Strengthening Korea's Evaluation of ODA Projects

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I. Introduction

The main purpose of this paper is to explore ways to strengthen Korea's evaluation on its bilateral official development assistance (ODA) projects in an effort to improve its ODA effectiveness as part of "U.S.-Korea Dialogue on Strategies for Effective Development Cooperation." This dialogue is timely and meaningful in terms of the effectiveness of Korea's ODA. It is timely because the Republic of Korea (Korea) is scheduled to host the 4th High-Level Forum on Aid Effectiveness in November 2011 following joining the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) in 2010. It is meaningful because the DAC members have agreed to secure an expansion of aggregate volume of resources made available to developing countries and to improve their effectiveness, and ODA evaluation is a key tool in improving the quality and effectiveness of development cooperation.

We may assume three different levels of evaluation: (i) policy-level evaluation including country-specific evaluation and priority issue-specific evaluation; (ii) program-level evaluation including sectoral evaluation and evaluation by aid modality; (iii) individual project-level evaluation. And in relation to results based management we may also assume three different organizational or management levels within the donor agencies: (i) project level, (ii) country program level, and (iii) agency-wide level. This paper will focus on the individual project-level evaluation in consideration of the followings:

- The integrated evaluation system covering policy-level and program-level evaluation

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1 The author had worked for the Korea International Cooperation Agency (KOICA) until he retired as Vice-president in 2008 since its establishment in 1992. Now he is a member of Subcommittee for Evaluation on the International Development Cooperation under the Committee for International Development Cooperation chaired by Prime Minister.


evaluations has been recently established under the responsibility of the International Development Cooperation Committee chaired by Prime Minister;
- Country Partnership Strategy (CPS) approach has been recently introduced;
- The aid evaluation in Korea is still at a relatively infant stage;
- Systematic institutionalization of project-level evaluation will lay a foundation for consolidation of higher level of evaluation system including policy-level and program-level evaluations, etc.

This paper is consisted of seven parts. Part II describes the outline of ODA evaluation, Part III Korea's evaluation resources and system on comparative perspectives with DAC members and multilateral donors, Part IV Performance and Part V evaluation procedures. Part VI deals with major challenges and Part VII offers policy implications for the future.
II. Outline of ODA Evaluation

1. Evaluation as Human Nature

Humans are animals who evaluate what they learn. As is well known, Aristotle (384-322 BC) said, "Humans are reasoning animals." Then, "generally speaking, human beings reason to an end."\(^4\) It means that human life is purpose-driven or value-driven. In the words of Alfred North Whitehead (1861-1947), one of the most famous philosophers in the early 20th century, the function of Reason is to promote the art of life by actively engaging in modifying environment surrounding humans. "... the explanation of this active attack on the environment is a three-fold urge: (i) to live, (ii) to live well, (iii) to live better. In fact the art of life is first to be alive, secondly to be alive in a satisfactory way, and thirdly to acquire an increase in satisfaction."\(^5\) So, "History is the long struggle of man, by the exercise of his reason, to understand his environment and to act upon it."\(^6\) "Belief in progress means belief not in any automatic or inevitable process, but in the progressive development of human potentialities."\(^7\) This definition or explanation of Reason nicely dovetails with the main objectives of "development" as shown below.

"Whatever the specific components of this better life, development in all societies must have at least the following three objectives:

1. To increase the availability and widen the distribution of basic life-sustaining goods ...
2. To raise levels of living, ...
3. To expand the range of economic and social choices ..."\(^8\)

Human develops his potential capacities by learning and accumulating technical and social knowledge and experience. "Experience reflected upon is the handmaiden of progress. Evaluation is an integral part of individual and institutional learning. By doing, evaluating and doing again we learn to do better."\(^9\) By all accounts mentioned above, the proposition that humans reasoning animals may well be paraphrased: human beings are animals who evaluate what they learn for achieving

\(^7\) Ibid. p.181.
objectives of development.

2. Definition and Purpose of Evaluation

There are various definitions of "evaluation" on development assistance. In this paper, however, "evaluation" is discussed using definition suggested by "Principles for Evaluation of Development Assistance" which was approved by the DAC High-Level Meeting in 1991: An evaluation is an assessment\(^\text{10}\), as systematic and objective as possible, of on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. According to the Principle, the main purposes of evaluation are: (i) to improve future aid policy, programmes and projects through feedback of lessons learned; (ii) to provide a basis for accountability, including the provision of information to the public. DAC also stresses the importance of information-sharing among participants in the development process which promotes their dialogue and improves cooperation.

3. Evaluation in a Historical Context\(^\text{11}\)

Given that human beings are animals who evaluate what they learn, it is strange that aid evaluation was not given a due attention from the initial stage of development aid. It was in 1970 that the DAC organized the first significant seminar on evaluation at Wassenaar, the Netherlands at the invitation of the Government of the Netherlands. Except the USA, and a few UN agencies, until the 1970s the importance of evaluation had been largely ignored. Few donors had as yet established evaluation units with very thin staff on the ground and there was very little expertise available, and virtually no resources being devoted to the subject.\(^\text{12}\)

Towards the end of the 1970s and entering the 1980s, the issue of evaluation came to the fore with ever-increasing urgency and explosion of interest. In 1979 DAC High Level Meeting asked the DAC to pace renewed emphasis on the evaluation of aid effectiveness. In 1980 the DAC Chair's Report included a major chapter on "The

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\(^\text{10}\) According to USAID Evaluation Policy (January 2011), evaluation is distinct from assessment, which may be designed to examine country or sector context to inform project design, or an informal review of projects.


