# Evaluation of the Feedback Mechanism of Japan's ODA

**March 2016**

**OPMAC Corporation**

# Preface

This report under the title of the "Evaluation of the Feedback Mechanism of Japan's ODA" was entrusted by the Ministry of Foreign Affairs of Japan (MOFA) in fiscal year 2015.

Since its commencement in 1954, Japan's Official Development Assistance (ODA) has contributed to the development of partner countries, and has contributed to bringing solutions for international issues which vary over time. Recently, in both Japan and the international community, implementing ODA requires higher effectiveness and efficiency. MOFA has been conducting ODA evaluations every year, of which most are conducted at the policy level with two main objectives: to improve the management of ODA; and to ensure its accountability. The evaluations are conducted by third parties, to enhance transparency and objectivity.

This evaluation study was conducted with the following two objectives:

(i)     to analyze the current state, roles and issues of the ODA evaluation system by examining the feedback mechanism in which the evaluation results and findings are to be reflected in the formulation and implementation of Japan's ODA policies (the so called "PDCA cycle") with a focus on its C phase (Evaluation); and

(ii)    to improve the feedback mechanism of Japan's development cooperation at the policy level and to learn lessons for the better planning and more effective and efficient implementations of Japan's ODA/aid policies in the future.

It is expected that achieving these two objectives will provide ways to strengthen accountability to the public.

Hiroshi Sato, Senior Researcher of the Institute of Developing Economies, Japan External Trade Organization, served as the chief evaluator to supervise the entire evaluation process, and Masahiro Oseko, Executive Director of NPO PCM Tokyo, served as an advisor, and Kiyoshi Yamaya, Professor at the Faculty of Policy Studies, Doshisha University, served as an external expert, shared their expertise on the topic. They have made enormous contributions from the beginning of the study to the completion of the report. In addition, in the course of this study, we have benefited from the cooperation of MOFA, Japan International Cooperation Agency (JICA), international organizations and donor countries. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study.

Finally, the Evaluation Team wishes to note that the opinions expressed in this report do not necessarily reflect the views or positions of the Government of Japan.

March 2016

OPMAC Corporation

Note: This English version of the Evaluation Report is a summary of the Japanese Evaluation Report of the "Evaluation of the Feedback Mechanism of Japan's ODA"

| Evaluation PDCA Cycle of Japanese ODA (Brief Summary) |
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**Evaluators (Evaluation Team)**
- Chief Evaluator: Hiroshi Sato, Senior Researcher of the Institute of Developing Economies, Japan External Trade Organization
- Advisor: Masahiro Oseko, Executive Director of NPO PCM Tokyo
- External Expert: Kiyoshi Yamaya, Professor at the Faculty of Policy Studies, Doshisha University
- Consultant: OPMAC Corporation

**Period of the Evaluation Study**   November 2015 to March 2016

**Background, Objectives and Scope of the Evaluation**

The Ministry of Foreign Affairs of Japan (MOFA) has conducted ODA evaluations for its policies and programs, implemented under the high-level policies such as the ODA Charter for more than 30 years since its inception of the ODA evaluation system at the policy level in 1981. In order to improve the ODA management and strengthen accountability to the public, both of which are the objectives of the ODA evaluation at the policy level, it is important to establish a feedback mechanism in which the evaluation results are fed back to the formulation and implementation of the ODA policies (hereinafter referred to as the "PDCA cycle", since it is commonly called as such in Japan by taking the first letter of the following words: P(Plan), D(Do (meaning "Implementation")), C(Check (meaning "Evaluation")), and A (Act (meaning "Improvement")). Thus, this evaluation study has been conducted to propose recommendations that would contribute to the improvement of the PDCA cycle at the policy level of Japan's ODA, with a focus on the C phase (evaluation).

**Brief Summary of the Evaluation Results**

● **Overall**

The ODA evaluations at the policy level are largely considered to be conducted appropriately in terms of accountability. However, with a view to derive evaluation results and recommendations which can provide feedback to policies, there were some cases where the quantitative analyses were insufficient and the evidences used in the evaluation analyses were not shown adequately. Developing a multi-tiered feedback mechanism is required to reflect the evaluation results into the improvement of ongoing policies as well as the formulation of subsequent policies. Thus, there is a need to redefine the status and role of the ODA evaluation, that is on which issue the policy level ODA evaluations should focus on and how the evaluation results should be utilized, and there is also a need to improve the timing, scope and analytical method of evaluation as well as the feedback system of the evaluation results.

● **Evaluation of the PDCA Cycle of Japan's ODA**

**(1) Appropriateness of the ODA Evaluation System in the PDCA Cycle**

The ODA evaluations at the policy level, which are conducted by third-party evaluators, are appropriate in terms of accountability and are also useful since they show the analyses and recommendations which are difficult to obtain by internal evaluations. On the other hand, the analyses and evaluations from the diplomatic viewpoints are limited in scope since third-party evaluators have to rely on publicly available information. The design and framework of the ODA evaluation has been described in the ODA Evaluation Guidelines and measures have been taken in the Guidelines to standardize the evaluation framework and ensure the quality of the evaluation results to some extent, and to make evaluation results easy-to-understand. However, it does not mention measures to deal with cases of handling different opinions on the analysis and results of the ODA evaluation expressed by third-party evaluators and MOFA.

**(2) Appropriateness of the Policy Level ODA Evaluation in the PDCA Cycle**

The policy level ODA evaluations evaluate ODA policies from the "development viewpoints" ("relevance of policies," "effectiveness of results," "appropriateness of processes") and the "diplomatic viewpoints." The contents and quality of some ODA evaluations were not

sufficient, and thus, some improvements are required.

**(3) Appropriateness of Linkages between the Policy Level PDCA Cycle and the Project Level PDCA Cycle**

In Japan's ODA, the D phase of the policy level PDCA cycle is closely linked with the P phase of the project level PDCA cycle. A cooperation system which allows the effective and close collaboration between JICA and MOFA has been put in place, especially through the "ODA Task Force" of the partner country. However, since the policy implementation processes and the policy effects require a considerable time to obtain, it is difficult to match the timing between the project level PDCA cycle and the C and the A phase of the policy level PDCA cycle.

**(4) Appropriateness of the Feedback Mechanism of Evaluation Results in the Policy Level PDCA Cycle**

While the response measures to the recommendations of the ODA evaluations at the policy level are planned and implemented by relevant divisions in the International Cooperation Bureau of MOFA, and these response measures and their implementation status are published, there is currently no system to follow up the implementation status of the medium-and long-term recommendations.

<u>**Recommendations**</u>
**(1) Prioritizing the Objectives and Formulating a Medium-Term Evaluation Plan for the Policy Level ODA Evaluations as Third- Party Evaluations**

Of the two objectives for the policy level ODA evaluations, the Evaluation Team recommends to take an approach to prioritize the objective "feedback to the formulation of its ODA policies," refine the scope and items of evaluations and improve its quality, and thereby aim to further improve accountability. The formulation of a medium-term evaluation plan may be an effective measure to raise awareness, among the relevant divisions in the International Cooperation Bureau of MOFA, of the utilization of evaluation results and to adjust the timing of ODA evaluations at the policy level.

**(2) Further Improvement in Evaluability and Accountability by Strengthening the Usage of the "Objective Framework"**

Formulating an "Objective Framework" at the policy formulation stage and verifying the achievements of policy implementation by evaluators based on the "Objective Framework" can improve evaluability and strengthen accountability for the result performance compared to the plan. This, in turn, is expected to help improve the qualities of recommendations and evaluation results that can help the feedback to ODA policy formulations.

**(3) Improvement of Verification at the Assistance Program Level in Coordination with JICA's Operations Evaluations and the Effective Usage of the Evaluation Results[1]**

In order to raise the quality and accuracy of assessment and improve the evaluability of the "effectiveness of results" in the policy level ODA evaluation, it is necessary to improve the verification at Japan's Assistance Program level in the focused evaluation areas by effectively utilizing the accumulated results of project evaluations conducted by JICA.

**(4) Recommendations to the ODA Evaluation Guidelines**

In the ODA Evaluation Guidelines, it is necessary to indicate more concrete points in the following areas: refinement of the scope and items of the ODA evaluations, clarification of the evaluators' status and qualifications required for evaluators for third-party evaluations, strengthening the analyses on the "effectiveness of results" based on the "Objective Framework" formulated at the policy formulation stage, standardization of quantitative analyses, improvement in the evaluation from diplomatic viewpoints, and improvement in evaluation quality by diversifying information sources.

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[1] Project-level evaluations, implemented by JICA, are called "Operations Evaluation."

**(5) Strengthening Feedback and Utilization of Recommendations from the Policy Level ODA Evaluations**

With the aim of utilizing the evaluation results, the Evaluation Team recommends to formulate useful reference materials which summarize the points of concerns extracted from the cross-sectional analyses of the past ODA evaluation results, and to organize feedback seminars that promote the sharing of evaluation results with relevant people.

