

EVALUATION DEPARTMENT



EVALUATION BRIEF // REPORT 7/2015



How Can Aid Management Be Evaluated?

It is widely agreed that good aid management increases the chances that development projects will achieve their intended outcomes. But just how to identify good management has been a challenge for the development field.

This brief sets out an approach to evaluating aid management that was developed as part of a study of Norad's investment in basic education. The Evaluation Department asked how well two multilateral conduits through which Norway funnels aid, UNICEF and the Global Partnership for Education, manage that aid.

The study examined whether UNICEF and GPE deliver Norway's development aid in ways that are *relevant* (to Norway's priorities), *resource efficient*, and *effective* in promoting intended outcomes. Aid can be well managed and still fail to achieve its objectives for any number of reasons that are beyond the control of those managing the aid. The focus is on whether the two agencies managed aid delivery in ways known to enhance the chances of success, whatever the actual outcomes.

To answer such a question, researchers created a theory of good aid management, described below, that identified the enabling conditions and management factors most often associated with positive outcomes. Based on this theory they analyzed the quality of aid management in detailed case studies of Norwegian-funded aid flowing to four countries – Ethiopia, Madagascar, Malawi, and Nepal – and an overview of aid to six other countries (Haiti, Mali, Mozambique, Afghanistan, Burkina Faso, and Zambia) from 2009 through 2013.

THEORY OF GOOD AID MANAGEMENT

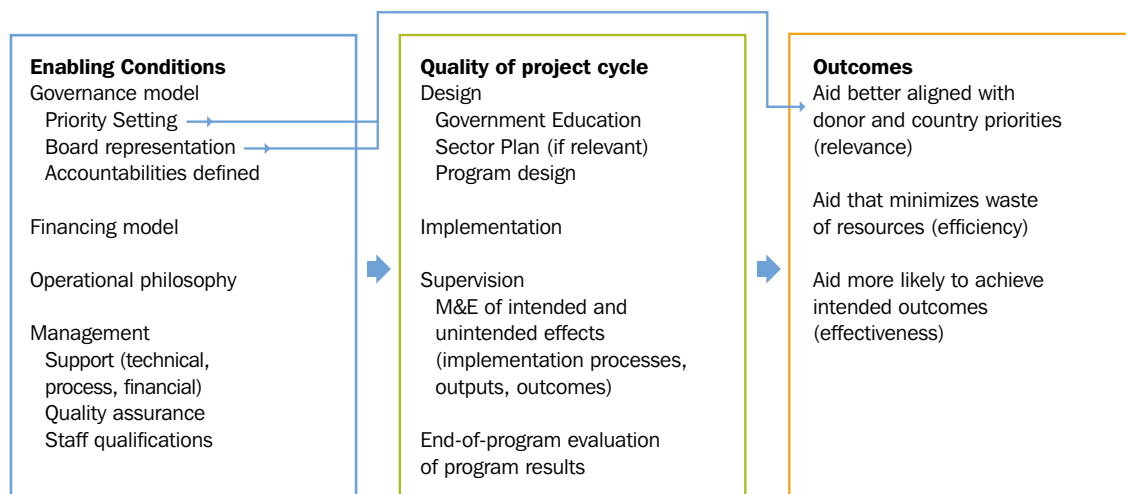
The theory of good aid management partly reflects results of internal analyses of the project cycle by the World Bank's Quality Assurance Group and its Independent Evaluation Group. Analyses of the relationships between design quality, supervision quality, and the achievement of outcomes by project end found that design quality strongly affected the problems encountered during supervision and supervision costs. Design quality affected the likelihood of achieving the project's objectives, independent of the quality of supervision. The proactivity and quality of monitoring and evaluation during supervision affected the likelihood of achieving the projects' objectives, even those that started implementation with sub-optimal designs.

The theory of good aid management clusters the factors most relevant to good outcomes into two groups: enabling conditions and factors that improve the quality of the project cycle. Both of these have a strong bearing on intended outcomes, either directly or indirectly. UNICEF and GPE were rated on each of these dimensions. The agencies were also scored on how well their aid management practices were likely to produce the three outcomes that defined good aid management (relevance, efficiency, and effectiveness).