Important but Elusive Issue of Aid Effectiveness", emphasizing the difficulties of producing scientific proofs of average aid effectiveness and underscored learning experience. In 1981 a new DAC sub-group of "Evaluation Correspondents" which consisted essentially of the heads of DAC members' evaluation units and turned into an Expert Group on Aid Evaluation with an assured future in 1982. By the mid-1980s, virtually all DAC Members established units for aid evaluation (ex post), whose principal function was to look at the effects of aid after the aid agency had left. The general trend was to look at these effects in a longer perspective, with a growing emphasis on the so-called "impact evaluation". The same trend was true of multilateral organizations such as the World Bank, the regional development banks and UN agencies.

Several donors expanded the scope of evaluation to country studies, sectoral studies, or studies of particular types of aid. The DAC Expert Group on Aid Evaluation contributed its first major report entitled "Lessons of Experience Emerging for Aid Evaluation" in 1984, which was followed a year later by "Evaluation Methods and Procedures - A Compendium of Donor Practice and Experience". By the spring of 1985 the Expert Group's work was focused on cross-cutting issue including sustainability, women in development and non-project assistance (NPA) and an evaluation seminar with the developing countries.

The Canadian International Development Agency (CIDA) began to operate the DAC Evaluation Reports Information System in 1988 to encourage information-sharing and joint evaluations. In 1991 the DAC High-Level Meeting approved "Principles for Evaluation of Development Assistance" which state the views of DAC Members on the most important requirements of the evaluation process based on current policies and practices as well as donor agency experiences with evaluation and feedback of results. The DAC Expert Group on Aid Evaluation continued to work on evaluating technical cooperation, multilateral aid, donor feedback system, institutional-building, non-governmental organizations (NGOs) and self-evaluation.

In 1995 the DAC High Level Meeting adopted the statement "Development Partnership in the New Global Context", in which the statement emphasizes the importance of evaluation for effective and efficient development aid, saying: Critical evaluation must be an ongoing feature of development assistance efforts, to identify the best and most cost-effective approaches. Public accountability, based on indicators of achievement, is essential. "Shaping the 21st Century: The Contribution of Development Cooperation" adopted by the DAC High Level Meeting in 1996 also stresses the important of monitoring and evaluation to further result-oriented
development cooperation efforts.

The DAC Working Party on Aid Evaluation, successor of Expert Group on Aid Evaluation, which launched a series "Evaluation and Aid Effectiveness" in 1999, was reorganized as the DAC Network on Development Evaluation (DNDC) in 2003. DNDE as a subsidiary body of the DAC of OECD is "a unique international forum that brings together evaluation managers and specialists from development cooperation agencies in OECD member countries and multilateral development institutions. Its goal is to increase the effectiveness of international development programmes by supporting robust, informed and independent evaluation."\(^{13}\)

\(^{13}\) DNDC. Evaluation Development Cooperation: Summary of Key Norms and Standards(second edition). p.3.
III. Korea's Evaluation Resources and System Compared with DAC members and Multilateral Donors

The DAC Network on Development Evaluation recently published "Development Evaluation Resources and Systems - A Study of Network Members"\(^{14}\), which covers the core dimensions of evaluation management and provides an overview of evaluation resourcing for all major bilateral donors including Korea and seven multilateral institutions. Here the study results are mainly employed to describe Korea's evaluation resources and systems on a comparative perspective.

1. Evaluation System and Policies

Korea's bilateral ODA is divided into bilateral grants and bilateral concessional loans known as the Economic Development Cooperation Fund (EDCF), which was established in 1987. Most of bilateral grants are provided by the Korea International Cooperation Agency (KOICA), which was established in 1991, under the supervision of the Ministry of Foreign Affairs and Trade. The EDCF loans are managed by the Export-Import Bank of Korea under the supervision of the Ministry of Strategy and Finance.\(^ {15}\)

1.1. KOICA

It is noticeable that KOICA established the evaluation unit its under the Planning Department at the end of 1996 when it was still at an infant stage given the volume of bilateral grants was meagre amounting to only 50 million US Dollars in 1995 and the importance of evaluation was not yet voiced in Korea. This implies that the newly established agency has continuously endeavored to introduce a more systematic approach with a view to promoting the effectiveness and efficiency of its aid programs. However, it took almost 15 years for its evaluation unit to be fully independent. Initially, the evaluation unit equivalent to division level under its organizational hierarchy was to report to Director of the Planning Department under one of four Executive Directors. In 2006, the unit was reorganized as the Evaluation Office which was to report to Executive Director.\(^ {16}\) In 2011, the unit's status was upgraded to directly report to KOICA President.

\(^{14}\) This report described the current development assistance evaluation policies of the members of the DAC Network on Development Evaluation based on a member questionnaire conducted in 2009 and a literature review, including recent DAC Peer Reviews.

\(^{15}\) EDCF was established in 1987 and KOICA in 1991.

\(^{16}\) Now Executive Director is called as Vice President at KOICA.
KOICA's Evaluation Office performs the following tasks:

- Establish evaluation-related policies and strategies;
- Study about international cooperation trends on evaluation and participate in discussions;
- Establish and manage annual evaluation plans;
- Plan and execute major evaluation tasks based on the annual evaluation plan;
- Provide guidelines on evaluation to project departments;
- Study and development evaluation methods;
- Help strengthen the recipient's evaluation capacity.

