ODA EVALUATION GUIDELINES

MARCH, 2003

**EVALUATION DIVISION
ECONOMIC COOPERATION BUREAU
MINISTRY OF FOREIGN AFFAIRS**

FOREWORD

The ODA Evaluation Guidelines have been compiled by the Evaluation Division, Economic Cooperation Bureau of the Ministry of Foreign Affairs based on the Ministry's experience in the evaluation activities of Official Development Aid (ODA) for more than 20 years and incorporating the trends of the latest theories and practical work. While several manuals have been compiled in the past for specific subjects, the Guidelines represent the first full-scale attempt to put forward comprehensive guidelines for the evaluation of ODA.

In the midst of ongoing debates on reform, including decentralization, reform of central ministries and agencies and administrative as well as fiscal reform around 1996, the effectiveness of "evaluation", as it is policy evaluation, administrative evaluation, project evaluation or performance evaluation, began to attract much attention and active efforts were made to incorporate evaluation in actual work in Japan. The Government Policy Evaluation Act (so-called GPEA) enacted in 2001 is the culmination of such efforts.

At present, however, ODA evaluation and policy evaluation take slightly different forms. In regard to policy evaluation, there have been continued efforts to devise many different forms and methods of evaluation on a trial and error basis for the purpose of standardizing the form and method of evaluation within each organization. These efforts have so far resulted to produce numerical indicators, quantitative evaluation, evaluation sheets, target diagrammes (policy diagrammes) and the policy management cycle. While the concept of "standardization by setting the form" is important to facilitate public understanding of ODA, few forms have yet to be theoretically refined unlike those in European countries and the US. Neither are they convenient to use like the logical framework (PDM) for ODA evaluation. In this sense, further studies and refinement are required for policy evaluation in Japan.

In contrast, there is an accumulated knowledge of ODA evaluation by donors and international aid organizations over many years. There is much more experience of and far more studies on ODA evaluation techniques and methods compared to policy evaluation and most people involved in ODA have a good understanding of them. This high level of understanding is reflected by the fact that ODA evaluation is commonly conducted by experts who are conversant with ODA policies and

programs or professionals who understand the meaning of evaluation. Because of the background, ODA evaluation may create the illusion that it is entirely different from policy evaluation in terms of the evaluator, evaluation method, form of evaluation and terminology even though the same word "evaluation" is used.

Nevertheless, the purposes of evaluation, including improvement of the accountability and transparency to the public, and qualitative improvement of policies and measures through the feedback of evaluation data, are essentially the same for both ODA evaluation and policy evaluation. These two types of evaluation will eventually converge with each other in terms of their methods and processes. The recommendation of "easy to understand evaluation" and "improving accountability to the public and better transparency" made by various study groups and workshops on ODA are intended to back up such convergence.

The Guidelines are one of the outcomes of such recommendations. The assumed readers are personnel who are or wish to be involved in ODA-related work and present and potential researchers on ODA. Full consideration has been given to making these Guidelines a useful reference material for not only those cited above but also for people who are interested in the subject of evaluation. Every effort has been made to maintain the high level of quality required of such guidelines while ensuring that they are easy to read and comprehend. However, periodic revisions of the Guidelines will be necessary to maintain and improve the said level.

Needless to say, evaluation activities and relevant studies will constantly continue in the coming years to review the ODA policies and programs of Japan and to improve practices. It is sincerely hoped that the Guidelines will significantly contribute to the activities and studies.

March 20th, 2003

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BASIC CONCEPTS OF EVALUATION

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This Chapter introduces the basic theories related to evaluation together with the situation of the times in which they have emerged. The historical background is examined in relation with the extension of the basic concepts of evaluation, such as the purposes and subjects of evaluation.

1.1 Origin of Evaluation

While there are many accounts of the origin of evaluation[1], all suggest that it dates back to the early twentieth century[2]. The evaluation activities were conducted by social science techniques in various researches and studies in academic fields, such as pedagogy and welfare science (the term "evaluation" had not yet been firmly established). These activities are believed to comprise the origin of evaluation. The policy evaluation and program

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[1] While there are several definitions of evaluation, the Glossary of Key Terms compiled by the DAC defines it as "the systematic assessment ... of projects, implementation and results". In some cases, evaluation may be used as a broader concept incorporating assessment and monitoring or may be strictly distinguished from assessment and monitoring. Various definitions of evaluation are also put forward in Japan. For convenience, the Guidelines adopt a broad definition of evaluation while distinguishing it from monitoring. The DAC's Key Glossary of Terms defines monitoring as "a continuing function that uses the systematic collection of data on specified indicators", making a clear distinction between evaluation and monitoring.

[2] Peter H. Rossi, Howard E. Freeman and Sonia R. Wright, Evaluation: *A Systematic Approach*, SAGE, 1979

evaluation of present-day were introduced and developed for administrative purposes in the late 1960's and thereafter[3].

1.2　Evaluation in Administration Field

(1) Introduction of Evaluation in Administration Field

The evaluation of federal government programs[4] by the US General Accounting Office (GAO) in the late 1960's could be considered a pioneering attempt at evaluation in administration field.[5] It was to evaluate the effectiveness and the extent of the target achievement of government programs. The main purpose was reporting the findings to the Congress to pursue the accountability of the government.

The introduction of the evaluation marked the subsequent expansion of GAO activities from the conventional accounting audit by accountants to the evaluation of programs by experts in all fields, including academics with a background of physics and social sciences, etc. and computer experts.

Impacts of PPBS

It is said that the introduction of program evaluation was prompted by the failure of the Planning, Programming, Budgeting System (PPBS) in the 1960's. This PPBS was a budget formulation

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[3]　Kiyoshi Yamaya, *Theory and Development of Policy Evaluation*, Koyo Shobo, 1997 (in Japanese)

[4]　There have been debates on the concept of "programs". In Japan, government activities are sometimes classified into policies, programs and projects in 'Standard guidelines for policy evaluation'. International aid organizations and other donors do not necessarily use such classification, instead, programs and projects. The notion of programs is not clearly defined and varies depending on the specific configuration of each program. See GAO Home Page at http://www.gao.gov/about/history for program evaluation by the GAO in the US.

[5]　Evaluation of the anti-poverty programs following the amendments to the Economic Opportunity Act in 1967 is one example. At the beginning, there was no distinction between evaluation and audit and "program evaluation" was sometimes called "program audit".

system developed in the US and entailed budget allocation for optimal programs by comparing the cost and estimated future effects of each program in advance. This system used cost-benefit analysis or cost-effectiveness analysis for the comparison of programs. In the 1960's, the PPBS stepped into the limelight temporarily as it was introduced at the US Department of Defense in 1961, and all federal departments and agencies subsequently following an order issued by President Johnson. However, the PPBS was suspended around 1971 under the Nixon Administration because it put too much work load to estimate and compare the effects of the programs in advance. Having Learned from the failure of the PPBS, program evaluation by the GAO emphasizes the ex post facto study and measurement of the actual effects of programs rather than the prior estimation of program effects.

(2) Development of Evaluation in Administration Field

Evaluation was originally introduced to the US federal government for the purpose of securing the accountability of administrative offices by the Congress but grew to have another purpose of managing administrative activities against the background of the federal government's fiscal deficit. To be more precise, evaluation began to fulfill the additional function of being a program management tool as it was used to achieve quality management and cost reduction of programs. This change was prompted by increasing opinions from the program implementation side demanding the use of evaluation for program planning and implementation instead of being simply a political tool, i.e. a tool used for debates on policies and programs by people of different political stances. Accordingly, it was recognized that evaluation should be conducted in correspondence with the program cycle of planning, implementation and completion and took different

forms, including formative evaluation at the program planning or implementation stage, process evaluation at the program implementation and management stage and summative evaluation at the program completion stage[6]. In the 1980's, evaluation became an integral part of the management system for administrative activities in connection with administrative reform, and increased its practical usefulness. This development of evaluation was strongly influenced by new practices of NPM[7] (New Public Management) and RBM[8] (Results Based Management).

Emergence of NPM[9]

NPM is a trend of thought lying behind the administrative reform which took place mainly in the UK and Scandinavian countries in the 1980's against the background of distrust in the governing ability of the government. Its main principles are the clarification of responsibility and outcome based management while advocating emphasis on the market function and principle of competition and the active disclosure of management information by the government and local public bodies. To be more precise, this idea of administrative management requires clear scope of the authority and responsibility of the manager for each administrative activity. The judgement of the success or failure of such activity is based on the outcome. The performance measurement[10] is used to measure

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[6]   See Appendix 3 for a summary explanation of these evaluation methods.

[7]   NPM means the application of business management know-how to administration.

[8]   RBM is sometimes called Performance Management.

[9]   The following documents are referred to in regard to NPM: Soshiro Ohsumi, New Public Management: Idea, Vision and Strategy, Nihon Kyoron Sha, 1999 (in Japanese), Kuniaki Tanabe, *Public Administration and Academic Discipline in 20th Century?: Implications of New Public Management* in Japan Society of Public Administration ed., Public Administration in Japan: Past, Present and Future, Gyosei, 2001 (in Japanese), Kiyoshi Yamaya, *New Development of Administration*, Horitsu Bunka Sha, 2002 (in Japanese) and OECD PUMA, Performance Auditing and Modernization of Government, 1996

[10] See Appendix 3 for further details.

the situation of activities in view of pre-determined targets. Here, monitoring and evaluation play an important role as a part of the system.

Emergence of Result Based Management[11]

In the 1990's, as the movement of governmental reform became especially active in North American countries, RBM (Result Based Management) has been adopted in the administration field. RBM is a management strategy which manages the activities of organizations in terms of performance and results (outputs, outcomes and impacts). In RBM process, the activities of an organization are managed by means of setting clear targets, verifying the achievement of them from the viewpoints of performance, outputs, outcomes and impacts and adequately distributing such resources as budget and personnel. Here, the emphasis is placed on results (outputs, outcomes and impacts) rather than on the inputs and processes to conduct activities. Monitoring and evaluation which provide means of measuring results are incorporated in RBM as management tools. RBM is employed by the governments of the US and Canada as a new management method for administrative activities and has been discussed at development-related international conferences. For example, following the enactment of the Government Performance and Results Act (GPRA) in the US in 1993, government organizations have the obligation to prepare a strategic plan (including the setting of strategic targets

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[11] The following documents are referred to in regard to RMB: David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, PLUME, 1992, DAC Working Party on Aid Evaluation, *Result Based Management in Development Cooperation Agencies: A Review of Experience*, 2000, DAC Working Party on Aid Evaluation, Glossary of Key Terms in Evaluation and *Result Based Management, 2002, Wholey, J.S., Results Oriented Management: Integrating Evaluation and Organizational Performance Incentives* in G.J. Sstahler & W.R. Tash (Eds), *Innovative Approaches to Mental Health Evaluation*, Academic Press, 1982, Wholey, J.S., Evaluation and Effective Public Management, Little, Brown, 1983 and Kiyoshi Yamaya, New Development of Administration, Horitsu Bunka Sha, 2002

accompanied by measurable indicators, input resources and implementation process) and to report on the situation of activities (based on regular measuring and evaluation of the situation of activities).[12]

1.3 Evaluation in Development Field

The evaluation of Official Development Assistance (ODA) has been conducted as a part of evaluation on government activities in individual donors. Recognition of the importance of evaluation grew internationally in the 1970's and genuine debates on evaluation began to take place at the OECD-DAC and other international conferences in the 1980's. Subsequently, the importance of ODA evaluation further increased as a tool to improve the effectiveness and efficiency of ODA and to achieve accountability to the public. It led to the integration of evaluation activities, which had traditionally been conducted separately from the implementation process of development assistance, in the development assistance systems. It is believed that this change has been brought by the mentioned NPM and RBM which attract strong attention of the international community.

With the growing emphasis on comprehensive development approaches as the Comprehensive Development Framework (CDF)[13] and Sector Program, there has been a rising demand to expand the scope of evaluation from individual projects to sector-wide development assistance activities and national-level assistance. A positive response to the demand is currently being made.

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[12] Each organization is required to prepare a five-year strategic plan, an annual action plan and an annual action report for the competent ministry or agency as well as the Office of Management and Budget (OMB).

[13] World Bank Home Page at http://web.worldbank.org/website/external/projects/strategies/cdf

(1) DAC and Evaluation

In the DAC meeting held in the Netherlands in October 1970, the topics were methods of evaluation and utilization of evaluation results (feedback). The meeting marked the turning point to facilitate wider awareness of ODA evaluation. Behind it, there believed to be a tendency so-called "aid fatigue" among donor countries. They reduced their aid amounts due to fiscal constraints, and pointed out the necessity to efficiently utilize aid resources. In 1981, the Evaluation Correspondent Group was established so that aid-related personnel of DAC countries could discuss the issue of ODA evaluation. This Group was reorganized as the DAC Expert Group on Aid Evaluation in 1983 and further as the DAC Working Party on Aid Evaluation in 1998 which has been active in exchanging information and conducting joint studies on evaluation.

(2) Monitoring and Evaluation as ODA Management Tools

In the 1980's and 1990's, as major debates took place on the improved efficiency of administrative activities, NPM and RBM had diffused in international society. These ideas greatly influenced ODA which is a part of administrative activities and monitoring and evaluation were gradually incorporated in the ODA systems as management tools. This trend is clearly evident in the so-called DAC's new development strategy (Shaping the 21st Century: The Contribution of Development Cooperation), the CDF of the World Bank and the Millennium Development Goals (MDGs) adopted at Millennium Summit. For example, the DAC's new development strategy and the MDGs set targets accompanied by measurable indicators and propose the management of results through monitoring and evaluation and this approach is consistent with the ideas of NPM and RBM which intend the management of the activities of organizations by performance and results

(outputs, outcomes and impacts).

(3) Comprehensive development frameworks and M&E

The necessity for a new approach to development assistance was pointed out in the 1990's in the situation where there were mounting tasks to be dealt with despite continued assistance for more than half a century. Under the circumstances, so-called DAC's new development strategy, the CDF and the MDGs were successively introduced from the mid-1990's to 2000. All of these intend the provision of development assistance based on a long-term framework, which is incorporating individual projects, rather than conventional project based assistance. Comprehensive development targets together with indicators were established to measure the extent of those achievements in each sector. Accompanying the emergence of such comprehensive development approaches, the scope of monitoring and evaluation have been extended from individual projects to sector-wide and country-wide activities.

