

DOCUMENT

AID EVALUATION

THE EXPERIENCE OF MEMBERS
OF THE DEVELOPMENT ASSISTANCE COMMITTEE
AND OF INTERNATIONAL ORGANISATIONS

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

PARIS 1975

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AND INTERNATIONAL ORGANISATIONS

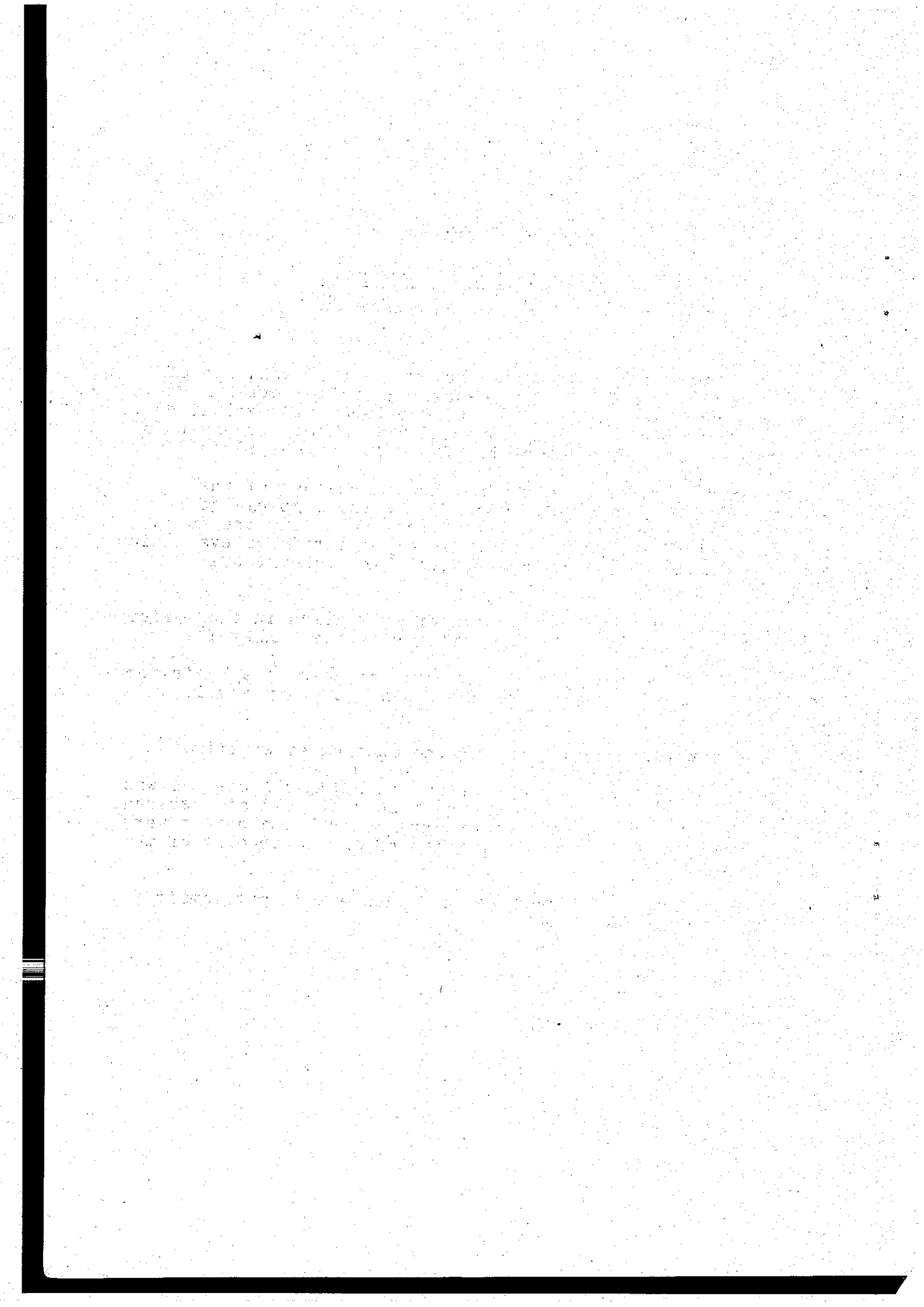
The attached document is a report on the exchanges of views which took place under the auspices of the Development Assistance Committee (DAC) of the OECD between aid evaluation experts at Amsterdam on 27th, 28th and 29th June. It has been prepared by the OECD Secretariat. The document comprises:

1. An introduction summarising the discussions of the experts on defining the evaluation framework, problems of method in aid evaluation, procedures for evaluating the social and institutional effects of aid, the organisation of evaluation by aid agencies, participation by developing countries in evaluation work;
2. An annex on the organisation of evaluation in the various agencies responsible for development assistance (Annex I);
3. Two annexes giving the documentation used as a basis for discussion at the Amsterdam meeting of experts (Annexes II and III);
4. The list of participants at the meeting of experts.

The 1973 meeting on aid evaluation held in Amsterdam was the follow-up to a meeting on the same subject held at Wassenaar in 1970. These two meetings of experts under DAC auspices were made possible thanks to the invitation of the Government of the Netherlands.

The opinions expressed in this document do not commit the Member Governments of the OECD.

Paris, February 1975



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theoretical aspects of the problem.

The first part of the paper is devoted to a general discussion of the theoretical aspects of the problem. It is shown that the problem is well-posed in the sense of Hadamard. The existence and uniqueness of the solution is proved. The stability of the solution is also discussed. The numerical method is based on the finite difference method. The results are compared with the exact solution. The error is of the order of $O(\Delta x^2)$.

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I. INTRODUCTION

1. The contribution made by aid to the process of development is a highly elusive factor, which needs constant re-examination and re-assessment. Both the donors of aid and the recipients recognise this, and in recent years, they have shown a growing interest in seeking systematic methods whereby aid programmes and aid-financed projects can be analysed and their effectiveness evaluated.
2. The essential purpose of undertaking an evaluation of an aid activity is not to re-write history but to improve aid operations in the future. By examining the contribution that an aid-supported project or programme has made to the development targets of the country concerned, both the aid donor and the recipient should be better able in the future to make the appropriate choices among alternative development possibilities. Indeed, some people feel that the very calling into question of past development choices is so valuable an exercise as to constitute, of itself, one of the principal purposes of evaluation. According to this view, project selection is just as important as project design or project appraisal. Finally, evaluation offers both donors and recipients one of the clearest ways of identifying the constraints to the effectiveness of aid and of development activities generally, that would otherwise long remain unrecognised.
3. The evaluation of development assistance is a subject of special interest to the Development Assistance Committee of the OECD. This Committee (the DAC) is a forum where the Member countries of the OECD, who are donors of aid, meet together with a view to securing an expansion of the total aid resources to be made available to developing countries, and to improving the appropriateness and quality of the aid provided. Evaluation can be a most valuable tool for improving the effectiveness of the aid effort. The DAC has, accordingly, made work on evaluation an important aspect of its overall concern to enhance the quality of aid and make it more responsive to changing needs and experiences.
4. As part of this work, the DAC in October 1970, at the invitation of the Government of the Netherlands, organised a 3-day seminar on evaluation, at Wassenaar, near The Hague. The purpose was to examine some of the more important problems involved in evaluating development assistance, both problems of method and of organisation. Specifically, the Seminar considered the problem of evaluating the results of an aid activity (as distinct from its implementation), the various

methodologies that might be used and the relevance of evaluation results to overall aid policies. It devoted particular attention to the special problem of evaluating technical assistance projects and to the practical question of the most appropriate organisation of evaluation work. It also considered the operational problem of how to ensure that evaluation results are effectively utilised in order to be taken into account in the framing of future aid policies and approaches(1).

5. In the relatively short period that has elapsed since the Wassenaar Seminar, the whole concept of evaluation has become much more widely accepted, and the approach to it much more institutionalised and systematic. One striking sign of this is the large number of aid agencies who have now set up special units with evaluation responsibilities. Whereas evaluation studies used to be undertaken ad hoc, by a variety of bodies and for a variety of purposes, they are now often considered an integral element in the agency's approach to its task. The purposes sought by an evaluation study have become much more precise and more directly related to special aid problems. Aid agencies may be concerned with improving their project management, with questioning their criteria for the allocation of resources or with uncertainty about their approach to development in particular sectors or circumstances. Evaluation, in short, has become much more functional.

6. Undoubtedly, the growing importance attaching to evaluation work has been due very largely to a gathering sense of disappointment with the results of aid and to the realisation that the problems to be solved and the means to be used to promote development are becoming increasingly complex. The experience of the past, therefore, an analysis of past successes and setbacks, seemed to offer a valuable source of information for the future.

7. The DAC, wishing to examine how the role and techniques of evaluation had evolved since the subject had been discussed at Wassenaar in 1970, held a follow-up seminar in Amsterdam in June 1973, again at the invitation of the Netherlands Government. Some 35 people participated in the three days' meeting, drawn primarily from donor aid agencies and multilateral organisations, together with some representatives from developing countries(2). All the participants were officials directly involved in evaluation work in their respective services.

(1) For the results of the discussions at the Wassenaar Seminar, see "Evaluating Development Assistance", OECD, 1971.

(2) A list of the participants is given in Annex IV.

8. The subject of the Seminar was divided into three sessions: presentation of a number of evaluation case-studies; the organisation and management of evaluation; and future possibilities of co-ordinating evaluation operations. Four case-studies were presented to illustrate the aims, methods, problems and results of various categories of evaluation. Two of these were examples of evaluations on a large scale - the World Bank's evaluation of all its operations in Colombia(1) and U.S. AID's evaluation on a world-wide scale of its "Food for Peace Programme"(2). The other two studies were of rural development projects. One, presented by France, concerned a project in the cocoa-producing area in the South Camerouns (Zones d'Actions Prioritaires Intégrées ou ZAPI)(3). The other, presented jointly by the Swedish Aid Agency (SIDA) and the Ethiopian management of the project, concerned a multi-purpose pilot operation in Ethiopia (the Chilalo Agricultural Development Project or CADU)(4).

9. In addition, the Seminar had before them the replies received from aid agencies to a questionnaire prepared by the Secretariat of the DAC regarding their respective evaluation activities(5).

10. The paragraphs which follow give a very brief summary of the principal points regarding evaluation methodology and organisation to emerge from the discussions in Amsterdam. They are intended primarily to serve as an introduction to some of the material prepared for the Seminar which is included in this document in Annexes I and II.

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- (1) "World Bank operations in Colombia. An evaluation", May, 1972. Confidential report.
 - (2) "Food for Peace: An Evaluation of PL-480 Title II. Volume 1: A Global Assessment of the Program", July, 1972, U.S. AID.
 - (3) "Rapport de synthèse de la mission d'évaluation des Zones d'Actions Prioritaires Intégrées du Centre-Sud Cameroun", juin 1972. Secrétariat d'Etat aux Affaires Etrangères chargé de la Coopération.
 - (4) "Chilalo Agricultural Development Unit", brochure éditée par la SIDA (Swedish International Development Agency), "Master Plan for the Evaluation of CADU", octobre 1972, SIDA.
 - (5) Given in Annex I.

II. DEFINING THE EVALUATION FRAMEWORK

11. In planning an evaluation study, the first step must be to select a framework for the enquiry as a function of the particular questions the study is expected to answer. This framework may be of various kinds - a global framework, a country framework, a project framework or a donor agency framework.
12. The global framework makes it possible to place a country's long-term development prospects in perspective, and thence to assess the contribution made towards their achievement by the aid provided. Evaluations of this kind, however, are not common, partly because of their ambitious scope and partly also because of the difficulty of finding sufficient overall data to permit valid assessments.
13. Evaluations within a country framework provide a surer basis for review, though these too may be very ambitious, if they cover the re-assessment of many different aspects of the aid process in a given country over a lengthy period. The World Bank's evaluation study of 20 years of Bank operations in Colombia is the outstanding example of evaluation of this type. The study made it possible to identify the development problems specific to the country concerned, to question the choice of projects financed, to analyse the various constraints to development (political, institutional, industrial, for example), and to arrive at a better understanding of the interdependent relationships between sectors and between projects. The World Bank study was concerned solely with its own activities in Colombia. The country framework could, however, be especially useful if several donors were to co-operate in evaluating the total foreign aid received by a particular country.
14. There are, however, certain difficulties in using the country framework for aid evaluation. Firstly, it might be politically delicate as far as the government of the host country is concerned. Secondly, it would probably involve concentrating the evaluation resources of the aid agency on the evaluation of a single country. Thirdly, it might tend to encourage an overall look at all the projects financed instead of an in-depth analysis of particular activities of major importance. Finally, and most important of all, it implies a tendency to ignore all other resources of investment in the country, other than those contributed by the aid agency concerned.
15. One advantage of the project framework (the ZAPI Project in the Cameroon and the CADU Project in Ethiopia) is that it differentiates between the "monitoring" function, concerned with the carrying-out of plans on schedule and within the budget, and "built-in evaluation", which asks about the effect of the activity while it is in progress, and whether plans need to be altered. Both monitoring and evaluation are part of the overall responsibility of project management.

16. The immediate purpose of evaluation within the agency framework is to report to the authorities responsible for financing the aid activity, on the use made of the funds allocated to it. This is not, however, necessarily incompatible with the other aims of evaluation. In particular, agency evaluation can provide a basis for inter-country comparisons and a reference for defining the framework for subsequent evaluations to be undertaken in depth. The United States' evaluation of its Food for Peace Programme(1) illustrates some of the difficulties involved in attempting an evaluation of a widespread programme. This exercise had been undertaken in order to provide the United States Budgetary Authority with a coherent defence of a frequently criticised programme. Because of the difference between the recipient countries involved, the study inevitably became somewhat impressionistic, in spite of an effort to ask comparable questions. Nonetheless, the evaluation did result in changes of emphasis on the Programme's priorities.

III. SOME PROBLEMS OF METHODOLOGY

(1) Evaluation Criteria

17. The choice of evaluation criteria raises delicate problems. One is that the targets of aid projects and aid programmes are constantly being modified in response to changing conditions in the country concerned. The evaluator, therefore, is faced with a choice, namely, should he take as his criteria the goals established at the time the project or programme was first designed, or as they appear at the time of the evaluation? One view is that as circumstances change, new targets should be chosen, reflecting the current economic and social objectives: evaluations, after all, are intended essentially to enable aid agencies to re-orient their commitments in a given country in the light of that country's current objectives. This implies, however, that the aid agency would be aware of the process of change while it is actually in progress, but it is not always easy either to foresee or to assess the evolutionary forces currently at work in a society. Some evaluation experts, therefore, take the opposing view and are of the opinion that projects should be evaluated on the basis of the criteria chosen at the time the financing decisions were made.

18. Another problem in the selection of evaluation criteria is the lack of precision regarding the goals set for aid projects and programmes. These goals are often couched in very vague terms, e.g., "to promote the economic and social development of a given region". Sometimes they do not even correspond to the action, in fact, undertaken (e.g. "to increase production" whereas the real aim was to improve regional

(1) "Food for Peace: An evaluation of PL-480 Title II, Volume I: A global assessment of the program" July 1972. Report submitted by the U.S. AID. "Evaluation of Food for Peace".

balance in income distribution). Because of this ambiguity, evaluations often tend to analyse the immediate results of projects mainly in terms of output, and fail to consider what contribution the projects may have made to the broader goals, i.e., social, regional and national development. The evaluation of the CADU project provides an illustration of this problem. There, the evaluators had to begin by identifying the original intentions of the sponsors of the project five years after the project had been launched.

19. Evaluation should seek to determine whether the targets of the particular aid activity could have been obtained by means other than the particular project or programme evaluation. In particular, it should try to find out whether the same objectives could have been achieved by local efforts. The study by the World Bank of its operations in Colombia concluded that no significant substitutions had occurred between foreign aid to the public sector and local public sector savings. The evaluation of the U.S. AID Food for Peace programme took some account of the local resources that could have been substituted for this programme; it did not, however, include also the contribution of food aid deliveries in the form of grants, nor did it take into account such secondary results as the possible impact of the programme on agricultural production and productivity, nutritional standards, etc.

(ii) Choice of Activities to be Evaluated

20. The question of what should be evaluated is one on which there are many different opinions. The World Bank evaluation unit, for example, has not reached any definite view as to whether it is preferable to evaluate past projects, the results of which are clearly visible, but which had usually been chosen on the basis of criteria no longer generally applied, or more recent projects, which are harder to appraise but are more typical of current Bank policy. The tendency, however, is to concentrate on more recent projects.

21. If the evaluation is concerned with the activity of the aid donor, it has to be decided how much of the donor's operations are to be evaluated and in what degree of depth. The World Bank and some bilateral donors have evolved a two-fold system consisting of regular reporting on projects by the operating departments concerned, followed by in-depth evaluation of certain selected projects.

22. Ideally, projects should be programmed in such a way that the type of information useful for subsequent evaluation could be gathered, automatically, by regular reporting, at various stages throughout the project's implementation. In practice, however, this tends to impose a considerable burden on both the financial and personnel resources of the aid agency and the management of the project. Those in charge of the CADU project, for example, found that the data required for aid evaluation needed to be much more far-reaching than that required for project management. (The same is likely to be true of the data required for ex-ante project appraisal).

(iii) The Problem of Indicators

23. The need to place evaluations of specific activities into a perspective of overall development by country or by sector, requires new methods of analysis. A particular problem here is to try to define structural indicators, which would make it possible to follow the progress of the "system" of which the projects are part.

24. The problem of indicators is particularly difficult in the case of evaluating projects with institutional or social goals, and notably, technical assistance activities. It is difficult to express non-economic targets in quantitative terms. Consequently, it is still more difficult to quantify the extent to which these targets may or may not have been achieved. Much more work needs to be done, therefore, to find satisfactory indicators. AID's solution to this problem in the case of its technical assistance programme, is to examine each activity in the context of a "logical framework"⁽¹⁾, with inputs, outputs and objectives, suitable for analysis, expressed by means of indicators established ex-ante. Other aid agencies simply apply less formal empirical methods for evaluating their technical assistance activities.

25. For both capital and technical assistance projects, one element of vital importance in the evaluation methodology is the time-frame used. Very different results would be obtained from evaluating a project five years after its implementation or twenty years after. Clearly, therefore, any evaluation study must make clear, at the outset, the time-frame used in calculating the project's probable impact.

26. In theory, the impact of a project should be able to be expressed in terms of a reference situation, i.e. a situation which, theoretically, would have existed had the project not been implemented. Such a situation, however, is hard to define. Sometimes, it is done by choosing test areas not affected by the project, and then following the progress of these areas in parallel with that of the project area. Experience, however, suggests that it is far from easy, at the beginning of a project, to choose a test area that will prove still suitable as a valid basis for comparison at some subsequent date.

(1) See Annex II, Document 3.

IV. EVALUATING THE SOCIAL AND INSTITUTIONAL EFFECTS OF AID

27. Despite the progress made in evolving evaluation techniques, little evaluation is attempted of the social consequences of aid. Partly because of political constraints, partly because of the poor quality, to date of the evaluation instruments, priority in evaluation has been largely given, hitherto, to examining the economic impact of projects, even where the projects themselves contain important social targets.

28. Up till now, evaluation teams have rarely included sociologists, largely, no doubt, because developments in their field have not produced any functional guidelines with which to assess the complexity of social development. Sociological research has usually implied in-depth studies which take a long time and are not suited either to the needs of aid agencies seeking results of operational relevance, or frequently, to the style of the aid projects themselves. As aid activities, however, are coming increasingly to stress such broad development goals as assisting deprived populations, improving health and education, redistributing income and even changing traditional customs and attitudes, the need for developing scientific instruments for measuring the effectiveness of aid in helping to achieve these goals will clearly become increasingly great.

29. An allied problem is the evaluation of the extent to which aid activities help to support institutions in the less developed countries. The methods for evaluating the "institution building" aspect of aid still tend to be very rough. The United States has done some work to identify the salient characteristics of institutions which have proved effective in developing countries, and is trying to devise indicators for progress which could be used by its field missions.

V. THE ORGANISATION OF EVALUATION BY AID AGENCIES

30. Since the purpose of undertaking evaluations is to guide the aid agency in its future operational work, it is obviously of the greatest importance that evaluation studies be organised in such a way that their results will have the maximum possible impact on future aid policies and implementation. One way of achieving this would be to include in the evaluation team some of the local or central personnel from the aid agency responsible for implementing the programme. U.S. AID usually does this. Other agencies favour associating with the evaluation team people from outside, who may be better placed to make objective evaluation of policy. Too much reliance on outside consultants, can, however, be a danger as they are likely to be unfamiliar with the aid agency's policies and the practical problems with which it has to deal.

31. Whatever the composition of the evaluation team, however, the important thing is the need to establish satisfactory institutional links between the persons in the aid agency responsible for evaluation work and the other services of the agency. In particular, it is desirable that there should be links between the evaluators and:

- (i) the officials responsible for allocating aid resources;
- (ii) the officials responsible for appraisal of new project proposals;
- (iii) the officials responsible for project operations.

The World Bank's study on Colombia is a good example of this kind of liaison. Not only was the final report the result of very thorough discussions with the operational departments, but the evaluation division subsequently carried out a systematic follow-up on the actions taken to implement the report's recommendations.

32. One important factor in establishing the necessary working co-operation between the evaluation unit and the rest of the aid agency is the location of the evaluation service in the agency's organisational hierarchy. Several aid agencies, recognising this, have accordingly located their evaluation unit at a level close to top management, where it enjoys a considerable degree of autonomy and is in a position both to channel its findings as feedback to the relevant agency services and to review the use made of it in future policy-formation and operations

33. Ideally, evaluations should achieve a compromise between the independence and objectivity of the judgements made and the need to get those judgements accepted by the various parties involved - which means not only the aid agency but the recipient government and the local entity responsible for the activity in question. This implies certain problems in so far as the composition of the team is concerned. For example, can a report be truly objective if members of either the host government or the body responsible for the project's management have participated in the evaluation and in the preparation of the final report? Similarly, the inclusion in the evaluation team of officials from the aid agency responsible for the operation of the project may also diminish objectivity. Outside consultants probably offer the maximum chances of objectivity, but their findings and recommendations are likely to be more difficult to use as feedback into the agency's regular policy-making and operational machinery. The Japanese aid agency is currently trying an interesting solution to this problem by having its evaluation missions headed up by a person from the private sector, an arrangement which both introduces a judgement external to the customary attitudes of the agency and facilitates relationships with Japanese investors in the developing countries.

VI. PARTICIPATION OF THE DEVELOPING COUNTRY IN EVALUATION WORK

34. It is generally recognised that the host country should itself take part in evaluation of its aid-supported activities. Ideally, it should participate in all the various stages of evaluation work (decision to undertake the study, definition of its purpose, implementation, preparation of conclusions and recommendations). Such participation would, in many ways, assist the task of the aid donors by making it easier for them to keep track of the evolution of development targets and values in the less-developed countries, help to prevent them from consolidating obsolete structures, and more generally, bring to evaluation deeper understanding and perspective.

35. In practice, however, the participation of developing countries in evaluation activities has been relatively small, partly because of the difficulty of finding the necessary qualified people available at the time required(1). A more serious difficulty is that evaluation results are often critical of the policies of the recipient country. The World Bank's aim in Colombia, for example, had been to make an assessment of the Bank's contribution to the solution of the country's development problems. The final report, accordingly, raised such delicate issues as land reform, the economic efficiency of small producers compared with large enterprises, government tax policies, etc. Some donors feel that this problem might be circumvented by including in the evaluation report alternative options and recommendations and making it clear that the initiative for decision lay with the government concerned. Others favour simply accepting the development targets of the government as given, and concentrating the evaluation on the contribution of the particular project to the achieving of these targets.

36. In general, it is to be hoped that evaluation will increasingly be undertaken by experts from developed and developing countries jointly. In the last resort, it is the developing countries who usually finance most of the cost even of aid-supported projects, and it is they who must often execute many of the recommendations emerging from evaluation reports. It is further to be hoped that the donors of aid will encourage the developing countries, by means of training in evaluation techniques and, possibly, also, by some financial assistance, to undertake evaluations themselves, not only of their aid-supported projects, but also of the development projects that they finance out of their own resources.

(1) A good example of co-operation between the donor and the host country in an evaluation study is the evaluation of the CADU project in Ethiopia.

ANNEX I

INFORMATION SUPPLIED BY AID
AGENCIES IN REPLY TO A DAC
QUESTIONNAIRE ON THE ORGAN-
ISATION OF EVALUATION IN
THEIR AGENCIES

ANNEX IInformation supplied by aid agencies in reply to a DAC questionnaire on the organisation of their evaluation workA U S T R A L I A

1. The following answers relate exclusively to Australia's project assistance.

I. LISTING OF EVALUATIONS ACTUALLY PERFORMED

2. To date, no evaluations have been completed. Plans for five are being developed and will be carried out over the next twelve months.