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# Chapter 1: Implementation Policy of the Evaluation Study

## 1-1 Background and Objectives of the Evaluation Study

The Ministry of Foreign Affairs of Japan (MOFA) has been conducting Official Development Assistance (ODA) evaluations (third-party evaluations) for its policies and programs, which have been implemented under Japan's high-level policies such as the ODA Charter, for more than 30 years since 1981. The evaluation results have provided various recommendations and lessons learned. Moreover, to improve the ODA management and strengthen accountability to the public, both of which are the objectives of the policy level ODA evaluation, it is important to establish the feedback mechanism, the so called "PDCA cycle: Plan (Plan), Do (meaning Implementation), Check (meaning Evaluation) and Act (meaning Improvement)", where evaluation results and findings can be incorporated into the formulation and implementation of the ODA policies. Thus, MOFA has been making efforts to reflect the lessons learned and recommendations into the future formulation and implementation of its ODA policies by considering and applying the response measures.

Against these backgrounds, this evaluation study analyzes the current state, roles and issues of the ODA evaluation system with a focus on the C phase of the PDCA cycle, and proposes recommendations that may contribute to the improvement of the PDCA cycle at the policy level of Japan's development cooperation.

## 1-2 Scope of the Evaluation Study

The scope of this evaluation study is the policy level ODA evaluation system, implemented by the ODA Evaluation Division of MOFA. The policies reviewed in this evaluation include Country Assistance Policy, Japan's ODA Priority Issues, Sectoral Development Policy and other various policies and programs being implemented under the previous ODA Charter and the current Development Cooperation Charter. A total of 42 policy-level evaluation reports, conducted between FY2010 and FY 2014, were analyzed in this evaluation study.

## 1-3 Methodology of the Evaluation Study

This evaluation study focuses on MOFA's ODA evaluation system at the policy level, and aims at (i) analyzing the current feedback mechanism, mainly by reviewing recommendations and lessons learned from each evaluation as well as how these recommendations were incorporated, (ii) identifying the issues to be solved in order for the

PDCA cycle to function more smoothly, and (iii) drawing recommendations that can make the evaluations more user-friendly and instrumental in improving the ODA management and strengthening accountability to the public. More specifically, the study was conducted in the following ways:

- At the design stage of this evaluation study, the Evaluation Team[2] established the potential challenges (assumptions) and recommendations (actions to be taken), and then conducted the analyses of Japan's ODA policy-level evaluation system, various policy papers related to Japan's ODA, MOFA's evaluation reports for various types of policies, and interview surveys with staffs of MOFA and JICA; and
- Held consultation meetings with MOFA's ODA Evaluation Division, an external expert and other relevant people.

### 1-4  Methods and Viewpoints of the Analysis

The analyses and discussions in this evaluation study followed, in principle, the concepts and definitions referred in the "ODA Evaluation Guidelines 9th Edition (May 2015)" (hereafter referred as the "ODA Evaluation Guidelines"), published by MOFA's ODA Evaluation Division. The definitions used in the Guidelines of Organization for Economic Cooperation and Development – Development Assistance Committee (OECD-DAC) , which are regarded as an international standard for ODA evaluations, were also referred in this evaluation study. The objectives of the ODA evaluation defined in the ODA Evaluation Guidelines, that is improving the ODA management (feedback to ODA policies) and ensuring accountability to the public, have been taken into consideration. Thus, this evaluation study was conducted based on the following four key analytic points and views:

(1)  Analysis of the current feedback mechanism of the ODA evaluation system (C to A phase, and linkages to the P phase)

Bearing in mind the following analytic points, the evaluation study examined the current conditions of the follow-up activities of the recommendations and lessons obtained from past evaluation results, and identified issues related to the current feedback mechanisms of ODA evaluations in the PDCA cycle.

- Identification of issues in the MOFA's current ODA evaluation system as well as the policy-level PDCA cycle (including the confirmation of the definition of policies that are subjected to the policy-level ODA evaluation)
- Verification of the qualities of recommendations and lessons learned from each

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[2]  In this report, "Evaluation Team" refers to the team that conducted this evaluation study, and "evaluation team" refers to the team that conducts policy-level ODA evaluations in general.

evaluation report (whether the recommendations and lessons learned are sufficiently specific and useful in improving the ODA management as well as in ensuring accountability).

- Verification of the usage and follow-up activities of the recommendations and lessons derived from past ODA evaluations and the outcome of the usage.
- Identification of challenges associated with the feedback mechanism of recommendations (implementation organizations to which the feedback should be given, information and contents to be included in the feedback, timings and methods of the feedback and its follow-up).

(2) Identification of problems impeding the smooth functioning of the PDCA cycle at the policy level

The Evaluation Team reviewed the current ODA evaluation system, with an aim to improve the policy level PDCA cycle functions, and thereby identified problems and issues on the ODA evaluation and its feedback mechanism.

- Identification of issues on the ODA evaluation implementation system for the establishment of the PDCA cycle
- Verification of the appropriateness and effectiveness of the current policy-level ODA evaluation
- Verifying whether the quality of recommendations and lessons learned from the evaluation results are adequate in terms of their usefulness and practicality. Identification of the reasons and factors if these recommendations and lessons have not been utilized, and:
- Identification of issues pertaining to the evaluation from the diplomatic viewpoints, which is required in the policy-level ODA evaluation

(3) Identification of issues on the ODA evaluation system and its feedback mechanisms through a comparative analysis of the PDCA cycle at the policy level and at the project level

In order to functionalize the feedback mechanism of the ODA evaluation, the Evaluation Team made a comparative analysis of the PDCA cycle at the policy level and the project level, and the issues for the effective linkages between the two PDCA cycles were identified:

- Verification of linkages between the PDCA cycle at the policy level and the project level
- Especially, the analysis of linkages between the D phase of the PDCA cycle at the policy level and the P phase of the PDCA cycle at the project level, as well as those between the P phase at the policy level and the A phase at the project level
- Identification of issues related to the ODA evaluation system and its feedback mechanism, which can contribute to improving the PDCA cycle (issues on linkages

between operations evaluations conducted by JICA [3] and policy evaluations conducted by MOFA and the feedback of recommendations and lessons learned, including the timing of evaluation, standardization of evaluation contents, and mutual utilization of evaluation results)

(4)    Comparison with other donors' feedback mechanisms (bi-lateral and multi-lateral aid agencies)

The Evaluation Team conducted comparative analyses of the evaluation system and the feedback mechanism of other donors on the following points, in order to identify points that can help improve Japan's ODA feedback mechanism in the PDCA cycle and formulate recommendations: (i) evaluation implementation system; (ii) objectives, position, types and timing of evaluation; (iii) evaluation implementation status; (iv) feedback mechanism of evaluation results and current feedback situations. The donor agencies reviewed in this evaluation study are: multi-lateral organizations (the World Bank, the Asian Development Bank (ADB), and the United Nations Development Programme (UNDP)) and bi-lateral agencies (the Unite States Department of State, the United States Agency for International Development (USAID), the Department for International Development (DFID, UK), the Independent Commission for Aid Impact (ICAI, UK), and Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) (Federal Ministry of Economic Cooperation and Development, Germany) and Deutsches Evaluierungsinstitut der Entwicklungszusammenarbeit (DEval) (German Institute for Development Evaluation).

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[3]  Project-level evaluations, implemented by JICA, are called "Operations Evaluation."

# Chapter 2 : Japan's ODA Evaluation System and PDCA Cycle at the Policy Level

## 2-1    Framework of the Development Cooperation Policies

Japan's development cooperation policies are implemented as coherent development cooperation policies, with the ODA Charter and the succeeding Development Cooperation Charter as the high level policies, as well as the ODA policies formulated for each recipient country (the Country Assistance Policy[4]), Sectoral Development Policy, the Priority Policy for Development Cooperation prepared each fiscal year, and the Rolling Plan (Priority area, Development Issue, Assistance Program) created for each country under the Country Assistance Policy. The framework of development cooperation policies is shown in Figure 1 below.

### Figure 1   Framework of Japan's ODA Policies
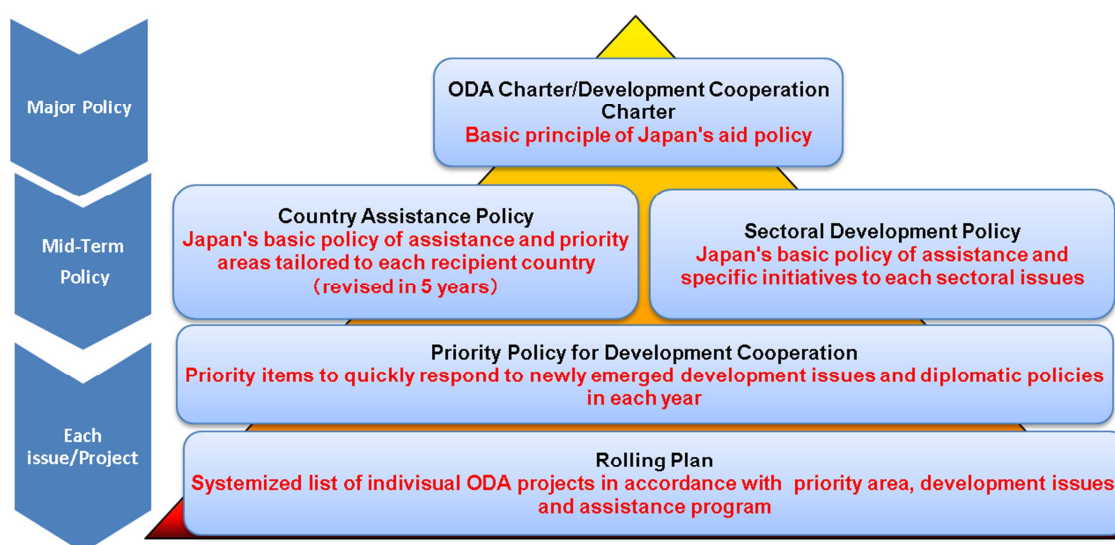


Source: Prepared by the Evaluation Team from the MOFA website

http://www.mofa.go.jp/mofaj/gaiko/oda/about/seisaku/wakugumi.htm （as of March 2016）

## 2-2    Evaluation Framework and Evaluation System of Japan's ODA

The ODA evaluations at the policy level are conducted by MOFA, under the Order for Organization of Ministry of Foreign Affairs, which are the country assistance evaluation, priority issue evaluation, aid modality evaluation, sector evaluation and others. The ODA

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[4]  The "County Assistance Policy" was revised to "Country Development Cooperation Policy" from May 2016.

