

A REVIEW OF EVALUATION IN DANIDA
MINISTRY OF FOREIGN AFFAIRS

Hans E. Lundgren
W. Haven North
Ray C. Rist

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EXECUTIVE SUMMARY

Danida's evaluation function has been a subject of debate on a number of occasions. The revival of the debate in the autumn of 2002 about the evaluation function – its independence, quality and utility for various stakeholders – provides an opportunity for an informed discussion. To support this discussion, the Minister for Foreign Affairs decided that a review should be undertaken of the current status of the Evaluation Secretariat. The main focus of the review would be on the independence of the Evaluation Secretariat.

We have been invited by Danida to undertake this review and submit this report for the Minister's consideration. This review not only addresses the concerns raised about the independence of the Evaluation Secretariat. It also provides the opportunity to undertake a broader assessment with a view to preparing the evaluation function for the challenges ahead.

General Conclusion

Danida's current evaluation system is basically sound in comparison to generally accepted international evaluation standards. In many respects, the evaluation practice is clearly above average standards in the donor community, and in some areas is high performing and serving as an example of good practice. Danida's evaluation system serves management in providing essential information for its decisions on the relevance, impacts, and operational performance of policies, programs, and projects. The evaluative knowledge coming from the Evaluation Secretariat addresses both the accountability and learning dimensions necessary for effective development management.

While we believe that the current performance of the Evaluation Secretariat is effective, we believe that there are a number of actions which can be taken to strengthen still further the independence and performance of the evaluation function. We make these recommendations, not from a sense of the Secretariat having glaring deficiencies, but in the context of the efforts of Danida to strengthen its focus on quality and results. In such a context, evaluation has a key role to play. As the climate for development assistance shifts towards accountability and the demonstration of results, evaluation becomes a key means of discerning success from failure. For in the absence of being able to discern success from failure, we are inevitably rewarding failure and wasting taxpayers' resources.

We do not recommend to "lift out" the evaluation function from the Ministry of Foreign Affairs, since we find no compelling reasons for doing so. Indeed, the evidence that the Evaluation Secretariat is contributing, at a financial cost comparable to those of the other bilateral donors, to both the organizational learning and the accountability functions within the Ministry suggest that this function should be strengthened within the existing institutional arrangements. An external evaluation unit would weaken, we believe, the existing contributions to lessons learned and linkages to management and the decision-making processes. The risks from the remoteness and marginalization of an external evaluation unit are not to be ignored.

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About the Authors:

Hans Lundgren is Principal Administrator and Advisor on Aid Effectiveness, OECD/DAC. In the DAC Secretariat, he has been responsible since 1990 for the DAC Working Party on Aid Evaluation. He co-coordinated the drafting of the “DAC Principles for Evaluation of Development Assistance.” More recently, he has been involved in work on results-based management and aid effectiveness.

W. Haven North was director of U.S.A.I.D.’s Center for Development Information and Evaluation. During 1985-1988 he was Chairman of the OECD/DAC Working Party on Aid Evaluation. In 1997-98 he led the review of donor compliance with the DAC’s Principles for Evaluation of Development Assistance. As part of this task, he conducted a review of the utilization of Danida’s evaluations. Prior to his retirement, he was a senior official in U.S.A.I.D and worked for 31 years in Africa and in Washington on African development assistance programs.

Ray C. Rist is an internationally renowned evaluation scholar and practitioner. For fifteen years he worked for the U.S. General Accounting Office. He has held professorships at Cornell University, Johns Hopkins University and George Washington University. He is now with the World Bank Operations Evaluation Department. He has authored or edited 24 books and written more than 150 professional articles.

CHAPTER 1: INTRODUCTION

Danida's evaluation function has been a subject of debate on a number of occasions. The revival of the debate in the autumn of 2002 about the evaluation function – its independence, quality and utility for various stakeholders – provides an opportunity for an informed discussion. To support this discussion, the Minister for Foreign Affairs decided that a review should be undertaken of the current status of the Evaluation Secretariat. The main focus of the review would be on the independence of the Evaluation Secretariat. The fundamental questions are two: are the Folketing (Parliament) and the public being informed in an objective manner about the results and the quality of Danish development aid, and, second, is the process of learning from evaluations within Danida being continued and strengthened?