II. PRESENT ORGANISATION

3. An aid review section was established two years ago within the Aid Branch of the Department of Foreign Affairs. In general, it is responsible for appraisal work on selected major projects, and for the evaluation of projects already undertaken or completed. The establishment of this section consists of three officers although, due to staffing shortages, it is at present manned by only two.

4. As noted above, no evaluation of projects has as yet been completed, the section having been fully engaged on appraisal work to date. The intention is to make the fullest possible use of evaluations in the design, appraisal and implementation of future projects.

5. The Research School of Pacific Studies in the Australian National University devotes attention to the impact of aid in developing countries, but has not yet, to our knowledge, carried out evaluations of specific Australian aid projects. In 1971, the Australian National University organised a conference on aid projects in Thailand.

III. FUNCTIONING OF THE EVALUATION PROCESS

6. The intention is that the ex-post evaluations to be carried out in the future will cover a representative sample of Australian paid projects. The nature of these evaluations will depend on the characteristics of the project in question. In some cases, such as road projects, there will be a need for several studies to be carried out at suitable intervals after completion of the project. As to built-in economic evaluation, our projects do not contain provision for this in a formal sense, but a system exists for periodic technical reporting and accounting during the currency of particular projects.

7. The evaluations will be carried out by central administration personnel with appropriate technical and economic training and experience. In cases where local mission personnel have appropriate expertise and can be spared from other work, it is intended to make use of them for particular reviews. In addition, consultants may be engaged where necessary.

8. Local authorities in recipient countries have been requested to participate in evaluations as a joint exercise. Their co-operation is also being sought in planning the evaluations in order to ensure that they cover points of special interest to the recipient countries.

9. A procedure for the dissemination of the results of evaluations has not yet been worked out, but the general aim will be to ensure that the evaluations are available to all officers working in the aid field to whom they would be relevant.

IV. METHODOLOGY

10. It is intended to use a formal methodology to the extent that is compatible to the variety of our aid projects. The essential link between the appraisal and the evaluation process will lie in the fact that both operations will be carried out by the aid review section. Methods for evaluation are being worked out in the light of the OECD 1969 Manual and subsequent OECD papers. We will be concerned in some evaluations to assess the impact on localities as well as overall economic affects. There will, no doubt, be a need to modify particular methodologies to cope with the peculiarities of particular projects.

V. PURPOSES

11. The aims of each evaluation will be:

- (a) to see whether the project has been worthwhile in terms of its agreed objectives;
- (b) to obtain maximum information for the guidance of both the recipient and donor countries;
- (c) to pinpoint any possible improvements which might enable a similar project to be carried out more efficiently or economically in the future.

In brief, the purpose in carrying out evaluations will be to make a balance in-depth assessment of all aspects of a completed project in order to measure its degree of success and to draw lessons which will be of benefit to both the recipient and donor country.

VI. RESULTS

12. The first results of our evaluation work should become available in the course of the next year.

A U S T R I A

I. PRESENT ORGANISATION

1. Under present legislation, development aid activities come under the relevant Federal Ministries, whose work is co-ordinated by an "interministerial committee". In view of this organisational pattern the evaluation of development aid activities, which is usually done by the specialist Ministries responsible for the particular activity, tends to be oriented towards specialised sectors and projects.

II. FUNCTIONING OF THE EVALUATION PROCESS

2. Evaluation is part of the work of monitoring the project and does not only deal with the financial side of project implementation, but also assesses (qualitative monitoring of the project) to what extent the promotor of the project (who is usually a private body in the case of technical assistance projects) has achieved the development policy objectives laid down by the competent Federal Ministry. The results of this qualitative monitoring of projects are the basis for the ex-post evaluations made by the specialist ministries of the implementation of projects and thus provide criteria for assessing proposals for new projects.

3. So far outside bodies such as universities have seldom been called in to make evaluations and it is only when arranging programmes for study grants that the specialist ministry seeks the opinion of university lecturers.

III. METHODS

4. The interministerial co-ordination committee, mentioned above, issues general directives as guidance to the special Ministries, but otherwise the latter, when drawing up a contract for a project, find the detailed criteria for later evaluating its implementation by studying its development policy context, including, if appropriate, the directives from international organisations. Before projects are undertaken which require heavy capital investment, experts are usually sent to the proposed site of the project in order to advise the specialist Ministry on what development policy objectives to adopt, thereby providing the main evaluation criteria. When projects are carried out in close co-operation with the local authorities, their implementation is evaluated in agreement with these authorities.

IV. PROBLEMS

5. Apart from general principles, the criteria for evaluating development aid naturally vary widely from sector to sector and from project to project, and in this connection it would be highly desirable to establish uniform standards to the extent that an improved method of evaluation might also lead to better programming and improved execution of development aid projects. In the light of experience of evaluation methods, evaluation at headquarters is to be preferred to decentralised evaluation, if only for reasons of expense, and steps should be taken to ensure that the findings from evaluating on-going projects are communicated regularly to the programming and operational bodies.

B E L G I U MI. ORGANISATION

1.(a) The "Administration de la Coopération au Développement" (Development Co-operation Administration) was reorganised at the end of 1971. Headed by an Administrateur Général, it comprises two directorates, one for programmes and operations, and one for administration, as well as a new department, the "Inspection Générale chargée de l'Évaluation et du Contrôle" (Inspectorate-General for Evaluation and Review), which is attached directly to the Administrateur Général. The Inspection Générale has a staff of three.

2.(b) The Inspection Générale is in constant touch with the two Directorates-General, which supply the basic information required for the work of the Inspection Générale, which in turn informs them regularly of the results of its work. The Inspection Générale tries to maintain and strengthen these important flows of information.

3.(c) It should be added that the Inspection Générale makes both progress evaluations (of on-going projects) and ex-post evaluations. Ex-ante appraisals (of applications) are made by the Direction Générale des Programmes et des Opérations.

II. FUNCTIONING

4.(a) The Inspection Générale makes its evaluations sometimes at the request of the Minister responsible for development co-operation, sometimes at the request of the Administrateur Général, and sometimes at the request of a Directorate-General.

5.(b) It may be useful to mention here:

- that in 1972 aid in the form of personnel included some 3,000 persons working in the field;
- that in 1972 Belgium was host to more than 2,500 holders of study grants; and
- that integrated pre-investment projects are relatively numerous (although for only limited amounts).

It should also be mentioned that in 1972 expenditure on personnel and study grants was three times as high as on projects.

The Inspection Générale has, therefore to take account of the pattern of Belgian aid and to make a compromise between the limited resources available and the large aid effort which Belgium is asked to provide.

6.(c) With regard to aid in the form of personnel, the Inspection Générale cannot of course monitor each of the 3,000 or so field officers. It, therefore, proposes to concern itself with all those who are not working on projects, classified by country and by sector. For this purpose, with the help of the aid co-operation missions on the spot, it will try to collect data on such factors as the importance of the sector, the nature and importance of the work, the training of local counterparts, the prospects of relieving the officer, etc.

With regard to holders of study grants, it has sent out a questionnaire to those who are finishing their training courses in Belgium.

In other words, in the technical assistance field, the Inspection Générale is trying to obtain information helpful for evaluating, by sector and/or by country, Belgian aid programmes in respect of provision of experts and training.

With regard to integrated (pre-investment) projects involving simultaneous provision of experts, study grants, equipment, etc., their project leaders, who already submit regular technical reports, are to be invited to answer some ten general questions (on the objectives of the projects, co-ordination with other aid schemes, progress made towards achieving the objectives, difficulties encountered, possible reorientation of the plan of work, possible additions to the resources earmarked, etc.).

The Inspection Générale is also preparing some special questions for particular aid sectors (agricultural development, industrial development, rural development, etc.).

The intention is to incite project leaders to make their own on-going evaluations and so provide useful data for subsequent evaluation studies.

At this stage the Inspection Générale is not dealing with investment projects (buildings and roads), of which there are not many, nor with bilateral loans, which are essentially programme loans and not project loans.

7.(d) Some evaluations were made in 1969 and 1970 by experts outside the Administration.

The Inspection Générale is now trying to organise the systematic collection of data through central government departments, aid co-operation missions in the field and project leaders. It plans at a later stage to make its own evaluations, most probably with the help of outside experts.

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8.(e) While the Inspection Générale intends to discuss problems raised by a particular programme or project with its colleagues in the Direction Générale des Programmes et des Opérations, with the aid co-operation missions on the spot, with project leaders, etc., it also intends, on its own responsibility, to draw conclusions and make recommendations.

It considers that its partners in development aid work are unable to find enough time for evaluation exercises (because of operational pressures) and are also technically and psychologically "committed" to the schemes they have planned or are administering or carrying out.

9.(f) The problem of making joint evaluations (with recipient country authorities) has not yet arisen at the present stage of its work.

III. METHODOLOGY

10. At the present stage in its work, the Inspection Générale is proceeding on empirical lines.

However, it is moving towards a more methodical approach, as may be seen from the (provisional) material it has compiled, such as models for reports, general and special (sector) questionnaires.

It is trying to create a link between ex-ante appraisal and its own work through a project index containing information to be supplied by the programming and operational authorities on a number of basic points (objectives pursued, expected results, etc.).

This raises two kinds of difficulty:

- technical (it is difficult to find reliable indicators for each of the main aid sectors);

- psychological (the operational staff, both at headquarters and in the field, do not wish to spend too much time on reports and questionnaires).

Naturally, if too much time is spent explaining one's actions no time is left to act.

The problem is how to steer a middle course by putting only a few questions, but the right ones, to those doing the work.

IV. ACTIVITIES

12. The Inspection Générale has not devoted all its energies to preparatory work (mentioned under II(b) and II(c) above).

It has already made an initial evaluation of Belgium's co-operation in non-university teaching in one of the countries in receipt of Belgian aid.

The findings of this evaluation no doubt contributed to the change in Belgium's co-operation policy in this sector (towards more concentration on priority levels) and helped to establish more regular contacts with a number of Belgian staff on the spot.

In addition, the Inspection Générale was asked to survey the whole field of Belgium's co-operation with another recipient country and this has led it to point out certain failings in the preparation and execution of Belgian aid schemes.

Following the reactions by the Central Government and aid co-operation missions in the field to these evaluation experiments, the Inspection Générale was asked to study two procedural problems:

- as regards recruitment of aid co-operation personnel
- as regards purchase of equipment for integrated projects.

The Inspection Générale made a thorough study of the relevant texts and put forward suggestions for adapting them as required for effective co-operation.

In this the Inspection Générale was no doubt overstepping the limits of evaluation work, as it did not stop at checking the effectiveness of Belgian programmes, but went on to seek and put forward solutions for the problems it had discovered.

V. PURPOSES

13. On the whole the evaluations made by the Inspection Générale have led to conclusions which, although sometimes critical, have always been constructive.

At the outset the Inspection Générale concentrated on Belgian policy in a particular sector (non-university teaching) and on management problems.

In both cases it had two aims in view:

- to seek to improve future aid operations by profiting from past experience and
- to contribute to a better use of public funds.

Similarly, the Inspection Générale intends at a later stage to look at programmes and projects, but only after having collected certain basic data, some of which were (or should have been) collected during the ex-ante appraisals (screening of applications), while others can be provided by field staff.

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These evaluations will normally cover on-going operations (evaluating an on-going scheme or a scheme which is coming to an end and should or should not be extended).

On this basis the Inspection Générale was asked to evaluate all the aspects of a project which will come to an end in 1974 with a view to deciding, in the light of experience and the results achieved, whether an extension should be envisaged and, if so, in what form.

VI. RESULTS

14. The Inspection Générale is a new administrative unit carrying out a new task which is both important and complex.

It has had to carve out a place for itself in the administrative system and work out its own approach to evaluation.

It has still some way to go in both these respects, but after working for some fifteen months it has contributed some new thinking as regards both co-operation policies and aid management (see IV above).

Many of the ideas and recommendations in the Inspection Générale's reports have been accepted and implemented (although it has not always been given credit for them) and its constant search for more rational and better planned procedures helps to create a constructive atmosphere.

In conclusion, while the Inspection Générale proceeded somewhat empirically during its running-in period, it achieved positive results, although they may be difficult to quantify (because they are indirect).

C A N A D A

I. BACKGROUND

1. An Operational Review Division was established in CIDA in September 1970. The prime objective of the Division was to provide CIDA management on behalf of the President, a systematic, continuous independent management review and appraisal of the Agency's activities with respect to the adequacy and effectiveness of Agency policies, plans, management controls and operational methods used to transform Canadian resource inputs into development assistance outputs. From its inception in 1970, until January 1973, the Operational Review Division was employed primarily as a special Task Force, charged with integrating the Agency's planning and operations' functions together with developing methods designed to improve overall management within the Agency.

2. Organisation and responsibility changes arising from Task Force activities brought about increased delegation of responsibility and approval authorities to country programme managers, together with heightened emphasis on accountability. To provide management with objective information on project development and implementation, the Operational Review Division reverted to its prime role, and commenced active review operations in February 1973. At the same time, an Evaluation Division was established within the Policy Branch of CIDA, charged with the responsibility of providing management with objective information on the effectiveness and utility of CIDA's policies and programmes, through country studies and evaluations of the socio-economic impact of Canadian assistance on recipient countries' progress towards attainment of their development objectives.

3. Operational Review and Evaluation programmes have been approved for the current fiscal year and the results of these first evaluations will be available within the coming year.

II. PRESENT ORGANISATION

4. Because evaluation is essentially an on-going function of management it is not, therefore, the sole prerogative of any one division in CIDA and thus the Operational Review and Evaluation Divisions have been assigned specific responsibilities on behalf of management for certain aspects of programme and project review and evaluation. These two divisions are organisationally located in two separate branches of CIDA - Operational Review reports to the Vice-President of Administration and Evaluation reports to the Vice-President of the Policy Branch. While some overlap in function has been identified in the activities of each Division, CIDA's operating methodology has been developed to accommodate multi-discipline team operations in such instances.

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5. The following simple but basic distinctions may usefully be drawn between the role and responsibilities of each Division. Broadly speaking Operational Review compares project appraisal objectives, targets and purposes against actual results to see if the project objectives were/are being met. It further appraises operational processes to determine compliance with existing management controls and regulations, and develops indices designed to measure the efficiency and effectiveness of CIDA's management and operational procedures. To do this, Operational Review has adopted the U.S. AID approach and has modified that agency's methods to meet CIDA's needs.

6. The Evaluation Division on the other hand is involved in a much broader analysis of the socio-economic impact of CIDA's aid efforts in a given country. This level of evaluation is more comprehensive than the one previously described and is concerned with questions which go beyond the examination of efficiency in terms of effectiveness. This level of evaluation deals primarily with the consideration of programme relevance in terms of the overall development requirements of the recipient country. It is also concerned with the effectiveness of specific programmes in dealing with the priority developmental problems of the recipient country.

7. Both divisions have limited establishments, with the planned strength of the Operational Review Division totalling six officers and three support staff and the projected full time strength of the Evaluation Division established at five officers supported by administrative personnel.

III. FUNCTIONING OF THE EVALUATION PROCESS

8. Operational Reviews conducted by CIDA are performed in accordance with an annual audit plan, prepared by the Operational Review Division in collaboration with operating management. In preparing the plan, consideration is given to such factors as the total appropriation for a project; a balance of projects between countries and between sectors; evidence of performance in need of improvement; areas where problems are known to exist or have existed; the state of project development, and the selection of a representative sample of Canadian aid projects.

9. The Evaluation Division is selective also in the tasks it undertakes. The specific nature of the tasks performed by the Evaluation Division are pre-determined primarily by the requirements of Senior Management as well as by the requirements of the programme and operating areas within the Agency. Programme problems, with respect to sectors and policies under consideration may be relatively specific, but the approach to their examination is wide-ranging in terms of the concepts and methods employed in evaluation. The work of the Division is oriented towards the possibility of introducing improvements and innovations in CIDA's policies and programmes to help ensure that an evaluation design is built into the procedures for formulating programmes and projects.

10. The work of Operational Review and Evaluation is carried out by task forces with active participation by programme managers, mission staff, and representatives of the host countries. These task forces are augmented by consultants and experts from universities or institutes, as required.

11. The findings of the reviews and evaluations are discussed at appropriate levels of management within CIDA. The final reports are classified as confidential and their distribution is restricted to the Agency and those organisations participating in the reviews or evaluations concerned. It is intended that through joint participation by operations managers and evaluators in the various evaluation exercises, that the results of the total evaluation effort will be fed into the planning and decision-making apparatus of the Agency.

IV. METHODOLOGY

12. The Operational Review Division employs multi-disciplined terms, e.g. (Engineers, Economists, Sociologists, Financial Managers and Sectoral Specialists) headed by professional operational auditors and supported as required by officers seconded from other CIDA branches or divisions and occasionally by consultants with appropriate specialised skills. This Division has adopted the U.S. AID formal methodology for evaluation and has modified this system to meet the particular needs of CIDA. Several officers from this Division have received training in the United States through seminars given by the U.S AID Evaluation Division and a training cadre from that Agency has visited Canada and conducted seminars for CIDA staff members.

13. The Evaluation Division has not yet developed a formal methodology for evaluation purposes but is currently experimenting with several evaluation systems prototypes. In practice, it has been found that a variety of approaches and combinations of techniques have been appropriate, rather than the application of one specific method.

14. In the practical organisation of evaluation work we feel the following points are most important:

- the establishing of suitable criteria for the selection of areas for evaluation, and determination of the methodology to be used in the areas selected,

- the willing co-operation and active participation of the units whose work is being evaluated, since in a large part the effectiveness of the evaluation programme will depend upon the support of operating management,

- the selection and recruitment of evaluation teams possessing the necessary skills, knowledge and experience in evaluation techniques and development assistance programme administration,

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- the involvement and participation of host country representatives and members of the mission staff.

V. PURPOSES

15. Operational Review and Evaluation Divisions have been established in CIDA to provide management with objective and timely information on the management, effectiveness, efficiency and utility of CIDA's policies, programmes and projects, through project reviews, country studies and evaluations. This kind of objective appraisal and conclusion is considered essential to management at all levels in order to maximise improvement in the development, management and evaluation of current and future projects and programmes.

VI. RESULTS

16. Although Operational Review and Evaluation Divisions have become operational only within the past six months, some feedback and conclusions have already been obtained. We expect that the results of analysis of our initial operations will be available within the new year following which, we will be in a better position to make these findings available for review and discussion.

EUROPEAN ECONOMIC COMMUNITY

I. PURPOSES

1. In accordance with the regulations governing the Commission's functions with regard to co-operation with the Associated States, the Commission keeps itself informed of the terms and conditions on which aid financed by the EDF(1) is used by the recipient countries. In order to do this it has been making ex-post evaluations since 1967 of projects which the Community has helped to finance.
2. The purpose of these evaluations is to ensure that aid is used as effectively as possible to meet the development needs of the recipient countries.
3. This statement may be regarded as merely describing a principle of good management, but it covers the different possible motives for making evaluation studies. The Commission, however, gives no priority to any of these motives and, in choosing a project to evaluate, it may at most be swayed by the desirability of studying the problems raised by a particular project or commonly met with in one aid sector or another. This conception of evaluation not only treats the evaluation and monitoring of projects as differing in degree, but also makes a radical distinction between these two activities based on the different aims they pursue.
4. In practice the Commission expects an evaluation to enable it to:
 - find out quickly what additional resources and measures may be required to achieve the objectives assigned to each project;
 - draw the conclusions which may help in steering the Community's aid and improving the planning of the projects it finances.

II. PRESENT ORGANISATION

- 5.(1) Several courses are followed in carrying out evaluations, including an examination of the project before or after its completion and an analysis of the project or the sector of activity concerned.
 - (a) At regular intervals the Commission collects information on completed projects through the EDF delegate controllers and the technical controllers in each Associated State. Some projects have also been examined on the spot by officials of the Commission.

(1) European Development Fund.

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- (b) In addition to the above procedures, the Commission has arrangements for evaluating a number of on-going projects whose effects appear only gradually as the projects advance (e.g., multi-annual rural modernisation programmes). These arrangements should improve the follow-up action on projects by enabling them, if necessary, to be reoriented in due course and by observing the interdependence between the technical, economic and social policy options which arise as a project proceeds.
- (c) In addition the Commission has studies in depth made by experts or specialised agencies of particularly important projects carried out in the same sector of activity by different Associated States.

6. With regard to sector studies, it is the function of the specialised sector and aid co-ordination service to consult the competent project programming, organisation and implementation authorities and advise the Directorate-General which sectors to examine and how to proceed (choice of experts and their terms of reference). That service then follows the progress of the studies, assesses their results and draws practical conclusions for improving principles and practice in project evaluations and for guiding development assistance policy.

7.(2) All the reports written when making an evaluation (reports by delegate controllers, technical controllers, aid missions and outside consultants) are distributed to the competent economic and technical services and to the specialised service for sector and aid co-ordination. If corrective measures are required to make a project function properly, these will be decided on the basis of consultation between these different services and the Associated States concerned. Moreover, evaluation missions are only sent to the site of a project with the prior consent of the State involved, and representatives of the competent local authorities often accompany the officials or experts from the Commission on their field trips.

8.(3) Every year the Directorate-General for Development and Co-operation draws up a report for the Council of the Communities on the way in which the aid granted by the EEC under the two Yaoundé Conventions is being distributed and used. This report summarises the results from the projects examined during the year and, after approval by the Commission, is distributed to the Member States and to everyone in the Directorate-General who is interested.

III. METHODS

9.(1) The Commission supplies the project evaluation staff and experts on the spot with checklists showing what information is to be collected and what studies are to be made in each sector of activity. These checklists are drawn up by the specialised sector and aid co-ordination service in co-

operation with the project organisation and implementation services and are periodically updated following the completion of evaluation missions by the Commission's officials. So far checklists have been drawn up for the following sectors:

- road projects;
- village and rural water supplies;
- teaching;
- livestock farming;
- farm irrigation.

10. Along with this work of standardising methods, efforts are made to standardise the project appraisal methods leading up to proposed financing schemes for use by the services which process project applications.

11. It is not the purpose of these checklists to act as a rigid mould for evaluations, which would be self-defeating, they are mainly intended to provide a logical framework and flexible working tool.

12.(2) The practical organisation of evaluation work raises many problems which must no doubt vary widely depending on the setting in which the work is done.

13. The most important of these problems is probably where to place evaluation in the list of tasks to be done.

14. Within the Commission evaluation work is at present largely done by using machinery devised for other purposes (in particular the technical inspection of projects).

15. Thanks to the orientation and co-ordination work done by the specialised service whose functions include dealing with these problems, improved results are being obtained from this arrangement, but it cannot radically cure the variable quality of the basic investigations.

IV. LISTING OF EVALUATIONS ACTUALLY PERFORMED

16. It follows from the foregoing that the evaluations made so far have been mainly rough ex-post examinations, but owing to their large number these examinations provide plentiful material for the summary reports which are made each year and have been published regularly since 1967(1).

(1) Reports by the Commission to the Council of the Communities on the ways in which development aid is utilised.

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17. The information collected by the above method is widely used for the summary sector reports written from time to time by the Commission's various services. The necessary studies have so far been made with the help of some outside consultants and have included:

- road infrastructure projects in 1969, and
- teaching and training projects in 1970,

while current studies are concentrating on evaluating agricultural development projects.

V. RESULTS

18. It should be mentioned at the outset that these rough ex-post evaluations have led the Commission to take the necessary steps, or have them taken by the Associated States, to improve the operation of certain projects or to preserve certain investments.

19. Apart from these results, which are part of the "follow-up" of projects, a maturing period has to elapse before evaluation work bears visible fruit, although since 1967 results have undeniably been obtained, among the most important of which are:

- the declaration made by the Community at the meeting of the Conseil d'Association CEE/EAMA (Joint EEC/EAMA(1) Council) held in Tananarive on 22nd April, 1971, to discuss the maintenance and operation of investment projects financed by the EDF;

- the resolution on the general orientation of financial and technical co-operation adopted by the Conseil d'Association at its meeting in October, 1972.

20.(1) The declaration made by the Community in Tananarive was due to the discovery that some of the Associated States were having real difficulty in maintaining and operating investment projects financed by the EDF which were of strategic importance for their development. To help these countries to cope with the difficulties the declaration stated that in certain circumstances the Community might intervene, either by training local personnel to maintain and operate the projects, or by providing technical assistance to improve the organisation of the services responsible for operating and looking after them, or by providing equipment or maintenance supplies. In addition, provision is made in exceptional cases for the Community to contribute to financing major repairs to infrastructure projects

(1) Etats Africains et Malgaches Associés.

financed by the EDF and to meeting certain operational expenditure for helping to launch an investment project(1).

