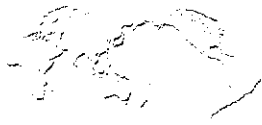


Chapter 1

The History of ODA Evaluation



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1.1 The History of ODA Evaluation

(1) Overview

Japan's ODA began when the Government of Japan joined the Colombo Plan in 1954 and implemented technical cooperation, making 2004 the 50th year of Japanese ODA. On the other hand, evaluation of ODA in Japan began in the 1970s, by which time the value of Japan's ODA had steadily increased to fourth highest in the world. Since then, ODA evaluation has been implemented primarily by the MoFA and by the ODA implementation agencies, the JICA¹⁾, and the JBIC²⁾.

From the introduction of ODA evaluation through to the end of the 1980s, the primary objective was management of the implementation of ODA projects, and ex-post evaluation of individual projects was carried out. Evaluation results were only made available within the implementation agencies and were utilized for the improvement of projects. However, Japan's ODA grew in scale leading to greater public interest in ODA and Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) began to discuss the importance of accountability. As a result, in the first half of the 1990s, ensuring accountability to the public was positioned as another objective of evaluation.

When the evaluation objectives were expanded in this manner, the corresponding evaluation functions also expanded, and evaluation came to have explanatory functions in addition to the former feedback functions. In other words, while formerly feedback functions of the evaluation results in the planning and implementation of new programs were considered most important, functions to explain to the public the results of ODA evaluations became necessary so that the Japanese government could meet its responsibility to be accountable to the public. Furthermore, as public opinion on ODA becomes increasingly critical due to severe fiscal conditions of Japan, the Japanese government has been actively working on ODA Reform. Evaluation is being advocated as one of the important pillars of that reform and it has been decided to further strengthen the functions of evaluation.

As objectives and functions have been expanded in this manner, the timing of the evaluation has also diversified. In the second half of the 1990s, mid-term evaluation and ex-ante evaluation were added to the existing ex-post evaluation. Likewise, as Country Assistance Programs and sector programs also began to be formulated in addition to individual projects, evaluation for these programs also started. Further, since it has been increasingly stressed to ensure the objectivity and transparency of evaluation, a more diverse range of evaluation has been implemented shifting from evaluation by the administrative institution itself toward evaluation by a third-party, by the recipient country, or joint evaluation, etc.

In this way, with increased public awareness of the accountability in ODA, efforts on ODA evaluation have been strengthened, but at the same time, a number of issues have been argued such as confusions in concepts related to evaluation and the evaluation methods, which have not been established yet. In order to resolve these issues, it is necessary to further improve evaluation techniques and to accumulate knowledge related to evaluation. The MoFA has been studying new ODA evaluation policies through various survey research and opportunities for information sharing and exchanges of views both within Japan and overseas. Below is the history of ODA evaluation to date, from its introduction phase to the expansion phase of its objectives and functions.

(2) Introduction of ODA Evaluation (Commencement of Evaluation–1980s)

Japan's ODA evaluation began with the implementation of ex-post evaluation of individual projects by the Overseas Economic Cooperation Fund (OECF) (currently JBIC) in 1975. Ex-post evaluation was commenced by the MoFA in 1981 and by JICA in the following year, and in this way the system of ODA evaluation by the MoFA and the implementation agency was established.

In 1981, the MoFA established the Economic Cooperation Evaluation Committee at the Economic Cooperation Bureau with the Director-General of the bureau as the chairman of the committee, and

¹⁾ In the 1970s JICA was called as it is now but was not independent administrative agency then.

²⁾ In the 1970s it was the Overseas Economic Cooperation Fund (OECF).

Historical Timeline of ODA Evaluation

	Ministry of Foreign Affairs	ODA	OECD
1975			Starts ex-post evaluation
1981	Establishes the "Economic Cooperation Evaluation Committee" at the Economic Cooperation Bureau, and starts ex-post evaluation.	Establishes the "Evaluation Reviewing Committee"	Establishes a section specializing in ex-post evaluation
1982	Starts publication of the "Annual Evaluation Report on Japan's Economic Cooperation"	Starts ex-post evaluation	
1984	Establishes the "Research and Programming Division" in the Economic Cooperation Bureau		
1986	Establishes the "ODA Evaluation Reviewing Panel"		
1988		Establishes a section specializing in evaluation	
1990	Reorganizes the Research and Programming Division and establishes the "Evaluation Division"		
1991			Starts publication of "Ex-post Evaluation Report on Yen Loan Projects"
1992		Planning of ODA Charter	
1993			Establishes the Research Institute for International Investment and Development, and Evaluation Group at the Institute
1995		Starts publication of "Annual Evaluation Report"	
1999		Planning of Medium-Term Policy on ODA	
1999			Following reorganization of Overseas Economic Cooperation Fund (OECF), establishes Development Assistance Operations Evaluation Office in Project Development Department
2000	Submits the "Report on improvement of ODA Evaluation System" to the Minister of Foreign Affairs	Following reorganization, renamed the Office of Evaluation and Post Project Monitoring of Planning and Evaluation Department	
	Establishes the "Internal Feedback Liaison Meeting on ODA Evaluation"	Starts ex-ante evaluation	Starts ex-ante evaluation
2001	Submits the "ODA Evaluation Study Group Report" to the Minister of Foreign Affairs		
	Government Policy Evaluation Act (GPEA) is enacted (and came into effect in 2002)		
	Establishes the "Wise Men Committee for Evaluation Feedback"		
		Task Force for Improvement of Evaluation System is formed	
		Announces the "15 Specific Measures for ODA Reform"	
2002	Announces the "Action Program" for the Reform of the Ministry of Foreign Affairs		Establishes "Feedback Committee on Ex-post Evaluation Yen Loan Projects"
	Starts ex-ante evaluation under the GPEA		
	Establishes the External Advisory Meeting on ODA Evaluation (renamed from the Wise Men Committee for Evaluation Feedback)		
2003		The New ODA Charter is approved by cabinet meeting	
	As a result of organizational reforms the Evaluation Division is reorganized as the "Evaluation Unit, Research and Programming Division"		
2004	As a result of organizational reforms the Evaluation Unit, Research and Programming Division is reorganized as the "Evaluation Unit, Aid Planning Division"		

started ex-post evaluation of individual projects. At that time, evaluation was implemented “in order to make Japan’s economic cooperation more effective” and assisting the management of individual projects was positioned as the objective of evaluation. The Economic Cooperation Evaluation Committee provided lessons learned from the evaluation results and recommendations as feedback to responsible bureaus within the MoFA, and decided on follow-up measures by the Japanese side. Thus, it can be said that at that time, importance was placed on feedback functions.