DAC's New Development Strategy[14]

The DAC's new development strategy adopted by the DAC's 34th High Level Meeting in May 1996 proposes "feasible targets" and indicators and points out the importance of monitoring and evaluation to estimate the achievement of these targets. The new strategy classified international development targets agreed at international conferences into three sectors, namely, economic well-being, social development and environmental sustainability and regeneration. The clear targets with indicators were, then, set in each sector. In "economic well-being" for example, the goal is "a

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[14] See the following document for details: OECD DAC, *Shaping the 21st Century: The Contribution of Development Cooperation*, 1996

reduction by one-half of the proportion of people living in extreme poverty by 2015". The strategy emphasizes the importance of mutual promise and cooperation and policy coherence between development partners as well as proposes monitoring and evaluation to ensure more effective assistance.

Emergence of CDF

At the annual general meeting of the World Bank/IMF (International Monetary Fund) in 1998, the President of the World Bank suggested the need to adopt the Comprehensive Development Framework (CDF) to enable country-driven development assistance by integrated approach. In 1999, the Development Committee of the World Bank and IMF endorsed proposals that Poverty Reduction Strategy Papers be prepared in heavily indebted countries and low income countries receiving support from IDA in order to receive debt relief and financial support. The CDF is an approach to achieve poverty reduction more effectively and has four principles, a holistic long-term strategy, emphasis on the country ownership, stronger partnerships among all parties and focus on development results. PRSPs, adopting CDF as the basic framework, has also core principles i.e. country-driven, results-oriented, comprehensive, partnership-oriented, and long-term perspective. In implementing these principles, there are four key process steps, "participatory process", "comprehensive understanding of poverty", "clear prioritization of policies" and "monitoring and evaluation". This is a clear example of the integration of monitoring and evaluation to the development assistance system as tools to enhance the effects of development assistance.

Preparation of MDGs[15]

At the UN Millennium Summit in New York in September 2000, the UN Millennium Declaration was adopted as the goal for the international community in the 21st Century by representatives of 189 member countries, including 147 heads of nations. This Declaration shows the direction for the roles to be played by the UN in the 21st Century and lists some issues to be tackled, peace and safety, development and poverty, the environment, human rights and good governance and the special needs of Africa.

The Millennium Development Goals (MDGs) compile the development goals adopted by the UN Millennium Declaration and major international conferences and summits through the 1990's into a single common framework which presents guidelines for the formulation and measurement of development policies and programs. The MDGs consist of 8 goals and 18 targets and the achievement of these goals is to be regularly monitored by the UN, OECD, IMF and World Bank. The UN upholds monitoring as one of the three major strategies[16] to achieve the MDGs, and measures the indicators[17] set on the MDGs at the global and national levels. It prepares a report by the Secretary General at global level, and Millennium Development Goals Reports at national levels respectively.

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[15] See the following for further details: Paris 21, *A Better World for All*, 2000, OECD Home Page, http://webnet1.oecd.org/en/hom, UNDP Home Page, http://www.undp.org/mdg and Ministry of Foreign Affairs Home Page, http://www.mofa.go.jp/mofaj/gaiko/ODA

[16] The three major strategies of the UN are research and recommendations, monitoring and the Millennium Campaign.

[17] For example, three indicators are set for Target 1 which is to "halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day". These indicators are "proportion of population below $1 (PPP) per day", "poverty gap ratio (incidence x depth of poverty)" and "share of poorest quintile in national consumption".

ODA EVALUATION IN JAPAN

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This Chapter outlines Japan's approaches to ODA evaluation, and explains MOFA's practice and the issues on ODA evaluation.

2.1 Overview

Since the commencement of Japan's ODA evaluation in the 1970's, its importance has been increasingly recognized. It is of reflecting the international debate on ODA and public interest in governmental activities in the background of domestic economic and fiscal situation. Accordingly, the ODA evaluation has gradually expanded its concept and scope. There have been active efforts to improve the quality of ODA evaluation.

(1) Pioneering Effort for ODA Evaluation

In Japan, a pioneering effort of ODA evaluation was the ex-post evaluation of individual projects which commenced by the former Overseas Economic Cooperation Fund (OECF, currently the Japan Bank for International Cooperation: the JBIC) in 1975[1]

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[1] There are different views on the commencement timing of ODA evaluation depending on the specific definition of evaluation. If the concept of evaluation includes preliminary studies for project formulation, such preliminary studies were already being conducted prior to 1975.

Afterwards, the Economic Cooperation Evaluation Committee was established at the Economic Cooperation Bureau of the Ministry of Foreign Affairs in 1981. At this time, the principal purpose of evaluation was project management. The subjects of evaluation were individual projects and the timing was primarily ex-post evaluation. As the continuous practices of evaluation consolidated its system, Japanese evaluation system was appreciated as of well-established among major donors in DAC's Development Co-operation Review of Japan in 1996.

Table 1   History of ODA Evaluation (the MOFA, the JICA and the JBIC)

Year	Month	MOFA	JICA	JBIC
1975				Commence ex-post evaluation
1981	Jan.	Establish the Economic Cooperation Evaluation Committee at the Economic Cooperation Bureau and commence ex-post evaluation	Establish the Evaluation Reviewing Committee	Establish a section specializing in ex-post evaluation
1982	Sept.	Commence the publication of the "Annual Evaluation Report on Japan's Economic Cooperation"	Commence ex-post evaluation	
1984	Jul.	Establish the Research and Planning Division at the Economic Cooperation Bureau		
1986	Apr.	Establish the ODA Evaluation Reviewing Panel		
1988			Establish a section specializing in evaluation	
1990	May	Reorganize the Research and Planning Division and Establish "the Evaluation Division"		
1991				Commence the publication of "Ex-Post Evaluation Reports on Yen Loan Projects"
1992		Formulation of Japan's ODA Charter		
1993				Establish the Research Institute for International Investment and Development and "Evaluation Group" at the Institute
1995			Commence the publication of "Annual Evaluation Report"	
1997		Formulation of Mid-Term Policy on ODA		
1999				Establish the Development Assistance Operations Evaluation Office at the Project Development Department following the reorganization of the OECF to the JBIC
2000	Mar.	Submit a report entitled "Improvement of ODA Evaluation System" System" to the Minister	Rename as the Office of Evaluation and Post Project Monitoring of the Planning and Evaluation Department following reorganization	
2001	Jan.	Establish the "Internal Feedback Liaison Meeting on ODA Evaluation"	Institute ex-ante evaluation	Institute ex-ante evaluation
2001	Feb.	Submit the "ODA Evaluation Study Group Report " to the Minister		
2001	June	Enactment of the Government Policy Evaluation Act		
2001	Dec.	Establish the Wise Men Committee for Evaluation Feedback		
2002	Apr.	Establishment of the Task Force for Improvement of Evaluation System		
2002	Jul.	Announce the "15 Specific measures for ODA Reform"		
2002	Aug.	Announce the Action Program for the Reform of the MOFA		

(2) Expansion of Purposes of ODA Evaluation

In the 1990's, while further emphasis was placed on an aspect that evaluation was a management tool of ODA, due to the severe fiscal situation, another aspect of evaluation was found important to take accountability in the light of public distrust in government activities. The austere fiscal situation after the bursting of the bubble economy demanded ODA to change "from quantitative expansion to qualitative improvement". Evaluation, being important as a tool of examining and improving ODA quality, was referred to in ODA charter and Mid-term policy on ODA in Japan. Meanwhile, a discussion was taken place for further promotion of Results Based Management in international fora such as DAC and fuelled various movements to establish evaluation system for managing ODA. It was also pointed out that monitoring & evaluation are important to be conducted at planning as well as implementation stages. It was around this time that ODA evaluation began to attract much attention as a tool to ensure the accountability of ODA to the public. That was presumably influenced by the international debate where accountability was considered as principal purpose of evaluation. Another factor could be increasing demand for further transparency of administrative activities and governmental reform reflecting growing criticism and doubts against politics and the administration among the public.[2] At this stage, ODA evaluation acquired two purposes, i.e. to assist the management of ODA implementation and to ensure accountability.

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[2] As described later, the evaluation of administrative activities in Japan commenced in the second half of the 1990's, mainly by local public bodies and some central government offices. Full-scale evaluation activities began after the enactment of the Government Policy Evaluation Act in 2001. Prior to this Act, however, evaluation in individual sectors had been conducted, including analysis of the effects of public works such as road construction using cost - effectiveness analysis and other methods.

(3) Expansion of the Scope of ODA Evaluation

The scope of ODA evaluation has been expanding together with the emergence of comprehensive ODA approaches in international society. As already described in Chapter 1, comprehensive aid approaches such as CDF and PRSP comprising individual aid activities have emerged one after another in the international arena. The new trend induces Japan to formulate sector and country programs in addition to individual projects. Under these circumstances, there is an increasing demand for the wider scope of evaluation on country or sector policies across individual projects.

(4) Enactment of the Government Policy Evaluation Act

As already mentioned earlier, administrative reform was accelerated in the second half of the 1990's in seeking more transparency of administrative activities. The Government Policy Evaluation Act (hereinafter referred to as "GPEA") was enacted in June, 2001 and enforced in April, 2002. The GPEA defines principle of policy evaluation as "Governmental organizations shall timely assesses the effects of their policies and conduct self-evaluation in terms of necessity, efficiency effectiveness and other necessary evaluation issues. The evaluation results should be incorporated into policy-making". The GPEA set forth its purpose "to stipulate the fundamental issues of policy evaluation for the purpose of facilitating the implementation of objective and rigorous evaluation and of incorporating the evaluation results properly into policy making." It is also enumerated as another purpose "to publish the information taken from evaluation so that administrative activities to be more effective and efficient, and government's responsibility to be fulfilled in explaining its activities to the public." The objects of evaluation are policies, programs and projects. ODA is also an object of policy evaluation,

as the GPEA defines a policy (in a narrow sense) as "a large cluster of administrative activities aimed at realizing a basic principle of administrative task". Following the enactment of GPEA, the MOFA conducts country policy evaluation and priority issue evaluation among others as its legal obligation under the Act.

(5) Moves to Improve ODA Evaluation

While the GPEA was enacted, efforts were made to improve the evaluation system, mainly in response to moves to expand the purposes and objects of ODA evaluation. The MOFA conducted a series of discussions and studies for the reform of evaluation. It was mainly led by the ODA Evaluation Study Group which was a consultative body for the Director General of the Economic Cooperation Bureau. The results of these discussions and studies were published as the "Report on Improvement of ODA Evaluation System"[3] in 2000 and the "Report of ODA Evaluation Study Group" in 2001. These reports proposed, "to carry out program-level and policy-level evaluation in addition to project-level evaluation", "to ensure the consistency of evaluation from the ex-ante to the mid-term and ex-post stages" and "to enhance the objectivity of evaluation by increasing third party evaluation". In 2002, a task force was set up to discuss the measures for improvement of ODA evaluation at the MOFA as part of the reform of the MOFA and its ODA following the recommendation by the Second Council on ODA Reform. The results were announced in the form of "15 Specific Measures for ODA Reform" and "Action Program for

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[3]   The Council on ODA Reform for the 21st Century set up at the MOFA pointed out the importance of "establishing an evaluation system" to create a more efficient ODA implementation system in its final report published in 1998. Following this, the ODA Evaluation Reviewing Panel set up at the MOFA created the ODA Evaluation Study Group in the same year to discuss the necessary review and improvement of the existing evaluation system. The findings of the Committee were compiled in a report which was submitted to the Minister of Foreign Affairs in March, 2000.

Reform of the Ministry of Foreign Affairs".[4] Following this trend, the MOFA and ODA implementation agencies (the JICA and the JBIC) have been coordinating and making efforts to improve the evaluation system. In order to share and coordinate evaluation work with each other, the MOFA primarily focuses on policy-level[5] and program-level evaluation[6] and the JICA and the JBIC conduct project-level and program-level evaluation.

(6) New Efforts

In respect to establishment of the consistent evaluation system from the ex-ante to the mid-term and ex-post stages, the

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[4] Since her appointment in 2002, Foreign Minister Kawaguchi has been actively promoting the reform of the MOFA. Immediately after taking the position, she announced "Ten Reform Principles to Ensure an Open Foreign Ministry", one of which was the improved efficiency and transparency of ODA. Following it, the "Advisory Board for the reform of the Ministry of Foreign Affairs" was set up and its final report was submitted in July, 2002. Its recommendations relating to ODA included "ensured transparency of grant aid", "improvement of evaluation", "accountability of debt relief for yen loans", "concrete recommendations to ensure the efficiency of the ODA in selection and implementation processes" and "strengthening the collaborative relationship with NGOs". In 2001, prior to the appointment of Foreign Minister Kawaguchi, the Second Council on ODA Reform was set up as a consultative body for the Foreign Minister. The council recommended concrete ODA reform measures in March 2002 consisting of three pillars, i.e. "ODA totally utilizing the intellectuality and vitality of the Japanese people; prioritized and effective ODA with a clear strategy; and drastic improvement of the ODA implementation system".

In response to the recommendations by "Advisory Board for the Reform of the MOFA", the MOFA announced the "Action Program for MOFA Reform." ODA-related matters are "establishment of the transparency of the selection and implementation processes of grant aid", "measures to improve and verify the effectiveness of ODA evaluation", "measures to fulfill the accountability to the public concerning debt relief for yen loans" and "measures to ensure the efficiency of the selection and implementation processes of ODA". Moreover, following the recommendations made by the Second Council on ODA Reform, the MOFA introduced the Board on Comprehensive ODA Strategy to discuss the basic policies and other key issues of ODA and announced the "15 Specific measures for ODA Reform" in July, 2002 with the main emphasis on "participation by the public", "ensuring transparency" and "improvement of efficiency".

[5] Policy-level evaluation is also conducted as an obligation under GPEA.