KOICA's Development Cooperation Guidelines, which is indicative rather than imperative in nature, introduced in 1999 and have been revised and updated four times until now. Now KOICA conducts all evaluations which comply with Guidelines published in 2008. Major international standards and practices regarding evaluation have been reflected in those guidelines. On the other hand, the Evaluation Regulation, which is imperative in nature, was institutionalized in November 2006 and laid a foundation for upgrading the quality of evaluations. The Regulation was largely revised to be aligned with international standards and practices in December 2008, bearing in mind the Korean government's policy to join the DAC as a full member next year.

1.2. EDCF

The evaluation unit, which was established in January 2007, is independent from the Project Operations Department. The unit now reports to its president through executive director of EDCF Planning Group and Deputy President.

EDCF evaluation guidelines mandate DAC evaluation criteria and include the DAC Evaluation Quality Standard for Evaluators.

1.3. Subcommittee for Evaluation on the International Development Cooperation

The evaluation system of Korean ODA was institutionalized at the government level in October 2009 when the Subcommittee for Evaluation on the International Development Cooperation was established under the Committee for International Development Cooperation, which is the highest level policy-making institution on ODA, chaired by Prime Minister.

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17 Before establishing the evaluation unit, project operation departments had conducted evaluations.

18 The Committee was established in March 2006.
The establishment of the Subcommittee is meaningful in the sense that it has been possible to evaluate Korea's ODA integrating bilateral and multilateral ODA, and, grants and concessional loans. The subcommittee is mandated with establishing an integrated evaluation policy, evaluating ODA policy, strategy and country-level programs, establishing annual integrated evaluation plan, reviewing annual evaluation plan drafted by aid agencies and evaluation results, and overseeing evaluation feedback. Since its establishment, the Subcommittee has established Integrated Evaluation Guidelines and Manual, which shall be applicable to evaluations conducted by all ODA implementing agencies, and conducted several cases of country-level and policy-level evaluation. The Integrated Evaluation Manual, which, inter alia, is evaluation policy document, defines (1) basic concept of evaluation, (2) evaluation system, (3) evaluation criteria, and (4) evaluation methodology.

In 2010, the Subcommittee conducted three evaluations on (1) Saemaul Undong (New Community Movement) Training Project, (2) project jointly supported both by grants and loans, and (3) Cambodia at a country-level. In January, 2011, the Subcommittee set up a Yearly Integrated Evaluation Plan for 2011

Central evaluation units of all donors tend to report to a high level in five different ways: (1) Director of management, Strategy or Performance Division, (2) Executive Board, (3) Head or Director-General of the Development Agency, (4) Minister of Foreign Affairs (or equivalent), and (5) Parliament via Ministry.19

Korea's case is distinct from other donors in the sense that (1) two aid agencies (KOICA and EDCF) report to the Subcommittee for Evaluation on the International Development Cooperation via their respective ministries and (2) the Subcommittee to National Assembly via the Committee for International Development Cooperation.

2. Evaluation Resources

In terms of cases of evaluations conducted per year, Network members together produce over six hundred evaluations per year, with the average evaluation unit completing 19 evaluations each year. KOICA, which averaged 16 evaluations, conducts quite a few numbers of evaluations given that in 2010 Korea's ODA volume amounting to USD 1,168 million ranked 18th and Korea's ODA/GNI ratio ranked the lowest out 23 DAC members while KOICA covers only bilateral grants of Korea's ODA. The case of EDCF, which averaged four evaluations, seems to reflect the fact that the number of projects are fewer than that of KOICA since volume of unit EDCF project averages several USD 10 million while that of KOICA several USD million.

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20 This part is described mainly based on “Development Evaluation Resources and Systems – A Study of Network Members” by the DAC Network on Development Evaluation.
In terms of budget for central/main evaluation unit, the Network-wide average budget is USD 4.7 million. DAC bilateral donors have an average budget of USD 3.3 million equivalent to 0.1% of the development cooperation budget the unit is charged with evaluating. In this regard, out of bilateral donors, Korea ranks the third following Luxembourg (0.6%) and Austria (0.4%). KOICA's budget averaged USD 800,000 equivalent to 0.217% versus its ODA budget, which is more than twice of that of DAC bilateral donors while EDCF USD 100,000 equivalent to 0.032%. The difference between KOICA and EDCF seems to reflects the number of projects of respective agencies.

It is very difficult to decide the proper number of central evaluation unit staff in consideration of ODA volume and number of evaluations. In terms of central evaluation unit staff, in 2009 the number averaged 15 full-time staff, varying from 3 of Austria, Luxembourg and Switzerland to 35 of Japan. KOICA averaged eight full-time staff while EDCF four. Compared with Finland (USD 1.34 billion), Austria (USD 1.20 billion), and Ireland (USD 0.90 billion) whose ODA volume is similar with that of Korea (USD 1.17 billion) in 2010, Korea's 12 staff is larger than 5 staff of Finland, 3 of Austria and 6 of Ireland.

One staff of bilateral DAC members on an average basis produces 1.58 evaluations per year.\(^{21}\) Luxembourg ranks the 1st with 3 staff producing 35 evaluations (11.66 evaluations per staff) while Australia the last with 14 staff 3 evaluations (0.2 evaluation per staff). Korea's case recording 1.66 is similar with that of the average (1.58). Compared with Finland, Austria and Ireland whose ODA volume is similar with that of Korea, Korea's 1.66 is higher than Finland's 1.60 and slightly higher than 1.33 of Austria and 1.16 of Ireland.

