

PROJECT SYNTHESIS REPORT

A REVIEW OF TRENDS,
PROJECTS SCORING
AND LESSONS
APRIL 2005 TO DECEMBER 2008

By Sean Conlin and Sandrine Beaujean

Project Synthesis Report

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FINAL REPORT

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Preface

DFID's new Evaluation Policy commits us to strengthen evaluation capacity across DFID and drive up the quality of evaluations, including a key role in reporting the quality of project reviews and scoring.

We therefore welcome this independent study which analyses findings from 970 PCRs completed during 2005-2008.

This review will contribute to corporate compliance and performance management and will inform other areas of related work streams such as those commissioned by the Investment Committee. It is also consistent with Evaluation Policy, which includes a commitment to ensure appropriate quality assurance of evaluations, including decentralised evaluations.

Key Findings

The comparison of trends over time gave indications of greater efficiency and effectiveness in the way DFID manages performance and risk. The quality of projects has continued to improve as a whole and across key sectors:

- in 2008, **75%** of projects were expected to achieve or largely achieve their objectives (scored 1 or 2 on a 5 point scale) scored **1 or 2** rising from **71%** in 2004/2005 and **65%** in 2000/01.
- portfolio performance was relatively high (around **77%** scoring 1 or 2) in Asia and Middle East, Europe, Caribbean and Americas, but lower in Africa (**70%**).
- improvement has been sustained while DFID has taken on riskier projects. In 2005-8, **18%** of projects were considered high risk compared with **12%** in the previous period, with most projects (**75%**) rated as medium risk.
- The report found that projects have made significant contributions on key strategic objectives around aid delivery and institutional effectiveness. **It concludes that there is credible evidence that, overall, efficiency and effectiveness are improving.**

A detailed analyses of the quality of the scoring, however, found that:

- **80% were judged satisfactorily done, but scoring is not always rigorous, with 20% found to be poorly justified.**
- despite the scope for improvement **the review did not find evidence of systematic "marking up"**, and identified some factors that could explain the increasing improvement in purpose scores, such as the increasing institutional emphasis on aid effectiveness.

We will take forward the recommendations with colleagues responsible for DFID's Results Action Plan. Some are already underway for example, training for project logframes and economic appraisal is being developed.

EvD would like to acknowledge the excellent contribution of the review team to this report and also the contribution and engagement of DFID staff who gave of their time to participate in interviews and complete questionnaires.

Nick York
Head of Evaluation Department

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The team is very grateful to all those people who have provided support, information and comments. The team was greatly assisted by the Evaluation Department, notably Iain Murray and Mark Herbert who facilitated our understanding of the Project Completion Report process and provided us with access to all the necessary documents. The team would like to thank those DFID staff in the UK who agreed to be interviewed or, in the case of overseas staff, submitted responses to a questionnaire.

Full responsibility for the text of this report rests, however, with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

EXECUTIVE SUMMARY

Introduction

S1. Evaluation Department commissioned this review of Project Completion Reports (PCR) from April 2005 to December 2008 to update the previous PCR Synthesis Report regarding trends, to analyse lessons and findings from PCRs, to encourage more systematic lesson learning and to establish a baseline against which to assess the quality of future PCR records. The review addressed several questions. 1. To what extent do PCR indicate whether DFID is becoming more efficient, effective, and better able to manage risks? 2. To what extent are indicated trends and scores credible? 3. Could the PCR become a vehicle for considering potential project impact? 4. Were the lessons learned in 2005 about working with partners and programme management still valid in 2009? 5. What did the PCR have to say about current policy areas?

S2. The DFID databases (PRISM and ARIES) hold 970 PCR records for the period April 2005 to December 2008. The review used the following methods and samples to address the different questions above.

1. Comparison of trends. *DFID Evaluation Department provided information on 887 PCR records in the PRISM database for the review period, which was comparable with the information in the 2006 PCR Synthesis Report.*

The review looked at trends in project commitments, performance scores and risk management.