[6] The MOFA defines different types of evaluation in the following manner.
   * Policy-level evaluation: evaluation on a set of activities (programs and projects) aimed at realizing the basic policies of the government (ODA Charter, ODA Mid-Term Policy on ODA and Country Assistance Programs, etc).
   * Program-level evaluation: evaluation on a set of activities (projects and others) sharing a common objective(s)
   * Project-level evaluation: evaluation on individual economic cooperation projects

examination has been conducted on project's relevance prior to the implementation, and on project's progress at the mid-term. In 2001, the JICA and the JBIC began to publish Ex-ante Project Evaluation Sheet compiling the necessity, relevance, contents and target outcomes of projects. The MOFA will also start its ex-ante evaluation from FY 2003 after the study of the suitable method, there is no internationally established one though.

2.2 Organizations of ODA Evaluation

(1) Demarcation and Collaboration Between the MOFA and Implementation Agencies (the JICA and the JBIC)

ODA evaluation in Japan is mainly conducted by the MOFA and ODA implementation agencies, the JICA and the JBIC.[7] Each of them shares evaluation work on ODA in accordance with its primary functions. Japan's ODA can be classified by the scale of activity into three different levels, i.e. policy, program and project. Individual economic cooperation projects can be regarded as project-level activities, sets of projects and other activities sharing a common objective(s) as program-level activities, and sets of programs and projects aimed at realizing the basic policies of the government (Japan's ODA Charter, ODA Mid-Term Policy on ODA and Country Assistance Programs and ODA Priority Issue Policies) as policy-level activities.

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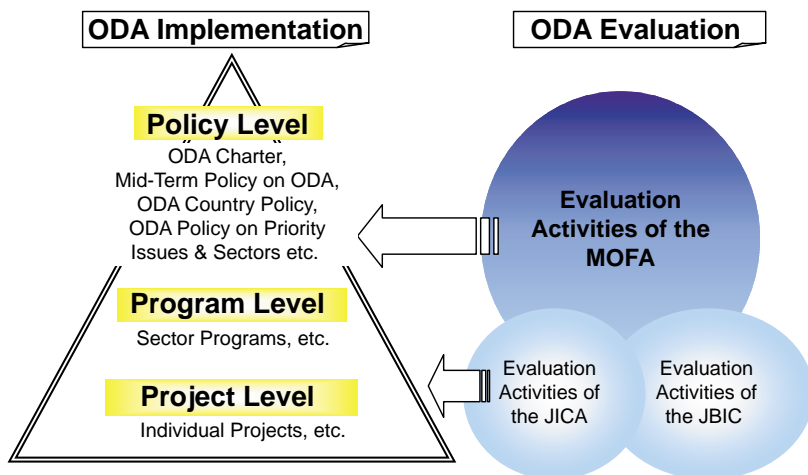
[7] ODA-related ministries also conduct the evaluation on their own ODA activities.

Since the MOFA engages in planning and formulating economic cooperation policies, the primarily focuses of evaluation are placed on policies and programs rather than individual projects. In contrast, both the JICA and the JBIC prioritize project-level evaluation as their role is implementing projects or facilitating it.[8] At present, each agency conducts evaluation activities in accordance with their role described above and shares their results as common information. However, it is deemed necessary for the MOFA to play a central role in functionally liaising the agencies and further strengthening the collaboration between the MOFA and ODA implementation agencies (the JICA and the JBIC) as well as ODA-related government offices.[9] For that purpose, the MOFA has been making efforts through hosting the Inter-Ministerial Liaison Meeting on ODA Evaluation and utilizing the results of evaluation conducted by implementing agencies etc.

(2) ODA Evaluation of The MOFA

The MOFA mainly conducts policy-level and program-level evaluation, which have the following objectives and types described below.

Objectives and Functions

a. Objectives of ODA Evaluation by the MOFA

As outlined in 2.1, ODA evaluation has been required to function as a tool for effective and efficient implementation of ODA, which is an official activity of the government, and also for providing information on ODA to the public as taxpayers. Given these

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[8]   The evaluation on the Country Program formulated by implementation agencies (JICA and JBIC) is classified as program-level evaluation.

[9]   This necessity was pointed out in the "Specific measures for ODA Reform" published by the Liberal Democratic Party in December 2002.

requirements, the MOFA upholds the following two objectives of ODA evaluation.

➣ Support for ODA Management

To support management and improvement of ODA through examination of ODA activities and feedback of the lessons learned into the planning and implementation processes of ODA policies.

➣ Accountability

To ensure accountability and enhance transparency of ODA in order to promote public understanding and participation in ODA through publicizing evaluation results

b. Function of ODA Evaluation in The MOFA

Evaluation is an integral part of the MOFA's ODA system to achieve the purposes described above and to function as part of the obligation under GPEA. From the viewpoint of supporting ODA management, ODA evaluation is required to provide useful information and recommendations so that the ODA implementation side (policy makers and implementation agencies) can manage the ODA and use them for the planning and implementation of future ODA policies. From the viewpoint of ensuring accountability to the public, ODA evaluation is required to provide accurate information in easy understanding manner to the public. To meet these requirements, evaluation is conducted at the ex-ante, mid-term and ex-post stages in line with the ODA implementation cycle.[10]

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[10]   There are discussions on definitions of each evaluation. Here it is broadly defined, ex-ante evaluation is that an evaluation to be conducted prior to the implementation of ODA, mid-term evaluation is evaluation to be conducted during implementation, and ex-post evaluation is evaluation to be conducted after implementation. Although monitoring is a similar concept with mid-term evaluation, it is distinguished from evaluation here as described in Footnote 1 in 1.1.

➤ Ex-Ante Stage

An evaluation which is conducted at the pre-ODA stage, i.e. ODA policy planning stage, is called ex-ante evaluation. The function of ex-ante evaluation is mainly to provide information that helps policy makers to make their decisions and reference materials for setting clear goals and indicators through examination of feasibility and relevance of policies. Internationally, ex-ante evaluation is only conducted by a limited number of donors and international aid organizations. While no definitive method has been established, the MOFA decided to set about ex-ante evaluation from FY 2003, after the study of its method. At the project level, ODA implementation agencies (the JICA and the JBIC) have conducted ex-ante evaluation and have published Ex-ante Project Evaluation Sheet since FY 2001.

➤ Mid-term Stage

At the mid-term stage of ODA, i.e. during the implementation of ODA, mid-term evaluation is conducted. The main function of mid-term evaluation is to provide information for improvement of ODA through assessment of ODA implementation from the viewpoints of relevance, efficiency and effectiveness. As the effects of ODA emerge a few years after implementation, evaluation at this stage focuses on the situation of implementation rather than the effects of ODA.

During the ODA implementation period, monitoring may be conducted to regularly measure the indicators set at the ODA planning stage. As the basic ODA policies of the MOFA do not have indicators to measure the effectiveness, no monitoring is conducted in policy-level evaluation.
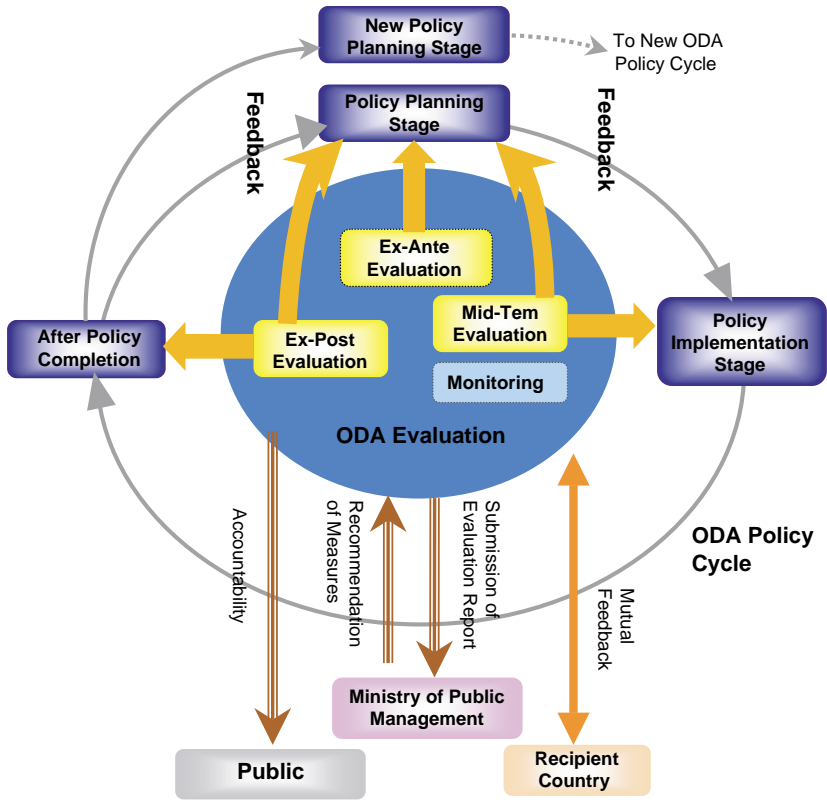
Fig. 2   Function of ODA Evaluation

➢ Ex-Post Stage

At the ex-post stage of ODA, ex-post evaluation is conducted after a certain period following the completion of ODA. The main function of ex-post evaluation is to provide useful information and recommendations for follow up activities and future ODA. It is realized through comprehensive verification of ODA from the viewpoints of the relevance of

its purpose(s), confirmation of the processes involved and effectiveness. As the effects of ODA basically emerge a few years after completion, the MOFA basically conducts ex-post evaluation two or three years after the completion of ODA.[11]

➣ Utilization of Evaluation Results

The evaluation results at each stage are incorporated into the ODA implementation side for the implementation of current ODA and the planning of future ODA policies. As shown in Fig. 2, the results of mid-term and ex-post evaluation, which are conducted in correspondence with the current implementation cycle of ODA, are utilized as planning materials for subsequent ODA policies. For example, a mid-term evaluation on Country Assistance Program, which has five years implementation cycle, is conducted in its third or fourth year and the results are utilized for improvement of the Country Assistance Program currently in progress and also for the planning of the next country program.

Some evaluation results are taken into the overall evaluation report of the MOFA, and submitted to the Ministry of Public Management, Home Affairs, Posts and Telecommunications under the obligation of GPEA. This report forms part of the evaluation report of the overall government and is submitted to the Diet.

The evaluation results should be transmitted to the recipient countries as well as to the ODA implementation side in Japan so that those results are effectively utilized. It is considered to be a natural consequence of ODA as it is joint work between a donor and a recipient country. The MOFA provides the evaluation results through circulating evaluation

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[11] The ex-post evaluation referred to in GPEA is evaluation which is conducted after a decision to implement a policy and is, therefore, different from the ex-post evaluation discussed here.

reports and holding evaluation seminars in recipient countries. The MOFA also makes efforts to expand evaluation conducted by recipient countries based on the concept that mutual feedback between Japan and recipient countries is highly beneficial for the improvement of ODA.

The ODA evaluation results are published to fulfill the government's accountability to the public. Those results containing the analysis of purpose, process and effectiveness of ODA can be useful information for the public to understand ODA. In this context, the MOFA prepares and publishes the report for each evaluation study as well as the annual report compiling individual reports. These reports can be accessed on the Internet at the MOFA Home Page.[12] Furthermore, the MOFA organizes evaluation seminars to release the ODA evaluation results to the public.

Types of Evaluation

a. Policy-level Evaluation

ODA evaluation of the MOFA is classified into three types, i.e. policy-level evaluation, program-level evaluation and project-level evaluation, in accordance with the object of evaluation. In Policy-level evaluation, the object is a set of programs and/or projects aimed at realizing the basic economic cooperation policies of the government. There are two kinds of policy-level evaluation, i.e. policy evaluation and priority issue evaluation.

➤ Country Policy Evaluation

The object of country policy evaluation is Japan's ODA policies towards each recipient country. Namely, ODA

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[12] http://www.mofa.go.jp/mofaj/gaiko/oda/index.html

country policies and Country Assistance Programs are the objects of the evaluation. When it is conducted at the mid-term stage of an ODA country policy, evaluation centers on examining to what extent the ODA policy is implemented, and on taking lessons learned for the current policy implementation and the next policy formulation. When it is conducted at the ex-post stage, the main focus of evaluation is placed on examining the ODA country policy comprehensively and learning lessons for subsequent follow-up and the formulation of future ODA policies.

As for evaluators in policy-level evaluation, there are some types, i.e. third-party evaluation conducted mainly by third-party experts, joint evaluation by members of third- party evaluation and external organizations, such as other donors and NGOs, and evaluation by the MOFA as prescribed in GPEA.

There is no established international or domestic method for policy evaluation and all donors and aid organizations are still at the stage of trial and error. While described in more detail in Chapter 3, the MOFA uses a comprehensive evaluation method by which the object is evaluated from three aspects, i.e. purpose, process and effects (results). To be more precise, it is evaluated what purpose the ODA policy had, through what processes the policy was formulated and implemented and what effects (results) has achieved. The evaluation issues and indicators (contents) are set to clarify the evaluation issues. The recommendations are made based on the evaluation analysis featuring the said issues and indicators.

➢ Priority Issue Evaluation

The priority issue evaluation is conducted on initiatives or

priority issues announced by Japan at summits and other international conferences. One example of the evaluation objects is "Japan's Initiative on WID" announced at the Fourth World Conference on Women in 1995. In case of evaluation at the mid-term stage, the main purpose is to find lessons-learned for better implementation and review the initiatives and issues by examining the implementation state. At the ex-post stage, the main focus of priority issue evaluation is placed on comprehensive examination to learn lessons for subsequent follow-up and the formulation of future assistance policies.

As for evaluator, there are third-party evaluation by third-party experts, joint evaluation by members of thirty-party evaluation team and external organizations, such as other donors and NGOs, and evaluation by the MOFA prescribed in GPEA.

The MOFA uses a comprehensive method by examining the object from three aspects i.e. purpose, process and effects as of country program evaluation.

b. Program-level Evaluation

Program-level evaluation is conducted on a set of projects, etc. which share a common objectives. It is classified into sector program evaluation and type of aid evaluation.

➢ Sector Program evaluation

Sector program evaluation basically evaluates a set of ODA activities in one sector of one country. If there is a sector-wide program in each sector, i.e. medical care, health and infrastructure, the evaluation is conducted on the program. If not, a set of ODA activities in that sector can be the object of the evaluation. When the evaluation is conducted at the mid-

term stage, the main purpose is to verify the state of implementation in order to learn lessons for better implementation and review of ODA activities. When sector program evaluation is conducted at the ex-post stage, the main focus is placed on learning lessons for subsequent follow-up and the formulation of future ODA policies in that sector.

