

North-East Asia Development Cooperation Forum 2018: Evaluating development cooperation of North-East Asian countries for the achievement of SDG

14-15 September 2018, Seoul, Republic of Korea

Summary report

BACKGROUND

North-East Asia Development Cooperation Forum

The North-East Asia Development Cooperation Forum was initiated by ESCAP East and North-East Asia Office (ENEA Office) to facilitate analytical discussions on policies and practices of development cooperation in North-East Asia as well as potential areas of collaboration among North-East Asian countries.

Since the first Forum in November 2014 in Seoul, the Forums have been organized as joint efforts of partners in North-East Asia, namely China International Development Research Network (CIDRN), Japan Society for International Development (JASID), Korea Association of International Development and Cooperation (KAIDEC), and Russian Association of International Development Assistance Experts (RAEDAE). The Forums brought together researchers and practitioners of development cooperation from the four countries as well as recipient countries in Asia.

The past Forums were jointly organized by ENEA Office and the partner networks taking turns in hosting the Forums most often with other local partners¹. Completing one cycle, the 5th Forum was held in Seoul, jointly hosted by the ENEA Office and KAIDEC, with participants from China, Japan, ROK, and Russia, mostly from the partner networks.

The theme of the Forum 2018

Evaluation of development cooperation activities has been recognized as a crucial element of accountability, analysis and efficiency of development cooperation. Ensuring the alignment of the various forms of development cooperation with the national priorities of developing countries is recognized as an essential element of development cooperation for both providing and receiving ends of the development assistance.

¹ <http://www.unescap.org/events/north-east-asia-development-cooperation-forum>

- **Republic of Korea** - Seoul in 2014, in collaboration with KAIDEC
- **Japan** - Tokyo in 2015, jointly hosted by JASID and JICA Research Institute
- **China** – Suzhou in 2016 jointly hosted by CIDRN and Department of International Cooperation in Development Research Center (DRC) of the State Council of China
- **Russian Federation** - Moscow in 2017, Russian Association of International Development Assistance Experts (RAIDAE) and the Russian Presidential Academy of National Economy and Public Administration (RANEPa)

In North-East Asia, evaluation of development cooperation activities is also an area of key concerns for academics and practitioners of the development cooperation. Modalities and approaches towards the evaluation of development cooperation vary among countries in North-East Asian countries. Japan and ROK, as members of OECD/DAC, participate in the DAC Network on Development Evaluation and align the evaluation of their ODA with DAC guideline. However, the definition and objectives of their development cooperation have expanded beyond ODA, and thus the evaluation system needs to reflect such development. China and Russia are in a nascent stage in developing evaluation framework for their increasing and evolving forms of development cooperation. China, like the number of other governments of the South such as Brazil and Mexico, is designing its assessment system for its development cooperation, following a different path. Russia, a re-emerging player in development cooperation, is also in a stage of developing its evaluation system. While Russia already reports its ODA to DAC, it is also exploring a different path in developing its evaluation system.

Despite those different approaches towards development of or alignment with international norms and standards of evaluation of development cooperation, the North-East Asian countries share distinct similarities in its approach towards foreign assistance. For instance, strong focus on economic sector and emphasis on “self-reliance”, “self-help” and implicit or explicit link of development cooperation to its national interest are common among China, Japan and ROK.

Thus, the key theme of the Forum 2018 was *Evaluating development cooperation of North-East Asian countries for the achievement of SDG*. Sharing analysis and insights on evaluation methodologies of the development cooperation against those objectives provided valuable insight for policy makers of development cooperation.