<table>
<thead>
<tr>
<th>Fewer than one evaluation</th>
<th>One and over one evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>0.2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.33</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.35</td>
</tr>
<tr>
<td>Canada</td>
<td>0.45</td>
</tr>
<tr>
<td>USA</td>
<td>0.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.55</td>
</tr>
<tr>
<td>Spain</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{21}\) Out of bilateral DAC members, Greece and Italy whose statistics are not available are excluded.
The fact that the number of evaluations per staff of USA, Canada and Australia belonging to major donors is relatively fewer than that of other donors seems to reflect the trend that some donors including US Agency for International Development (USAID) have shifted their focus from monitoring project implementation performance such as inputs, activities and processes to monitoring higher-level outcomes and impact as well as monitoring project-level results such as outputs, outcomes and impact.  

Regarding gender balance of all staff in central evaluation unit, out of bilateral and multilateral donors except Switzerland SECO staffed with one female, KOICA ranks the second with female staff occupying more than 80% following AusAID.

By all accounts, even though it is difficult to assess the quality level of evaluations conducted by Korea, the quantitative level of evaluation resources seems to be reasonable in comparison with the cases of other donors.

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IV. Performance

According to the Integrated Evaluation Manual produced by the Subcommittee for Evaluation on the International Development Cooperation, there are various types of evaluation and these are applied according to their specific purposes, mainly relating to timing, the evaluator and the subject of evaluation. They are not unlike those of other donors. For example, the classification of types of evaluation is same as that of Japan's ODA Evaluation Guidelines. The classification of KOICA and EDCF is also largely same as that of the Integrated Evaluation Manual.

<Table 2: Types of Evaluation>

<table>
<thead>
<tr>
<th>Classification</th>
<th>Types of Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Evaluator</td>
<td>- Internal Evaluation, Self-Evaluation</td>
</tr>
<tr>
<td></td>
<td>- External Evaluation, 3rd-party Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Joint Evaluation</td>
</tr>
<tr>
<td>By Timing</td>
<td>- Ex-ante Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Interim Evaluation</td>
</tr>
<tr>
<td></td>
<td>- End-of-project Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Ex-post Evaluation</td>
</tr>
<tr>
<td>By Subject</td>
<td>- Policy &amp; Strategy Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Country Programme Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Sector Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Thematic Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Modality Evaluation</td>
</tr>
<tr>
<td></td>
<td>- Project/Programme Evaluation</td>
</tr>
</tbody>
</table>

1.1. KOICA

During the period from 1998 to 2010, KOICA conducted a total of 149 evaluations. Annual number of evaluations varies from one evaluation in 2001 to 22 ones in 2007. 149 evaluations are consisted of 107 individual project evaluation, 11 beneficiary evaluations, 10 modality evaluations, nine country-level evaluations, seven thematic evaluations, four sector-level evaluations and one joint evaluation with GTZ.

<Table 3: Annual Evaluations by Type>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>'98-'04</th>
<th>'05</th>
<th>'06</th>
<th>'07</th>
<th>'08</th>
<th>'09</th>
<th>'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>149</td>
<td>52</td>
<td>20</td>
<td>11</td>
<td>22</td>
<td>19</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Individual</td>
<td>107</td>
<td>40</td>
<td>19</td>
<td>10</td>
<td>17</td>
<td>13</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>11</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Modality</td>
<td>10</td>
<td>4</td>
<td></td>
<td></td>
<td>2</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Country-level</td>
<td>9</td>
<td></td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Joint</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Out of 107 individual evaluations, 33 ex-post evaluations were conducted by the evaluation office while others covering ex-ante, interim and end-of-project evaluations by project operations departments. Other types of evaluations were conducted by the evaluation office except one modality evaluation. The number of evaluations conducted by the evaluation office has considerably increased to 17 evaluations from annual average 3 evaluations during 1998-2006 period. The evaluation office conducted 20 evaluations in 2008, 9 evaluations in 2009 and 7 evaluations in 2010. In view of this, the division of roles between the evaluation office and project operations departments seems to be appropriate.

1.2. EDCF

The evaluations conducted by EDCF are project-oriented and classified into three types of evaluations - Ex-ante Evaluation (Performance Indicator), Completion Evaluation and Ex-post Evaluation in accordance with a project cycle as shown in

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24 Ex-ante evaluations are not included in this number.
The Table 2 below.

**<Table 4: Types of Evaluation>**

<table>
<thead>
<tr>
<th>Type</th>
<th>When?</th>
<th>Who?</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion Evaluation</td>
<td>Within one year of project completion</td>
<td>Operations Dept.</td>
<td>Guideline for completions evaluations report</td>
</tr>
<tr>
<td>Ex-post Evaluation</td>
<td>Two years after project completion</td>
<td>Evaluation team</td>
<td>Guideline for ex-post evaluation report</td>
</tr>
</tbody>
</table>

Ex-post evaluation system, which applies to randomly selected projects with 3 years after completion was introduced in 2002. The scope of application was expanded to projects amounting to more than USD 20 million and became mandatory to all projects with 2 years after completion. The concept of Performance Indicator (PI) as measures of inputs, processes, outputs, outcomes, and impacts for projects was introduced in EDCF guideline in 2007 in pursuit of upgrading the quality of evaluations. PI is also an important tool for project appraisal.