We have been invited by Danida to undertake this review and submit this report for the Minister's consideration. In preparing this report, we have drawn on a number of separate and independent surveys and analyses, which are reported in annexes 1-4. We have participated in a planning workshop to critique the design of these surveys and analyses prior to their implementation and have, subsequently, reviewed this material in order to assess their findings and implications for our own analyses of the Evaluation Secretariat. We have also interviewed and held discussions with the management of Danida as well as the management and staff of the Evaluation Secretariat.

This review not only addresses the concerns raised about the independence of the Evaluation Secretariat. It also provides the opportunity to undertake a broader assessment with a view to preparing the evaluation function for the challenges ahead. Increased demands for demonstrating the results and impact of aid delivery will challenge the various instruments used for monitoring and evaluating aid effectiveness. Evaluation will play an active role in providing information from a results-based management system. To do this, it will have to adapt to the changing development agenda.

Evaluation is part of a comprehensive information system on development aid, which provides information for development policy making. External institutions, especially the National Audit Office (Rigsrevisionen) and the universities, other development actors such as NGOs, and Danida through monitoring and evaluation, produce different types of evidence on the use, quality and results of aid. The mission and mandate of each of these players is different and the outcome from these different institutions and functions complement each other. The National Audit Office is responsible for undertaking independent financial and performance audits of the use of development assistance; it, thus, provides external and independent checks on the use of public funds. The academic world produces research in the form of articles and dissertations on development issues as well as on aid issues to gain a better understanding of the forces driving the development process. Evaluations are carried out both in Danida as well as in NGOs working with development assistance in order to provide accountability and learning in relation to the use of funds for development aid. In addition, both Danida and NGOs undertake various forms of monitoring and follow-up on development activities, such as reviews, which provide feedback to management on ongoing implementation issues.

Evaluations are a systematic and objective assessment of aid activities. They raise fundamental questions about program and project design, implementation methods, fulfillment of objectives and impact, and the long-term sustainability of services and benefits. Evaluations are more fundamental and thorough assessments of aid activities compared to monitoring functions. The OECD/DAC's definition of evaluation¹ has been adopted by all major donors, including Denmark.

OECD/DAC in its statement of Principles for Evaluation of Development Assistance has suggested that the organizational aspects for ensuring an effective evaluation system must address three requirements:

- Developing a policy and a set of guidelines for evaluation;
- Ensuring impartiality and independence;
- Linking evaluation findings to ongoing and future activities.

We have structured this report around these three basic requirements. Chapter 2 provides an assessment of the evaluation policies and guidelines of the Evaluation Secretariat. In Chapter 3, we address the question of independence. This is the main issue we have been asked to assess. We have considered it from various angles, such as the institutional structure of the evaluation function, the procedure and substance of evaluation, and the work of external consultants undertaking evaluations. In Chapter 4, we discuss the use of evaluations and future challenges. Our conclusions and recommendations are provided in Chapter 5.

The annexes contain further descriptions and analyses of the issues dealt with in the main report. They include the full reports of the various sub-studies, including the comparison of Danida's evaluation function to that of other Danish ministries (Annex 1), the study on the evaluation practice of other donors (Annex 2), the report on interviews with Danish and international consultants having undertaken evaluations for Danida during the years 1997-2001 (Annex 3), the analysis of consultancy contracts (Annex 4), the costs of evaluations compared with other donors (Annex 5), and Danida's Evaluation Policy (Annex 6).

The presentation in Annex 7 of the various steps of Danida's evaluation process provides the background for understanding both conclusions and recommendations in the main report and the analyses in the other annexes. For readers unfamiliar with Danida's evaluation function and for readers wanting a more thorough understanding of the issues dealt with, the annexes are important to read.

Copenhagen, January 2003

Hans E. Lundgren, W. Haven North, Ray C. Rist

¹ "An evaluation is an assessment, as systematic and objective as possible, of ongoing or completed aid activities, their design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development 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"

CHAPTER 2: POLICY AND GUIDELINES

The DAC Principles for Evaluation of Development Assistance specifies that: “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 the institutional aid structure.”

These principles were adopted in 1991, and while Danida elaborated guidelines for evaluation as early as 1988, it was in 1997 that an evaluation policy proper was formulated. (Annex 6).

The Policy document is commendable for its clarity on the purpose of evaluation and the definition of the role and responsibilities of the Evaluation Secretariat. It is, however, somewhat ambiguous about the Secretariat’s place within Danida and its relationships with other offices with Danida.