21.(2) The resolution adopted by the Conseil d'Association in October, 1972, acknowledged the need to adapt teaching to local situations and development requirements, which meant concentrating on vocational training and regionalising the work in this connection. The resolution also included some of the conclusions with regard to the design and utilisation of school buildings which emerged from the evaluation of completed projects.

22. In the second part of the orientation resolution the Conseil d'Association took note of the declaration made by the Community in Tananarive regarding the maintenance and operation of investment projects financed by the EDF.

23.(3) Apart from these pronouncements reflecting modifications in development aid policy, evaluations have produced other equally important results which have been less directly visible or have been scattered throughout the different stages in screening, preparing and implementing projects.

24. With regard to project design, a major requirement has been to distinguish clearly between objectives and resources so as to be able to fit the latter to the former as well as possible and this has led to paying special attention to the physical and human characteristics of the environment into which each project is to be integrated. This means that the design of buildings and equipment, often regarded as serving only to keep down investment costs, must be viewed more broadly and be based on a rational approach which seeks to fit the project into its own environment, whence the need to organise prior consultations with its future users, to link training schemes with the relevant projects and, in choosing equipment, to remember the constraints on its use (maintenance requirements and human skills). With regard to teaching, project appraisals should pay special attention to examining the teaching system in which the project is to operate and to assessing the system's effectiveness as a medium for development.

25. Another important question for project analysis is whether the operating expenses following the completion of an investment project are within the budget resources of the recipient country.

26. In appraising social development projects increasing attention is being given to the problem of recurring expenditure. While a theoretical approach makes it possible, in some circumstances, to determine the optimum combination of capital expenditure and operating expenditure for a given project, the conclusions will have no operational value in so far as the aid-giving authorities provide distinct sources of finance for these two classes of expenditure and as the recipient countries

(1) In this connection two financing decisions were taken by the Commission in 1973 relating to the maintenance of asphalt roads built with EDF funds.

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are not able to meet the operational expenditure when it is one of the forms of matching aid they must supply. Drawing on its own experience the Commission specified the terms, in its declaration in Tananarive, on which it was prepared to give exceptional aid to countries which, due to their special difficulties, were temporarily unable to meet themselves the expenditure resulting from investment projects financed by the EDF, but project appraisals are now paying more attention to the effects of such projects on the public finances of the country concerned.

27. Moreover, experience gained in carrying out projects has led the Commission to try, in planning projects, to give the EDF some freedom of action, so that the projects may not be prevented from operating because the recipient countries fail to provide the additional finance they promised.

28. Lastly, the experience gained has made it clear that ex-post evaluations by themselves cannot yield the desired results when the effects of the projects can only appear gradually as implementation proceeds and especially when the projects concern rural development. Implementation of the latter projects must be checked regularly and, if possible, continuously, not only from the technical viewpoint, but also from the economic and social viewpoints, by always relating the development of the project to the economic and social objectives it has to achieve. Only in this way is it possible, if need be, to re-examine the resources employed or (which cannot be excluded) to revise the original objectives. Such is the purpose of the evaluations which the Commission has now started to carry out on a number of on-going projects.

F R A N C E

1. The French government departments concerned with aid to the developing countries can undertake evaluations of the activities for which they are responsible.

2. The following replies refer to the work of the Secrétariat d'Etat aux Affaires Etrangères chargé de la Coopération (State Secretariat for Foreign Affairs with responsibility for Aid Co-operation), which has carried out most of the evaluations made in recent years by the French aid administration. These have concerned for the most part rural development projects involving both technical and financial assistance and the present report is limited to these projects.

I. LIST OF EVALUATIONS UNDERTAKEN IN THE LAST THREE YEARS

3. - Integrated development programme for the savanna area in North Togo - a diagnostic study. This global integrated scheme for rural development aims at increasing production by community development and dissemination of improved techniques.

- Introduction and spread of seed protection in North Togo.

- The Yabassi-Bafang project (in Cameroon) - evaluation mission. This is an experiment in developing the agricultural potential of an underpopulated area by means of the settlement of population.

- Mission for evaluating the zones for integrated priority activities (ZAPI) in South-Central Cameroon. In these zones the setting up of new structures and the wide range of activities concerning the peasant population are to help the peasant farmers to achieve economic growth which would both increase personal income and enable the local community to meet the recurring expenditure required for investments in local projects.

- Review and evaluation of the monitoring leadership training programmes for the Regional Development Offices in Ouagadougou, Koudougou and Kaya (Upper Volta) - this study is under way.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluation?

4. No department is specially responsible for evaluation and this work comes under the technical department dealing with rural development operations (Département du Développement Rural de la Direction de l'Aide au Développement) together with a department responsible for general economic studies (Bureau

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des Programmes de la Direction de l'Aide au Développement). The evaluations cover rural development operations coming under one or several projects wholly or partly financed by the Fonds d'Aide et de Coopération (FAC).

5. These studies are generally carried out at the request of the government concerned. Sometimes the Secrétariat d'Etat has taken the initiative, but the evaluation has always been carried out in agreement with the government concerned and in co-operation with it.

6. The evaluations usually deal with major projects. Their purpose may be simply to evaluate one particular part of an operation, or to answer questions on its further development. They may also be undertaken because the country concerned intends to apply to another source of finance for extending or merely continuing the operation.

(2) Links with other services of the agency concerned

7. There is no formal distinction between the authorities responsible for aid programming, project planning, project appraisal and project implementation. As there is only a small staff at the head office of the Secrétariat d'Etat aux Affaires Etrangères chargé de la Coopération, there is no difficulty in disseminating the findings of evaluations, so that the latter are duly taken into account, especially in orienting the projects and also in planning new projects.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Is there a systematic procedure?

8. There is a growing tendency to provide for systematic evaluation in the course of project executions. The procedure is not formalised, but tends to be included automatically in all major projects.

(2) Who performs the evaluation?

9. The local representatives of the Secrétariat d'Etat aux Affaires Etrangères chargé de la Coopération, i.e. the aid co-operation missions, keep track of the use of FAC loans to recipient countries, but their staffs are not sufficient to permit them to keep a close watch on the technical progress of aid operations. However, the aid missions co-operate informally in making evaluations and in particular, in collecting the information required. Evaluations have been and still are, carried out mainly by outside consultants, but recently a number of the agency staff has often joined the evaluation team, normally composed of an agronomist, an economist and a sociologist.

10. The experts chosen for making these evaluations have usually a wide experience of the problems involved. Their terms of reference stress the objectives of the evaluation and the results which it should yield, rather than practical working details.

11. Project evaluation is included in the syllabus of the Centre de Perfectionnement pour le Développement de la Coopération Economique et Technique (CPDCET), but the Secrétariat d'Etat does not provide any training in evaluation work as such.

12. The people responsible for carrying out projects are always closely associated with the relevant evaluations, but are not in charge of them.

(3) Association of recipient country

13. The authorities of the recipient country are always associated both with the decision to make an evaluation and with the procedure, (see II(1) above). Whenever possible, an official of the local government is included in the evaluation team, but it must be admitted that in this respect co-operation has never been very close, one of the obstacles being the fact that the experts making the evaluation complete their work on the basis of the information collected and write their report once back in France.

IV. METHODOLOGY

(1) Is there a formal methodology?

14. As there is no really satisfactory method of evaluating development operations other than industrial projects, the Secrétariat d'Etat aux Affaires Etrangères chargé de la Coopération does not insist on any particular method. However, the method of ex-post evaluations generally used by French experts experienced in this kind of work is based primarily on the study of the "results" generally expected from the project at the time of the ex-ante appraisal.

(2) Important problems

15. Experience has brought to light one vital point in organising evaluation work, namely, the need to include a sociologist in teams evaluating projects whose results are widely diffused, such as most rural development operations.

16. The experts must spend sufficient time in the field, a good average being from one to two months, depending on the importance and scope of the project. Longer stays do not overcome the main obstacle in the way of this type of evaluation, which is the difficulty of collecting socio-economic information on rural life. Only by improving the collection of this

information will it be possible to measure the benefits of rural development projects, to study how these benefits are distributed among the different beneficiaries (farmer co-operatives, development associations and/or state marketing companies) and to study the effects on the overall living standard of the population. Obtaining these data, on which the effectiveness of evaluation depends, involves difficult problems of methodology and practical approach.

V. RESULTS

17. Since evaluations are carried out under the authority of the responsible technical department and since the country which benefits from the project is always given the evaluation report, there are no special obstacles in the way of making use of the findings. Evaluations undoubtedly do much to improve understanding of the socio-economic problems raised by rural development operations, and in planning new projects, account is taken of the successes and failures which evaluations have revealed in projects of the same kind.

G E R M A N Y

Terminology

1. In the context of Germany's system of development assistance, "evaluation" covers a variety of activities which can be distinguished from each other as follows, depending on:

- (a) whether they take place before, during or after a given project programme, etc.;
- (b) whether the object is a single project, co-ordinated measures such as regional developing, sector assistance, developing country programmes with the participation of a donor country etc., or the setting up of a complete programme for a given country, or the working out of keys for the distribution of assistance among several recipient countries;
- (c) whether a comprehensive evaluation is to be made or one dealing with special aspects only;
- (d) which agency or department within the development aid administration, and in particular to which level in the hierarchy, is responsible for carrying out or commissioning the evaluation (including commissioning of external agencies);
- (e) whether work is to be or has been directly or indirectly financed by the Federal Government.

2. The following may serve as examples of the variety of work covered by the term "evaluation":

- project appraisals, checks on the progress being made on projects (monitoring reports, checking correct application of aid), review by the Reconstruction Loan Corporation on completion of capital aid projects, sometimes with the help of external specialists, and reviews by the "Deutsche Revisions- und Treuhand-AG" under the auditing regulations governing the Federal Budget;

- project appraisals, monitoring and assessment of project success in the case of technical assistance; this work is done by outside experts or groups of experts either with or without participation of the project units in the Ministry for Economic Co-operation, the Federal Agency for Development Assistance or the Deutsche Förderungsgesellschaft für Entwicklungsländer (German Development Corporation for the Developing Countries);

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- observation of the effectiveness of aid by representatives of bilateral friendship societies in Germany;
- ad hoc evaluations in emergency situations;
- inspections and auditing checks on development aid measures by a special section set up for this purpose in the Federal Ministry for Economic Co-operation;
- evaluation of technical assistance in the broadest sense in the context of budget regulations, carried out either by the cost appraisal unit in the Ministry for Economic Co-operation or by representatives of the Federal Audit Office;
- analyses of demand and capacity, studies on the conditions of development assistance, analyses of the indebtedness of developing countries, assessments of the development policy strategies of other donor countries, studies on the evolution of development policy concepts and their translation into medium and long term plans, and analyses of global development problems by a section in the Ministry for Economic Co-operation (possibly with participation of external bodies);
- project analyses in developing countries with a view to developing and co-ordinating sectoral promotion, checking and evaluation criteria in connection with the working out of model concepts, especially standard project types.

I. LISTING OF EVALUATIONS ACTUALLY PERFORMED

3. In view of the variety of evaluations carried out in the last three years under the above headings, it does not seem practical to name them all in detail. Evaluation reports are usually of a confidential nature and cannot, therefore, be made available to outside bodies.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

4. As has been made clear above, evaluations are conducted by a wide range of agencies. However, in September 1970 a section was specially set up within the Ministry for Economic Co-operation to examine development assistance. Its present tasks have been laid down as follows:

- ad hoc investigation of German official aid projects and country programmes in order to produce information about critical cases and to help in the preparation of suggested solutions;

- analysis of the actual course of projects in comparison with regional and technical targets from the points of view of general policy, development policy, administration, procurement, personnel, sector schemes and the public and private sectors of the economy concerned.

5. Evaluations are carried out by the following sections within the Ministry for Economic Co-operation and by the following agencies:

- the section mentioned above which deals with the basic aims of German development policy and with medium and long term planning;
- the regional sections working with the sector sections in the case of country programmes, other programmes and projects;
- the sector sections working with the regional sections in the case of sector analyses designed to help set up technical strategies, model concepts and standard project types;
- the institutional sections in the case of aid provided by the German Voluntary Service, the churches, political foundations and other bodies;
- the Federal Agency for Development Assistance in its capacity as subsidiary body to the Ministry with responsibility for special aspects of projects;
- the German Development Corporation for the Developing Countries, with special responsibility for procurement and personnel questions;
- the Reconstruction Loan Corporation in the field of capital aid, sometimes specifically called in by the Ministry;
- the Ministry's inspection section (inspection and auditing) as mentioned above.

(2) Links with other services

6. Evaluation results go to the units or agencies responsible for translating them into action. They have to decide how far to adopt the suggestions made. Evaluation reports and their results are not automatically binding on them.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

7. The decision whether to carry out an evaluation is in principle made by the institution or body responsible for the field or phase of implementation concerned. In principle, provision is also made for evaluating current or completed projects and programmes. However, no time scale for these is laid down in advance. Otherwise, the procedure follows the scheme described above in the case of capital aid and technical assistance, consisting of differing types of evaluation at different implementation stages.

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8. The extent to which development assistance is subjected to evaluation varies from stage to stage. New projects/programmes are always evaluated in advance, whereas schemes in progress are as a rule evaluated in some form or other at least every two years. Only a few comprehensive country evaluations have been carried out so far with a view to setting up country programmes. The latter have not yet been evaluated. Quite a number of ad hoc evaluations also prove necessary.

(2) Who performs the evaluations?

9. As already mentioned above, evaluations are commissioned by the Central Administration for Development Aid. As far as possible, representatives of the central administration participate in these evaluations. Local missions in the developing countries, of the kind run by the FAC, the EEC Development Fund or U.S. AID, are not available to the Federal Republic. The German personnel working in developing countries is under obligation to co-operate in and provide full information for evaluations.

10. So far, representatives of the Central Administration have not been specially trained for the evaluation of development aid projects.

11. In the case of technical assistance, consultants may be called in to help with evaluations, as well as experts or groups of experts provided by universities and institutes and, occasionally, experts engaged on projects in developing countries.

12. With regard to projects in the developing countries, evaluations are carried out by the people responsible for the preparation and implementation of them. The above-mentioned inspection section in the Ministry for Economic Co-operation, which can only deal with a maximum of 8-10 projects a year, is one exception. Another exception, in the case of capital aid, is the Reconstruction Loan Corporation, where there are two separate departments, one for preparation and implementation and another for evaluation, with the idea of making inspection independent.

(3) Association with recipient country

13. In the course of the evaluation process, close contact is maintained with the authorities in the developing country concerned. In some individual cases, it has been possible to involve representatives of the developing country directly. In the majority of cases, participation has been restricted to discussion with the competent agencies in the developing country of the feasibility of implementing evaluation results.

(4) Centralisation and dissemination of evaluation findings.

14. The results of evaluations are sent to all the agencies and institutions involved in the projects/programmes concerned. So far there has been no assessment of all evaluations by a single central agency.

IV. METHODOLOGY

Existence of a formal methodology

15. Presently available German and international publications on methods are used as a basis for evaluations. In some cases, the experts commissioned to conduct evaluations are given special instructions. The documents available only cover some of the sectors which may be dealt with.

16. Ex-ante appraisals are taken into account when making ex-post evaluations. The method in each case is basically similar, with the exception that ex-post evaluations also compare targets and results, investigate the causes of discrepancies and draw conclusions from this.

(2) Important problems

17. In our view, the most important points in the practical organisation of evaluation work are:

1. the finding of suitable groups of experts;
2. the central collection and assessment of the results of all types of evaluation;
3. the translation of evaluation results into concepts, strategies, standard project types and the readjustment of current projects and programmes to actual requirements;
4. the creation of independent machinery to conduct evaluations which would cover more of development assistance than so far.

V. PURPOSES

18. Evaluations are always aimed at bringing about improvements in the prevailing situation. This may relate to the project or programme itself, to feed-back in other fields or even to a re-orientation of development policy (e.g., terms and conditions of aid, sector approaches, concentration on regions).

19. Evaluations of technical assistance projects during implementation have usually been initiated in crisis situations. This is not true to the same extent of capital aid, a sector where evaluations have been carried out more as a matter of routine. Studies before and after projects/programmes have other motives.

VI. RESULTS

The following may be cited as examples of evaluation results:

1. A re-definition of the principles on which technical assistance and capital aid are based;

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2. Adjustment to the actual needs and capabilities of developing countries, including almost total abandonment of earlier insistence on developing countries' own contributions concentration on the sectors and areas in developing countries most requiring aid, etc.;
3. Development of properly adjusted strategies;
4. Improvement of criteria for determining the distribution of total development aid;
5. Improving the preparation of projects and programmes;
6. Organisational improvements to the development aid machinery, as well as improvements to the information system;
7. Introducing greater clarity into the aid system to the benefit of recipient countries.

J A P A N

I. LISTING OF EVALUATIONS ACTUALLY PERFORMED

1. Japan has up to date carried out ex-post general evaluations for financial or technical co-operation projects in the following recipient countries (once in each case).

FY 1968 Indonesia, Korea, West Pakistan, India
(preliminary)

FY 1969 East Pakistan, India, Taiwan

FY 1970 Thailand, Burma

FY 1971 Philippines, Malaysia

FY 1972 Indonesia, three African countries (Kenya,
Uganda, Nigeria)

The reports on these evaluations are available only in the Japanese language.

2. As for evaluation of technical co-operation, the Overseas Technical Co-operation Agency (the OTCA), the implementing agency for government-level technical co-operation, carries out its evaluation work by sending teams annually to three to five countries in co-operation with or under the supervision of the Ministry of Foreign Affairs.

3. In addition, the OTCA undertakes the following evaluation programmes at home from time to time:

(a) Evaluation by sector or by course on training programmes.

(b) Collecting comments on the training courses from the participants.

(c) Reviewing of direct and indirect effects of experts' services through meetings and reports by experts.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

4. In the Ministry of Foreign Affairs there is no division which is engaged exclusively in evaluation work, but the Planning Division of the Economic Co-operation Bureau organises and dispatches, as appropriate, survey teams for evaluation of overall economic co-operation programmes.

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5. The evaluation of technical co-operation activities is carried out by the First and the Second Technical Co-operation Division of the Economic Co-operation Bureau and the OTCA.

(2) Links with other services

6. Evaluation study covers questions of various stages from planning to operation of each project and the findings from these studies have been serving as useful reference to planning, ex-ante appraisal and operation of future projects.

(3) Do other institutions perform evaluations?

7. Such aid implementing agencies as the Overseas Economic Co-operation Fund (OECF), the Export Import Bank, the OTCA, have been carrying out as necessary evaluations on their respective projects.

8. Besides these agencies, the Institute of Developing Economics, Nomura Research Institute of Technology and Economics, International Management Association of Japan, institutes of various universities carry out evaluations on their own or by commission of the Government.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

9.. There are no established clear criteria for evaluation. Evaluation is carried out on these countries where there are substantial numbers of projects already completed or under operation, in order to have a firsthand look into what contributions our economic co-operation has made or is making to the social and economic development of each recipient country and what problems are involved and thereby to derive indications for the future orientations of our economic co-operation programmes.

10. The evaluation of aid programmes has not as yet been fully institutionalised, but has been carried out ever since FY 1968 with evaluation teams dispatched a few times every year to the recipient countries as decided by the Director-General of the Economic Co-operation Bureau.

11. It would be desirable if evaluation could cover all aid programmes, but at present for reasons of financial and other constraints, we carry out evaluations on a selective basis.

12. Evaluation is carried out on a country by country basis and mainly on projects. It is planned to continue to dispatch two or three teams a year in the future.

13. The above explanation concerns evaluation teams sent by the Government, the mission of which naturally includes an evaluation survey on technical co-operation. Besides, there are evaluation teams sent jointly by the Ministry of Foreign Affairs and OTCA or by the OTCA under the supervision of the Foreign Ministry. The Ministry of Foreign Affairs also studies the actual state of technical co-operation undertaken by other developed countries so as to compare it with the one carried out by the Japanese Government.

14. As stated above, the OTCA has been sending teams annually to three to five countries and plans to increase gradually the number of countries to be subject to evaluation in the future.

15. With regard to timing of evaluation, countries where a team should be sent, subject of evaluation, etc., the Ministry of Foreign Affairs and OTCA decide through consultation. In carrying out evaluation, questions are carefully selected by each country and project.

16. The evaluation of the group training courses in 1972 was carried out based upon a kind of checklist, as are the cases with the evaluations of other training courses and sending of experts.

(2) Who performs the evaluations?

17. An evaluation team is usually headed by a prominent person commissioned from outside for his interest and command of knowledge of the economic co-operation field, and is composed of officials and personnel of the Ministry of Foreign Affairs and other ministries, agencies and research institutes, but in some cases evaluation work is commissioned entirely to private research institutes.

18. Japan has no local mission specialised in economic co-operation, and members of our diplomatic missions overseas are in charge of aid matters, except that, in respect to technical co-operation, overseas offices of the OTCA and the Japan Overseas Co-operation Volunteers are functioning under the supervision of the diplomatic missions (the OECF and the Export-Import Bank, implementing agencies for government loans, have also overseas offices.)

19. No particular training is given to evaluation teams, but they receive briefing before their departure from government officials concerned, personnel of aid implementing agencies and firms who participated in the project.

20. Research institute staffs sometimes participate in evaluation teams as consultants. There is no specific rule which requires officials in charge of the Ministry of Foreign Affairs to do evaluation work, but in practice officials in charge are sent overseas as necessary for spot-checks to see the progress of work, effect, etc., of the project.

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(3) Association of recipient country

21. At the request of our diplomatic mission, the authorities of the recipient country co-operate in making itinerary and other arrangements for survey spots, etc., for an evaluation team and hold meetings for the exchange of views as well as briefing.

22. As for the OTCA, it regularly holds an annual meeting for exchange of views and discussions on questions of evaluation of technical co-operation and others, between the representatives of the main office and the overseas offices.

(4) Centralisation and dissemination of evaluation findings

23. An evaluation team, after returning holds a meeting without delay for reporting the results to persons concerned and later submits a detailed report which will be printed and circulated to the ministries and agencies concerned, and the Diet as well as for use of the general public.

IV. METHODOLOGY

(1) Existence of a formal methodology

24. We do not have any particular form of methodology of evaluation, and methods of evaluation and reporting are left to each evaluation team, but a certain pattern is being made on the past practices of evaluation work.

25. The evaluation team makes checklists, questionnaires, etc., according to its own principles. Usually these vary according to sectors. There are no direct links between ex-ante appraisal and ex-post evaluation methods, but the results of an ex-ante appraisal are always taken into consideration when an ex-post evaluation is carried out.

(2) Important problems

26. We feel the most important points in the practical organisation of evaluation work are the selection of country and project to be subject to evaluation, timing and balanced composition of the evaluation team.

27. As for technical co-operation in particular, it goes without saying that the key point of the survey should be focused upon how effectively techniques and know-how have been transferred as a result of each technical co-operation. In this connection, it would be one of the most difficult problems how best to determine the level of technical co-operation, geared to the level of indigenous techniques, the stage of economic development, etc. of the recipient country.

(3) Choice between various types of evaluation

28. Considering our experience in economic co-operation and the present frequency of evaluations, we think selective coverage in greater depth of some projects has had the best cost-effectiveness ratio.

V. PURPOSES

29. In our view the principal purpose of evaluation is to determine new policy orientations and to draw on past experience to enhance the success of future projects or programmes. Our evaluations have been carried out putting particular emphasis on the former objective.

VI. RESULTS

30. Those problems which have emerged as a result of evaluation work have served to provide materials for review and improvement, leading to various aftercare measures of the project concerned and have also been of great use for the formulation of the general policy of economic co-operation.

THE NETHERLANDSIntroduction

1. A short introductory description of Dutch development co-operation policy and of the organisation in charge of co-operation will make it easier to understand the Dutch system, since both the evaluation activities and the manner in which they are organised arise logically out of them.

1. DUTCH DEVELOPMENT CO-OPERATION POLICY

2. Dutch policy in general is directed as far as possible towards the realisation of the objectives laid down in the Strategy for the Second Development Decade of the United Nations, and the implementation of the recommendations worked out by the Development Assistance Committee of the OECD.

3. The fundamental features of Dutch policy on bilateral co-operation with developing countries are (in accordance with international guidelines of development strategy):

- the concentration of co-operation on a certain number of "main target" countries;

- the programming of aid over a period of four years, on the basis of the allocations established for the target countries for that period;

- the assumption that the developing country itself is responsible for fixing priorities in respect of the expenditure of the funds made available and the organisation and implementation of projects.

