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PRINCIPLES FOR EVALUATION OF DEVELOPMENT ASSISTANCE

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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PRINCIPLES FOR EVALUATION OF DEVELOPMENT ASSISTANCE

I. INTRODUCTION

1. In response to its general mandate to strengthen the volume and developmental effectiveness of aid, the DAC has drawn up a series of policy principles addressing key areas of aid programming and management including Project Appraisal, Programme Assistance and Technical Co-operation. Aid evaluation plays an essential role in the efforts to enhance the quality of development co-operation. The following set of principles state the views of DAC Members on the most important requirements of the evaluation process based on current policies and practices as well as donor agency experiences with evaluation and feedback of results.

Donor/Recipient Partnership

2. Development assistance is a co-operative partnership exercise between donors and recipients. The developing countries are responsible for their own development and development assistance can only be subsidiary and complementary to the efforts of the developing countries themselves. Aid supports activities for which developing countries have final responsibility and ownership. Project performance depends on both donor and recipient action. Both have an interest in, and responsibility for, the best use of scarce public funds. Both must therefore be interested in evaluation not only for improving resource use for development through learning from experience but also for accountability to political authorities and general publics.

3. The principles set out below have been prepared mainly for use by aid agencies for evaluating aid-financed activities. However, they should also be useful for developing country authorities in making their own evaluations of aid financed activities and, indeed, other public programmes and projects.

Central Conclusions and Complementarity to Other Aid Management Principles

4. The principles focus on evaluation of both on-going and completed activities. They are complementary to previously agreed DAC principles on the management of development assistance, notably, the Principles for Project Appraisal adopted in 1988, and to the Principles for Programme Assistance and the Principles for New Orientations in Technical Co-operation. Each of these principles contain recommendations for the use of evaluation for the specific aid instruments to which they apply. The principles set out below provide general guidance on the role of aid evaluation in the aid management process, with the following central messages:

- Aid agencies should have an evaluation policy with clearly established guidelines and methods and with a clear definition of its role and responsibilities and its place in institutional aid structure.

- The evaluation process should be impartial and independent from the process concerned with policy-making, and the delivery and management of development assistance.
- The evaluation process must be as open as possible with the results made widely available.
- For evaluations to be useful, they must be used. Feedback to both policy-makers and operational staff is essential.
- Partnership with recipients and donor co-operation in aid evaluation are both essential; they are an important aspect of recipient institution-building and of aid co-ordination and may reduce administrative burdens on recipients.
- Aid evaluation and its requirements must be an integral part of aid planning from the start. Clear identification of the objectives which an aid activity is to achieve is an essential prerequisite for objective evaluation.

Definition

5. An evaluation is an assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors.

II. PURPOSE OF EVALUATION

6. The main purposes of evaluation are:

- to improve future aid policy, programmes and projects through feedback of lessons learned;
- to provide a basis for accountability, including the provision of information to the public.

7. Through the evaluation of failures as well as successes, valuable information is generated which, if properly fed back, can improve future aid programmes and projects. Funds for development purposes are scarce compared to the needs, and stakeholders in donor and recipient countries should be enabled to draw to the fullest possible extent on experience to optimise resource use.

8. The accountability notion of evaluation referred to here relates to the developmental results and impact of development assistance. It is distinct from accountability for the use of public funds in an accounting and legal sense, responsibility for the latter usually being assigned to an audit

institution. Information about the results of development assistance should be provided to the public and their leaders in both donor and recipient countries.

9. An important purpose of evaluation is to bring to the attention of policy-makers constraints on developmental aid success resulting from policy shortcomings or rigidities both on the donor and recipient side, inadequate co-ordination, and the effectiveness of other practices, such as procurement.

10. Evaluation promotes the dialogue and improves co-operation between the participants in the development process through mutual sharing of experiences at all levels.

III. IMPARTIALITY AND INDEPENDENCE

11. The evaluation process should be impartial and independent in its function from the process concerned with the policy making, the delivery and the management of development assistance.

12. Impartiality contributes to the credibility of evaluation and the avoidance of bias in findings, analyses and conclusions. Independence provides legitimacy to evaluation and reduces the potential for conflict of interest which could arise if policy makers and managers were solely responsible for evaluating their own activities.

13. The requirement for impartiality and independence exists at all stages of the evaluation process, including the planning of the evaluation programme, the formulation of the terms of reference and the selection and approval of evaluation teams. Independence of evaluation can be further enhanced where reports are issued in the name of authors.

Institutional Structure for Managing Evaluation

14. The institutional structure for managing evaluation is crucial to ensuring an effective evaluation process. The organisational aspects must address three requirements: developing a policy and a set of guidelines for evaluation; ensuring impartiality and independence; linking evaluation findings to future activities.