During this period, evaluation was implemented at the following three stages: i) decision on the plan for evaluation and its method by the Economic Cooperation Evaluation Committee ii) dispatch of the evaluation study team comprised of personnel from the MoFA and the implementation agency, and implementation of the study, and iii) feedback of the evaluation results to internal personnel and the government of the recipient country and follow-up by the responsible bureaus for economic cooperation. The types of evaluation classified by evaluator were i) evaluations by study teams dispatched by the MoFA (employees of the MoFA and the implementation agency), ii) evaluations implemented through Japan’s overseas diplomatic missions, iii) evaluation by the implementation agency, and iv) evaluations commissioned to private sector organizations. However, most evaluations were implemented by the MoFA and the implementation agency. The evaluations mainly focused on the extent of the impact of the project on local residents, the extent of gratitude of the recipient party, the extent to which objectives had been achieved, etc. The study teams mainly gathered the necessary information through field studies.

It can be said that this emphasis on management of individual projects from the time of the introduction of ODA evaluation through to the 1980s was influenced by discussions in the OECD-DAC and the approach taken by the United States (US) which pioneered aid evaluation. DAC established the Evaluation Correspondence Group in May 1981, and it advanced international discussions about evaluation. The June 1985 report *Methods and Procedures in Aid Evaluation*, published by the DAC Expert Group on Aid Evaluation (the successor body to the Evaluation Correspondence Group) states that “the major objective of evaluation is to increase the quality

Extract from the 1984 Annual Evaluation Report on Japan’s Economic Cooperation

Evaluated country: Thailand

Evaluated projects: Ta Chan Bridge, Ban Chao Nen Hydroelectric Power Station, Foot-and-mouth Disease Vaccine Manufacturing Center, Institute for Skill Development in the Northeast of Thailand, Kasetsart University Facilities Expansion Program, King Monkut's Institute of Technology

1. This project evaluation was the first systematic evaluation in Thailand. Actually there were time restrictions, making it necessary to focus on projects in Bangkok and its surrounding areas, but it is considered that it was possible to evaluate distinctive projects. These projects produced great results due to the efforts of the people involved in both Japan and Thailand, and, looked at in their totality, can be considered to be success stories.
2. Looking at the extent of the impact of these projects on the recipient government, local residents, etc., and the extent of gratitude of the recipient party, the King Monkut's Institute of Technology project had the best public relations effect in Thailand, given the length of the history of Japan's cooperation; it is a widely accepted fact that this institute is what it is today due to Japan's cooperation, and the authorities in Thailand are very grateful concerning this point.
3. When implementing evaluation, the evaluators realized that it was unexpectedly difficult to work out specific standards for measuring the extent to which objectives had been achieved and the extent of success of individual projects.
4. It was clear that overall the Thailand side did as much as it could with regard to budget allocations, personnel deployment, etc. However, it can be pointed out that in all of the projects, to varying degrees, the local budget and the technical capabilities of personnel on the Thailand side were insufficient. On the other hand, the Japanese experts on the whole worked hard and enthusiastically and achieved good results. But it was pointed out that there were some problem areas which appeared to be common to all project regions. For example, there was a communication gap primarily caused by the different languages to some extent.

of development cooperation between the donor country and the recipient country and between donor countries and recipient countries.” and it can be seen that importance is placed on managerial aspects of ODA. The US was already implementing evaluation in the 1960s, but in the 1980s as its fiscal deficit worsened, it began to utilize evaluation for program quality control and cost reductions. It can be said that this approach to evaluation had an impact on discussions in DAC through the US Agency for International Development (USAID).

(3) Expansion of Objectives and Strengthening of Functions (1990s–Present)

1) Expansion of Objectives

Japan’s ODA was expanded in the 1980s under the medium-term targets and in 1989, Japan became the biggest donor country in the world in terms of ODA expenditure. As the scale of ODA expanded, public interest in ODA also increased and so did calls for the Japanese government to explain how projects were being implemented and the obtained results. In this context, evaluation began to receive attention as a method for ensuring the accountability of the Japanese government and from the beginning of the 1990s, the MoFA positioned ensuring accountability as a major objective of evaluation in addition to management support for ODA. The Annual Evaluation Report on Japan’s Economic Cooperation at that time stated that the objectives of evaluation were i) identify lessons learned to enable ODA policymakers and implementation agencies to implement ODA effectively and efficiently; and ii) inform the public of the condition and results of ODA projects. Thus at this stage, the concepts of management and accountability were firmly confirmed, and subsequently, the MoFA did an analysis of the evaluation objectives and currently it is implementing ODA evaluation with the two major objectives of i) management support for ODA; and ii) ensuring accountability.