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evaluations at the project level are conducted by JICA (Operations Evaluation). The current ODA evaluation framework and evaluation system are shown below.

Table1　Framework and Evaluation System of Japan's ODA Evaluation

| Type of Evaluation | | Target of Evaluation | Responsible Organization | Timing of evaluation |
|---|---|---|---|---|
| **Policy-level Evaluation** | Country Assistance Evaluation | Country Assistance Policy | MOFA | Mid-Term, Ex-post |
| | Priority Issue Evaluation | Policies on priority issues and areas for development cooperation | MOFA | Mid-Term, Ex-post |
| | Aid Modality Evaluation | Individual ODA schemes | MOFA | Ex-Post |
| | Sector Evaluation | Sectoral Development Policy in a specific country | MOFA | Ex-Post |
| **Project-level Evaluation** | Thematic Evaluation | Sector/Priority issues, JICA's cooperation program | JICA | Ex-Post |
| | Project Evaluation | Individual ODA projects | JICA | Ex-Ante, Ex-Post |

Source: Evaluation Team

## 2-3　Current Situation of the PDCA Cycle of Japan's ODA Policies and the Feedback Mechanism of ODA Evaluation Results by MOFA

Since the policy statement "Basic Policies 2005" has stated that, "Objective third-party evaluation including cost-effectiveness analysis of ODA projects should be conducted. The outcomes should be disclosed to the public, and the PDCA (Plan, Do, Check, Act) cycle should be established in order to reflect such results in the formulation and planning of ODA policies," MOFA came to emphasize the improvement of checking systems, aiming at enhancing the ODA evaluation system and reflecting the evaluation results in policies through the establishment of the PDCA cycle.

Figure 2　The Positioning of the ODA evaluation in the PDCA cycle at the ODA policy level and the Follow-up Mechanism
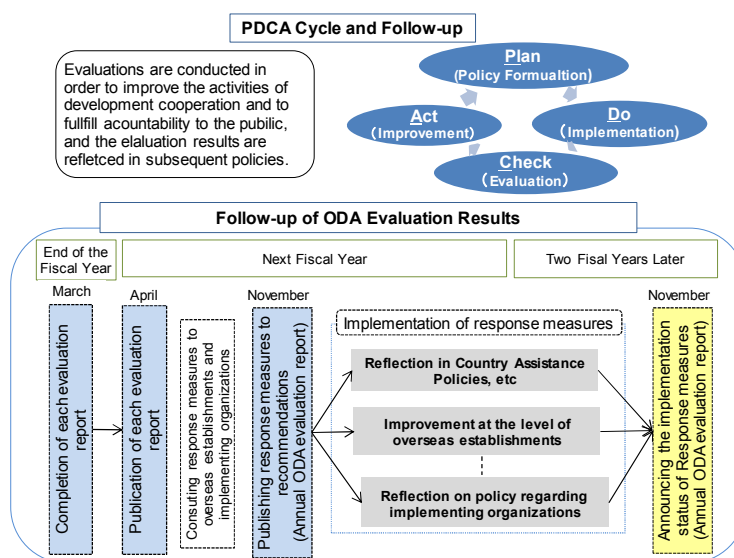


Source: Prepared by the Evaluation Team by referring to the MOFA website
(http://www.mofa.go.jp/mofaj/gaiko/oda/kaikaku/hyoka/pdca.html, as of March 2016)

Activities conducted in each phase of the PDCA cycle at the ODA policy level are as follows:

| Phase of PDCA cycle | Activities |
|---|---|
| P：Planning and revision of policies | ・ Development Cooperation Charter：revises around every 10 years<br>・ Country Assistance Policy：Starting in 2011, formulates the policies for each recipient country in principle and revises around every 5 years<br>・ Sectoral Development Policy, Japan's ODA Priority Issues and other Initiatives: mainly formulates and revises every 5-10 years depending on the issues, areas/ initiatives |
| D：Implementation of policies | ・ Allocation and execution of the budget are carried out for the implementation of specific ODA projects under various ODA policies every fiscal year<br>・ Country Assistance Policy: formulates and revises the Rolling Plan, which outlines Development Issues and Assistance Program, every fiscal year. The Rolling Plan helps increase the predictability of the assistance in each country and is utilized for the verification of future assistances.<br>・ Sectoral Development Policy, Japan's ODA Priority Issues and other Initiatives: formulates a Priority Policy for Development Cooperation which clarifies priority issues in order to quickly cope with the progresses of foreign policies and emerging development issues every fiscal year.<br>・ ODA Schemes (Aid Modality): reviews the operational status of and issues related to ODA schemes (aid modality) such as ODA loans, grant aid, technical cooperation projects, taking into account their implementation issues. |
| C：Evaluation of policies | ・ With the objectives of improving the ODA management (feedback to current and future ODA policies) and ensuring accountability to the public, the ODA evaluations at the policy level evaluate ODA policies from the evaluation criteria of "development viewpoints ("relevance of policies," "effectiveness of results," and "appropriateness of processes") and "diplomatic viewpoints," and provide recommendations based on the evaluation findings.<br>・ Country Assistance Evaluation: evaluates the Country Assistance Policy of the recipient countries and the implementation status of the ODA under the Policy in view of the evaluation criteria mentioned above.<br>・ Priority Issues Evaluation: evaluates Development Cooperation Policies/Initiatives in the priority issues and the area and the implementation status of ODA under them in view of the evaluation criteria mentioned above.<br>・ Sector Program Evaluation: evaluates Japan's ODA policies and the |

| | implementation status of ODA under the policies in a specific development area in a specific country. |
|---|---|
| | · ODA Scheme (Aid Modality) Evaluation: evaluates a specific ODA scheme and its implementation status in order to improve issues on the ODA scheme identified through government's administrative review, etc. |
| | · In order for the evaluation results to be reflected in the subsequent Country Assistance Policies and Sectoral Development Policy, Japan's ODA Priority Issues and other Initiatives, consideration has been made for the evaluations to be conducted around 2 years before the formulation/revision of these subsequent polices are completed as for the timing of the ODA evaluations at the policy level, taking in mind the time required for the formulation/revision processes of these policies. |
| A：Feedback of evaluation results | · The results of the ODA evaluation at the policy level are compiled as the Annual Report on ODA Evaluation, and this Report is distributed to the relevant parties and released on the MOFA website. |
| | · Response measures to the recommendations, based on the findings of the ODA evaluation at the policy level, are examined and implemented by the divisions responsible in MOFA. Response measures are also released in the Annual Report on ODA Evaluation of the next fiscal year, and the implementation status is being reviewed by MOFA's ODA Evaluation Division for 2 years after the finalization of the ODA evaluations. |

When prioritizing the reflection of the evaluation results into the subsequent policies in an adequate manner, the ODA evaluations have to be completed before the effective periods of the policies subject to the evaluation are completed, and before the formulation processes of the subsequent policies are initiated. However, in such circumstance, all results of the policy implementation cannot be evaluated. In particular, in the evaluation of the "effectiveness of results,' one of the evaluation criteria of the "development viewpoints", the policy results can only be verified partially, since the implementations of "assistance programs" are not completed and also the full materialization of ODA effects by policy implementation usually requires a few years after project completions. Thus, it is essential that, in the ODA evaluation at the policy level, the evaluation results be presented with clear descriptions of such features and constraints resulting from the evaluation timings.