The number of evaluations on EDCF projects totaled 206 as the end of 2010. 206 evaluations are consisted of 83 ex-ante evaluations with Performance Indicator (PI), 100 completion evaluations, 22 ex-post evaluations, one country evaluation.

**<Table 5: Annual Evaluations by Type>**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>~'06</th>
<th>'07</th>
<th>'08</th>
<th>'09</th>
<th>'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>206</td>
<td>85</td>
<td>21</td>
<td>31</td>
<td>24</td>
<td>45</td>
</tr>
<tr>
<td>Ex-ante</td>
<td>83</td>
<td>12</td>
<td>28</td>
<td>20</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Completion</td>
<td>100</td>
<td>11</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Ex-post</td>
<td>22</td>
<td>11</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Country-level</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>
V. Evaluation Procedures

1. Five Evaluation Principles and Criteria

The Integrated Evaluation Manual produced by the Subcommittee for Evaluation on the International Development Cooperation applies following five evaluation principles and five criteria recommended by OECD/DAC. The same is true of KOICA and EDCF.

<Table 6: Five Evaluation Principles>

<table>
<thead>
<tr>
<th>Principles</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impartiality</td>
<td>Impartiality contributes to the credibility of evaluation, the avoidance of bias in findings, analyses and conclusions, and consideration of different perspectives of various interested parties.</td>
</tr>
<tr>
<td>Independence</td>
<td>Independence provides legitimacy to evaluation and reduces the potential for conflict of interest which could arise if policy makers and managers were solely responsible for evaluating their own activities.</td>
</tr>
<tr>
<td>Credibility</td>
<td>Evaluation credibility depends on the expertise and independence of the evaluations and the degree of transparency of the evaluation process. Credibility requires that evaluation should report successes as well as failures.</td>
</tr>
</tbody>
</table>
Usefulness

Evaluation findings must be presented timely in a clear and concise way to have an impact on decision making. They should fully reflect the different interests and needs of the many parties involved in development cooperation. Easy accessibility is also crucial for usefulness.

Partnership

Both donors and recipients should be involved in the evaluation process, if possible. Involving all parties concerned gives an opportunity for learning by doing and will strengthen skills and capacities in the recipient countries. Also, collaboration between donors is essential in order to learn from each other and to avoid duplication of effect.

〈Table 7: Five Evaluation Criteria〉

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>Degree of the objectives of development projects satisfying the needs and priorities of beneficiaries and policies of donors and recipients</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Degree of the objectives of projects achieved</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Degree to which the costs of development projects can be rationalized against alternatives. In other words, the degree of several inputs economically used and turned into outputs and results</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Possibility of a positive long-standing effect after implementing an evaluation object policy or completing an evaluation object project</td>
</tr>
<tr>
<td>Impact</td>
<td>Overall results of the positive, negative, intended or unintended effects of development projects</td>
</tr>
</tbody>
</table>

2. Evaluation Procedures\(^\text{25}\)

2.1. Annual Plan

Korean ODA's evaluations by the Subcommittee for Evaluation on the International Development Cooperation, EDCF and KOICA are conducted on the basis of annual evaluation plans. Selection of the object of evaluation is the first step of establishing an annual overall evaluation plan. The objects of evaluation cover various types by

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\(^25\) Evaluation procedures are described mainly based on KOICA’s Development Cooperation Evaluation Guidelines published in November 2008 in the sense that they reflected major international standards and practices regarding evaluation and share largely common procedures with the Subcommittee on the International Development Cooperation and EDCF.
individual project, country, sector, theme, modality, etc. Evaluation units closely cooperate with project operation departments in selecting candidate projects for ex-post evaluation and with policy, planning and other related departments in selecting candidate project for policy-level, country-level, sector-level, modality-level evaluation. Major criteria for selection of evaluation objects are described below.

<Table 8: Selection Criteria for Evaluation Objects>

- Link to polices: Relevance of the object of evaluation to Aid Agency's strategies, policies, and project goals
- Innovativeness: Whether the object of evaluation has an innovative value that can change Aid Agency's current existing project implementation methods
- Expanded applicability: Possibility of the object of evaluation being applied in an expanded sense in a different environment
- Usefulness: Relevance of the object of evaluation to the areas of interest, polices, plans, and priorities of Aid Agency or recipients. Existence of users who may be able to utilize the evaluation results and recommendations
- Evaluation feasibility: Whether there are necessary indicators or data for evaluation (preliminary investigation to be carried out when it is difficult to assess)
- Relevance against costs: Feasibility that evaluation results will derive value that is greater for Aid Agency than evaluation costs

2.2. Three-phase Process

Each evaluation undergoes three-step process consisted of design, implementation and completion.

2.2.1. Design of Evaluation

The design of evaluation for a given subject is the first step to conduct an evaluation. Evaluation plan is formulated through meetings with interested parties and analyses of related documents, and an evaluation team is formed accordingly. This phase is comprised of (i) preparation for evaluation, (ii) evaluation planning, and (iii) selection of evaluator(s).

Staff-in-charge is responsible for taking necessary steps to finalize an evaluation plan. To this end, he/she is to collect data and consult with interested parties in an attempt to gather and review documents related to evaluation subject.
Following the preparation for evaluation, an evaluation plan is made and it includes the followings: Evaluation summary; Evaluation goal; Summary of the evaluation subject; evaluation methodology; Evaluation implementation methods (selection of outsourcing vendors and experts, etc.); Implementation schedule; Budget plan; etc.