In this manner, the objectives of ODA evaluation in Japan expanded and international discussions, particularly those in the DAC, had an impact on this process. Originally the concept of accountability was the objective which the US General Accounting Office (GAO, now the Government Accountability Office) emphasized when it started evaluation at the end of the 1960s. In other words, it was expected that evaluation would be a method for administrative organizations to be accountable for their actions so that Congress would strengthen its influence over those organizations. However, as stated above, the discussion emphasizing managerial support rather than accountability was popular in DAC as managerial aspects of evaluation was considered more important. Nonetheless, as movement toward administrative reforms increased, mainly in the Scandinavian countries in the 1980s, the concept of the accountability of the government to the public gained wide acceptance and in DAC too discussions of accountability were held once again. The DAC Principles for Evaluation of Development Assistance published in 1991 determined that the objectives of evaluation were i) to improve future aid policy, programs and projects through feedback of lessons learned; and ii) to provide a basis for taking a responsibility toward assistance, including the provision of information to the public, and thus positioned management and accountability as objectives of evaluation.

2) Widening of Functions

As the objectives of evaluation expanded, so did the functions of evaluation. As stated above, in the 1980s when the ODA management was the central objective of the evaluation, the feedback function of evaluation was emphasized in order to utilize its results in the ODA planning and implementation. But in the 1990s, after ensuring the accountability of the Japanese government toward the public was added as an objective, it became necessary for evaluation to also contain explanatory functions on the implementation condition and results of ODA to the public. In other words, evaluation began to have a function to link the public and administrative institutions as a method for the public to obtain information about administration activities, in addition to the function of providing feedback to government agencies. For this reason, the MoFA started to publish evaluation results on its website in 1997 and is actively publishing the Annual Evaluation Report on Japan’s Economic Cooperation. Currently all the evaluation reports and annual reports are available through the MoFA website and it can be said that Japan has publicized its ODA evaluation to a greater extent than other donor countries. Moreover, not only through one-way transmission of information from the government, accountability is also being strengthened through the holding of ODA evaluation seminars and direct dialogues with the public concerning evaluation results.

3) Impact of the Expansion of Objectives and the Strengthening of Functions

(a) Diversification of the Timing of Evaluation Implementation

As a result of this expansion of the objectives and strengthening of the functions of ODA evaluation, it is now implemented at all stages: ex-ante, mid-term and ex-post.

It can be thought that this is because of a new awareness that in order to strengthen ODA management it is more effective to implement evaluation in the ex-ante and mid-term stages, in addition to the ex-post evaluation to verify the results of ODA, and to carry out management consistently from planning to implementation and the realization of results. This trend has occurred not only in Japan but also in the history of evaluation in the US. In the US in the 1970s, evaluation came to have the objective of management of government activities as the federal government had a fiscal deficit, and along with this trend, a variety of evaluation from program planning to ex-post began to be implemented. For example, formative evaluation was implemented during program³⁾ planning and implementation, process evaluation was implemented in the program implementation and operation stage, and summative evaluation when the program was terminated.

At the same time, from the perspective of accountability, this kind of consistent evaluation has the advantage of enabling the public not only to manage the ex-post results of ODA, but also to manage ODA planning and implementation, and the Congress and experts also have been increasingly calling for the implementation of evaluation from the ex-ante stage to the ex-post stage. In 2000 and 2001, the Report on improvement of ODA Evaluation System and the ODA Evaluation Study Group Report were submitted to the Minister of Foreign Affairs by the Evaluation Reviewing Panel, the private advisory body to the Director-General of the Economic Cooperation Bureau at the time. These reports recommended that "a system be established for consistent project-level evaluation throughout all the stages: ex-ante, mid-term, and ex-post."

These requests were reflected in the revision of the ODA Charter in August 2003. The charter contains a provision stating that "the government will carry out consecutive evaluations at all stages, i.e. ex-ante, mid-term and ex-post." Currently the MoFA and the implementation agencies are cooperating to implement ex-ante evaluation, mid-term evaluation and ex-post evaluation.

(b) Expansion of the Scope of Evaluation

As a result of the expansion of the objectives and strengthening of the functions of evaluation, evaluation is now implemented not only for individual projects, but also for ODA policies such as Priority Issue and Country Assistance Programs, etc. This change resulted from the review of previous aid practices and emergence of a new aid framework brought about by the so-called "aid fatigue" in North America and Europe in the 1990s.

The worsening fiscal situation in major donor countries from the end of the 1980s to the beginning of the 1990s resulted in decreased ODA disbursements from those countries and brought about the so-called "aid fatigue" situation. In such a situation, people began to question the value and effects of ODA up to that time and it became urgently necessary to review ODA practices with a view to implementing it more efficiently and effectively. Mainly in North America and Europe, the approach of management of government activities was introduced, for example the New Public Management (NPM)⁴⁾ approach was widely adopted. In this manner in the second half of the 1990s Comprehensive Development Frameworks (CDF) and Poverty Reduction Strategies (PRS) emerged as new tools for promotion of assistance and these new frameworks, in principle, incorporated

³⁾ There is some debate about the concept of a program as referred to here. As can be seen in Japan's standard guidelines for policy evaluation, Japanese government activities are classified as Policy, Program/Programme, and Project. However international organizations and other donors do not necessarily use these classifications, with a variety of different classifications being used by each country and organization. For example, government activities are sometimes divided into Program and Project (or simply Activities). The scope of programs was never clearly defined and varied depending on how the program was constituted. Refer to the GAO website for details about GAO program evaluation: <http://www.GAO.gov/about/history/>

⁴⁾ NPM is the new concept that emerged against a background of public distrust of the governing capacity of governments, and was a driving principle behind the administrative reforms that occurred primarily in the United Kingdom (UK) and the Scandinavian countries in the 1980s. It places importance on market functions and the competitive principle, and advocates active disclosure of management information in national and local governments, and its major fundamental principles include clarification of responsibilities, results-based management, etc.

management mechanisms for the planning, monitoring and evaluation of the comprehensive assistance strategy.

