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Dutch cofinancing agencies and their joint evaluation practices

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SUMMARY

Dutch cofinancing agencies and their joint evaluation practices

The cofinancing agencies (CFAs) in the Netherlands, Cordaid, ICCO, Hivos, Novib, Plan-Nederland and recently Terre des Hommes are organised in the consultative body for CFAs (GOM). The common interest of these organisations is that they currently all take part in the cofinancing programme (CFP) of the Dutch Ministry of foreign affairs. The central objective of this programme, and of the participating organisations, is to achieve structural poverty alleviation via three interconnected strategies: direct poverty alleviation, civil society building and advocacy. Furthermore, the CFAs work on several themes and sectors on several continents and with an extensive number of partner organisations. Currently € 410 million (11% of the Netherlands' budget for development cooperation) is spent on CFP. Since the inception of the cofinancing programme in the 1960s, the CFAs have had, apart from their own individual M&E systems, a joint evaluation programme.

This paper gives an overview of the development of the CFP and its evaluation practices, and it describes the recent introduction of a new policy framework for the cofinancing programme of the Ministry of foreign affairs. As a result of this framework, the CFAs are fully responsible for maintaining their own evaluation system, which is audited by the policy and evaluation operations department (IOB) of the Ministry of foreign affairs.

The CFAs are held individually accountable for their own programmes, which are described in business plans covering a period of four years, but the CFAs also maintain their joint evaluation system in order to evaluate their contributions to the CFP's main objectives. A new aspect of the evaluation system is that it is linked to a quality assurance system. This system establishes minimum requirements for organisational processes as well as for the measurements of results. The CFAs are individually responsible to apply the quality assurance system within their organizations.

For the methodological set-up of the joint evaluation programme, the CFAs use the experience of the steering committee which has directed the evaluations of CFP over the past four years. Within the joint evaluation programme, the CFAs have to make strategic and methodological choices and monitor the quality of the evaluations.

This paper also identifies a number of challenges for the coming period that the CFAs will have to be aware of in applying their actual evaluation practices.

1. The cofinancing programme, a short historyⁱ

1.1 Introduction

This paper describes the way in which the Dutch non-governmental organisations participating in the 'Broad-based cofinancing programme' (MFP-breed) formulate their own quality assurance system. In particular, it focuses on the joint evaluation system.

The aim of the cofinancing programme since its inception has been to make 'a contribution to the structural reduction of poverty in the South'.ⁱⁱ

The actual policy framework (*valid as of 2003*) has been revised and is more elaborate than the previous version, but it is still of a general nature. There is a high degree of autonomy granted to cofinancing agencies to elaborate their own policies within this wider framework. This poses challenges for the cofinancing agencies, as they want to account for their contributions to the achievement of the overall aim both individually and jointly. The autonomy of the CFAs has always been a central pillar of the programme; the policy-formulation and steering opportunities of the government have therefore been intentionally limited (final report steering committee 2002: 5). Thus the cofinancing programme is not a programme in the traditional sense of the word.

1.2 Relation of the CF programme to the government

The CF programme began in 1965. In that year, three cofinancing organisations, Cebemo (now Cordaid), ICCO and Novib, received government subsidies to finance the work of partner organisations in the South. Later (in 1978) Hivos also joined the programme. The system, which was originally established on the basis of project financing, evolved by 1980 into a system of programme financing, in which the government granted greater autonomy to cofinancing programmes. This greater autonomy encompassed the determination of programme content, internal policy formulation and the choice of partners, as well as accountability for the results. The results were reported by means of annual reports. The CFAs were responsible for the financial accountability and evaluation of the programmes they financed. The corresponding framework agreement laid down the rights and responsibilities of the CFAs, as well as the manner in which the government would supervise the programme. Three instruments were available to the government for this purpose:

- the annual reports
- programme-evaluations
- Inspections by means of random sampling by the IOV (inspection service of the Ministry of foreign affairs)

Demands for results in development cooperation became an increasingly important topic of political debate both in the Netherlands and internationally by the end of the 1980s. In response to those demands, the four CFAs initiated their own study on the results of the cofinancing programme, called the Impact Study of 1991. The debate within the CFAs during the 1990s focused mainly on the possibilities, or impossibilities, of measuring the programme's impact at target group level.