The Guidelines have been revised in 1994 and in 1999² and show an important evolution reflecting the changing character of Danida’s programs and the focus of evaluation activity. The Guidelines now cover: definition; purpose and parties; types of evaluation; the evaluation process; the focus of evaluations; scopes and methods; ensuring quality; the evaluation report; and making use of evaluations. The Guidelines are complete and well articulated. They have served as a model for other evaluation units (e.g. Norway and China). As noted in Annex 3, several evaluators have found the Guidelines to be a “straightjacket;” we do not find this assessment justified.

However, the fast moving agenda for the evaluation of development programs points to the need to up-date the Evaluation Policy and Guidelines with allowance for some flexibility in the interpretation of the Terms of Reference. For example, the changing context calls for increased attention to Danida’s Sector Program Strategies (SPS), the evolving Results-Based Management system (RBM), developing country-prepared Poverty Reduction Strategy Papers (PRSP), and joint evaluations with other donors. Also, to assist in strengthening Danida’s program operations, the Guidelines should address the need for evaluations of Danida’s instruments of corporate performance; such evaluations have not been clearly identified as part of the Evaluation Secretariat’s evaluation agenda.

² “Evaluation Guidelines” Ministry of Foreign Affairs, Danida. February 1999.

CHAPTER 3: INDEPENDENCE AND IMPARTIALITY

The DAC Principles for Evaluation of Development Assistance specifies that:

“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”

Independence provides legitimacy and credibility to evaluation and reduces the potential for conflict of interest, which could arise if policy makers and managers are solely responsible for evaluating their own activities. The question of the independence of an evaluation system needs to take into account a number of factors that are not addressed simply by a debate on external versus internal locations. There are (at least) four dimensions:

- The location: where is the evaluation function located? Outside the organization, inside the organization, and if inside, where?
- The operational procedure: how independent is the programming and design of evaluations?
- The evaluators: how independent are the people undertaking the evaluations?
- The reporting: how independent is the reporting process, to whom does the evaluation function report? What autonomy does it have to release reports?

Each of these dimensions will be examined in light of the policies and procedures of Danida.

The Location

The Ministry of Foreign Affairs has chosen to place responsibility for evaluating Danish development assistance in the Evaluation Secretariat, which is an independent, specialized unit in the Ministry. The Evaluation Secretariat reports to the State Secretary, Head of the South Group. It is not subordinate to the operational bilateral or multilateral departments. To ensure a high degree of independence, the Head of the Evaluation Secretariat is employed on a fixed term contract and is not subject to normal rotation. The model as applied in Danida is rather uncommon in Denmark, but it is used in the Ministry for the Interior and Health, The National Board of Health, which has established the Danish Center for Evaluation and Health Technology Assessment.

Annex 1, “Organizing Evaluation: A Review of Danida’s Evaluation Practice Compared to Practices in Other Danish Policy Areas” indicates that the most common model for organizing evaluation in Denmark is the Line Management Model. In this model responsibility for planning evaluations rests with the ordinary line positions of the organization responsible for the intervention or program being evaluated. This model is used, for example, in the fields of environmental policy, energy policy, traffic policy, food, agriculture and fisheries policy as well as cultural policy.

The only example of an external evaluation organization is in the field of education and research. Responsibility for education evaluation is placed in the Danish Evaluation Institute. The institute was established under legislation passed by the Folketing in 1999 and has an independent Board appointed by the Minister for Education.

However, comparing the organizational set up of evaluation in Danish ministries is like comparing apples and pears. Ministries have different functions and portfolios, and therefore different needs for evaluation systems. It is, therefore, more relevant to compare the evaluation set up with other donor organizations with similar functions and portfolios. Annex 2, “Evaluation in Bilateral and Multilateral Development Assistance Organizations and Danida’s Evaluation Program and Set Up” makes this comparison³

As shown in this annex, no other donor country among those surveyed has established an external evaluation institution⁴

Evaluation functions in six donor agencies have direct reporting to the head of the development assistance agency who reports to the top foreign policy official. This group includes the evaluation units in Denmark (Danida), Finland (DIDC), Ireland (DGIA), Netherlands (IDC), Sweden (SIDA), and Switzerland (SDC).

In eight donor agencies the evaluation unit is in a subordinate position within a policy, audit or management division (non-operational performance review, quality management, information systems). The head of the evaluation unit reports to the chief of the multi-function division, and the division chief reports to the head of the development assistance agency. The evaluation units of eight bilateral donors are in this category: Australia (AusAID), Canada (CIDA), France (DGCID), Germany (BMZ), Japan (JICA), Norway (DDC,) U.S. (USAID), and U.K. (DFID).

