

Institutional Analysis of Development Evaluation

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1. Background of the Study

Since 1960 s, development aid from developed countries to the developing ones have become an important component of the world economy. One of the major problems of aid is that, it is not sure whether aid has a good impact on the development of the third world countries. The effectiveness of aid should be known by the donor agencies to maximize impact of aid on growth. An aid agency's evaluation function is the primary tool by which the agency acquires knowledge about its activities and feeds them back to its operational decisions.

2. The Objectives of the Study

The main problem of the evaluation function is that in practice it does not address the question, "Does aid work?". Evaluation has increasingly become a tool in aid management, rather than focusing on broader development concerns¹. There is thus a discrepancy between what the evaluation function is supposed to do and what it practically does. Therefore, it is important to investigate whether the present evaluation system provides necessary knowledge to the decision makers on the impact of aid.

3. Method of Study

The policy of an aid agency on its evaluation function determines how the evaluation activity is actually performed in that agency. Therefore, a comparative approach has been used to study the evaluation functions of fourteen major donor agencies. Depending on the characteristics of the evaluation function, the policy orientation has been established. Four main areas representing the evaluation function has been selected for the analysis. These four areas are as follows.

1. Evaluation objectives.
2. Evaluation guidelines.
3. Structure and organizational pattern of the evaluation unit.
4. Effectiveness of the feedback system.

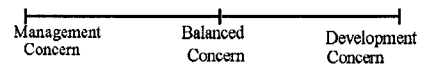


Fig.1

The first two areas represent the performance aspect of the evaluation function while the last two areas represent the institutional aspect of the evaluation function. Under these four main areas, various indicators have been selected and analyzed using a scale representing a continuum of policy orientation. Management Concern and Development Concern of the evaluation function constitute the two extremes of a continuum as in Fig.1. This continuum has been used as a scale to test the indicators for their bias towards either concern. A brief description of each of the areas used for the analysis is given below.

3.1 Evaluation Objectives

The evaluation objectives of each agency would indicate the relative emphasis given to the management concern and development concern in the evaluation function of that agency. Therefore, each objective is tested for its policy orientation on the scale using three indicators: Type of objective; Time horizon of the objective; and Scope of the objective. Accordingly, the wordings used, time period considered and the intensity of the focus of the objectives are taken as the criterion for ranking them in the scale.

3.2 Operational Guidelines

Almost all aid agencies have their own guidelines for evaluation. The guidelines provide basic criteria to be followed by evaluators. Therefore, these guidelines are considered to be a mirror of the agency's evaluation policies. Accordingly, these guidelines have been analyzed to obtain policy orientations of each agency. The emphasis to a particular concern in the evaluation guidelines is assumed to represent the policy orientation of each agency. The rank of an agency in the scale is determined using the number of clauses and subclauses a particular concern represents in the guidelines using Eqn. 1.

$$\frac{\text{Number of Clauses \& Subclauses of a Particular Item}}{\text{Total Number of Clauses}} \times 100$$

----- Eqn. 1

3.3 Organizational structure of the evaluation unit

The implementation pattern of the evaluation function, the location of the evaluation unit in the whole organization, and the degree of independence on the evaluation function determines the policy orientation of an agency's evaluation function. Accordingly, all these factors have been analyzed to locate each agency in the scale. First, four types of patterns has been identified as centralized, integrated, separate unit and totally independent and degree of deviation from the implementation units have been used as the measure of the ranks. Furthermore, the location of the evaluation unit in the organizational hierarchy is assumed to be dictating the amount of influence it can make on the managerial decision making. Moreover, the distinction between the use of external and internal evaluators has been taken into consideration in determining the degree of independence of the evaluation function.

3.4 Evaluation Feedback

Providing effective feedback of evaluation findings to its potential users is very important aspect of the evaluation process. The degree of openness of the feedback mechanism and feedback layers are used as the two criteria for the analysis of evaluation feedback to determine each agency's orientation.

4. The Results

When the relationship between institutional aspect and performance aspect of the evaluation function is plotted using scores obtained from the analysis, Fig.2 can be obtained. It clearly shows that institutional factors can play a major role in the policy orientation and performance of the evaluation function of donor agencies. When each agency is ranked on the scale using various criteria and synthesized together the result can be given as in Table 1, in which D,B,M denotes Development Concern, Balanced Concern and Management Concern respectively. It shows that agencies can be categorized into five groups based on the results obtained. Also it became clear that institutional factors can play a major role in the policy orientation and performance of the evaluation function.

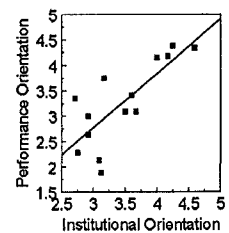


Fig. 2

5. Conclusion

Having analyzed evaluation policies of aid agencies, it can be summarized that, the evaluation as institutionalized and performed, has a general trend toward broader development concerns. There are some exceptions to this general trend. In agencies such as FINNIDA, BMZ and IBRD, the evaluation policy is mainly oriented to serve the decision makers at the agency level and has a limited role as a management tool. To make the evaluation function effective, institutional aspect of the evaluation unit has to be strengthened. This includes organizational improvement and improvement in the feedback mechanism. Evaluation should be an integral process of any planning, and implementation of a development initiative that puts the target group in the center.

Reference

1. Carlsson Jerker, Kohlin Gunner, Ekblom Anders, *The Political Economy of Evaluation*, McMillan, London, 1994.

Table 1

Agency	Evaluation Objectives	Operational -Guidelines	Organizational Structure	Evaluation Feedback
ADB	D	B	B	B
AIDAB	B	D	B	D
BMZ	B	M	D	M
CIDA	D	B	M	B
DANIDA	B	B	M	B
FINNIDA	M	M	B	M
IBRD	D	M	B	M
Japan	D	D	B	D
Netherlands	D	D	D	D
NORAD	B	D	D	D
ODA	D	M	D	M
SIDA	B	B	M	D
UNDP	D	B	B	B
USAID	D	D	B	D