2. Quality assessment of PCR scoring. The review initially considered the database of 970 PCR to identify the main variables. More detailed assessment used a random sample of just over 5% of PCR (55 records). The assessment involved re-scoring the records, analysing the results by different variables (e.g. region, year, budget, complexity etc) and taking note of the factors that led to satisfactory scoring.

3. Assessment of impact. The review considered changes in the PCR form and process. The review used the same sample of 55 PCR records, assessing impacts on different criteria and analysing the factors that led to an understanding of impact.

4. Assessing the current validity of previous lesson learning. The review compared the previous and current lessons by considering 97 PCR records, taking account of the most significant variables (risk and funding type).

5. Lessons about current policy areas. The review sought lessons on budget support, humanitarian assistance, fragile states and conflict, climate change and gender. As there are 3 types of risk and 8 funding types, there are 24 possible strata. The review considered lessons from 97 PCR (10% of the total) proportionally distributed among the 24 strata.

6. **PCR process.** As well as detailed examination of sample PCR, the review gathered information about the process from key informants in DFID, both in the UK and in countries.

S3. These methods and samples were appropriate for the purposes of the current review with some limitations. Detailed analysis of 5% random sample of PCR records was sufficient to assess quality and impact and a 10% stratified random sample was required to analyse lessons learned. The analysis highlighted some findings that could be investigated further. Such investigations would require more detailed case studies involving fieldwork rather than larger samples.

Findings

The comparison of trends gave indications of greater efficiency and effectiveness and better risk management

S4. The PCR review considered 887 records in the PRISM database and found indications of increasing efficiency and effectiveness in the way DFID manages performance and risk by:

- phasing out lower value projects,
- having smaller numbers of larger programmes,
- taking on a higher proportion of higher risk projects, and
- increasing the proportion of projects that largely achieve objectives.

Quality assessment of PCR scoring showed room for improvement

S5. The purpose score for 75% of projects in the PRISM/ARIES databases is 2, with little variation, though some types of project score substantially higher than the mean. In a randomly selected 5% of PCR (55 records), 80 % of the sample had been scored satisfactorily, which still leaves some room for improvement in the scoring quality. The quality assessment also posed questions to DFID staff who indicated that there is a wide variation in the PCR process and a lack of clarity in the rationale. Good quality scoring was associated with a good logical framework for the project and making use of external and independent sources of information. Decentralisation to country offices had not led to inconsistency in scoring across regions. Inconsistency might arise from different approaches to partnerships and perspectives on partners in projects. Budget support activities pose new challenges for the PCR process. While there is general awareness among DFID staff of weaknesses in the PCR process, there are also some good practices. In particular, different systems of quality assurance are emerging, with some good practices, which could inform further improvements. There is scope for further investigation through field case studies.

The PCR is not presently a vehicle for assessing project impact

S6. The review considered the potential impact of projects indicated by the 55 selected PCR. At present, accounting for performance takes precedence over impact assessment. While there is some indication of impact on the Millennium Development Goals (MDGs) in Africa, PCR mainly refer to impact on DFID's corporate priorities. Discussion of impact on cross-cutting priorities (e.g. conflict, environment and

gender) is not explicit. The lack of information on potential impact arises from a paucity of data and a virtual absence of project activities to assess impact.

Previous lessons largely confirmed with increased emphasis on key areas

S7. The review gathered the lessons from 97 (10%) of the available PCR in the PRISM/ARIES databases and compared with the previous results. Many lessons from the 2006 PCR synthesis report remain valid. On five key points emphasis has increased:

1. Need to deepen the understanding of the context for development interventions.
2. Flexibility in project design is of increasing importance.
3. Joint working with others has led to greater understanding of the challenges of co-ordination in joint working arrangements, especially the transactions costs to all partners.
4. This understanding is associated with an increasing emphasis on harmonisation and alignment.
5. Management of the interplay of local ownership, leadership, and the exercise of donor power remain key issues for building partnerships.