As the above comparisons illustrate, Danida’s evaluation location and reporting procedures rank among the more independent while preserving its links within the institution for producing well-informed, quality assessments, advancing recommendations and their follow-up, and lessons learning. The accountability purpose of evaluation is also maintained by this institutional arrangement.

The Operating Procedures

Danida’s Evaluation Secretariat follows the pattern of steps in the evaluation process from annual plans to final reports that are specified in the DAC Principles and followed by other donors. These steps are clearly specified in its 1999 Evaluation Guidelines.

³ Annex 2 also describes the independence of the evaluation function in multilateral institutions. These arrangements do not lend themselves to direct comparison with Danida owing to their different legal setups.

⁴ Belgium, in 1998, attempted to establish an external evaluator for development assistance, but this has been discontinued, and the government is in the process of establishing a Special Evaluation Unit within the Ministry for Foreign Trade and Development Cooperation. Sweden has an Expert Group on Development Issues linked to the Foreign Ministry which has more the character of a think tank than an evaluation unit.

The Evaluation Secretariat prepares the Evaluation Program after consultation with all departments and embassies of the South Group. About 70% of the program is based on suggestions or requests from other departments and embassies, indicating a strong internal demand for evaluation. There have been occasions when more evaluations have been proposed than could be accommodated by the Evaluation Secretariat. In such cases the Secretariat must prioritize. The program is discussed at a management meeting in Danida where the timing of the evaluations is discussed. The management group cannot delete evaluations from the program. Finally, the Board of Danida approves the program before it is forwarded to the Foreign Affairs Committee of Parliament together with the Board's comments.

This planning process strives to ensure that the interests of all relevant stakeholders are considered and that the planned evaluations are found relevant to their needs. It appears that the only stakeholders, who are not systematically consulted, are the partner countries. While the Embassies in principle are responsible for consulting with relevant authorities, particularly on country and sector program evaluations, in practice the partner countries have little influence on the evaluation program.

The planning process is very similar in other international aid agencies. In UK and Sweden an internal management committee approves the evaluation program. Only the Netherlands also informs the Parliament.

The Evaluation Secretariat has the responsibility for designing the evaluations. The Terms of Reference (ToR) governs the evaluation process and specifies which issues the evaluation will cover – often formulated as a series of questions. The relevant stakeholders (departments, TSA, embassies and partners) comment on the draft ToR. ToRs are formulated in such a way that the evaluation team can deal with issues identified as important during initial analyses, even if they are not mentioned in the ToR. In cases of larger evaluations, reference groups with internal and external participation are sometimes formed in order to ensure that maximum expertise and insight is applied. Such evaluations are often carried out in several phases, where the first phase comprises preliminary studies in order to refine the ToR and choose relevant methods. The Head of the Evaluation Secretariat approves the final TOR.

The Evaluators

Independent external consultants carry out all evaluations. Evaluation teams, either individual consultants or consulting companies, are selected by the Evaluation Secretariat for their “professional competence, impartiality, and experience in relation to the task.” Ninety-five percent have been selected by competitive bidding, more than 40% from non-Danish sources. The survey (Annex 3) found that financial dependency on Danida (i.e. whether consultants derive a large share of their income from contracts with Danida) has had no impact on whether evaluations are critical or not. An analysis of the contract volume (Annex 4) does not point to any correlation between critical evaluations and subsequent turnover with Danida as a whole or with the Evaluation Secretariat in particular.

Selection of consultant evaluators is in accordance with international practice. In most other countries, the evaluation units assign evaluation teams. One difference, however, exists: in Canada, France, The Netherlands, Ireland, Japan and USA evaluation teams consist of a mix of external consultants and staff from the agency itself. In the UK and Sweden both external and mixed teams are being used, while Finland, Germany, Norway and Switzerland apply the same practice as Denmark of assigning only external consultants. The tender procedure applied by Danida is in accordance with international practice.

Questions have been raised by critics of existing evaluations about the independence of consultants; the issue has been addressed in the separate survey (Annex 3). The survey concludes:

“Having interviewed 25 team leaders on their experience from 33 evaluations, we may conclude that the evaluators generally feel that they are able to do their work free of pressure from stakeholders. Thus, the overall picture is one of great independence for the evaluators and reliability of evaluations, although there is room for improvement and in some cases problems.”

