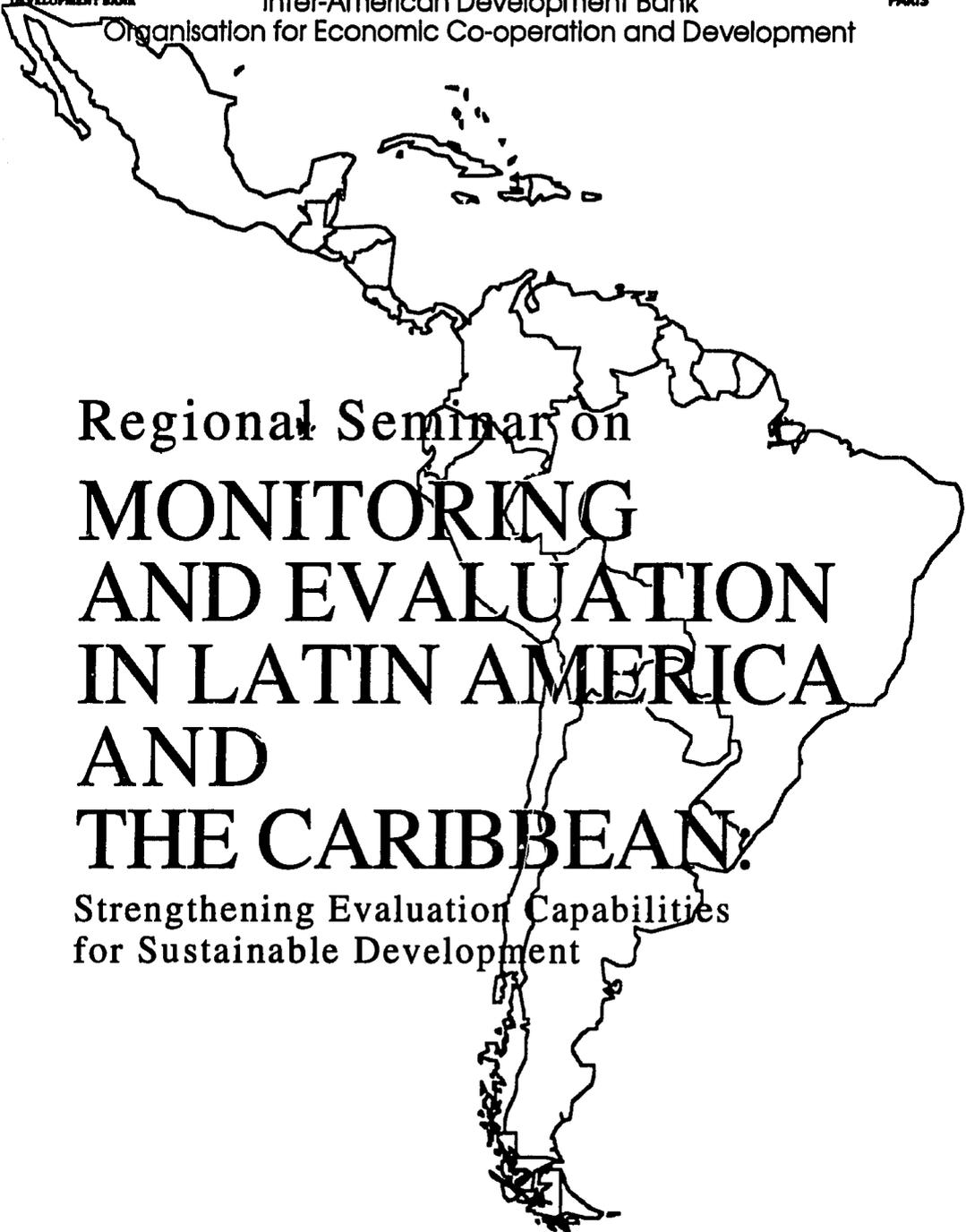


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Inter-American Development Bank  
Organisation for Economic Co-operation and Development



Regional Seminar on  
**MONITORING  
AND EVALUATION  
IN LATIN AMERICA  
AND  
THE CARIBBEAN.**

Strengthening Evaluation Capabilities  
for Sustainable Development

Quito, Ecuador  
November, 1993

Regional Seminar on  
**MONITORING  
AND EVALUATION  
IN LATIN AMERICA  
AND  
THE CARIBBEAN**

**Strengthening Evaluation Capabilities  
for Sustainable Development**

**INTER-AMERICAN DEVELOPMENT BANK  
ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT**

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*The Members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities.*

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2

## **Foreword**

**The Regional Seminar on Monitoring and Evaluation in Latin America and the Caribbean, held on 9-13 November 1993, was organised jointly by the OECD's Development Assistance Committee (DAC) and the Inter-American Development Bank. The seminar was the third in a series of regional seminars initiated by the DAC Expert Group on Aid Evaluation. The previous seminars were held in Africa and in Asia. The seminars are aimed at promoting and strengthening evaluation capabilities in developing countries. Evaluation is an integral part of public sector management, and performance evaluation is important for feedback of results as well as for transparency and accountability.**

**The seminar report was prepared by Ms. Elisabeth Lewin, consultant, and has been reviewed by the DAC Expert Group on Aid Evaluation and approved for derestriction by the DAC. The report sums up the seminar discussions and the main points of the papers presented by a number of DAC Members: Canada, Denmark, France, Italy, Spain, United States, as well as by the World Bank, and the Inter-American Development Bank. These contributions as well as financial support from Canada, Italy, Spain, Portugal and the Inter-American Development Bank are gratefully acknowledged.**

**At the Regional Seminar in Latin America and the Caribbean an action plan was agreed upon as a basis for future collaboration. The action plan is based on the papers prepared by the countries of the region on the current status and future directions of evaluation in their respective countries, and on the discussion of these papers in the sub-regional working groups.**

**Hedy von Metzsch  
Chair, DAC Expert Group on Aid Evaluation**

## Contents

I.	Introduction .....	7
II.	The Latin American and Caribbean Context .....	10
III.	Modernising the Evaluation Function for Public Sector Reform .....	11
IV.	Evaluation Capacity Development .....	12
	1. Development of an evaluation function .....	12
	2. Characteristics of an effective evaluation system .....	13
	3. Organisational location of the evaluation function .....	14
	4. Strengthening the evaluation capabilities in Latin America and the Caribbean .....	15
V.	Lessons Learned in Programme Evaluation .....	19
	1. Evaluation of public policies — the experience of the French Government .....	20
	2. The evolving relationship between audit and evaluation — the experience of the Canadian Government .....	22
	3. Adjustment programmes and the political economy of reform — the experience of the World Bank .....	24
	4. Programme evaluation and performance measurement — the experience of the US Government, including US AID .....	26
	5. Evaluation of institutional aspects of international development co-operation — the experience of the Danish Government (DANIDA) .....	28
	6. Some lessons of experience in programme evaluation — the experience of the Italian Government .....	30
	7. Evaluation experience and future directions in the health sector — the experience of the Inter-American Development Bank (IDB) .....	31
	8. Studies in monitoring and evaluation of NGO projects — the experience of the Spanish Government .....	33
VI.	Monitoring and Evaluation in Latin America and the Caribbean .....	34
	1. Current status .....	34
	2. Issues and constraints in establishing an evaluation function .....	36
	3. The role of international agencies and development banks .....	37
	4. Future directions, strategies and action programmes .....	37
VII.	Adoption of an Action Plan .....	37
Annex 1:	Results of Seminar Evaluation .....	41
Annex 2:	Action Programmes Elaborated by Country Groups .....	43
Annex 3:	Seminar Documents .....	51
Annex 4:	Seminar Participants .....	53

# **Regional Seminar on Monitoring and Evaluation In Latin America and the Caribbean**

## **I. Introduction**

The Regional Seminar on Monitoring and Evaluation in Latin America and the Caribbean: Strengthening Evaluation Capabilities for Sustainable Development, was held 9–13 November, 1993 in Quito, Ecuador. It was a joint undertaking by the OECD Development Assistance Committee (DAC) and the Inter-American Development Bank (IDB) which was inaugurated by Mr. Alberto Dahil Garzozzi, Vice President of Ecuador. The most valuable support of the Government of Ecuador contributed to the success of the seminar.

Some 80 participants attended the seminar, representing 26 governments in Latin America and the Caribbean. Most of the regional participants were high ranking members of their governments holding strategic positions in ministries of planning, public finance or development, or national audit bureaus. The participants from bilateral donor agencies and multilateral organisations were mostly directors of the evaluation offices of their respective agencies and also members of the DAC Expert Group on Aid Evaluation.

The Quito Seminar was the third in a series of regional evaluation seminars initiated by the DAC. The first regional seminar for Africa was held in Abidjan, Ivory Coast, in May 1990, and was jointly sponsored by the DAC and the African Development Bank. The second seminar — for Asia and the Pacific — was organised in collaboration with the Asian Development Bank and held in Kuala Lumpur, Malaysia, in May 1992. These seminars were designed to increase the awareness of evaluation as a tool for greater effectiveness in government and to promote the strengthening of the evaluation capabilities in the region.

The aim of the third regional seminar, this time for Latin America and the Caribbean (LAC), was to further sensitise partners in development to the importance of evaluation as a management and planning tool and to broaden the understanding of the utilisation of evaluation in government. The meeting of representatives from the region with participants from the OECD donor community enabled an exchange of experience and the identification of opportunities for closer collaboration.

The Quito Seminar was characterised by structured, informal and candid discussions and a focus on substantive matters pertaining to evaluation. The seminar gave participants a greater appreciation of the importance of evaluation,

better understanding of different institutional arrangements in government, and familiarity with the experience of different countries with respect to the utilisation of evaluation.

The adoption of an Action Plan to strengthen the evaluation function in the region is the most tangible result of the seminar. Outlining objectives, strategies and actions to be undertaken by governments, it reflects the seminar participants' commitment to evaluation. Concrete efforts to develop the evaluation function in the respective governments in the near future are necessary as a valuable follow-up to the seminar.

At the end of 1994, the DAC Expert Group on Aid Evaluation will appraise the extent of implementation of the Action Plan.

The seminar programme was composed of five plenary sessions and four working group sessions:

## **Plenary sessions**

### **1. Modernising the evaluation function for public sector reform**

**Keynote address 1: The Latin American and Caribbean Context,**  
Mr. Orlando Reos, Chief, Operations  
Evaluation Office, IDB.

**Keynote address 2: Evaluation of Public Policies,** Ms. Odile Renaud,  
Commissariat Général du Plan, France.

### **2. Evaluation capacity development: the World Bank's experience,**

Mr. Pablo Guerrero, Special Adviser and Assistant to the Director General,  
Operations Evaluation Department, the World Bank.

### **3. Summary of Country discussion and synthesis of action programmes.**

### **4. The evolving relationship between audit and evaluation**

Mr. Martin Ulrich, Treasury Board Secretariat, Canada.

### **5. Adoption of an action plan with follow-up activities to strengthen the evaluation function in the LAC region.**

## **Working group sessions**

### **1. Evaluation in the public sector: lessons and their relevance to LAC**

- Sub-topic 1:* Adjustment Programmes and the Political Economy of Reform, Mr. John Johnson, Senior Evaluation Officer, Operations Evaluation Department, the World Bank.
- Sub-topic 2:* Programme Evaluation and Performance Measurement, Ms Annette Binnendijk, Director, Evaluation Office, US AID.
- Sub-topic 3:* Evaluation Experience and Future Directions in the Health Sector, Ms. Juana Salazar, Officer, Operations Evaluation Office, IDB.