SUMMARY OF PRESENTATIONS AND DISCUSSIONS

➤ **Roundtable: Evaluation system of development assistance by Republic of Korea**

KOICA's Evaluation System - presentation by Eung Ji Kim

Korea International Cooperation Agency (KOICA) implements ROK's grant type ODA, under the supervision of the Ministry of Foreign Affairs. Evaluation of KOICA projects is imbedded in the project cycle to keep track of its projects' activities and outputs, draw lessons and verify the project results. Evaluation is conducted by external evaluation team and/or self-evaluation in accordance with the OECD/DAC criteria (relevance, effectiveness, efficiency, sustainability and impact). KOICA is currently in the process of implementation on new mid-term evaluation strategy referring to lessons from other agencies such as the World Bank (WB) and the United States Agency for International Development (USAID). In the new evaluation system, KOICA tries to invite both international and local evaluation experts for the field evaluation for more practical and useful future references. To strengthen

strategic evaluation, KOICA's mid-term goal towards 2022 aims for 1) rapid feedback of lessons for effective decision-making and strategic planning; 2) real-time monitoring of performance indicators for country programs; 3) decentralization of program-level evaluations; 4) development of Korean evaluation expert pool to support growing M&E needs in Korea's ODA environment.

EDCF Evaluation Framework and Practice - presentation by Kyung Jae Kang

Republic of Korea's ODA loans are provided by Economic Development Cooperation Fund (EDCF). As EDCF provides concessional loans, most of the projects are large infrastructure projects (for instance, transport sector project takes about 40% share of their loan in the recent year). Thus, evaluation of the EDCF projects requires large scale data collection, which could be a challenge in developing countries. Standard project cycle of KOICA is 3 to 5 years while EDCF takes 12 years. The long project cycle vis-à-vis KOICA projects has been an additional challenge of EDCF projects regarding evaluation. EDCF conducts evaluation at ex-ante (on preparation and appraisal phase), mid-term and at project completion, and ex-post evaluation (by EDCF evaluation team). Emphasis on infrastructure in SDG offers a new opportunity for EDCF, while it broadens the scope of the role of infrastructure and requires to take account of various dimensions, such as climate change and gender. New financial modality such as public-private partnership of development cooperation also requires new tools to evaluate partner activities. Such development also requires engineers or technical participants of the projects to understand social impacts of projects. It also becomes crucial to find the right experts for evaluation who understand the new aspects of infrastructure when conducting evaluation.

Roundtable discussions

Independency of evaluation vis-à-vis external evaluation: In-house evaluation system raises the question of independency of evaluation due to the structural subordination of evaluation office within the project implementing agency. On the other hand, evaluation by external evaluator has the challenge to ensure relevance of evaluation without inside knowledge of the projects.

Accountability issue between donors and recipients: Regarding the accountability of project evaluation, higher priority is often given to Korean tax payers as target audience. The requirement to publicize the evaluation results will also tempt the agency to select attractive (i.e., successful) projects for evaluation.

Data collection: Weak statistical capacity in developing countries for data collection is a challenge. The nature of Public Private Partnerships (PPP) projects also makes evaluation difficult, as it is more challenging to measure the exact cause and effect relationship or impacts and distinguish contribution where private sector activities are involved.

Finding appropriate evaluation experts: Well-trained and full-time evaluation experts are needed for the consistency and professionalism of evaluation. On the other hand, utilization of external evaluator will forego the learning opportunity for implementing agency, partly defeating the purpose of evaluation. It is important that those who implement, not the

evaluation professional, to learn lessons from the project. G20's outreach programme may be a possible modality for collective expertise.

➤ Session 1. Evaluation systems and policies of development cooperation

Presentation

Developing evaluation systems of South-South cooperation – Jixia Lu / Chuanhong Zhang.

There is no global consensus on the definition of SSC, and that hinders the translation of good practices into international standards and incorporating SSC aspects into international architecture of development cooperation. Based on the conceptual framework for SSC developed by the Network of Southern Think Tanks (NeST), Chinese researchers elaborated the evaluation methodology of SSC in the context of China. Due to the nature of SSC including the type of activities involved, approach to their partners in addition to challenges in data and information gaps, development of evaluation framework is still work in progress. The framework proposed in the research presented at the Forum contains five dimensions (political, economic, social, environmental, and learning & sharing) with defining guiding principles and indicators for each dimension.