The few incidents of pressure are reported to have happened during the phases of fieldwork and report writing. During fieldwork, evaluators have sometimes felt their work hampered, for instance, when trying to gain access to sources of information. In several instances the Evaluation Secretariat has actively supported the evaluators. In the report writing process, some evaluators have felt a pressure to leave out parts of their conclusion. In most cases, the evaluators have not succumbed to the pressure; and, in several of these cases of pressure, they have been actively supported by the Evaluation Secretariat and encouraged to stick to their assessment. These instances of hampering work or pressure, according to the survey, “typically originated from institutions or personnel with a stake in the project being evaluated.”

The Reporting

The independent evaluation teams have the sole responsibility for preparing the reports. Draft reports are discussed with relevant stakeholders. This dialogue with the different stakeholders during the evaluation process is crucial for two reasons: it provides the evaluator with a variety of perspectives on the activities being evaluated, and it provides the basis for acceptance by stakeholders of the conclusions. The evaluators are expected to respond to issues raised and may accept or reject these observations and, thus, retain their full responsibility for the report. Obtaining comments on evaluation reports from the concerned stakeholders is a universal practice and reporting unresolved differences is not uncommon. On a few occasions, Danida has established reference groups or peer review panels. These have proven useful, as they provide a “third perspective” from substantive and evaluation expertise on the processes and judgments of the evaluations.

The Evaluation Secretariat exercises quality control on evaluation reports, ensuring that the issues in the TOR are adequately addressed, that conclusions are based on adequate and reliable evidence, that presentation of strengths and weaknesses is balanced and unbiased, that recommendations are grounded in conclusions, and that the technical presentation, language and

layout, are acceptable. Once these requirements are met the Secretariat approves the report for release.⁵ It is an important indicator of independence, that while other stakeholders may comment on draft reports, the Secretariat alone has the authority to approve an evaluation report and thereby its publication.

Danida's evaluation reports are of high quality and reflect the ability and support of the Evaluation Secretariat in ensuring their independence and impartiality.

⁵ Over the past 15 years only one instance has been reported of an evaluation not being published owing to deficiencies in quality.

4 USING EVALUATIONS

The Context of Use

Evaluation has both a learning and an accountability purpose. Evaluations are used to improve development assistance by providing feedback to Danida about results, problems and challenges related to the activities undertaken, and evaluations are a key source of information to the Danish public and political decision makers about results of tax resources spent on development assistance.

Within Danida, evaluations are used to provide feedback to operational departments and management about performance of development activities. For management, the kind of feedback obtained from evaluations differs substantially from information obtained through various administrative systems such as budget control, monitoring of activities and outputs and performance audits by the National Audit Office. Evaluations provide a more thorough analysis of results and processes and, therefore, provide information that can be used by managers as they make decisions about how to spend resources. For operational departments, evaluations play a crucial role in identifying best practices, strategic problems to be addressed at program level, and specific problems to be addressed in particular activities.

The purpose of providing evaluation results to the general public and political decision makers is both to ensure accountability and to improve the understanding by the public of needs in partner countries. The reporting of results to the public helps to educate the public on the opportunities and constraints for Danida in responding to the needs of the developing countries. Evaluations play a unique role as a source of information on development issues because they are made by independent consultants, who apply recognized international principles and standards. As in many other countries, the willingness of the general public in Denmark to accept allocation of resources to aid increasingly hinges on the ability of Danida to document the outcomes and benefits of development activities.

In the past, the main users of evaluations have been Danida operational staff and professionals outside Danida. Communicating evaluation results to the general public has been a challenge in Denmark as well as in other countries. Providing evaluation information to the public so that they can use this information to improve their understanding of development issues requires careful efforts. While much has been achieved in this respect during the recent five years, the main challenge now appears to be to improve the access by partners to evaluation results.

Efforts to Improve the Use of Evaluations

The use of evaluation results by Danida's operational staff to a large extent depends on their ownership of the findings, conclusions and recommendations. With the double objective of creating ownership and improving the quality of evaluations (e.g. ensuring access by consultants to all relevant data, avoiding factual errors in the reports), the Evaluation Secretariat is making an effort to involve relevant departments and embassies in all steps of the evaluation procedure (for a further description, see Annex 7).