### **2. Evaluation and feedback in LAC: current status and future directions**

### **3. Elaboration of strategies and action programmes for strengthening evaluation capabilities**

- Group 1:* Bahamas, Barbados, Belize, Jamaica, Guyana, Dominican Republic and Suriname.
- Group 2:* Bolivia, Colombia, Ecuador, Peru and Venezuela.
- Group 3:* Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
- Group 4:* Argentina, Brazil, Chile, Mexico, Paraguay, Uruguay.  
(Same country groups in working group sessions 2 and 3).

### **4. Institutional and non-governmental issues in evaluation**

- Sub-topic 4:* Evaluation of Institutional Aspects of International Development Co-operation, Mr. Tom Hansen, Head, Evaluation Unit, DANIDA, Denmark.
- Sub-topic 5:* Some Lessons of Experience in Programme Evaluation, Mr. Vittorio Masoni, Ministry of External Relations, Italy.
- Sub-topic 6:* Studies in Monitoring and Evaluation of NGO Projects, Mr. Rafael Soriano Ortiz, Planning and Evaluation Office, Ministry of Foreign Affairs, Spain.

The following chapters are based on the documentation made available to seminar participants, presentations at the seminar and plenary and group discussions. A full list of the seminar documentation is found in Annex 3.

## **II. The Latin American and Caribbean Context**

In the past few years, Latin America and the Caribbean have witnessed profound changes that promise to bring about much needed improvements in the economic and social well-being of the people of the region. Who would have imagined during the deep crisis of the 1980s — “the lost decade” — that in 1993 the great majority of the countries of the region would have overcome or be in the process of overcoming the worst of the debt crisis, controlling inflation, reducing fiscal deficits, stabilising national currencies, and opening markets to external competition?

These accomplishments have required not only great efforts, but also considerable sacrifice on the part of the population. The fact that these countries have succeeded in adopting severe economic measures in a period of growing political democratisation has attracted world-wide attention. Nevertheless, macroeconomic reforms constitute only the beginning of the process of modernisation. Perhaps the more difficult steps lie ahead: structural transformation of economic sectors and sub-sectors with the aim of increasing effectiveness and promoting economic growth with equity. Effective and sustainable development and a fair distribution of benefits will require a redefinition of the role of the State. The transformations and reforms have to be made in a way that guarantees the consolidation and sustainability of macroeconomic reforms.

In most countries, economic reforms have had a favourable, sometimes even dramatic, effect on economic growth. It is generally agreed, however, that such growth will not be sustained unless existing social, institutional and organisational problems are resolved. As long as the problem of massive poverty remains, the development process will be fragile. Urgent actions to alleviate poverty are called for, not only for reasons of social justice, but also in order to maintain political and social stability. Effective basic services have to be provided to disadvantaged groups. Further social integration and expanded social services must be ensured. Some steps have been taken, but much remains to be done to meet the particular needs of each country and allow all social sectors to take part in the process of modernisation. This requires a commitment of society as a whole, through broad political participation, democratic consensus, and good governance.

In order to come to terms with the fiscal deficit, the majority of governments need to undertake broad fiscal reforms aimed at increasing revenues and reducing expenditure. Public service reform must include such key areas as tax administration, national investment systems, restructuring and privatisation of public enterprises, and reformation of the productive and commercial sectors. In practical terms, this means modernising legislation, making the fiscal administration more effective, institutionalising management of public expenditure and simplifying the budget process.

### **III. Modernising the Evaluation Function for Public Sector Reform**

The main purpose of public sector reform is to make governments more efficient, transparent and accountable. This involves, *inter alia*, the definition of the functions and role of the state, as well as the conditions under which government intervention takes place. The basic assumption of the seminar is that evaluation can play a major role in modernising government by contributing to the process of public sector reform. The search for efficiency in public sectors is also consistent with the quest to induce a higher level of efficiency in the private sector and in the economy as a whole.

Evaluation may be defined as a systematic examination of the effectiveness and efficiency of the design, as well as the implementation, of public sector policies, institutions, programmes and projects. The idea is to learn from experience and apply the lessons learned in the design of new policies, programmes and projects to make them more effective.

An important part of evaluation is the analysis of what factors contributed to the success of a project and what factors impeded its effectiveness. There is a dynamic relationship between evaluation, implementation, programme design and planning of policies with the ultimate aim of achieving optimal allocation of public resources.

In its early stages of development, evaluation was seen as closely related to audit and control. The aim was to determine whether funds had been used according to established criteria and had produced results at a reasonable cost. Later it was realised that evaluation could also play an important role as a planning instrument. Evaluation started to focus not only on the physical aspects of public investment projects, but also on their socio-economic impact. More recently, increasing attention has been paid to the role of evaluation during the implementation phase of projects, i.e. constant or periodic evaluation of certain variables established before the start of the project and related to the expected final outcome. Evaluation instruments continue to evolve and extend to new areas with the ultimate aim of enhancing the quality of development and performance of responsible institutions.

Evaluation has an added value in that it not only measures results, but also helps explain cause and effect relationships and complex processes. For example, evaluations of structural adjustment programmes have contributed greatly to the understanding of the effects and complex processes involved.

Beyond the strength of evaluation in determining efficiency and compliance with pre-established objectives, a systematic evaluation approach can make other contributions:

- Evaluation can play a major role in reforming public sectors, correcting or mitigating “government failure” and making economic growth and social development more sustainable.

- The developing or strengthening of evaluation capabilities makes the correction of government failure more manageable and politically viable.
- The institutionalisation of evaluation and its incorporation into the political process strengthens governance.

Improved governance is both an input into, and a result of, evaluation. At the same time, the development of evaluation capabilities leads to public accountability and to the emergence of a constituency for public sector reform which is critical for improved governance. Through evaluations governments receive increasingly legitimate mandates which allow them to exercise power and authority while remaining politically accountable for their actions.

In the private sector *ex post* evaluation comes automatically through the market process. But what happens in the case of the public sector? How can the tax payers' preference provide the test of efficiency? The problem is how to develop for the public sector a surrogate for the market mechanism which in the private sector assures a tendency towards efficiency. This is where evaluation can provide the solution.

Evaluation, including *ex post* evaluation, is an important management tool in any organisation. At the government level it is the most important source of learning about the relevance, effectiveness and efficiency of its policies. Evaluation provides management responsible for decision-making with the information required for the improvement and possible redesign of plans and policies. In this way, the role of the evaluation process in the public sector is similar to the role of competition in the market place.

*Ex post* evaluation is the counterpart of the *ex ante* evaluation undertaken before a project, programme or policy obtains initial financing. The *ex ante* evaluation (appraisal) is the rationale for the initial financing while the *ex post* evaluation offers the confirmation — or lack thereof — of such projection.

The establishment of an evaluation system can be expected to have several positive side effects: it helps create confidence in the government and in its efforts to reform the public sector; it will help focus the political discussion that inevitably accompanies public sector reform on essential political, economic and institutional dimensions; it will lead to increased effectiveness of the public sector, and more efficient management and accountability in government. An evaluation system leads to improved governance in that it stimulates public participation, contributes to enhanced political responsibility and more effective public interventions.

## **IV. Evaluation Capacity Development**

### **1. Development of an evaluation function**

*Ex post* and impact evaluation is the concluding phase of a cycle that begins with an appraisal or *ex ante* evaluation, continues with financial and managerial

monitoring (performance measurement) during the implementation phase and ends with *ex post* evaluation through which the original objectives are contrasted with the results obtained, and the information derived is being fed into new design and programming. With respect to the evaluation function, countries find themselves at different stages of development. A majority give priority to the *ex ante* phase. A small number has begun to tackle *ex post* evaluation only to discover that the *ex ante* evaluation was flawed in the sense that the initial objectives were not clear and measurable. A few countries have initiated specific programmes to institutionalise *ex post* evaluation and to use it as an input to the modernisation of state.

The interest in public sector efficiency and reform has reached national audit institutions which are now claiming a more active role in the pursuit of economic accountability in public spending. In some countries of the region, the national audit institutions have a legal mandate to conduct comprehensive audits thereby moving beyond the traditional role of simply reviewing the appropriateness and legality of public accounts.

The major constraints limiting the development of the evaluation function and its capacity to perform are institutional, political and cultural. The constraints both affect and result from the demand and supply conditions of *ex post* evaluation in a particular country. More specifically, on the supply side, there are limitations in terms of the quality and relevance of information, technical expertise, operational procedures and standards. On the demand side, there are political and cultural conditions which restrict the use of evaluation and the utilisation of the results as instruments for public sector management and reform. At the political level, evaluation in general, and *ex post* evaluation in particular, may be perceived as a threat by vested interests who will organise themselves to resist these innovative instruments.

Although important differences exist among countries, evaluation, particularly *ex post* evaluation, is generally speaking at an incipient stage of development. Nevertheless, the region appears to be at a threshold taking advantage of the favourable environment now existing for the development of evaluation. Most countries have adopted macroeconomic adjustment measures and structural reforms which provide an enabling environment for the development of a national evaluation function. As discussed above, evaluation can contribute to public sector reform by providing useful information; however, it could also be a desirable outcome of the reform process.

## **2. Characteristics of an effective evaluation system**

In order to be useful in facilitating and supporting the process of public sector reform, an evaluation system must be perceived as effective and credible. This implies that the evaluation results produced must be irreproachable from a technical, as well as an objective, standpoint. For this reason evaluation units should be independent from the operational units managing the programmes under evaluation and report directly to the top political level. Qualified staff as well as funds that permit contracting external consultants must be available. Evaluation

strategies and appropriate methodologies need to be developed. Furthermore, evaluations should be undertaken in a planned and systematic manner, not as isolated events, in which case they may be interpreted as politically convenient undertakings.

It is important that evaluation results be utilised for purposes of accountability, reorientation of on-going programmes or improvement of the design of new projects. If practical use of the evaluation system is not demonstrated, there is an obvious risk that it will be perceived as something purely academic without real impact and consequently lacking political significance. The final test of the functioning of an evaluation system is the effective feedback of its results into current and future policy formulation.

### **3. Organisational location of the evaluation function**

The organisational location of evaluation units is an important issue that requires careful consideration. Placing evaluation units close to the operational units that manage programmes under evaluation has the advantage of facilitating the access to information and the feedback of evaluation results to those that are responsible for programme design and implementation. Unfortunately, close association between the evaluation and the operational units may jeopardize the independence of the evaluation function. On the other hand, separating evaluation units completely from operational units and having them report to the highest levels of authority increase the independence of the evaluation function; however, such an organisational set-up reduces effective feedback of results to operational units. Thus, there is no universal solution to the organisational problem. Each government will have to search for the organisational arrangement which best suits its institutional structure.

Several countries have settled for the solution of establishing a central evaluation unit within the organisational entity responsible for preparing the government budget, generally the Ministry of Finance or the Ministry of Planning. Such location may ensure sufficient independence from line ministries in order to maintain objectivity; at the same time, evaluation results may be taken into account in the budget process, i.e. the approval of funding for new public programmes or investments.

It is important to point out that evaluation units need not be large or have impressive budgets. Often, problems of inefficiency in the public sector are rather obvious and a limited, independent analysis of specific problems may be sufficient and more reasonable than a comprehensive evaluation of a whole programme. For example, the experience of the IDB indicates that institutional factors often determine the success or failure of development programmes. This points to the probability that evaluations focusing on institutional arrangements may be a highly cost-effective way of solving important problems.

## **4. Strengthening the evaluation capabilities in Latin America and the Caribbean**

### ***A strategy at the country level***

The development of an effective evaluation function depends on the political will to examine the effectiveness of public policies and programmes and take the results into account when making decisions on new policies and programmes. The political realities of most countries suggest that instead of assuming that such political will generally exists, it should be expected that strong political opposition will emerge from those who would lose from the development of evaluation capacity. Therefore, the key to a successful strategy is to find a way to make evaluation politically profitable.