15. Often, certain types of organisation will tend to strengthen one of the above requirements at the expense of others; e.g., ensuring the independence of the process may weaken the potential for providing a strong linkage between the evaluation findings and decision-making. An optimal solution should be sought to balance all of these requirements.

16. Impartiality and independence will best be achieved by separating the evaluation function from the line management responsible for planning and managing development assistance. This could be accomplished by having a central unit responsible for evaluation reporting directly to the minister or the agency head responsible for development assistance, or to a board of directors or governors of the institution. To the extent that some evaluation

functions are attached to line management they should report to a central unit or to a sufficiently high level of the management structure or to a management committee responsible for programme decisions. In this case, every effort should be made to avoid compromising the evaluation process and its results. Whatever approach is chosen, the organisational arrangements and procedures should facilitate the linking of evaluation findings to programming and policy making.

17. Aid agencies need a policy on evaluation which should address the above issues as well as the openness of the evaluation process, including the dissemination of results.

IV. CREDIBILITY

18. The credibility of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process. Credibility requires that evaluation should report successes as well as failures. Recipient countries should, as a rule, fully participate in evaluation in order to promote credibility and commitment.

19. Aid agencies need a critical mass of professional evaluation staff in order to have sufficient expertise in their various fields of activity and to ensure credibility of the process.

20. Transparency of the evaluation process is crucial to its credibility and legitimacy. To ensure transparency:

- The evaluation process as a whole should be as open as possible with results made widely available.
- Evaluation reports must distinguish between findings and recommendations. Relevant information to support findings should be included in a way that does not compromise sources.

V. USEFULNESS

21. x To have an impact on decision-making, evaluation findings must be perceived as relevant and useful and be presented in a clear and concise way. They should fully reflect the different interests and needs of the many parties involved in development co-operation. Easy accessibility is also crucial for usefulness. The evaluation process itself promotes a further clarification of objectives, improves communication, increases learning, and lays the groundwork for follow-up action.

22. Evaluations must be timely in the sense that they should be available at a time which is appropriate for the decision-making process. This suggests that evaluation has an important role to play at various stages during the execution of a project or programme and should not be conducted only as an ex

post exercise. Monitoring of activities in progress is the responsibility of operational staff. Provisions for evaluation by independent evaluation staffs in the plan of operation constitute an important complement to regular monitoring.

VI. PARTICIPATION OF DONORS AND RECIPIENTS

23. Consistent with the partnership principle stressed above, whenever possible, both donors and recipients should be involved in the evaluation process. Since evaluation findings are relevant to both parties, evaluation terms of reference should address issues of concern to each partner, and the evaluation should reflect their views of the effectiveness and impact of the activities concerned. The principle of impartiality and independence during evaluation should apply equally to recipients and donors. Participation and impartiality enhance the quality of evaluation, which in turn has significant implications for long-term sustainability since recipients are solely responsible after the donor has left.

24. Whenever appropriate, the views and expertise of groups affected should form an integral part of the evaluation.

25. Involving all parties concerned gives an opportunity for learning by doing and will strengthen skills and capacities in the recipient countries, an important objective which should also be promoted through training and other support for institutional and management development. ••

VII. DONOR CO-OPERATION

26. Collaboration between donors is essential in order to learn from each other and to avoid duplication of effort. Donor collaboration should be encouraged in order to develop evaluation methods, share reports and information, and improve access to evaluation findings. Joint donor evaluations should be promoted in order to improve understanding of each others' procedures and approaches and to reduce the administrative burden on the recipient. In order to facilitate the planning of joint evaluations, donors should exchange evaluation plans systematically and well ahead of actual implementation.

VIII. EVALUATION PROGRAMMING

27. An overall plan must be developed by the agency for the evaluation of development assistance activities. In elaborating such a plan, the various activities to be evaluated should be organised into appropriate categories. Priorities should then be set for the evaluation of the categories and a timetable drawn up.

28. These categories must represent the various areas of development assistance. The most frequent type of evaluation will probably be at the project or institutional level, but it is unlikely that such evaluations alone will meet all of the evaluation needs because of the specific nature of their findings. What is often needed is evaluation on a more comprehensive scale and an aggregation of evaluation results. Evaluation programming must take into account the special demands by senior management and policy-makers and synthesise studies of lessons learned.

29. Evaluation capability is needed to cover a broad spectrum of evaluations: policy, programme and project activities as well as sectors, themes, and cross-cutting issues. Evaluations further need to look at agency procedures and management issues.

30. Setting evaluation priorities will be necessary for managerial and financial reasons. A timetable must be included in the evaluation plan. The decisions on the organisation of evaluation activities and timetable should involve users of the evaluation outputs, so that their needs can be taken into account. The evaluation plan requires the support and endorsement of senior management.