Finally, the evaluation unit usually selects an external evaluator or contractor to form an evaluation team through bidding or other designated methods in accordance with regulations concerned.

(2) Implementation of Evaluation

This phase is comprised of (i) preliminary survey, (ii) establishment of detailed action plan, (iii) field survey, (iv) report of field study results.

A preliminary survey is implemented under the supervision of the evaluation team which also checks evaluation-related administrative matters and the local situation, establishes a communication channel, and collects data necessary to establish an evaluation action plan. External evaluators or contractor reviews literature, conducts interviews, defines a detailed evaluation model, and finalizes the evaluation method in a domestic survey.

The external evaluator or contractor finalizes an evaluation model and establish a detailed action plan based on the results of preliminary survey. The first step to finalize a detailed action plan is to develop the general questions of the very general and unspecific five DAC evaluation criteria into specific questions customized to the evaluation in question. An evaluation matrix or grid is an end-product of all evaluation questions related to evaluation methodology.

<Table 9: Sample Evaluation Matrix Form>

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Questionnaire Category</th>
<th>Sub-categories</th>
<th>Criteria for Judgement</th>
<th>Necessary information</th>
<th>Source of information</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on the detailed action plan and evaluation matrix form, field survey is conducted. A wrap-up meeting with recipient side is mandatory for both sides to verify evaluation results, exchange opinions on major findings and to sign minutes. Contractor is to submit a report of field survey results to Aid Agency, which includes the followings: Outline of field survey; details of daily activities (main contents of consultations and summary of evaluation activities); Conclusion (Main observations and recommendations); List of interviewees, etc.

(3) Completion of Evaluation

Planned evaluation activities are concluded when a final report is approved and submitted to the Aid Agency. This phase is comprised of (i) writing a final draft report, (ii) appraisal, (iii) distribution of the evaluation report, and (iv) follow-up measures.

The final evaluation report includes the following contents: Title page; Map; Contents; Abbreviations; Executive summary; Introduction with background; Methodology used; Description and analysis of evaluation object; Findings of evaluation; Lessons learned; Recommendations; Appendices/annexes. The final draft report is appraised by the appraisal committee organized by the Aid Agency. Final reports are distributed to stake-holders of both donor and recipient sides. And the Aid Agency takes necessary steps for follow-up measures and feedback.
VI. Major Challenges

Judging from what has been described and discussed above, Korea's evaluation policy, system, resources, performance and procedures could be judged fairly good enough to be commensurable to practices of major donors, even though it is difficult to assess the quality level of evaluations conducted by Korea.

The evaluation system of Korean ODA was institutionalized at the government level in October 2009 with the establishment of the Subcommittee for Evaluation on the
International Development Cooperation. Since its establishment, the Subcommittee has played a due part by establishing Integrated Evaluation Guidelines and Manual, which shall be applicable to evaluations conducted by all ODA implementing agencies, and conducted several cases of country-level and policy-level evaluation. KOICA and EDCF have their own central evaluation units which are relatively independent from project operation departments.

In terms of cases of evaluations conducted per year, KOICA, which averaged 16 evaluations against Network member's 19 ones. This is quite a few number in consideration of Korea's ODA volume ranking 18th out of 23 DAC members. In terms of budget ration for central/main evaluation unit against the development cooperation budget, Korea ranks the 3rd out of bilateral donors. Compared with Finland (USD 1.34 billion), Austria (USD 1.20 billion), and Ireland (USD 0.90 billion) whose ODA volume is similar with that of Korea (USD 1.17 billion) in 2010, Korea's 12 staff is larger than 5 staff of Finland, 3 of Austria and 6 of Ireland. One staff of bilateral DAC members on an average basis produces 1.58 evaluations per year while Korea 1.66 which is higher than Finland's 1.60 and slightly higher than 1.33 of Austria and 1.16 of Ireland. Regarding gender balance of all staff in central evaluation unit, KOICA ranks the second with female staff occupying more than 80% following AusAID. Finally, evaluation procedures are largely same as international practices.

However, Korea's evaluation faces several challenges in terms of its methodological approach and others.

1. Project Cycle Management System

Needless to say, an evaluation is just one part of a series of activities known as a "project cycle" consisted of (i) identification of possible projects, (ii) formulation and preparation, (iii) appraisal, (iv) implementation, and (v) evaluation. Evaluation is not an island isolated from a project cycle and thereby cannot be considered separately from a project cycle.

For example, according to Integrated Evaluation Manual published by the Subcommittee for Evaluation on the International Development Cooperation, there are four types of evaluations by timing in accordance with project cycle: Ex-ante Evaluation, Interim Evaluation, End-of-project Evaluation, Ex-post Evaluation. All these evaluation are closely coherently related and shall be subject to DAC 5 evaluation criteria from the initial stage, but the application of 5 criteria is different.
according to different phases of project cycle as shown in the Table 10\(^26\).

However, this concept of project cycle management has not yet been fully into practice. KOICA's Development Cooperation Evaluation Guideline deals with only outline of evaluation, evaluation system, evaluation criteria and methods. It does not elaborate (i) the character, features and focus of evaluation by timing in accordance with evaluation 5 criteria within the framework of project cycle, and (ii) the relationship between evaluation and logframe. Further, KOICA's Project Management Manual published in May 2009 does not link the concept of ex-ante evaluation to project planning either. Feasibility Study Report nor Project Document includes a part of ex-ante evaluation. The end-result is that the concept of evaluation has not been fully reflected into the planning stage of actual project.