Useful lessons for Key Policy Areas

S8. *Budget Support.* An important innovation since 2005 is the performance tranche. PCR discussed the effectiveness of this mechanism in different countries. Progress with harmonisation is linked to the benefits of efficiency and accountability for the donors. There was often clear improvement in programme performance regarding aid effectiveness from the first to subsequent phases as DFID country offices learned how to interact more effectively with partners and improve programme management. For a government to make the transition to budget support requires some preparation, planning and extra support, with projects acting as a transition phase. Virtually all the sample PCR made some reference to the principle that stakeholders should be involved in the process of formulating the programme and none of the PCR used the language of conditionality, a major topic before 2005.

S9. *Humanitarian assistance.* Several PCR make reference to various good humanitarian donorship issues. For example, many of the key management issues refer to the principles of financial and administrative flexibility and speed of response, while still meeting DFID accountability requirements. The strengths and weaknesses of local partners (NGOs and government) have a major impact on the delivery of services. People affected by disaster need to be engaged as active partners able to help themselves, not just treated as victims. The PCR indicate some evolution of good practice, e.g. disaster prone countries can and do improve their capacity for co-ordination with partners over time and from one disaster to another.

S10. *Fragile States and Conflict.* The fragility of the state is a major challenge and several PCR focus on state-building as a way of averting conflict and building peace, including through the use of budget support. With different types of fragility in different countries, individual projects have to address the national contexts of government and state building. Several PCR highlight the principle of practical co-ordination mechanisms between international actors while others are concerned with

reaching local people. However, local people might be regarded as *targets* rather than *partners*. Promoting non-discrimination could be a basis for inclusive and stable societies and for avoiding pockets of exclusion.

S11. *Climate change*. Climate change is a relatively new area for lesson learning. The main approach of projects to the issue of resilience to climate change involves the enhancement of livelihood strategies, whether in agriculture or in small and medium enterprise. Several PCR recognise that work in any environmental area requires the involvement of the community as a whole, which takes time and effort. At the global level, DFID has been able to promote the debate about certain harmful practices.

S12. *Gender Equality*. Several PCR were concerned with making poverty reduction programmes more effective by taking account of gender issues but the lessons often do not follow up specifically on gender issues. The lessons learned are couched in terms of general project performance, risks and challenges. Mainstreaming can draw attention away from gender without providing lessons about key learning issues, unless there is real determination to do so. Only one PCR in the sample derived some lessons about the challenges of promoting gender equality.

The current PCR process separates project planning from lesson learning

S13. Some DFID staff suggest that the organisation is forward-looking, planning the next activity, rather than looking back and learning lessons from past operations. One staff member involved in scoring PCR summed it up “because of the pressure to get on with the next programmewe ignore the lessons of the few useful ones.” On the other hand, DFID staff members also report the extra care taken to ensure quality in PCR if this is a step to preparing a follow on project, especially when this will be jointly managed with another international agency. However, this is not usually the context for the PCR.

Conclusions

S14. Perceived improvements in efficiency, effectiveness and risk management may be overstated for three main reasons. (i) Exploring the reasons for increasing efficiency is challenging. (ii) There are limits to conclusions about the contribution made to strategic objectives. (iii) The scoring is not sufficiently rigorous.

S15. The process of signing off by the Head of Office should give assurance of PCR quality but the process for giving such assurance is not consistent.

S16. The PCR is not a stand-alone vehicle for assessing project impact with few examples of PCR reviewed looking beyond immediate project outcomes.

S17. The current review re-confirmed the validity of many lessons synthesised in the 2005 PCR report. Continuing the practice of recording lessons about partnerships, programme management and innovations is likely to show further shifts in emphasis.

S18. In contrast, the PCR say virtually nothing about some key policy concerns. Specifically, PCR provide few lessons about resilience to conflict in fragile states, resilience to climate change, or means to promote gender equality.

S19. The PCR process could be a useful vehicle for learning in particular circumstances but the PCR is not a significant vehicle for general lesson learning among DFID staff members who mainly use other means to gain information relevant to their planning activities.

S20. DFID's country-based staff members have responsibilities for accounting for results but this activity (including PCR) is not as important for them as the preparation, planning and on-going management of operational activities.

S21. Promoting lesson-learning could be an incentive for improving PCR quality.

Recommendations

S22. DFID senior management should give equal emphasis to lesson-learning as to project scoring in the PCR process.