# Chapter 3 :Evaluation of the PDCA Cycle of Japan's ODA

## 3-1 Appropriateness of the ODA Evaluation System in the PDCA cycle of Japan's ODA

### (1) Appropriateness of the ODA Evaluation System of MOFA and JICA

The appropriateness of the ODA evaluation systems of MOFA and JICA were analyzed from the perspectives of (i) the ODA evaluation implementation structure and (ii) the selection design, and management of the evaluation target. The results of the analyses are as follows:

| MOFA | Appropriateness |
|---|---|
| Evaluation Implementation Structure | · Appropriate in terms of accountability since the ODA evaluations at the policy level are conducted by external third parties.<br>· According to relevant officials of MOFA, evaluations by external third parties are useful for the improvement of ODA management (feedback to ODA policies) since these evaluations can produce analyses and recommendations that cannot be obtained by self-evaluations<br>· For external third-party evaluators, who only have access to publicly available information and data, analyses and evaluations from the diplomatic viewpoints are limited in scope.<br>· On the premises that the ODA evaluation system should emphasize independency, transparency and impartiality, including ensuring accountability, it is necessary to understand the characteristics and limitations of third-party evaluations, and to clarify the objectives of ODA evaluation at the policy level and the focus points of the evaluation scope. |
| Selection, design and management of evaluation target | · The framework, design and evaluation points of the ODA evaluation at the policy level are defined in the ODA Evaluation Guidelines. Therefore, a certain level of standardization and quality control of policy-level ODA evaluations are in place.<br>· With a goal of strengthening the feedback mechanism and the visualization of ODA evaluation, measures are being taken to improve the quality of ODA evaluations and to make evaluation results easy-to-understand.<br>· The ODA Evaluation Guidelines requires the formulation of Objective Framework, a systematic chart that shows the hierarchy of different levels of objectives, (e.g., policies-> programs-> projects or overall goals, mid-level goals, and small targets). However, under the current system, only a few policies have "Objective Frameworks" formulated at the policy formulation stage, thus, the evaluator has to formulate the Objective Framework of the policy subject to the evaluation at the time of evaluation in most cases. Therefore, the structure which enables the evaluators to comparatively analyze and assess "Objective Frameworks" formulated at the policy formulation stage and the results at the time of evaluation has not been put in place. This is a challenge in terms of the accountability and evaluability of the evaluation target. In such cases where the evaluators formulate the Objective Framework at the time of evaluation, the ODA Evaluation Guidelines does not provide specific steps as to how the Objectives Frameworks should be constituted as a hierarchical layer, what kinds of hierarchizing points can ensure the evaluability of policies. Moreover, when the evaluability of concerned policies is limited, the ODA Evaluation Guidelines does not explain other alternative methods.<br>· Although the ODA Evaluation Guidelines indicates items to be examined in each of the evaluation criteria of "relevance of policies", "effectiveness of results", and "appropriateness of processes" in the "evaluation from development viewpoints" in the ODA evaluations, including the Country Assistance Evaluation, it gives no specific requirements as to what levels of information and data the evaluators are expected to collect and analyze, or what levels of recommendations the evaluators should produce. |

- The ODA Evaluation Guidelines regards that it is not easy to conduct the "evaluation from diplomatic viewpoints", another evaluation criterion of the ODA evaluation, by third-party evaluators and therefore it only provides examples of evaluation points, such as the "diplomatic importance" and "diplomatic impacts".
- As to the analysis and results of the evaluation, the ODA Evaluation Guidelines does not mention measures to deal with cases where the opinions of third-party evaluators and MOFA are different.
- In order to confirm the facts described in the evaluation report and discuss the usefulness of recommendations derived from the evaluation results, consultation meetings are held with the participation of the ODA Evaluation Division, other relevant divisions of MOFA, and the relevant departments of JICA. Such exchange of opinions serves to prevent biases and factual errors in the contents of the evaluation results and ensures the quality of evaluation.
- The interview survey with officials of the International Cooperation Bureau of MOFA, which has the main responsibility to respond to the recommendations derived from ODA evaluations, revealed that, due to personnel changes that occur every 2-3 years, the staffs have limited opportunities to deal with policy-level ODA evaluations and their understandings of ODA evaluation, including its utilization (the importance of evaluations as a process to derive practicable recommendations and lessons learned) were not enough.
- To improve the usefulness of ODA evaluation results, it is necessary to focus on the contents of the ODA evaluation by identifying in advance, the specific needs of the main end-users of ODA evaluation results, and incorporating them in the evaluation results.

| JICA | Appropriateness |
|---|---|
| Evaluation implementing structure | - Project evaluations are conducted with the objectives of (i) improving the quality of projects further through the PDCA cycle and (ii) ensuring accountability to stakeholders, including the people of Japan and the recipient countries.<br>- Ex-ante evaluations, implemented before the project implementations, and project monitoring, implemented during the project implementations, are, in principle, conducted as internal evaluations by staffs of JICA and the implementing agency.<br>- External ex-post evaluations are performed by external third parties (external consultants) for ODA loan, grant aid, and technical cooperation projects (over 1 billion yen in assistance amount) in principle and for projects which JICA's Evaluation Department considers as to have high likelihoods of gaining valuable lessons. For all projects with an assistance amount exceeding 200 million yen and less than 1 billion yen, internal ex-post evaluations are conducted by JICA's overseas offices and/or regional departments.<br>- Thematic evaluations are conducted by external third parties (external consultants) with an aim to derive useful lessons learned on JICA's project management by sector or country/region, and thereby, improves the quality of ODA projects.<br>- In 2010, JICA established the Advisory Committee on Evaluation, consisting of experts from the academia, NGOs, international organizations among others, and thereby has been working to improve the quality of evaluation, strengthen feedback of evaluation results, and enhance evaluation accountability. |
| Selection, design and management of evaluation | - According to the JICA Guidelines for Project Evaluation (2$^{nd}$ edition), the JICA Handbook for Project Evaluation (2$^{nd}$ edition) and other such papers, the design of JICA's operations evaluation is formulated based on DAC's five evaluation criteria.<br>- In an ex-ante evaluation, the quality of the evaluations is ensured by JICA's Evaluation Department checking the appropriateness of performance indicators and evaluation judgements as well as giving feedback to operation departments.<br>- The quality and content of ex-post evaluations are standardized since the evaluations are conducted based on the evaluation criteria and viewpoints set up in the said Guidelines. As for the external evaluations, evaluators consult with JICA's Evaluation Department on the accuracy of facts and fairness of the evaluation based on evidence. Also, evaluation reports are sent to other relevant departments and overseas offices for their comments. In the cases where there are different opinions on evaluation judgements between the external evaluators and JICA, both views of the evaluation results will be explicitly written down. As for the internal evaluations, the quality of evaluation is ensured by JICA's Evaluation Department by hiring consultants, who provide technical assistance to the staffs who conduct the internal evaluations, including those of JICA's overseas offices.<br>- At JICA, there is an issue for ODA management, when speaking of the large number of evaluation reports being produced compared to other donors and the immense number of evaluations per staff, which is becoming a heavy burden for them. |

| | Considerations may be given to this point, when further strengthening ex-post evaluations, which produce more useful lessons learned while fulfilling accountability. |
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## (2)   Comparison of Japan's ODA Evaluation System with Other Donors

### (a)   Objectives, Types and the Implementation Structure of Evaluation

The evaluation objectives of most of the donor agencies surveyed for this evaluation study are largely categorized into the following two points: (i) ensuring accountability to tax-payers and other stakeholders, for delivering information on the effectiveness of the contributed resources, such as on the development effectiveness of the project/program/policy implementations, rather than the information on the appropriateness of the funding processes or procedures; and (ii) learning what works and what does not work by ODA evaluations, and reflecting these factors in the design of the future assistance, and therefore, improving the development effectiveness.

With regard to the types of evaluation conducted by the donor agencies, all agencies surveyed have conducted project/program evaluations and thematic evaluations, while policy-level-evaluations, including those of country assistance strategies, have been conducted only by multi-lateral organizations such as the World Bank, ADB, and UNDP. No bi-lateral agencies conduct the policy-level evaluations. Moreover, no donor agencies, multi-lateral or bi-lateral, have conducted evaluations on overall sectoral development strategies (Many donor agencies conduct evaluations of sectoral development strategy by country).

In terms of the evaluation implementation structure, three types were identified in this study: (1) an evaluation department in the headquarters that is responsible for the evaluation (the World Bank, ADB, Germany (BMZ, DEval), and Japan (MOFA, JICA); (2) an overseas office and/or an operating unit in the headquarters that is responsible for the evaluation (U.S.(Department of State, USAID), DFID); and (3) an evaluation department in the headquarters or an overseas office/operating unit in the headquarters that is responsible for the evaluation, depending on the types of evaluation (UNDP).

### (b)   Recent Trends of the Evaluation System/Methods of Other Donors

During the last five years, the evaluation system and methods of other donors surveyed have changed markedly in line with the changes in their organizational strategies and the surrounding situation. The common changes identified among the donors are that more importance is being given to the learning effects (of evaluation), by focusing on evaluation results and evidence from other sources and by applying learning to the subsequent formulation of policies and projects, in order to improve development effectiveness of their assistance .

Multi-lateral aid organizations have been promoting to improve development effectiveness through learning from evaluations and other resources as one of its organizational strategies, while they ensure the independency of evaluations and accountability through setting up an evaluation department with higher independence within the organization and directly reporting to their Board of Directors. As for bi-lateral aid agencies, the UK and Germany established independent evaluation agencies to strengthen its accountability of evaluations. In DFID and USAID, evaluations are increasingly carried out by staff in charge of the implementation of projects/programs on-site, rather than those at the evaluation department in their headquarters, in order to promote learning through the evaluation process. Thus, donor agencies are moving towards the evaluation systems with more emphasis on learning, not only accountability.