4. Each year the Netherlands holds commitment and expenditure talks with the developing country in which the expenditure of the funds allocated for technical and financial co-operation is discussed on the basis of the developing country's priority proposals, the potential of Dutch aid and in the light of experience gained in completed or current projects.

5. Against this background there are various forms of evaluation in connection with Dutch development co-operation.

6. Firstly, the evaluation that takes place at international level, i.e. the Review and Appraisal of the UN-Strategy for DD-II and the national investigations are carried out by the Development Assistance Committee of the OECD(1).

7. As far as the Netherlands is concerned, these forms of evaluation are significant for two reasons. On the one hand, evaluation results might lead to a reappraisal of the policy pursued by the Netherlands; on the other, the Netherlands is requested in the context of this international appraisal to state the nature and extent of aid provided so that the practical application of the policy objectives can be assessed. Steps have to be taken within the Dutch organisation to provide this information.

8. As regards forms of international evaluation and appraisal, it should be noted that the appraisal of Dutch financial and technical assistance is partly based on reports by the World Bank and the discussion of project proposals by consultative groups and consortia of the World Bank.

9. In the context of multi-year programming it is intended, in close co-operation with the government of the recipient country, that the commitment and expenditure talks to be held at the end of 1973, should take the form of a mid-term review of the position and role of Dutch technical and financial assistance in the development effort of the country concerned in the framework of its development plan.

10. The review will cover a number of points, including:

- the rate at which available resources are exhausted by co-operation;

- the expected aid requirement for 1974 and 1975.

11. Thirdly, there is the evaluation of projects carried out in the framework of bilateral technical development co-operation, the general objective being to enhance the efficiency of the Dutch organisation and to increase the effectiveness of project activities. In view of the emphasis laid in Dutch policy on the developing country's own responsibility for the spending of the aid funds allocated and the

(1) The importance attached by the Netherlands to evaluation is reflected inter alia in the recommendation on the Evaluation of Dutch Development Aid submitted in August 1972 to the Minister without Portfolio in charge of Development Co-operation by the National Advisory Council On Aid to Less-Developed Countries and, by the fact that the Netherlands has twice made it financially possible for the OECD to organise a meeting on evaluation.

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organisation and implementation of projects, it is also assumed that it is the developing country that is responsible in the first instance for the evaluation of projects. Consequently, the effectiveness and significance of projects will have to be evaluated in close co-operation with the developing country on the basis of on-the-spot investigation.

12. In addition, in the context of supervision of the progress of projects by such means as reporting, there is the usual feedback of information which enables desk analyses of the effectiveness of the Dutch organisation and the progress of projects to be carried out.

II. ORGANISATION OF DUTCH DEVELOPMENT CO-OPERATION

13. All matters concerning development co-operation come under the Directorate-General for International Co-operation of the Ministry of Foreign Affairs.

14. Within the Directorate-General there is a Policy Planning Section and Advisory Council Secretariat, which is responsible for studying and analysing the general policy of co-operation with developing countries and for framing proposals for the policy to be pursued by the Netherlands.

15. The Policy Planning Section and Advisory Council Secretariat's duties include the co-ordination within the Directorate-General of matters related to the Review and Appraisal of the UN Strategy DD-II. The handling of all matters related to technical assistance to developing countries and the co-ordination of the various forms of this assistance are the duties of the Technical Assistance Department. The Financial and Economic Co-operation Department deals with and co-ordinates all matters related to financial and economic assistance and all matters pertaining to the national investigations carried out by the Development Assistance Committee of the OECD. The Young Volunteers Division is in charge of the handling, preparation and implementation of all activities concerning the posting of young volunteers. The evaluation of technical assistance, financial and economic assistance and the aid provided by volunteers are the responsibility of the above departments.

Reply to questionnaire

16. The following reply to the questionnaire on evaluation only concerns the evaluation of technical assistance activities by the Technical Assistance Department. As financial assistance in the past was mainly granted in the form of programme assistance and capital goods which function in a wider context for which the Netherlands is not responsible, the Financial and Economic Assistance Department has co-ordinated assistance within the consortia and consultative groups of the World Bank, and based its appraisal and evaluation largely on reports prepared by the World Bank.

17. Since technical and financial assistance in development co-operation projects is becoming increasingly integrated, more attention will also have to be paid to the evaluation of financial assistance.

III. LISTING OF EVALUATIONS ACTUALLY PERFORMED

18. A systematic evaluation of projects which are being implemented in the framework of bilateral technical co-operation is being prepared. It started with the standardisation of the schedule of operation and progress report and the development of de-briefing procedures that would provide the information needed for evaluation. At this stage the Technical Assistance Department mainly evaluated technical co-operation by desk analyses of the progress of projects and administrative procedures in the Dutch organisation. In addition some projects have been evaluated in the past year to ascertain on the basis of an investigation carried out by teams on-the-spot composed of experts from the Netherlands and the recipient country whether the objectives have been attained, the specific aim being to lay down guidelines for a second stage or the follow-up of these projects.

19. The evaluation reports drawn up in co-operation with the recipient country are confidential and may not be divulged without the permission of the developing country.

IV. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

20. The Technical Assistance Department is in charge of the organisational (i.e. managerial) side of the technical assistance programme. Technical advisory bodies supervise the technical side. Communication with the bodies in the developing countries which are responsible for technical co-operation and with the Dutch experts is handled through the Netherlands diplomatic mission in the country concerned.

21. There is no separate evaluation unit as such within the Technical Assistance Department.

22. It is the task of the Policy Section to work out and adapt evaluation policy and evaluation instruments in the light of national and international scientific and political developments, and if necessary to advise on changes in policy. The evaluation of technical assistance programmes is one of the duties of the divisions responsible for the management of the programmes (for actual evaluation see under V).

(2) Links with other services

23. In this system the Policy Section of the Technical Assistance Preparation and the Technical Assistance Implementation Divisions, which are responsible for programming project design and appraisal and the implementation of projects are also

responsible for their share of evaluation. Evaluation is organised in close consultation between the Section, the Divisions and the technical advisory bodies. This system enables evaluation results to be fed back to the appropriate Sections and Divisions of the Technical Assistance Department and to the technical advisory bodies which supervise the technical side of the projects.

(3) Do other institutions perform evaluations?

24. Various bodies in the Netherlands, such as universities and other institutions, play a part in development co-operation, either by studying the development problem in the general sense or by being directly involved in the implementation or technical guidance of projects. They have not yet concentrated on evaluation. Preparatory discussions are now in progress with some institutes which include consideration of their role in the evaluation of projects.

V. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

25. Who takes decisions on the carrying out of evaluation depends on the nature of the evaluation. For an analysis of Technical Assistance Department procedures or a desk analysis of the progress of a project on the basis of reports and/or de-briefing of experts the decision is the responsibility of the Technical Assistance Department. In addition, the technical advisory bodies or the bodies to which the implementation of a project is entrusted may decide to have a desk analysis of this kind carried out.

26. If the evaluation is carried out on the basis of an on-the-spot investigation, the decision is taken by the recipient country, even if the initiative for the evaluation comes from the Netherlands.

27. Current projects are now being evaluated at regular intervals in the context of the progress supervision of projects on the basis of the reports submitted by the Dutch experts. The method adopted is discussed in Section VI.

28. A built-in system of project evaluation is being developed under which there will be an annual evaluation of current projects in collaboration with the bodies involved in the projects in the developing country and the technical advisory bodies.

29. It is expected that initially the annual evaluation will concentrate on projects so that they can be adapted. Later, it is expected that the evaluation-information obtained will be an essential contribution to the commitment and expenditure talks held annually with each "main target" country

and also for the mid-term review programming in close co-operation with each recipient country. Nothing can be added at this stage as regards the further effects of the evaluation results. The results of the built-in evaluation could possibly lead to the identification of specific problem areas in respect of co-operation in a sector for which a more thorough-going investigation would be worthwhile.

(2) Who performs the evaluations?

30. Desk analyses of the progress of projects are carried out by the Technical Assistance Department, in collaboration with the technical advisory bodies, on the basis of information received from the reports of Dutch experts and reports from short missions. In some cases projects are evaluated on the basis of on-the-spot investigations by combined teams of experts from the Netherlands and the recipient country. The Technical Assistance Department, advised by the technical advisory body, chooses the Dutch experts for the evaluation team and lays down its terms of reference in consultation with the organisation in the recipient country and makes documentation material on the project (reports, etc.) available to the team.

31. The developing country gives permission for the investigation, helps to draw up the terms of reference and nominates its own experts for the evaluation team. When the sanction of both sides has been obtained, the team's report is incorporated in the proposals for the second stage, follow-up and/or completion of the project.

32. There are no local missions in the Dutch organisation. Especially in the "main target" countries, policy is designed so that special divisions within the Embassies can co-ordinate and supervise development co-operation activities on the spot.

33. Dutch personnel involved in evaluation do not receive any special training for the purpose. Courses were started recently for the staff of the Technical Assistance Department; they are designed to improve the staff's knowledge of the principles of network planning in connection with their job of supervising the progress of projects.

34. So far, consultants have not been used in evaluation, but it is being considered; special bureaux would be set up for the purpose.

35. Project personnel participate in evaluation by providing information on which the evaluation is largely based. The experts who carry out the evaluation investigation on the spot have usually been involved in the appraisal and/or progress supervision of the project at an earlier stage.

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(3) Association of recipient country

36. As stated above, Dutch policy lays stress on the developing country's own responsibility for the expenditure of Dutch funds allocated for a period of 4 years. A consequence of this policy is that it is essential for the developing country to evaluate and for evaluation results to be fed back to the relevant bodies in the developing country. The desk analyses carried out in the Netherlands on the basis of information provided by Dutch experts are of limited significance for the very reason that the developing country does not contribute any information itself.

37. The joint evaluations of projects on the basis of on-the-spot investigations by combined teams are always carried out with the approval of the developing country and with the active participation of the developing country in drawing up the terms of reference, carrying out the investigation and drawing up the evaluation report. In fact, however, the initiative in this form of evaluation still rests with the Netherlands, which usually takes the initiative in the evaluations and plays a predominant part in carrying out the investigation. Another form of joint evaluation is being developed in the commitment and expenditure talks between the Netherlands and developing countries, the comparing of notes on technical co-operation in current or completed projects figuring largely in the dialogue on the spending of the allocation. It is regarded as a good thing that during the consultations with some of the target countries recently the developing countries asked that special attention be paid to the evaluation of projects and advocated the reserving of funds from the allocation for the purpose of project evaluation. These forms of joint evaluation show that frequent dialogues are necessary to create the atmosphere of trust in which frank talks can be held.

(4) Centralisation and dissemination of evaluation findings

38. As stated above, a systematic evaluation procedure is now being developed. Particular attention will be paid to the central processing of evaluation information and the dissemination of results to the organisations within and without the Dutch organisation which are involved in development co-operation.

VI. METHODOLOGY

(1) Existence of a formal methodology

39. The evaluation methods used vary according to the nature and purpose of the evaluation.

40. Evaluation designed to improve the efficiency of the organisation of the Technical Assistance Department is carried out on the basis of procedure analysis and report analysis. An example is the comparative analysis of the time involved in

recruiting and assigning experts and in supplying equipment carried out to pinpoint the bottlenecks that delay the commencement of the implementation of projects. The progress of a project is supervised on the basis of the working schedule, the reports and the de-briefing of experts. If difficulties are encountered when carrying out a plan, and it is necessary to amend the set-up of a project, or they are encountered when completing the first stage of a project, an on-the-spot investigation by a team of experts is arranged in consultation with the recipient country with a view to establishing guidelines for a modified scheme or for the extension and/or completion of the project.

41. Partly to enable the necessary information to be obtained, a standardised form of working schedule and reporting has been introduced in the last few years. This has enabled projects to be described in a uniform way, and systematic information on progress to be obtained every three months.

42. Experience has shown that a quantitatively and qualitatively verifiable definition of activities and objectives and formulation of the assumptions are needed at the beginning of the project for built-in or ex-post evaluation of the results achieved. The progress reports should fit in with them.

43. The stage has not yet been reached at which the working schedule and reporting have taken on the form required for evaluation activities.

44. Information is also obtained by de-briefing experts on leave in the Netherlands or back after completion of their assignments. A de-briefing questionnaire with 350 questions for the de-briefing of experts is proving difficult to use in practice for administrative reasons, particularly in the processing of information. On the other hand, a disadvantage of limiting the scope of the questionnaire is that the de-briefing will not provide enough relevant information for the organisation.

45. The development of checklists per sector is considered essential for both appraisal and later evaluation, particularly for the drawing up of terms of reference for the on-the-spot investigations. It is also felt that reliable indicators (criteria) should be devised to evaluate the objectives and the activities to be carried out. Checklists are being prepared but have not yet been used.

46. The methods now being used in ex-ante appraisal and ex-post evaluation of projects do not vary in structure. In both cases a team of experts carries out an investigation on the spot, at least if not enough information is available in the Netherlands.

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(2) Important problems

47. In the Technical Assistance Department the following points now have priority as regards the organisation of evaluation activities:

- It is essential for evaluation that a quantitatively and/or qualitatively verifiable definition of project objectives and structures be available as a basis. Reliable indicators (criteria, measurements) and adequate background information must be at hand for the purpose.

- For an on-the-spot evaluation investigation it must be possible to call upon experts with experience in the field of evaluation who are not directly involved in the project. The advantages and disadvantages of promoting bodies specialising in evaluation should be considered.

- As regards joint evaluations, special attention should be paid to the encouragement and support of evaluation activities by and in the developing country. The Netherlands is endeavouring to link up with evaluation agencies already operating in the developing country.

- Important factors are felt to be co-ordination and exchange of experience and knowledge of evaluation with other donor countries, international organisations and the organisations in the developing countries (e.g. in preparing indicators, obtaining background information, etc.). Terms will have to be standardised.

- It is important for evaluation and other project information processing to be automated so that it can be used in policy decision-making and for information purposes.

VII. PURPOSES

48. The main purpose of a built-in or ex-post evaluation is to assess the results by analysing the main bottlenecks in connection with appraisal of a second stage, and/or the follow-up of a project. The results show if the project needs adjusting and can be helpful when considering alternative means, devising ways of making more effective use of funds and weighing of priorities. They also play a part in policy formation.

49. The evaluation studies carried out were largely prompted by the need to establish realistic priorities for the further use of funds from the allocation in consultation with the developing country.

VIII. RESULTS

50. The evaluation of projects by the Technical Assistance Department is not yet at a stage which would enable specific information to be provided on the impact of evaluation results on the organisation's work. Generally speaking, Dutch development co-operation policy, which has developed on the basis of international reports such as the Jackson Report, came about partly in the light of experience gained from development aid in other countries. The granting of allocations to target countries over a period of years has led on the one hand to the institution of financial programming and on the other to annual consultation on the expenditure of funds available for technical and financial assistance. In this scheme of things there arose a clear need for the development of an evaluation system so that the experience gained in completed co-operation activities could be incorporated in further planning. The intensifying of evaluation has a direct influence on the organisation's work in that it accentuates the appraisal stage, specifies project objectives and stimulates the systematisation of progress supervision.

S W E D E N

I. EVALUATIONS ACTUALLY PERFORMED

1. A bibliography of the evaluation studies recently performed in SIDA (Swedish International Development Agency) is available on request from SIDA. A few of these studies have been carried out by SIDA personnel, a higher number by consultants employed by SIDA, some by the staff of projects concerned (especially the case with built-in evaluation), and, finally, some of the studies have been made by other agencies.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

2. There is an evaluation unit within the Research Division of SIDA. The interest for evaluation matters dates some years back, but the unit was not established until 1971. There are four professional posts with the unit (at present two vacancies). Furthermore SIDA has "Development Assistance Offices" (SIDA-DAO) in seven recipient countries and at four of these there are "Planning and Evaluation Officers" since a year back.

3. The evaluation function of SIDA is thus very new and we are still developing our working strategy.

4. The main responsibilities of the evaluation unit are: to assist in the planning of SIDA's development support (in accordance with SIDA's Manual of Support Preparation which was prepared in 1972), to give advice on formulation and analysis of project goals, to design systems for evaluation, reporting, or other follow-up activities (including systems for built-in-evaluation in connection with SIDA supported projects or programmes) to take part in external or special evaluations (approximately equal to "intensive special reviews"), to compile the experiences from projects or the overall assistance to a country, to prepare terms of reference and hire consultants for evaluation studies, etc.

(2) Links with other services

5. The evaluation function in connection with SIDA supported projects/programmes varies substantially from case to case. Some assistance, e.g. in the form of budget support to a country, is generally not subject to any evaluation mainly because it is impossible to isolate any effects of the Swedish contribution. As an example of this could be mentioned the Swedish import credits to India. In other instances there may be a provision in the agreement between the two governments that there should be a system for built-in-evaluation or that external evaluation should be carried out at certain agreed upon intervals.

6. When SIDA is taking an active part in the designing of a rather complex project we try to give rather much emphasis to evaluation. The greater the risk that project aims will not be attained, that the original target group will not be reached, or that unforeseen side effects will occur, the stronger the need for an evaluation system as a tool for improving the management of the project and the steering of activities. For this reason SIDA has stressed the need for a built-in evaluation system at such comprehensive rural development projects as CADU in Ethiopia and PACCA in Afghanistan.

7. Although there is a strong interest from SIDA's part (and also from the part of Parliament) to see the effects of the Swedish assistance this is generally not the subject of evaluation but rather a positive "spin-off" effect. The main purpose of evaluation is to improve the project managers' implementation of the project and improve the design of future projects rather than to show the Swedish authorities and taxpayers the result of the Swedish assistance.

(3) Do other institutions perform evaluations?

8. There are some institutions outside SIDA partly involved in the evaluation of development assistance. There are a few Governmental bodies (mainly the National (Swedish) Audit Bureau, the Auditors of the Swedish Riksdag/Parliament, and the Swedish Agency for Administrative Development) looking into the effectiveness of public agencies, to which SIDA belongs. Thereby they occasionally try to follow up the "effectiveness of the Swedish aid" in the field. Universities may also carry out evaluations, either as consultant, e.g. hired by SIDA; or on their own, e.g. as part of their research programme.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

9. The responsibility for evaluation of projects or programmes supported by SIDA rests with the recipient countries, i.e. their executing agency or the ministry concerned. SIDA tries to avoid to decide on its own that evaluations should be carried out, which reflects the fact that SIDA is not carrying out any projects but only giving support to projects.

10. Naturally, however, the decision is most often taken in consultation with SIDA. In many cases the agreement between the two governments specifies that evaluations should be done. In other cases SIDA might very well suggest an evaluation but not decide to do one if the recipient country does not wish so.

11. A common case where evaluations are suggested is when an agreement period is running towards its end and a decision should be taken whether to continue the project (and the Swedish support) or not and whether the project design for such a continuation should be changed.

12. The second part of the question about the degree of coverage of the aid programme submitted to evaluation in the future, cannot easily be answered since the responsibility rests with the recipient countries. Generally built-in evaluation is preferred by SIDA. (It has been stated above that SIDA regards evaluation as a management tool aiming at increasing the effectiveness (and efficiency) of the project by giving the project implementers the information necessary for steering the project towards higher goal-fulfilment). We hope that more projects/programmes will see evaluation as an integrated component of the project in the future, and we feel that the responsible authorities in the recipient countries are becoming increasingly aware of the value of a well adapted evaluation system.

(2) Who performs the evaluations?

13. Most often evaluations are carried out by outside consultants, often a team agreed upon by the two parties concerned (e.g. a four man team, two selected by the host country ministry and two selected by SIDA. The latter two do not need to be Swedish). There is no policy stating that SIDA staff could not carry out external evaluations or take part in such teams. It is not very common, though, as a result of a certain staff shortage. The "Planning and Evaluation Officers" at SIDA-DAO could very well carry out evaluations themselves. Usually they do not do so but they do assist in selecting consultants, writing terms of reference, and giving service to the evaluation teams.

14. It has been mentioned above that SIDA prefers built-in-evaluation when feasible. In such cases the project staff themselves do the evaluation work, but the "P. & E. Officer" can give assistance when desired. The project staff may be directly responsible for the implementation of the project or they may be "advisors to the project management". Anyhow, SIDA believes that in-built evaluation can provide very valuable information to the project management on a continuous basis and the very fact the evaluation is carried out by the project's own staff increases the likelihood that the findings will be used in the continued activities.

(3) Association of recipient country

15. SIDA tries to engage the host government agency for the evaluation work and does usually not wish to carry out evaluations of its own. If the host country so wishes SIDA is prepared to administer the evaluation work, more or less as a service.

(4) Centralisation and dissemination of evaluation findings

16. Centralisation and dissemination of evaluation findings are the tasks of the evaluation unit at SIDA-Stockholm. Due to staff shortage and competing needs too little has been done in this field so far. Our intention is to increase this service in the immediate future. The unit publishes a bibliography of evaluation studies annually and a small bi-monthly leaflet (Swedish text) summarising the contents of an interesting evaluation study.

IV. METHODOLOGY

(1) Existence of a formal methodology

17. No formal methodology and no standardised "evaluation sheets" or other facilitating devices are used for evaluation purposes. So far we have not been supplying evaluators with evaluation manuals but we do have some material of methodological interest available which is distributed when deemed appropriate. There is also the above mentioned SIDA's "Manual of Support Preparation" which contains some of the SIDA's viewpoints on evaluation. We are presently working on a general master system for built-in-evaluation of agricultural projects largely based on the system elaborated at the CADU project, and we have some rather vague plans of compiling something similar for educational projects.

18. The starting point for both ex-ante and ex-post evaluation are the goal structure and the purpose of the project. In both cases emphasis is given to possible positive or negative side-effects of the project with particular attention to income distribution and social effects.

(2) Important problems

19. Very important issues to be considered in the evaluation are: identification of the needs that the project should satisfy, formulation of goals and purposes and analysis of goals, identification of conflicts and inter-relationships between goals, analysis of external factors and their influence, identification of side effects, analysis of goal attainment and means of improving it, etc.

20. Evaluation is mainly considered as a management tool to give steering impulses and a problem of great importance is how to utilise the findings in the most appropriate way. How should findings be presented to government or project managers in order to really improve ongoing projects?

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(3) Choice between various types of evaluation

21. Built-in-evaluation in general seems to be more effective than external evaluation. The system working at CADU is a good example. No attempt has been made to calculate any cost/effectiveness, however. The more innovative or experimental a project is, the more important a well developed evaluation system.

V. PURPOSES

22. It is difficult to give a simple answer to the question about principal purposes of evaluation. To the purpose of "ensuring a higher profitability of official aid funds" we would like to add "increased effectiveness of scarce recipient country resources".

23. In the past it seems that evaluations have been prompted by the need for information on project effects when deciding whether to continue the Swedish support to a project for which the agreement period is ending. Today, however, we view evaluation more as a means of improving the implementation of on-going projects.

VI. RESULTS

24. The main results of SIDA sponsored evaluations have been improvements of on-going projects (e.g. the CADU-project), improved knowledge of crucial factors for the success/failure of projects in the same field as a project already evaluated, improved design of new projects, better awareness of the importance of good project preparation and goal analysis, awareness of some of the risks in projects aiming at economic development (e.g. the risk that economic growth in a rural community may lead to widened income gaps), etc.

25. More stress than before is now given to project appraisal including identification of possible side-effects.

26. It seems that the recipient countries are getting more involved in and accepting more of the responsibility for the evaluation of development projects, and it is now not rare that initiatives to an evaluation study come from the host country.

SWITZERLAND

Note by the Service de la Coopération Technique Suisse

Evaluation in the field - Organisation and Methods⁽¹⁾

I. BACKGROUND AND PURPOSE

1. The Service de la Coopération Technique has decided to evaluate development projects while they are being carried out, at a time considered suitable by the parties concerned, and to have the evaluations made independently by outside experts.
2. Evaluation would have the following aims in view:
 - (a) to assess results achieved, having regard to the targets set and the requirements to be met;
 - (b) to assess the socio-economic impact, utility and effectiveness of an integrated project seen in its regional and national context;
 - (c) to propose adjustments or possible follow-up action for improving the project;
 - (d) to learn lessons for similar future projects to be undertaken by the Service.
3. The main features of Switzerland's co-operation in development aid for the developing countries are to be found in various reports by the Federal Council to Parliament on the subject. Taking them as their starting point, the operational departments are working out general, geographical or sectoral criteria for facilitating the selection of projects and their views reflect general policy as seen through these documents.
4. The subject for an evaluation is usually a development project or group of projects involving similar activities. Each project is treated as a whole irrespective of how it is financed.
5. Evaluations cover everything connected with the project without exception and are a combined assessment of the conception, planning, launching, implementation and supervision of the project.
6. Evaluations must be objective and therefore based on facts and on expert opinion which will stand up to test. Written reports are assembled to support them.