Session 1 discussions

Definition of “South”: While China is advocating SSC, some questioned what defines “South” and whether China is considered as “South”, given the significant presence of China as the main actor in development cooperation.

New reference for South-South Cooperation: As SSC goes beyond traditional development cooperation assistance, for instance G20 trade and investment measures² may serve as a new reference to establish SSC evaluation system for Official Other Flows (OOF)

SSC evaluation framework: As SSC is characterized by its principles of non-conditionality, non-interference, mutual benefits, it requires evaluation framework which takes account of these principles and caters to the diverse modality of SSC. Some viewed the limitation of OECD/DAC criteria and had a view that SSC need not to follow the OECD criteria.

South-South Cooperation vis-à-vis North-South Cooperation?: SSC is characterized by swift implementation in comparison to the traditional development assistance. Developed countries could learn from the experiences of SSC as well. While difference of SSC and NSC is often emphasized, more comprehensive comparison of strengths and challenges of NS and SSC can clarify what is the complementarity of the two approaches. Some view that difference between SSC and NSC is not as big as perceived.

²<http://www.oecd.org/daf/inv/investment-policy/19th-Report-on-G20-Trade-and-Investment-Measures.pdf>

Good practice of the project: SSC may emphasise more on practical criteria, distinguishing from OECD³, such as knowledge, skills, expertise and resources. Evaluation reports should not exclude challenges or negative outcomes of the projects for future references. Sharing China's failed cases might be one of the good ways of learning and improving Chinese way of international development cooperation.

Challenge of evaluation of SSC: While SSC evaluation poses various challenges such as difficulty in differentiating contribution from public and private sector, complicated evaluation of the impact of trade and investment, limited capacity for data collection, etc., there are areas where SSC can refer DAC evaluation framework, in particular at project level evaluation. While evaluation of projects involving the private sector may be a challenge, stakeholders can play a role in the evaluation of such projects.

Mutual trust: SSC emphasises mutual trust and mutual benefits. While such aspect as "trust" is difficult to evaluate, some view that if the target is clear, it is possible to evaluate against the target. For instance, if building trust is the objective of the project, survey of beneficiary could provide a good indication of the performance against the objective.

Capacity of recipient countries: There is a gap in interest between national authorities and local authorities as actual beneficiaries exist which can sometimes hinder evaluation in developing countries.

➤ Session 2. Policy/programme level evaluation

Presentations

Challenges and Concerns of Japan's Development Cooperation – Critical Analysis of Policy / Programme Level Evaluation - Tatsufumi Yamagata / Yoko Ishida

Japan's policy-level ODA evaluation: reflection by a third-party academic evaluator (Yamagata)

Japan conducts ODA evaluation at various levels – policy level evaluation by the Ministry of Foreign Affairs (MOFA) and project level evaluation by Japan International Cooperation Agency (JICA). Japan's policy-level ODA evaluation has played a complementary role to the project-level evaluation and has a value in drawing general policy recommendations. Some recommendations have been seriously examined by MOFA for implementation. However, there are limitations to conduct the evaluation under the current framework of the assignment, which are (1) low level of independence and (2) little resources. First, while it is conducted by external evaluators, organization by and consultation on reports with MOFA itself may weaken the nature of independent evaluation. Second, resources in terms of money,

³ OECD DAC Principles for Evaluation of Development Assistance is consisted of 1) Relevance; 2) Effectiveness; 3) Efficiency; 4) Impact; and 5) Sustainability.

<http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

time and personnel are minimal to conduct the evaluation, reflecting declining interest and emphasis of the government on aid evaluation. These two aspects result in a low level of authority and little publicity of the evaluation.

