

## EVALUATING DEVELOPMENT CO-OPERATION:

### Providing evidence for learning and decision making – What are the implications for China?

The China-DAC Study Group<sup>1</sup> held a Roundtable on “Evaluating Development Cooperation - Providing Evidence for Learning and Decision Making” in Beijing on 12 June 2014. More than 60 people attended the event, including representatives of government departments, non-governmental organisations and research institutes from China, Sri Lanka, Uganda, Cameroon and members/observers of the OECD Development Assistance Committee (DAC)<sup>2</sup>. The participants discussed and exchanged experiences on how to develop learning-oriented policies for evaluation, how to carry out quality evaluations and how to communicate and use evaluation findings.

#### I. Background

In recent years, with the continuous expansion of its foreign assistance, China has been attaching increasing importance to improving the management and quality of its assistance. An important part of this is to strengthen evaluation systems and capacity. To learn from the more mature evaluation policies and practices of DAC

members/observers, the Chinese Academy of International Trade and Economic Cooperation (CAITEC) of the Ministry of Commerce (MOFCOM) translated the OECD’s “Evaluating Development Co-operation: Summary of Key Norms and Standards”<sup>3</sup> into Chinese for use by MOFCOM. And, through the platform of the China-DAC Study Group, CAITEC representatives observed USAID’s mid-term evaluation of the APEC Technical Assistance and Training Facility and AFD’s *ex post* evaluation of the Yichang Small Hydropower Project in China. These evaluation observations helped CAITEC better understand the evaluation policies of USAID and AFD, as well as a number of key elements in conducting evaluations including the selection of external evaluation experts, the implementation of evaluation procedures and methodologies and the preparation of an evaluation report.

To promote further exchanges on evaluation experiences between China, other developing countries and DAC members/observers, and to present the findings from the two evaluation observations, the China-DAC Study Group held the Roundtable with a wide range of participants on 12 June 2014.

#### II. Key Points from discussions

At the Roundtable, the French Development Agency (AFD), the United States Agency for International Development (USAID), Japan International Cooperation Agency (JICA) and the United Nations Development Programme

<sup>1</sup> Further information on the China-DAC Study Group and its activities is available on the Internet at: [www.iprcc.org](http://www.iprcc.org) or [www.oecd.org/dac/dac-global-relations/china-dac-study-group.htm](http://www.oecd.org/dac/dac-global-relations/china-dac-study-group.htm)

<sup>2</sup> The current members of the DAC are: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, the European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States. The United Arab Emirates is a Participant of the DAC. All other OECD members are observers to the DAC as are the World Bank, the IMF, the UNDP, the African Development Bank, the Asian Development Bank and the Inter-American Development Bank.

<sup>3</sup> Available on the internet at: [www.oecd.org/development/evaluation/dcdndep/41612905.pdf](http://www.oecd.org/development/evaluation/dcdndep/41612905.pdf)

(UNDP) introduced their evaluation policies, standards and implementation mechanisms and provided feedback on their use of evaluation results. Representatives of Sri Lanka, Uganda and Cameroon shared their views on the evaluation of foreign assistance from the perspective of partner countries. The representatives of China introduced China's evaluative activities in the Ministry of Agriculture, the Ministry of Commerce and the Export-Import Bank of China and concluded with a comparison of the approaches and experiences in China and in many DAC members/observers.

The observation by Chinese representatives of evaluations conducted by two DAC members had brought out some useful lessons for China. These include the importance of establishing an evaluation policy as well as guidelines for implementing evaluations. There is also a need to ensure that China makes the necessary financial resources available to support the conducting of evaluations and that staff capacity is further developed, including to nurture the emergence of a cadre of independent evaluators. China can also ensure that, during the design of projects and programmes, clear goals are set and indicators agreed against which progress can subsequently be measured. The dissemination of findings from evaluations could also benefit from China establishing a mechanism for the systematic and unbiased feedback of the conclusions from evaluations conducted.

The following sections set out the main lessons emerging from discussions at the Roundtable, drawing on the findings from the observations of evaluations conducted as well as the presentations made.

## 1. The purpose of evaluations

For DAC members/observers, evaluations have two purposes. The first one is accountability, to report and explain to the government and the public on the inputs/activities, outputs, effects and impact of the foreign assistance they provided. The second purpose is learning, to improve policies and future programmes and projects by summarising experience and lessons. In China, evaluations are carried out mainly for learning, but many participants at the Roundtable considered that the awareness and importance attached to evaluation by decision makers should be further increased. Discussions also brought out the need to strike the right balance between the two purposes of evaluation. In addition, participants felt it was important, on the one hand, to take into account the credibility and independence of evaluations while, on the other hand, ensure that evaluation results will be effectively fed back and used. Whichever the purpose, participants agreed that evaluations should provide the right information at the right time and produce actionable recommendations that can be operationalised. This implies a need to be strategic in selecting which activities to evaluate based on, for example, where the greatest risks are or where on-going monitoring suggests an evaluation would be useful.