In his paper written for the seminar, Mr. Eduardo Wiesner, consultant to the IDB presents a strategy for effective implementation of *ex post* evaluation in borrowing countries and outlines a possible role for the IDB. Two global determining conditions constitute the point of departure:

- i) A two-way relationship in which the level and characteristics of the Bank's lending affect evaluation capabilities in borrowing countries, and the development of evaluation capabilities in these countries influences the nature of the Bank's lending as well as its in-house evaluation operations.
- ii) Access to IDB lending is sometimes perceived as a "right" by some countries. This is deleterious to the construction of a rigorous and transparent evaluation process both at the lender and at the borrower level.

In brief, the strategy calls for individual actions by the borrower and the lender as well as for joint programmes and efforts. The strategy at the country level involves two tiers:

- a) a global macroeconomic framework; and
- b) a set of specific enabling conditions surrounding projects, programmes and policies. Within the first tier, the conditions that constitute an environment conducive to the development of an evaluation function include:
  - a macroeconomic model and a development strategy that are market-oriented and where prices, information and competition play a major role;
  - an open political system in which information can flow freely and bring about greater political accountability and improved governance;
  - credibility of *ex post* evaluation as an instrument for budget allocations and for the formulation of new programmes and policies.

Within the second tier, the specific enabling conditions should include programmes affecting the supply and the demand for *ex post* and performance evaluation.

On the demand side the specific conditions and actions should include:

- i) A political decision to institutionalise *ex post* evaluation as a major instrument for new budget allocations and new policy formulations.
- ii) The mandate to promote the demand for evaluation results should include a lead agency, preferably under the Ministry of Finance or the Planning Ministry to assure feedback and credibility. Also, this institution would receive and channel external support from development banks and bilateral donor agencies.

On the supply side the specific conditions and actions should include:

- i) The building into new projects, programmes and policies, of *ex ante* criteria and performance "bench-marks" which will be used for verification of results by means of *ex post* evaluation.
- ii) The establishment of mechanisms for the independent collection and analysis of data on public sector performance and for the dissemination of evaluation results.
- iii) The promotion of independent *ex post* evaluation of strategic programmes. Through these case studies much could be learned about what may or may not be working and why.
- iv) The definition of operational guidelines for evaluation, the preparation of manuals, bibliographies, standards and methodologies.
- v) The development of curricula and teaching materials in educational institutions and the organisation of special courses in government agencies.

## **Strategies of bilateral agencies and multilateral development banks**

### **The Development Assistance Committee of the OECD**

Major bilateral donor agencies and multilateral development organisations now have well established evaluation functions. After ten years or more of undertaking evaluations of development projects, programmes and policies, they have acquired vast experience and have learned valuable lessons that they are now able to share and apply. While most donors have not yet involved recipients extensively in evaluations, there is general agreement that this important issue needs to be addressed in the future.

The principal role of the evaluation units of development assistance agencies is to evaluate systematically development programmes that they support, in the first place for their own constituencies, i.e. the political level, the parliaments and the general public, but also for audiences in the recipient countries. The overriding purpose of evaluation of development assistance is to serve the interests of donors

and recipient countries in improving their policies and procedures in delivering and receiving aid.

In 1982, the Expert Group on Aid Evaluation was set up within the Development Assistance Committee (DAC) of the Organisation for Economic Development and Co-operation (OECD) bringing together the directors of evaluation of all major bilateral development agencies and some major multilateral development organisations, such as the World Bank, the Inter-American Development Bank and the UNDP.

The Group was established with the following main purposes:

- to strengthen the members' exchange of information, experience and co-operation;
- to contribute to improving the effectiveness of aid by drawing on lessons learned from evaluation;
- to seek ways of supporting developing countries' own evaluation capabilities.

The members of the DAC Evaluation Group are firmly committed to respond to requests from the recipient or borrowing countries to help strengthen their national evaluation systems. Through the cosponsoring of this seminar, the Group is seeking to fulfil its third purpose mentioned above. It is expected that the exchange of ideas and the formulation and adoption of an action plan will provide some guidance to donor agencies as to how they can assist in strengthening the evaluation function in the region.

### *The Inter-American Development Bank (IDB)*

In view of its strong presence and representation in the region, the IDB can be expected to play an especially important role in developing the evaluation function at the country level. The IDB strategy, as put forward by Mr. Orlando Reos, Chief, Operations Evaluations Office of the IDB, and the IDB consultant, Eduardo Wiesner, could be examined from two viewpoints or in two different dimensions:

- a) the particular institutional needs of the IDB; and
- b) the support it will provide to its borrowing members to assist them in developing their evaluation capabilities.

Within the first dimension, the IDB strategy will be determined primarily by the direction and sectoral priorities of its lending and technical assistance policies. Consequently, as the Bank is moving towards policy-based lending and lending for social infrastructure, it will need to adjust its evaluation capacity to meet the new and complex demands that arise from trying to evaluate the effectiveness of loans for public sector reform, health and education.

Within the second dimension, the strategy for the support of its borrowers should include *inter alia*:

- i) Building into the appraisal phase of projects the *ex ante* conditions that will facilitate *ex post* evaluation at a later date.
- ii) As a user of evaluation results the IDB should assure that results are fed back into new policy and lending decisions by potential borrowers. This will encourage evaluations in borrowing countries.
- iii) Providing technical assistance and supporting horizontal exchanges among borrowers.
- iv) Providing long-term financing for the promotion of evaluation capacity development as an integral part of public sector reform.

The IDB should not aim at having one single uniform policy for all countries, but strive for flexibility. The strategy should be mostly demand-driven and proceed by supporting the initiatives emerging from the countries themselves.

### **The World Bank**

The World Bank is equally committed to support national efforts to develop and strengthen the evaluation function. In the past three years the Bank has received a number of proposals in this respect which have come from the highest level of government. This reflects the existence of a political commitment and understanding of the role of evaluation in government. To respond to these demands the World Bank has organised seminars, workshops, and training programmes and has advised on the design of diagnostic studies and evaluations. At present, a special working group within the Bank is elaborating mechanisms to support borrowing countries in their efforts to improve their evaluation capacity. Support is being planned as an integral part of improved public sector management programmes. Based on an assessment of the needs of a particular government the World Bank may support one or more of the following types of evaluation:

- Evaluation as an instrument to improve the performance of programmes or projects under implementation. The objective is to advise and assist programme managers in taking corrective measures, as needed. This is a kind of decentralised evaluation that is not independent of decision-makers and that requires a good monitoring system.
- Evaluation as an input into the formulation of policies and budget decisions. One of the objectives is to assist policy decision-makers in central ministries to design or redesign policies and programmes taking evaluation results into account.
- Evaluation as an instrument to improve the functioning of government. The objective is to strengthen the accountability of government through increased dissemination of the results of public sector decisions.

In the World Bank experience, a useful way of designing strategies for the strengthening of evaluation capacity in a given country is to identify factors influencing the demand and supply of evaluation. In a case where evaluation

capabilities exist but there is no demand for evaluation, the evaluation function will remain weak. Likewise, if there is demand for evaluation but no evaluation capacity exists, the function will be ineffective. For this reason, it is necessary to examine the demand as well as the supply side before designing a strategy for the strengthening of the evaluation function.

The demand for evaluation may be due to internal or external factors. Internal factors include political leadership, pressure on the government due to scarce resources, popular dissatisfaction, movement towards democratisation of government, and legislation of the evaluation function. Pressure from international agencies or development banks and the effects of international political reforms are examples of external factors. The final decisive factor determining the demand is the internal political commitment.

The supply side is determined by the existing capacity of human and institutional resources.

This framework of demand and supply may be used to determine the most suitable strategy for each country, as illustrated by the following examples:

1. In countries where the supply as well as the demand is weak, it is convenient to start by strengthening the national audit capacity, undertake joint evaluations (participation of donors and recipients) of development programmes to allow national staff to become familiar with evaluation techniques, undertake training at local universities, and make available interesting evaluation experiences from other areas to key people.
2. In countries where the demand is strong but evaluation capacity is weak, over and beyond the activities suggested above, it may be advisable to have working groups undertake evaluations of programmes and policies offering them relevant technical assistance in evaluation methodology.
3. In countries where the demand is weak but national capacity is reasonably strong, it may be necessary to give some methodological training but above all to provide incentives for national institutions to work in evaluation.
4. Finally, where there is supply as well as demand for evaluation, all the previous steps may be taken. In addition, systematisation of evaluation activities in different government entities may be worthwhile.

## **V. Lessons Learned In Programme Evaluation**

One of the plenary sessions was dedicated to the practical evaluation experience of the French Government; another to the development of the audit and evaluation functions of the Canadian Government. In addition, in two working group sessions representatives of donor agencies and development banks presented six topics related to results, experiences and lessons learned from evaluation. The

presentations had been selected on the basis of their particular significance and interest to a wider audience.

The presentations and the subsequent discussions are summarised in the following sections of this chapter. Together they illustrate how evaluation may be used as an effective management tool at the policy, programme and project level. The concepts of evaluation, performance measurement and audit and their respective roles in public sector management are clarified. The evolution of the evaluation function in some industrialised countries, development banks and bilateral donor agencies is analysed. Strategies for developing the evaluation function in Latin America and the Caribbean are proposed. Furthermore, methodological issues, evaluation strategies and the characteristics of good professional evaluators are discussed. In summary, the chapter demonstrates how far the evaluation function has advanced in the 1990s and conveys some of the important lessons learned through recent evaluations.

## **1. Evaluation of public policies — the experience of the French Government**

Whereas control systems are deeply rooted in the French administrative tradition, evaluation is a more recent concept. Policies are no longer to be judged only by the yardstick of internal administrative criteria, but on the basis of their actual effects. Two factors help explain the evolving role of evaluation: budgetary constraints and the growing complexity of public policies. In fact, evaluation meets several needs of the Government:

- i) improving the effectiveness of public interventions;
- ii) developing responsibility in government departments and modernising public management;
- iii) strengthening democracy by making public programmes more transparent and accessible to the general public;
- iv) strengthening the competitiveness of the French administration in a European context; and
- v) improving the planning of national economic and social development.

In the early 1970s a system for rational decision-making for budget allocation (*Rationalisation de choix budgétaire—RCB*) was created. It was based on the idea of an *ex ante* evaluation of programmes of public intervention and an *ex post* evaluation of their results and effects. Between 1970 and 1985, five hundred studies were initiated, of which forty were very comprehensive and of an interministerial character. Although, for various reasons, the system fell short of its prime objective, i.e. laying the groundwork for programming and budgetary decisions, and was abandoned in 1985, it helped create an evaluation culture in France. Several other evaluation systems were established in the late 1980s, some initiated by the legislature, others emanating from the executive branch of government.

As part of a broader policy of modernising the public service, in 1990 the Government took an important step to develop the evaluation function by establishing an interministerial mechanism for the evaluation of public policies. Within this framework evaluation is defined as a means to "verify whether the legal, administrative and financial instruments utilised to implement a certain policy produce the desired effects and achieve the stated objectives".

The interministerial evaluating mechanism is composed of four structural elements:

1. **The Interministerial Evaluation Committee (CIME)** which is chaired by the Prime Minister and includes five other ministers. Proposals for evaluations may be made to the Committee by the Prime Minister, other ministers, the Civil Service Commission, the National Audit Bureau and the Ombudsman. The right of proposal of the three latter institutions which are independent of the executive branch of government, is of vital importance for the openness of the system. CIME determines which evaluations are to be undertaken, decides on evaluation principles and allocates funds.
2. **The Scientific Evaluation Council (CSE)** is appointed by the Prime Minister and is composed of eleven independent individuals from different backgrounds, such as universities, public administration and research institutions. Its main task is to guarantee the quality and independence of evaluations. The CSE is to present an opinion on the quality of each study. Its opinion is to be made public at the same time as the evaluation report.
3. **The Economic and Social Council** is a representative body mainly composed of members appointed by national professional organisations.
4. **The National Fund for the Development of Evaluation (FNDE)** is the funding mechanism. It has an annual budget of 4-5 million francs provided from public funds for the financing of evaluations. The cost of evaluations is shared on an equal basis between FNDE and the ministries whose policies are evaluated.