Japan's ODA evaluation and evaluation criteria (Ishida)

Review of evaluation exercise for policy- and programme-level evaluation reveals some challenges and concern in conducting evaluation in accordance with the OECD/DAC evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability). For instance, the review finds that most of the donor agencies are struggling to find the measure and evaluate “effectiveness” and “impact”. In the case of Japan, policy and programme level evaluation conducted by MOFA has “diplomatic viewpoint” as an evaluation criteria instead of “impact” and “sustainability” while project level evaluation by JICA follows OECD/DAC criteria. Also pointed out is the difficulties for evaluators to produce timely and useful recommendations. It is partly because third-party evaluators need not have enough knowledge in designated topics to be evaluated. Also, some stakeholders such as governments of partner countries and Japanese citizens need not be eager to promote ODA evaluation.

Session 2 discussions

Relevance on rating system in evaluation: Some negative consequence of the rating system was pointed out. As it has general public in mind as target audience, it tends to pressurize the evaluation exercise to select projects which can produce “good” results. Also challenge is that the current rating system of JICA does not reflect all aspects of implementation for development projects. Evaluation should take account of the specific context and nature of each project. Some projects, such as dam construction, inherently possess higher risk than other projects.

Diverging interest towards evaluation: In Japan, lack of public interest in evaluation and decline in actual conduct of official evaluation by the government may partly reflect evaluation fatigue. Decreasing number of evaluation may also reflect Japan's increasing emphasis on coordination role (vis-à-vis key a donor) in development cooperation. In contrast, ROK has been trying to strengthen evaluation to respond to increasing amount of ODA and more diverse players. Pressure to produce “good” evaluation results also reflects higher attention of the public.

Challenges related to evaluation experts: The systemic limitation in engaging external evaluators includes familiarity to the project context; part-time nature of the engagement; contractual status (aid implementing body is directly or indirectly the employer of the evaluator) and tight schedule, which weakens the prospect of critical assessment of the projects.

Collaboration between government and civil society: Actual field situations are not fully reflected in official documents. It is difficult for the donor governments and agencies to create

a perfectly independent evaluation mechanism within them. Thus academics and civil society organizations should play a vital role and inject their own evaluation of development cooperation. The evaluation results done by them will provide useful insights, even if not in favour of the MOFA or JICA and could complement the ones done by the donors.

Diplomatic motivation: Some questioned how diplomacy is incorporated into aid policy. There are explicit concerns for including diplomatic motivation into the evaluation which used to be tabooed to discuss. In current days with a new modality of SSC, balancing between foreign policies and evaluation on the relationships are necessary. It is likely that any aid/development cooperation policies of countries do not fully capture the countries' underlying motivation. For instance, behind the emphasis on "quality infrastructure" is the national interest to promote companies of the own country. However, undisclosed motivation can skew the effectiveness of development cooperation.

Establishing evaluation mechanism: It is of course important to establish an appropriate evaluation mechanism in aid or SSC agencies. Nonetheless, excessive focus on evaluation may disturb a proper functioning of the agencies especially when the agencies do not solely work for evaluation. It is essential to have a good balance between the benefits from the strengthened evaluation mechanism and the necessary costs/manpower for it.

➤ Session 3. Project level evaluation

Presentations

A Critical Review of the Practices of Development Evaluation in South Korea: Focusing on KOICA's Ex-post Evaluations (1998-2016) - Hyuk-Sang Sohn

Economic Development Cooperation Fund (EDCF)'s introduction of performance based evaluation system in 2007, together with mandatory indicator for performance evaluation, is a major shift of its evaluation focus from output to outcome. The establishment of an independent evaluation office in KOICA in 2011 also illustrates ROK's emphasis on evaluation. Since the implantation of "Mandatory self-evaluation by project implementing agencies" in 2014, the number of projects evaluated and the number of agencies that conducts evaluation have dramatically increased. The question is, however, the extent of substantive assessment of contents. Challenges include the need to strengthen accountability of evaluation, including selection criteria for projects to be evaluated. It was also pointed out limitations in grading performance of various ODA projects as they are only targeted for post-evaluation.