ENABLING CONDITIONS

All of the enabling conditions influence outcomes indirectly through their effect on the quality of the project cycle. However, the governance factor also has a direct effect on the first outcome: relevance of the projects to donor and country priorities. The Boards of both UNICEF and GPE had strong representations of beneficiary countries and donors such as Norway,

THE THEORY



Source: DPMG

and these players set the agency's priorities through their votes on fund allocations and strategies.

Defining accountabilities clearly is also crucial to good outcomes. The study found that ambiguous accountability for GPE programs and decentralized accountability for UNICEF compromised the quality of the project cycle during the 2009-2013 evaluation period. The agency's model for financing the aid that it delivers is another enabling factor. Evidence from the study showed that fully funding a program from the start is the most effective strategy, even if the release of some share of the funds is contingent on meeting certain targets, as is now done by GPE. UNICEF programs, by contrast, are only partially funded when they begin.

Aspects of management are also treated as enabling conditions: support (technical, process, and financial), quality assurance, and staff qualifications. The study assessed the two agencies on these dimensions and found a great deal of variation. For example, GPE partly met internationally recognized quality assurance standards; UNICEF did not.

KEY AREA OF WEAKNESS: QUALITY OF PROGRAM DESIGNS

The model identifies seven factors that determine the quality of the project cycle, four of which relate to program design. About half of the GPE programs evaluated were found to have flawed designs, stemming partly from poorly formulated Education Sector Plans on which GPE programs are based. For example, GPE designs tended to be overly complex relative to the government's implementation capacity. This mismatch was most severe in fragile or conflict-affected states, a category of state increasingly funded by GPE. However, GPE's supervision was generally strong, with progress toward achieving intended outputs and outcomes well documented.

UNICEF's designs were generally unsatisfactory. Activities were often just listed, without any discussion of the multiple design decisions that should define interventions. For example, building schools should reflect decisions about where to locate new schools; construction norms--i.e., materials, engineering, and workmanship standards; and construction procurement



and management arrangements. Designs had poorly formulated results frameworks, lacking coherent paths from activities to outputs to outcomes. Baseline data were sometimes present; sometimes, not. When specified, targets varied, with some being realistic and others unrealistic. Intended implementation processes, beneficiary targeting, and risks were either vague or missing from the design. Supervision reporting, although not necessarily supervision itself, was usually not analytically strong, with indicators sometimes disappearing or appearing for the first time and metrics changing.

In terms of outcomes for good aid management, both GPE and UNICEF delivered aid well aligned with donor and country priorities (relevance). Their aid was partly, but not entirely, efficient. GPE partly met the effectiveness standard (aid more likely to achieve intended outcomes). UNICEF did not meet this standard.

USES OF THIS APPROACH

This theory of good aid management helped identify the key strengths and weaknesses of GPE and UNICEF in delivering Norway's investments in basic education to the ten countries in the sample. Using some version of this approach could allow donors and development agencies to strengthen their delivery of aid and improve the outcomes they most care about.

The Evaluation Department, located in Norad, initiates evaluations of activities financed over the Norwegian aid budget. The Department is governed under a specific mandate and reports directly to the Ministry of Foreign Affairs. The evaluations are carried out by independent evaluators, and all evaluation reports are made public.

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EVALUATION OVERVIEW

This evaluation brief draws on an evaluation of Norwegian multilateral support to basic education commissioned by the Evaluation Department in Norad and conducted by Development Portfolio Management Group.

Purpose of the evaluation: To generate evidence on the relevance, efficiency and effectiveness of Norwegian aid to basic education through the multilateral channel during 2009-2013. As main recipients of Norwegian support to basic education, UNICEF and the Global Partnership for Education (GPE) were the object of this evaluation.

Methodology: Desk reviews were undertaken in all the countries and four of them (Ethiopia, Malawi, Madagascar and Nepal) additionally included in-country interviews with relevant stakeholders. Methodologies included principal-agent theory and process tracing.

Core evaluation team: H. Dean Nielsen (team leader), Sue Berryman (deputy team leader), Lance Morrell, Andrew Bennet, Juan Saavedra, Milda Nordbø and Tarra Kohli.

Publications: There is also a second evaluation brief: "How effective is Norway's aid to basic education?". Both evaluation briefs, the synthesis report and the four case country studies are available as separate publications at <http://www.norad.no/en/front/evaluation>

The brief is written by Sue Berryman and Laura Zakaras from the evaluation team.