To improve the use of evaluations by the general public, the Evaluation Secretariat applies an extensive list of different communication channels (see Figure 2 on Danida's dissemination of evaluation results in Annex 7). A press conference is held with the release of each evaluation report. Following a debate in the Folketing in late 1999, the effort to disseminate evaluation results has been further strengthened by the introduction of short versions of evaluations in Danish and experiments with new communication channels such as video. Attempts to improve the access by partners to evaluation results include translation of summaries into relevant languages (e.g. Spanish, Portuguese, French, Bangla) and holding seminars on conclusions and recommendations in the partner countries.

In an OECD/DAC conference on evaluation feedback, held in September 2000, it was established that Danida's dissemination practices are on a par with the leaders in the donor community and exceeds that of most evaluation units.⁶

Results of Using Evaluations

Evidence has been presented that on occasions Danida's management has used evaluation results to discontinue programs (e.g. Danish Center for Technology Transfer (1996/9)) or reduce funding (e.g. Evaluation of Danish Import Promotion Office (2000/1), ILO Workers' Education (2001/3), Education under UNESCO (2001/2)). Also, we have evidence that more fundamental policy decisions concerning the management of Danish aid result from evaluations (e.g. Evaluation of The Local Grant Authority (1994/4), Evaluation of Business-to-Business Program, Denmark-South Africa (2000/8)). This review also identified larger thematic or sector evaluations of Danida's development programs that address accountability bringing out both positive impacts as well as features of policy, strategy or implementation that need attention (e.g. Danish Humanitarian Assistance (1999/9), Danish Support to Promotion of Human Rights and Democratization (1999/11), and Danish Bilateral Assistance to Health (2000/4)). The majority of the evaluations also provides lessons learned which are fed into the operational system in the form of input to strategies and guidelines and provides background for refocusing the programs. Country program evaluations are often timed with a view to providing input to the recurrent revision of the strategies (e.g. Burkina Faso, Bolivia and Nicaragua).

To ensure that all recommendations at policy, program and project levels are considered by Danida, a follow-up memorandum is prepared upon completion of every evaluation. The memorandum presents Danida's comments on each of the main conclusions and recommendations of the report, and indicates the department(s) responsible for undertaking follow-up activities. The Evaluation Secretariat regularly verifies that follow-up activities are implemented as agreed. During the most recent checks it was found that around 90% of the agreed activities had been implemented. When activities have not been implemented, the reason most often given was that it was not possible to implement the recommendation. Outside Danida, evaluations are being used to inform the general debate about development assistance, and political decision-makers sustain decisions by references to evaluation results. This latter is illustrated by the Report by the Government on Denmark's Development and

⁶ OECD/DAC Tokyo Workshop Report on "Evaluation Feedback for Effective Learning and Accountability", September 2000. p. 23

Environmental Cooperation with Developing Countries⁷ (January 2002), which had 19 references to recent or ongoing evaluations.

Future challenges

The administration of international development is presently undergoing a rapid change from fragmented and poorly coordinated donor efforts to a new results-based environment, where coordination and coherence in development efforts is seen as a key to improve development effectiveness and efficiency. The pivotal role of support to country-led poverty reduction strategies in international and Danish aid, the general adherence to sector wide approaches, and the agreement on the Millennium Development Goals are all expressions of the increased international commitment to harmonization, coherence, coordination and the forging of partnerships as a prerequisite for improving results.

To be able to respond to the new challenges, the focus and management of evaluation will also have to change. The traditional focus on studies of relatively well-defined development activities will be replaced by a demand for streams of evaluation knowledge, which can provide transparent linkages between specific development efforts (projects and programs), and sector and country-level development outcomes. Increased donor coordination on evaluation (joint evaluation efforts, networks of evaluators) is one condition for responding to the challenge, while another condition is support to the new role of partners. Partner-led development efforts will be followed by demand for partner-led evaluation. It represents a considerable challenge for donors to support the development of evaluation capacity in developing countries.

In the Danish context, the move towards results-based management and the ongoing process of decentralizing Danida by devolving authority to the embassies will change the role of the Evaluation Secretariat. Ongoing attempts to establish a monitoring system and the planned establishment of a new quality assurance/monitoring unit will sharpen the profile of the Evaluation Secretariat as the unit providing in-depth analyses of results and processes and thereby provide a reality check on results generated by the monitoring system. While it is likely that many evaluative assessments in the future will be both initiated and carried out by embassies in cooperation with partners and other donors, the Evaluation Secretariat will play an important role as the unit responsible for undertaking evaluations of the way Danish development assistance is managed. Evaluations aiming at identifying best practices and cross-sector and cross-country experience relevant to Danish aid will continue to be used for strategic decision-making by the management. The complementary role of evaluation addressing questions such as relevance and sustainability will continue to be important.