S23. DFID senior management should encourage Heads of Office to improve the scoring process.

S24. Finance and Corporate Performance Division should prepare a *How To Note* on PCR setting out the criteria for a high quality and useful document in terms of scoring.

S25. Evaluation Department should devise means to improve the quality assurance process.

S26. Evaluation Department should consider how PCR could inform a more systematic assessment of impacts in a country office portfolio.

S27. Evaluation Department should consider how PCR might capture lessons of broader application as well as operational and contextual lessons.

S28. Evaluation Department should co-operate with Research Department in more systematic dissemination of lessons.

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GLOSSARY

ARIES	Activities Reporting Information E-System
“Africa”	East and Central Africa, West and Southern Africa, and Pan-Africa Divisions
“Asia”	South Asia Division
BS	Budget Support
CAP	Country Assistance Plan
CSO	Civil Society Organisation
DBS	Direct Budget Support
DDP	Director’s Delivery Plan
DFID	UK Department for International Development
DSO	Departmental Strategic Objective
EvD	Evaluation Department in DFID
FCO	UK Foreign and Commonwealth Office
GBS	General Budget Support
IACDI	Independent Advisory Committee on Development Impact
IMF	International Monetary Fund
INGO	International NGO
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MECAB	Europe, Middle East, Caribbean, Americas, Central and East Asia Division
MIS	Management Information System
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
OPR	Output to Purpose Review
“Other”	Divisions responsible for Global funds, Multilateral organisations, Research
OVI	Objectively Verifiable Indicator, an element in the Logical Framework
PAF	Performance Assessment Framework
PCR	Project Completion Report
PIMS	Policy Information Marker System
PRBS	Poverty Reduction Budget Support
PRGS	Poverty Reduction and Growth Strategy of the IMF
PRISM	DFID Project Database up to December 2008
PSA	Public Service Agreement
QMR	Quarterly Management Report
QUEST	Electronic Documents Management System
SWAp	Sector Wide Approach
TA	Technical Assistance
TC	Technical Co-operation
TOR	Terms of Reference
UN	United Nations
UNDP	UN Development Programme
UNICEF	UN Children’s Fund
VfM	Value for Money
WFP	World Food Programme
WHO	World Health Organisation

CHAPTER 1: INTRODUCTION

Summary. The new UK policy on evaluation for international development aims to build evidence to reduce poverty. The review of Project Completion Reports (PCR) from April 2005 to December 2008 contributes to this endeavour. The review aims to make recommendations for improving the quality of the PCR process and to promote the use of lessons learned from the PCR. All projects above £1 million are subject to PCR at completion and scored according to their performance. The PCR process is clearly set out with little change since 2005. The review analyses PCR from April 2005 to December 2008, comparing the main trends, project scoring and lessons learned, along with the process of completing reports. The review used the PCR database, undertook analysis of sample project documents and interviewed key staff involved in the PCR process.

Context and Aims of the Review

1.1. The new UK policy on evaluation for international development aims to build evidence to reduce poverty.

1.2. The new UK evaluation policy on international development strengthens the focus on evaluation as an instrument to achieve results that benefit the poor in an increasingly challenging international development context. To support the achievement of the Millennium Development Goals (MDG), the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) have deepened international concern with aid effectiveness. Across the UK government there are Public Service Agreements (PSA) regarding international poverty reduction, climate change, conflict, migration and counter-terrorism. Within DFID, the concern with aid effectiveness has been reflected in continuing improvements to systems of corporate performance, including work to strengthen the results focus and greater efforts to assess impact. Since 2008, projects have been scored by departmental objectives (DSOs) reflecting policy results and delivery channels rather than the previous policy markers (PIMS).¹ At the same time, DFID's Divisional Performance Frameworks aim to become more efficient, with continuing pressure on the headcount and doing more with less. In this context, the new Evaluation Policy for International Development reflects the increasing efforts to work with partners across government while improving development effectiveness, strengthening independence of evaluation, promoting an inclusive approach to partnership working, strengthening a culture of learning and driving up quality.