As for evaluator, there are third-party evaluation conducted by third party experts, evaluation by the government or an organization of the recipient country, and joint evaluation by members of third-party evaluation team and external organizations, such as other donors and NGOs.

As in case of policy-level evaluation, there is no established evaluation method internationally and domestically and many donors and aid organizations are at the stage of trial and error. Here again, the MOFA uses a comprehensive evaluation method whereby the object is evaluated from three aspects, i.e. purpose, process and results.

➢ Type of Aid Evaluation

Type of aid evaluation is basically conducted on a single type of ODA by the MOFA. Unlike the policy or sector program, each type of aid does not have a time cycle i.e. ex-ante, mid-term and ex-post. The purpose of this evaluation is, therefore, to find lessons-learned for improvement of the aid type through examining its present state rather than pre or after the implementation.

As in case of sector program evaluation, there are third-party evaluation conducted by third party experts, evaluation by the government or an organization of the recipient country, and joint evaluation by members of third-party evaluation

team and external organizations, such as other donors and NGOs.

The evaluation method is similar to that of sector program evaluation. The comprehensive evaluation is conducted from three aspects, i.e. purpose, process and results.

Table 2   Types of ODA Evaluation Used by the MOFA

Types of Evaluation in the MOFA			
Level	Name	Evaluator	Object ○ and Timing ◎

Policy-level Evaluation	Country Policy Evaluation	• Third Party Evaluation
		  - academic specialists, journalists etc.
		  - evaluation consultants
		• Joint Evaluation
		  - members of the Third Party (mentioned above)
		      +
		  - outside parties concerned (other donors, international organizations, recipient countries, NGOs etc.)
		• Internal Evaluation
		  - MOFA Staff
			• Mid-term Evaluation
			○ ODA Country Policy
			◎ During the implementation of ODA Country Policy
			• Ex-post Evaluation
			○ ODA Country Policy
			◎ a few years after completion of ODA Country Policy

Policy-level Evaluation	Priority Issue Evaluation	• Third Party Evaluation
		  - academic specialists, journalists etc.
		  - evaluation consultants
		• Joint Evaluation
		  - members of the Third Party (mentioned above)
		      +
		  - outside parties concerned (other donors, international organizations, recipient countries, NGOs etc.)
		• Internal Evaluation
		  - MOFA Staff
			• (Mid-term Evaluation)
			○ ODA Policy on Priority Issues & Sectors
			◎ During the implementation of ODA Policy on Priority Issues & Sectors
			• Ex-post Evaluation
			○ ODA Policy on Priority Issues & Sectors
			◎ a few years after completion of ODA Policy on Priority Issues & Sectors

Program level Evaluation	Sector Program Evaluation	• Third Party Evaluation
		  - academic specialists, journalists etc.
		  - evaluation consultants
		• Joint Evaluation
		  - members of the Third Party (mentioned above)
		      +
		  - outside parties concerned (other donors, international organizations, recipient countries, NGOs etc.)
		• Evaluation by Government/Organization in Recipient Country
		  - recipient country's government
		  - recipient country's organization
			• Mid-term Evaluation
			○ Sector Development Program or a set of projects in a specific sector
			◎ During the implementation of Sector Development Program or a set of projects in a specific sector
			• Ex-post Evaluation
			○ Sector Development Program or a set of projects in a specific sector
			◎ a few years after completion of Sector Development Program or a set of projects in a specific sector

Program level Evaluation	Type of Aid Evaluation	• Third Party Evaluation
		  - academic specialists, journalists etc.
		  - evaluation consultants
		• Joint Evaluation
		  - members of the Third Party (mentioned above)
		      +
		  - outside parties concerned (other donors, international organizations, recipient countries, NGOs etc.)
		• Evaluation by Government/Organization in Recipient Country
		  - recipient country's government
		  - recipient country's organization
			•
			○ specific form of Japan's assistance in one or a few countries

Project-level Evaluation	Project Evaluation	• Internal Evaluation - MOFA Staff	• Ex-ante Evaluation ○ Projects prescribed in GPEA ◎ Before decision-making of project implementation

c. Project-level Evaluation

Project-level evaluation is executed on individual projects and is mainly conducted by ODA implementation agencies (the JICA and the JBIC). The MOFA also conducts ex-ante project evaluation from the viewpoint of policy management as its obligation under the GPEA. Namely, the objects of project evaluation are grant aid projects of \1 billion each or more, loan projects of \15 billion each or more and policies incorporating these projects.

This evaluation is conducted by the MOFA as the obligation under GPEA that prescribes administrative organization itself to conduct the evaluation.

Although there is no established evaluation method internationally, the MOFA will conduct the evaluation from FY 2003 after a study on a viable method in FY 2002.

Flow of Evaluation

ODA evaluation by the MOFA basically follows the planning, implementation, feedback and publication processes. Firstly, the mid-term evaluation plan for three years and the annual evaluation plan are prepared together with tentative objects and timings of evaluation in accordance with its purposes. For conducting an individual evaluation study, the evaluator and method of evaluation are determined in accordance with the above plans. The contractors are also selected to entrust the work by proposal based bidding. Then, at the evaluation implementation stage, analysis in Japan and field studies are conducted and the findings are analyzed to compile evaluation report. The evaluation results are then transmitted to ODA policy makers and implementation bodies and are also published on the Home Page, etc.
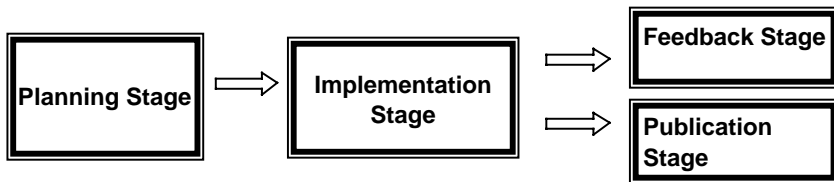
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┌──────────────┐      ┌──────────────┐      ┌──────────────────┐
│              │      │              │  ⇨   │ Feedback Stage   │
│ Planning     │  ⇨   │ Implementation│     └──────────────────┘
│ Stage        │      │ Stage        │      ┌──────────────────┐
│              │      │              │  ⇨   │ Publication      │
└──────────────┘      └──────────────┘      │ Stage            │
                                            └──────────────────┘
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Fig. 3   Flow of ODA Evaluation

2.3 Reform of ODA Evaluation

(1) Issues for Improvement of ODA Evaluation

Evaluation of the MOFA is still at the trial stage and has some rooms for improvement. In order to strengthen ODA evaluation, the MOFA has been making reform plans at each stage of the planning, implementation and feedback in collaboration with other concerned government offices and ODA implementation agencies (the JICA and the JBIC). As for remaining issues, expansion of the

scope, improving accuracy of the method, strengthening of the feedback function and enhancement of the objectivity of evaluation.

Considering the desirable evaluation, two objectives of evaluation should be balanced. If failed, these objectives work to offset each other. For example, when evaluation focuses on accountability alone, more effort is directed to making simple and easily understandable explanation for the Diet and the public, and less commitment to expert studies and analysis. As a report without in-depth expert studies and analysis is easy to understand, it tends to have a larger impact on the public when published. Meanwhile, for ODA implementers, it is too unprofessional, inconclusive and useless to be given back to them. Recommendations found from a crude study have a risk of damaging evaluation's credibility by policy makers and implementers and, making evaluation perceived as a useless extra burden. Conversely, over-emphasis on ODA management leads to expert studies and recommendations that could be useful for ODA implementers but difficult to understand for the public, failing to achieve sufficient accountability of ODA. In short, the balancing these two objectives is a critical issue as "raison d'eter" of ODA evaluation.

In view of the purpose of ODA management, while the scope of evaluation is widening, suitable methods to meet this move have not yet been established. As described in 2.1, it is ideal to ensure the consistency of evaluation on each level of project, program and policy, and at each stage of the ex-ante, mid-term and ex-post. Moreover, every effort should be made to improve evaluation method and evaluation itself at all stages and levels so that the ODA implementation side can actively use the evaluation results.

(2) Efforts Toward ODA Reform

At present, the MOFA has initiated ex-ante evaluation, trying to develop a suitable method. At the same time, it tries to improve the evaluation method when every study is conducted at policy-level and program-level. However, there are some limits. Under the notable RBM principles, clear targets should be set up with indicators at the planning stage, so that those targets can be monitored and evaluated if necessary. However, an evaluation method of performance measurement cannot be applied to Japan's basic ODA policies, as no indicator is set on. It is not a problem of evaluation alone but overall system of ODA management.

Meanwhile, from the viewpoint of accountability, it is desirable that the results of objective evaluation are widely published to the public. In order to enhance the objectivity of evaluation, the MOFA invites wise men to participate in evaluation studies at those planning, implementation or feedback stage. Particularly in regard to the feedback of evaluation results, the MOFA ensures the third party's view in evaluation by establishment of the Wise Men Committee for Evaluation Feedback in 2001 as a consultation body for the Director General of the Economic Cooperation Bureau. Moreover, it is striving to expand the evaluation by people in recipient countries, which helps to realize an objective evaluation.

PROCEDURE OF ODA EVALUATION OF THE MOFA

Cha3pter

This Chapter explains the procedure of ODA evaluation of the MOFA in terms of the policy-level and program-level.

3.1 Outline of Procedure

ODA evaluation of the MOFA basically follows the process of planning, implementation, feedback and publication as described in chapter 2. While the evaluator, object and timing of evaluation slightly vary depending on the type of evaluation. The procedure is basically described as follows.

(1) Planning

Firstly, a mid-term plan for three years and annual plan of evaluations are prepared, and the objects and timings are temporary set by purposes of the type of evaluation. According to the plans, evaluator and evaluation methods are selected in commencing evaluation studies. A contractor (consultant firm and research institute) is selected by the MOFA to entrust evaluation work through proposal-based bidding. Experts of the areas and sectors are requested to join the evaluation.

(2) Implementation

At the implementation stage, a study is conducted to gather and analyze data in Japan and recipient countries. Based on study findings, evaluation and analysis are conducted and its report is compiled.

(3) Feedback and Publication

The evaluation results are fed back to ODA policy makers and implementation bodies both in Japan and recipient countries, and are also published on the MOFA's Home Page and others.
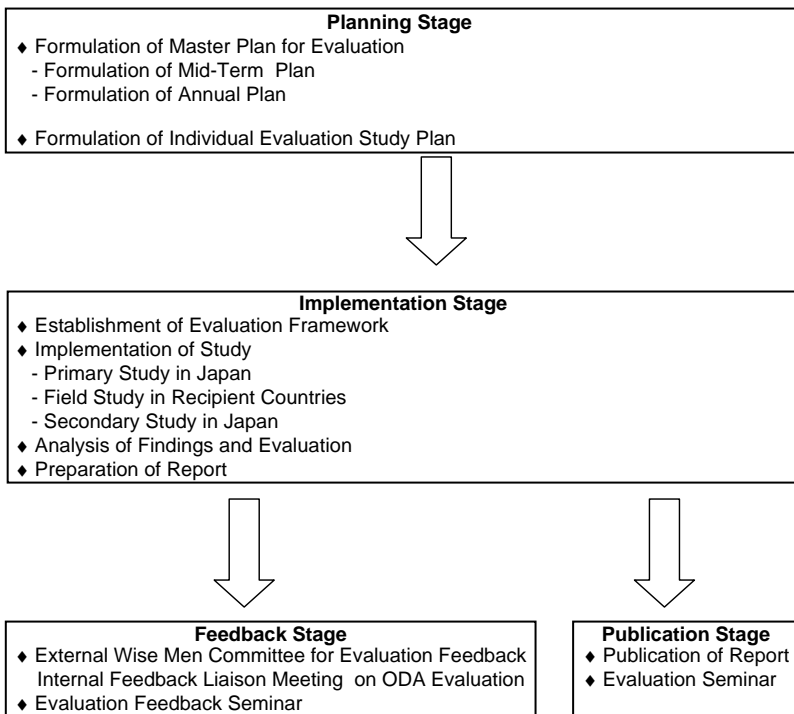

Planning Stage
- ♦ Formulation of Master Plan for Evaluation
  - Formulation of Mid-Term Plan
  - Formulation of Annual Plan

- ♦ Formulation of Individual Evaluation Study Plan

⬇

Implementation Stage
- ♦ Establishment of Evaluation Framework
- ♦ Implementation of Study
  - Primary Study in Japan
  - Field Study in Recipient Countries
  - Secondary Study in Japan
- ♦ Analysis of Findings and Evaluation
- ♦ Preparation of Report

⬇   ⬇

Feedback Stage
- ♦ External Wise Men Committee for Evaluation Feedback
  Internal Feedback Liaison Meeting on ODA Evaluation
- ♦ Evaluation Feedback Seminar

Publication Stage
- ♦ Publication of Report
- ♦ Evaluation Seminar

Fig. 4   Flow of ODA Evaluation

3.2 Policy-Level Evaluation

(1) Evaluation Planning Stage

Formulation of Mid-Term and Annual Evaluation Plan

The evaluation activities of the MOFA begin with the formulation of mid-term plan for three years and annual evaluation plan. The objects and timings are set by each type of evaluation through consultation with the MOFA, embassies and related Agencies. For policy-level evaluation, the objects and timing are determined based on the following criteria.

a. Determination of Objects and Timing of Evaluation

➣ Country Policy Evaluation

The object of country policy evaluation is Japan's assistance policy for a recipient country selected among countries for which a ODA country policy or Country Assistance Program has been formulated. The criteria for the selection of country and the timing depend on the purposes of evaluation as described below. As country evaluation covers the entire ODA of Japan in the target country, all sectors for which Japan provides ODA are the objects of country program evaluation.

> ### Criteria for the Selection of Objects and Timing of Evaluation
>
> * For the purpose of reviewing Country Assistance Programs (CAPs), mid-term evaluation is conducted on a CAP, which is planned to revise next year or the year after next.
>
> * For the purpose of formulating new CAP, ex-post evaluation is conducted on a country assistance policy in a country where new CAP is planned to formulate in the future.