<Table 10: Evaluation Viewpoints By Timing of Evaluation>

<table>
<thead>
<tr>
<th></th>
<th>Ex-ante evaluation</th>
<th>Monitoring</th>
<th>Mid-term evaluation</th>
<th>Terminal evaluation</th>
<th>Ex-post evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Confirmation of performance</strong></td>
<td>-</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>△</td>
</tr>
<tr>
<td><strong>Grasping of implementation process</strong></td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>△</td>
</tr>
<tr>
<td><strong>Relevance</strong></td>
<td>●</td>
<td>-</td>
<td>●</td>
<td>●</td>
<td>△</td>
</tr>
<tr>
<td><strong>Effectiveness</strong></td>
<td>○</td>
<td>-</td>
<td>△</td>
<td>●</td>
<td>-</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>○</td>
<td>-</td>
<td>●</td>
<td>●</td>
<td>-</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>○</td>
<td>-</td>
<td>△</td>
<td>△</td>
<td>●</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>○</td>
<td>-</td>
<td>○</td>
<td>○</td>
<td>●</td>
</tr>
</tbody>
</table>

●: Examination based on the actual situation and performance  
○: Examination based on forecasts and prospects  
△: Examination according to what is judged necessary for the evaluation

One of the reasons around this practice can be found in project feasibility study

(F/S) system. Until now, KOICA’s project F/S has been mainly conducted by internal field survey mission depending upon individual expert instead of contracting-out. Normally field survey mission takes 7 days and domestic man-day by expert is limited to several days.\(^\text{27}\) It is unreasonable to expect desirable results.

2. Logical Framework Approach

The core tool for evaluation methodology is logical framework (logframe) in the sense that it provides objectively verifiable indicators and verification means of indicators, in particular. Logical Framework Approach, which is primarily a project planning device, was first developed by USAID in the late 1960s, has been adopted by most donor agencies as a project planning, monitoring and monitoring tool. Logframe is analytical tool or logic model for graphically conceptualizing the hypothesized cause-and-effect relationships of how project resources and activities will contribute to achievement of project objectives or results. The analytical structure of the logframe diagrams the causal means-ends relationships of how a project is expected to contribute to objectives. It is then possible to configure indicators for monitoring implementation and results around this structure. The logframe is usually summarized in a matrix form called Project Design Matrix.

<Table 10: Sample Project Design Matrix>

<table>
<thead>
<tr>
<th>Narrative Summary</th>
<th>Objectively Verifiable Indicators</th>
<th>Means of Verification</th>
<th>Important Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outputs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td>Inputs</td>
<td></td>
<td>Pre-conditions</td>
</tr>
</tbody>
</table>

The work of logframe is divided into (1) analysis phase comprising ① stake-holder

analysis, ② problem analysis, ③ objective analysis ④ alternative analysis and (2) planning phase drawing up Project Design Matrix (PDM) and plan of operations. The logframe should be prepared using a collaborative process such as workshop that includes different management levels and project stake-holders. But plan of operations is usually mapped out by specialist.

### Analysis Phase

<table>
<thead>
<tr>
<th>Stake-holder Analysis</th>
<th>Problem Analysis</th>
<th>Objectives Analysis</th>
<th>Alternative Analysis</th>
</tr>
</thead>
</table>

### Planning Phase

<table>
<thead>
<tr>
<th>P D M (Project Design Matrix)</th>
<th>Plan of operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▷</td>
</tr>
<tr>
<td></td>
<td>▷</td>
</tr>
<tr>
<td></td>
<td>▷</td>
</tr>
</tbody>
</table>

25
And the relationship between 5 evaluation criteria and PDM is described as below.

*<Figure 2: relationship between 5 evaluation criteria and PDM>*

KOICA is known to have introduced logframe into project planning. However, it is difficult to say that logframe has been systematically introduced on a full scale in consideration of the followings:

- PDM is usually not derived as an product of ① stake-holder analysis, ② problem analysis, ③ objective analysis ④ alternative analysis using collaborative process such as workshop;\(^{28}\)

- Usually one page PDM is included as a part of project description into Project Document, distinct from that of other donors which constitutes a backbone of implementation plan of Project Document;\(^{29}\)

- Implementation plan is not aligned with contents of PDM.

Accordingly, chances are that the current PDM is unable to serve as a solid foundation for effective and reliable evaluation. The same argument generally applies to EDCF.

**3. Feedback**

\(^{28}\) It is exceptional that the analysis process leading to PDM is manifested in Project Document.