Evaluation of Development Cooperation Experience - Kazuhisa Arai

JICA is an executing agency of technical cooperation so called Technical Assistance (TA), ODA loans, grants and others. JICA is responsible for project level evaluation while the

Ministry of Foreign Affairs is responsible for policy level evaluation. Thematic/cross sectoral evaluation level evaluation is conducted either JICA or MOFA. JICA Evaluation Department is not independent from JICA management. Rotation of staffs among operation departments and evaluation unit helps linking between and understanding among operation and evaluation sides. Role of Evaluation Department in JICA is to coordinate evaluation of JICA's operation and manage ex-post evaluation and analysis. Challenges include how to improve evaluation literacy, i.e., enhancing understanding between operation and evaluation; more collaboration with project operators, civil society and academia; and alignment of evaluation in with SDG.

Session 3 discussions

The use of ex-post evaluation: The ex-post evaluation should be utilized for the future references. Question is how to utilize it for future projects which may be addressing different issues, and/or in the different context. Circumstances can also change over time. There is also a need to sensitize project implementing body to utilize evaluation results / knowledge for addressing managerial issues.

Emerging challenges in evaluation: Evaluation is more complicated and challenging in the face of increasing interest of private sector in development finance cooperation, which partly reflects overflow of capital. Particular challenge is the reluctance of private enterprise to be evaluated. There need some safeguards and standards for their conducts and operations.

Dilemma in evaluation: Availability of evaluation results to the general public, though important, tempts the project implementing agencies to select only successful projects to be evaluated. There is reluctance to publicize underperforming projects even though useful lessons can be drawn from failures. Selection criteria of projects (to be evaluated) should be clarified. In the case of JICA, it clarifies and opens the selection criteria, then publicizes all of the ex-post evaluation reports regardless of evaluation results.

Concern on ex-post evaluation: OECD DAC framework emphasize on accountability and consequently on ex-post evaluation on results. However, there is some concern that overemphasis on ex-post evaluation can forego opportunities to learn lessons from operational procedures and analyse the process, what and why project did or did not work. In that respect, strengthening of resources to ex-ante and mid-term evaluation may be more useful.

Utilize contemporary technology in evaluation: Artificial Intelligence (AI) or Big Data may become an option for new data collection methodology, but it is still at preliminary stage. For instance, JICA is experimenting to use drone for data collection but it is not yet stable methodology.

Evaluation capacity at organizational and individual levels: Some observed that systemic training on evaluation as well as building evaluation community in Republic of Korea is still to be desired.

Reflection of SDG in evaluation: Introduction of SDG poses some challenges in evaluation, including a number of SDG indicators to evaluate against. For instance “sustainability” requires more strict definition in terms of evaluation. It may be also helpful to review the change after 2015 adoption of SDG in terms of project selection or evaluation criteria.

➤ **Session 4. International cooperation / harmonization in evaluation of development cooperation**

Presentation

Between West and East: Is It Possible to Combine OECD DAC and South-South Approaches When Creating a Development Cooperation Evaluation System? - Anastasia Maximova

Russia is currently at the stage of developing its own evaluation system, somewhat trying to find a niche between North-South and South-South approaches. Russia never officially accepted the discourse of becoming a South-South donor, mostly due to the fact that it does not consider itself to be part of “South”. Still, the new development cooperation concept in 2014 featured many traits of South-South approach, such as a new emphasis on mutual benefit. Creating an evaluation system that combines both OECD DAC and South-South approach taking best from both is feasible, in particular since the two approaches are increasingly merging. On the one hand, OECD DAC donors are beginning to be more explicit and introducing mutual benefit criteria in their development evaluation. On the other hand, it is more important than ever to provide aid relevant to the needs and expectations of recipients as their position in the donor-recipient relations is rising. While OECD DAC donors would follow the suit of SSC for more donor-centric and recipient central evaluation approaches, South-South donors are highly investing in institutionalization of their development assistance thus coming closer to the OECD DAC group that has already very well-established evaluation systems with policy guidance, responsible internal and external institutions, funding, methodologies and so on.