Table 1.1 Historical overview of cofinancing programme (MFP) 1965 to the present

	1965-1980	1980-	-1996	1997-2002	2003-
Form of subsidy	Project financing	Programme financing - Government budget was divided among CFAs according to internal distribution agreement		Distribution according to internal distribution agreement	Subsidy per CFA
Form of evaluation	Inspection	Programme evaluation; random sampling by IOV (later IOB)	Programme evaluation	Subcontracted programme evaluation	Subcontracted programme evaluation under OFA's own management; if desired, supplemental evaluations by IOB
Members of CFP	Cebemo, Icco, Hivos, Novib (as of 1978)	Bilance (formerly Cebemo), Hivos, ICCO, Novib	Cordaid (formerly Bilance), Hivos, ICCO, Novib	Cordaid, Hivos, ICCO, Novib, Plan Nederland	Cordaid, Hivos, ICCO, Novib, Plan Nederland, Terre des Hommes

In the same period, the privileged position of the four cofinancing agencies was questioned in the public debate. Also, due to European legislation, the Ministry of foreign affairs had to adopt a new law (*'Kaderwet Subsidies Ministerie van buitenlandse zaken' effective since 1999*) that stated that governmental subsidies had to be accessible for all citizens (and organisations) in the Netherlands. As a consequence, the privileged position of the four cofinancing agencies came to an end and starting in 2000 Foster Parents Plan Netherlands (now called Plan Netherlands) was also allowed to participate in the cofinancing programme. (Schulpen 2001: 167)

As of 2003, the financing of what has in the meantime become six cofinancing organisations is no longer regulated by means of an agreement with the Ministry of foreign affairs, but on the basis of subsidy allocations. The subsidies are granted for a period of four years based on a business plan per CFA, delineated in annual plans with corresponding annual reports (see also Section 2.1)

1.3 History of evaluation practices

Since 1980, external evaluations have played an important role in the cofinancing programme. From this period onwards the former operations review unit of the Ministry of foreign affairs (IOV) had a direct monitoring function. Its task was to investigate policy and operational aspects of the CFP's implementation. Each year it made five missions to conduct inspections of 20 cofinancing projects. Its reports were intended for internal use by the Ministry. In the 1990s, the review unit was assigned a broader task, and it became the general evaluation service of the Ministry under the new name: IOB (policy and operations evaluation department). The IOB's task of inspecting the CFP was simultaneously ended.

As a result, the CFA's own programme evaluations, which had been part of the agreement with the Ministry since 1980, became increasingly important. The focus of these evaluations was on monitoring the implementation of the CFP as well as on input for policy development of the cofinancing programme. A third focal point was the contribution to the improvement of the quality of the cofinancing programme. These evaluations were commissioned jointly by the CFAs and the Ministry. In practice this meant that both the CFA involved in the programme evaluation and the Ministry were directly represented in the evaluation team. As this direct representation occasionally precluded the objectivity required for an evaluation, these programme evaluations were, as of 1997, subcontracted to independent consultants. This was a precursor to another step taken at a later stage to subcontract the entire external evaluation process. In addition there was a desire for a focus on the results throughout the aid chain (from subsidy provider, via the CFA to partner organisation, and eventually to the target group). In 1998 an independent steering committee (the steering committee for the evaluation of the cofinancing programme) was established. The steering committee conducted a joint evaluation programme, commissioned jointly by the GOM (the consultative body of the Dutch cofinancing organisations) and the department of social and institutional development (DSI) of the Ministry (responsible for the CFP). The explicit task of the steering committee was to investigate through evaluations the effects of the CFP at target group levelⁱⁱⁱ. The emphasis of these evaluations was to lie 'more than in previous programme evaluations on assessing results and implementation in the field by local researchers...' (Mandate of the steering committee evaluation CFP). The final report^{iv} of the steering committee for the evaluation of the cofinancing programme was presented in 2002.