The international context for the uses of evaluations

Danida participates actively in international cooperation on evaluation. The international work is primarily done through the OECD/DAC Working Party on Aid Evaluation, where Denmark has held the presidency in 1989-92 and 1997-2002. The Evaluation Secretariat has been instrumental

⁷ ”Redegørelsen for Regeringens Gennemgang af Danmarks Udviklings- og Miljøsamarbejde med Udviklingslandene”.

in drafting the DAC Principles for Evaluation of Development Assistance in 1991 and the guidelines for evaluation of humanitarian aid in 1998⁸.

The Evaluation Secretariat has been a leader in promoting joint and multi-donor evaluations. Important examples are the “Evaluation of Emergency Assistance to Rwanda” (1996/16) involving nineteen donor countries and seventeen multilateral organizations, international agencies and international NGOs; and the Joint Evaluation of the Road Sector in Ghana (2000/6) involving eight donors and the Government of Ghana.

The Evaluation Secretariat has in various ways contributed to the development of new methodologies. The Evaluation of Poverty Reduction in Danish Development Assistance (1996/14) is still considered as one of the best examples of applying innovative evaluation methodologies and the current work on development of new methodologies for evaluation of institutional capacity building is at the forefront.

Finally, there is close donor cooperation on the evaluation of multilateral organizations. Over the years larger or lesser consortia of donors have carried out a number of such joint evaluations.⁹ The donors normally select a lead donor to be responsible for the implementation of these joint evaluations. Danida’s Evaluation Secretariat has been leading several of them (WHO, UNICEF, UNDP PACT and IFAD).

⁸ DAC WP EV: Guidance for Evaluation Managers in the Evaluation of Humanitarian Assistance in Response to Complex Emergencies. OECD, 1998

⁹ WHO (1990/2), UNICEF (1993/1), EU Program Food Aid (1996/13), UNRISD (1997/1), UNDP PACT (1999/1), UNCDF (1999/5), EU (1999/6); and currently being undertaken IPPF and UNFPA, IFAD and WFP.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

In systematically reviewing the materials that have been prepared for this assessment, we believe that a number of conclusions are warranted. These conclusions – and the recommendations that flow from them – are organized along the same dimensions as the topical areas of the report itself.

It should be stressed immediately that these conclusions and recommendations are those of the three authors alone. They have not been edited or vetted through any persons or organizational units in the Ministry of Foreign Affairs. As such, we take sole responsibility for the content and interpretations presented here.

General Conclusion

Danida's current evaluation system is basically sound in comparison to generally accepted international evaluation standards. In many respects, the evaluation practice is clearly above average standards in the donor community, and in some areas is high performing and serving as an example of good practice. Danida's evaluation system serves management in providing essential information for its decisions on the relevance, impacts, and operational performance of policies, programs, and projects. The evaluative knowledge coming from the Evaluation Secretariat addresses both the accountability and learning dimensions necessary for effective development management.

While we believe that the current performance of the Evaluation Secretariat is effective, we believe that there are a number of actions which can be taken to strengthen still further the independence and performance of the evaluation function. We make these recommendations, not from a sense of the Secretariat having glaring deficiencies, but in the context of the efforts of Danida to strengthen its focus on quality and results. In such a context, evaluation has a key role to play. As the climate for development assistance shifts towards accountability and the demonstration of results, evaluation becomes a key means of discerning success from failure. For in the absence of being able to discern success from failure, we are inevitably rewarding failure and wasting taxpayers' resources.

We do not recommend to "lift out" the evaluation function from the Ministry of Foreign Affairs, since we find no compelling reasons for doing so. Indeed, the evidence that the Evaluation Secretariat is contributing, at a financial cost comparable to those of the other bilateral donors, to both the organizational learning and the accountability functions within the Ministry suggest that this function should be strengthened within the existing institutional arrangements. An external evaluation unit would weaken, we believe, the existing contributions to lessons learned and linkages to management and the decision-making processes. The risks from the remoteness and marginalization of an external evaluation unit are not to be ignored.