31. Aid agencies which have not already done so should elaborate guidelines and/or standards for the evaluation process. These should give guidance and define the minimum requirements for the conduct of evaluations and for reporting.

IX. DESIGN AND IMPLEMENTATION OF EVALUATIONS

32. Each evaluation must be planned and terms of reference drawn up in order to:

- define the purpose and scope of the evaluation, including an identification of the recipients of the findings;
- describe the methods to be used during the evaluation;
- identify the standards against which project/programme performance are to be assessed;
- determine the resources and time required to complete the evaluation.

33. The purpose of the evaluation must be explained, e.g., to contribute to improving aid policies, procedures and techniques or to consider a continuation or discontinuation of specific current activities.

34. An evaluation must define the activity that is being evaluated, e.g., projects, institutions, sectors, or programmes and contain such information as background, objectives, activities, expenditures, expected impacts and effects.

35. It is essential to define the questions which will be addressed in the evaluation -- these are often referred to as the "issues" of the evaluation.

The issues will provide a manageable framework for the evaluation process and the basis for a clear set of conclusions and recommendations. The following are basic groups of evaluation issues:

- Rationale. Does the undertaking make sense? Are the objectives relevant and realisable? Should alternative objectives be considered?
- Objectives Achievement. Evaluation is very difficult unless the objectives which the evaluated project/programme were to achieve have been clearly defined and the project agreements and operational plans and arrangements for obtaining relevant baseline data had been made. To what extent were the original objectives achieved? Or are likely to be achieved? What were the major factors influencing the achievement or non-achievement of objectives? Should objectives not have been stated clearly enough to allow for an evaluation of goal achievement, an assessment of impact and effects of the activities undertaken should still be attempted.
- Impacts and Effects. What has happened as a result of the project/programme? This involves not only direct outputs but, very importantly, the basic impacts and effects on the social, economic, environmental and other development indicators resulting from the activity. The examination should be concerned with both intended and unintended results and must also explain the positive and negative impact of external factors, such as changes in basic policy environments, general economic and financial conditions.

36. The aim of asking these questions is to ensure that the evaluator can assess the information and formulate conclusions and recommendations concerning:

- The Overall Results. How successful was the undertaking? Why? Do impacts and effects justify costs? Were the objectives achieved within time and within the budget? Were there any major shortcomings? Were there major achievements?
- Sustainability. The question of whether achievements are sustainable in the longer run is of critical importance.
- Alternatives. Are there better ways of achieving the results?
- Lessons Learned. What are the general lessons which can be drawn and which should be borne in mind when embarking on future programmes?

37. This stage must also define the methods and techniques to be used to address the identified issues. The nature of development assistance suggests that in most cases evaluation will involve a combination of quantitative and qualitative techniques. The methods used in the appraisal of an activity should, as a general rule, also be used in the ex post evaluation.

38. In many cases, it is difficult to determine clearly the responsibility for the outcome, as external reasons may or may not be decisive and inseparable from a methodological viewpoint. Although the complexity of the evaluation

process must be recognised, an attempt to establish causal relationships must be made.

X. REPORTING, DISSEMINATION AND FEEDBACK

39. Evaluation reporting should be clear, as free as possible of technical language and include the following elements: an executive summary; a profile of the activity evaluated; a description of the evaluation methods used; the main findings; lessons learned; conclusions and recommendations (which may be separate from the report itself).

40. The findings and conclusions of the evaluation are the answers to the questions raised and selected for evaluation. The lessons learned and the recommendations provide the link between the results of the evaluation and future policy and programme development.

41. Systematic dissemination is essential for ensuring improved planning and implementation of development assistance activities. Evaluation results may be disseminated in several ways apart from the evaluation report itself e.g., annual reports providing a synthesis of findings; abstracts/summaries providing a synopsis of findings.

42. Feedback is an essential part of the evaluation process as it provides the link between past and future activities. To ensure that the results of evaluations are utilised in future policy and programme development it is necessary to establish feedback mechanisms involving all parties concerned. These would include such measures as evaluation committees, seminars and workshops, automated systems, reporting and follow-up procedures. Informal means such as networking and internal communications would also allow for the dissemination of ideas and information. In order to be effective, the feedback process requires staff and budget resources as well as support by senior management and the other actors involved.

43. Dissemination and feedback must form a continuous and dynamic part of the evaluation process.

XI. APPLICATION OF THESE PRINCIPLES AND FOLLOW-UP

44. DAC Members agree to:

- review their evaluation policies and procedures against the above principles and to adjust them where necessary;
- review evaluation policies and procedures as part of the DAC aid reviews and other relevant DAC work;
- draw the principles to the attention of their developing country partners as a code of good evaluation practice to be followed whenever possible.

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END-OF-TEXT