¹ See DFID 2008, *Independent Evaluation in DFID Annual Report*. EV695; DFID 2008 *Autumn Performance Report*; DFID 2009 *Guidance on using the revised Logical Framework* How to note.

1.3. The review of project scoring and lessons learned from Project Completion Reports addresses concerns about quality assurance and strengthening a culture of learning

1.4. The review of Project Completion Reports (PCR) from April 2005 to December 2008 aims to make recommendations for improving the quality of the PCR process and to promote the use of lessons learned from the PCR. The review is aimed primarily at senior DFID management and has been designed as a light evaluation with the following tasks:

1. Identify the main trends in projects since the previous PCR synthesis in 2005²
2. Assess the quality of the project scoring in the PCR 2005-08
3. Review the potential usefulness of PCR for assessing project impact
4. Synthesise key findings and lessons, especially in new areas of spending since 2005.

The present PCR scoring process

1.5. The basic requirements for completing a PCR review are that all projects over £1 million are subject to a review, which takes place towards the end of the project. The PCR form records basic project data, tracks the Goal, Purpose, Outputs and Indicators (OVI) in the Logical Framework, notes the risk associated with the project, and records lessons learned. The Blue Book³ gives some guidance on how to conduct a PCR. The electronic form gives some embedded guidance on how to answer each question.⁴

1.6. There has been no major change to the PCR system during the period of the present review (April 2005 to December 2008). Most forms considered in this review follow the standard PCR format. However, there are separate PCR forms for Poverty Reduction Budgetary Support (PRBS) and Sector Wide Approaches (SWAp), which do not give as much detail about outputs as the standard PCR. In addition, when partner organisations complete the PCR, they may not use the standard form but use some version of reporting against the project's logical framework. Recent advice is that the partner should provide all the information required for a standard PCR but this may not have been done in some PCR during the review period.

1.7. Filling out the PCR form requires scoring for performance against the purpose and outputs along with narrative justifications of the scores. Guidance is provided to staff completing PCR on the scoring of project performance as follows:

1. Likely to be **completely** achieved. The outputs/purpose are well on the way to completion (or completed)
2. Likely to be **largely** achieved. There is good progress towards purpose completion and most outputs have been achieved, particularly the most important ones
3. Likely to be **partly** achieved. Only partial achievement of the purpose is likely and/or achievement of some outputs

² DFID (2006) *PCR Synthesis Report 2005: An Analysis of Projects and Programmes in Prism 2000-2005*. Evaluation Report EV664.

³ DFID's General Guidance to Staff.

⁴ The first page of the PCR template provides the following advice: "For a full explanation of information required please read Guidance on Scoring Projects & Programmes in PRISM."

4. Only likely to be achieved **to a very limited extent**. Purpose unlikely to be achieved but a few outputs likely to be achieved
 5. **Unlikely** to be achieved. No progress on outputs or purpose
- X Too early to judge. It is impossible to say whether there has been any progress towards the final achievement of outputs or purpose. This score should be used sparingly.

Methods of information gathering, sampling and analysis

1.8. *The DFID project databases (PRISM and ARIES) hold 968 PCR records⁵ for the period April 2005 to December 2008. The review used the following methods and samples to address the different questions above.*

Interrogation of the PRISM database for the comparison of trends.

1.9. *The review compared overall trends during the period with those shown in a previous PCR Synthesis Report (2006). **From April 2005 to December 2008, 887 PCR were recorded in the PRISM database, which was comparable with the information in the 2006 PCR Synthesis Report. Evaluation Department (EvD) provided graphs showing the main trends in project categories and spending since the 2005 PCR synthesis. Annex 3 provides the EvD graphs.***

Quality assessment of PCR scoring used a random sample.

1.10. The quality assessment of purpose scores in the PCR involved several stages. (i) An initial analysis of 970 PCR records in ARIES and PRISM databases identified the main variables associated with the purpose scores.⁶ (ii) The consultants had initially selected a random sample of 45 records to examine the quality and consistency of the PCR records but subsequently selected 55 PCR, to ensure adequate coverage of budget support activities.⁷ (iii) This quality assessment made use of an analytical matrix⁸ devised by the review consultants after an initial scan of the PCR forms.⁹ (iv) The assessment involved re-scoring the records, analysing the results by different variables (e.g. region, year, budget, complexity etc) and taking note of any factors that led to satisfactory scoring.