Japan, in response to the fact that country and sector assistance plans have been strengthened, has also expanded the scope of evaluation to include not only individual projects but also Sector Program, Country Assistance Program and Priority Issue Program. The revised ODA Charter provides that "the government will carry out ... evaluations at each level, i.e. policy, program and project." Based on this, currently the MoFA and the implementation agencies are cooperating to implement evaluation at the project level, program level and policy level.

(c) Diversification of Evaluators

As evaluation efforts have been strengthened in this manner, the type of evaluators also diversified. As already stated, evaluation came to have the function of providing information to the public, and objectivity of evaluators themselves also began to draw attention, partly due to the movement toward ODA Reform.

Previously most MoFA ODA evaluation was implemented by personnel from the MoFA or the implementation agency, but as the movement toward ODA Reform gained momentum from the beginning of the 21st Century, transparency and efficiency of ODA also began to be emphasized. Evaluation was a major pillar of reform as an important method for ensuring the transparency of ODA, and external third-party evaluation was given importance. In the report of the Second Consultative Committee on ODA Reform and the report of the Advisory Board for the reform of the MoFA, both submitted in 2002, it was recommended to expand external evaluation.

In this way, the MoFA is now implementing mainly third-party evaluation, together with evaluation by the recipient country, joint evaluation, and evaluation by the MoFA. Third-party evaluation is an evaluation implemented by an external third-party and the MoFA is commissioning the External Advisory Meeting on ODA Evaluation composed of experts to implement it. Furthermore, evaluation by the government of the recipient country or its agencies is an evaluation that incorporates the viewpoint of the recipient country, and the MoFA is commissioning it to government personnel, universities, research institutions, etc. of the recipient country. Joint evaluation is an evaluation that the MoFA jointly implements with external organizations such as other donors, international organizations, NGOs, etc. Currently, with the coming into effect of the Government Policy Evaluation Act (GPEA), evaluation by administrative institutions themselves has become compulsory, so the MoFA sometimes carries out direct evaluation but in most evaluations, it leaves room for external parties to participate.

(4) Issues

As stated above, ODA evaluation has been expanded taking into account domestic and foreign conditions but at the same time, a variety of issues with respect to evaluation have been indicated. These include clashes between evaluation objectives, confused concepts, technical issues, etc.

1) Issues related to Objectives and Functions

As a result of the expansion of the objectives and strengthening of the functions of evaluation, a question of how to balance between feedback functions and explanatory functions of evaluation to the public arose. For example, if feedback functions are emphasized, evaluation has its value only when it is utilized in ODA policies and implementation. So it is necessary for such evaluation to provide specialized and specific information to policy decision-makers, and there is a danger that the feedback incentive could be weakened if the evaluation content is too general. On the other hand, from the perspective of explanatory function, evaluation is required to be objective, general and easy to understand for the public; if the content is too specialized, it becomes difficult to utilize it generally.

Concerning this point, there is a view that it is not necessary to meet the two objectives of ODA management and accountability at the same time through one evaluation; rather it is sufficient to meet these objectives as a result of the implementation of various evaluations. But general agreement has not yet been reached on this issue.

2) Issues Arising from the Expansion of the Timing and Scope of Evaluation

As stated above, ODA evaluation began to be implemented at all stages from ex-ante to mid-term and ex-post. On the other hand, because the concept of evaluation was not always clearly defined, confusion concerning the jurisdiction of evaluation arises.

For example, it is thought that the concept of ex-ante evaluation is the ex-ante establishment of objectives to be achieved by policies. However, it is generally difficult to draw the line between the setting of objectives for policies and the planning of programs differed, so frequently situations can be seen in which the duties and mandates of evaluators and those of policy formulators clash. Furthermore, there is another interpretation of ex-ante evaluation; sometimes the provision of information for the selection of policies by policy decision-makers is understood to be ex-ante evaluation. There is a view that this interpretation is more suitable taking into account the fact that evaluation is a concept that essentially includes value judgments. However, in this case too, it is not clear what the difference is between the action of selecting specific policies from multiple candidates, and deciding policies per se, and thus it is necessary to clearly define the concept of ex-ante evaluation.

Furthermore, in relation to the scope of evaluation, as stated above, evaluation at the sector and country level began to be implemented in addition to evaluation of individual projects. However, evaluation efforts for sectors and countries have only just begun, and there are no internationally established methods, so currently each country and organization is adopting evaluation methods on a trial-and-error basis. The MoFA is evaluating Sector and Country Assistance Programs in terms of standards such as the relevance of their objectives, effectiveness of their results, and appropriateness of their processes, but because a clear objective is not established in the program planning stage, it is extremely difficult to measure the extent of achievement of these standards.

(5) New Potential

It is thought that the Results Based Management (RBM) method⁵⁾ that has been adopted by major donor countries and international organizations in recent years may provide some answers to these issues. RBM is generally defined as "a strategy that manages organizational activities from the perspective of its performance and achievement"⁶⁾. RBM manages government activities through several phases: establishing the objectives of government activities and indicators for measurement, regularly monitoring those indicators, and conducting evaluations when necessary⁷⁾. So RBM places importance on results, such as outputs and outcomes, rather than the input of activities.

It is thought that the two objectives of management and accountability are unlikely to clash under RBM. In other words, because indicators to measure the extent of achievement of objectives have been established, the results of monitoring can be in the form of clear and beneficial information for both people involved in ODA and the public. Furthermore, evaluation is not implemented all the time; it is only implemented when results are outstandingly good or bad. In this case, it is thought that it is not necessary to refer to objectives established ex-ante as "ex-ante evaluation;" rather it is possible to manage ODA through the phases of ex-ante establishment of objectives, monitoring, and, when necessary, evaluation.