➤ Priority Issue Evaluation

Priority issue evaluation evaluates ODA policy on the priority issues. The initiatives announced at international conferences, including Summits, are the objects of this type of evaluation. The criteria for the selection of initiatives and timing depend on the purposes of evaluation as described below. Although the evaluation could be conducted on any regions or countries where the initiative is implemented with priority, a few countries are usually selected for the evaluation, due to physical constraints.

> ## Criteria for the Selection of Objects and Timing of Evaluation
>
> * For the purpose of reviewing ODA policies on priority issue under implementation, mid-term evaluation is conducted on a policy, which is planned to revise in next years or the year after next.
>
> * For the purpose of formulating new ODA policies on priority issue in the future, ex-post evaluation is conducted on a ODA policy which have been completed.

Formulation of Individual Evaluation Plan

After finalization of the mid-term and the annual plan for evaluation, the MOFA determines the evaluator, evaluation method and timing of field study through consultations with the Japanese embassy, ODA implementation agencies and other related bodies.

a. Selection of Evaluator

There are three types of evaluation, i.e. third-party evaluation conducted by third-party evaluation team, joint evaluation by a third-party evaluation team and an external organization and self-evaluation by the MOFA. The selection of the evaluator is based on the criteria described below.

Criteria for the Selection of Evaluator

* In principle, third-party evaluation is conducted in order to ensure the objectivity of evaluation.

* Joint evaluation is implemented if agreement is reached through discussions between the MOFA and partners, i.e. other donors, international aid organizations, personnel of the recipient country and/or NGO.

* The MOFA conducts evaluation by itself on an object prescribed in the Government Policy Evaluation Act (GPEA).

Selection Procedure

* In case of evaluation by third-party, an evaluator principally consists of experts (academics and journalists, etc.) and consultants specializing in evaluation. The consultants are selected by means of proposal-based bidding. A request for participation is made to a specialist of the country in case of Country Policy Evaluation, and of the related sector in case of Priority Issue Evaluation. The MOFA also participates in the team as an observer to verify that the work is conducted in line with the terms of entrustment.

* In case of joint evaluation, a joint evaluation team is formed with members of a third-party evaluation team, and external organizations.

* In case of evaluation by the MOFA, officials responsible for evaluation play a central role.

b. Fix the Method of Evaluation

At present, there is no firmly established policy-level evaluation method internationally and domestically. While using experimental method, the MOFA has been trying to establish a reliable one. At present, the MOFA adopts a comprehensive evaluation method, in which the object is evaluated from three points namely, purpose, process, and result. More details are described in the section of evaluation studies of this Chapter. To be more precise, it is evaluated (i) the relevance of purpose, theory and thinking of the assistance policy, (ii) the appropriateness of the planning and implementation processes of the policy in question, and (iii) the effectiveness of the results of the implemented assistance.

c. Fix the time of Study

The time of the study is temporally fixed in the annual evaluation plan. The acceptability of recipient countries and convenience for evaluation study team members are also taken into account.

(2) Evaluation Implementation Stage

After fixing the evaluator and object, evaluation proceeds to the actual implementation stage. The way of implementation differs depending on the evaluators, i.e. third-party experts, joint evaluation or self-evaluation by the MOFA. In case of joint evaluation, the implementation method is determined through consultations with external organizations participating in the joint evaluation. In case of self-evaluation by the MOFA under the GPEA, evaluation is conducted in line with the standard form and the report is submitted to the Ministry of Public Management. Here, the method of third-party evaluation is explained below. At the evaluation implementation stage, the framework of evaluation is firstly designed, followed by the study, analysis and the

preparation of a report.

Evaluation Framework

In executing evaluation, it is crucial to design clear framework including objects criteria, indicators, data, and data resources. In actual work, the framework is set up through consultations with evaluation team members and other personnel from related organizations (see Table 3).

a. Determining the Viewpoint of Evaluation

The viewpoint of evaluation is determined to clarify the dimension from which the object to be evaluated. In case of Country Policy Evaluation, a country assistance policy is synthetically evaluated from the aspects of its purposes, processes, and results. In case of Priority Issue Evaluation, a policy on priority issue is done by the same aspects.

b. Determining the Evaluation Criteria

It is determined by what criteria the object to be evaluated. The main evaluation criteria[31] are relevance, efficiency, effectiveness and impacts, but are not limited to these. Appropriate evaluation criteria can be adopted depending on the case.

c. Determining Evaluation Indicators

The indicators are determined to measure to what extent the evaluation criteria are achieved. There are two types of indicators, i.e. qualitative indicators and quantitative indicators. An indicator,

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[31] Refer to Appendix 1 - Terms Related to Evaluation for the meaning of each evaluation criteria. These evaluation criteria were originally taken up in the following DAC reports as issues to be examined in evaluation, having subsequently acquired their present meaning after undergoing gradual changes of their meaning through efforts of donors and aid organizations.
DAC, *Principles for Evaluation of Development Assistance*, 1991
DAC, *Review of the DAC Principles for Evaluation of Development Assistance*, 1998

for example, for "consistency with the needs of the recipient country" is used to measure to what extent the "relevance" is achieved.

d. Identifying Required Information

Necessary information is identified to measure the applied indicators. For example, in measuring to what extent the indicator of "consistency with the needs of the recipient country" is achieved, it is necessary to compare Japan's ODA country policy and recipient country's national development plan. The information of Japan's ODA country policy and recipient country's national development plan is the "required information".

e. Sources of Information

The sources of the required information are identified. For example, Japan's ODA country policy can be obtained from the MOFA, while the national development plan of the recipient country can be obtained from the government of the recipient country.

Evaluation Object: Country Assistance Program for Country A			Period of the object: Year of XXX - XXX		
Viewpoint of Evaluation	**Evaluation Tool**	**Evaluation criteria**	**Evaluation Indicators**	**Required Information Source**	**Source of Information**
I. Purposes	Objectives Framework	Relevance of purpose	1. Consistency with Japan's prior policies ▪ Degree of consistency with the Japan's ODA Charter and Mid-Term Policy 2. Consistency with the needs of the recipient country ▪ Degree of consistency with the development plan of the government of Country A ▪ Degree of consistency with the needs of the government of Country A as understood by other donors	▪ Japan's ODA Charter and Mid-Term Policy ▪ Development plan of the government of Country A ▪ Aid programs of other donors	▪ MOFA ▪ Government of Country A ▪ Local offices of other donors
II. Processes	Flow chart	Appropriateness of implementation processes	1. Appropriateness of the organization(s) and persons involved in the planning process ▪ Degree of involvement of the organization(s) and persons which have participated in the planning process of the country assistance program 2. Frequency of discussions and appropriateness of those contents in the planning process ▪ Was there a process which could reflect the change of needs in Country A? ▪ Did the contents of the program consider the sustainability of Country A? 3. To what extent the country assistance policy is reflected on the implementation process. ▪ Degree of reflection on the assistance program of the implementation agencies.	▪ MOFA documents ▪ Documents of the implementation agencies ▪ Interviews with the persons concerned ▪ Questionnaire for the persons concerned	▪ MOFA ▪ JICA ▪ JBIC ▪ Government of the recipient country ▪ Other donors
		Efficiency of implementation processes	▪ Degree of project implementation 1. Degree of collaboration in the planning and implementation processes ▪ Degree of collaboration with the implementation agencies (harmonization of ODA's administration procedures, etc.) ▪ Degree of collaboration with other donors (harmonization of donor practices, etc.)		
III. Results		Effectiveness Impacts	1. Changes of the major economic and social indicators 2. Estimation of the impacts of external factors	▪ Government of Country A ▪ World Bank and IMF materials ▪ MOFA materials ▪ Materials kept by the implementation agencies	▪ MOFA ▪ JICA ▪ JBIC ▪ Government of Country A ▪ Other donors

Implementation of Study

A study is conducted for the purposes of understanding the evaluation object as accurately as possible, and of obtaining the information required for evaluation analysis.

a. Understanding of the Object of Evaluation

Unless the object of evaluation is accurately understood, exact evaluation results cannot be produced no matter how detailed an evaluation analysis is. Understanding of the object as accurately as possible is an important task related to the quality of evaluation. Policy-level evaluation approaches the policy from three aspects, i.e. purposes, processes and results. An Objectives Framework is prepared to understand the purposes of the subject policy, a process flow chart is for the processes of policy implementation and a chart showing the progress of indicator is for the results of policy implementation (refer to Fig.5 and Fig.6 for examples of Objectives Framework and the flow chart).

➢ Objectives Framework

The objectives framework is a figure to show the relationship between objectives in the policy. The objectives are connected each other in terms of purpose and means.
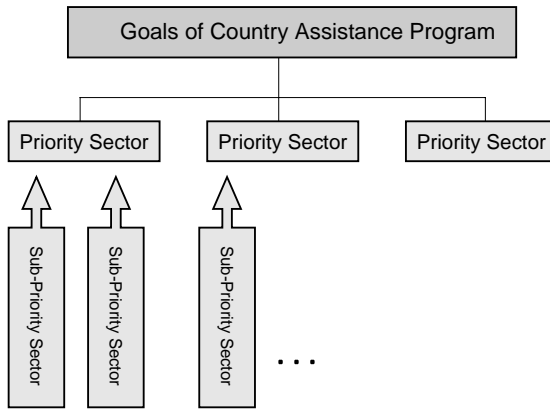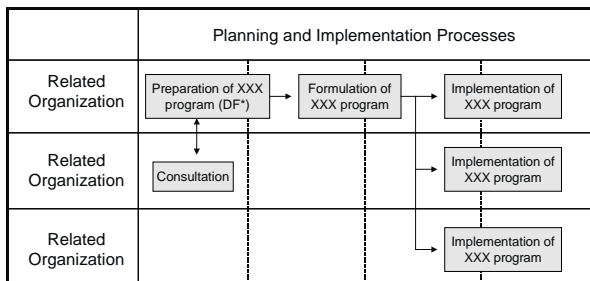

Fig. 5 Objectives Framework

➢ Process Flow Chart

The process flow chart is a time series chart of the planning and implementation processes of the policy in order to understand the organizations and their activities

*DF: Draft final

Fig. 6 Flow Chart

➣ Chart of Indicator

The chart of an indicator shows the progress to what extent the purpose of the policy is achieved. When no indicator is set for the policy in advance, socio-economic indicators may be put as substitutes in evaluation.

b. Gathering and Analyzing of Information Required for Understanding and Evaluating the Object

A study is conducted in Japan and the recipient country in order to obtain and analyze information, which is required to understand and evaluate the object. Due to the budgetary and time constraints, it is important to obtain as much information as possible in Japan and to identify the types of information which are only available in the field prior to the field survey. For example, interviews with government officials and obtaining statistics of the recipient country are difficult to conduct without field survey.

There are many methods, i.e. literature review, case study and a baseline survey, to obtain and analyze information.[32] It is possible to combine a number of methods in correspondence with the evaluation criteria and indicators set in the evaluation framework. For example, in order to verify the results of ODA in terms of the evaluation criteria of "effectiveness", a literature review is firstly conducted to obtain the required information, which is then analyzed by means of cost-effectiveness analysis.

By character, information can be classified into quantitative information and qualitative information, and there are basically four patterns of conducting information gathering and analysis as listed below.

■ Qualitative analysis of qualitative data

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[32] Refer to Appendix 3 for the information gathering and analysis methods.

■ Quantitative analysis of quantitative data
■ Qualitative analysis of quantitative data
■ Quantitative analysis of qualitative data

Evaluation

At the evaluation stage, the degree of each evaluation criteria (whether there is much relevance or less) is assessed in accordance with the evaluation framework using information obtained and analyzed by the work in Japan and recipient country. When the assessment finds whether an evaluation criterion is positive or negative, the main cause should be identified and compiled as recommendations which to be facilitated or to be improved. A recommendation is only meaningful when follow-up activity is conducted. Therefore, they should be realistic as well as persuasive. A discussion is necessary to avoid any misunderstandings among related personnel and organizations, and to improve the quality of contents and results in the evaluation.

For example, assuming the case that the evaluation criterion of "relevance" is to be evaluated using the indicator of "consistency with the needs of the recipient country" in examining the purpose of an ODA country policy. The required information is Japan's assistance policy and the development needs of the recipient country included in the objectives framework of Japan's assistance policy and the development plan of the recipient country. Then, these contents are compared with each other. If there is much relevancy between them, it leads to the conclusion that the degree of relevance is high. Here, the factors for high relevance are analyzed. For example, if regular consultations with the recipient country are judged to be the factor for success, the further effort for such consultations is recommended.

Preparation of Reports

The series of work under an evaluation is compiled into a report. In addition to the main report, a summary version for the MOFA's web site is prepared to allow swift publication, and a foreign language version of the summary report are done for feedback to the recipient country.

Report Preparation Procedure

* Preparation of a draft report by the study team

* Comments on the draft report by the related organizations, i.e. the MOFA, Japanese embassies, the JICA and the JBIC, etc.: The organizations concerned are requested to comment on the draft report in order to clarify any misunderstanding about facts and other details of the draft report. The MOFA firstly invites the organizations to the meeting to discuss the contents of the draft report. Moreover, the organizations concerned are requested to make their comments in writing.

* Completion of the report: The report is completed after necessary adjustments made by the study team members and those who have made their comments to complete the report.

* Notes: As the study team members conduct the evaluation study, they have the primary responsibility for the contents of the report. The copyright of the report is remained to the MOFA, though.

The report basically consists of the summary and the main report, and must contain the methodology of the evaluation, the outline of the object, the results of the analysis and the recommendations. To be noted, as the report tends to have a large volume when reference materials are included, it is important to prepare a summary to make the report easy to read from the viewpoint of accountability.

Composition of Report (Draft)

I. Summary
II. Main Report
    1. Methodology of the Evaluation Study
       (Purposes, Object and Method, etc.)
    2. Outline of the Evaluation Object
       (Country, Sector)
    3. Evaluation Results
    4. Recommendations
Appendices

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(3) Feedback Stage

The evaluation results are transmitted to the ODA implementation bodies of Japan and the recipient country in order to make ODA more effective and efficient. Feedback to ODA policy-makers and implementation bodies of Japan is made through the External Wise Men Committee for Evaluation Feedback (hereinafter referred to as the "External FB Committee") and the Internal Feedback Liaison Meeting on ODA Evaluation (hereinafter referred to as the "Internal FB Meeting"). Feedback to the recipient country is made through the distribution of the report and the evaluation feedback seminar.