Evaluation Policy and Guidelines

Conclusion: A review of the evaluation policies and guidelines of the Evaluation Secretariat suggest that they are comprehensive in their scope, sufficiently detailed in their precision, and commensurate with the roles and responsibilities of the unit. They are also in need of revision as they are now four years old. The policy guidance for the Secretariat is found on the Danida web-

site and dates from August, 1997. These policies, in turn, are then operationally defined in the publication, “Evaluation Guidelines” (1999.)

Recommendations: The Secretariat should undertake a review of the publication, “Evaluation Guidelines”, to update as appropriate in light of the recent changes in the development evaluation field. We believe such changes as the emergence of results management, the emphasis on the definition, measurement and monitoring of performance outcomes, the development of participatory evaluation strategies, and the enlarged units of analysis (e.g., global, thematic, country, sector, and policy arena) all suggest that the existing policy and guidelines merit reconsideration.

In addition, we believe the publication should reemphasize the need for flexibility in the deployment of evaluation designs and methods, especially as the movement into a strengthened management focus on results will require the use of multiple indicators, a variety of data collection and analysis methods, and new reporting strategies.

Finally, we believe the policy statement should include a clearer emphasis on the need for the Secretariat to review the instruments of corporate performance utilized within Danida itself.

Independence

Conclusion: As noted above, we believe that the independence of the Secretariat within the Ministry is well established. We have found no evidence that the fundamental issues of the choice of evaluation topics, the hiring of consultants, the designs and methods deployed, or the development of conclusions and recommendations has been compromised within the existing structure. Indeed, we have learned of multiple instances where the Secretariat has played an important role in protecting the independence of the evaluation efforts in the Ministry from pressures that could have compromised the findings.

We see several factors as important in sustaining this independence: the direct reporting to the State Secretary; the use of internationally recognized evaluation procedures; the active engagement of the Board of Danida in discussing and approving the work program of the Secretariat; and the extensive use of both national and international consultants who bring a variety of perspectives and voices to the evaluation function. We also do not want to overlook the professionalism and expertise of the Evaluation Secretariat.

Recommendations: The independence of the Secretariat, we believe, can be strengthened to further safeguard its credibility and respond to the evolving development agenda.

First, there is a need to organize selected peer review panels for the evaluations issued by the Secretariat. These panels can be of two types – those organized for an individual study and those organized to review a larger body of evaluation work produced by the Secretariat. We are not advocating a blanket approach to peer review, but believe that targeted feedback from evaluation peers can be informative.

Second, we believe there is a need for a formal code of ethics for the Secretariat. This code could then become the basis for establishing a framework for the performance of consultants and would be a formal attachment to all contracts issued by Secretariat.

Third, a clear indication/signal in the organizational chart along with a statement of roles and responsibilities of the Evaluation Secretariat and other departments in evaluation procedures is needed to convey that the evaluation function is independent and reports directly to the State Secretary.

Finally, we strongly believe that a new name is needed for the Evaluation Secretariat to more forcefully convey its independence.

Using Evaluations

Conclusion: A major concern of evaluators is that the findings of their work be used by those for whom the evaluation was undertaken. Use can be of different types, but the underlying goal is to see evaluation information as part of the discourse on policy, program, or project alternatives and strategies. There is strong evidence of different uses within Danida of the evaluation information produced by the Evaluation Secretariat. Indeed, there is evidence of both accountability – with programs being changed and even eliminated – and lessons learned where subsequent policies and program designs were changed to reflect new knowledge. We also commend the Secretariat for its efforts at dissemination, including the holding of a press conference at the release of each evaluation report.

Recommendations: The Secretariat tracks recommendations made in its reports, but it does not systematically review whether the recommendations when implemented have the intended effects on projects, programs, or policies. It is the view of the authors that this subsequent reexamination is necessary to ascertain if the Secretariat's recommendations were effective or not. This is critical to the organizational learning of the Secretariat itself and Danida. We are asking for an evaluation of the results of the implementation of recommendations from Secretariat-managed evaluations.

Second, there is a need for still more systematic sharing of the findings of evaluations with Danish civil society and the broader public through such mechanisms as periodic conferences on major evaluation findings and issues.

Third, and in light of the increasing movement of Danida into a management focus on performance monitoring and results, there will be the need for the Secretariat to adapt its work to greater demands for “real time” evaluative information.

Finally, the efforts of the Secretariat to ensure transmittal of knowledge and information to country partners should be examined. Such sharing becomes increasingly important in the context of partners strengthening results monitoring and evaluation capacity as part of their own poverty reduction strategies.