Table 1.2 Historical overview of CFA evaluation practices from 1980 to the present

	1965 – 1980	1980-	-1996	1997-2002	2003-
Inspection		IOV /IOB	IOB		IOB
Programme evaluation commissioned by:		GOM / DSI	GOM / DSI	GOM / DSI	GOM / CFA
Implementation of programme evaluation		External researchers plus direct representation of CFAs / DSI in evaluation team	External researchers plus direct representation CFAs / DSI in evaluation team	Steering Committee (external researchers)	CFA's / external researchers
Function of programme evaluation	- Inspection aimed at accountability	- Policy development	- Accountability -Policy development	- Accountability - Policy development - Methodology development	- Accountability - Policy development

2. New structure of the cofinancing programme

2.1 Financing and participation

As of 2003, the cofinancing programme has been structurally revised with respect to the way in which financing is allocated and to the conditions under which organisations are allowed to enter the programme.

Previously, a percentage of the Ministry of foreign affairs' annual budget for development cooperation was allocated to the CFAs as a group. In the new scheme, financing is no longer allocated to the group of CFAs as a whole, but to each CFA separately. To qualify for the subsidy, the CFAs must each submit a business plan once every four years. Based on this business plan, the Ministry decides whether the organisation is eligible to participate in the cofinancing programme. The level of financing granted depends on the quality of the business plan. The conditions for entering the CFP have become more flexible: such that new organisations no longer have to demonstrate an added value with respect to the CFAs already in the programme. Based on this new scheme, one additional CFA was admitted to the CFP for the grant period 2003-2006.

As a result of this new approach, the accountability system of the CFP has also changed. Whereas the emphasis was previously placed on the accountability of the CFP as a whole, now each CFA is held accountable on the basis of its own business plan. Since shared objectives for the programme as a whole are still formulated in the policy framework for the broad-based cofinancing programme, the joint evaluations will continue in the new system. In this way, the CFAs want to make their own contributions to these objectives visible. In addition, the government expects the CFAs to set up their own system of quality improvement, which is to include a system of result measurement.

2.2 Policy framework for the broad-based cofinancing programme

The policy framework sketches the general character of the broad-based cofinancing programme.^v The main objective of the broad-based cofinancing programme (MFP-breed) is *'to promote the structural alleviation of poverty in the South and in the poorest Central and Eastern European countries and to achieve universally recognised human rights'*. *The programme will pursue the goal of structural poverty alleviation through three interlinked intervention strategies: direct poverty alleviation, civil society building and advocacy.*^{vi}

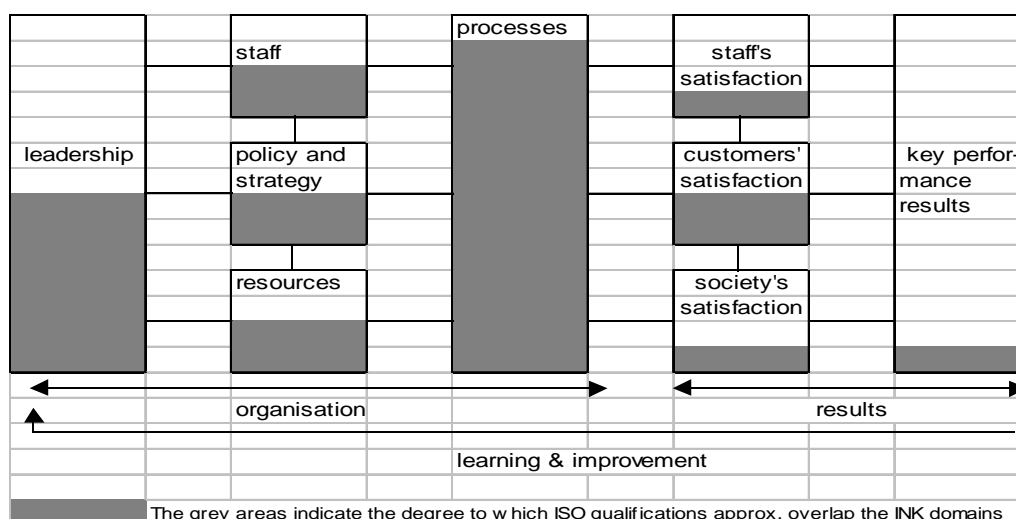
The programme is broad-based because it combines the three intervention strategies, but also because this diverse group of organisations works with a large range of partner organisations in various regions and continents, both in the North and the South, on various sectors and themes.

2.3 Quality assurance system

One of the conditions established in the policy framework is that the *'CFAs will devise a quality assurance system with the Ministry and other stakeholders. This system will build on the quality control and assessment criteria governing the existing subsidy scheme.'* The Ministry will use this quality assurance system in its evaluation of the CFAs. The evaluations fall within the result measurement portion of the quality assurance system. As a part of this policy all of the CFAs are ISO certified, or are in the process of becoming certified. This means that set up, acquaintance and performance of the quality system of the organisation are conform the ISO standard.