Feedback in Japan

Feedback to ODA policy makers and ODA implementation bodies of Japan is made by the External FB Committee and the Internal FB Meeting as described above. The External FB Committee is an advisory body for the Director General of the Economic Cooperation Bureau, and consists of wise men, including academics, with in-depth knowledge of economic cooperation. The Internal FB Meeting is chaired by the Director General of the Economic Cooperation Bureau and its members are the directors of the Economic Cooperation Bureau and those representing the JICA and the JBIC.

Firstly, various recommendations produced from the evaluation results are submitted to the External FB Committee together with the MOFA's draft responses. The members of this Committee check these qualities, and express their opinions. The recommendations and draft responses examined by the External FB Committee are then forwarded to the Internal FB Meeting where the final responses to the recommendations are decided. ODA implementation bodies are then requested to follow up the decisions.

Feedback to Recipient Country

As ODA is a joint exercise by the donor and the recipient side, feedback of the evaluation results is essential to direct to the recipient country. The MOFA conducts feedback to recipient countries by means of evaluation feedback seminars and submitting reports to them.

The evaluation feedback seminar is held in the recipient country after the completion of the report. The evaluation study team explains the contents of the evaluation analysis and the

recommendations to ODA personnel in the recipient country. On receiving the feedback, the recipient country takes measures for the recommendations to be realized.

(4) Publication Stage

Individual evaluation results are not only transmitted to the ODA implementation side but are also published for the public. The MOFA publishes individual reports and the annual report, which include all the individual reports published in each fiscal year. The MOFA also organizes seminars to widely publicize ODA evaluation results.

Publication of Reports

There are two types of evaluation reports, i.e. reports for individual evaluation studies and the annual report, which includes individual reports. The entire texts of these reports are published on the MOFA's Home Page.[33] Moreover, summary versions of individual study reports are also prepared for the swift publication of evaluation results on the Home Page. The annual report is sent to public libraries, etc. throughout Japan.

Evaluation Seminars

In addition to the reports, the evaluation results are widely publicized at evaluation seminars. The MOFA organizes joint evaluation seminars in collaboration with the JICA, the JBIC and the Japan Evaluation Society.

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[33] http://www.mofa.go.jp/mofaj/gaiko/ODA/index.html

3.3 Program-Level Evaluation

(1) Evaluation Planning Stage

Formulation of Mid-Term and Annual Evaluation Plan

As the case of policy-level evaluation, the evaluation objects and timings are determined in the mid-term evaluation plan for three years and annual evaluation plan. The objects and timing for Sector Program Evaluation are different from those of Type of Aid Evaluation.

a. Determination of Object and Timing of Evaluation

➣ Sector Program Evaluation

The object of sector program evaluation is basically a set of ODA activities in one sector of one country. The criteria for the selection of the objects and timings depend on the purpose of evaluation as described below.

Criteria for the Selection of Objects and Timing of Evaluation

* For the purpose of reviewing ODA activities in a specified sector, mid-term evaluation is conducted on it.

* For the purpose of formulating new aid policies and plans in a specified sector, ex-post evaluation is conducted on it.

➣ Type of Aid Evaluation

The object of the evaluation is a type of Japan's ODA.

It is selected as an evaluation object when it meets the criteria described below.

The countries for the type of aid evaluation are selected from those where the type of ODA is mainly conducted. Due to the time and budgetary constraints, one or a few countries are usually selected for the evaluation.

No specific criterion for the timings is set out for this evaluation as the evaluation object is a system which is difficult to perceive in terms of time cycle of the ex-ante, mid-term and ex-post.

Criteria for the Selection of Object

* The object should be a type of ODA, which are unlikely to be covered by policy-level evaluation or sector program evaluation (e.g. emergency assistance)

* The object should be a type of ODA, which is unsuitable for project-level evaluation because of the small-scale of individual activities for the cost of evaluation (e.g. grassroots grant aid)

Formulation of Individual Evaluation Plan

After finalization of the mid-term and the annual plan for evaluation, the MOFA determines the evaluator, evaluation method and timing of field study through consultations with the Japanese embassy, ODA implementation agencies and other related bodies.

a. Selection of Evaluator

There are three types of evaluation, i.e. third-party evaluation conducted by third-party evaluation team, joint evaluation by a third-party evaluation team and an external organization and evaluation by personnel of the government or an organization of the recipient country.[34] The selection of the evaluator is based on the criteria described below.

Criteria for the Selection of Evaluator

* In principle, the third-party evaluation is conducted in order to ensure the objectivity of evaluation.

* Joint evaluation is implemented if agreement is reached through discussions between the MOFA and partners, i.e. other donors, international aid organizations, personnel of the recipient country and/or NGO.

* When the agreement is reached after the discussions with the recipient countries, personnel of the recipient country will conduct the "evaluation by the government /organization of the recipient country".

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[34] Unlike policy-level evaluation, program-level evaluation is not covered by GPEA at present. Accordingly, there is no evaluation by MOFA.

Selection Procedure

* In case of evaluation by third-party, an evaluator principally consists of experts (academics and journalists, etc.) and consultants specializing in evaluation. Firstly, consultants specializing in evaluation. The consultants are selected by means of proposal-based bidding. A request for participation is made to a specialist of the sector in the case of Sector Program Evaluation, and of the related scheme in the Type of Aid Evaluation. The MOFA also participates in the team as an observer to verify that the work is conducted in line with the terms of entrustment.

* In case of joint evaluation, a joint evaluation team is formed with members of a third-party evaluation team and external organizations.

* In case of "evaluation by personnel of the government or an organization of the recipient country", the embassy of Japan entrusts the evaluation work to the personnel of the government /organization in recipient country. In this case, a request for participation is made to specialists of the sector in case of Sector Program Evaluation, and of the ODA type for the type of aid evaluation.

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b. Fix the Method of Evaluation

At present, as the case of policy-level evaluation, there is no firmly established method for program-level evaluation internationally and domestically. While using experimental method, the MOFA has been trying to establish a reliable method. At present, the MOFA adopts a comprehensive evaluation method, in which the

object is evaluated from three points namely, purpose, process, and result.

c. Fix the time of Study

The time of the study is temporally fixed in the annual evaluation plan. The acceptability of recipient countries and convenience for evaluation study team members are also taken into account.

(2) Evaluation Implementation Stage

After fixing the evaluator and object, evaluation proceeds to the actual implementation stage. The way of implementation differs depending on the evaluators, i.e. third-party experts, joint evaluation or evaluation by government/organization of the recipient country. In case of joint evaluation, the implementation method is determined through consultations with external organizations participating in the joint evaluation. In case of evaluation by government/organization of the recipient country, it is done through consultations with the personnel of the recipient country. Here, the method of third-party evaluation is explained below. At the evaluation implementation stage, the framework of evaluation is firstly designed, followed by the study, analysis and the preparation of a report.

Evaluation Framework

In executing evaluation, it is crucial to design clear framework including objects criteria, indicators, data, and data resources. In actual work, the framework is designed through consultations with evaluation team members and other personnel from related organizations (see Tables 4 and 5).

a. Determining the Viewpoint of Evaluation

The viewpoint of evaluation is determined to clarify the dimension from which the object to be evaluated. In case of Sector Program Evaluation, a sector assistance program is synthetically evaluated from the aspects of its purpose processes and results. In type of aid evaluation's case, a type of evaluation is done from the same aspects.

b. Determining the Evaluation Criteria

It is determined by what criteria the object to be evaluated. The main evaluation criteria[35] are relevance, efficiency, effectiveness and impacts, but are not limited to these. Appropriate evaluation criteria can be adopted depending on the case.

c. Determining Evaluation Indicators

The indicators are determined to measure to what extent the evaluation criterion is achieved. There are two types of indicators, i.e. qualitative indicators and quantitative indicators. An indicator, for example, for "consistency with the needs of the recipient country" is set to measure to what extent the "relevance" is achieved.

d. Identification of Required Information

Necessary information is identified to measure the applied indicators. For example, in measuring to what extent the indicator of "consistency with the needs of the recipient country" is achieved, it is necessary to compare Japan's sector assistance

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[35] Refer to Appendix 1 - Terms Related to Evaluation for the meaning of each evaluation criteria. These evaluation criteria were originally taken up in the following DAC reports as s to be examined in evaluation, having subsequently acquired their present meaning after undergoing gradual changes of their meaning through aid efforts of donors and aid organizations.
DAC, *Principles for Evaluation of Development Assistance*, 1991
DAC, *Review of the DAC Principles for Evaluation of Development Assistance*, 1998

programs and recipient country's sector development plan. The information of Japan's ODA sector assistance programs and recipient country's sector development plan is the "required information".

e. Sources of Information

The sources of the required information are identified. For example, Japan's sector assistance programs can be obtained from the MOFA, while the sector development plan of the recipient country can be obtained from the government of the recipient country.

Evaluation Object: Activities in Sector B in Country A			Period of the Object: Year of XXX – YYY		
Viewpoint of Evaluation	Evaluation Tool	Evaluation criteria	Evaluation Indicators	Required Information Source	Source of Information
I. Purposes	Objectives Framework	Relevance of purpose	1. Consistency with Japan's prior policies ▪ Degree of consistency between the purpose of Japan's assistances in the sector B in Country A and Japan's assistance policy for Country A 2. Consistency with the needs of Country A ▪ Degree of consistency between Japan's assistance activities in the sector B in Country A and the development needs in the sector B as indicated by the development plan of the government of the Country A ▪ Degree of consistency between Japan's assistance activities in the sector B in Country A and the development needs of the government of Country A in the sector B as understood by other donors	▪ Japan's ODA country program or policy for Country A ▪ Development plan of the government of Country A ▪ Aid programs of other donors	▪ MOFA ▪ Country A ▪ Local offices of other donors
II. Processes	Flow chart	Appropriateness of planning and implementation processes	1. Appropriateness of the organization(s) and persons involved in the planning process ▪ Degree of involvement of the organization(s) and persons which have participated in the planning process of the country assistance program 2. Frequency of discussions and appropriateness of those contents in the planning process ▪ Was there a process which could reflect the change of needs in Country A? ▪ Did the contents of the program consider the sustainability of Country A? 3. To what extent the sector assistance program is reflected on the implementation process. ▪ Degree of reflection on the assistance program of the implementation agencies. ▪ Degree of project implementation	▪ MOFA documents ▪ Documents of the implementation agencies ▪ Interviews with the persons concerned ▪ Questionnaire for the persons concerned	▪ MOFA ▪ JICA ▪ JBIC ▪ Government of Country A ▪ Other donors
		Efficiency of planning and implementation processes	1. Degree of collaboration in the planning and implementation processes ▪ Degree of collaboration with the implementation agencies (harmonization of ODA's administration procedures, etc.) Degree of collaboration with other donors (harmonization of donor practices, etc.)		
III. Results		Effectiveness	1. Changes of the major economic and social indicators 2. Estimation of the impacts of external factors	▪ Government of Country A ▪ World Bank and IMF materials ▪ Japan's country assistance program or policy for Country A ▪ Development plan of Country A	▪ MOFA ▪ JICA ▪ JBIC ▪ Government of Country A ▪ Other donors
		Impacts	1. Impacts on Japan's higher policies 2. Impacts on higher policies of Country A		

Evaluation Object: Japan's Scheme B for Country A			Period of the Object: Year of XXX – YYY		
Viewpoint of Evaluation	**Evaluation Tool**	**Evaluation criteria**	**Evaluation Indicators**	**Required Information Source**	**Source of Information**
I. Purposes	Objectives Framework	Relevance of purpose	1.Consistency with Japan's higher policies ■ Consistency between the purpose of the type B of ODA and Japan's basic policies and principles for economic cooperation 2. Consistency with the needs of Country A	■ Japan's ODA Charter, ODA Country Policy, Country Assistance Program and related laws, etc. ■ Development plan of thegovernment of Country A	■ MOFA ■ JICA ■ JBIC ■ Government of Country A
II. Processes	Flow chart	Appropriateness of implementation processes Efficiency of implementation processes	1. Consistency between the purpose and implementation practice of the type B of ODA 2. Implementation of a project(s) in line with the purpose of the type B of ODA 3. Conformity of the implementation practice of the type B of ODA with the relevant regulations 1. Degree of collaboration with ODA implementation agencies in the implementation processes (possibility of harmonization of ODA's administration procedures, etc.) 2. Degree of collaboration with other donors in the implementation processes (possibility of harmonization of ODA's administration procedures , etc.)	■ Materials held by the MOFA and ODA implementation agencies ■ Interviews with the persons concerned ■ Questionnaire for the persons concerned	■ MOFA ■ JICA ■ JBIC ■ Government of Country A ■ Local offices of other donors
III. Results		Effectiveness Impacts	1. Changes of the major economic and social indicators 2. Estimation of the impacts of external factors 1. Impacts on Japan's higher policies 2. Impacts on higher policies of Country A	■ Materials held by the government of Country A ■ World Bank and IMF materials ■ Japan's ODA Charter, ODA Country Policy, Country Assistance Program, and related laws, etc. ■ Development plan of the government of Country A	■ Government of Country A ■ MOFA ■ Home Page

Implementation of Study

The evaluation study is conducted for the purposes of understanding the evaluation object as accurately as possible, and of obtaining the information required for evaluation analysis.

a. Understanding of Evaluation Object

Unless the evaluation object is accurately understood, exact evaluation results cannot be produced no matter how detailed an evaluation analysis is. Understanding of the evaluation object as accurately as possible is an important task related to the quality of evaluation. As in the case of policy-level evaluation, program-level evaluation approaches the program or type of ODA for evaluation from three aspects, i.e. purposes, processes and results. As part of the evaluation, the Objectives Framework is prepared to understand the purposes of the sector program or the ODA type, a process flow chart is prepared to understand their processes, and the chart of indicator is prepared to see the results of their implementation (refer to Figs. 7 through 9).