The government decree establishes four guiding principles for evaluations: transparency, pluralism, independence and rigour. With respect to *transparency* it is specified that all evaluation reports under this scheme are to be made public. *Pluralism* and *independence* are achieved through the contracting of research institutions and external consultants that are independent of the Government. *Scientific rigour and quality* are guaranteed by the roles prescribed for the Scientific Council and the Economic and Social Council.

After three years of experience it can be concluded that the scheme is working. More than one hundred evaluations proposals have been presented. Although only five evaluations have been concluded, these have been of great significance. The cost of the evaluations is quite high, the average being 2 million francs (approximately US\$340 000) per evaluation.

For the ministries and government agencies concerned participating in an evaluation means a considerable investment of time and money. A positive side effect is that by participating they gain some understanding of evaluation principle and an evaluation culture is created within the institutions. The numerous studies contracted out to private consultants and research institutions help build evaluation capacity and experience in the private sector.

In qualitative terms, the following aspects deserve further comments.

- The *interministerial nature of the scheme* is an indispensable element in large-scale evaluations of policies defined and implemented by various agencies. However, it sometimes tends to hinder the undertaking of evaluations because of the resistance of some ministries to having their policies evaluated. The interministerial mechanism entails a cost of time, particularly in the initial phase of defining an evaluation project.
- The *difference in pace between political decision-making and evaluation*. Comprehensive evaluations by necessity are time consuming, usually lasting one to two years, while political decision may be taken instantly. The initiative for an evaluation is often prompted by discontent with a policy and a desire to change it. By the time the evaluation is completed, the policy may already have undergone important changes.
- *Implementation modalities of the evaluation*. The fact that ministries whose policies may come under evaluation participate as members of the Interministerial Committee may limit the independence and rigour of the evaluation process.
- *The scientific quality of evaluations* ensured by the Scientific Council is a prerequisite for the evaluations to be recognised as legitimate and credible.
- *The obligation to publish evaluation results* guarantees transparency and makes evaluation a tool for the promotion of democracy. However, publication encounters great resistance from ministries and agencies evaluated since they are openly exposed to public criticism in cases where unfavourable results are published.

## **2. The evolving relationship between audit and evaluation — the experience of the Canadian Government**

The paper presented by the Audit and Evaluation Division of the Canadian International Development Agency (CIDA) focuses on aid accountability and the evolving relationship between audit and evaluation. It highlights how the evolving management paradigms have had an impact on aid accountability regimes, in particular on measures to ensure:

- that aid programmes are effective in achieving intended results, and that they continue to be relevant;

- that aid expenditures are managed efficiently and economically, with probity and prudence; and
- that aid accountability is explicit and reporting is transparent to stakeholders.

While there are some similarities and overlap between internal audit and programme evaluation, the two functions are distinct and complementary.

- *Internal audit* is the systematic, independent review and appraisal of all government department operations, including administrative activities, for the purpose of advising management as to the efficiency, economy and effectiveness of internal management practices and controls.
- *Programme evaluation* calls into question the very existence of a programme, i.e. its rationale. It aims at determining the overall effectiveness of the programme in carrying out government policy objectives.

The presentation at the Seminar by a representative of the Treasury Board of Canada widened the scope to include trends not only at CIDA but in the Canadian Government as a whole. An overview was presented of the fundamental changes that have taken place in Canada in the past thirty years with regard to the perceptions of the appropriate role of government and what constitutes good public sector management. Some principles characterising the change of perceptions now require government to:

- focus on service and aim to respond to client needs;
- focus on quality — as opposed to quantity;
- act as a catalyst or facilitator in mobilizing private sector resources to accomplish public objectives;
- transform “rule-driven” organisations into “mission-driven”;
- function as learning organisations;
- focus on results which means measuring and funding outcomes, not inputs; and
- decentralise and delegate authority.

In the period from the 1960s to the 1990s, management initiatives and trends have moved from:

- direct delivery of services to indirect;
- services instrument to *regulated transfers of payment*;
- vertical agencies to *integrated services operations*;
- central decisions to *central mission objectives and decentralised decisions*;
- follow rules and procedures to *achieve results*.

In the same period accountability initiatives and trends have changed from:

- audit of compliance to *audit of control framework*;

- evaluation as an instrument of research *to evaluation linked to policy and management development;*
- report on inputs used to *reporting of results achieved.*

The key concept is now that successful organisations are focused on their mission, clients and results. They have strong leadership and a high level of staff participation. Appropriate infrastructure, networks and systems have been established. Incentive systems for the staff are at work. Continuous learning takes place and evaluation and feedback are used as instruments for institutional learning. Performance measurement with appropriate indicators to determine results are established as components of the control framework of the management. Evaluation which used to be considered a tool of social science research is becoming a tool of management science.

In the discussion following the presentation, the question was raised as to why these changes had taken place in Canada. The main reasons indicated were: the pressure from citizen groups, the economic necessity to make reforms in order to reduce the public sector, and the influence of dynamic auditors general who — although independent of government — have had a strong voice in political fora.

Other issues raised were the changing demands on public sector managers that the new paradigms represented and to what extent traditional managers could be retrained to adapt to the new requirements. In Canada, the National Training Institute has taken on the task of retraining and is helping managers respond to new challenges. The existence of incentive structures for government departments and public managers was another topic discussed. Recognising the problem of establishing appropriate incentives, the advice of the Canadian representative was to “celebrate your successes” and make them known and visible. Job satisfaction, personal fulfilment and promotion were other incentives mentioned.

### **3. Adjustment programmes and the political economy of reform — the experience of the World Bank**

The objective of the World Bank paper *Borrower Ownership of Adjustment Programmes and the Political Economy of Reform* is to highlight the symbiotic relationship between programme outcome and borrower ownership. In doing so, it attempts to provide some guidance for the future design, supervision and evaluation of the Bank's policy-based lending. The paper draws from the experience of nearly 100 adjustment operations implemented in 42 countries.

In its first stage, measurement criteria for ownership are delineated and the countries and their programmes ranked accordingly. Secondly, an attempt is made to correlate programme outcome with borrower ownership. Lastly, the focus switches to a review of a subset of countries, in order to ascertain the commonality of the factors antecedents accountable for the high degree of borrower ownership.

The statistical analyses of the data show a significant degree of positive correlation between programme success and borrower ownership. Typical cases,

where borrower ownership was strongly indicative of overall programme success: constituted 73 per cent of the total. Deviations from the trend can be attributed largely to exogenous shocks stemming from the external economic environment. The following factors appear to be the most commonly associated with borrower ownership of the adjustment programme:

- *Political stability, influenced by the electoral cycle/change in government:* synchronisation of the planning horizon of politicians with the time period required for adjustment is proved important;
- *Political influence of pressure groups/vested interests, as well as the nature of public sector/private sector interface:* this may either smother or enhance government's pursuit of reforms;
- *Historic traditions or ideological underpinnings:* the extent to which preconceived official attitudes for or against certain kinds of reform influence the initial conception of the adjustment programme.

On the other hand, the following factors were found to be of limited or no significance for borrower ownership:

*Nature of the political regime; the intensity of external/exogenous shocks; initial conditions of the economy; and nature of government-Bank interaction.* In the discussion several issues were raised. Recognising the significance of national consensus and popular acceptance of a reform package one participant stressed the importance of the governments' creativity to promote consensus building. Borrowing countries know much better than the Banks how adjustment programmes should be presented to the public in order to increase the likelihood of general acceptance. Close borrower/donor dialogue is essential. The World Bank representative declared that, upon request, the World Bank would be prepared to assist governments in organising workshops and media campaigns to foster consensus building, as long as such activities do not conflict with the sovereignty of recipient countries.

Another issue raised was the relative importance of exogenous factors for programme outcome. The World Bank explained that a study aimed at determining the significance of factors, such as external economic shocks or factors inherent in the project, is now being conducted. The study is expected to throw some light on this issue.

Several questions touched upon the correlation between type of regime and outcome. The World Bank representative responded that while no specific regression analysis had been made on the impact of political regime, a limited sample survey indicated that the relationship is inconclusive. There was wide acknowledgement among participants that the *quality of political management* matters regardless of political regime.

How to mitigate the strong negative impact of structural adjustment programmes on the poor — who do not have a political base to press their demands — was another issue raised by the audience. The Bank put forward that the design of the adjustment programme must take this problem into account. This institution always recommends that reform packages include a social component to protect the

most vulnerable groups from the short-term negative impact of adjustment measures.

Would the conclusion have been different if *comprehensive structural adjustment loans* and *sector adjustment loans* had been analysed separately? The World Bank claimed that there is no evidence that the type of loans affects the outcome of reform.

Finally, the representative of the World Bank acknowledged that as a result of an internal study of the effectiveness of the lending operations, the Bank now pays increasing attention to loan implementation and the strengthening of the collaboration with the borrower.

#### **4. Programme evaluation and performance measurement — the experience of the US Government, including US AID**

There is a growing consensus in the US Government that a focus on results (or outcomes) rather than on resources (or inputs) is the best way to improve public sector management of projects, programmes and policies. This focus has required United States Agency for International Development (US AID) to install and use new information systems for measuring and monitoring the progress of programmes and for evaluating their effectiveness, efficiency, impact, sustainability and equity. *Performance measurement* and *evaluation findings* are seen as critical sources of information for use in effective programme management, policy formulation, and in making decisions about the allocation of resources.

The most important factor behind this trend is perhaps a resurgence of popular demand for "accountability in government", based on a concern that the public sector has not been fully effective in addressing certain needs of society and for solving pressing national problems. The concept of accountability now extends beyond the traditional definition and includes *accountability for producing the results intended by public investment*. The practice of evaluation is not new in the US Government, although performance measurement is somewhat more recent. What is really new is that US public agencies will be held responsible for the results of their programmes.

The concept of performance measurement is being put into practice both through concrete legislation and action. The first major law in this regard was the **Chief Financial Officers Act of 1990** which establishes the need for agencies to adopt performance measures for their programmes, i.e. a composite of key indicators. These indicators are to be the means whereby an agency can evaluate its policies and programmes by measuring actual results against agreed-upon goals and standards.

The **Government Performance and Results Act** adopted in July 1993 calls for all US agencies to submit performance monitoring plans together with targets. The Act also specifies that agencies can use up to one per cent of programme funds for performance measurement needs. A recent action was the "National Performance Review" completed in September 1993 under the direction of the US

Vice President. This was the first comprehensive effort in 40 years to reform, reorganise and introduce innovative management practices into the central government.

*Programme performance monitoring system (PPMS)* is distinct from *programme evaluation*, although the two are parallel and complementary. Both functions are tools for enabling an agency to manage for results. While programme evaluation is a familiar concept in government, PPMS is new and less well understood. This system provides an overview by means of a few key indicators of what is happening in a programme over time, in relation to intended results. Programme evaluation, on the other hand, analyses why and how intended results were or were not achieved, other effects and impacts and produces lessons for future planning.

In US AID, the PPMS is called "PRISM" (Programme Performance Information for Strategic Management). This system began in 1991 in conjunction with a strengthening of the agency's central evaluation unit. Two major factors encouraged its establishment: first, several internal and external reviews critical of the agency's management; and second, the lack of strategic focus which made it difficult to demonstrate significant development results from the hundreds of separate projects around the world. Through PRISM, the central evaluation unit has helped the operating units to clarify their programme objectives, focus resources on those objectives, decide on appropriate performance indicators, measure actual performance against expected performance, and to use this information in actions affecting management, programme design and the allocation of funds.