(1) This Note is a working paper of the Service de la Coopération Technique and is not in exactly the same form as the other reports in the Annex.

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II. EVALUATION MISSIONS

(1) The Mission

(a) Who performs the evaluations?

7. An evaluator should be a highly qualified expert who can analyse the technical and economic aspects of a project over time (covering the past, present and future) and draw the correct conclusions and recommendations. He should have a stable personality and experience of developing countries and these qualities should, in case of doubt, take precedence over a specialised knowledge of the sector.

8. In view of the difficulty in finding an expert combining all these qualities, evaluation work is given as far as possible to a specialist institute with the necessary experts or to an ad hoc multidisciplinary team. The number of experts engaged depends on the specialities involved, the length of the task and the scale of the project. In such cases one of the evaluators assumes overall responsibility for the mission.

9. Normally all the evaluators should work on the same project at the same time.

10. The evaluators should have a knowledge of the language of the country they visit, unless it is a language known to few of us, in which case they should be accompanied by an interpreter.

(b) Mission procedure

11. The mission should be sent at a time of year when the conditions for working on the project and getting results from it are average, i.e., neither too favourable nor too difficult.

12. The evaluators are briefed for their mission by:

- studying the various reports on the subject;
- thorough discussions with the officials in charge of the projects and with the head of the operational department in Berne;
- discussion with the experts who have returned to Switzerland after participating in the implementation of the projects;
- discussion with organisations in Switzerland which have useful information on the sector and type of project concerned;
- attendance at a seminar for briefing on evaluation methods (organised by the African Institute at the request of the Evaluation Service), when it is a first mission. The Institute should be given details of the intended mission and of the evaluators' terms of reference and curriculum vitae.

13. Another purpose of the briefing is to ensure that different evaluations are mutually consistent and have a common basis.
14. A mission should spend enough time in the field in order to:
- be briefed by the Swiss diplomatic representatives;
 - be introduced to Switzerland's immediate partner;
 - evaluate each project (taking from 3 to 10 days, depending on its complexity);
 - visit similar projects as far as possible;
 - be briefed by other sources which the evaluators consider useful for assessing the project.
15. The best use can be made of the time available, if the mission has a tentative programme, but the evaluator should be free to alter it as required by the work.
16. Evaluation missions should be planned long enough ahead for the evaluator to prepare the material mentioned under heading III below.
17. Evaluators enjoy the independence required for expressing their own opinions and the Evaluation Service's staff and the personnel in the field only take part in their discussions with Switzerland's partners if the evaluation mission leader wishes them to do so.
18. When in the field, the mission should do no more than collect the information required for its evaluation and take care not to cause friction or unfavourable reactions to the project.
19. The terms of reference of the members of an evaluation mission will include the points made in the present Note.

(2) Information

19. The documentation supplied to evaluators should be improved and better grouped in the files; sub-files should be introduced for major documents. In order to lighten the evaluators' work the files should be better arranged and include periodical progress reports on each project, starting with how it began and covering the period up to the grant of the first credit.
20. The staff in Berne responsible for carrying out these projects should make interim reports covering not only the financial share of the operations, but also a progress report based on periodic and/or final reports from the field staff

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and on decisions taken by head office. These reports should be drawn up in the same form as the periodic reports rendered by experts.

21. The final reports by the responsible officials in Berne should also be fuller and in the same form as the final reports which experts have to render. When a final report covers only a phase of an on-going project, it could be shorter, but must cover in detail the objectives and partial results achieved or planned.

22. Development aid staff employed as co-ordinators, attachés or the like in a developing country should also write brief annual reports on each aid scheme they supervise.

23. Project leaders and other staff should have to write their reports in the forms prescribed by the Evaluation Service in March, 1970, i.e. they should themselves write a comprehensive report covering and enclosing the individual reports from members of their staff.

24. At the beginning of his report a project leader should deal with the plan of work and define the criteria and indicators he intends to use, the returns to be kept and the methods he will apply, after which the authorities in Berne or, if appropriate, expert advisers to the Evaluation Service in Switzerland should comment in writing on the report. This system would enable the operational staff to assess their own work and make evaluation missions by outside experts more effective.

(3) Evaluation reports

25. On their return to Switzerland the evaluation missions should, if necessary, obtain additional information and then write their reports, which should be transmitted to the Evaluation Service, as follows:

(i) a preliminary report within from 2 to 4 weeks, and

(ii) a final evaluation report 2 weeks later.

26. Between these two dates a meeting is to be held in Berne between the evaluators and the interested departments in Switzerland to study the preliminary report with regard to its form and the correctness of its facts. If at all possible, the project leader in the field takes part in this discussion and, in the case of a joint evaluation, the meeting is attended by representatives of the various parties concerned.

27. Account must also be taken of the views of the Swiss diplomatic mission, to whom the preliminary report will have been duly sent.

28. As a general rule the evaluation report will include the following chapters:

A. Introduction

- (1) Terms of reference;
- (2) Constraints and limitations of the evaluation exercise.

B. The project or groups of projects evaluated and its context

- (1) Brief presentation of the project and its economic and social background;
- (2) Review of the economic and social conditions in the recipient country as they affect the project, pointing out the overall options open to the authorities in the recipient country as regards the project and its future course;
- (3) Results and effects of the project to date, without reference to objectives and resources and without any value judgment (i.e. as they would appear in a photograph).

C. Evaluation

(1) Adjustment of objectives:

- validity of the scheme and of its original overall and stage-by-stage objectives;
- readjustment of objectives: criticism of changes in objectives up to the time of evaluation;

(2) Adequacy of resources: are they sufficient for achieving the planned objectives?

- types of action involved;
- place and setting;
- personnel;
- equipment;
- methods and techniques;
- duration of project;
- any other points;

(3) Usefulness of project:

- results compared with objectives;

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(4) Effectiveness:

- results compared with resources, including an estimate of the cost-benefit ratio for the parties directly concerned and for the local or regional community;
- reasons for ineffectiveness;

(5) Independence:

- in respect of management (degree of self-management possible in the project);
- in respect of finance (ability of the project to finance itself or be financed by the official partners of the recipient country);

(6) The project's integration and socio-economic impact. This item sometimes overlaps with the preceding items; it involves assessing how the project fits into the social, economic and general context.

D. Conclusions and recommendations

- (1) Conclusions (or summing up of the evaluation);
- (2) Any proposals for modifying the project evaluated or for follow-up action;
- (3) General recommendations regarding the type of project evaluated and lessons to be learnt.

III. EVALUATION METHODS AND CRITERIA

29. The basic criteria for each evaluation are given in Chapter III of the evaluation report (see above).

30. Starting from these basic criteria, the evaluator or evaluation team leader (together with his colleagues) decides what specific criteria to apply to the project in question and draws up the indicator matrix and the survey questionnaires he intends to use for evaluation in the field. The questionnaire for the project leader or manager must be sent to him early enough to enable him to complete it before the evaluator arrives. The Evaluation Service's approval is required for these working papers and for the proposed method for conducting recipient surveys.

31. As far as possible numerical indicators should be used to enable the results to be quantified and so make the assessment more objective.

32. In future the Evaluation Service will gradually introduce the use of standard matrix forms containing the relevant indicators in order to make it easier to plan and evaluate projects, to achieve better integration and to facilitate comparison.

33. It seems to be more difficult to make a rigorous and scientific analysis of the cost and benefits of each project, the more one wishes to relate the project to outside economies, but one must as far as possible ascertain the overall or differentiated cost-benefit ratio by using the matrices and indicators mentioned in the preceding paragraph.

34. Evaluations will also gain in clarity and comparability if the same wording is used in the different reports, hence the need to build up a suitable terminology.

IV. JOINT EVALUATIONS

35. Evaluations are normally to be made by a team of independent evaluators chosen jointly by the partner in the developing country and by the Swiss Technical Co-operation Service. The team must submit one single evaluation report in the form described in this paper. If appropriate, the two partners may, instead of jointly choosing a team, agree to commission a specialist body or ad hoc team of evaluators to do the work.

36. When an ex-post evaluation has to be made after the outside aid team has left the country, the joint type of evaluation described above is the only possible method, as it is also when the outside aid team is still in the country, but the project is managed by nationals of the developing country or jointly by both partners. If the project is managed by a foreign team of experts, a joint evaluation is still desirable, but if special circumstances make it inappropriate or difficult, a unilateral evaluation must then be made in agreement with the other partner.

37. When a contract is negotiated for a joint evaluation, it should lay down in as much detail as possible the objectives of the joint evaluation, the allocation of tasks between the experts and the procedure to be followed by the mission. As a rule the cost of the mission should be met by the two sides, external costs being debited to the Evaluation Service and local costs to the partner country, but the full cost may in certain circumstances be met by Switzerland alone.

38. In the case of a project sponsored by a Swiss or international institution with Federal Government financial backing, these bodies should be associated as closely as possible with the evaluation, possibly appointing independent evaluators of their own as members of the joint evaluation team.

V. ORGANISATION OF THE EVALUATION AND UTILISATION OF ITS RESULTS

(1) Role of the Evaluation Service

39. The Evaluation Service programmes evaluations in the field, taking account of the views of the operational departments and also of the responsible Swiss or international institution when the Federal Government is giving financial support.

40. The Evaluation Service organises and supervises the evaluation missions in the field and sees that the procedure described in this paper is followed. As soon as the final evaluation report is received, the Evaluation Service advises the Delegate on the action to take to ensure that the best use is made of it.

41. As part of its work the Evaluation Service should visit the project at an appropriate juncture and will usually send a member of its staff for this purpose a few days before the evaluation team arrives. When doing so it may also inform the project leaders and Switzerland's partners regarding the objectives of the evaluation and may propose adjustments to the mission's preliminary programme.

42. In the case of a joint evaluation where the Evaluation Service is responsible for negotiating with Switzerland's various partners, the visit referred to in the preceding paragraph will coincide with the arrival of the mission negotiating the joint evaluation.

43. From time to time the Evaluation Service should draw up memoranda containing the lessons and general information derived from evaluations in the field.

(2) Tasks of the operational departments in connection with evaluation work

44. As the aim of evaluations is to make aid schemes more effective, the operational departments must be associated with them. Their views are required for programming evaluation missions and selecting evaluators and they themselves may even be the promoters or instigators of evaluations. They help to brief evaluators by supplying all available information, which the operational personnel in the field will then extend and deepen. This personnel will have to examine the project from all angles and they may compare their view of the problems with the view of independent specialists. After the evaluators have returned home, the preliminary evaluation report will be submitted by the Evaluation Service to the operational departments and project leaders concerned, Next, the final report is submitted to the operational departments together with the Evaluation Service's proposals, after which a meeting is arranged between the Service and the departments to agree on any necessary adjustments and follow-up action. Minutes are kept of this meeting recording the decisions taken.

45. The operational departments must thus be kept associated with the work in an atmosphere of mutual understanding, in order that evaluations may yield useful results.

46. When loans are proposed for a project which has been evaluated or for similar projects, the operational departments should take account of the adjustments, follow-up action or lessons resulting from the evaluation.

47. Later the operational departments may summon one or other of the evaluators for consultation, when he will not do evaluation work, but will act as an operational adviser.

48. Indirectly these evaluations in the field provide the operational staff on the spot and the operational departments with effective technical support which can only serve to facilitate the project.

VI. DISTRIBUTION OF EVALUATION REPORTS

49. Evaluation reports are confidential and are distributed only inside the Technical Co-operation Service, unless the latter has derestricted them. A copy of the final report is forwarded automatically to the Swiss diplomatic mission concerned. If the project is sponsored by a Swiss institution, the latter's agreement also is required before the report may be distributed, and in addition the agreement of the recipient country is required if it is a joint evaluation report.

50. When a report is to remain classified "confidential" indefinitely, the Evaluation Service should make a summary of it for distribution purposes.

51. The circulation list for reports approved for distribution includes the Federal Government department concerned, the official Swiss committee and boards dealing with development aid questions, and the Swiss public or private institutions and institutes which take part in aid schemes. The reports are only supplied on request. In this connection bibliographical notes should be compiled.

UNITED KINGDOMGeneral Comment

1. We would like to emphasise that in ODA (Overseas Development Administration) a great deal of what must surely be called "evaluation" is carried out purely as a by-product of on-going aid administration work. For example, various experts from ODA, economists as well as engineers, doctors, agriculturalists, sociologists, etc., are constantly visiting developing countries, and although they are mainly concerned with new aid projects they will always take whatever opportunities arise of finding out how past projects are getting on and, if possible, visiting them. There will seldom be time to carry out a detailed evaluation and often only a quick impression can be obtained, but in the context of the constant monitoring of affairs in developing countries receiving U.K. aid that also goes on, the results can often be quite accurate. Moreover, there is "constant feed-back" as the people concerned are heavily involved in current aid activity. In short, whilst the "set-piece" evaluation by people trained and appointed for this task clearly has an important place, especially for the more complex projects, it is by no means the only kind of evaluation activity and probably not even the most important. It will always be too time-consuming and expensive to carry out detailed evaluations of this kind for all projects, and the process of constant "follow-up" of projects, in an informal but informed way, is likely to remain the principal means by which the lessons of the past are applied to the present and the future.

I. LISTING OF EVALUATIONS ACTUALLY PERFORMED

2. During the last three years most of the evaluation studies in the U.K. on the capital side have been carried out by workers in the universities rather than in the ODA. There is a list of seven project studies undertaken by people from Nuffield College, Oxford, under the supervision of Professor Little and Mr. Scott in the bibliography to the OECD booklet "Evaluating Development Assistance". These were carried out largely to test the Little/Mirrlees method of project appraisal. We have not completed many evaluation studies in the ODA and most of those listed in Dr. Cracknell's contribution to the forthcoming seminar are projects that have only recently been commissioned.

3. On technical assistance there has been more work within ODA. The studies completed within the last three years are:

(i) Two special reviews of the procedures for briefing technical assistance experts and for monitoring the progress of their assignments.

(ii) Two spot-check studies of Teacher Vacation Courses.

- (iii) A special review of the Commonwealth Teacher Training Bursary Scheme.
- (iv) A special review of U.K. assistance over the last five years to the Middle East Technical Institute.
- (v) A sector review of assistance to education in India.
- (vi) General reviews of manpower assistance to Kenya, Uganda, Malawi, Zambia, Botswana, Lesotho, Swaziland, Nigeria, Sierra Leone, and Malaysia.

There are also built-in and on-going evaluation procedures covering a growing proportion of U.K. training activities. The results of these and items (i) to (vi) above are internal documents.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

4. There is as yet no special unit "specifically in charge of evaluation work". Activities on the capital aid side are co-ordinated and frequently stimulated by a senior member of the Economic Planning Staff. On technical assistance the Manpower Planning Unit performs a similar role. Individual subject advisers and administrative departments are free to mount their own evaluation exercises as they see fit.

(2) Links with other services

5. Appraisal and evaluation are linked across the whole of ODA assistance through the major role of the Economic Planning Staff in both areas. The link is particularly strong in technical assistance where both functions fall to the Manpower Planning Unit. The link to implementation is through the advisory relationship of the geographical economists with the major departments administering projects and programmes.

(3) Do other institutions perform evaluations?

6. As mentioned above, most of the project evaluation work so far carried out in the U.K. has been done by Nuffield College. We are now commissioning evaluation studies to be carried out by a number of outside agencies mainly university departments. For example:

- (a) A major study is proposed of the impact of the new east-west road on the Terai region in Nepal, to be carried out by a team of workers from the Overseas Development Group of the University of East Anglia.
- (b) A man from Brunel University is about to leave for the British Solomon Islands, where he will spend four months evaluating a road project.

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- (c) A Cambridge economist is at present in Kenya looking at land settlement projects.
- (d) An economist from the University of Bradford is shortly going to Malawi to look at housing projects there.

A number of other research workers are being employed on individual contracts to undertake particular studies.

7. On the technical assistance side, the study of technical assistance experts by Professor McBean of the University of Lancaster is still awaited. The Institute of Development Studies, University of Sussex, has recently completed a study of the role of economic advisers in LDCs.

8. The Overseas Development Institute has been commissioned to evaluate U.K. country aid programmes to a number of Southern African countries.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

9. Until recently evaluation exercises have largely been mounted in response to ad hoc pressures or where the opportunities for learning from experience were particularly obvious. The ODA is now moving towards a more systematic approach under which evaluation resources will be concentrated on those areas which appear likely to yield the highest cost-benefit ratio, with benefits measured in terms of the subsequent improvements in the allocation of aid resources.

10. For all major capital projects we are trying to "build-in" provisions for evaluation at the same time as projects are approved and the finance made available. The problem is that it is one thing to "build-in" such arrangements, but it is quite another matter to ensure that they are in fact carried out, and as much of the responsibility for this inevitably falls on the developing country the chances are high that the data required for built-in evaluation will not be collected. Most of the major instruments of technical assistance also have built-in evaluation procedures. For technical assistance experts these take the form of evaluative reports, for trainees there are reports from the trainee's supervisor and, increasingly, from the trainee himself and his superior a year or so after his return; for the supplementation programmes there are annual reviews with the recipient. Wide ranging manpower reviews can be expected to continue to be held about every three years, with all major recipients of manpower aid. Sector reviews are likely to be increasingly common in education and, possibly agriculture. At the country level the annual policy papers have a growing evaluative content.

(2) Who performs the evaluations?

11. Evaluations are carried out by whoever seems to be the most appropriate person. So far most of the larger studies have been undertaken by outside people usually from universities, but increasingly we are prepared to do them ourselves and also to commission consultants. Proposals for increasing ODA evaluative capacity in respect of technical assistance are currently under consideration. As the newly established Development Divisions get under way, they will no doubt take on the responsibility for more of the evaluation projects in their areas. In this way, the Development Division in the Caribbean has taken the initiative in organising evaluation studies of projects in the West Indies. Similarly, the Development Division in Bangkok will be responsible for the evaluation of a crumb rubber factory in Indonesia.

12. ODA personnel involved in this work have not received formal training in evaluation except for one senior member of the Economic Planning Staff who has attended the US AID training course on the evaluation of technical assistance.

(3) Association of recipient country

13. In capital project evaluation there has hitherto been very little direct association with the recipient at the working level - beyond approval of the study. In the case of a major study of the Terai road a positive attempt was made to encourage the Nepalese to participate in the carrying out of the exercise but the Nepalese are under such pressure that they are unlikely to be able to spare anyone for these purposes.

14. On the technical assistance side, the built-in questionnaire procedures for trainees are devised in co-operation with the recipient, and the results shared with the recipient government. Similarly the manpower reviews are joint exercises with both parties scrutinising experience over the previous year. The one or two evaluation exercises that have examined assistance to particular institutions have taken a similar form. For other exercises - e.g. sector studies - the current practice is that the recipient is made aware of the outcome, but is not invited to participate in the evaluative process.

(4) Centralisation and dissemination of evaluation findings

15. The process of institutionalising evaluation is only just beginning. The main ODA library is a depository for all reports and the normal channel of communication for disseminating findings that affect the administration of aid is the "Office Procedure". A number of seminars on evaluation have been held in key departments.

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IV. METHODOLOGY

(1) Existence of a formal methodology

16. We do not have any formal methodology for the evaluation of capital projects, but we have our Guide to Project Appraisal, which sets out our basic ideas on project analysis and is therefore of great value for those who work in the field of evaluation. At present we have not had enough experience of evaluation work to enable us to prepare a similar guide to project evaluation, but in due course if this work gathers momentum possibly we may feel the need for something of the sort. The studies carried out by Nuffield College of course show a very intimate link between project appraisal and project evaluation, which is understandable because they were carried out largely to check a new appraisal method. However, with the projects that we are now commissioning we are not trying to fix too rigid guidelines for the work and we prefer to let the research worker follow the course that seems appropriate for the project in mind.

17. The situation is to some extent similar with regard to technical assistance. But though there is again no formal manual of evaluation the Manpower Planning Unit is developing systematic approaches to the different types of evaluation with which it is concerned. Thus, for example, the approach to manpower reviews is largely standardised; there is progress in the same direction with regard to education sector studies; studies of assistance to educational institutions draw heavily on American work on institution building; and the approaches taken to the evaluation of training activities share a common conceptual base. The major link between ex-ante appraisal and ex-post evaluation methods is that in general both share the same criteria.

(2) Important problems

18. For the U.K. the most important current problems in the organisation of evaluation work concern firstly, the amount of resources that it is appropriate to devote to such work, and secondly, the balance to be struck between on the one hand regarding evaluation as a part-time and rather ad hoc process for all departments with the occasional use of outside consultants, and on the other, establishing a separate special evaluation unit and building up a full time staff solely concerned with evaluation.

V. PURPOSES

19. We have given top priority in our evaluation work on the capital side to the first of the purposes mentioned here: trying to improve the quality of our project appraisal work. This seems to be logical in that the ODA tends to have only a limited responsibility for projects once the capital phase has been implemented. Our main concern, therefore, is to see what

lessons we can learn to enable us to improve the quality of our future appraisal decisions. We also have in mind the need to avoid the waste of aid funds that can be caused by bad projects.

20. Technical assistance evaluation has also been mainly concerned with drawing on past experience in order to improve figure allocation decisions. The aim, however, has not been confined to improving appraisal methods at the individual activity level. The balance of activities between and within sectors has sometimes been of greater concern. At other times the interest has been in testing the development hypothesis on which the assistance is based. This last type of objective is likely to grow in importance as a larger proportion of technical assistance goes to projects which are deliberately experimental in nature.

VI. RESULTS

21. Since we have made much more progress in the evaluation of our technical assistance programme than we have with the evaluation of capital aid projects, there has naturally been far more feedback on the T.A. side. Whilst it is difficult to identify changes that have taken place as a direct result of the evaluation work that has been going on, there has been a constant process of gradual adjustment of technical assistance procedures and of objectives in the light of the various evaluation reports that have been prepared over the last few years. On the capital aid side the current techniques of project appraisal have been influenced very much by the results of the various studies carried out by research workers at Nuffield College during the last two or three years. However, there have as yet been too few project evaluation reports available within the ODA for there to have been much feedback from that source.

UNITED STATES

I. LISTING OF EVALUATIONS ACTUALLY PERFORMED

1. AID Missions and Bureaus are expected to evaluate each of their on-going non-capital assistance projects annually. In addition, Missions and headquarters perform a number of special evaluations of projects, subsector and sector country programmes, and assistance problems and techniques. These range widely in scope and degree of thoroughness. They vary in number from about 30 to 70 in any given year.

II. PRESENT ORGANISATION

(1) Who is in charge of evaluations?

2. A central Office of Programme Methods and Evaluation has the functions of innovation, co-ordination and support. Specific evaluation activities are largely the responsibility of individual country Missions or AID/W offices charged with direct supervision of specific programmes. AID/W offices sometimes initiate evaluations comparing experience in several countries.

3. Within each country Mission, a designated evaluation officer plans the Mission's evaluation activities, and provides the methodological assistance and support required by Mission, contractor and host country staff. Each Regional Bureau has an evaluation officer who supports and co-ordinates both headquarters and field evaluation activities in his respective geographic area. Staff Bureaus in AID/W have evaluation officers who perform functions similar to those of Mission evaluation officers for research and other projects operated by the Bureau.

(2) Links with other services

4. Evaluation links to other functions of the Agency because evaluations are conducted under the direction and with the participation of the decision makers.

5. For non-capital project assistance, there is also a procedural link between the design, implementation and evaluation stages. The same Logical Framework Matrix, (a structured summary of a project's objectives, internal and external casual linkages, constraints and measurement indicators), is used as the basis for planning and approving a non-capital project, to oversee implementation and finally to clarify and re-examine the original design as a necessary prelude to evaluation. The evaluation determines progress towards the planned objectives, relying on progress indicators formulated in the logical framework.

(3) Do other institutions conduct evaluations?

6. A number of universities and private foundations conduct independent research on development problems, but do not generally conduct independent programme evaluations. The Overseas Development Council does some evaluations, but this is aimed at United States aid in general rather than specific activities. Most programme evaluation by universities and private organisations is usually done on contract to AID or concerns AID-financed activities for which they are the implementing agents.

III. FUNCTIONING OF THE EVALUATION PROCESS

(1) Decision to undertake an evaluation

7. The decision that annual evaluations would be required for technical assistance and certain other non-capital projects was made in AID headquarters, with agreement by each of the geographic bureaus.

8. A parallel process has been developed for capital assistance and will be field tested soon. This process sets out criteria by which Missions would decide when to evaluate, such as changes in conditions or policies, but suggests that an evaluation should occur at about the halfway point in a project.

