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Evaluating Development Co-operation
The German Case

Successful development co-operation largely depends on the willingness and capacity of both the donor and the recipient countries to subject joint projects and programmes to periodic and systematic evaluation, and to initiate learning processes. This article examines the current position of evaluation systems in German development co-operation.

For decades development co-operation (DC) has been accompanied by a critical debate over its true usefulness. Prior to the end of the East-West conflict the justification for DC had a strong political bias. In the meantime, however, and for a variety of reasons, donor countries have come under substantially greater pressure to measure the success of their DC in a self-critical and objective manner. For example, the sceptics have hence intensified their analyses, and their results, which at times are far from flattering, have fuelled the doubts already prevailing, particularly amongst the general public. In addition, governments' activities are generally subject to closer scrutiny nowadays, as they are faced with serious budgetary problems. DC is no exception to this and if anything attracts particular attention, despite ranking comparatively low in the donor countries' budgets. The public today expects more than political clichés and superficial attempts to describe the success of a DC project simply in terms of the size of the resource inputs, their administratively correct use and the output produced. Increasingly the demand is more for assurances that a positive developmental impact has been achieved and – mindful of the environmental debate – that it is sustainable. The self-critical World Bank Wapenhans Report at the beginning of the 1990s added a lot of extra weight to these demands.

How did the donor countries react to this criticism? In 1992, a first comprehensive attempt was made to improve the quality of DC by laying down standards within the framework of the OECD. The Development Assistance Committee (DAC) produced a Development Assistance Manual and established Principles for Effective Aid. The Development Assistance Manual contains, amongst other things, guidelines for aid co-ordination, project appraisals, technical co-operation, programme assistance and environmental impact assessment. However, the DAC also recognized the need for quality assurance. Firstly, the specific Principles for Evaluation of Development Assistance state that donor countries are expected to develop their own evaluation systems for their activities and to adhere to a series of minimum standards in conducting evaluations. Secondly, the DAC itself conducts periodic reviews to check the quality both of the aid and the evaluation systems of the individual OECD donor countries.

The evaluation principles of the DAC go back to the work of the Expert Group on Aid Evaluation which it set up as long ago as 1982, and a comprehensive survey, completed in 1985, of the evaluation practices and experiences of donor countries. Essentially the DAC requirements are:

- a management concept for an evaluation system,
- institutional safeguards ensuring impartiality and independence,
- provision of the requisite human and material resources,
- evaluation planning,
- useful and credible results,
- sufficiently extensive, frequent evaluations,
- ex-post evaluations of crucial issues such as relevance, effectiveness, efficiency, impact and sustainability,
- participation of partners and target groups,
- co-operation between donor countries,
- transparency of the entire evaluation process.

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organized learning processes, including dissemination of evaluation results.

What efforts have the donor countries made since then to enhance the quality of their DC by improving their evaluation systems? In what way do their current evaluation systems meet the standards set by the DAC? At the beginning of 1998 the DAC Expert Group published the results of a survey of donor countries' central evaluation units, evaluators, and users of evaluations, which concluded that evaluation in development co-operation is evolving and changing focus. Most members have reorganized their central evaluation offices in such a way that they have now reached a good degree of compliance with the DAC principles. Although the results are positive on the whole, they are dominated by a few multilateral institutions such as the World Bank. Of the bilateral donors, which after all provide the significantly greater share of official development aid, more than 50% clearly have problems with the DAC standards: either their evaluation system has deteriorated, is not systematically structured and organized, or is still in its infancy, or is inadequately resourced. Problems continue to be widespread in areas such as independence and impartiality, ex-post evaluations, transparency, and participation. Paul Hoebink also reaches similar conclusions in his investigation of EU countries. He finds that donor countries have evidently not yet taken the DAC principles particularly seriously. Among other things he criticizes shortcomings in methods, the superficiality of evaluations, and the lack of feedback processes.

The German Case

A recent study by the Hamburg Institute for Economic Research (HWWA) systematically and comprehensively examined the extent to which the bilateral German DC evaluation system meets the DAC principles. The study was commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ), whose own evaluation system has come under criticism for some considerable time from Parliament, the Federal Court of Audit, and academics.

The study assessed all the instruments currently in use by German DC institutions both for monitoring ongoing activities (this includes observation and documentation) and for periodically evaluating ongoing and completed activities. The reference basis for assessing the evaluation systems used by German DC institutions comprised mainly the DAC Principles, complemented by what has been learned from theoretical and empirical evaluation research. Applying these criteria, the study investigated the BMZ's own evaluation system, and those of governmental and non-governmental institutions that receive funding from the BMZ. The organizations surveyed cover 95% of Germany's official bilateral development assistance (ODA). In addition, a summary analysis was made of the huge number of non-governmental organizations (NGOs) in Germany. The evaluation activities of the Federal Court of Audit were also assessed. The analysis of evaluation systems in German institutions highlighted the strengths and weaknesses discussed below.

Strengths

It is important to point out that all of the DC organizations surveyed do have evaluation structures in place, in rudimentary form at the very least. No matter how much their approaches may differ in detail, all of them have certain institutional structures, guidelines, methods and instruments for assessing the outcome of their activities, both on an ongoing basis and following completion. Three quarters of the bilateral ODA made available by the BMZ each year is

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5 Cf. inter alia, Bundesrechnungshof: Mitteilung an das Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung über die Querschnittsprüfung des Einsatzes von Controlling-instrumenten bei Projekten der Bundesverwaltung, Frankfurt am Main 1998.
7 Federal Ministry for Economic Co-operation and Development (BMZ), Federal Institute for Geosciences and Natural Resources (Bundesanstalt für Geowissenschaften und Rohstoffe – BGR), Cari Duisberg Society (CDG), German Development Service (Deutscher Entwicklungsdienst – DED), German Investment and Development Corporation (Deutscher Investitions- und Entwicklungsdienst – DEG), German Foundation for International Development (Deutsche Gesellschaft für Technische Zusammenarbeit – GTZ), Hanns Seidel Foundation (HSS), Konrad Adenauer Foundation (KAS), The Reconstruction Bank (Kreditanstalt für Wiederaufbau – KfW), Catholic Central Agency for Development Aid (Katholische Zentralstelle für Entwicklungshilfe – KZE), The National Physical Laboratory (Physikalisch-Technische Bundesanstalt – PTB).