On top of this the CFAs have chosen to implement the INK model^{vii} because it incorporates quality improvement as an integral part of the management of the whole organisation. ISO certification can be easily integrated in the INK model. The following figure illustrates to what extent ISO covers various aspects of the organisation. Whereas ISO focuses on describing procedures and processes, INK focuses on the cycle of learning and improving; in other words, it links the results and assessments back to policy and strategy and the translation of these into activities and results.

The INK management model



The CFAs have jointly developed minimum quality requirements, which serve to ensure the quality of the CFAs. These criteria establish the minimum that a CFA must have achieved, or that it is clearly expected to achieve in the future. These criteria form the basis for further implementation of the INK model at the CFAs. The CFAs themselves are responsible for integrating these minimum requirements into their own quality assurance systems. The CFAs are expected during mutual visitations to hold each other accountable for the fulfillment of these requirements.

Example of the content of an INK domain:

Customers' satisfaction: Assessment by partners

a) Minimum requirements

Once every four years, the CFA conducts partner-organisation satisfaction surveys among its partner organisations and incorporates the results in its policy with respect to financing and communication with partner organisations. In addition, the relationship between the CFA and each partner organisation is examined as a structural component of the partner evaluations. The CFA also has an established complaints procedure that partner organisations can make use of, and the CFA keeps its partners sufficiently informed about this procedure.

b) Verification tools

- Results of partner organisation satisfaction study
- Partner evaluations
- Complaints of partner organisations
- Policy on 'Good donorship'

Analysis of the ending of relationships by partners

3. Results measurement and quality control

3.1. The CFAs and 'key performance results' in the INK model

As noted above, the CFAs themselves have explicitly been given responsibility in the new policy framework for their own evaluation programme. Overall supervision of the programme is carried out by the IOB. This responsibility for both the internal and external evaluation of the programme falls under the block 'key performance results' of the GOM quality assurance system. The CFAs' endorsement of the jointly developed minimum quality requirements is embodied in evaluations on three levels:

- * complete external evaluations: GOM programme evaluations (4 to 6, in the period 2003-2006);
- * evaluations that can be conducted internally or in part externally: the CFA's 'own' programme evaluations and other thematic evaluations;
- * evaluations related to the financing cycle, i.e. the project evaluations. The initiator of these project evaluations can vary per CFA, and can be the CFA itself, the partner organisation, or it can be a joint initiative.

This paper focuses exclusively on the GOM programme evaluations.

3.2. Structural quality control and quality enhancement of the CFP

As noted above, the cofinancing programme is not a programme in the traditional sense. It is not a set of correlated activities designed to achieve strictly formulated objectives, but a programme at strategic level. It is this strategic level that the CFAs want to demonstrate in their evaluation programmes. The goal of the CFP evaluations is to contribute to the quality control and quality enhancement of the CFP.

3.2.1 Main subjects reflect the collective elements of the CFP

In choosing main subjects for the evaluations, the CFAs try to do justice to the collective elements of the CFP: the main objective of structural poverty alleviation, the intervention strategies for direct poverty alleviation, civil society building, advocacy and the themes of the millennium development goals (see also section 2.2). By distributing the evaluations over themes, continents and types of partner organisations, it should be possible to accurately reflect the diversity and breadth of the CFP.

Table 3.1 Outline of the evaluation programme for the period 2003-2006.

Main subjects	Year	Cordaid	Hivos	ICCO	Novib	Plan
1. Education	2003	-	-	-	1	1
2. The role of women's groups in civil society building	2003	1	1	1	-	-
3. Health	2004	1	-	1	-	1
4. Democratisation /Civil Society Participation	2004-2005	-	2	-	1	1
5. Peace, security and conflict	2005	1	-	1	-	-
6. HIV / AIDS (mainstream)	2005	1	1	1	1	1
7. Sustainable Economic Development (SED)	2006	1	1	2	1	-
Total number of individual evaluations per CFA		5	5	6	4	4

The main subjects are chosen based on, and as an extension of, the recently conducted evaluation programme of the Steering Committee and in close consultation with the various CFAs. The distribution of evaluations over the various continents should reasonably reflect the total distribution of financing. Each CFA will check whether its programmes have been sufficiently assessed by means of the GOM evaluations. If this is not the case, then the CFA itself is responsible for filling this gap through individual programme and project evaluations.