9. In addition to periodic evaluations of projects, Missions may decide to do a special evaluation of a sector or some other aspect of their programme. AID/W may also initiate evaluations. These would cover a group of comparable projects, or an assistance technique in several countries, and would be aimed at providing guidance on some general question of programming or operations.

10. Our experience thus far confirms the need for complete and periodic coverage for most on-going AID activities, to measure progress and to re-assess relevance. Special, in-depth evaluation may serve as a follow-up or substitute for the simplified required evaluation, although frequently these evaluations look at a different type of problem. Ad hoc coverage is more suitable where the objective is to derive transferable lessons from completed projects, to conduct evaluative research on policy and programme issues, and to examine the effectiveness of aid techniques.

(2) Who performs the evaluations?

11. Specific evaluation activities are largely the responsibility of individual Missions and those AID/W offices charged with direct supervision of specific programmes. Usually these evaluations involve several people in the Mission, including the project personnel. In any case, the staff work on evaluation is reviewed in a formal Director's Review. Responsibility is so placed to increase the probability that

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evaluation findings will be directly and promptly translated into corrective actions. The headquarters responsibility is to develop improved evaluation methods to provide training and to assure that evaluation activities are planned and effectively carried out. Consultants are frequently used, particularly in special evaluations, where specialised knowledge and supplemental manpower are required.

12. All AID field missions were given training in the concepts and application of the new non-capital design and evaluation (logical framework) sub-system during its installation during December 1970-June 1971. A formal training programme in project design and evaluation, of one week duration, is offered to Mission and AID/W personnel six times a year. Representatives of other bilateral donors, multi-lateral agencies, and some recipient countries have also participated in these seminars and are welcome.

(3) Association of recipient country

13. AID policy is to encourage the co-operating country to assume the leadership in planning, managing and evaluating development projects and programmes which are financially assisted by AID. The role of the co-operating country in evaluation will vary according to the availability of its personnel, the nature of the project, etc. In some cases, staff work is collaborative. In other cases, formal review sessions are conducted jointly. To increase staff capability, AID missions are attempting to train co-operating country personnel in evaluation methods and are also adapting procedures in order to increase their involvement in the evaluation process.

(4) Centralisation and dissemination of evaluation findings

14. The AID/W regional and staff bureau Evaluation Officers, as members of the Agency-wide Programme Evaluation Committee (PEC), meet bi-weekly to exchange information concerning actual evaluations and methods. PEC members are responsible for disseminating such information within their own bureau and country Missions. The central Programme Methods and Evaluation Office periodically issues guidance messages and case studies on evaluations or evaluation techniques.

15. Evaluative materials are collected in a central repository called the AID Reference Centre (ARC), where they are catalogued and available to all personnel. These materials are included in the series of annotated bibliographies on various fields of development assistance, issued periodically by ARC. The non-capital design and evaluation sub-system represents a special case - it is a project specific methodology designed for direct and immediate feedback of evaluative findings into replanning. Its report format has little transfer value for other projects. Consequently the reports of greatest potential use are those resulting from special evaluations, including those initiated by some headquarters office.

IV. METHODOLOGY

(1) Existence of a formal methodology

16) A formal methodology is specified for the evaluation of progress and for the consequent preparation of the annual Project Appraisal(1) Report (PAR) for non-capital assistance. A manual and works sheets are provided, the Project Evaluation Guidelines and Project Evaluation Workbook respectively. A standard, 4-page reporting format which constitutes the PAR is also provided. Although there are no required methodology or forms for carrying out and reporting evaluations other than non-capital project evaluations, the logic of the system is often adapted and applied to special evaluations on a case by case basis. In addition to the specific guidance on completing the PAR, the overall AID evaluation system and the concepts on which it is based are described in AID's Evaluation Handbook.

17. The non-capital design and evaluation sub-system is not differentiated by sector, though the progress indicators selected as the basis for measuring project progress will differ from project to project and sector to sector.

18. The link between ex-ante appraisal and ex-post evaluation methods is described above in Section II (2),

(2) Choice between various types of evaluation

19. AID's evaluation system, as briefly described in Section III (1) above, includes several approaches tailored to specific needs.

20. We have found thus far that the effective management of project level assistance requires a system of complete and periodic coverage with simplified but rigorous evaluation. The cost-benefit ratio is made most favourable by the use of knowledgeable project management staff as evaluators. This eliminates briefing and familiarisation costs, assures direct feedback, and integrates the planning, implementation and evaluation functions. Insofar as special studies are concerned, and this same point is true also for evaluative research, their cost/effectiveness is dependent on the extent to which their findings are useful to management in improving the particular activity or the direction and operation of other present or future activities. They should be selected for and planned to meet specific decision-making needs. Particularly long and exhaustive studies should be used only for formulation of major policies.

(1) The word "Appraisal" in Project Appraisal Report (PAR) is in conflict with general OECD terminology. We use it in this instance to mean evaluation of progress towards planned targets because AID already had another report with the initials PER and hence we avoided the title Project Evaluation Report. The more normal use of the term "appraisal" is, of course, to describe the review of a proposed project.

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V. PURPOSES

21. The ultimate incentive for doing evaluation is to facilitate the greatest possible development impact in the most efficient manner. This includes getting the greatest possible impact for a circumscribed level of funds - or determining that no significant impact is possible with the amount available. To this end, evaluation aims simultaneously at a set of purposes: modifying the design of unsatisfactory activities, improving implementation, devising new alternatives to assure success and/or greater efficiency, drawing on past experience to improve planning and implementation, determining new policy orientations, etc. Certain types of evaluation may be more directly prompted by one type of purpose than another. For instance, an annual progress evaluation for a technical assistance project may focus primarily on improving design, implementation and efficiency while a special comparative evaluation of a group of similar projects might aim at developing new approaches or policies based on experience.

VI. RESULTS

22. The design and implementation of most AID projects evaluated have been positively modified in some way, and a better linkage established between individual project objectives and programme goals. Design and appraisal criteria and procedures, as indicated above in Section II (2), have improved as a direct result of instituting the evaluation system. Changes have been made in some overall programming policies and aid criteria as a result of special evaluations and sometimes from lessons learned from regular project evaluations.

23. The evaluation process itself has emphasised the need and provided a means for closer collaboration on design and evaluation matters with recipient country personnel. Several countries have asked for assistance concerning their own planning and management.

INTER-AMERICAN DEVELOPMENT BANK

I. EVALUATIONS ACTUALLY PERFORMED

1. In the past three years the IDB has carried out ex-post evaluations of education, colonisation, agricultural credit and agricultural marketing projects in several countries and irrigation projects in Mexico. The Bank is currently involved in an evaluation of irrigation projects in a number of countries

II. PRESENT ORGANISATION

2. The Bank has no unit with responsibility for ex-post socio-economic evaluations. A Unit in the Bank (the Group of Controllers) is charged with evaluating Bank operating procedures, which sometimes results in a fairly extensive analysis of the outcome of projects (e.g. the education study). The Economic and Social Development Department, however, is the unit primarily interested in the socio-economic impact of projects for the purpose of development strategy.

3. The Bank has no formal mechanism to link evaluation to other functions. Nevertheless, the results of full scale studies, such as those in colonisation, agricultural credit and marketing, have been integrated into policy papers. These documents are distributed and discussed throughout the Bank in an effort to improve the selection and design of future projects.

III. FUNCTIONING OF THE EVALUATION PROCESS

4. The decision to undertake an evaluation in a particular area is generally motivated by one of two considerations. Some evaluations, such as the colonisation study, result from an awareness that certain types of projects are encountering serious difficulties and Bank management wants to know the reasons for these difficulties. In other cases, e.g. agricultural marketing, the field of lending is new and the Bank is interested in expanding operations on a rational basis.

5. The Bank hires specialised consultants for its comprehensive evaluations to provide an independent view. At the same time, Bank staff actively supervise and participate in the evaluations to assure that the outcome is in response to the Bank's needs.

6. Local authorities and personnel are consulted extensively by Bank evaluation teams.

IV. METHODOLOGY

(1) Existence of a formal methodology

7. The Bank has no formal methodology for evaluation. Appropriate methodologies are developed for each case, as are questionnaires for the ultimate beneficiaries. In every instance projected project results in the ex-ante appraisal are compared with actual outcome. As discussed more fully below, the ex-post evaluation also employs evaluation criteria not included in the initial project study.

(2) Important problems

8. It is relatively easy to evaluate the financial and administrative aspects of projects (compliance with contractual provisions, physical progress, disbursements, etc.) and the Bank does this rigorously. This type of follow-through is fundamental, but does not provide the information needed to evaluate impact in terms of socio-economic objectives. A major problem is that financial and personnel resources are not adequate for more complex socio-economic evaluations.

9. In addition to the resource constraint, the Bank's experience in evaluation has highlighted significant problems intrinsic to the evaluation process itself. The evaluation of various projects frequently identifies where and why objectives have and have not been achieved, but does not provide the recommendations needed for Bank decision-making and for the Bank's dealings with country officials. This may be due to the failure to identify solutions to the problems emerging from the study or to the practical impossibility of remedies proposed, e.g. the recommendations regarding sub-lending interest rates in the agricultural credit study.

10. Another difficulty in ex-post evaluations is the lack of base-line data for comparison. The examination of data at only one point in time is of limited usefulness. Part of this problem is due to the narrowness of the ex-ante evaluations, which utilise almost exclusively rate of return and/or benefit/cost evaluation criteria. In the rural development field, for example, there is a need for the initial project analysis to include benchmark data and objectives related to income, employment, and other development considerations.

11. Although a great deal of consideration has been given to the difficulty in devising an appropriate methodology for evaluating technical assistance, the problem still exists.

(3) Choice between various types of evaluation

12. Evaluations with the best results have involved a fairly complete, superficial coverage with a simultaneous in-depth analysis of a few selected projects. (For example, coverage involving around 15 projects, of which 5 or 6 are selected

for more detailed study). More extensive, in-depth coverage is likely to create excessive costs in relation to benefits. Projects in many sectors involve one or more institutions and thousands of ultimate beneficiaries, who are reached through expensive sample surveys. The costs, in terms of both necessary financial resources and time, must be weighed against the frequently limited value of information obtained through the surveys. The results of surveys are often diminished by poor survey design (in turn partly the consequence of inadequate benchmark information), and the fact that sometimes the necessary information simply is not available. A possible alternative would be for the Bank to make a modest contribution to a local university, which could contribute to the field evaluations effectively and comparatively inexpensively.

V. PURPOSES

13. The purposes of Bank evaluations are referred to in III (1) above. The broad purposes are to improve the Bank's contribution to development (i.e. better project selection, modification of project design, more sensitive and flexible policies, etc.) and to improve operating and administrative procedures.

14. In conclusion, the Bank should probably develop three basic types of evaluation: (1) the first should be an evaluation of administrative and operational functions to improve internal operating efficiency; (2) The second should be an expansion and institutionalisation of the socio-economic evaluations currently undertaken. Evaluations of this type should incorporate major existing constraints under which the Bank operates, e.g. short disbursement periods, sub-loan interest rate restrictions, local cost limitations, etc. so as to make the results more realistic to immediate application; (3) A development Bank such as the IDB should also devote some of its resources and talent to a broader type of evaluation of what the Bank is doing and what it may do to increase its effective impact on the social and economic development process. Such studies may range beyond the constraints mentioned above and should be designed in such a way as to affect policies in the longer run.

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WORLD BANK

I. EVALUATION WORK AT THE WORLD BANK

1. In the model of an investment bank the World Bank has traditionally given great attention to the viability of the projects it supports and it has normally taken a much stronger interest than the typical commercial bank in following them up. After approval of a loan, the Bank follows projects by means of a supervision system which consists mainly of periodic field visits by headquarters staff and analysis of data about project progress regularly submitted by the borrowing entity. Supervision is carried out entirely by the operating departments which were responsible also for original preparation and appraisal of the projects. Sometimes supervision has tended to be rather perfunctory or too narrow in scope, but at its best it has provided valuable technical advice to the borrowers and assisted them in negotiations with other parties as well as providing satisfactory control of expenditures out of Bank funds. Moreover the supervision system has resulted in the experience of earlier projects being brought to bear to a considerable extent in the preparation and appraisal of new projects.

2. However, apart from some recent exceptions, active project supervision has very seldom been carried beyond the stage at which loan disbursements have been completed. Where this has been done, mainly in connection with follow-on loans to the same entity, full analysis has not been made of the extent to which all the various objectives of the original project were achieved, the reasons for departures and the effective economic validity of the investment. In the mid-1960s a thorough review of the Bank's supervision system led to the conclusion that a certain amount of work of this type, on selected projects, would be useful, mainly for the purpose of helping to improve the methodology of investment appraisal. A small programme of this nature was initiated in the Bank's then Economics Department. The first result was the well-known study by Herman van der Tak and Jan de Weille, "Reappraisal of a Road Project in Iran," completed in 1967 and published in 1969(1). The same programme eventually resulted in a number of other studies on individual projects which appeared in 1970-72(2).

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- (1) World Bank Staff Occasional Paper No. 7, published by John Hopkins Press, Baltimore.
- (2) Principally: Richard Manning, "An Economic Evaluation of Irrigation Rehabilitation Projects in Mexico" (IBRD Report No. EC-180, September 1971); Arturo Israel, "Reappraisal of a Railway Project in Thailand" (IBRD Working Paper No. 132, 1972); Graham Donaldson, "The Consequences of Farm Tractors in Pakistan: An Evaluation of IDA Credits for Financing the Mechanisation of Farms in Pakistan 1966-70" (1973); Paul Duane and Deepak Lal, "Reappraisal of the Purna Irrigation Project in India" (1973). The first two have been published in cyclostyled form, under the reference numbers given, while the last two remain at present at the draft stage.

3. Late in 1970, after considerable deliberation, the President of the Bank decided to set up an Operations Evaluation unit whose sole function would be to evaluate Bank operations, in the broadest sense. The new unit was to be located in the Programming and Budgeting Department which acted in many ways as a kind of secretariat for the President and which, although not responsible for operational work, was nevertheless heavily involved in the programming and planning of the Bank's future operations. The aim was to provide a more systematic and comprehensive review of Bank operations and their contribution to development than had been available in the past, in order to meet two needs - the need to learn as much as possible from experience and the need to demonstrate accountability for funds utilised. It was envisaged that it would take five years of experiments to develop sound procedures. The experiments started in January 1971 with two efforts, one a major comprehensive study of all that the Bank had done in connection with the development of Colombia since the start of operations in 1948, and the other a more limited one of the extent to which loan objectives had been achieved in ten power utilities to which the Bank had been lending for a number of years.

4. At the same time as this evaluation work was getting started the Bank was giving greater emphasis to regular project supervision. Increasing amounts of manpower were devoted to it. More importance was attached to regular schedules, providing for supervision missions every three months or six months as the case might warrant. Efforts were initiated to express more of the agreements reached in loan negotiations and project objectives in the form of quantitative targets against which actual performance could be closely measured during project supervision. Monitoring systems to generate information reflecting the extent of achievement of these targets began to be established in a more elaborate way. Attention began to be focussed less exclusively on the sheer progress of construction and of loan disbursements. Another improvement was to reintroduce, as a standard practice, preparation by the operating department, upon completion of disbursements, of Project Completion Reports analysing as far as possible at that stage, the extent of achievement of project objectives, problems encountered and the lessons that project implementation yielded.

5. Even the more systematic evaluation work has not been confined to the special unit in the Programming and Budgeting Department. It was from the start explicitly recognised that some work of an evaluative nature would continue to be done by the central economic staff of the Bank. Methods and approaches for solution of economic problems would often be the subject of their studies, and analysis, full or partial, of experience under past Bank-assisted projects could be one useful component of such studies. A case in point is the African Rural Development Study which the Bank's Economics Department has had underway for a year or so as a means to improve understanding of, and develop better approaches for coping with, the whole problem of poverty in rural areas; this study consists mainly

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of ex-post reviews of a number of projects including, among those which were financed with assistance from the Bank, the Lilongwe Project in Malawi and various agriculture credit projects in Kenya. Evaluation work essentially oriented to improvement of analytical methods and approaches has also been underway in some of the technical operating departments. For instance the DFCs Department has a programme of Special Studies involving intensive cost-benefit analysis of quite large samples of industrial projects financed by IBRD loans to development banks in various countries and designed in large part to help the banks to improve their own project appraisal techniques. The Education Department has put special emphasis on the need to develop better methods of targeting and measuring qualitative improvement in education systems via the financing of projects; a small review of a recently completed project in Ethiopia has been carried out and further reviews are envisaged under a special research project.

II. THE OPERATIONS EVALUATION DIVISION

6. By contrast with the studies just described the work of the Operations Evaluation Division in the Programming and Budgeting Department is designed only incidentally to improve analytical methods. Its first purpose is to assess, from an independent stance within the Bank, the performance of the Bank and the extent to which the objectives of individual Bank operations have been accomplished. Second, it is intended to identify any patterns of problems arising, so that Bank policies, practices and procedures may in the future be improved. Third, it is intended to identify and develop specific suggestions for such improvements.

7. The Division's programme of studies is worked out directly with the senior management of the Bank. Following the Colombia and Power Reports(1), which were discussed in the Bank's Board in the middle of 1972, the Division started a new programme including quite large comparative evaluative studies of highway projects and of lending to DFCs, each in a few selected countries, and a number of briefer reviews of individual projects in various sectors and countries, most of them completed about five years ago. This programme is nearing completion and a number of individual project studies have already been issued(2). The programme for the coming fiscal year (1973/74) envisages further comparative studies of projects in different countries and also a start on a new type of study, namely a standard audit, about one year after completion of loan disbursements, of the extent of achievement

(1) "Bank Operations in Colombia - An Evaluation" (May 1972) and "Operations Evaluation Report: Electric Power" (March 1972).

(2) "Summary Audit of Costa Rica First Highway Project" (October 1972), "Audit of Early Power and Telecommunications Lending to ICE (Costa Rica)" (October 1972), "Summary Audit of First Trinidad & Tobago Power Project" (January 1973), "Audit of Botswana First Highway Project" (April 1973).

of project objectives and of the reasons for shortfalls. It is now planned to subject each project financed by the Bank to such an audit, beginning with those for which loan/credit disbursements were completed in FY 1973; the extent of such study is expected to vary greatly among projects depending on the complexity of objectives established and the problems that arose in execution. The two main evaluation studies for the coming fiscal year are reviews of past Bank lending for agriculture credit to farmers and ranchers, and a study of the extent to which managerial and technical innovations introduced in Bank-assisted projects spread beyond them (so-called "spread" of "demonstration" effect).

8. The Division's work programme is carried out entirely by the Division's full-time staff and periodic consultants, except that members of other Bank departments sometimes contribute a few weeks or a few months for a special assignment. However, care is taken to ensure that a project is never reviewed by anyone who was closely associated with its original appraisal or preparation in the Bank. On the other hand, considerable effort is naturally made to discuss projects and the evaluative interpretation of them with those on the operating side of the Bank who were concerned with them, and the comments of the operating departments are solicited and carefully considered before finalisation of any report. The Operations Evaluation Division now has a permanent staff of some 23, including about 8 professionals, 9 research assistants and 6 secretaries; about half the manpower is devoted to individual project studies or audits and half to major evaluation studies. The Division recruits specialised individuals as consultants and has also contracted a number of studies - principally concerning project impact in small regions - with research institutes in the developing countries where projects are being studied. These links with local research institutes, which have worked with varying degrees of success, have been the principal means of active involvement of borrowing countries in the Bank's evaluation work, although all studies and the plans for them are naturally discussed quite fully at an early stage with the responsible Government authorities.

9. The Division has no agreed formal method for carrying out its various types of review. There is rather a basic set of questions and experiments which has been made with a variety of different ways of approaching answers. Imagination and experimentation remain the key ingredients.

10. The principal questions considered can be listed in ascending order of complexity. They apply equally to capital projects and to technical assistance projects (which for the Bank means mainly planning and institution building components of capital projects):

- (1) Implementation: Was project fully completed, on time, and within cost estimates?

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- (2) Compliance: Did borrower, Government, consultants, etc. comply with loan covenants and related agreements and contracts?
- (3) Financial Performance of Borrower: Have targets or projections been fulfilled?
- (4) Institution Building: Have agreed or expected reforms in policies and structures been carried out?
- (5) Economic Analysis: Have appraisal projections on markets, outputs, costs, etc. been realised?
- (6) Economic Reappraisal: How does the project compare retrospectively with what would have happened had it not been undertaken or had something else been done?
- (7) Bank Contribution: What difference did the Bank make to the project?

Each of these questions about achievement or objectives and the corollary ones of the "if not, why not?" type may be treated either narrowly or broadly, concentrating attention mainly on the individual project and the executing agent or, at the other extreme, trying to see the project to the greatest possible extent in its full country context. The breadth of context chosen also affects the range of alternatives envisaged in considering whether original project objectives were the best they could have been.

11. While these questions have been the main ones pervading our work we have grouped Bank operations in different ways in different studies and this has naturally resulted in varying emphases. For instance, the grouping of projects by country tends to concentrate attention on matters such as project selection, lending strategies, inter-relations between lending activities and policy advice, institution building efforts. Grouping of projects by sector, taking cases in different countries or regions of the world, focusses attention more on technical issues concerned with that particular type of lending, including specific implementation and compliance problems. Selection of projects for study according to some guiding theme, such as the demonstration effect mentioned earlier, naturally concentrates attention on the theme in question. When we intend seriously to review institution building achievements we find it essential to cover the whole series of loans made by the Bank to a particular entity or sector in a country.

12. We have not come to any strong conclusion as to the superiority of one way of grouping projects over others; it depends in part on the issues or aspects which it is desired to emphasise. From the cost point of view country studies have a marked advantage, mainly because all the overhead of country background for each project is common; linked studies of projects in different countries are, on the other hand,

particularly costly and difficult to manage, because of the multiple country backgrounds to be covered, logical problems, and time required for contrast and comparison. Including all costs such as office space and staff benefits as well as salaries and travel, the Colombia study cost about \$660,000. Part of this was spent on a deeper review than is normally possible of the country's overall situation and the Bank's relations with it; dividing the total costs, however, by the number of projects covered fairly fully (33) yields an average of \$20,000. Our individual project studies, which have generally been less intensive than those underlying the Colombia report, have cost between \$10,000 and \$30,000, depending on complexity and technical expertise required. Total expenditures for the Operations Evaluation Division have been running a little under \$700,000 per year, or about 0.6 per cent of the Bank's total administrative budget.

III. FOLLOW-UP TO EVALUATION STUDIES AND RESULTS

13. All the reports of the Operations Evaluation Division try to draw lessons or conclusions relevant to future operations of the Bank. These are naturally given most prominence in larger scale studies where sufficient projects have been covered to warrant the assumption, at least tentatively, that the conclusions have broad applicability. The conclusions of individual project studies will need to be reviewed, assembled and assigned priority after a number of such studies have been done. Only then will it be possible to follow up their implementation.

14. It is too early to be at all definitive about the effect of the Bank's evaluation studies. In some quarters they have been received well and in others quite badly, but even when received badly they may have had significant effect on operations. Evaluation studies are naturally only one source, among many, of ideas about needed changes in policies and practices. Hence even when changes are visible it is hard to identify exactly the role of the evaluation report. Nevertheless it is quite clear that the principal reports produced so far have had some effect, not in changing basic directions but rather in reinforcing and accelerating existing trends, at various different levels - for instance, plans for future lending to the entity in question and the emphases to be made in such lending; areas of concentration for operating department missions and possible advice to country; orientation and policies for research in connection with Bank policy, for instance on land reform and various policy questions in the electric power field; and, more generally - possibly most important and least identifiable - operating department personnel taking account of the lessons derived in evaluation reports in the execution of day to day lending administration.

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15. In a few months' time it may be possible to be more conclusive as to whether or not evaluation report recommendations are having any effect on Bank practices. Under the follow up procedures established for the main reports, the operating departments are requested to prepare, following Board distribution of each report, detailed responses outlining what they are doing or plan to do in implementation of each recommendation or, if they do not agree, the reasons for such disagreement. These responses are discussed with the Operations Evaluation Division before being finalised, so as to make sure that there are no problems of sheer misunderstanding. About one year later it is the responsibility of the Operations Evaluation Division to prepare a report to management going over each and every one of the original recommendations and commenting on its fate, the extent of implementation and further action needed. Discussion of recommendations with the operating departments has been a significant part of our work during the past year and preparations of the proposed 'closing reports' on the Colombia and Electric Power evaluation reports will be important jobs during the coming year.