➢ Objectives Framework

The objectives framework is a figure to show the relationship between objectives in the sector program or the ODA type. The objectives are connected each other in terms of purpose and means.
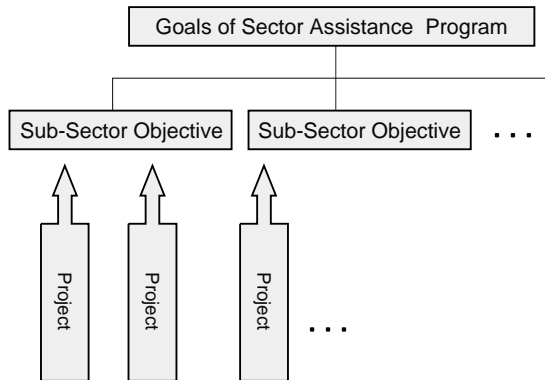

Fig. 7 Objectives Framework for Sector Program Evaluation
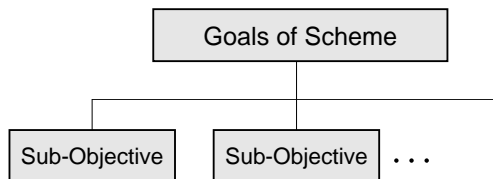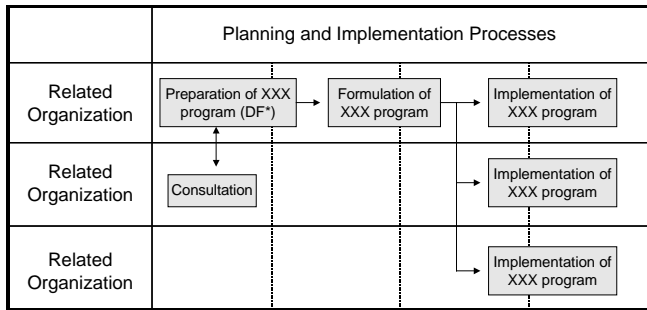

Fig. 8 Objectives Framework for Scheme Evaluation

➣ Process Flow Chart

The process flow chart is a time series chart of the planning and implementation processes of the program or the ODA type in order to understand the organizations and their activities.

*DF: Draft final

Fig. 9 Flow Chart

➣ Chart of Indicators

The chart of an indicator shows the progress to what extent the purpose of the program and the ODA type is achieved. When no indicator is set for the program or type of aid in advance, socio-economic indicators may be put as substitutes in evaluation.

b. Gathering and Analyzing of Information Required for Understanding and Evaluating the object

A study is conducted in Japan and recipient country to obtain and analyze information, which is required to understand and evaluate the object. Due to the budgetary and time constraints, it is important to obtain as much information as possible in Japan and to identify the types of information which are only available in the field prior to the field survey. For example, interviews with government officials and obtaining statistics of the recipient country are difficult to conduct without field survey.

There are many methods, i.e. literature review, case study and baseline survey, to obtain and analyze information.[36] It is possible to combine a number of methods in correspondence with the evaluation criteria and indicators set in the evaluation framework. For example, in order to verify the results of ODA in terms of the evaluation criteria of "effectiveness", literature review is firstly conducted to obtain the required information, which is then analyzed by means of cost-effectiveness analysis.

By character, information can be classified into quantitative information and qualitative information, and there are basically four patterns of conducting information gathering and analysis as listed below.

■ Qualitative analysis of qualitative data
■ Quantitative analysis of quantitative data
■ Qualitative analysis of quantitative data
■ Quantitative analysis of qualitative data

Evaluation

At the evaluation stage, the degree of each evaluation criteria (whether there is much relevance or less) is assessed in accordance with the evaluation framework using information obtained and analyzed by the work in Japan and recipient country. When the assessment finds whether an evaluation criteria is positive or negative, the main cause should be identified and compiled as recommendations which to be facilitated or to be improved. As a recommendation is only meaningful when follow-up activity is conducted, they should be realistic as well as persuasive. A discussion is necessary to avoid any misunderstandings among related personnel and organizations, and to improve the quality of contents and results in the evaluation.

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[36]   Refer to Appendix 3 for the information gathering and analysis methods.

Preparation of Reports

The series of work under an evaluation is compiled into a report. In addition to the main report, a summary version for the MOFA's web site is prepared to allow swift publication, and a foreign language version of the summary report are done for feedback to the recipient country.

Report Preparation Procedure

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Composition of Report (Draft)

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II. Main Report
   1. Methodology of the Evaluation Study
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      (Country, Sector)
   3. Evaluation Results
   4. Recommendations
Appendices

(3) Feedback Stage

The evaluation results are transmitted to the ODA implementation bodies of Japan and of the recipient country in order to make ODA more effective and efficient. Feedback to ODA policy-makers and implementation bodies of Japan is made through the External Wise Men Committee for Evaluation Feedback (hereinafter referred to as the "External FB Committee") and the Internal Feedback Liaison Meeting on ODA Evaluation (hereinafter referred to as the "Internal FB Meeting"). Feedback to the recipient country is made through the distribution of the report and the evaluation feedback seminar.

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Feedback to Recipient Country

As ODA is a joint exercise by the donor and the recipient side, feeding back of the evaluation results is essential to direct to the recipient country. The MOFA conducts feedback to recipient countries by means of evaluation feedback seminars and submitting reports to them.

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feedback, the recipient country takes measures for the recommendations to be realized.

(4) Publication Stage

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37   http://www.mofa.go.jp/mofaj/gaiko/ODA/index.html

APPENDIX 1:

TERMS RELATED TO EVALUATION

Accountability

Obligation to demonstrate that work has been conducted in compliance with agreed rules and standards or to report fairly and accurately on performance results vis a vis mandated roles and /or plans. This may require a careful, even legally defensible, demonstration that the work is consistent with the contract terms.

Note: Accountability in development may refer to the obligations of partners to act according to clearly defined responsibilities, roles and performance expectations, often with respect to the prudent use of resources. For evaluators, it connotes the responsibility to provide accurate, fair and credible monitoring reports and performance assessments. For public sector managers and policy-makers, accountability is to taxpayers/citizens.

Activity

Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.
Related term: development intervention.

Analytical tools

Methods used to process and interpret information during an evaluation.

Appraisal

An overall assessment of the relevance, feasibility and potential sustainability of a development intervention prior to a decision of funding.

Note: In development agencies, banks, etc., the purpose of appraisal is to enable decision-makers to decide whether the activity represents an appropriate use of corporate resources.
Related term: ex-ante evaluation

Assumptions

Hypotheses about factors or risks which could affect the progress or success of a development intervention.

Note: Assumptions can also be understood as hypothesized conditions that bear on the validity of the evaluation itself, e.g., about the characteristics of the population when designing a sampling procedure for a survey. Assumptions are made explicit in theory based evaluations where evaluation tracks systematically the anticipated results chain.

Attribution

The ascription of a casual link between observed (or expected to be observed) changes and a specific intervention.

Note: Attribution refers to that which is to be credited for the observed changes or results achieved. It represents the extent to which observed development effects can be attributed to a specific intervention or to the performance of one or more partner taking account of other interventions, (anticipated or unanticipated) confounding factors, or external shocks.

Audit

An independent, objective assurance activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, control and governance processes.

Note: a distinction is made between regularity (financial) auditing, which focuses on compliance with applicable statutes and regulations; and performance auditing, which is concerned with relevance, economy, efficiency and effectiveness. Internal auditing provides an

assessment of internal controls undertaken by a unit reporting to management while external auditing is conducted by an independent organization.

Base-line study
An analysis describing the situation prior to a development intervention, against which progress can be assessed or comparisons made.

Benchmark
Reference point or standard against which performance or achievements can be assessed.
Note: A benchmark refers to the performance that has been achieved in the recent past by other comparable organizations, or what can be reasonably inferred to have been achieved in the circumstances.

Beneficiaries
The individuals, groups, or organizations, whether targeted or not, that benefit, directly or indirectly, from the development intervention.
Related terms: reach, target group.

Cluster evaluation
An evaluation of a set of related activities, projects and/or programs.

Conclusions
Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.

Counterfactual
The situation or condition which hypothetically may prevail for individuals, organizations, or groups were there no development intervention.

Country Program Evaluation/Country Assistance Evaluation
Evaluation of one or more donor's or agency's portfolio of development interventions, and the assistance strategy behind them, in a partner country.

Data Collection Tools
Methodologies used to identify information sources and collect information during an evaluation.
Note: Examples are informal and formal surveys, direct and participatory observation, community interviews, focus groups, expert opinion, case studies, literature search.

Development Intervention
An instrument for partner (donor and non-donor) support aimed to promote development.
Note: Examples are policy advice, projects, programs.

Development objective
Intended impact contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community, or group of people via one or more development interventions.

Economy
Absence of waste for a given output.
Note: An activity is economical when the costs of the scarce resources used approximate the minimum needed to achieve planned objectives.

Effect
Intended or unintended change due directly or indirectly to an intervention.

Related terms: results, outcome.

Effectiveness

The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

Note: Also used as an aggregate measure of (or judgment about) the merit or worth of an activity, i.e., the extent to which an intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable fashion and with a positive institutional development impact.

Related term: efficacy.

Efficiency

A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.

Evaluability

Extent to which an activity or a program can be evaluated in a reliable and credible fashion.

Note: Evaluability assessment calls for the early review of a proposed activity in order to ascertain whether its objectives are adequately defined and its results verifiable.

Evaluation

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

Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention.

Note: Evaluation in some instances involves the definition of appropriate standards, the examination of performance against those standards, an assessment of actual and expected results and the identification of relevant lessons.

Related term: review.

Ex-ante evaluation

An evaluation that is performed before implementation of a development intervention.

Related terms: appraisal, quality at entry.

Ex-post evaluation

Evaluation of a development intervention after it has been completed.

Note: It may be undertaken directly after or long after completion. The intention is to identify the factors of success or failure, to assess the sustainability of results and impacts, and to draw conclusions that may inform other interventions.

External evaluation

The evaluation of a development intervention conducted by entities and/or individuals outside the donor and implementing organizations.

Feedback

The transmission of findings generated through the evaluation process to parties for whom it is relevant and useful so as to facilitate learning. This may involve the collection and dissemination of findings, conclusions, recommendations and lessons from experience.

Finding

A finding uses evidence from one or more

evaluations to allow for a factual statement.

Formative evaluation
Evaluation intended to improve performance, most often conducted during the implementation phase of projects or programs.
Note: Formative evaluations may also be conducted for other reasons such as compliance, legal requirements or as part of a larger evaluation initiative.
Related term: process evaluation.

Goal
The higher-order objective to which a development intervention is intended to contribute.
Related term: development objectives.

Impacts
Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Independent evaluation
An evaluation carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention.
Note: The credibility of an evaluation depends in part on how independently it has been carried out. Independence implies freedom from political influence and organizational pressure. It is characterized by full access to information and by full autonomy in carrying out investigations and reporting findings.

Indicator
Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

Inputs
The financial, human, and material resources used for the development intervention.

Institutional Development Impact
The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangement. Such impacts can include intended and unintended effects of an action.

Internal evaluation
Evaluation of a development intervention conducted by a unit and/or individuals reporting to the management of the donor, partner, or implementing organization.
Related term: self-evaluation.

Joint evaluation
An evaluation to which different donor agencies and/or partners participate.
Note: There are various degrees of "jointness" depending on the extent to which individual partners cooperate in the evaluation process, merge their evaluation resources and combine their evaluation reporting. Joint evaluations can help overcome attribution problems in assessing the effectiveness of programs and strategies, the complementarity of efforts supported by different partners, the quality of aid coordination, etc.

Lessons learned

Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.

Logical framework (Logframe)

Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention.
Related term: results based management

Meta-evaluation

The term is used for evaluations designed to aggregate findings from series of evaluations. It can also be used to denote the evaluation of an evaluation to judge its quality and/or assess the performance of the evaluators.

Mid-term evaluation

Evaluation performed towards the middle of the period of implementation of the intervention.
Related term: formative evaluation.

Monitoring

A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.
Related term: performance monitoring,

indicator.

Outcome

The likely or achieved short-term and medium-term effects of an intervention's outputs.
Related term: result, outputs, impacts, effect.

Outputs

The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

Participatory evaluation

Evaluation method in which representatives of agencies and stakeholders (including beneficiaries) work together in designing, carrying out and interpreting an evaluation.

Partners

The individuals and/or organizations that collaborate to achieve mutually agreed upon objectives.
Note: The concept of partnership connotes shared goals, common responsibility for outcomes, distinct accountabilities and reciprocal obligations. Partners may include governments, civil society, non-governmental organizations, universities, professional and business associations, multi-lateral organizations, private companies, etc.

Performance

The degree to which a development intervention or a development partner operates according to specific criteria/standards/guidelines or achieves result in accordance with stated goals or plans.

Performance indicator
A variable that allows the verification of changes in the development intervention or shows results relative to what was planned.
Related terms: performance monitoring, performance measurement.

Performance measurement
A system for assessing performance of development interventions against stated goals.
Related terms: performance monitoring, indicator.

Performance monitoring
A continuous process of collecting and analyzing data to compare how well a project, program, or policy is being implemented against expected results.

Process evaluation
An evaluation of the internal dynamics of implementing organizations, their policy instruments, their service delivery mechanisms, their management practices, and the linkages among these.
Related term: formative evaluation.

Program evaluation
Evaluation of a set of interventions, marshaled to attain specific global, regional, country, or sector development objectives.
Note: a development program is a time bound intervention involving multiple activities that may cut across sectors, themes and/or geographic areas.
Related term: Country program/strategy evaluation.

Project evaluation
Evaluation of an individual development intervention designed to achieve specific objectives within specified resources and implementation schedules, often within the framework of a broader program.

Note: Cost benefit analysis is a major instrument of project evaluation for projects with measurable benefits. When benefits cannot be quantified, cost effectiveness is a suitable approach.

Project or program objective
The intended physical, financial, institutional, social, environmental, or other development results to which a project or program is expected to contribute.

Purpose
The publicly stated objectives of the development program or project.

Quality Assurance
Quality assurance encompasses any activity that is concerned with assessing and improving the merit or the worth of a development intervention or its compliance with given standards.
Note: examples of quality assurance activities include appraisal, RBM, reviews during implementation, evaluations, etc. Quality assurance may also refer to the assessment of the quality of a portfolio and its development effectiveness.