**(c)**　Mechanisms to Utilize Policy Level Evaluation Results

The World Bank and ADB, which conducts the evaluation of their country assistance strategies, utilizes evaluation findings, recommendations and lessons for the formulation of new country assistance strategies. Even bi-lateral aid agencies, which do not conduct the evaluation of their country assistance strategies, utilize the findings, recommendations and lessons of their project/program evaluations for the formulation of their new country assistance strategies. The mechanisms to utilize evaluation findings are largely classified as follows: (i) guidelines that require the utilization of evaluation findings in preparing country assistance strategies; (ii) involvement of staff of the Evaluation Department and other relevant divisions in the formulation process of country assistance strategies; (iii) follow-up of the management's responses to the recommendations; and (4)　confirmation of the Board of Directors of multi-lateral aid organizations on the utilization status of the evaluation findings.

**(d)**　Initiatives to Promote the Utilization of Evaluation Results at the Policy Level and/or the Project Level

While donor agencies surveyed in this evaluation study have set up various mechanisms to promote the utilization of evaluation findings as mentioned above, there are reports stating that the findings of policy-level evaluations and project-level evaluations are not sufficiently utilized in the formulation of new strategies and the design of new projects. From interviews with the staff of other donors and literature surveys, the following factors were pointed out as obstacles to the utilization of evaluation findings: (i) issues on the quality and usefulness of evaluation findings and the contents of the recommendation, i.e., poor reasoning of recommendations and lessons, impracticality for adoption, and lack of consideration for feasibility; (ii) issues on information sharing and dissemination within the organization, such as the absence of institutional mechanisms which systematically collect evaluation findings and lessons, and disseminates such information within an organization in an efficient and

effective manner; (iii) lack of time to read voluminous evaluation reports; (iv) reliance on the knowledge and information from colleagues. Therefore, each donor has been implementing a variety of initiatives to promote the utilization of evaluation findings. These initiatives can be largely classified as follows: (i) improving the usefulness of evaluation reports; (ii) improving access to information on evaluations and the usefulness of the information provided; and (iii) developing human networks[5].

## 3-2   Appropriateness of the Policy-Level ODA Evaluation in the PDCA Cycle

The appropriateness of ODA evaluation at the policy level was examined through interview surveys with relevant officials in MOFA and reviewing 37 policy-level evaluation reports conducted from FY 2010 to FY 2014 (all evaluation reports conducted during the period mentioned except for evaluations labeled as "Other Evaluations") from the aspects of: (i) the appropriateness of evaluation analyses (sufficiency of data, information resources, quantitative analysis, and the logic for the evaluation judgements); (ii) the appropriateness of analyses of the diplomatic viewpoints; (iii) the appropriateness of recommendations (logical descriptions based on evaluation findings, usefulness and concreteness).

## (1)   Appropriateness of the Analyses of the ODA Evaluation at the Policy Level

Of 37 evaluation reports reviewed in this evaluation study, some reports were considered to have room for improvements in terms of their analysis and description methods. More specifically, 10 reports were found inadequate in the analysis of the evaluation criterion "relevance of policies", 19 in "effectiveness of results" and in "appropriateness of processes" respectively. Also, in "diplomatic viewpoints (diplomatic importance and diplomatic impacts), 16 reports were deemed to be weak in terms of their analyses and description methods.

(a) Relevance of Policies
The verification of the relevance of policies of the Country Assistance Policies and the Sectoral Development Policy and Japan's ODA Priority Issues with Japan's high level policies, such as the ODA Charter/Development Cooperation Charter, have been standardized through the creation of the Objective Framework based on the existing policy documents. Therefore, after clarifying the information source, the analyses were conducted based on necessary data and information. Thus, the evaluation itself was logical for the most part.

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[5]  USAID and DFID have set up a system which enables the staffs of local offices, who often lack adequate evaluation experiences, to have access to evaluation results and obtain evaluation advice from evaluation advisors and/or an expert group with an abundant experience and knowledge in evaluation and other specific sectors. Also, DFID established a "Learning Group" to promote the utilization of evidence as well as learning and information-sharing within the whole organization in 2014.

(b) Effectiveness of Results

The analyses of the attainment level of the policy goals were considered to be generally insufficient. It is difficult to set concrete performance indicators for a policy goal other than the commitment amount. The lack of indicators, in turn, makes it challenging to verify the achievement levels of the concerned policy quantitatively. Moreover, due to the lack of information on how to verify the achievements of the Basic Policy of Assistance (overall goals) of the Country Assistance Policy, many evaluation reports have not mentioned the attainment level since the evaluators could not verify such achievements. While the Objective Frameworks were formulated by evaluators as an evaluation subject, they were not effectively utilized to analyze the "effectiveness of results". Furthermore, indicators for the Priority Areas, which corresponds to the goal of the program levels, have not been set forth, which further challenges the analyses of its achievement level as well.

As for the analyses of the kind of effects Japan's ODA has achieved in the recipient country as a result of the policy implementation, there were some cases where the evaluators attempted to examine the effectiveness of results based on Japan's ODA flows from the input to the output stage, and from the output to the outcome stage, bearing in mind the Objective Framework. However, there were only a limited number of cases where the evaluators analyzed the contributions of the attainment of Japan's ODA policy goals, the development goals of the recipient countries and/or of the improvement of the development indicators of each sector. It was also observed that data presentation and analysis varied among the evaluators.

(c) Appropriateness of Processes

As for the appropriateness of the processes of policy formulation and implementation, there were cases which conducted impartial examinations of facts, such as institutional structures and procedures, and verified what was achieved by taking such procedures (for example, ensuring procedures of obtaining opinions and needs of various stakeholders). On the other hand, there were also some cases where the scope of analyses was biased and the evaluation analyses did not show enough evidence. It is necessary to improve the quality of the evaluation analyses from the perspectives of improving ODA management and ensuring accountability.

(d) Evaluation from the Diplomatic Viewpoints

Although evaluations from the diplomatic viewpoints require analyses on "What positive effects can Japan's ODA bring to Japan's national interests?", the ODA Evaluation Guidelines only mentions "diplomatic importance" and "diplomatic impact" as examples of evaluation points. Hence, the points and contents of analyses as well as the methods and scope of assessments varied among evaluators.

For "diplomatic importance", the specific evaluation items mentioned in the ODA Evaluation Guidelines, which include enhancing bi-lateral relations and deepening diplomatic relations (assessed by such facts as the number of VIP visits between the two countries and cases where Japan's ODA was mentioned by the VIPs in the recipient country), can be assessed through publicly available information. Thus, these items were largely assessed in the evaluation reports. On the other hand, since the evaluation of "diplomatic impact" requires the collection and analyses of a broad range of information from political, economic and social aspects, it is difficult to fully analyze all the information with a limited period of evaluation and manpower. Because the evaluations from diplomatic viewpoints are considered vital for fulfilling accountability[6], it is necessary to standardize it as one of the evaluation criteria, to clarify analysis methods to appropriately verify Japan's ODA from the diplomatic viewpoints in the said Guidelines, and to develop an organizational framework to conduct adequate analyses.

(e) Overall Remarks

Overall, the Evaluation Team observes that the variability of the contents and qualities of the evaluation reports results from the variability of the knowledge and experience of the evaluators. While the quality of evaluations largely depends on the quality of evaluators, it seems that the scope of ODA evaluations is influenced by the limited time and budget. Issues of the evaluability of the current ODA evaluations were also observed. Ideally, a path from the input to the output stage, and eventually to the overall goals indicated in the policy should be shown in the Objective Framework (the logic model) at the policy formulation stage, and the results should be verified in the evaluation for the improvement of ODA management (feedback to the policies) and the fulfillment of accountability. However, in reality, the Objective Framework, which is the base of ODA evaluations at the policy level, is formulated ex-post by the evaluation team at the time of evaluation, therefore, it is difficult to verify the path from the input to the outcome stage, and to the overall goal of the policy. This issue is tough to improve only with the efforts of the evaluation team. In order to improve the quality of evaluations and to make evaluation "useful", it is necessary for MOFA to take measures that consider the evaluability of the policy at the formulation stage.

With regard to the country assistance evaluation, whether Japan is a major donor in the concerned recipient country affects the depth and scope of the evaluation analyses by the evaluation team due to the influences of other donors' assistance and external factors. Nevertheless, based on the reviews of past ODA evaluation reports, the evaluation works of the "effectiveness of results" and the "appropriateness of processes" under the evaluation criteria from the "evaluation from development viewpoints", as well as the "evaluation from

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[6] An evaluation criteria, "diplomatic viewpoints" was officially introduced in 2015 (the evaluation criteria was introduced in some evaluations in 2011)

diplomatic viewpoints" can be further standardized to some extent.