PRISM is built on the strategic plans and performance measurement system of the operating units (US AID missions) in recipient countries. That implies that PRISM is not imposed from the top down, but is built from the bottom up. The system will take another three years to complete worldwide.

Although US AID's experience in programme performance monitoring and "strategic" evaluation is relatively recent, some important lessons have been learned. The first is the value of clarifying programme objectives as a basis for "managing for results". Having an initial strategic plan with clear targets and performance measures helps develop team work around a shared purpose, motivates staff, focuses communications and strengthens arguments for resources. A second lesson is the need to be clear about the expected uses of performance data and evaluation findings. A third lesson is the extent to which performance measurement is requiring the agency to make up for past under-investment in collecting data on programme results.

During the discussion the question was raised as to the requirements for establishing a performance measurement system. The answer was that support of the top leadership and several years of work are required to get the system in place. The relationship of PRISM to the Logical Framework Approach (LFA) was another issue discussed. It was explained that LFA is still used by US AID at the project level, but as it is limited in its capacity to link up with higher level objectives, it does not easily feed into PRISM. The degree of involvement of recipient

institutions in PRISM was a cause for concern. US AID declared that efforts are being made to involve them, for example, in data collection.

## **5. Evaluation of institutional aspects of International development co-operation — the experience of the Danish Government (DANIDA)**

Institutional development is concerned with strengthening the capacity of institutions to perform their functions on a sustainable basis. Increasing attention is paid to institutional issues both as a framework for state-to state development co-operation and in the management of development programmes. DANIDA has worked since 1988 on the subject of evaluation of institutional development. Several comprehensive studies have been undertaken, methodologies developed, and lessons learned. In the context of the seminar, the main issue discussed was in what way development co-operation influences the capacity of institutions. The terms "institutional development" and "capacity-building" are used interchangeably.

The definition of institutional development as given in the first paragraph in this section emphasizes output and sustainability. Institutional development will improve the impact of development co-operation in four respects: *effectiveness, participation, sustainability and accountability*. These factors are the objectives of institutional development and should be used as performance criteria for "good" institutional development. Institutions should be assessed in relation to the functions they are meant to perform. They must be seen as *means, instruments and frameworks*, not as the end result *per se*. Different types of institutions are evaluated, i.e. government-line ministries, parastatals, local authorities, and NGOs. In practice, it is often necessary to move beyond the level of individual organisations and focus on a network of public and private organisations interacting within a framework of public policies and regulations.

In relation to country programmes, institutional evaluations are required at three levels:

- i) country strategies and programmes, i.e. the institutional framework for donor/recipient co-operation;
- ii) separate institutional capacity-building activities, often materialised in self-contained technical assistance projects; and
- iii) individual projects or programmes supported by the donor through projects and programmes comprising a mixture of institutional capacity-building and other development objectives.

The first level — country strategies and programmes — is likely to become of increasing importance in response to the broadening of the institutional agenda in development co-operation. In recent years, democracy and human rights, effective public administration and transparency in decision making, corruption and military expenditure have become legitimate themes in the development debate. These themes which are sometimes combined under the concept *good*

*governance* are all related to the building and development of institutions at the national or local levels.

Three overriding issues that need to be assessed in institutional evaluations are the *integration* of international assistance into national or local institutions, the *sustainability* of the institutional arrangements and the *effectiveness* of the instruments and measures applied for capacity-building. With respect to the first issue, it must be ensured that the integration does not result in distortions and donor-oriented biases in the priority-setting and programming of the recipient institutions. With regard to the second issue, assessments of the prospects for institutional sustainability should be incorporated into all stages of the programme cycle. Thirdly, the effectiveness of different types of capacity-building should be assessed.

During the past five years, DANIDA has conducted four broad evaluations related to institutional aspects. Two were carried out as a cross-cutting analysis of institutional aspects of bilateral DANIDA supported projects (1988 and 1992); the other two focused on institutional aspects of multilateral agencies: The Effectiveness of Multilateral Agencies at Country Level (1991) and Evaluation of UNICEF (1993). The latter was a multi-donor evaluation with participation of the aid agencies of Australia, Canada, Denmark, and Switzerland.

Some of the key problems identified in the institutional relations between DANIDA-supported projects and the recipient country's government institutions were:

- extensive complexity and co-ordination requirements;
- disorder and lack of sustainability in the institutional arrangements;  
and
- weakness of institutional links with target groups.

It was found that projects tended to give priority to technical and operational objectives at the expense of institutional development. This is in line with conclusions of previous evaluations.

The objective of the first of the multilateral evaluations was to examine the actual use of eleven agencies' comparative advantages as multilateral agencies with specific mandates and modes of operation at the country level. The evaluation suggests that a clearer division of responsibilities among the agencies will lead to more effective use of resources and greater impact on development. The second multilateral study came to the conclusion that UNICEF is a skilled agency with a strong comparative advantage in operational effectiveness with respect to delivery of specific social services. However, capacity-building and empowerment of target groups are weaker elements.

The discussion at the Seminar touched on the degree of involvement of the recipient countries and institutions in the evaluations. In the case of DANIDA, after a first preparatory phase the evaluations proper are usually undertaken by a combined team of Danish and national consultants. The professional qualifications required for undertaking institutional evaluations were also discussed. The experience of DANIDA is that as an inter-sectorial approach is required, it is useful

to have consultants of different disciplines; people with a background in training are often particularly useful. Answering a question on whether indicators of institutional sustainability had been developed DANIDA explained that more work needs to be done in this area.

Finally, a participant asked what experiences had led DANIDA to focus on the evaluation of institutional sustainability. The DANIDA representative replied that evaluations had repeatedly shown that recipient institutions are rarely sustainable. Often, donors gradually take on increased responsibilities and recurrent costs thereby prolonging dependence on donor support. Another conclusion is that donors should avoid creating *new* institutions to implement projects; it is much wiser to choose permanent key institutions that will still remain after externally funded projects have been concluded.

## **6. Some lessons of experience in programme evaluation — the experience of the Italian Government**

Pro-active and competent ownership and management are equally indispensable for the success of a programme and influence the effectiveness of programme evaluation. Public ownership poses more complex questions than private ownership, but the issues are basically the same. Ownership entails a presence in the programme as permanent and substantive as that of management. As the risk-bearing party, it is the owner, at the outset of the programme, who establishes oversight mechanisms to track progress toward established objectives and who pays the corresponding price, the "monitoring cost of ownership".

It is necessary to establish the "owner" and "manager" definitions. The command functions are with the managers rather than with the capital owners. The exercise of Programme Monitoring and Evaluation (PM&E) by the public or private owner does not imply a lack of trust in the programme's management. The interests of owners and managers are simply different. Typically, management will look at efficiency objectives, while ownership will focus primarily on strategic, long-term goals of development. PM&E is meant to assist the owner in maximising the probability that the resources invested in the programme will be used *efficiently, effectively, and in a transparent manner*.

While in Latin America and the Caribbean existing auditing systems are substantial and improvements are contemplated, in most countries there is no systematic attempt to periodically re-evaluate actual and expected programme benefits during project implementation.

The public owner may strengthen substantive oversight either by instituting a new PM&E function or by broadening the scope of the auditing system already existing in the country. Each solution has its own merit. PM&E can be perceived as a category of auditing or as a very different operation. Audit can have a verification character but extend itself to evaluation-type of considerations. Still, even when conceived broadly, audit differs from full-fledged evaluation in two basic aspects: 1) evaluation will keep the set of objectives under critical review, and 2) evaluation

will have a formative intent seeking to develop lessons of experience to shape future programmes and identify areas in need of improvement.

Any type of evaluation is a comparison between actual and planned programme development and outcome. PM&E extends its critical judgment to aspects of the programme that may be relevant to the pursuit of the owner's overall interest. Auditing is typically required by regulatory bodies; PM&E suits the interest of ownership. In the end it may be academic whether programme evaluation is seen as an offspring of the auditing profession or a new, more comprehensive and future-oriented definition of an oversight function. What matters is the difference in attitude between the auditor, bent on verification and on making objective comparisons, and the programme evaluator, in search for causes and aiming at resource optimisation in view of ultimate objectives.

In the ensuing discussion it was noted that evaluation in Latin America and the Caribbean is only now at the take-off stage. Furthermore, evaluation is a young discipline whose instruments are still in the process of development. The question whether evaluation results should be widely disseminated was debated. The important issue of *independence* of evaluators raised much interest. It was agreed that evaluators should be psychologically and financially independent of the owner and management of the programme to be evaluated and have a profound critical attitude without being unnecessarily negative. Their personal characteristics, including their sense of diplomacy, were considered important. Where to find professional evaluators was a question that did not get a clear answer. Evaluators are not to be found in any particular institution; they have very different backgrounds and work in a variety of areas of private and public institutions. It is not yet an established profession. Most evaluators also do other kinds of work, such as research and consultancies.

## **7. Evaluation experience and future directions in the health sector — the experience of the Inter-American Development Bank (IDB)**

The IDB has been participating in the health sector since the beginning of the 1970s. Until the 1980s most of the operations included — besides the financing of infrastructure — an element of technical co-operation aimed at developing the institutions involved in the execution of projects. In the 1990s the conceptual approach has been changed. Greater efforts are being made to support institution building, not only to ensure project development, but also to try to build the health system as a whole. The IDB report presented at the Seminar gives a summary of the results and the impact of those health projects financed by the IDB that have been subject to *ex post* evaluation. The report also includes a perspective on new trends in health sector projects.

Two comprehensive *ex post* evaluations have been carried out by the IDB. The first one was undertaken between 1985 and 1988 and included six projects in different countries approved in the 1970s. They were all in their operational phase. The second one was initiated in 1993 and included projects, also in operation, which had been formulated in the 1980s and 1990s. By means of the two

evaluations 33 per cent of the total number of IDB health projects have been studied. They include projects approved in the three decades of IDB financing to this sector. The evaluations have an interdisciplinary approach analysing economic, financial, institutional and technical aspects.

The evaluations produced many valuable findings and lessons learned. As it is not possible to summarise them all in this condensed report, only a few observations of more general interest will be highlighted.

- One of the lessons learned in both evaluations was the need for a more complete analysis in the project formulation phase.
- The *ex ante* evaluation and the project formulation phase were concentrated too much on technical elements, basically considering the need for infrastructure and equipment. This approach was not sufficiently supported by an analysis of institutional, economic and financial elements to ensure that the projects corresponded to the sectoral priorities and that optimal efficiency would be achieved.
- The institutional analysis was concentrated on the organisational structure of the executing units rather than on an in-depth analysis of the internal problems of the operational departments and their relations with the health system as a whole.

The borrowing countries confronted with the financial crisis of the 1980s have themselves designed new health sector policies. Projects approved in the 1990s have been formulated on the basis of a more global and balanced analysis of the technical, economic, financial and institutional aspects. Formulation is more concerned with the quality and efficiency of the provision of services given the limitation of the financial resources available for the social sectors. Institutional strengthening has taken on great emphasis in most of the countries and this is reflected in project formulation. Support is being given to the countries' own efforts to give their ministries of health a leading position in the formulation of health policy and a supervisory role leaving the provision of services to other entities or local authorities as a part of the decentralisation scheme.

It is important to note that many of the recommendations of the first evaluation are being taken into account in the formulation of new projects. This demonstrates the importance of *ex post* evaluation and feedback of findings and lessons learned into the design and formulation of the next generation projects.

In the discussion following the presentation it was pointed out that professional human resources for carrying out comprehensive evaluations in the health sector are in short supply. In some cases, evaluations are hindered by political forces to which evaluation is perceived as a threat. Finding appropriate indicators for the evaluation of health projects remains a problem and more research needs to be done. Reliable cost/benefit analyses of health projects are difficult and expensive to undertake.