RBM has already been introduced in the US through the Reinventing Government administrative reform carried out under the Clinton Administration. The basic concepts of that reform can be seen in Vice-President Gore's National Performance Review Report (1993), and the Government Performance and Results Act 1993 (GPRA). In Canada, RBM was introduced in the federal government from the middle of the 1990s primarily by the Treasury Board of Canada. The Canadian International Development Agency (CIDA) declared the adoption of the RBM approach in its basic policy document entitled *Canada Making a Difference in the World* (2002), and is utilizing the Results-Based Management and Accountability Framework (RMAF) and is implementing

⁵⁾ In the DAC Working Party on Aid Effectiveness and Donor Practices the RBM method is discussed as management for development results in the context of improvement of aid effectiveness and so-called "harmonization."

⁶⁾ DAC Working Party on Aid Evaluation, *Glossary of Key Terms in Evaluation and Results Based Management*, 2002

⁷⁾ DAC Working Party on Aid Evaluation, *Results Based Management in the Development Co-operation Agencies: A Review of Experience*, 2000

RBM everywhere from the program planning stage through to monitoring and evaluation. In the UK, each ministry and agency must agree with HM Treasury on the Public Service Agreement (PSA) as to their budgets. Each ministry and agency records its objectives, major targets (expenditure, performance) and outputs in the PSA, regularly monitors progress toward achieving them, and reports the results to HM Treasury. The development policies framework of the Department for International Development (DFID), the department responsible for aid in the UK, is shown in the 1997 White Paper on International Development: Eliminating World Poverty: A challenge for the 21st Century and the 2000 White Paper on International Development: Eliminating World Poverty: Making Globalisation Work for the Poor. Nonetheless the DFID also has to conclude the PSA with the HM Treasury and report on implementation of the PSA, just as the other ministries do. Regarding the United Nations Development Programme (UNDP), in 1998 Mark Malloch Brown was appointed Administrator and RBM was introduced as a new management issue. The World Bank began to introduce the results-based approach on a large scale in 2002, and is planning results-based country assistance strategies⁸⁾.

In this way, RBM has been adopted in major donor countries and international organizations. Japan has also been influenced by RBM. For example, it established the GPEA with reference to the GPRA of the US. However, there are still issues to be resolved and Japan has still not adopted RBM. For example, when utilizing RBM in the management of ODA policies, it is difficult to verify the factors responsible for the effect⁹⁾, it is difficult to utilize RBM in the resources allocation process, there are limits to data gathering capacity, etc. For example, at the project level it is relatively easy to attribute the effects of ODA to the project in question, but at the sector and country levels it becomes difficult to make clear which activities the effects of the assistance should be attributed to. Furthermore, the indicators and necessary data for the measurement of results are greatly influenced by statistical capacity and the state of development of systems, and currently in many recipient countries those capacities are underdeveloped.

So there are still many issues to be studied regarding RBM. This is an issue that must be approached in terms of ODA operations and management as a whole, including ODA program planning and the implementation field, not just evaluation. The MoFA believes it is necessary to continue further discussions of this issue while continuing to monitor RBM efforts in other donor countries.

⁸⁾ In the context of this series of developments, the Second International Roundtable on Managing for Development Results was held in February 2004 in Morocco (Marrakech), jointly sponsored by DAC and the multilateral development banks (MDBs). Discussions were held on how results-based approaches (management for development results) should be introduced at the country level, sector level and project level in future. The results of the discussions were compiled as a memorandum and core principles and Japan has supported it since April 2004.

⁹⁾ That is to say, establish a particular cause-and-effect relationship between observed changes and a particular example of assistance.

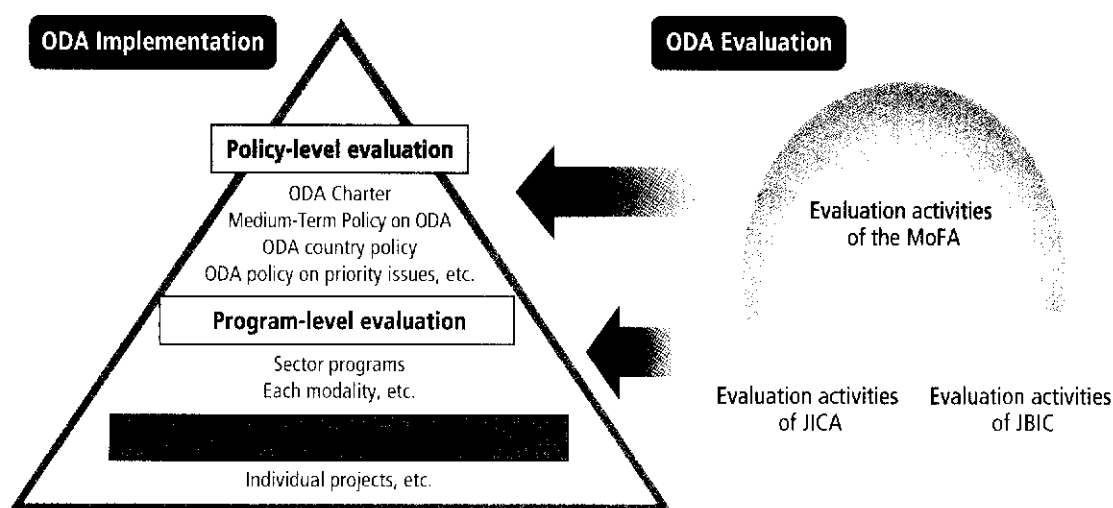
1.2 Organization of ODA Evaluation

Japan's ODA evaluation has been conducted primarily by the MoFA and by the implementing agencies (i.e. JICA and JBIC) since it began in 1975¹⁰⁾. For an efficient evaluation, the MoFA and the implementing agencies share the evaluation work according to their respective functions. The Basic Law for Central Government Reform (1998) gave the MoFA a pivotal role in the coordination of overall ODA planning in the entire government. In response to this new function, the MoFA has been holding the Experts Meeting of ODA Evaluation, consisting of the ministries and agencies involved in ODA. The MoFA has been compiling ODA evaluation results by these ministries and agencies.