3.2.2 Standard questions and focal points based on 'lessons learnt' during the steering committee phase

A number of standard questions and focal points have been formulated that will be incorporated in all evaluations. These are derived from the steering committees methodology as well as their conclusions and recommendations.

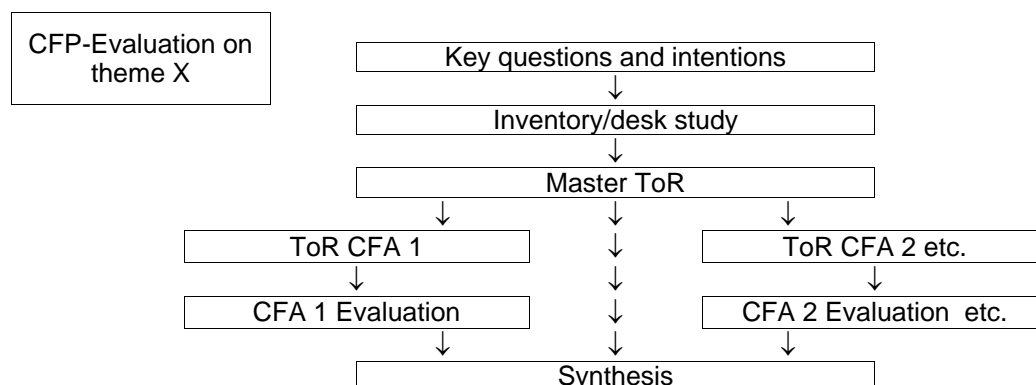
The GOM plans to focus attention in future evaluations on the following points from the steering committee research in order to more clearly demonstrate the results of the CFP and to work on quality improvement:

- a. The objective of structural poverty alleviation is very ambitious and difficult to demonstrate. In its evaluation programme, GOM will therefore specify the levels of poverty alleviation to be researched: temporary poverty reduction; increased resilience; reduction of vulnerability; and structural improvement of living conditions (final report of the steering committee evaluation CFP; p.49).
- b. Evaluations will take place on outcome level, and if necessary and possible on impact level.
- c. The steering committee stressed that the CFAs have to make a realistic estimate of how the intervention strategies contribute to structural poverty alleviation, and they have to seriously reconsider the chosen strategies. For instance visible results have been achieved in the area of civil society building, according to the steering committee, but the CFAs particularly emphasise capacity building of intermediate NGOs. Results related to citizenship, building, advocacy, and the formation of networks and alliances are less demonstrable. The steering committee suggests that the CFAs take greater advantage of their specific role as non governmental organisations.

3.2.3 Individual programme evaluations contribute to synthesis studies on main subjects

A CFP programme evaluation consists of individual evaluations at the level of the participating CFAs and a synthesis based on these individual evaluations (see figure below). The individual evaluations have their own specific ToRs, but the ToRs are developed within a common framework. This common framework is described in the master ToR for the synthesis.

This scheme can be illustrated as follows:



The researcher for the individual evaluations will be accountable to the CFA he or she is evaluating. There will be a lead researcher who will be responsible for the synthesis of the individual evaluations. This lead researcher is accountable to a joint co-ordination group chaired by one of the CFA's.

The master ToR has to reflect the collective elements of the underlying individual evaluations so that it will be possible at a later stage to make a synthesis study. The individual CFAs can put their own emphasis in the individual ToRs, so that the learning effect of the programme evaluation is maximised.

3.2.4 Quality control of the programme evaluations

The quality of evaluations is a shared concern within development cooperation. Criticism is commonly heard in relation to the quality of the terms of reference. They are often too broad, they focus on various objectives, and they are not achievable in the projected time frame. The most common criticism expressed in evaluation reports has to do with the fact that insufficient distinction is made between the presentation of the research results, analysis of the results, conclusions and recommendations. The lack of methodological accountability is also often a source of frustration among the commissioners.