Finally, it was agreed that evaluations carried out by the IDB or other donors are useful but cannot substitute evaluations undertaken by the countries themselves. For this reason, it is vital that an evaluation infrastructure be

established in the countries of the region and that national evaluation capability be created.

## **8. Studies in monitoring and evaluation of NGO projects — the experience of the Spanish Government**

In just a few years Spain has equipped itself with the political, administrative and budgetary structures capable of sustaining its co-operation for development. From being considered a country eligible for receiving development aid, Spain has become a donor country which has taken on responsibility for development assistance to other countries. The process of establishing a system for evaluating the Spanish co-operation programme is still under way. The purpose of the paper presented was to outline the monitoring and evaluation procedures of the Non-Governmental Organisations (NGO) projects that are jointly funded by the NGOs themselves and the Foreign Ministry of Spain.

Although NGO support is modest in terms of absolute figures, it is considered a very important element of Spain's co-operation strategy. One reason for this is that it complements government-to-government co-operation in view of its targeting on the least-favoured segments of the population in recipient countries. Another reason is that it increases awareness of development issues in Spanish society.

The projects proposals submitted by NGOs to the Office of Planning and Evaluation (OPE) must be analysed in an overall context covering the different stages of the project cycle: project formulation, implementation and evaluation. Since 1991, OPE has periodically visited NGO projects for evaluative purposes. One of the main lessons learned is that there is an urgent need to improve the methodology of project formulation. This has led the OPE to define a standardized format for project proposals. The approach is integrated in the sense that the same criteria are applied at each stage of the project cycle. The criteria respond in great part to the essential issue of project sustainability, i.e. the probability that the project will deliver a continuous flow of benefits to the target group also after the external support has been terminated.

The objective of establishing a standardised format for NGO project proposals is to improve the project formulation. The format is based on the Logical Framework Analysis (LFA) and represents a systematisation of specific elements of identification. The following sections are to be included in the project proposal:

1. Information on the applicant NGO and its counterpart.
2. Presentation and summary of the project.
3. Background, context and justification.
4. Objectives and expected results (development objective, project objective, expected results, indicators, sources of verification of the indicators, and inputs).
5. Implementation (location, plan of implementation and budget breakdown).

6. Study of financial sustainability.
7. Study of other aspects of sustainability (socio-cultural aspects, management capability, attitude of local authorities, availability of local resources, level of technology, and environmental impact).
8. Risks and assumptions.

Following the presentation, the criteria applied by Spain for the approval and funding of NGO projects were discussed with the audience. The Spanish representative explained that one important criterion is the expected sustainability of projects after the withdrawal of external support, another that the project meets a real demand of the population, and a third, that the beneficiaries are given a participatory role in the project implementation. The experience is that these three elements are of fundamental importance for ensuring the viability of projects. In the case of low levels of sustainability of NGO projects, the strategy of the Spanish development co-operation is to strengthen the NGO in question by means of technical assistance.

The question of co-ordination — with regard to NGO project assistance — between Spanish development co-operation and the governments of the recipient countries was raised. It was noted by the representative of Spain that the idea of development assistance through NGOs is to work *outside* the government sphere the NGO assistance serving as a complement to the government-to-government development co-operation. One participant complained that many NGOs do not maintain any kind of co-ordination with the host government; this is most unfortunate and should be avoided.

The question was raised as to whether an aim of the NGO programme was to favour and strengthen Spanish NGOs. The representative of Spain confirmed that indeed the budget allocation for development assistance through NGOs had been increased gradually and emphasized once again the important role of NGOs in creating awareness of development problems and support for official development assistance among the Spanish public.

## **VI. Monitoring and Evaluation in Latin America and the Caribbean**

### **1. Current status**

Each of the participating countries from the region had prepared a short paper on the following topics:

1. The national background and experience in monitoring and evaluation.
2. The institutional framework and procedures for monitoring and evaluation.
3. Issues and problems in the performance of the monitoring and evaluation function.
4. National priorities, needs and plans for strengthening the evaluation function.

The country papers, which were made available to participants at the Seminar, show that most of the countries have a fairly good understanding of the concept of the monitoring and evaluation function in government.

There is general consensus about the fundamental role played by public investment in a country's development process, that investment is the foundation of a country's economic and social development and a means of attaining goals in terms of welfare and growth. It is recognised by a majority of countries that the efficiency and effectiveness of public investment projects are closely linked to the functioning of a monitoring and evaluation system and the manner in which these procedures feed back into the national planning of public investment. There is agreement that the primary rationale for a monitoring and evaluation system is the need to make public spending more effective in the light of the growing scarcity of resources thereby maximising financial results of the resources invested and their impact on development.

In a most countries, there is a conceptual understanding — at least in parts of the governments — of the role that monitoring and *ex post* evaluation fulfil as management tools and instruments for increasing the efficiency of public administration. Nevertheless, this awareness is neither translated into a relevant institutional framework, nor into the practical application of such procedures. Except in a few cases, the function of monitoring and evaluation is incipient and lacks a clear commitment on the part of the government.

The country papers and the group discussions indicate that the interest of governments is more focused on *ex ante* evaluation and the monitoring of project implementation than on *ex post* evaluation. There is a perceived need for systematic endeavours to strengthen project preparation and appraisal as a means of improving the allocation of investment resources. *Ex post* evaluation is not always recognised as a mechanism to produce such evidence that is needed for assigning the right priorities and taking the right decision in the national investment process. It is not always understood that *ex post* evaluation must be closely linked to, and the results be used as an input into, the process of project formulation and *ex ante* evaluation of new investment projects.

While in several industrialised countries (*inter alia* Canada, the Netherlands, Sweden and the United States) the issues of transparency and accountability in government have surged in recent years and become strong forces for the promotion of independent public sector evaluation, these concepts are not yet fully assimilated and developed in the Latin American region. Issues such as popular demand for transparency and accountability in government are reflected only in some of the country papers. In general, evaluation is conceived more as an instrument for the government's internal decision-making process than as a means for the public to determine accountability in government. In some countries in the region, it is encouraging to note, however, an increasing awareness of evaluation as an instrument for government accountability and a growing understanding of the role of evaluation in the process of decentralisation, democratisation and transparency in government. The most obvious examples of such development are Argentina, Brazil, Colombia and Costa Rica.

In the country papers, the monitoring and evaluation function is discussed in relation to investment projects rather than in terms of broad government programmes or policies. While the project level is a natural starting point for a new government evaluation function, the experience of industrialised countries show that as the evaluation function develops and matures, evaluation tends to focus more on the results and impact of government policies than on individual projects. The presentations given by France and Canada at this Seminar provide evidence of such development.

It is recognised that creating and institutionalising a viable evaluation function is a complex and slow process that involves political commitment and decision-making at the highest levels. Many steps are involved: the creation of a legal and institutional framework, the formation of specialised evaluation units within government and the assigning of an overall responsibility, the designing of appropriate standards and methods, the training of government officials and of a cadre of independent evaluators of various disciplines, and the putting into effect of a system for the feedback of evaluation results into the decision-making and planning process.

With respect to the current status of monitoring and evaluation in governments of the Latin American and Caribbean Region, the following can be concluded from the 23 country papers and the oral presentations at the seminar:

- In about a quarter of the countries there is only limited awareness and understanding of the evaluation function and its role in government.
- In about half of the countries there is a good conceptual understanding, but an institutional framework for the evaluation function has not yet been established.
- Finally, in about a quarter of the countries there is a fully developed understanding of the mechanisms and processes of evaluation and their application, and there is also a legal and institutional framework in place. In most of these countries, the frameworks are only now being created and are not yet fully operational. In no country in the region is there as yet a fully-fledged system in operation including *ex ante* evaluation and monitoring as well as *ex post* evaluation.

## **2. Issues and constraints in establishing an evaluation function**

The process of democratisation and decentralisation, the modernisation of government and public sector reform are some important factors that work in favour of the development of the evaluation function. The major constraints are institutional, political, and cultural in nature. In the view of the countries themselves, the explanation for the modest level of development of the evaluation function is outlined below.

The political and economic instability in many parts of the region have allowed little scope for the evaluation of development policies. It is only in very recent years that this situation in a number of countries is changing. Given the

requirements of structural adjustment programmes including the need to reduce the public sector, it has rarely been possible to obtain public resources to build up new government functions. In addition, the human resources necessary for the development of such mechanisms are rarely available. The absence of national awareness of the importance of the evaluation function in combination with a weak political commitment to maximise the effectiveness of public programmes explain the limited progress achieved.

### **3. The role of International agencies and development banks**

The role of development co-operation with respect to the strengthening of the evaluation function was discussed by some countries. In a few cases, bilateral donors, international agencies and development banks have contributed to establishing monitoring and evaluation systems. It was said, however, that usually, international development agencies prepare evaluations just for their own use. Although there are exceptions, agencies often fail to involve recipient countries in the evaluation process and are also unmindful of the necessity for feedback of evaluation results to the recipient. In those cases where recipient countries receive copies of the evaluation reports, these are rarely systematically taken into account for the design and planning of future projects.

So far only a few countries (Brazil, Chile, Colombia, El Salvador, Guatemala) have requested and received specific support from development banks, the UNDP or bilateral agencies to develop or strengthen their evaluation functions. As a rule, such support has been part of a larger programme aimed at strengthening the national planning ministry or a corresponding entity.

### **4. Future directions, strategies and action programmes**

In a working group session each one of the four country groups discussed the current status and future directions of evaluation, in another, the elaboration of strategies and action programmes for strengthening of evaluation capabilities. Each group elaborated a strategy and an action programme which are attached as Annex 2 to this report. Please refer to Chapter 1 for information on the composition of the country groups.

## **VII. Adoption of an Action Plan**

The four action programmes elaborated in the group sessions were subsequently merged into one Action Plan with follow-up activities to strengthen the evaluation function in the Latin American and Caribbean Region. In a year's time, the DAC Expert Group on Aid Evaluation will appraise the extent of implementation of the Action Plan. The Action Plan which was presented in the final plenary session reads as follows:

## **Action plan**

### **Objective**

To establish or strengthen evaluation capabilities as an integral part of public sector management for the purpose of improving its efficiency and effectiveness and in order to facilitate transparency and accountability.

### **Strategy**

1. To promote government ownership of the need to establish and strengthen a performance evaluation culture.
2. To promote and foster a legal and institutional framework for the evaluation function in line with the conditions of each country.
3. To ensure that the evaluation function is carried out in a participatory manner.
4. To promote the dissemination of evaluation results nationally and at the international level and foster their utilisation.

### **Actions**

#### **A. Ownership**

1. In the performance of the evaluation function, particular attention should be paid to those aspects which are of increasing current importance to governments, including the modernisation of the state, social and environmental reforms, private/public sector relations, and the role of evaluation in national planning.
2. To emphasize the importance of establishing follow-up mechanisms to provide feedback on the evaluation results.

#### **B. Institutional framework**

1. Design formal and non-formal mechanisms for training and assistance through workshops, seminars, etc.
2. Standardize effective and efficient methodologies and processes of evaluation, through various channels, including support for academic institutions in these areas.
3. Devise integrated information systems that facilitate access to national and international databases and experiences.

### **C. Participation**

1. Promote self-evaluation components in the design of projects and programmes.
2. Promote joint evaluations.
3. Explore the possibility of using external consultants or institutions.
4. Promote co-ordination and complementarity in evaluation among external assistance agencies participating in this function.

### **D. Dissemination/utilisation**

1. Exchange and make use of national and international experiences in order to strengthen institutional capabilities in evaluation.
2. Synthesise and disseminate evaluation results in readily accessible form to the various levels of executive and legislative branches of government and to the public in general.
3. Publish and disseminate the results of this seminar.