\(^{29}\) For example, in case of Australia, a summary PDM is followed by detailed component logframe matrix.
"Feedback of evaluation" is integral parts of the evaluation cycle in the sense that it directly relates to the main purposes of evaluation - learning and accountability. Learning is crucial for improving the effectiveness of aid and accountability is a prerequisite for continued support for development aid from taxpayers, while also being a vital component in creating active partnership and ownership from recipient sides. So, the need for improved feedback is widely recognized by donors.\(^\text{30}\)

However, notwithstanding the importance of feedback, there are many obstacles facing most donors including Korea to be addressed, which include the followings.\(^\text{31}\)

- **Organizational culture** where accountability tends to be associated with blame. This has the effect of discouraging openness and learning;

- **Pressure to spend** to meet disbursement targets can lead to shortcuts being taken during project planning and approval stages, with lessons from previous experience being ignored or only selectively applied in the haste to get decision through while learning takes time;

- **Lack of incentives to learn** unless there are proper accountability loops built into the project cycle. The is particularly true the case when staff or consultants shift from task to task before the consequences of failure to learn are felt;

- **Tunnel Vision** - the tendency of some staff or operational units to get stuck in a rut, carrying on with what they know, even when the shortcomings of the old familiar approaches are widely accepted;

- **Loss of institutional memory** caused by frequent staff rotation or heavy reliance on short-term consultants, or by the weakening or disbanding of specialist departments;

- **Insecurity and the pace of change** - if staff are insecure or unclear what their objectives are, or if the departmental priorities are frequently shifting, this can have an adverse effect on learning;

- **The unequal nature of the aid relationship** which tends to put donors in the driving seat, thereby inhibiting real partnership and two-way knowledge sharing.


\(^{31}\) Ibid. pp.20-21.
4. Capacity-building

Despite a prevailing trend that the human resources available to central evaluation units have increased, over half of Network member agencies perceive human resources as insufficient for meeting their evaluation needs, 35% responding as inadequate in the number of staff and 21% as somewhat adequate. And, as evaluation units come under increasing pressure to address issues of development impact, advanced technical skills are in even higher demand.32

In Korea, leaving EDCF staffed with 4 persons aside, KOICA faces another issue. KOICA has been experiencing difficulties with securing qualified external evaluators for contracting-out. During the period from 2006 to 2010, the number of participants in the bidding for evaluation projects was 20 institutes out of which only 11 participated in the actual evaluations. This implies that a general public awareness of the importance of development cooperation is low and qualified experts equipped with proper knowledge and experiences on evaluation and development issues in general, and proficiency in foreign language.33

VII. Policy Implications For the Future

33 Cha, E.J(2010). Trend of ODA Evaluation and KOICA Tasks. KOICA.
1. Introduction of Result Based Management

In 2001 the DAC Working Party on Aid Evaluation (WP-EV) presented a background report entitled "Result Based Management in the Development Cooperation Agencies: A Review of Experience" to February 2000 meeting of the WP-EV. The report reflected the efforts of aid agencies in response to the trends of public sector reforms and results based management as the most central feature of the reforms which many of the OECD countries had undertaken extensively during the 1990s.

Both KOICA and EDCF have exerted strenuous efforts to upgrade the quality of evaluation system. KOICA has provided its staff with special training programs for Results-Based Management Based on Logical Framework Approach inviting Japanese specialists of FASID. In 2011, it held workshops on effective evaluations three times. EDCF provides its evaluation staff with training programs and is planning to increase the number of evaluation staff according to its inner document. However, it is undeniable fact that result based management system has not been fully institutionalized both in KOICA and EDCF. As a full DAC member, it is an urgent task to systematically introduce result based management system based on logical framework approach beyond project-level to country program-level and agency-level.

As described earlier, in terms of appearances alone, Korea's evaluation system seems to be relatively fairly good enough. However, the evaluations as islands of excellence, which stand alone, are not systematically linked to planning and implementing stages. In a sense, evaluations may be compared to a lonely horse pulling many heavy carts.

One of the measures to be taken to effectively reflect the concept of result based management from the very planning stage is to contract-out project feasibility studies to specialized consulting agencies.

2. Strengthened Feedback

In 2008, KOICA's Evaluation Regulation was revised so as to strengthen feedback system. Previously evaluation results were supposed to be distributed to relevant parties and stake-holders. But revised regulation makes it mandatory that (1) evaluation office inform evaluation results to project operation departments and foreign missions, (2) project operation departments and foreign missions submit their opinions on applicability of evaluation results to evaluation office, (3)
evaluation office selects tasks to be implemented, and (4) monitors on progress of selected tasks and makes report on monitoring results. In order for this feedback system to be effectively operated, it is important to explore objectively verifiable criteria to select tasks to be implemented and to establish database on feedback results. EDCF established “EDCF Evaluation Information Systems (EEIS) integrating the existing various materials regarding F/S, appraisal, implementation, evaluation, etc. EEIS is expected to serve a foundation for more effective feedback of evaluation results.

3. Strengthened Development Education

It is impossible to effectively implement development programs without active public participation from all works of life. In this regard, development education is indispensible for promoting public understanding about the importance of development cooperation and related issues, and for fostering people and agencies that will be engaged in development cooperation. In terms of evaluation, in particular, it is necessary to further strengthen ODA education targeting experts and consulting agencies. And necessary educational materials and manuals will be distributed and trainers' training will be strengthened.

4. Concluding Remarks

It was Marx and Engels who derided Philosophers for only interpreting the world in various ways. The point is, they argued in *The German Ideology* to change it. Nehru, Prime Minister of India once said, "The real problem is not planning but implementing the Plan …I fear we are not quite so expert at implementation as at planning." On the other hand, "the strength of the Korean government is even more obvious in implementation than it is in the formulation of developing policies. In Myrdal's definition it is indeed a "hard state" capable of putting its policy measures into effect."35

As is often the case with major problems facing most developing countries, the point is not to know the problems and their solution, but to put them into action. As a matter of fact, most of developing countries know their problems and related solutions, but they do not have a strong will to change their world. The same argument applies to the issue of Strengthening Korea's Evaluation of ODA Projects. The point is to change it rather than rhetoric.