Stemming from this shared concern over the quality of evaluations, the CFAs decided to formulate a number of minimum quality requirements for the GOM programme evaluations. Joint quality requirements were thus formulated, against which the terms of reference, evaluators, and reports of the various evaluations will be assessed. It is at these stages in the evaluation process that the CFAs, as commissioners of the evaluations, have the opportunity to exert their influence. The CFAs also formulated a set of guidelines for the evaluation process.

The CFAs apply these quality requirements in the individual programme evaluations and ensure that the quality requirements are anchored in their own procedures. The GOM co-ordination group is responsible for applying these requirements in setting up the master ToR, the synthesis study and in the selection and assessment of the lead consultant.

In addition to this internal quality control, the GOM has also chosen to have external quality control. A reference group will be set up to advise the GOM during critical stages of the evaluation process. Specifically, advice will be sought on setting up the master ToR and individual ToR, and with respect to the various research reports.

In future, the policy and operations evaluation department (IOB) of the Ministry of Foreign Affairs will assess and supervise the evaluation activities of the cofinancing organisations.

4. Challenges

As stated above, the actual policy framework is of a general nature leaving a great deal of autonomy to the cofinancing agencies to elaborate their own policies. This affects the evaluability of the cofinancing programme and has methodological consequences for the evaluation programme. The Steering Committee has contributed in thinking through the methodological consequences of the broadly formulated aims, and the cofinancing agencies will build on the experience of the Steering Committee.

The choice to conduct 'individual' evaluations, which will be combined in syntheses governed by a master-ToR, presents a special challenge to the cofinancing agencies. Methodological choices will have to be crystal clear and the quality of evaluators will be decisive for the final result of the syntheses.

The liberty of the CFAs to elaborate ToR for individual evaluations also poses the risk that the focus of the evaluation will change. Although joint accountability for the cofinancing programme as a whole is the main purpose of these evaluations, attention might be 'distracted' towards specific learning aspects that are of use to the specific cofinancing agencies and their partners.

Thirdly, the cofinancing agencies run the risk of being accused of a biased selection of evaluation topics and cases in order to produce only positive results. This is mainly because they select and pay for their own consultants, even if precautions have been taken and checks and balances are guaranteed.

Finally, the choice of adopting a quality assurance system is definitely a new element in development cooperation and it offers a new view on accountability of the CFAs.

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List of acronyms

CFP	= MFP= (broad based) cofinancing programme
CFA	= cofinancing agency
IOV later IOB	= the policy and operations evaluation department of the Ministry of foreign affairs
DSI	= the department of social and institutional development of the Ministry of foreignaffairs
GOM	= Consultative body of cofinancing agencies

ⁱ Source: among others, the 'balansstudie PES 1980-1999', Steering Committee CFP

ⁱⁱ This is taken to mean the sustainable improvement of the position of poor groups and individuals in developing countries. This includes: the implementation and strengthening of the internationally agreed civil-political, economic, social and cultural rights; the improvement of active participation and decision-making of beneficiary groups in civil, political, economic, social and cultural human development; enabling beneficiary groups to provide for their own basic needs. (Subsidy scheme of the Ministry of Foreign Affairs, 1998).

ⁱⁱⁱ The Steering Committee conducted its evaluation programme in the period 1998-2002. Based on the objective of 'direct poverty alleviation', evaluations were conducted related to the themes: basic social services, micro-finance, and poverty alleviation in marginal regions. In addition, country studies were conducted in India, Nicaragua and Mali focusing on the contribution of CFAs to civil society building. Two studies were also conducted on new subjects: culture and certification.

^{iv} The final report is a synthesis of the evaluation programme that the Steering Committee conducted in the period 1998-2002.

^v In addition to this policy framework, there is also a policy framework for the thematic cofinancing organisations and the labour union cofinancing programme.

^{vi} **Direct poverty alleviation** is directly geared to improving the living conditions of poor populations through the targeted provision of services or by strengthening their capacity to provide for their own basic needs. Direct poverty alleviation includes emergency aid. **Civil society building** involves the strengthening of pluralistic and democratic social structures and organisations to achieve a more equal balance of power and the involvement of marginalised groups in social, economic and political decision-making processes. **Advocacy** is designed to change local, national and international policy and processes and structures which perpetuate or exacerbate poverty and inequality. Within the programme, policy is influenced by partner organisations, CFAs and their networks.

^{vii} The INK model is a Dutch version of the EFQM model