⁵ More detailed information on the review methods are at Annex 2. The distribution of PCR records by risk and funding type is shown in Table A2.2 in that annex.

⁶ PCR also record output scores but as these were incomplete and generally associated with the purpose scores, the reviewers opted to focus on the purpose scores.

⁷ Only 13 PCR in the database are classified as general budget support and six as sector budget support. The initial random sample of 45 records only provided four budget support activities, which was insufficient for adequate analysis of this aid modality, so the review randomly selected a further 10 PCR for analysis. Of the 14 budget support PCR, there were eight general budget support, four sector budget support, one budget support for a multilateral organisation and one budget aid project. The latter two PCR have the characteristics of budget support but had not been so classified in the database.

⁸ See Annex 2, Box A2.3 for a further explanation of the quality assessment methods and contents of the matrix.

⁹ EvD provided a selection of 16 PCR records in the PRISM format for the initial scan to help the reviewers understand the information provided by the forms. These PCR had been selected on a random basis and stratified to represent the main geographic regions and commitment values.

Assessment of impact used the same random sample.

1.11. The same 55 PCR provided the sample on which to assess the extent that PCR could be used to understand possible impacts. In fact, very few of the sampled PCR made reference to general impacts. The reviewers therefore devised a matrix to gather information in the PCR about impacts on specific criteria such as Millennium Development Goals, DFID corporate objectives and cross-cutting issues. The reviewers also gathered information that indicated a project-level basis for that could lead to an understanding of impact, such as use of national statistics in monitoring or surveys.¹⁰

Lesson learning from a larger stratified sample.

1.12. The previous PCR synthesis report (2006) had used a 50% sample to collect lessons. Consultation with Evaluation Department suggested a lighter approach for the purpose of updating the general lessons with focus on specific policy areas.¹¹ The review aimed to select 97 PCR records (10%), taking account of the most significant variables (risk and funding type). As there are 3 types of risk and 8 funding types, there are 24 possible strata. The review considered lessons from 97 PCR (10% of the total), proportionally distributed among the 24 strata.

1.13. The sample for lesson learning was also stratified to focus on relevant project categories to ensure the review collected information on new or significant areas of spending since 2005, notably in budget support, sector wide approaches, and humanitarian assistance. The review was also concerned to learn lessons about emerging issues in conflict-prone and fragile states and on emerging policy areas about protecting the poor from vulnerability to climate change, where findings about cross-cutting issues might yield insights. The review also considered the extent to which PCR took account of gender issues. As only 13 PCR were categorised as budget support in the whole database, a random sample risked selecting insufficient examples of budget support for analysis so the reviewers decided to bias a small proportion (1% or 8 PCR).¹² All analyses were based on a sample of at least 8 individuals, which is the minimum usually accepted by statisticians to identify broad trends.

Understanding the PCR process in theory and practice

1.14. The review also gathered information about the PCR process to supplement the interrogation of databases and analysis of documents. The reviewers identified key informants in DFID, both in the UK and in country offices who could provide an understanding of the process in different parts of the system. Discussions with staff in Evaluation Department and Finance and Corporate Performance Division gave the reviewers insights into the process for completing PCR and the role of the PCR within DFID's broader system of performance management. These departmental staff also indicated areas of concern about actual performance of the system. Following these initial meetings, the reviewers devised a questionnaire and interview schedule¹³ for

¹⁰ Further information about the approach is in Annex 2, section A2.5.

¹¹ Detailed explanation of the way the 10% stratified random sample was constructed around the 5% random sample is at Annex 2, section A2.1 and Tables A2.1 and 2.2.

¹² Further information about the database and sample PCR for different policy areas is at Annex 7.