IV. CONCLUSIONS AND SOME DILEMMAS

16. Now about half way through the five-year pilot period we feel we have defined reasonably well the questions that need to be answered and we have gained experience in trying to answer them for projects and other operations in a fairly wide variety of fields. We have not, on the other hand, reached standard procedures which now need only to be applied to a larger sample of Bank activities; the programme remains experimental in nature.

17. A perennial dilemma in the selection of projects for evaluation is between older ones, on which there is sufficient operating experience after constructions that results can be fairly fully and categorically defined, and newer ones, more representative of current policies and procedures with regard to project selection and appraisal; to exaggerate slightly, studies of older projects may lead to results that tend to be irrelevant, however definitive, while studies of newer projects may lead to results that are highly relevant but still quite disputable. Older projects can also be very costly to study due to difficulties in digging up the data. On the whole, our tendency has been to move toward more recent projects, among those for which loan/credit disbursements are fully completed. Early project benefits, which anyway often dominate in discounted cash flow analyses, can generally be defined within a year or two of completion of construction.

18. With the recent decision to provide the Executive Directors of the Bank with an audit report on every project within a year or so of final loan disbursements, we are moving toward a comprehensive integrated system. To the early stages of the "Project Cycle" - identification, preparation, appraisal and loan negotiation - post-construction additions have been

made in the form of the standard audit and possible subsequent evaluation, while the key middle stage of supervision during construction is being substantially strengthened by greater emphasis on it in manpower allocation, by introduction of built-in monitoring systems and by institution of the Project Completion report. It is envisaged that the monitoring data together with the Completion Reports will be drawn on heavily so as to bring down the costs of the standard audit, without jeopardising its independence. This in turn will leave more resources available for evaluation studies, while the Operations Evaluation Division's responsibility for the standard audit will help it to identify projects and topics that most need to be taken up in evaluation studies.

19. Probably the most difficult problem which confronts the Bank's evaluation effort is in the treatment of institution building objectives. Management improvement is often given great emphasis in connection with Bank projects and management deficiencies often take a large part of the blame for disappointing performance of projects. But we have not yet succeeded in coming to grips in a satisfactory way with management and organisational problems. From analysis of the past it should be possible to come up with rather specific ideas as to the roots of the problems and how they might have been overcome. But we are faced with a great paucity of methods, techniques and analysts for coping with these problems.

20. Although to some degree a by-product of the overall effort, the suggestions which emerge regarding possible improvements in Bank policies and procedures are obviously in our opinion very important. Equally we are concerned that they should receive full consideration. But we are not at all sure of the point to which it is appropriate for the Operations Evaluation Division to develop them. Leaving them in general terms may stimulate the operating departments to develop better specific solutions themselves; preparing them in fuller detail, on the other hand, can yield a paper on which immediate discussion can be based and against which progress in achievement can be measured. On the whole, our conclusion is that many of the recommendations in the reports that we have done so far were not sufficiently precise or fully developed and have as a result been quite often misunderstood. Hence we have been elaborating some of them and our general intention is to develop important recommendations in greater operational detail in the future.

21. Another problem which we confront in all evaluation work is to get the right balance between breadth and depth. Whether the principal purpose of the study is accountability or derivation of lessons for future application, it is important that the underlying project base of the study be

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sufficiently large that readers cannot easily discount the conclusions on grounds that the sample is biased or unrepresentative. On the other hand coverage of a very large number of projects may simply lead to superficial treatment of them all. We are constantly striving to develop approaches which enable adequate emphasis on a few projects which raise important problems or seem likely to yield important lessons, while at the same time covering, with briefer studies, a much larger number of projects; this seems the most productive allocation of the relatively small amount of manpower which it is worthwhile devoting to evaluation and audit functions.

ANNEX II

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Evaluation of Food for Peace Grant Programmes

NATURE OF PROGRAMME

1. Since 1954, the United States has devoted food for disaster relief, food-for-work projects, and to combat mal-nutrition in special feeding programmes for children and other needy persons under Title II of Public Law 480, known as the Food for Peace Programme. Much of the food is distributed through voluntary agencies such as C.A.R.E., Catholic Relief Services and Church World Services.

PURPOSE OF EVALUATION

2. Annual programme reviews of Title II had occurred as part of the budget process. In some individual countries, special studies about the nutritional or developmental impact had been undertaken. In 1971, the Agency for International Development decided to undertake a worldwide evaluation of the programme. Several factors were involved in this decision:

- (1) Budget constraints and competing priorities for funds led to questions about the true value of the Title II programmes;
- (2) The diminution of available commodities created problems of choosing the best uses for an increasingly limited resource;
- (3) To avoid continuing dependency, it was important to examine what steps were being taken by the host governments to assume fuller responsibility for meeting their nutrition problems and how soon the U.S. could withdraw from its role.

SCOPE OF WORK

3. A very detailed set of questions was developed that asked "whether best obtainable results are being achieved with the Title II foods; and if not, why not, and what changes should be made to improve performance." The areas for study included such subjects as: examination of AID policies and priorities, implications of dependence on donated commodities, economic impact of work projects, programme administration, host governments' interests and attitudes, and the relationship of programmes to national goals. The scope also included a recommended work plan and suggested eight countries to study. These countries covered various types and sizes of programmes and of voluntary agencies.

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SELECTION OF EVALUATION AGENT

4. The evaluation was placed under contract to a firm experienced in economic studies and knowledgeable in the use of the AID evaluation system. The decision to use a contractor was predicated on three considerations:

- (1) Achieving comparability among evaluations of programmes in several countries required that the same people visit several countries. Not enough AID personnel could be spared from their regular work for a long enough period.
- (2) A contractor could simplify administrative problems such as arranging for travel and editing and printing a report, and,
- (3) it was hoped that an outside viewpoint might inject greater objectivity and perhaps more originality in approach to the study.

However, one or two AID staff members were included in each study team in order to expedite acquisition of historical material, facilitate relations with field missions and co-operating governments, provide a sense of operational realities to outside experts and provide for follow-up. These mixed teams worked quite well.

METHODOLOGY OF EVALUATION

5. A series of briefings were held in Washington and New York with AID officials and officials of the private organisations which manage the food programmes. Then two teams of representatives of the contracting firm visited two countries each. For each country, a different AID officer from Washington joined them. The field teams spent approximately one month in each country. The teams interviewed US AID mission officers, representatives of the sponsoring organisations, and host government officials. They visited numerous projects. They also examined documents. Although the questions came from the scope of work, the teams had to discover sources of data in each country. They also worked with each Mission to prepare a logical design of the country programme in matrix form. Then a draft report was written and discussed with the Mission Director. This process took about three or four weeks for each country.

6. The two teams then returned to Washington for rest, discussions of findings with AID headquarters, briefings on the next two countries each was to visit and consultations between themselves on techniques involved. In addition, the draft country reports were reviewed by a panel of specialists recruited by the contracting firm for the purpose of testing assumptions and refining techniques. Tentative hypotheses were developed for testing in the next set of countries.

7. Upon conclusion of this phase the two teams returned to the field, completed the other four country reports and then came back to Washington to prepare the worldwide report.

RESULTS OF EVALUATION

8. The completed study contained a number of policy and operational recommendations that have been to a large extent reflected in guidance issued by AID headquarters on future programming. Recommendations included such matters as placing increased emphasis on nutrition education along with food distribution, encouraging host countries to prepare food and nutrition plans, and giving priority to recipients in special target groups especially pre-school children and lactating mothers. Finally, there were suggestions on improved systems of data handling. Another conclusion was that food-for-work projects were generally making a significant impact on the economic and human development in the recipient countries and should receive more emphasis.

OVERSEAS DEVELOPMENT ADMINISTRATION(United Kingdom)Some Problems in the Organisation and Carrying-out
of Ex-Post Evaluation ActivitiesINTRODUCTION

1. The purpose of this paper is to discuss some of the problems connected with the organisation of ex-post evaluation work, and the difficulties likely to be encountered in trying to get an evaluation programme under way. It does not deal with many of the basic problems of evaluation which have been covered already in the OECD booklet "Evaluation Development Assistance".

TYPES OF EX-POST EVALUATION

2. There are several distinct types of evaluation activities, and as the problems are different in each case it is convenient to deal with them separately. They are:

- (a) Overall: evaluation of overall aid policies,
- (b) Sectors: evaluation of sectors, e.g. education, agriculture, power, etc.,
- (c) Aid Instruments: evaluation of particular methods of giving aid, particularly technical assistance, e.g. training programmes, salary supplementation schemes, etc.
- (d) Country: evaluation of all projects financed by an aid agency in a particular country or region,
- (e) Project: evaluation of specific projects, usually capital aid.

3. Type (a) evaluations deal with main aid policies and are rather different in scope and method from the others. Types (b), (d) and (e) deal with either capital aid or technical assistance projects. Type (c) are concerned mainly with technical assistance.

4. The term "ex-post" evaluation has been used to emphasise the distinction between appraisal, which is ex-ante, and evaluation which is ex-post. But ex-post what? Surely not the whole project, since many projects have an indefinite life and do not come to an end, e.g., roads. Presumably then the term implies ex-post the implementation phase, e.g. in the case of a road some time after the road itself has been completed. Thus the monitoring of the implementation stage of the road is not evaluation, but the monitoring of the build-up of traffic would be. We return to these difficult problems of timing later.

TYPE (a) - OVERALL AID POLICIES

5. This type of evaluation involves taking stock of overall aid policies and programmes so that guidance can be given as to the extent to which they are achieving the objectives in view.
6. There is a fine line of division between evaluation work of this type and general policy formulation and review, and it is certainly closer to the latter than to ex-post evaluation as generally understood. The form of organisation adopted for these macro evaluations is therefore likely to be different from that of the typical evaluation unit. The most appropriate is likely to be a small high-level policy appraisal or evaluation unit located towards the top of the hierarchy at senior management level. A good example is the Operations Audit Division in CIDA, the Canadian Aid Agency, which in spite of its rather unfortunate title is more a policy evaluation unit than an Audit Department. In the ODA, however, we have nothing quite like this, although from time to time special committees are set up called "Programme Analysis Review Committees" (PAR) whose task is to take stock of policy in selected fields. The need for a regular review and evaluation of broad lines of policy is now widely accepted, but it may seem to be stretching the concept of "ex-post evaluation" rather far to include activities of this kind under that heading.

TYPE (b), SECTOR EVALUATION

7. A less comprehensive type of evaluation, although it is still wider in scope than project evaluation, is the evaluation of sectors. The extent to which aid agencies are likely to adopt this approach will depend very much on the kind of aid they give. If their aid takes the form of sectoral loans, which tends to be characteristic for instance of the aid given by US AID, then it is likely that they will be attracted to sectoral evaluation, and the United States has produced a number of very interesting and valuable studies of this kind. The recent IBRD study of power projects is an outstanding example of a sector evaluation, although it was geared very much to the needs of the IBRD as an aid agency and the method used was to evaluate a number of projects in the power sectors of various countries.
8. In the ODA we have not hitherto devoted much attention to sectoral evaluation, except in the sphere of education, and just recently in agriculture, probably the main reason for this, on the capital aid side, is that we have concentrated our aid on individual projects and in most countries we have not provided a sufficient number of projects in any one sector to justify the sectoral approach. On the technical assistance side the main reason is the very practical one that until recently our statistics were not organised in this way and we had little data on how our technical assistance was distributed between sectors.

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9. In the field of sector evaluation there may be differences between the approach adopted by an aid agency looking at its own sector aid programmes on the one hand, and a developing country evaluating its own sector investment on the other. An aid agency will be responsible for only part of the investment in any one sector, and is likely to be more interested in how its specific contribution is used than in the sector as a whole. The developing country on the other hand will be interested in the sector as a whole, and indeed is likely also to be very interested in that sector's interrelationships with other sectors.

TYPE (c), AID INSTRUMENTS

10. Not unnaturally aid donors are particularly concerned to evaluate the success of the various instruments they use as a vehicle for aid - particularly in the field of technical assistance. A good example is the US AID study of their Aid Participant Training Programme which was carried out on a global basis. In the ODA we have completed, and are still carrying out, a number of studies of various aspects of our technical assistance programme, and a glance at the bibliography in the OECD booklet mentioned earlier suggests that this is a common feature of the evaluation activities of other donor countries. The U.K. studies include:

- (i) Four studies of various aspects of the work of experts sent abroad on assignments of up to 3 years.
- (ii) Two studies, commissioned by the ODA but undertaken by outside experts, on the U.K. training programmes for Ghana and Pakistan.
- (iii) Two studies of Teacher Vacation Courses.
- (iv) A study of the Overseas Students Fees Award Scheme (OSFAS).
- (v) A study of the effectiveness of training programmes in the U.K. This is being approached in two different ways, by contacting the returned students themselves (Nigeria and Kenya), and by contacting the students' superiors (Sri Lanka, India and Thailand), so that we can judge which method is more effective. Questionnaires are also being sent to participants on special courses in the U.K. before their courses end.

11. Although not only concerned with evaluation the manpower reviews carried out by the ODA's Manpower Planning Unit have a substantial evaluative content. Such reviews have been carried out for most of the major technical assistance recipients.

TYPE (d), COUNTRY EVALUATION

12. An alternative to sectoral evaluation is the country evaluation, i.e., evaluating aid policies and projects for one particular country or region. The World Bank report on their aid to Colombia is of course the obvious example, but there are others, including N.H. Jacoby's study of U.S. aid to Taiwan. In the ODA we are currently financing a study of U.K. aid to a number of countries of Southern Africa. This area was carefully selected because it is one of the few parts of the world where U.K. aid is sufficiently important for it to have a substantial impact on the country's whole economy. More usually, our aid represents less than 10 per cent of a country's total new investment each year, and it would therefore be virtually impossible to isolate the impact of our aid from the country's own investment activities. It is for this reason that the country approach hardly seems likely to figure prominently in the ex-post evaluation activities of most aid agencies.

13. One important feature of the ODA's aid administration is the system of "country policy papers". These set out the basic lines of aid policy for each country. Although there has not hitherto been much formal evaluation in them the context is increasing and is likely to be more important in the future.

TYPE (e), PROJECT EVALUATION

14. This is the most usual type of evaluation so far as capital aid is concerned. A few projects with a mainly technical assistance context would also fall into this category, such as the ODA's current study of the various types of aid being given to a university in West Africa. In most cases, however, technical assistance "projects" would be too small to justify evaluation individually. Indeed the OECD booklet (page 28) takes the view that an individual expert sent to a developing country to advise does not constitute a "project" but only an element of it. Some donors, however, organise their technical assistance on a "project" basis, using teams of experts working sometimes for extended periods and following a carefully drawn up plan. The US AID gives a great deal of technical assistance in this form, and it is therefore not surprising that they have gone further than most people in evolving a methodology of evaluation for technical assistance projects. They have a very valuable contribution to make in this aspect of ex-post evaluation work, and many of the ideas and techniques that they have evolved may prove equally useful in the sphere of capital aid evaluation. By the same token, some of the thinking that has been going on in recent years in relation to social accounting techniques, and in particular the Little-Mirrlees approach, may also prove relevant in the field of technical assistance, and we know that the US AID have been trying recently to take account of some of these new

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ideas in their own techniques. However, in what follows we must necessarily concentrate attention on capital aid simply because our experience in the U.K. in the evaluation of technical assistance projects is so limited.

15. It does not follow, because the project evaluation approach is limited to one particular project, that it is necessarily simpler or cheaper than sectoral or country evaluation. The very fact that detailed figures of inputs and outputs are obtainable means that a great deal of very exacting data collection may be necessary, and since the cost of this work will inevitably be compared with the cost of the particular project under investigation, rather than with the generality of projects of the same type, there is a real risk that the cost of project evaluation may seem to outweigh the benefits. In the U.K. we have probably moved further along this particular path than most other countries, but so far the studies have mostly been conducted by Nuffield College, Oxford, rather than directly by ODA (see bibliography to the OECD booklet⁽¹⁾). One reason why the U.K. has done so much research in this direction is that the Little-Mirrlees approach to project appraisal was evolved at Nuffield College, and a major objective of these evaluation studies was to act as a kind of test bench for this new method. For this reason there is a great deal of emphasis in their reports on the problems of evaluating particular items of costs and benefits, and the difficulties of shadow pricing, risk analysis, and discounting. There tends to be relatively less attention paid to the wider aspects of the project as part of the pattern of development in the sector as a whole, and in particular there is seldom much attempt in these studies to evaluate social factors and externalities.

16. The relative lack of attention hitherto to social factors and environmental factors in most project studies is a deficiency we are very conscious of, and which we are trying to do something about in studies that we are now commissioning. For instance, we are about to commission studies of new road developments in Nepal and the British Solomon Islands, which will be carried out by people trained as socio-economists, and we are also hoping to commission a study of Belmopan, the new capital of British Honduras, which will be carried out by a sociologist, and in which social factors will play a more important role than purely economic ones. We can therefore claim that we are trying to adjust the imbalance that may be detected in the studies carried out so far. A difficult problem that we have encountered in this context, however, is the severe lack of people in the U.K. who have the required skills in carrying out socio-economic studies. Most sociologists in the U.K. seem to be biased on the side of social anthropology and their interests lie rather more in the direction of the historical development of communities and societies from the cultural point of view, than in the social aspects of

(1) "Evaluating Development Assistance", OECD publication, January 1972.

economic development. We have recently persuaded a young social anthropologist to carry out an evaluation study of banana growing in the island of Dominica in the West Indies, and she has shown considerable success in adapting her training to the requirements of this assignment.

17. In addition to social objectives, projects often have important underlying political objectives; not necessarily the crude one of simply earning votes for politicians, but often more subtle objectives like enhancing political stability, reducing a sense of isolation of remote regions, and fostering racial or tribal harmony. How does one evaluate the degree of success in achieving objectives of this kind? Can economists even be expected to evaluate political factors? How does one make allowance for the fact that politicians are likely to look for quick returns from projects (e.g. before the next election) and may instinctively adopt a higher rate of discount than the economist?

These problems of the social and political objectives that may underlie the economic ones are very difficult to resolve.

FINDING THE RIGHT KIND OF ORGANISATION

18. The problem immediately arises in any aid agency attempting to carry out ex-post evaluation work, or indeed in any developing country, as to whether a special ex-post evaluation unit should be established, or whether this work can be integrated with the existing organisation. In many aid agencies special ex-post evaluation units have already been established. In CIDA, for instance, there is a Directorate, under the Vice President for Policy, which is responsible for evaluation work. This is of course quite distinct from the Operations Audit Division mentioned earlier, and looks at evaluation from the project angle. The US AID have also set up a special organisation to deal with ex-post evaluation work, but their activities are confined mainly to the evaluation of technical assistance.

19. In the ODA we have adopted different procedures according to whether we are dealing with technical assistance or with capital aid. In fact, there is a major difference of approach which runs right through the organisation of the ODA as between technical assistance and capital aid, and we suspect that the same is probably true of most other aid agencies. For similar reasons, it seems to us very likely that the form of organisation which is adopted for evaluation of technical assistance is likely to be different from that which is appropriate for capital aid, from the aid donor's point of view at least. Other factors may apply in the case of a developing country setting up an evaluation unit for its own purposes.

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TECHNICAL ASSISTANCE

20. ODA has had a lengthy, albeit limited, experience of organising for the evaluation of technical assistance. Each department has been expected to regularly review the effectiveness of activities as part of normal administrative responsibilities. Departments have from time to time thought it necessary to mount special evaluative exercises. Other studies have been prompted by Finance Department and the Economic Planning Staff out of their more general concerns for, respectively, financial control and the economics of the aid programme. Most recently the Manpower Planning Unit, drawing on experience with the appraisal and programming of technical assistance, has become the major catalyst for further studies.

21. Significant benefits have and are being obtained from the exercises mounted in these various ways. Nevertheless, present organisational methods are recognised to have particular disadvantages. The problems include:

(i) Limited Planning and Co-ordination

Most special evaluation studies or procedures are reactions to ad hoc pressures. Few, if any, have arisen from surveys of the whole or a large part of technical assistance, and attempts to identify key continuing issues or problems.

(ii) Weak Methodology

Because most studies or reporting systems have been mounted by the departments or advisers directly concerned and there has been little attempt to draw on outside expertise, methodology has been extremely varied in quality. There has been a fairly prevalent assumption that anybody can "evaluate".

(iii) Slow and Partial Application

Even where evaluation studies have been recommended their mounting has to compete with other departmental responsibilities. Pressures of day-to-day administration can lead to continual postponement or the undertaking of very restricted exercises.

(iv) Limited Analysis, Dissemination, and Implementation of Results

Where reporting systems or special studies are set up the departments concerned often find that they lack the time or the skill to analyse the results and to disseminate them to those responsible - often in other departments - for the relevant policies. If evaluation studies are not used, not only is the time and effort of all involved wasted, but nothing may be learned about the merits or demerits of the evaluation method or approach

(v) An Inadequate Memory

The findings of many evaluation documents and reports rapidly disappear from sight. This is not so much the result of deficient procedures for storage and retrieval of important reports (there is a procedure for all such documents to go to the Library), as of the fact that no one department or person has a specific responsibility for ensuring that the experiences of the past are built on cumulatively, and are not simply repeated.

22. In view of these problems with present methods of managing evaluation, thought is being given to the costs and benefits of establishing a central evaluation "unit" with responsibility for:

- (a) Improvement of the present reporting procedures on the "efficiency", "effectiveness", and "significance" of technical assistance activities.
- (b) Collecting, preparing, analysing, transferring and storing U.K. experience with technical assistance activities.
- (c) Developing technical skills in evaluation, and providing technical advice to departments or organisations within the British aid effort that wish to make their own evaluation studies.
- (d) Surveying other donor experience with evaluation studies.
- (e) Providing advice to recipients on the evaluation of technical assistance.

Should a decision be made to establish a central evaluation staff, its location within ODA is likely to reflect the conviction that learning from experience needs to be treated not as an end in itself but as one element of the planning cycle. Logic would suggest attachment to, or the closest association with, the Manpower Planning Unit, which is ODA's main source of advice on the planning of technical assistance.

23. Against the benefits of a central unit have to be placed the costs of the extra staff involved and the possibility of an undermining of the sense of responsibility of executive departments for continually reviewing their own programmes. It would be useful to learn how other donors have weighed the costs and benefits of establishing a central evaluation staff as against strengthening executive departments. Where a special evaluation department has been established, what, ex-post, have proved to be the advantages and disadvantages? More generally, what proportion of aid resources do other donors think it sensible to devote to ex-post evaluation purposes, and how have they reached their decisions?

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CAPITAL AID

24. As to the evaluation of capital aid projects, our approach so far has been rather different. We have approached the problem with no preconceived ideas and have adopted a variety of methods as seemed appropriate at the time. It was decided at an early stage that staff resources were insufficient to enable us to do much detailed evaluation work by ourselves, and that it would be necessary to commission studies by outside agencies. We also felt that this might in fact lead to better results in that we would be able to select people who had the particular skills to evaluate projects of particular kinds, and also because in some cases it may be easier for a university to conduct an evaluation study than for ourselves. Thus, although we have carried out a few studies on a small scale, mainly so that we can acquire experience in this kind of work, we have not set up a special project evaluation unit and the work has been handled so far by one Senior Economic Adviser who spends about a third of his time on it.

25. In cases where we feel an ex-post evaluation can yield results of direct relevance and value to our project appraisal work, we are prepared to commission such studies directly, using our own sources of finance. In other cases, where we feel the project may be of value but it is more difficult to argue that the results are likely to improve our project appraisal work, we have "inspired" applications for funds to those organisations that finance university research. Some of the projects that come into this category are small (one investigation for instance will be carried out by a postgraduate student working for only a few months), and a few are very large (one study at present being considered would cost several tens of thousands of pounds and would involve a team of up to six people for periods of about three years). So far we have commissioned studies by individuals or by university teams, but we are prepared to use firms of consultants when this seems to be the appropriate channel.

CHOICE OF PROJECTS FOR EX-POST EVALUATION

26. In choosing projects for ex-post evaluation we have again adopted a very pragmatic approach. The range of choice is indeed remarkably small. It is necessary to find projects that: have been completed long enough to justify ex-post evaluation, which means at least a year or two after the construction phase has been completed; are in a country where ex-post evaluation research is acceptable (a diminishing number); and are the types of project likely to provide useful lessons (projects may not be worth evaluating if one is never likely to be involved in another project of the same kind). It is preferable to find projects for which some initial appraisal of

costs and benefits was made, so that a "bench-mark" is available, but all too often one finds that virtually no project appraisal of any significance was made if the project was appraised before about 1965.