## (2)    Appropriateness of the Recommendations

After reviewing the ODA evaluation reports, the Evaluation Team confirmed for the appropriateness of the recommendations that in most cases, issues were pointed out based on the evaluation analyses, and recommendations were proposed as actions to address the identified issues. However, some of the recommendations were not concrete enough. Officials of the International Cooperation Bureau of MOFA, who are the main users of the evaluation results (including the recommendations), have recognized that the recommendations derived from third-party evaluations are highly useful since the recommendations confirm the issues recognized through their work and support the directions of the actions to address such issues. On the other hand, some of the officials have pointed out that many of the recommendations provided by the third-party evaluators were well within their expectations and that there were almost no recommendations that were made from the viewpoints that go beyond what can be recognized by the MOFA officials.

While paying regards to the opinions of the evaluation team, the ODA Evaluation Division and relevant departments of MOFA and JICA made active comments on the recommendations, through consultation meetings with the evaluation team and reviews of the draft evaluation report, in order to improve the quality of recommendations and lessons from the evaluation results. In this process, attentions were paid on: (i) whether the analyses and assessments were based on evidence, (ii) whether the recommendations and evaluation results were logically coherent with the analyses and assessment of evidence, and (iii) whether the recommendations were feasible and practical. Thus, the Evaluation Team has confirmed that necessary processes to make highly practical and feasible recommendations from the evaluation results are in place. On the other hand, it can also be pointed out that there are some cases where the relevant parties, which should examine and implement the response measures to recommendations, do not fully recognize their own needs for evaluation, due to their unawareness about how to understand and accept evaluation results properly. Therefore, the evaluation team could only point out the issues identified during the course of the evaluation, but could not sufficiently coordinate with the relevant parties to discuss the specific actions to help solve these issues. In addition, in some cases, similar types of recommendations were repeatedly proposed by different evaluation teams.

Further, there were cases where excellent recommendations based on high-quality evaluation results were formulated, but were not easily put into practice due to the external environments and factors, such as the domestic and international political and diplomatic

situations surrounding ODA. However, these recommendations should be considered in the formulation and implementation of the future ODA polices, and there is high possibility that i medium and long-term implementations are required. Thus, regardless of the likelihood of its implementation, these recommendations are compiled in the evaluations as necessary measures to the issues identified from the evaluation results.

**3-3 Appropriateness of Linkages between the Policy-Level PDCA Cycle and the Project-Level PDCA Cycle**

**(1)** Characteristics of the PDCA Cycle and the Role of ODA Evaluation at the Policy Level

This evaluation study revealed that the concept of the PDCA cycle at the policy level in Japan's ODA is not organized in an explicit and commonly recognized manner and that a clear and common recognition for the positioning and role of the ODA evaluation in the policy level PDCA cycle has not yet been established among the relevant parties in MOFA. Taking into consideration the characteristics of the policy level PDCA cycle, the positioning and role of ODA evaluation at the policy level should be redefined.

**(2)** Linkages between the Policy-Level PDCA Cycle and the Project-Level PDCA Cycle

At the implementation stage of Country Assistance Policies, MOFA collaborates with JICA by closely sharing information, including the results of the monitoring and evaluation of each project. Thus, the project-level PDCA cycle and the policy-level PDCA cycle are, in general, properly linked through the D phase of the policy-level PDCA cycle. Moreover, for the formulation of the Rolling Plan, which means the D phase of the policy-level PDCA cycle, the country-based ODA Task Force, composed mainly of members from the Embassy of Japan and the JICA office of each recipient country, formulates its first draft. This provides opportunities for JICA, which is responsible for implementing ODA projects, to give direct feedback of its knowledge and experiences in project management to the policy formulation process. Thus, an institutional arrangement to effectively collaborate between JICA and MOFA has been put in place.

The linkages between the policy -level PDCA cycle and the project-level PDCA cycle are limited to the D phase of the policy-level PDCA cycle. In particular, a system in which the project-level evaluation results can be directly fed back to the ODA policies, such as the Country Assistance Policies, have not been put in place. While the ODA evaluations conducted by the ODA Evaluation Division of MOFA and the operation evaluations conducted by JICA do not explicitly collaborate and/or link with each other in the current system, the ODA evaluation results at the policy level and at the project level are shared

between the two organizations (MOFA and JICA). Further, in some cases, the project-level ODA evaluations and other related research reports are utilized in the D phase and the C phase of the policy-level PDCA cycle. However, of the past ex-post evaluations conducted by JICA, some evaluations were not conducted at the appropriate time to measure the project effects. Although the data from these evaluations can be utilized to verify the outputs of the implemented ODA projects, it is necessary to note that these data have some limitations in measuring the full effects (outcomes and impacts).

Unclear linkages between the goals at the policy level and the goals at the project level result in a loose collaboration between the ODA evaluations at the policy level and those at the project level. For example, without the development of adequate indicators, it is hard to measure the achievement level of the goals at the policy level, and it is not clear how individual project specifically contributes to the achievement of the concerned policy goals. In this way, the project's outcome/impact indicators do not necessarily link with the policy goals, and it should be pointed out that this situation prevents the full evaluation of the effects of the assistance programs.

### 3-4 Appropriateness of the Feedback Mechanism of the Evaluation Results in the Policy-Level PDCA Cycle

**(1)** The Utilization Status of Recommendations of the ODA Evaluations of MOFA

During the revision of the Development Cooperation Charter conducted for the first time in the past 12 years, the result of the "Review of Japan's ODA Evaluation from 2003 to 2013" (hereinafter referred to as "Review") was referred to, and the points of recommendations indicated in the Review were reflected into the revised Charter. This was an example of the appropriate utilization of the recommendations. The results of the policy level ODA evaluation are also reflected into the Country Assistance Policies, Sectoral Development Policy and Japan's ODA Priority Issues, and the improvement of the ODA modalities. In addition, the evaluation results (compiled as the Annual Report on Japan's ODA Evaluation) are shared with the Development Project Accountability Committee and each ODA evaluation reports have been used as a reference for the planning of individual projects. The country-based ODA Taskforces also use the evaluation results as a reference for the request surveys of next year's ODA projects. Furthermore, each ODA evaluation report is publicly available on the MOFA website, and serves to fulfill the accountability to the ODA practitioners as well as to the public. The summaries of the evaluation reports are also available in English as well as the local official languages of the recipient countries, enabling to share the evaluation results among the relevant parties in foreign countries, such as stakeholders in the recipient countries and other donors.

As for the usefulness and appropriateness of the recommendations, in some cases, issues

that were pointed out by third-party evaluators were not in line with the views of the relevant officials at MOFA. Also, there were cases where the discussion between the concerned parties of MOFA and the evaluation team was based on the premises that there will be no change in the existing ODA system embedded within MOFA. It is important to note that, in such a case, although the issues were correctly identified, the evaluation team may judge that the recommendations from the evaluation results are not feasible, and therefore, may make the recommendations in abstract terms, or may not even mention them in the evaluation report altogether. Therefore, it is desirable that a common understanding of the purposes of ODA policy level evaluation be nurtured within MOFA, and a constructive discussion on the evaluation findings by the evaluation team be held among the relevant parties. Discussions should also be held on such issues as the possible changes of the existing ODA system, if necessary.

**(2) Appropriateness of the Feedback Mechanisms and the Effects of Utilization of ODA Evaluations by MOFA**

The ODA Evaluation Division of MOFA follows the implementation status of the response measures to recommendations being implemented by the responsible divisions of the International Cooperation Bureau, and publishes it in the Annual Report on Japan's ODA Evaluation. For recommendations which need medium and long-term efforts, the responsible divisions continue to follow the response measures beyond the follow-up periods by the ODA Evaluation Division. Whereas the Country Assistance Policies are revised every 5 years, and the Sectoral Development Policy and Japan's ODA Priority Issues are revised every 5-10 years, officials in MOFA are moved off to another section for personnel reshuffles that occur every 2-3 years. Under the current personnel system, it is difficult for the MOFA officials who were engaged in the process of ODA evaluation to also take part in the implementation of the recommendations, including reflecting the recommendations into the policy formulation in the medium and long term. Thus, it is necessary to set up an organizational structure/institutional arrangements that ensure the implementation of the recommendations for the medium- and long-term and monitoring the follow-up statuses.

# Chapter 4 Conclusion and Recommendations

## 4-1　Conclusion

The policy-level ODA evaluation, which the ODA Evaluation Division of MOFA is in charge of, is largely managed in an appropriate manner in terms of the implementation structure, the selection of evaluation targets, the evaluation design, and the evaluation management as part of the policy-level PDCA cycle. To ensure the objectivity, transparency and impartiality of the evaluations, the implementation structure to conduct the evaluations as a third-party evaluation has been in place for the policy-level ODA evaluations. Moreover, the Evaluation Team considers that a third-party evaluation is useful, from the perspectives of providing accountability to the public, the relevant people of the recipient countries and other stakeholders, as well as to provide feedback towards the improvement of ODA, since it shows the analyses and recommendations which cannot be obtained by internal evaluations. However, in the "evaluation from the diplomatic viewpoints", it became clear that there are characteristics and limitations in the ODA evaluations by third-parties since the analyses by third-party evaluators are limited to publicly available information.

