanitarian objectives
  - 3.3.1 Conflict, peace and development
  - 3.3.2 Humanitarian and emergency assistance

##### CHAPTER 4: BROADER POLICIES AFFECTING DEVELOPING COUNTRIES

- 4.1 Policy coherence
- 4.2 Trade relations and trade-related assistance
  - 4.2.1 Trade relations with developing countries
  - 4.2.2 Trade-related assistance

- 4.3 Regional co-operation
- 4.4 Financial policies
  - 4.4.1 Debt relief
  - 4.4.2 Procurement and aid tying
- 4.5 Involving the Examined Member private sector
- 4.6 Development education and public information

### **PART III: IMPLEMENTATION: MANAGEMENT, COUNTRY OPERATIONS AND PERFORMANCE ASSESSMENT**

#### **CHAPTER 5: ORGANISATION, STAFFING AND MANAGEMENT SYSTEMS**

- 5.1 Overall organisational structure
- 5.2 Staffing
- 5.3 Management procedures
  - 5.3.1 Objective and target setting
  - 5.3.2 Budgetary procedures
  - 5.3.4 Guidance, direction and screening procedures
  - 5.3.5 Monitoring and review systems
  - 5.3.6 Accountability procedures

#### **CHAPTER 6: COUNTRY OPERATIONS**

- 6.1 Country strategies and programming
- 6.2 Approach to relations with partners
- 6.3 Aid delivery instruments
  - 6.3.1 Management Service Consultants
  - 6.3.2 Programme support and the emergence of comprehensive programme approaches
- 6.4 Regional partnership and aid co-ordination frameworks

#### **CHAPTER 7: PERFORMANCE: MAIN RESULTS AND KEY LESSONS OF EXPERIENCE**

#### **ANNEX 1: STATISTICS OF AID AND OTHER FLOWS**

##### **Tables**

- Table 1: Selected characteristics of the Review Country's 10 largest bilateral partners
- Table I.1 Total financial flows
- Table I.2 ODA by main categories
- Table I.3 Bilateral ODA allocable by region and income groups
- Table I.4 Main categories of bilateral ODA
- Table I.5 Bilateral ODA by major purposes
- Table I.6 Comparative aid performance

##### **Figures**

- Figure 1. ODA as a percentage of GNP
- Chart 1. Ministry of Foreign Affairs and Trade – Development Co-operation Division staffing
- Figure I.1. Net ODA from DAC countries in 1998



## ANNEX 3

## PEER REVIEW TIMETABLE FOR 2000-02

Date	Review of	Examined by
14 March 15 May 7 June 5 October 17 October	<b>2000</b>  <b>FRANCE</b> <b>NEW ZEALAND</b> <b>ITALY</b> <b>SWEDEN</b> <b>SWITZERLAND</b>	Italy, Norway Austria, Ireland Canada, Sweden United Kingdom, United States France, Netherlands
13 March 11 April 5 June 16 October 20 November	<b>2001</b>  <b>BELGIUM</b> <b>PORTUGAL</b> <b>NETHERLANDS</b> <b>UNITED KINGDOM</b> <b>GERMANY</b>	Denmark, Luxembourg Belgium, New Zealand Germany, Portugal Australia, European Community Japan, Switzerland
Early 2002	<b>2002</b> <b>(proposed)</b>  <b>Greece</b> <b>Spain</b> <b>Canada</b> <b>United States</b> <b>European Community</b>	Finland, Spain