27. The ODA has recently commissioned or "inspired" projects in the following sectors, most of them either just starting or still in progress:

Roads (4)	Nepal, British Solomon Islands, Dominica, Sierra Leone.
Urban Development and Housing (3)	British Honduras, British Solomon Islands, Zambia and Kenya.
Hospitals (2)	St. Kitts, Barbados.
Ports (2)	Seychelles, Barbados.
Irrigation (1)	Malaysia.
Land Settlement (1)	Kenya.
Agriculture (1)	Dominica.
Industry (1)	Indonesia.
Airfields (1)	British Virgin Islands.
Food Aid (1)	Malawi.
Water Supplies (1)	Mauritius.

28. The difficulty of finding projects suitable for ex-post evaluation has turned out to be very much greater than was expected. It seems that even one's own colleagues, who could surely be expected to appreciate the value of ex-post evaluation work in improving the quality of our aid programme, often find it easier to think of reasons why a project is not suitable than why it is. No doubt they have very much in mind the impact on the developing countries they are responsible for of university research workers asking awkward questions on projects that were completed some years ago and have passed into history. Increasingly we are finding it very difficult to carry out research in developing countries and research in the field of ex-post evaluation seems particularly difficult since it has very much a "past historic" feel about it. Moreover, there is always the fear that the people in the developing country concerned may suspect that ODA is trying to pour salt on old wounds that are best left to heal. If the evaluation highlights past errors of judgement is this likely to help the aid cause? In any case a lot of water has flowed under the bridge, and we have all learnt a lot since the early days when we made mistakes, so what is the point of underlining past deficiencies that we have now corrected? Our experience to date suggests that however desirable it may be to involve the recipient

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country fully in our plans for ex-post evaluation, they are seldom enthusiastic and in the end we are merely grateful for their acquiescence.

THE TIMING OF EX-POST EVALUATION WORK

29. The question of the right timing for ex-post evaluation studies has already been mentioned briefly. It is a very difficult one. If the project is a major road, for instance, when does one decide to evaluate it? If one waits until the whole road is finished, some parts of it may have been open for a year or two and it will then be impossible to establish the "without" position. But if one starts too early the project may have to be spread over too long a period of time for it to be acceptable to outside research workers. Moreover, if the project depends upon a gradual build-up of traffic, as a road certainly does, and this would be true also of ports or air-fields, one is likely to finish up making almost as many projections in the "ex-post" evaluation as were necessary in the original appraisal. In this connection it is noteworthy that construction costs are seldom the most sensitive variables in these projects, and that in fact it is precisely the rate of build-up of traffic that is generally the vital variable. What is the right policy in these circumstances? Do we have to envisage ex-post evaluation in several phases, the first being say at the completion of the capital phase, the second say after two or three days of operation, and the third say after the project has been operated for ten years?

30. This line of thought is bringing us very close to the problem of the relationship between "monitoring" and ex-post evaluation. What may be required in the case of many projects is some better system of monitoring progress on a continuous basis after the completion of the construction phase rather than a "set-piece" evaluation at one point in time. Perhaps we need to take more care in trying to agree proper arrangements for the eventual monitoring of the project, with the host country at the time when the original loan is being negotiated. In the ODA we made such an arrangement in relation to a major port project where we tried to ensure that data would be collected on the inflows and outflows on a comparable basis to the data used for the original project appraisal. The Port Authority agreed to our suggestions, but in actual practice it has been found that they have not taken the necessary steps to ensure the data are collected in this way, and it seems that unless considerable pressure is brought to bear these arrangements may well break down.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Non-capital Project Planning and Evaluation Methodology

1. This is a summary description of the AID methodology for planning and evaluating non-capital projects. It includes:

- Elements of the methodology.
- Characteristics and limitations.
- Definition of terms.
- The logical structure of a development project diagram.

ELEMENTS OF THE METHODOLOGY

(1) The Logical Framework

2. The key element in project planning and evaluation is the establishment of a logical framework for the project which (1) defines project inputs, outputs, purpose, and higher goal in measurable or objectively verifiable terms; (2) hypothesizes the casual (means-end) linkage between inputs, outputs, purpose, and goal; (3) articulates the assumptions (external influences and factors) which will affect the casual linkages and (4) establishes the indicators which will permit subsequent measurements or verification of achievement of the defined outputs, purpose, and goal.

3. The logical framework is primarily a project planning device. It also is used for re-examination of the original design of ongoing projects as a necessary prelude to evaluation, i.e., it sets the stage for determining and validating whether or not the project outputs are being produced, whether these outputs in fact are serving to achieve the project purpose; and finally whether this achievement is making a significant contribution, as planned, to the higher order goal.

4. The logical framework also established the practical limits of responsibility of project management. Articulating the project planning assumptions in explicit and operational terms permits a clearer separation between manageable interests and those factors which appear to be beyond the control of the project management team. The input-to-output level is largely susceptible to managerial control with relatively few uncontrollable external factors. At the output-to-purpose level, the possibility of managerial control decreases while external

factors become more important. At the purpose-to-goal level, the ability of project management to control events usually is further diminished. In evaluating project progress, it is necessary to examine the original planning assumptions about the role of external factors and to validate the hypothesized means-end linkages.

(2) The Evaluation Process

5. The re-examination of project design is followed by an evaluation process which assesses (a) the performance of all input factors (personnel, commodities) and all action agents (contractor, other donor, host country) and (b) actual quantitative and qualitative progress toward outputs, purpose and goal. Guidelines, advisory material and worksheets have been developed for this purpose.

(3) The Evaluation Review

6. The evaluation process culminates in a group interaction aimed at reaching sound evaluation conclusions and deciding future actions. Formal reviews include such people as the Mission Director, contract party chief, Mission Program Officer and Project Officer, representatives of the host country and other donors. The review is designed to be a collaborative and constructive effort, not a judicial inquiry; replanning, not recrimination is the intent.

(4) The Mission Evaluation Officer

7. The process is guided by a designated Mission Evaluation Officer who helps the project managers analyse the project within the logical framework, organises the group review and assures follow up on decisions and action assignments.

(5) The Evaluation Report

8. Finally, the Mission prepared for AID/W a Project Appraisal Report (PAR), a low-cost by-product of the evaluation process which shows AID/W whether rigorous evaluation has occurred.

CHARACTERISTICS AND LIMITATIONS

9. Evaluation is intended primarily to produce replanning, i.e., project planning, implementation, evaluation and replanning constitute a continuing process which ends only when the final planned result is achieved. To achieve the most direct and immediate feedback of evaluative findings, evaluation is done by the action personnel, including the AID project officer, the host country project director, and contract team members.

10. All aspects of project planning (i.e., the formulation of targets, casual linkages, indicators and assumptions) are defined by the project planner and are project-specific. Similarly, the degree of rigour and the level of effort in collecting and analysing data for the evaluation are determined by the action officer and are project-specific.

11. The methodology does not assure that the project is optimal, i.e, that the project directly addresses the most critical constraint to goal achievement, and is the most effective means for overcoming that critical constraint unless the evaluators choose to explore alternative approaches.

12. The methodology is ethically neutral. It gives no guidance on questions of equity or benefit incidence such as equitable income distribution, employment opportunities, access to resources, popular participation in decision-making and in the fruits of development projects unless such aspects have been explicitly included in the statements of goal or purpose.

13. The methodology is programmatically and technically neutral. It gives no guidance on proven strategies and techniques, cost and feasibility of replication, effects on ecology, concentration on key problem areas, reliance on the private sector, etc.

14. The methodology permits, but does not require, cost/benefit and cost/effectiveness analysis.

15. The logical framework matrix can be modified by the user for special circumstances, e.g., one or more horizontal rows can be added to provide for intermediate subsectoral goals.

DEFINITION OF TERMS

(1) Project Outputs

16. The specifically intended kind of results (as opposed to their magnitude) that can be expected from good management of the inputs provided.

Example: Manpower, training, machinery and building materials (inputs) can be managed to produce an irrigation network, trained operational staff, a water utilisation schedule and a user rate scale (outputs).

(2) Project Purpose

17. The primary reason for the project, i.e., the development which is expected to be achieved or the problem which is to be solved if the project is completed successfully and on time.

Example: An irrigation network and associated facilities and services (outputs) are intended to produce increased per hectare yield (project purpose).

Annex II

(3) Goal, Sector/Programme Goal

18. The programming level beyond the project purpose, i.e., the next higher objective to which the project is intended to contribute.

Example: Increased per hectare yield (project purpose) is intended to result in expanded exports of agricultural crops (sector goal).

(4) Assumptions

19. A situation or a condition which must be assumed to exist if the project is to succeed, but over which the project management team has little or no control.

Example: Increased crop yield (project purpose) will contribute to expanded export of agricultural crops (sector goal) only if price and market conditions are favourable (assumption).

(5) Objectively Verifiable Indicators

20. Pre-established criteria or measures of an explicit and specific nature designed to provide objective assessment of project progress. Progress indicators should be objectively stated so that both a proponent of a project and an informed skeptic would agree that progress has or has not been as planned. Pre-establishing objectively verifiable indicators and targets helps focus discussion on evidence rather than opinions.

(6) Target

21. An indicator with a magnitude to be realised at a specific date; an explicit and objectively verifiable measure of results expected. The term target is used at the output, purpose and goal levels to show the kind and magnitude of anticipated results.

(7) Project Linkages

22. (a) There is a causative linkage between project outputs (irrigation network) and the ultimate project purpose (improved crop yields). The outputs must exist before the purpose can be achieved. The existence of the outputs does not however guarantee that the purpose will be achieved. Factors outside the project design (farmer attitudes and access to credit) may prevent achievement of project purpose. Thus the causative relationship between project outputs and purpose must be stated as a hypothesis, the external factors (assumptions) must be explicitly identified; and evaluation must then verify whether or not the hypothesis was realised.

(b) Similarly, there is a causative linkage between project purpose (improved crop yields) and progress towards a higher sectoral or programme goal (expanded export of agricultural crops). The achievement of project purpose does not guarantee that the goal will be reached. Factors outside the project design (price and market conditions, spoilage and other losses) may prevent planned progress towards the higher goal. Thus the causative relationship between project purpose and higher goal must be stated as a hypothesis, the external factors (assumptions) identified, and the hypothesis validated.

(b) These linkages should also be proportional as well as causative. Thus, the improved crop yields will mean little for export earnings if they occur in a relatively small area. Analysing a project in terms of means-end linkages may highlight a lack of realism in the original plans, i.e., a disbalance between modest means and grandiose targets. It is important to determine if the means are sufficient in quality and quantity to produce the desired end product.

THE LOGICAL STRUCTURE OF A DEVELOPMENT PROJECTAssumptions
about
LinkagesCasual
LinkageTargetsObjectively
Verifiable
IndicatorsSector or
Programming
GoalMeasures of
Goal
AchievementIf Purpose
then GoalProject
PurposeEnd-of-Project
Status
IndicatorsIf Outputs
then Purpose

Outputs

Output
IndicatorsIf Inputs
then Outputs

Inputs

Budget and
Schedule

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

DEFINITIONS CONCERNING SECTOR ANALYSES AND EVALUATIONS

PROBLEM

1. Analysis of development problems and the planning of development programmes has tended to consist of macro-analysis (the national economy) or micro-analysis (individual projects). Partly as a result of the gap between these two levels of planning, the combined development results of many small projects, whether capital or technical assistance, have frequently been less than originally hoped or different from what was planned. Together, the projects often did not serve to remove constraints to development in a given part of the economy. Moreover, the growing concern of development agencies with employment and income distribution effects poses questions which cannot easily be analysed at either the macro or micro levels. Finally, one of the most difficult tasks in evaluating project results has been to establish causative connections between achievement of project purposes on the one hand and progress toward broader strategic goals on the other hand. Projects were frequently designed to maximise the internal rate of return or private profit and gave insufficient regard to general socio-economic consequences.

2. For these reasons, project personnel of both host and donor organisations have experienced gnawing doubts about whether their efforts had any lasting importance and have begun searching for better ways to plan and evaluate.

DEFINITION OF SECTOR

3. Some development planners are endeavouring to devise an analytical approach which facilitates the selection and design of projects in a broader perspective so that previously missing factors may be taken into account. The unit of analysis is called a sector, which can be defined as something larger than a project but smaller than a total economy. Seen in this operational context, sectors may be, but are not necessarily the same as traditional categories for economic analysis and statistics such as agriculture, industry, transportation, etc. Frequently, the part of the economy examined may not even be as large as a traditional statistical sub-sector. For example, the practical approach for both analytical and operational purposes may be to look at an urgent problem such as rice production - including demand, marketing, price structure, etc. - rather than at the subsector of agronomy or the sector of agriculture. At the same time, the part of the economy being examined should be large enough that its performance affects the total economy.

4. Although a "sector" may be smaller than a traditional statistical category, an analysis may still go beyond such a category in order to include elements which influence the functioning of the sector. Thus, an examination of rice production might include farm-to-market roads. If one considers this functional approach, a "sector" may be re-defined as a part of an economy susceptible to a "systems analysis", a set or network of systematic interactions.

DEFINITION OF SECTOR ANALYSIS

5. Sector analysis is an effort to understand the relationships within the part of the economy being studied and between that part and other parts of the economy. Sector analysis attempts to identify the production elements, consumption elements and the market channels which link them, as well as the roles of individual entrepreneurs, the government and other institutions. After describing the dynamics of the sector, the analysis then tries to predict direct or indirect changes within the sector which would result from alternative courses of action. Ideally, such a description of production functions, relationships, etc., should be quantitative so that decision makers can grasp the relative importance of the various elements at each point in the process. The aim of a sector analysis is to identify significant problems which might be solved by manageable, integrated programmes or groups of projects.

METHODOLOGY OF SECTOR ANALYSIS

6. The various approaches to sector analysis may be ranged along a scale. At one end, is a short-term assessment of the general situation by a team of experts who visit for a brief period, examine available documents and data, interview people, and visit a few areas. Next on the scale is what might be called an institutional review, wherein the relationships of the supply of inputs and production of outputs are carefully traced, with some effort at quantification. More sophisticated are various econometric approaches, including input-output analyses, linear programming and simulated economic models. Sometimes, strict constructionists confine the term sector analysis to these econometric approaches, using terms such as sector study or assessment which do not generally require computer applications.

RELATIONSHIP OF SECTOR ANALYSIS TO SECTOR EVALUATION

7. If "evaluation" is defined narrowly as the assessment of progress or results (contrasted with a judgment about feasibility of a potential activity), then sector evaluation assesses progress in solving identified sector problems and the contribution of development activities to that solution. Such a judgment may come indirectly from a sector analysis which concludes that a project is important (or unimportant) although the

analysis did not examine the performance of the project. Indeed, the wide-angle lens of a sector analysis may be the only practicable way to inspire programme managers to ask seriously questions which should be a part of every project evaluation; namely, "Have I selected the right project targets?" or "Would the cancellation of this project make any difference?"

8. Beyond these indirect evaluative findings, a sector analysis can provide the underpinning for subsequent evaluation because it can provide both a specific statement of a sector goal and also baseline data from which progress towards that goal can be measured.

METHODOLOGY OF SECTOR EVALUATION

9. Sector evaluation examines first whether the sector performed as planned (hoped?). This overall performance probably has a gestalt or synergism in which the whole is greater than the sum of the parts, partly because the parts interact with each other and also because the sector usually includes aspects which are not directly addressed by any planned development activities. Such a holistic evaluation would attempt to answer a single key question such as: "Is increased agricultural production being marketed?", or, "Are the skill needs of the economy being met?" An important aspect of this total evaluation is an effort to determine the effects of the development activity on the unemployed and the rural poor - the "benefit incidence." This final question reflects a definition of development as improving the general well-being of people, rather than merely the increase of production. The methodologies for answering most of these questions are generally those of the economist.

10. Beyond this overall evaluation, it is probably necessary that the various development activities in the sector (which may involve several donors) be evaluated individually. Even if the overall progress was satisfactory, planners may want to consider whether some individual activities are making any contribution. If total progress was unsatisfactory, the evaluator wants to consider how the mix of activities might be modified.

11. The methodology for evaluating individual activities depends upon the nature of the activity. If there were planned policy changes, the evaluation looks at whether they were adopted and attempts to determine their influence. If there were commodity imports, the evaluation looks at whether these imports have overcome shortages or have dampened inflation or whatever purpose the imports were planned to serve. Capital projects can be evaluated to see whether they are serving their purpose (e.g., is electric power being used for irrigation pumps?) as well as their cost/benefit experience. Technical assistance projects are similarly evaluated to see whether planned outputs were produced and then whether these outputs served to achieve the purpose of the project.

DOCUMENTATION FOR AMSTERDAM MEETINGPART I of Meeting

"Bank Operations in Colombia: An Evaluation"
Confidential Report submitted by the IBRD - May, 1972.

"Food for Peace: An evaluation of PL-480 Title II
Volume One: A global assessment of the program"
July 1972 - Report submitted by the US AID.

"Evaluation of Food for Peace Programs"
Paper prepared by the US AID.

PART II of Meeting

Evaluation of CADU project

- "Chilalo Agricultural Development Unit (CADU)"
Brochure submitted by SIDA, Sweden,
- "Master Plan for the Evaluation of CADU", October 1972
Report submitted by SIDA, Sweden,
- "Small Farmer credit in Ethiopia", Report submitted
by US AID - AID Spring Review of Small Farmer Credit,
Volume VIII, February 1973, No. SR 108,
- "Definitions concerning sector analyses and
evaluation", Note submitted by US AID.

Evaluation of ZAPI project

- "Rapport de synthèse de la mission d'évaluation des
zones d'action prioritaires intégrées (ZAPI) du
Centre-sud Cameroun", June 1972. Report submitted by
the Secrétariat d'Etat aux Affaires Etrangères chargé
de la Coopération.

Supplementary documents

- "Evaluation du centre de formation de cadres pour le
développement créé par l'Institut panafricain pour le
développement (IPD) à Douala, Cameroun", Novembre 1972.
Report submitted by Switzerland.
- "Evaluation d'instituts de formation de cadre moyens
du développement: Evaluation du centre d'études
économiques et sociales d'Afrique Occidentale (CESAO)
à Bobo Dioulasso, Haute Volta", November 1972.
Report submitted by Switzerland.
- "Evaluation sur le terrain: Organisation et Méthodes",
Mai 1973. Report submitted by Switzerland.

Annex III

PART III of Meeting

"The planning and evaluation of non-capital development projects". Note submitted by the US AID.

"Some problems in the organisation and carrying out of ex-post evaluation activities". Paper prepared by Dr. Cracknell of the U.K. ODA.

"Replies to the questionnaire on aid evaluation".

"Paper submitted by the UNDP for the OECD meeting on aid evaluation policies and procedures" in reply to the questionnaire on aid evaluation.

"Evaluation and assessment of UNESCO activities". Paper submitted by UNESCO, 23rd March 1973 - 92 EX/9.

"Ex-post evaluation in the Inter-American Development Bank". Paper submitted by the Inter-American Development Bank, June 1973.

"Summary of replies made by aid agencies to the principal questions raised in the questionnaire on aid evaluation".

"Evaluating Development Assistance", OECD Publication, January 1972.

PART IV of Meeting

"Operations evaluation report - Electric power", Report submitted by the IBRD - March 15th, 1972, R72-55.

"Domestic water supply development in Mauritius". Study submitted by the U.K. ODA.

"Thailand soil fertility research". Report submitted by the UNDP - August 1970, DP/SF/310/THA-14 DP/450/THA-14.

"Draft bibliography on evaluation studies of projects/programmes supported by Swedish aid". Document submitted by SIDA, Sweden.

"Manual of support preparation". Publication submitted by SIDA, Sweden - 1973.

At the meeting, the following documents were circulated to all participants:

"Ex-post Evaluation in the Economic and Social Development Department". Report submitted by the Inter-American Development Bank, June 1973.

"Report to the Executive Director: Evaluating the Evaluation". Report submitted by UNIDO, March 23rd, 1973.

The following documents were included amongst the general documentation for the Seminar. They are available, on request, from FAO, Rome, and UNIDO, Vienna,:

"Guidelines for evaluation of technical assistance for rural development". Note by Evaluation Service, FAO, Rome.

"Evaluation of thirty-four FAO/UNDP area development projects". Prepared by the Evaluation Service, FAO, Rome, 30th April 1973, WS/D8500.

"Report on the evaluation of selected activities of UNIDO - Evaluation report: United Republic of Tanzania", Report submitted by UNIDO, Vienna - ID/B/123/Add. 3, 22nd February, 1973.

"Report on the evaluation of selected activities of UNIDO - Evaluation report: Indonesia", Report submitted by UNIDO, Vienna - ID/B/123/Add. 1, 8th January 1973.

LIST OF PARTICIPANTSI. DAC MEMBER COUNTRIES

- AUSTRALIA MR. M.J. DAN, Counsellor (Development Assistance and General Affairs), Australian Delegation to OECD, Paris
- AUSTRIA MR. H. KIND, Director, Federal Chancellery, Vienna
- BELGIUM MR. BITTREMIEUX, Inspecteur Général, Bruxelles
- CANADA MR. BIDDISCOMBE, Operational Audit Finance and Administration Branch, CIDA
- C.E.C. MR. C. VAN DER VAEREN, Chef de Service Spécialisé Synthèse et Coordination, Bruxelles
- MR. DELORME, Bruxelles
- DENMARK MR. T. MOODY, Research Fellow, Institute for Development Research, Copenhagen
- FRANCE MR. J. BONNAMOUR, Adjoint aux Chef du Bureau des Programmes, Secrétariat d'Etat aux Affaires Etrangères.
MR. M. BUISSON, Chef de Service à la Caisse Central de Coopération Economique, Paris
- FEDERAL REPUBLIC OF GERMANY MR. ECKERMANN, Federal Ministry for Economic Co-operation, Bonn
DR. W. VOSS, Kreditanstalt für Wiederaufbau, Frankfurt.
- JAPAN MR. P. MURASE, Research Staff, International Co-operation Division, Economic Co-operation Bureau, Ministry of Foreign Affairs, Tokyo
- NETHERLANDS MR. J.H. KRAMER, Director, International Technical Assistance, Ministry of Foreign Affairs, The Hague
MISS VON METZSCH, International Technical Assistance Department, Ministry of Foreign Affairs, The Hague
- NORWAY MR. E. JENSEN, Director at NORAD, Oslo
- SWEDEN MR. G. BERGMAN, First Secretary, SIDA, Stockholm
- SWITZERLAND MR. L. DE BATTISTA, Chef de Service "Programme, évaluation et statistique" de la coopération technique, Département politique fédéral, Berne
- UNITED KINGDOM DR. HEALEY, Director, International Economics Division, Overseas Development Administration, London
DR. CRACKNELL, Senior Economic Adviser, ODA, London
MR. SMEE, Head, Manpower Planning Unit, ODA, London

UNITED STATES MR. R.L. HUBBELL (Chairman), Coordinator, Programme Methods and Evaluation, Department of State, Agency for International Development, Washington

MR. H. TURNER, Deputy Coordinator, AID, Washington

II. INTERNATIONAL ORGANISATIONS

IBRD MR. WILLOUGHBY, Chief, Operations Evaluation Division, Programming and Budgeting Department, Washington

MR. BLAXALL, Deputy to the Director, Programming and Budgeting Department, Washington

MR. ISRAEL, Operations Evaluation Division, Washington

UNDP MR. N.P. RAMAN, Chief Programme Analysis Officer, Programme Policy Division

UNIDO MR. SPEIR, Assistant to Director, Technical Co-operation Division, Member of the Evaluation Committee.

UNESCO MR. N. BODART, Division of Education Policy and Planning

INTER-AMERICAN DEVELOPMENT BANK MR. D. MADDEN, Controller

MR. P. IRANETA, Deputy Manager, Economic and Social Development Department

ASIAN DEVELOPMENT BANK DR. K. NAKAGAWA, Senior Economist, Manila

III. REPRESENTATIVES OF DEVELOPING COUNTRIES

MR. A. HENOCK KIFLE, Project Director for CADU, Addis Ababa, Ethiopia

MR. T. KIVANC, Assistant General Director, State Investment Bank, Ankara, Turkey

MR. D. PASTORE, Instituto Torcuato di Tella, Buenos Aires, Argentina

MR. R. VENKATANARAYANAN, Deputy Secretary, Department of Expenditure, Ministry of Finance, New Delhi

OECD DEVELOPMENT CENTRE MR. BROWN, Principal Administrator

OECD
SECRETARIAT

MR. A. VINCENT, Director, Development Assistance
Directorate

MR. H. FUHRER, Deputy Director, Development
Assistance Directorate

MRS. A. DE LATTRE, Principal Administrator,
Development Assistance Directorate

MR. P. CASTELLA, Consultant, Development Assistance
Directorate