(1) Role of the MoFA and the Implementation Agencies

In order to ensure efficient evaluation of ODA, the MoFA and the implementation agencies give importance to mutual cooperation and the division of roles. Since the MoFA is responsible for the planning and formulation of economic cooperation policies, it focuses its evaluation on policies and programs rather than individual projects. Conversely, JICA and JBIC are responsible for implementing or facilitating the implementation of individual projects, and accordingly, they focus their evaluation on these projects. The policy-level evaluation of ODA assesses the basic ODA policy. Accordingly, the MoFA has been evaluating the Medium-Term Policy on ODA, as well as country and priority-issue ODA policies. Program-level evaluation targets groups of projects that share common objectives, while project-level evaluation reviews individual activities such as single projects.

Figure 1 Evaluation Implementation System and Scope of Evaluation



¹⁰⁾ The ministries and agencies involved in ODA also evaluate their own ODA projects.

The Inter-Ministerial Liaison Meeting on ODA Evaluation was established in July 2001 for the main purpose of promoting collaboration of the ministries and agencies involved in ODA. The meeting was subsequently renamed the Experts Meeting of ODA Evaluation in November 2002. The meeting exchanges views on evaluation of the ODA projects being implemented by each ministry and agency and has been promoting collaboration between the ministries and agencies.

In FY2003 the meeting was held in April and discussions were held on how to compile the major policy evaluation results for the ODA implemented by each ministry and agency and how to record them in the Annual Evaluation Report on Japan's Economic Cooperation. As a result, it was decided to record evaluation results in description format, and also to record evaluations other than policy evaluation for reference. Discussions were also held in the meeting on common guidelines for ODA.

Among the ODA projects carried out by each ministry and agency, human resources development projects, such as acceptance of trainees and seminars, are most common. In addition, there are projects involving the dispatch of experts, survey research, and donations to international organizations. Concerning the scope of evaluation, project-level evaluation is most common but program-level and policy-level evaluation is also carried out. Concerning the timing of evaluations, ex-post evaluations make up the majority but, depending on the project, ex-ante evaluation is also carried out. Concerning the object of evaluation, a part of non-ODA portions is included in some evaluated ODA projects.

This report also compiles ODA evaluation results in such a way as to make the overviews of the evaluations easy to understand, based on the special characteristics of the projects of each ministry and agency. (See Section 2 of Chapter 2 for the evaluation results. The details of each evaluation are available at the websites of individual ministries or agencies.)

The MoFA intends to continue to improve the quality of ODA evaluation, ensure that evaluation leads to the improved efficiency of ODA and continue discussions to achieve more easily understood evaluations, through the Experts Meeting of ODA Evaluation.

(2) ODA Evaluation by the MoFA

1) Objectives of ODA Evaluation

ODA evaluation is required to function as a means for the effective and efficient implementation of ODA as part of the government's activities. It also provides the public as tax payers with information on ODA. To these ends, the MoFA conducts its ODA evaluation with the following two objectives:

- **Support for ODA Management**

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

- **Accountability**

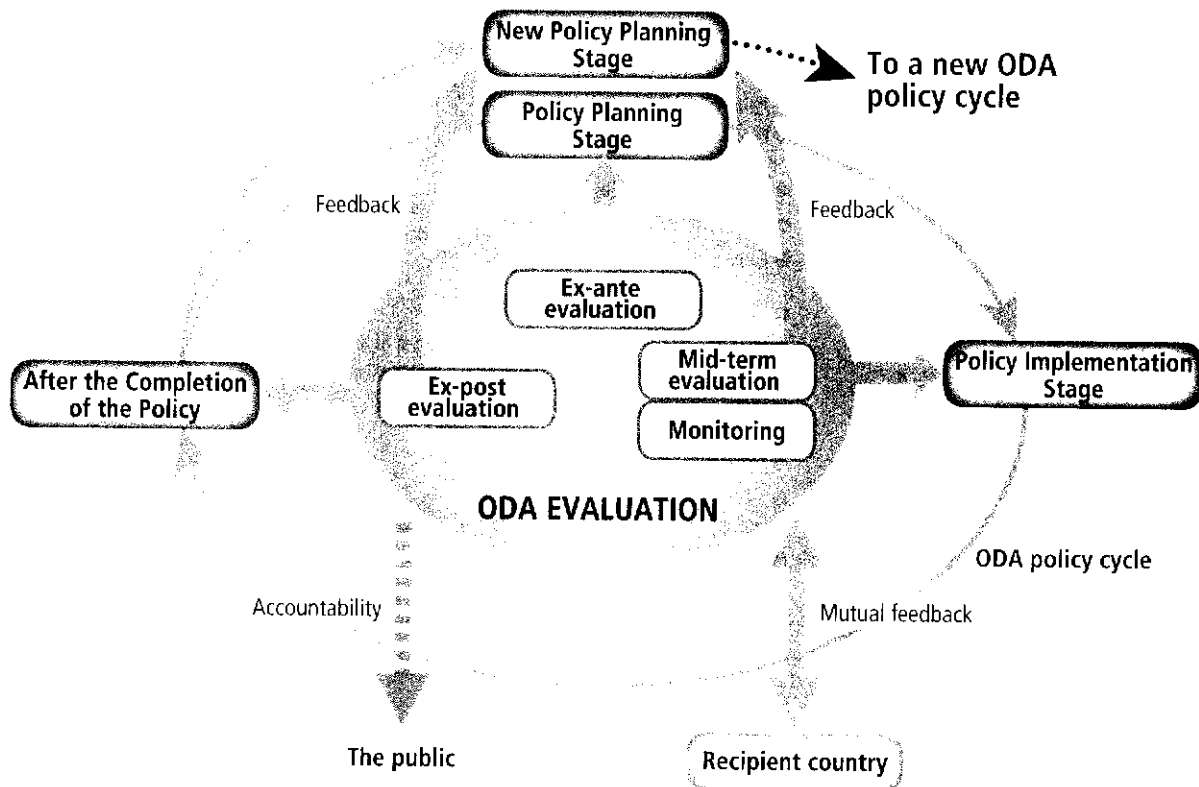
To ensure accountability to the public and enhance transparency of ODA through publishing the results of the evaluation so as to promote public understanding of and public participation in ODA.