## 2. Evaluation policy

Currently, most countries and institutions providing development co-operation use the evaluation criteria first laid out in 1991 in the DAC "Principles for Evaluation of Development Assistance"<sup>4</sup> - that is, relevance, effectiveness, efficiency, impact and sustainability - and, based on this, develop their own evaluation policy. As a result,

<sup>4</sup> Available on the Internet at:  
[www.oecd.org/dac/evaluation/50584880.pdf](http://www.oecd.org/dac/evaluation/50584880.pdf)

evaluation policies vary from country to country, depending on their own situation, and so an existing evaluation policy cannot simply be copied by others. Participants at the Roundtable concluded that countries and institutions should exchange experience and learn from each other to promote continuous improvement. For its part, China has issued a series of rules and regulations on the implementation and management of foreign assistance projects and can learn from the experience of others to improve these with an evaluation policy, the establishment of an evaluation system and the development of specific indicators and guidelines for conducting systematic evaluations in the future. China could also gradually produce specific evaluation manuals for different aid modalities to guide evaluation practices, including for complete projects, technical co-operation, human resource training, humanitarian assistance, etc.

### 3. Implementing evaluations

China has already accumulated some experience in evaluating the quality of foreign assistance projects but evaluations have tended to be conducted in a fragmented way. As a next step forward, participants suggested that China standardise its evaluation practices and focus more on the effects and impacts of projects, not just the accomplishment of planned activities. Besides project evaluations, China could gradually strengthen the evaluation of its aid policy and management, country and regional assistance strategies, and sector programmes. Participants at the Roundtable emphasised that the active involvement of stakeholders from partner countries should be encouraged during the evaluation, which would help maintain the ownership and initiative of the partner countries, develop their own evaluation capacities further and create more demand for evaluations. Joint evaluations are conducive to the effective

participation of partner countries but the cost is fairly high and co-ordination and organisation are more complex.

### 4. Guaranteeing the sustainability of evaluations

The majority of DAC members/observers now have mature evaluation systems. Many have developed relatively independent evaluation management units, although this is not essential for guaranteeing independence when conducting individual evaluations. Several have also nurtured the development of evaluation implementation agencies and evaluation experts and, recognising that evaluations add value, have made funds available to conduct evaluations. USAID, for example, uses 3% of its annual foreign aid budget for evaluation. China, however, has not established a professional foreign aid evaluation management division. China needs to enhance the capabilities of the evaluation policy makers and evaluation implementation agencies and experts through training, and guarantee that the necessary funds are available for evaluation.

### 5. Feedback of evaluation findings

It is important to establish a fair and unbiased evaluation feedback system in order to effectively analyse evaluation results, summarise the experiences and lessons which could be referred to in future policy making, country and sector programming and project selection. Participants at the Roundtable also considered that a database of evaluation reports to summarise and share the findings from evaluations conducted by different countries and agencies is an effective way to exchange experience<sup>5</sup>. In addition, the publicity and transparency of

<sup>5</sup> The DAC maintains a database of evaluation reports in its Evaluation Resource Centre ("DEReC") available on the Internet at: [www.oecd.org/derec/](http://www.oecd.org/derec/)

evaluation findings will help deepen the public's understanding of development policies and practices and enhance their involvement, which will foster positive interactions between the government and the public.

### III. Conclusions

Drawing on the findings from the observation of evaluations conducted by some DAC members and the presentations made during the Roundtable, discussions brought out three conclusions that merit highlighting:

- There is no “blueprint” to conducting evaluations. All countries and institutions are struggling to do evaluations well and to make the best use of the findings generated. Everyone can consequently learn and benefit from an exchange of experiences on how to decide what and when to evaluate and by whom, how to manage the requirements for different types of evaluation – to draw lessons to improve future activities and to improve accountability – and how to communicate and make the best use of the findings from evaluations.
- There has been considerable evaluative activity taking place within the Chinese system for several years, although this activity may be somewhat fragmented and, from a DAC perspective, be considered more of a “review” or an “assessment” than an evaluation. This nevertheless provides China with a basis for participating actively in exchanges of experience.
- To improve the quality of evaluations and, in turn, the development co-operation that external partners

provide, evaluations should strive to include the partner country government to ensure its ownership, strengthen its own capacity in conducting evaluations and expand demand for evaluations. This is a lesson from China's own development experience for other developing countries.

For its part, the China-DAC Study Group has established itself as a platform for experience sharing and dialogue. Through activities such as joint study visits, thematic studies, seminars and Roundtable discussions, the Study Group will continue to promote a strengthening of evaluation capacity in China drawing on international good practice and the experience acquired by DAC members/observers.