Session 4 discussions

Mutual benefit approach: In contrast to OECD DAC criteria, South-South cooperation emphasizes on “mutual benefits” as win-win strategy for both sides of partners. Question was raised as whether such approach is at the cost of the benefits which are supposed to be enjoyed by the beneficiary of recipient (partner) countries. On the other hand, given that any development cooperation is driven by some kind of national interest, some view that openness about donor interest may be beneficial for the recipient as it creates a more fair playing ground for negotiation.

National interests: Evaluation of development cooperation often raises question of who decides the “benefits” of the programme, who evaluates whom and how to weigh gains. Accountability is more likely towards donors’ own tax payers (than those in partner countries). Challenges is also how to integrate “national interest” in evaluation framework in any meaningful way. In some cases, it is possible to demonstrate some direct benefits – for

instance Russia' support for prevention of outbreak of communicable diseases in neighbouring Central Asian countries can be practical benefit for Russian citizens.

Evaluation for self-reference: The ultimate goal of evaluation should not be to publicize or report to higher agencies, but to learn lessons from previous projects and reflect them in the future projects. Evaluation is crucial for donors as well for its ODA policy implementation.

Stronger position of recipients: Increasing number of development cooperation providers has enhanced negotiating power of some recipients even of those who are dependent on ODA, as illustrated by the experience of Kyrgyzstan. It has shown that it is no longer afraid to jeopardize relations with its biggest donors if its national interests are at stake.

Compatibility of evaluation framework: Various challenges remain in defining measurable terms for such aspects as mutual benefits and national interests and the extent of flexibility in the evaluation framework. Whether such evaluation can be compared across countries is another challenge.

Harmonization on evaluation in multi-level: Close communication and interaction in evaluation among partners is crucial as it provides broader insights. In academic level, it can be more frequent conferences or fora, and at operational level, joint fieldwork can be explored. At institutional level, more consultations and communications between high rank officials between countries can contribute.

KEY OBSERVATIONS/RECOMMENDATIONS

- Evaluation framework of the “traditional” ODA is well-developed with established evaluation methodologies, institutional set-up, evaluation guidelines etc. Nonetheless there are systemic and/or emerging challenges, such as question of independence of evaluation, need to incorporate SDGs, evaluating private sector partners, etc.
- Independence of evaluation office is essential for objective assessment of development cooperation projects on one hand, while evaluators' familiarity with the projects and their specific context is important for meaningful evaluation on the other hand.
- Expanding scope of development cooperation, with wider range of actors and modalities, makes evaluation more complicated and challenging. While increasing engagement of private sector in development cooperation has been promoted regardless of North-South or South-South cooperation, evaluation of private sector contribution and impacts often face with technical difficulties as well as reluctance of private sector to be evaluated.
- While “mutual benefit” advocated in South-South cooperation approach is widely debated, OECD donors too are increasingly explicit to indicate “national interest” as objective of their development cooperation. In some sense such trend has some benefits for recipient (partner) countries as they have better understanding on the options of external assistance offered.
- With OECD/DAC evaluation criteria and strong emphasis on “results”, ODA evaluations now lean towards ex-ante evaluation. Some concerns were raised, however, about the risk of bias towards producing “good results” of evaluation,

missing opportunities to analyse the causes and process that led to certain results and to learn from the experience. Evaluation for the sake of evaluation should be avoided. Importance of mid-term and ex-ante evaluation could be re-visited.

- Academics and civil society organizations should engage themselves in evaluation of development cooperation to complement evaluation conducted by donor government / agencies, since it is difficult for the donor governments and agencies to create perfectly independent evaluation mechanism within them.