2) Functions of Evaluation

In order to meet these requirements, the MoFA conducts an evaluation at each of the ex-ante, mid-term and ex-post stages of the ODA implementation cycle¹¹⁾. The ODA evaluation results at each stage give feedback to ODA policymakers and implementation agencies (both in Japan and in the recipient countries) and are utilized as a useful tool in ODA management. Also, to ensure accountability, the ODA evaluation results are made available to the public on the Internet through the MoFA website.

¹¹⁾ Monitoring of the basic policies is currently under consideration.

Figure 2 Functions of ODA Evaluation



3) Types of Evaluation

ODA evaluation by the MoFA can be classified into various types. In accordance with the scope of evaluation, it can be classified into policy-level, program-level and project-level evaluation¹²⁾. In accordance with evaluators, it can be classified into third-party evaluation, evaluation by the MoFA, evaluation by governments/organizations in the recipient country, and joint evaluation. Of these, evaluation by the MoFA is mandated by the GPEA (came into effect in 2002) that requires government organizations and agencies to evaluate their own activities¹³⁾.

A policy-level evaluation assesses a set of programs and projects aimed at realizing Japan's basic economic cooperation policies. There are two kinds of policy-level evaluation: Country Policy Evaluation and Priority Issue Evaluation. Country Policy Evaluation reviews assistance policies toward individual recipient countries. Specifically, it focuses on ODA country policies and Country Assistance Programs. Priority Issue Evaluation looks at initiatives for priority issues announced by the Japanese government at summits and other international conferences. For example, "Japan's Initiative on Women in Development (WID)" announced at the Fourth World Conference on Women in 1995 is subject to evaluation.

¹²⁾ The MoFA carried out a substantial review of the types of evaluation in FY2002, as a result of the expansion and increased complexity of ODA evaluation.

¹³⁾ The MoFA implements ex-post evaluation of its policies for specific countries/regions and sectors as required by the GPEA. The evaluation of ODA-related policies is part of these evaluation activities. In addition, the GPEA requires the MoFA to conduct ex-ante evaluation on unstarted ODA projects, unfinished ODA projects and ODA projects above a certain value. The results of these evaluations are compiled together with the results from other departments within the MoFA and organized into an evaluation report, which is published at the same time it is submitted to the Ministry of Internal Affairs and Communications.

Table 1 Types of ODA Evaluation by the Ministry of Foreign Affairs

Policy-level	Country Program Evaluation	<ul style="list-style-type: none"> ● Third-party evaluation; ● Joint evaluation; ● Evaluation by the MoFA* 	ODA Country Assistance Policy	<ul style="list-style-type: none"> ● Mid-term ● Ex-post
	Priority Issue Evaluation	<ul style="list-style-type: none"> ● Third-party evaluation; ● Joint evaluation; ● Evaluation by the MoFA* 	Assistance Policy on Priority Issues	<ul style="list-style-type: none"> ● Mid-term ● Ex-post
Program-level	Sector Program Evaluation	<ul style="list-style-type: none"> ● Third-party evaluation; ● Evaluation by governments/ organizations in recipient country; ● Joint evaluation 	A set of assistances in a specific sector in a country	<ul style="list-style-type: none"> ● Mid-term ● Ex-post
	Type of Aid Evaluation	<ul style="list-style-type: none"> ● Third-party evaluation ● Evaluation by governments/ organizations in recipient country; ● Joint evaluation 	Specific form of assistance	—
Project-level	Project Evaluation	<ul style="list-style-type: none"> ● Evaluation by the MoFA* 	Individual projects	<ul style="list-style-type: none"> ● Ex-ante ● Ex-post

* Evaluation required by the GPEA.

A program-level evaluation examines a group of projects that share common objectives. It is divided into sector program evaluation and Type of Aid Evaluation. A sector program evaluation basically looks at a group of ODA activities in a particular sector of a particular country, while a Type of Aid Evaluation examines an ODA assistance modality.

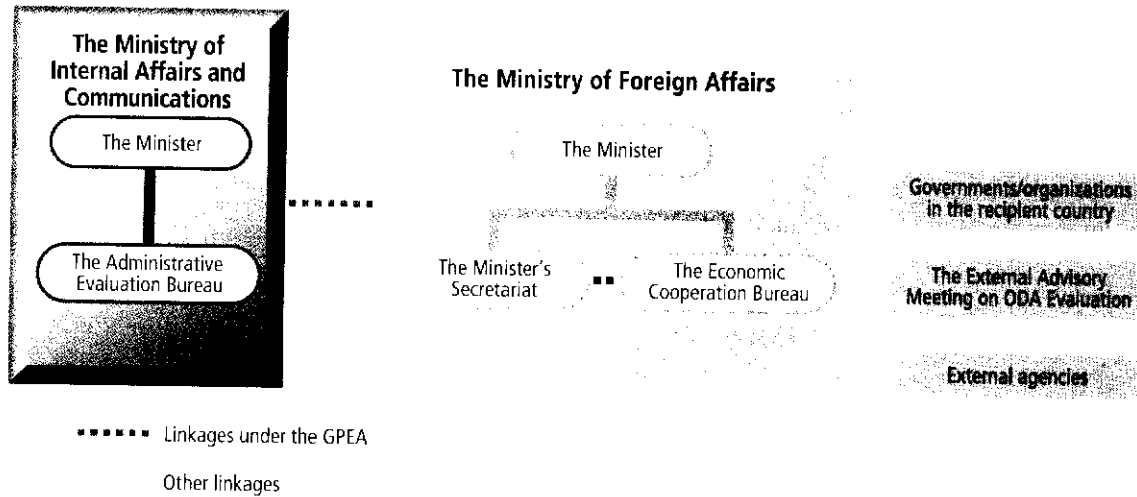
A project-level evaluation focuses on an individual project. It is carried out mainly by the implementation agencies (JICA and JBIC). The MoFA also conducts project-level evaluations from a policy perspective, pursuant to the requirements of the GPEA. Specifically, the MoFA is required to conduct ex-ante evaluation of all grant aid projects valued over one billion yen and loan aid projects (ODA loan projects) over fifteen billion yen¹⁴⁾. The MoFA also conducts project-level evaluations on projects which have not commenced after a certain time has passed following the policy decision (unstarted projects) and those not yet completed (unfinished projects).