Reach
The beneficiaries and other stakeholders of a development intervention.
Related term: beneficiaries.

Recommendations
Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.

Relevance
The extent to which the objectives of a development intervention are consistent

with beneficiaries' requirements, country needs, global priorities and partner's and donors' policies.

Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.

Reliability

Consistency or dependability of data and evaluation judgements, with reference to the quality of the instruments, procedures and analyses used to collect and interpret evaluation data.

Note: evaluation information is reliable when repeated observations using similar instruments under similar conditions produce similar results.

Results

The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention.

Related terms: outcome, effect, impacts.

Results-Based Management (RBM)

A management strategy focusing on performance and achievement of outputs, outcomes and impacts.

Related term: logical framework.

Results Chain

The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives-beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback. In some agencies, reach is part of the results chain.

Related terms: assumptions, results framework.

Results framework

The program logic that explains how the development objective is to be achieved, including casual relationships and underlying assumptions.

Related terms: results chain, logical framework.

Review

An assessment of the performance of an intervention, periodically or on an ad hoc basis.

Note: Frequently "evaluation" is used for a more comprehensive and/or more indepth assessment than "review". Reviews tend to emphasize operational aspects. Sometimes the terms "review" and "evaluation" are used as synonyms.

Related term: evaluation.

Risk analysis

An analysis or an assessment of factors (called assumptions in the logframe) affect or are likely to affect the successful achievement of an intervention's objectives. A detailed examination of the potential unwanted and negative consequences to human life, health, property, or the environment posed by development interventions; a systematic process to provide information regarding such undesirable consequences; the process of quantification of the probabilities and expected impacts for identified risks.

Sector program evaluation

Evaluation of a cluster of development interventions in a sector within one country or across countries, all of which contribute to the achievement of a specific development goal.

Note: a sector includes development activities commonly grouped together for the purpose of public action such as health, education, agriculture, transport etc.

Self-evaluation
An evaluation by those who are entrusted with the design and delivery of a development intervention.

Stakeholders
Agencies, organisations, groups or individuals who have a direct or indirect interest in the development intervention or its evaluation.

Summative evaluation
A study conducted at the end of an intervention (or a phase of that intervention) to determine the extent to which anticipated outcomes were produced. Summative evaluation is intended to provide information about the worth of the program.
Related term: impact evaluation.

Sustainability
The continuation of benefits from a development intervention after major development assistance has been completed.
The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Target group
The specific individuals or organizations for whose benefit the development intervention is undertaken.

Terms of reference
Written document presenting the purposes and scope of the evaluation, the methods to be used, the standard against which performance is to be assessed or analyses are to be conducted, the resources and time allocated, and reporting requirements. Two other expressions sometimes used with the same meaning are "scope of work" and "evaluation mandate".

Thematic evaluation
Evaluation of a selection of development interventions, all of which address a specific development priority that cuts across countries, regions, and sectors.

Triangulation
The use of three or more theories, sources or types of information, or types of analysis to verify and substantiate an assessment.
Note: by combining multiple data-sources, methods, analyses, or theories, evaluators seek to overcome the bias that comes from single informants, single -methods, single observer or single theory studies.

Validity
The extent to which the data collection strategies and instruments measure what they purport to measure.

APPENDIX 2:

BASIC CONCEPTS RELATIING TO EVALUATION

1. New Public Management (NPM)

(1) Background

NPM is a trend of thought which forms the background for the administrative reform taken in the UK and other Anglo-Saxon countries in the 1980's and has the following characteristics.

(2) Main Characteristics of NPM[38]

The basic characteristics of NPM are the use of market mechanism and the management based on results (outcomes), the details slightly differ depending on the country as well as theory though. To be more precise, administrative functions are classified into the policy planning and the executive function. The latter is entrusted to an external body, such as an agency. For this purpose, the external body is selected through competition, and its activities are managed by setting performance goals.

1) Performance-Based Management

The principal characteristics of NPM are the transfer of authority on administrative functions to an external executive body and the performance-based management. Administrative functions are classified into the policy planning and implementation, and authority for the latter is transferred to an external body by entrusting the function. While this body is given a wide range of discretion regarding the use of resources for administrative activities, its activities are controlled by means of setting performance goals and measuring the extent of the achievement by the Performance Measurement. NPM pays special attention to ensuring the accountability for the results of administrative activities by publicizing the set of goals and the degree of their achievement.

2) Use of Market Mechanism

The second characteristic of NPM is the use of the market mechanism, which means that the executive body is selected through market competition. Here, there is no theoretical distinction between the public and private character of an executive body to achieve the performance goals. The executing body is arranged

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[38] While the characteristics of NPM vary depending on the theory, the main characteristics mentioned here are generally repeated in the following reference materials: Soshiro Ohsumi, *New Public Management: Idea, Vision and Strategy*, Nihon Kyoron Sha, 1999 (in Japanese), Kuniaki Tanabe, *Public Administration and Academic Discipline in 20th Century?: Implications of New Public Management* in Japan Society of Public Administration ed., Public Administration in Japan: Past, Present and Future, Gyosei, 2001 (in Japanese), Kiyoshi Yamaya, New Development of Administration, Horitsu Bunka Sha, 2002 (in Japanese) and OECD PUMA, Performance Auditing and Modernization of Government, 1996

by following methods, such as the privatization of a public enterprise, entrusting to the private sector, voucher system, agency system, and internal market system.[39]

(3) Examples of NPM Application

In the UK, administrative reform was conducted by the Thatcher administration under the catchphrase of "Value for Money" and performance measurement was employed to measure the efficiency of administrative activities. NPM formed the background of this reform.[40] The UK and New Zealand are said to particularly emphasize the market mechanism among countries, which have adopted NPM, and introduced strict contract-type models, such as compulsory competitive tendering and market tests.[41]

Meanwhile, Scandinavian countries i.e. Sweden, Denmark and Norway primarily emphasize the internal reform of administrative management, centering on results (outcomes)-based control. The market mechanism plays a supplementary role.[42] Furthermore, a reform movement called "Reinventing Government" in the US is believed to have common elements with NPM.

(4) Others

It is said that the pioneering attempt is the scientific management theory by F.W. Taylor proposed in his book "Scientific Management" in 1911. It contains (i) setting clear targets, (ii) setting indicators, (iii) rewarding the personnel who produce the results[43].

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[39] Under the "agency system", the policy planning section and the executive section of the administration are separated from each other and the latter is established as an independent corporate body to pursue better efficiency. Under the "voucher system", vouchers as subsidies by the government are given to consumers for the purpose of allowing consumers themselves to select the providers of specific services. The "internal introduction of the market system" intends the reform of the conventional system where a "quasi-market" is created within a government department to make the supply cost of a service automatically become the budget amount and to provide a more efficient and high quality service by means of "commissioning to the private sector" or introducing a "quasi-contract system" within the administration. In the case of PFI, the section to plan social capitals and projects in the public sector is separated from the section to execute such projects. The latter either faces competition with private enterprises through tender or its work is entrusted to a private enterprise.

[40] Kiyoshi Yamaya, *New Development of Administration*, Horitsu Bunka Sha, 2002 (in Japanese)

[41] Soshiro Ohsumi, Scandinavian Model of NPM: Reform from Decentralized System to Centralized System", *National Land and Transport Policy Study*, Vol. 8, 2002 (in Japanese)

[42] Soshiro Ohsumi, op. cit.

[43] OECD PUMA, Performance Auditing and Modernization of Government, 1996

2. Results-Based Management (RBM)

(1) Background

RBM is a management strategy which was a principal component of the administrative reform in North American countries in the 1990's[44]. It has the following characteristics.

(2) Characteristics

RBM is a management strategy which manages the activities of an organization in terms of their performance and achievement of intended results (outputs, outcomes and impacts). To be more precise, it is a method to manage the activities of an organization by setting clear goals, verifying the degree of achievement from the viewpoints of outputs, outcomes and impacts, and allocating resources for activities.[45]

1) Management Based on Results

In RBM, the first work is to establish the clear goals of administrative activities, followed by the setting indicators to measure the degree of achievement of each goal. Based on these indicators, information relating to the performance and results (outputs, outcomes and impacts) of administrative activities is obtained and analyzed to manage administrative activities by the results. Emphasis is primarily placed on results for the management of administrative activities.

2) Emphasis on Accountability

RBM emphasizes to ensure the accountability of the results of administrative activities by releasing information of performance and results to the related personnel.

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[44] In their book offering a theory for administrative reform in the US, Osborne and Gaebler list results-based management as one of the 10 principles to be introduced by the government. David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, PLUME, 1992

[45] Despite minor differences, a similar explanation is given in the following reference materials: DAC Working Party on Aid Evaluation, *Result Based Management in Development Cooperation Agencies: A Review of Experience*, 2000, DAC Working Party on Aid Evaluation, Glossary of Key Terms in Evaluation and Result Based Management, 2002, Wholey, J.S., *Results Oriented Management: Integrating Evaluation and Organizational Performance Incentives in* G.J. Sstahler & W.R. Tash (Eds), *Innovative Approaches to Mental Health Evaluation*, Academic Press, 1982, Wholey, J.S., Evaluation and Effective Public Management, Little, Brown, 1983

(3) Examples of RBM Application

RBM was introduced in the US under the administrative reform called "Reinventing Government" by President Clinton. Its basic concept can be seen in the National Performance Review Report by Vice-President Gore (1993) and the Government Performance and Results Act (GPRA, 1993).[46] In Canada, the General Accounting Office played a central role in the introduction of RBM to the federal government while the UNDP introduced RBM as a new management task following the appointment of President Malloch Brown in 1998.

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[46] Kyoshi Yamaya, *New Development of Administration*, Horitsu Bunka Sha, 2002

APPENDIX 3:

CLASSIFICATION OF EVALUATION METHODS[47]

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[47] For explanation of the terms, "Evaluation and Aid Effectiveness No. 6 - Glossary of Key Terms in Evaluation and Results Based Management" published by the OECD is used.

Evaluation is conducted by gathering and analyzing information. The many methods are coexisting for information gathering and analysis despite of their characteristic differences. Furthermore, the information analysis is often used as a synonym of evaluation. Although it is difficult to make a clear distinction between them, the following is an attempt to classify those methods related to information analysis and evaluation. The focus is placed on the fact that evaluation is conducted through information gathering and analysis.

1. Information Gathering and Analysis Method

- Interviews
- Focus group discussions
- Direct and participatory observation
- Literature Research
- Case studies
- Baseline studies
: An analysis describing the situation prior to a development intervention, against which progress can be assessed or comparisons made
- Risk analysis
: An analysis or an assessment of factors (called assumptions in the logframe) affect or are likely to affect the successful achievement of an intervention's objectives. A detailed examination of the potential unwanted and negative consequences to human life, health, property or the environment posed by development interventions; a systematic process to provide information regarding such undesirable consequences; the process of quantification of the probabilities and expected impacts for identified risks
* In addition to the above, there are other methods, including cost-effectiveness analysis, cost-benefit analysis, input-output analysis, econometric analysis, multi attribute utility analysis, monograph, field work and ethnography.

2. Evaluation Methods

There are many types of evaluation and these can be classified into the following groups, mainly by timing, type of evaluator and evaluation objects.

(1) By Timing
- Ex-ante evaluation
: An evaluation that is performed before implementation of a development intervention
- Mid-term evaluation
: Evaluation performed towards the middle of the period of implementation of the intervention
- Ex-post evaluation
: Evaluation of a development intervention after it has been completed
* It should be noted that ex-post evaluation pursuant to the Government Policy

Evaluation Act means evaluation that is performed after the decision-making of a policy.

(2) By Type of Evaluator
- Internal evaluation
: Evaluation of a development intervention conducted by a unit and/or individuals reporting to the management of the donor, partner or implementing organization
- External evaluation
: The evaluation of a development intervention conducted by entities and/or individuals outside the donor and implementing organizations
- Independent evaluation
: An evaluation carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention
- Self-evaluation
: An evaluation by those who are entrusted with the design and delivery of a development intervention
- Joint evaluation
: An evaluation to which different donor agencies and/or partners participate
- Participatory evaluation
: Evaluation method in which representatives of agencies and stakeholders (including beneficiaries) work together in designing, carrying out and interpreting an evaluation

(3) By Object
- Cluster evaluation
: An evaluation of a set of related activities, projects and/or programs
- Program evaluation
: Evaluation of a set of interventions, marshaled to attain specific global, regional, country or sector development objectives
- Project evaluation
: Evaluation of an individual development intervention designed to achieve specific objectives within specified resources and implementation schedules, often within the framework of a broader program
- Country program/assistance evaluation
: Evaluation of one or more donor's or agency's portfolio of development interventions, and the assistance strategy behind them, in a partner country
- Sector program evaluation
: Evaluation of a cluster of development interventions in a sector within one country or across countries, all of which contribute to the achievement of a specific development goal
- Thematic evaluation
: Evaluation of a selection of development interventions, all of which address a specific development priority that cuts across countries, regions and sectors

(4) By Function
- Formative evaluation
: Evaluation intended to improve performance, most often conducted during the implementation phase of projects or programs
- Process evaluation
: An evaluation of the internal dynamics of implementing organizations, their policy instruments, their service delivery mechanisms, their management practices and the linkages among these
- Summative evaluation
: A study conducted at the end of an intervention (or a phase of that intervention) to determine the extent to which anticipated outcomes were produced. Summative evaluation is intended to provide information about the worth of the program.
- Meta evaluation
: The term is used for evaluations designed to aggregate findings from a series of evaluations. It can also be used to denote the evaluation of an evaluation to judge its quality and/or assess the performance of the evaluators.

(5) Concepts Similar to Evaluation
- Monitoring
: A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds
- Review
: An assessment of the performance of an intervention, periodically or on an ad hoc basis
- Audit
: An independent, objective assurance activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, control and governance processes.
* In addition, "assessment" and "measurement" can be regarded as a similar concept to "evaluation".

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UK Department for International Development (DFID)
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Japan Ministry of Foreign Affairs
http://www.mofa.go.jp/mofaj/gaiko/oda/index.html

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http://www.acdi-cida.gc.ca/

Organisation for Economic Co-operation and Development (OECD)
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http://www.france.diplomatie.fr/