### **Implementation**

Implementation of the Action Plan would depend on the specific needs and priorities of each country. Accordingly, it would first be useful to diagnose the existing institutional capabilities of each country and, on this basis, plan specific actions to systematically address the weaknesses identified in the diagnostic study.

Each of these actions could constitute an individual project whose design and implementation would be guided by the results of the country diagnostic assessment.

### **Co-operation**

Within the framework of this Action Plan, and in pursuance of the theme "learning to work together", some countries and institutions have expressed an interest and intention to work more closely with each other for the purpose of mutual assistance in evaluation and monitoring. The partners in these informal "learning clusters" will examine and experiment with various forms of co-operation, taking into account their respective strengths and limitations. The lessons and products which may follow from such co-operation will be widely shared with other countries and institutions which may participate directly in this experiment by forming learning groups for mutual help and for learning to work together.

## Annex 1

### Results of Seminar Evaluation

The seminar evaluation form was completed by 46 participants, 30 from the region and 16 from donor agencies or banks. As this represents only about 60 per cent of the participants, the results have to be interpreted with some caution.

The participants' opinion of the seminar was generally very favourable. Eighty-eight per cent considered the seminar extremely relevant or very relevant to their work; 75 per cent thought the selection of topics and the level of presentations were excellent or very good. Most important, almost all believed they would be able to apply — at least to some degree — the knowledge acquired at the seminar in their work.

The initial plenary session: *Modernising the Evaluation Function for Public Sector Reform* was considered very relevant and useful. The keynote address on the *Latin American and Caribbean Context* received a particularly high rating by the regional participants. The sessions on *Evaluation Capacity Development and the Evolving Relationship between Audit and Evaluation* were considered useful or very useful by a majority of the seminar participants.

The two country group sessions on *Evaluation and Feedback in LAC Countries: Current Status and Future Directions* and the *Elaboration of Strategies and Action Programmes for Strengthening Evaluation Capabilities* received a very high rating, particularly by regional participants. The plenary session synthesising country group discussions and the concluding session: *Adoption of an Action Plan* were recognised as the most useful and important of all sessions. The two parallel group sessions focusing on six different sub-topics raised considerable interest among participants and were considered good to very good.

Overall, it may be noted that participants from the LAC Region gave a somewhat higher rating than those from donor agencies. This should come as no surprise, as the seminar was organised to respond to the needs of the LAC region and the topics of the seminar were selected with this audience in mind.

Participants offered some valuable comments and suggestions:

- In the presentations, too much time was used reading papers leaving little time for discussion. Audio-visual techniques could make presentations more effective.
- There is a great need to deal more in depth with evaluation strategies and principles and the methodologies of evaluation in future seminars.

***Monitoring and Evaluation in Latin America and the Caribbean***

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The different concepts of evaluation used by donors and recipients need to be clarified.

- This seminar must not be an isolated event but should be followed by other activities, such as seminars and workshops at the sub-regional or country level. The results of the Quito seminar need to be disseminated widely.

## **Annex 2**

# **Action Programmes Elaborated by Country Groups**

### **Working Group No. 1: the Caribbean and Belize**

Emerging out of the country presentations are issues that relate particularly to the following evaluation problems, difficulties and constraints:

#### **Issues:**

- a) In most cases the absence of a political will to appreciate the need for and usefulness of evaluation at the public sector level;
- b) The absence or weakness in local capacity and capability to carry out evaluation and monitoring in a self-sustaining manner;
- c) Related to the problem of local capacity is the problem of a weak database and information flow, as well as the inappropriate institutional locations and ineffective co-ordination of monitoring and evaluation activities.

#### **Overall goal:**

To establish/strengthen evaluation capacity as an integral part of public management so as to improve efficiency, enhance effectiveness and facilitate accountability.

#### **Strategies:**

- a) Obtaining political commitment on institutional arrangement for a self-sustaining and effective evaluation system;
- b) Development of local capacity for such evaluation;
- c) Establishing opportunities for improving donor co-ordination in evaluation activities;
- d) Securing the necessary funding for evaluation activities;

- e) Rationalising the roles and location of institutions responsible for evaluation so as to enhance overall co-ordination;
- f) Establishing/strengthening of database and information systems for efficient monitoring and evaluation.

**Action plan:**

- 1. Sensitise the political directorate, policy-makers, top-level public managers, the NGOs and the community to the need for and usefulness of evaluation through:
  - i) Sharing of experience by donor agencies;
  - ii) Seminars;
  - iii) Use of media;
  - iv) Publication of investigatory reports;
- 2.
  - i) Training of staff;
  - ii) Provision of advisory services;
  - iii) Establishment of staff exchange programme;
  - iv) Attachments.
- 3.
  - i) Co-ordination of funding among donor agencies, e.g. some diversion from project to capacity building;
  - ii) Standardisation of evaluation methodologies;
  - iii) Establish framework for joint evaluation and information sharing.
- 4.
  - i) Establish simpler, more streamlined and more effective evaluation systems and procedures;
  - ii) Incorporate an evaluation component at project and programme design and negotiations;
- 5. Explore the feasibility of privatising evaluation activities; examine and explore other local capacities for evaluation activities.

**Responsibilities:**

- 1. Sensitising activities:
  - a) Seminars Funding agencies/recipient countries;
  - b) Use of media: Local institutions  
investigatory reports
- 2. Training; advisory services, exchange programmes etc. IDB/Local institutions

- |    |  |                |
|----|--|----------------|
| 3. | Co-ordination of funding among agencies  | IDB            |
|    | Streamlining evaluation procedures   | Agency/IDB/DAC |
|    | Standardisation of evaluation methodologies                                      |                |
| 4. | Exploring, identifying and reviewing local capacity and expertise for evaluation | Local agencies |

**Time frame:**

Within one year.

**Working Group No. 2: Andean countries**

Unifying the concept of evaluation.

**Proposal:**

Evaluation as a tool for development and a pillar of the rule of law, securing greater efficiency and effectiveness in public management.

**Action:**

National and international workshops and meetings.

**Proposal:**

Increasing the awareness of the importance of evaluation among national decision-makers and international co-operation agencies.

**Action:**

- a) National and international workshops and seminars;
- b) Involving social communicators in the subject;
- c) Inviting political leaders in each country (emphasizing that evaluation is a general question of government, not a matter for particular administrations);
- d) Arranging to inform policy-makers in each country of the workshop's conclusions.

**Proposal:**

Establishing a statutory and institutional framework for evaluation, tailored to each country's structures.

**Action:**

- a) Making use of current international experience in this field;
- b) Providing details of the statutory frameworks already in place in other countries (e.g. Colombia).

**Proposal:**

Establishing procedural arrangements in the light of each individual statutory framework.

**Action:**

Identifying the institution responsible for evaluation in each country, and its position in the structure.

**Proposal:**

Establishing uniform criteria for evaluation (sustainability, environmental, economic and other appraisals) together with methodologies for the evaluation of policies, programmes, projects and management.

**Action:**

- a) Collating the methodologies that have been developed by various countries and co-operation agencies;
- b) Calling in academic institutions to place these methodologies on a systematic basis so that they can be introduced as uniform evaluation methods.

**Proposal:**

Seeking international co-operation in terms of technical assistance, funding, passing on experience and joint evaluation exercises.

**Action:**

- a) Seeking co-ordination in technical assistance.
- b) Identifying the body to be responsible for co-ordination.
- c) Providing training for evaluation at three levels:
  - i) technical;
  - ii) national;
  - iii) project beneficiaries.
- d) International training courses;
- e) Setting up institutions for research and advanced training in evaluation (Simon Bolivar University of the Andes);
- f) Courses and informal training to enhance the participation of project beneficiaries in the evaluation process.

**Proposal:**

Disseminating the findings of the evaluation process.

**Action:**

- a) Making use of social communications media to disseminate the general results of evaluation;
- b) Presentations of project evaluation findings by the executive to the legislature and other government institutions;
- c) Publishing short and readily understandable reports in brochures, executive summaries, abstracts, etc.;
- d) Making public the lessons learnt from evaluations;
- e) Close co-operation with the communications media;
- f) Presentations of the findings of project evaluations run in other countries, to improve evaluation methods.

**Proposal:**

Establishing integrated information systems at national and international level.

**Action:**

- a) Establishing data bases;
- b) Establishing information networks;

- c) Links with existing information systems.

**Proposal:**

Establishing machinery for participation by project beneficiaries, given that participation is a factor in sustainability and that beneficiaries need to be involved at every stage of evaluation.

**Action:**

- a) Arrangements tailored to organisational practice in each country;
- b) Enabling beneficiaries to examine and discuss evaluation findings.

**Proposal:**

Establishing machinery for evaluating multinational projects.

**Action:**

Establishing inter-institutional machinery for comparing evaluation processes.

**Working Group No. 3: Central America and the Dominican Republic**

**Goal:**

Consolidating or strengthening systems for evaluating and monitoring policies, programmes and projects, in order to optimise the internal and external resources of the public sector.

**Strategies:**

- a) Establishing or strengthening units for policy, programme and project evaluation and monitoring in national planning agencies or comparable departments;
- b) Seeking international co-operation to strengthen systems of policy, programme and project evaluation and monitoring, with particular emphasis on social and environmental programmes;
- c) Regular exchanges of experience to achieve compatibility among evaluation and monitoring criteria in Central America and the Dominican Republic;

- d) Ensuring that evaluation findings are more transparent and more readily understood.

**Action:**

- a) Holding a seminar to reach agreement between co-operation agencies and country authorities on measures to strengthen institutions, establish a bank of experts and provide the training required for the strategies to succeed. IDB and the international community are being approached for a seminar in April 1994.
- b) Calling on co-operation agencies to co-ordinate with national governments on the co-operation programmes that agencies run with non-governmental organisations.
- c) Promoting action to establish an evaluation culture in the public service, bringing in academic institutions with experience in this field.

**Working Group No. 4: the South Cone and Mexico**

1. The countries of the South Cone and Mexico face similar challenges linked to their processes of economic transformation. Among these challenges, those related to reforms in the social area and the modernisation of the state stand out with regard to both the institutional aspects and the interrelation with the private sector.
2. Evaluation activity is understood to be part of the planning process and is seen as an important instrument for economic development. There was agreement on the need to strengthen evaluation systems with an emphasis on providing feedback to the *ex ante* evaluation. In particular, it is important to enhance the mechanisms, instruments and information systems which form part of the evaluation.
3. The importance of developing appropriate methodologies for the evaluation of social programmes and projects was highlighted. The design of a dissemination programme on the structure of the systems of monitoring and evaluation was considered conducive to the development of the practice of evaluation within the public sector.
4. There was agreement that, in order to improve the evaluation systems in each country, it would be advantageous to promote co-operation with multilateral credit institutions, international co-operation agencies, and horizontal co-operation among Latin American and Caribbean countries.
5. Some of the areas of common interest that were mentioned included the following:
  - a) Evaluation and monitoring of social policies and programmes;
  - b) Evaluation of the results of investment projects;

- c) Relationship between public and private sector (for example, grants);
- d) Project impact on the environment.