4) Evaluation Implementation System and Implementation Process

Of the above types of ODA evaluation used by the MoFA, the Economic Cooperation Bureau of the MoFA takes charge of the third-party evaluations, evaluations by governments/organizations in the recipient country and joint evaluations, and the Minister's Secretariat coordinates the evaluations carried out by the MoFA under the GPEA.

¹⁴⁾ The implementation agencies (JICA and JBIC) conduct ex-ante evaluations to assess the relevance and the estimated results of individual projects. The results are published in the Ex-Ante Evaluation Sheet (JICA) and the Ex-Ante Project Evaluation Sheet (JBIC). In contrast, the ex-ante evaluations by the MoFA assess projects from a policy perspective.

Figure 3 Evaluation Implementation System of the Ministry of Foreign Affairs



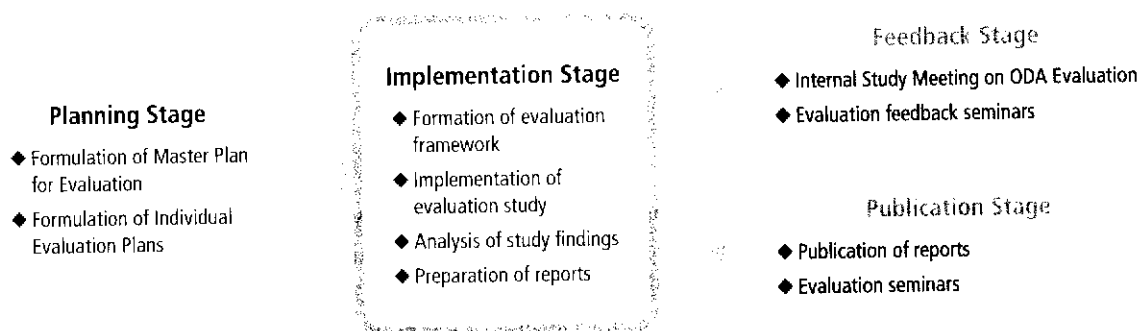
The MoFA emphasizes third-party evaluations to ensure the objectivity of ODA evaluations. In the past, these third-party evaluations were, in principle, carried out by consultants, but in order to further enhance objectivity, it was decided to delegate them to the External Advisory Meeting on ODA Evaluation as of October 2003. This meeting is a private advisory body to the Director-General of the Economic Cooperation Bureau, and consists mainly of external experts. In addition, the government or organizations (e.g. think tanks and academic organizations) of recipient countries are asked to conduct evaluations so that their perspectives are reflected in the evaluations. In other cases, the MoFA implements evaluations jointly with external organizations (e.g. other donors, recipient countries, NGOs, etc.)

The Members of the External Advisory Meeting on ODA Evaluation

Hiromitsu Muta	Professor, Tokyo Institute of Technology
Koichiro Agata	Professor, Waseda University
Kiyoko Ikegami	Director, United Nations Population Fund (UNFPA) Tokyo Office
Yoshikazu Imazato	Editorial writer, Tokyo Shimbun
Teruo Kawakami	Certified public accountant (representative of Office Asahi)
Yasunaga Takachiho	Professor, Tamagawa University
Yayoi Tanaka	Professor, the University of Tokyo
Hiroko Hashimoto	Professor, Jumonji University
Tatsuya Watanabe	Trustee, Japan NGO Center for International Cooperation

Basically, these evaluations follow the process of planning, implementation, feedback and publication. First, the MoFA prepares a 3-year medium-term evaluation plan on ODA evaluation, as well as an annual plan and determines the type and the scope of evaluation. Next, evaluators are selected according to the scope of each evaluation. The evaluators determine the basic plan for their evaluation. In the implementation stage of the evaluation, specific evaluation methods are decided according to this basic plan, a study in Japan and a field study are conducted, and a report is prepared which provides an analysis of the results of the studies. The evaluation results are provided as feedback to ODA policymakers and implementation agencies/personnel and are made public through the MoFA website, among other means.

Figure 4 Third-Party Evaluation Process



As stated above, as required by the GPEA the MoFA implements ODA evaluation as well. The responsible divisions of the Economic Cooperation Bureau conduct evaluations according to the Ministry's policy evaluation plan and submit the results to the Policy Evaluation and Administrative Review Office of the Minister's Secretariat. In addition to these reports from the Economic Cooperation Bureau, this office collects evaluation sheets from various other bureaus and divisions of the ministry. After reviews by various internal MoFA organs involved in evaluation (the Policy Evaluation and Administrative Review Office, the Management and Coordination Division of the Minister's Secretariat, the Financial Affairs Division, and the Policy Coordination Division and Policy Planning Division of the Foreign Policy Bureau), the MoFA policy evaluation report is prepared and then submitted to the Ministry of Internal Affairs and Communications and made available to the general public through the MoFA's website. The Ministry of Internal Affairs and Communications compiles the evaluation reports submitted by various government ministries and agencies into a report and submits it to the Diet.