Further, from the standpoints of drawing evaluation results and recommendations which can provide feedback to the policy formulations, the contents and qualities of some policy level ODA evaluations were not sufficient, and thus, improvements in the analytic views and methods of evaluations are required. In terms of the "effectiveness of results" and "appropriateness of processes," the contents and the quality of evaluations varied depending on evaluation subjects and evaluators. In some cases, the quantitative analyses were insufficient, data and information sources were biased, and the evidence used in the evaluation analyses was inadequate. In the "evaluation from the diplomatic viewpoints", the amount of information analyzed and the contents and depths of the analyses widely varied among the evaluators as well.

The policy level PDCA cycle is a continuous spiral process from one policy to the next. The feedback of the evaluation results is also reflected into the improvement of ongoing policies as well as the formulation of subsequent policies. Thus, the feedback of the evaluation results is multi-tiered. Such characteristics of the policy-level PDCA cycle were not commonly and clearly recognized among the relevant parties of MOFA. While the response measures to the recommendations, derived from the policy-level ODA evaluations, are formulated and implemented by the relevant divisions of the International Cooperation Bureau and its implementation status of the response measures is monitored by the ODA Evaluation Division, there is currently no specific system in place to verify the implementation results of the response measures and to monitor the implementation status

of the medium- and long-term recommendations

As for the linkages between the PDCA cycle at the policy level and those at the project level, the project-level PDCA cycle (ODA project management), of which JICA is in charge, is properly functioning and connecting with the D phase of the policy-level PDCA cycle. An institutional arrangement to ensure the effective collaboration between the two PDCA cycle through the country-based ODA task forces is also set in place. However, since the implementation of a policy and the full materialization of its effects require a considerable long time, it is difficult to match the appropriate timing between the project-level PDCA cycle and the C phase and the A phase of the policy-level PDCA cycle. Also, the linkages between the ODA evaluations at the policy level and those at the project level are limited to sharing evaluation results between the two organizations (MOFA and JICA). Since the linkages between the goals at the policy level and at the project level are not clearly defined and indicators to measure the project outcomes/impacts are not necessary linked with the policy goals, the verification of the effectiveness of results at the Assistance Program level cannot be sufficiently conducted under the current system.

On the whole, in terms of accountability, the current system is by and large adequate, and the policy-level ODA evaluations are conducted in an appropriate manner. On the other hand, in terms of deriving evaluation results and recommendations which can provide feedback to the ODA policies, there remain issues such as the inadequate quantitative analyses and the lack of sufficient evidence presented for the evaluation analyses. Also, a multi-tiered feedback mechanism, in which the feedback of evaluation results is reflected into the improvement of ongoing policies as well as the formulations of subsequent policies, should be established. The Evaluation Team considers that it is necessary to first redefine the positioning and the role of the policy-level ODA evaluation, such as the type of issues to be focused on and utilized, and then, to improve the timing, scope and analytical method of evaluation as well as the feedback system of evaluation results.

## 4-2　Recommendations on the Policy Level ODA Evaluation System

**(1)** Prioritizing the Objectives of ODA Evaluation at the Policy Level as a Third-Party Evaluation

A third-party evaluation is conducted by an evaluation team which consists of an expert of evaluation methods as well as that of a relevant country and sector for the evaluation. A third-party evaluation is expected to draw evaluation results and recommendations which cannot be obtained by an internal evaluation conducted by MOFA officials from the viewpoints of feedback to the ODA policies, especially, in such evaluation criteria as the "effectiveness of results" and the "appropriateness of processes". On the other hand, from a practical point of view, there are limitations in the budget and evaluation period for

policy-level ODA evaluations as well as the manpower of the ODA Evaluation Division in MOFA, which is in charge of policy level ODA evaluations. Therefore, on the premises that accountability has already been ensured under the current system, the Evaluation Team recommends to take an approach that aims to further strengthen accountability by placing more emphasis on providing feedback to the formulation of its ODA policies as the key objectives of the policy-level ODA evaluation in the policy level PDCA cycle.

**(2)** Formulating and Implementing a Medium-Term Evaluation Plan for the Policy-Level ODA Evaluations

The ODA Evaluation Division is currently considering the formulation of a medium-term (3-5 years) ODA evaluation plan and is planning to review the plan every year. The Evaluation Team considers this plan could be an effective measure to make the relevant divisions in the International Cooperation Bureau more aware of the utilization of evaluation results and to adjust the timing of ODA evaluations at the policy level. Before implementing this plan, efforts should be also made, under the initiatives of the ODA Evaluation Division, to deepen the understanding of officials in the International Cooperation Bureau on the policy-level ODA evaluation. These efforts may include (formal or informal) study sessions and workshops to discuss the modality of the policy-level ODA evaluations and the utilization of evaluation results (recommendations).

**(3)** Further Improvement of Evaluability, Feedback to the Policies, and Accountability by Strengthening the Usage of the "Objective Framework (logic model)"

The formulation of an "Objective Framework" at the policy formulation stage and the verification, based on the "Objective Framework", of the achievements of policy implementation by third-party evaluators allows the comparison between the plan of a policy and its achievements, and therefore, leads to strengthen accountability. This is expected to help increase the accuracy of analyses on the causation between the ODA policies and the implementation results through the following processes, (i) monitoring activities of policy implementation based on the "Objective Framework" by the relevant divisions of MOFA, (ii) formulation of a "Result Framework of ODA Policies" by the evaluators based on the effects of assistance programs and their ripple effects at the evaluation stage, and (iii) conducting comparative analyses between these two Frameworks.

Further, formulating and visualizing the "Objective Frameworks" of the Country Assistance Policies, Sectoral Development Policy, Japan's ODA Priority Issues and other Initiatives at the policy formulation stages enables to clarify the position of each project in the Assistance Programs as well as the channels from the Assistance Programs to the policy goals (Development Issues-> Priority Areas ->Basic Policy of Assistance). The utilization of the "Objective Framework" allows the people in charge of policy formulations and those of the

project implementations of the policy to share common understandings, and enables consistent ODA management that connects policy goals and project goals, and thereby contributes to improving evaluability.

In the priority issue evaluations and aid modality evaluations, there are many cases where it is difficult to formulate an Objective Framework at the evaluation stage. Therefore, it is necessary to clarify the Assistance Programs, and if possible, formulate an "Objective Framework" at policy formulation/implementation stage. It may be difficult to verify the effectiveness of results of all Sectoral Development Policy, Japan's ODA Priority Issues and other Initiatives. In such cases, the Evaluation Team recommends that the evaluation focuses on case studies.

Similarly, in conducting a country assistance evaluation of a country where Japan's ODA assistance is not large and Japan is not the major donor, it is necessary to be careful in utilizing the "Objective Framework". After clarifying the status of Japan's ODA in a country subject to the evaluation, the evaluation team is required to make clear what factors, if any, had an influence on the achievements of the Development Issues and the Priority Areas. From the viewpoints of evaluability, it is appropriate that the evaluation shift its focus on the analyses of assistance programs after clearly noting such constraints.

**(4)** Improvement of Verification at the Assistance Program Level in Coordination with JICA's Operations Evaluations and the Effective Usage of the Evaluation Results

The coordination between the ODA evaluation at the policy level and those at the project level is vital to improve the evaluability of the "effectiveness of the results" in the policy level ODA evaluation, and to raise the quality and accuracy of its verification. Thus, it is necessary to improve the verification of the "effectiveness of results" at the Assistance Program levels by effectively utilizing the results of JICA's project evaluations, especially information and data collected in the ex-post project evaluations. JICA has been conducting ex-post project evaluations since 2008, and as such, has already accumulated an enormous amount of information and data regarding the effects/impacts of projects. It is expected that the effective usage of these project-level evaluations will enable to verify the "effectiveness of the results" at the Assistance Program level, and furthermore, conclusively verify the "effectiveness of the results" of the ODA policies. It is also expected to contribute to setting up/enhancing indicators to measure the achievement of Priority Areas (mid-level goals), which are required in the verification of the "effectiveness of the results" in the policy-level ODA evaluation.

## 4-3  Recommendations on the ODA Evaluation Guidelines

**(1)** Refinement of the Evaluation Scope and the Evaluation Criteria based on the

Prioritization of the Objectives of the Policy-Level ODA Evaluation

It is desirable to take an approach to put emphasis on the improvement of ODA management (feedback to the policies) as the overall objective of ODA evaluations, and thereby aim to further improve accountability. Therefore, it is necessary to underline that ODA evaluation results are to be utilized as feedback to the ODA policies, and to specifically indicate what kinds of feedback of the policies are required to be obtained from the evaluation results for each ODA evaluation, while refining the evaluation scope and evaluation criteria.

In refining the evaluation scope and evaluation criteria, the following points should be considered:

- Taking into account the limitations imposed by the evaluation budget and periods, it is important to refine the target area to verify based on the "Objective Framework" to be formulated at the policy formulation stage, and organize and analyze information

- As for the appropriateness of processes, in order to conduct a meaningful evaluation based on an sufficient information collection and analyses, with the limited evaluation period and budget, it is necessary to attach more weight on acquiring evaluation results and recommendations which have an effect for the feedback to the policies, and examine the "policy formulation processes on the decisions of policy goals and priority areas" as a main target for the assessment.