*Annex 3*

**Seminar Documents**

- Modernización de la función de evaluación para la reforma del sector público: el contexto latinoamericano y caribeño, BID/IDB.**
- Ex post Evaluation Capacity Development and Public Sector Reform in Latin America and the Caribbean: Current Situation, Problems and Prospects, Eduardo Wiesner D. for IDB.**
- Streamlining Evaluation in the Public Sector, Odile Renaud, Commissariat Général au Plan, France.**
- Desarrollo de la capacidad nacional de evaluación: Resumen de Experiencia y Posible Acción, Pablo Guerrero, the World Bank.**
- Aid Accountability — the Evolving Relationship between Audit and Evaluation: the Canadian Experience, Jean S. Quesnel, CIDA, Canada.**
- Borrower Ownership of Adjustment Programs and the Political Economy of Reform, John H. Johnson and Sulaiman S. Wasty, the World Bank.**
- Program Performance Monitoring and Program Evaluation: Recent Experience in the US Agency for International Development, Office of Evaluation, Center for Development Information and Evaluation, US AID.**
- The Experience with Ex Post Evaluation in and the Future Directions of the Health Sector, Juana Salazar, IDB.**
- Evaluation of Institutional Aspects of International Development Cooperation, Poul Engberg-Pedersen and Tom Barthel Hansen, DANIDA, Denmark.**
- Some Lessons of Experience of Program Evaluation, Vittorio Masoni, Ministry of External Relations, Italy.**
- Monitoring and Evaluations of NGO Projects, Rafael Soriano Ortiz, Ministry of Foreign Affairs, Spain.**

**Country Papers prepared by:**

Argentina	Chile	Guatemala	Panama
Bahamas	Colombia	Guyana	Peru
Barbados	Costa Rica	Honduras	Surinam
Belize	Dominican Rep	Jamaica	Venezuela
Bolivia	Ecuador	Mexico	Uruguay
Brazil	El Salvador	Nicaragua	

**Annex 4**  
**Seminar Participants**

<b>ARGENTINA</b>	<b>Daniel ARTANA</b>  <b>Humberto Armando PEREIRA</b>	<b>Director, Economista Jefe</b> <b>Fundación de Investigaciones Económicas Latinoamericanas - FIEL</b> <b>Director Nacional de Economía Planeamiento y Desarrollo Agropecuario</b> <b>Secretaría de Agricultura, Ganadería y Pesca</b>
<b>BAHAMAS</b>	<b>Carlene Y. FRANCIS</b>	<b>Director of Economics and Planning</b> <b>Ministry of Planning and the Public Service</b>
<b>BARBADOS</b>	<b>Martin COX</b>	<b>Permanent Secretary (ag.)</b> <b>Ministry of Finance and Economic Affairs</b>
<b>BELIZE</b>	<b>Harold ARZU</b>	<b>Ministry of Economic Development</b> <b>Belmopan</b>
<b>BOLIVIA</b>	<b>Marcos CASTELLON PINAYA</b>  <b>Marianela CURI CHACON</b>  <b>Alejandro Franz MERCADO SALAZAR</b>	<b>Jefe</b> <b>Departamento de Política Social</b> <b>Ministerio de Desarrollo Sostenible y Medio Ambiente</b> <b>Subsecretaria de Promoción y Participación</b> <b>Ministerio de Desarrollo Sostenible y Medio Ambiente</b> <b>Subsecretario de Estrategias de Desarrollo</b> <b>Ministerio de Desarrollo Sostenible y Medio Ambiente</b>
<b>BRAZIL</b>	<b>Alencar Soares de FREITAS</b>	<b>Coordenador de Avaliação e Desempenho</b> <b>Secretaria de Planejamento, Orçamento e Coordenação da Presidência</b>

*Monitoring and Evaluation in Latin America and the Caribbean*

	<b>Jair dos Santos LAPA</b>	Professor Universidade de Brasília
	<b>Livio William REIS DE CARVALHO</b>	Subsecretário de Assuntos Estratégicos Secretaria de Assuntos Estratégicos da Presidência da República
<b>CANADA</b>	<b>Jean S. QUESNEL</b>	Chairman Expert Group on Aid Evaluation OECD/DAC Canadian International Development Agency
	<b>Tang TUONG</b>	Manager, Evaluation and Methodology Audit and Evaluation Division Canadian International Development Agency
	<b>Martin ULRICH</b>	Director Government Review Division
<b>CHILE</b>	<b>Jaime GATICA BARROS</b>	Jefe, División de Planificación Estudios e Inversión Ministerio de Planificación y Cooperacion
	<b>Mariá Angélica ROPERT DOKMANOVIC</b>	Coordinadora del Subprograma de Fortalecimiento Institucional Ministerio de Planificación y Cooperación
	<b>Aristides TORCHE</b>	Profesor Titular des Instituto de Economía Pontificia Universidad Católica de Chile
	<b>Hernán VEGA MOLINA</b>	Jefe Departamento Inversiones y Crédito Público Dirección de Presupuestos
<b>COLOMBIA</b>	<b>Sylvia ESCOVAR</b>	Jefe, División Especial de Control de Gestión y Evaluación de Resultados Departamento Nacional de Planeación
	<b>Cecilia María VELEZ WHITHE</b>	Subdirectora Departamento Nacional de Planeación
	<b>Eduardo WIESNER</b>	Consultor
<b>COMMISSION OF THE EUROPEAN COMMUNITIES</b>	<b>Orlando HENAO TRIANA</b>	Principal Administrator Dirección General des Desarrollo
<b>COSTA RICA</b>	<b>Eric ULLOA MURILLO</b>	Asesor del Ministro Ministerio de Recursos Naturales
<b>DENMARK</b>	<b>Tom B. HANSEN</b>	Head, Evaluation Unit DANIDA

*Monitoring and Evaluation in Latin America and the Caribbean*

<b>DOMINICAN REPUBLIC</b>	<b>José Tomás CHECO FROMETA</b>	Director Adjunto Departamento de Desarrollo y Financiamiento de Proyectos Banco Central
	<b>Rolando REYES LUNA</b>	Director Oficina Nacional de Planificación
<b>ECUADOR</b>	<b>Galo ABRIL OJEDA</b>	Secretario General de Planificación Consejo Nacional de Desarrollo (CONADE)
	<b>Patricio Fabián ANDRADE ARAGON</b>	Director de Análisis y Evaluación Consejo Nacional de Desarrollo (CONADE)
	<b>Walter CORREA SAN ANDRES</b>	Director General Consejo Nacional de Desarrollo (CONADE)
	<b>Rómulo Iván HIDALGO NIETO</b>	Director General de Preinversiones a.i Secretaría General de Planificación
	<b>Miguel MENA NAVAS</b>	Director de Planificación Asesoría Secretaría General Secretaría General de Planificación Consejo Nacional de Desarrollo
	<b>Trajano QUINTANA</b>	Director de Infraestructura Consejo Nacional de Desarrollo (CONADE)
<b>EL SALVADOR</b>	<b>Maria Teresa ORELLANA DE RENDON</b>	Viceministra Ministerio de Planificación y Coordinación del Desarrollo
	<b>Roberto SORTO FLETES</b>	Director Ejecutivo Secretaría Técnica del Financiamiento Externo (SETEFE) - MI PLAN
<b>FRANCE</b>	<b>Françoise BENARD</b>	Chargée de mission de l'évaluation des projets, Ministère de l'économie
	<b>Odile RENAUD</b>	Commissariat général au plan
<b>GUATEMALA</b>	<b>Fernando GONZALEZ DAVISON</b>	Subsecretario General Secretaría General de Planificación
	<b>Rubén E. MENDOZA</b>	Asesor del Ministro Ministerio de Finanzas Públicas Guatemala
<b>GUYANA</b>	<b>Tarachand BALGOBIN</b>	Division Chief Project Cycle Management Ministry of Finance
	<b>Eleanor CARRYL</b>	Head, Multilateral Financial Institutions Division Ministry of Finance

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<b>HONDURAS</b>	<b>Roberto José AVILES GARCIA</b>	Director General de Caminos Secretaría de Comunicaciones, Obras Públicas y Transporte
	<b>Manuel E. EUCEDA</b>	Ministro de Planificación Secretaría de Planificación, Coordinación y Presupuesto
	<b>Luz Marina MATUTE DE FUNEZ</b>	Viceministro de Planeación y Finanzas
<b>ITALY</b>	<b>Lodovica LONGINOTTI</b>	Directorate for Development Co-operation
	<b>Vittorio MASONI</b>	SIM
<b>JAMAICA</b>	<b>Winston ANDERSON</b>	Director, Technical Co-operation Division Planning Institute of Jamaica
	<b>Lella PALMER</b>	Deputy Director, Technical Co-operation Division Planning Institute of Jamaica
<b>JAPAN</b>	<b>Tadashi NAGAI</b>	Japanese Foreign Ministry
	<b>Izumi OHNO</b>	Economist, Deputy Director Development Assistance Studies - RIDA The Overseas Economic Cooperation Fund
<b>MEXICO</b>	<b>Ismael DIAZ AGUILERA</b>	Gerente de Organismos Internacionales Banco Nacional de Obras y Servicios Públicos
	<b>Fernando MARTY ORDONEZ</b>	Coordinator de Asesores del Contador Mayor de Hacienda Contaduría Mayor de Hacienda
	<b>Samuel SCHULZ CASAS</b>	Asesor Coordinación de Planeación Financiera Comisión Federal de Electricidad
<b>NETHERLANDS</b>	<b>Hedy I. VON METZSCH</b>	Director, Operations Review Unit Ministry of Foreign Affairs
<b>NICARAGUA</b>	<b>José A. LEY LAU</b>	Viceministro-Director de Planificación Instituto Nicaraguense de Energía (INE)
<b>PANAMA</b>	<b>Eduardo LINARES</b>	Viceministro de Planificación y Política Económica
<b>PARAGUAY</b>	<b>Darwin BENITEZ VERA</b>	Adjunto del Secretario Ejecutivo Secretaría Técnica de Planificación
<b>PERU</b>	<b>Victor Enrique CASO LAY</b>	Contralor General Contraloría General de la República

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---

	Juan CASTILLA MEZA	Viceministro de Transportes Ministerio de Transportes, Vivienda y Construcción
PORTUGAL	Jose FARIA PAIS	Chefe de Divisao Direccao-Geral para a Cooperacao Ministério dos Negócios Estrangeiros
	Antonio RICOCA FREIRE	Chefe de Divisao Direccao-Geral para a Cooperacao Ministerio dos Negocios Estrangeiros
SPAIN	Rafael SORIANO ORTIZ	Consejero Técnico Oficina de Planificación y Evaluación Ministerio de Asuntos Exteriores
	Stefan DAHLGREN	Head, Evaluation Division SIDA
SWITZERLAND	Aldo CARDONA	Oficina de Coordinación DDA (COTESU)
	Martin PALLMANN	Head, Evaluation Section Directorate for Development Co-operation and Humanitarian Aid (DDA)
SURINAM	Hans O. PRADE	Chairman Supreme Audit Institution of Surinam
	Christine de ROOY	Head, Macroeconomic Division Ministry of Planning and Development
UNITED STATES	Annette BINNENDIJK	Director, Office of Evaluation USAID
URUGUAY	Alvaro CARBONE	Representante Nacional
	Luis FULCO	Coordinador Técnico Local
	Conrado HUGHES	Coordinador
VENEZUELA	Fernando HERNANDEZ	Asesor, CORDIPLAN
	Alfredo MARRERO	Presidente, FONCREI
	José Ramón MEDINA	Contralor General de la República

### INTERNATIONAL ORGANISATIONS

INSTITUTO DE INVESTIGACIONES EN CIENCIAS ECONOMICAS	Xinia PICADO GATGENS	Investigador, Evaluadora
ORGANIZACION PANAMERICANA DE LA SALUD	Matilde PINTO	Economista

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<b>WORLD BANK</b>	<b>R. Pablo GUERRERO</b>	Special Advisor to the Director General Operations Evaluation
	<b>John H. JOHNSON</b>	Senior Evaluator
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	<b>Alberto PICO</b>	Contralor
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	<b>Jacques ROUMANI</b>	Jefe de Equipo de Proyecto Oficina de Evaluación de Operaciones
	<b>Juana SALAZAR</b>	Oficina de Evaluación de Operaciones
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	<b>Myriam VELASQUEZ</b>	Oficial de Conferencias - BID
<b>ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT</b>	<b>Hans LUNDGREN</b>	Principal Administrator Aid Management Division Development Co-operation Directorate
	<b>Elisabeth LEWIN</b>	Consultant