- In the case where the evaluation is conducted for a recipient country in transition from a low-income country to a middle-income country and/or other donors are shifting their aid priorities, detailed analyses should be made on the underlying factors and Japan's future responses, which will be useful as a reference for considering assistance to countries that will make a similar transition to a newly industrializing country in the future.

- It is important to analyze the factors on why the amount of Japan's assistance to the recipient country has increased/decreased, so that the analyses will be useful to examine assistance policies to recipient countries with similar situations.

- In view of MOFA's position as a competent authority of JICA, it is necessary to conduct more detailed assessments and analyses of coordination and synergistic effects among different JICA's aid modalities, such as ODA loans, grant aid and technical cooperation (including the dispatches of experts, and Japan Overseas Cooperation Volunteers), as well as the appropriateness of JICA's aid implementation structure and functions.

**(2)** Clarification of the Evaluators' Status and Qualifications Required for the Third-Party Evaluation

To improve the quality of ODA evaluation and to standardize the quality of each evaluation, it

is necessary to specifically show what stance the third-party evaluator should take in the evaluation analysis and the compilation of the evaluation report. Especially, for the collection and analysis of information and data required to conduct the evaluation, it should be stipulated that in order to fulfill accountability, an evaluator should conduct a fair verification based on facts, without drawing conclusions based on the evaluator's subjective view. It should also be required that evaluators should produce highly useful professional recommendations by applying their expertise and knowledge to the evaluation. Moreover, assuming that the third-party evaluations guarantee the objectivity and neutrality of evaluations, the ODA Evaluation Guidelines should clearly indicate the experiences, expertise and achievements required for evaluators in achieving the goals of ODA evaluations, and select evaluators in accordance with such requirements.

**(3)** Strengthening Analyses on the Effectiveness of Results based on the "Objective Framework"

With the utilization of the "Objective Framework", which is to be formulated at the policy formulation stage, it is expected to strengthen the analysis of the "effectiveness of results". Evaluators should assess the contribution to the expected outputs and outcomes by formulating the "Result Framework of ODA policies" at the evaluation stage, based on the "Objective Framework" with the assumed policy goals prepared at the policy formulation stage, which shows the channel from the inputs (cooperation programs/projects) to the outputs (small targets: development issues to be dealt with by assistance programs), to the outcomes (mid-level goals: priority areas) and then to the final outcomes (overall goals: final assistance goals),

Even though a project is implemented to achieve a specific objective, multiple ripple effects after the project implementation are often identified at the evaluation stage. With the "Result Framework of ODA policies" showing also such ripple effects confirmed at the evaluation stage, it is possible to verify which projects/assistance programs in a certain sector contribute to the goals defined in the ODA policies. As for the ripple effects, a feedback to the ODA policies and assistance programs can be obtained by clarifying the difference between the hypotheses developed at the policy formulation stage and the ripple effects that have emerged after the project implementation, and analyzing the factors that led to the difference.

**(4)** Standardization of Analyses on the "Effectiveness of Results"

In order to strengthen the evaluation analyses of the "effectiveness of results" and enhance methods for the feedback to the policy formulation and accountability, the Evaluation Team proposes to standardize quantitative and qualitative analyses for the case studies for country assistance evaluations and priority issue evaluations, if data is available for such

analyses, including the results of the project evaluations. This would enable the evaluators to conduct an objective verification of the effects and attainment levels of the ODA policy implementation to the policy objectives, and contribute to deriving more useful recommendations for policy formulation towards reviewing and preparing strategies for the priority areas.

**(5)** Improving Quality of the "Evaluation from the Diplomatic Viewpoints"

The standardized analytical viewpoints and methods for the evaluation of the diplomatic viewpoints should be clearly defined in the ODA Evaluation Guidelines to standardize and improve the contents and quality of evaluation. Considering that the results of third-party evaluations be published, the evaluation from the diplomatic viewpoints should be conducted based on the analyses of publicly-available information in general.

As for the diplomatic importance, one of the criteria for evaluations from the diplomatic viewpoints, it is important to verify how high-level government officials in the recipient country recognize the effects of Japan's ODA from the perspectives of ensuring accountability, and therefore, the evaluation is required to verify and analyze the status of reference of Japan's ODA by the VIPs of the recipient country's government. As for the diplomatic impact, another evaluation criterion of the diplomatic viewpoints, it is necessary to clearly show in the ODA Evaluation Guidelines that the diplomatic impact be verified by the analyses of quantitative data such as the number of personnel exchanges between Japan and the recipient country or similar analyses. To strengthen the verification of the diplomatic impact, more emphasis should be given to strengthen information collection during the field surveys of the ODA evaluations (including questionnaire surveys by local consultants) and to utilize the results of "Surveys of Public Opinion about Japan in Foreign Countries" conducted by MOFA.

**(6)** Improving Quality of Evaluation through Diverse Information Sources

It is essential to strengthen the analyses of data and information in the recipient countries in order to derive useful recommendations for policy formulations through the analyses of the "effectiveness of results" and the "appropriateness of processes" in the "evaluation from the development viewpoints. Due to the limitations in scope and volume of collecting information during the field survey, which is two weeks to the max, it is necessary to consider diversifying the information collection methods, for example, by hiring local consultants who know well about the local situation.

For the country assistance evaluations, it is also important to analyze how political and economic situations, relationships with neighboring countries, and relationships with major countries (e.g., USA and China) had influence on Japan's ODA policy for the verification of

the "effectiveness of results" and the "appropriateness of processes," from the aspects of improving ODA management, which is the feedback of the evaluation results to the policies. Considering that policies are always affected by the external environment, it is essential to deepen the analyses of these external factors from the perspectives of accountability. Further, if more in-depth analyses are required in the evaluations on the kinds of influence Japan's ODA has had on Japan's national interest, interview surveys with researchers in Japan as well as politicians and journalists in recipient countries should be recognized as important information sources for analyses, even if such surveys may include criticisms of Japan's ODA.

## 4-4 Recommendations on the Feedback and Utilization of Recommendations from Policy Level ODA Evaluation

**(1)** Effective Use of the ODA Evaluation Results as a Reference Material

With the aim of utilizing the ODA evaluation results for the medium- and long-term, it is desirable for the ODA Evaluation Division to consider formulating a 1-2 page reference material for the main users of the evaluation results, including the relevant divisions of MOFA and the staff in charge of ODA in the overseas establishments. These materials consist of cross-sectional analyses of past ODA evaluation results with a focus on the recommendations, the summary of good practices and points of concerns in formulating/revising and implementing Country Assistance Policies and Sectoral Development Policy and Japan's ODA Priority Issues. Also, developing a mechanism to provide direct feedback on a regular basis to the relevant people would be more effective to increase the usefulness of such materials.

**(2)** Organizing Feedback Seminars of the Evaluation Results by the ODA Evaluation Division

In order to utilize the evaluation results in a more effective manner, the ODA Evaluation Division should consider organizing regular feedback seminars (e.g. annual), in which important evaluation results are shared with the relevant officials in MOFA as well as the people involved in ODA outside MOFA. At such events, participants can also discuss the viewpoints and analytical methods related to ODA evaluation. These interactions are expected to contribute to improving the framework and methods of ODA evaluation, and thereby, ultimately improving the qualities of ODA evaluations.

## Summary of Recommendations

| | Recommendations | Responsible agencies | Timeframe | Importance |
|---|---|---|---|---|
| Recommendations on the Policy Level ODA Evaluation System | Prioritizing the objectives of ODA evaluation at the policy level as a third-party evaluation | ODA Evaluation Division and International Cooperation Bureau of MOFA | Short-term | ○ |
| | Formulating and implementing a medium-term evaluation plan for the policy level ODA evaluations | ODA Evaluation Division and International Cooperation Bureau of MOFA | Short-term | ○ |
| | Further improvement in evaluability, feedback to the policies, and accountability by strengthening the usages of the "Objective Framework" | International Cooperation Bureau of MOFA (supported by ODA Evaluation Division) | Medium-term | ○ |
| | Improvement of verification at the Assistance Program level in coordination with JICA's operations evaluations and the effective usage of the evaluation results | ODA Evaluation Division of MOFA and JICA | Medium-term | ○ |
| Recommendations on ODA Evaluation Guidelines | Refinement of the evaluation scope and evaluation criteria based on the prioritization of the objectives of the policy-level ODA evaluation | ODA Evaluation Division of MOFA | Short-term | ○ |
| | Clarification of the evaluators' status and qualifications required for the third-party evaluation | | Short-term | |
| | Strengthening analyses on the effectiveness of results based on the "Objective Framework" | | Short-term | ○ |
| | Standardization of analyses on the "effectiveness of results" | | Short-term | ○ |
| | Improving quality of evaluation of the "evaluation from the diplomatic viewpoints" | | Short-term | ○ |
| | Improving quality of evaluation through diverse information sources | | Short-term | |
| Recommendations on the Feedback and Utilization of Recommendations from Policy-Level ODA evaluation | Effective use of the ODA evaluation results as a reference material | ODA Evaluation Division of MOFA | Short-term | ○ |
| | Organizing feedback seminars of the evaluation results by the ODA Evaluation Division | | Short-term | |