¹³ The questionnaires and interview schedules are at Annex 2, Tables A2.3 and A2.4.

use with other key informants. Six DFID advisers working in geographical regions filled in questionnaires or responded to interviews. The reviewers also interviewed four current and former Heads of Office, representing the geographical and other divisions. These interviews and questionnaires helped to understand the actual practice of completing PCR, the scoring process and the quality assurance systems in place or emerging in decentralised offices.¹⁴ The interviews also helped to understand how the PCR might record potential impact.

Mitigating limitations and constraints

1.15. The methods were appropriate for the purposes of the current review with some limitations. Project documentation during the period 2005-08 has been fairly stable so there were no major issues of data comparability.¹⁵ Some limitations included the following changes to the system. (i) There are 258 PCR records projects scoring against Departmental Strategic Objectives (DSO) which could not be compared with the Project Information Marker System (PIMS) used in the earlier period. This limited the options for analysing impact, but was not a major issue. (ii) PCR in the later part of the review period make use of an electronic form rather than a Word file, which made access to the records more challenging¹⁶ than envisaged, but did not fundamentally affect the reviewers' ability to conduct an adequate analysis as Evaluation Department facilitated access to the documents required. (iii) Revisions to the template for the Logical Framework and use of Standard Indicators had not affected the documentation before December 2008. These recent revisions address quality issues, reflecting the experience gained by DFID, and were used to inform the analysis of PCR. (iv) Changes since 2005 to the country composition of geographical divisions¹⁷ within DFID make for rather loose comparisons between regions over time, but do not affect the main points of the analysis.

1.16. The 2006 PCR Synthesis Report had considered the complete database of records (known as PRISM) and lessons had been drawn from a 50% sample. Evaluation Department (EvD) intended the current review to be "light" though still with sample sizes robust enough to support the analysis. (i) The review team was constrained from accessing the databases by the need for security clearance so, in consultation with Evaluation Department, a staged process was agreed in which EvD staff provided the PCR forms according to the requirements of the sampling method. (ii) The reviewers initially scanned 18 documents, enough to understand what the PCR forms offered. (iii) This was followed by detailed analysis of 5% random sample of PCR records to assess quality, with an understanding that a larger sample might be taken if necessary. In the event, variability analysis did not identify major factors affecting the quality of scoring and interviews with key informants were found to be more useful for understanding quality issues than interrogating more documents. The analysis highlighted some findings (see Chapters 3 and 4) that could be investigated further. Such investigations would require more detailed case studies involving

¹⁴ The selection criteria for key informants for interview / questionnaire are at Annex 5.

¹⁵ The PCR forms for budget support projects were not comparable with the PCR forms for other project modalities.

¹⁶ The review team needed security clearance to access the electronic files on the DFID system in a DFID office. Although the reviewers gained security clearance after some time, there are further electronic hurdles to jump to access the system to see any files. The reviewers heard that locally recruited country staff could face long delays gaining clearance before becoming fully operational.

¹⁷ See Chapter 2 and the Glossary for definition of current composition of geographical divisions.

fieldwork rather than larger samples of documents. (iv) The same 5% sample used for analysis of impact highlighted the paucity of information in the PCR on this issue, which was unlikely to be resolved by analysing further PCR examples. (v) The review used a 10% stratified random sample to analyse lessons learned. This was sufficient to demonstrate the similarity of general lessons with the previous review period. As it was not sufficient to examine budget support, the reviewers biased the sample as noted above, which gave a good basis for understanding this programme area and to follow changes over time.

1.17. The review is an analysis of PCR documents, which assess the performance of completed projects, with limitations on what it indicates about the current portfolio of ongoing projects. DFID staff and other observers believe that the portfolio has changed since the previous review period. Some examples of perceived change include:

- Higher value programmes
- More funds channelled through budget support
- More attention to working with partners on broader strategic interests not just aid
- Fewer aid programmes managed by NGOs

1.18. While the review attempts to analyse trends through the lens of PCR, there are some clear limitations. PCR do not give indications of ongoing projects or activities that do not have over £1 million allocated in aid funds. Nor do PCR deal with non-project activities involving negotiations with partners.

The following chapters address the main review questions

1.19. Chapter Two compares the trends¹⁸ shown by PCR from April 2005 to December 2008. The chapter addresses issues of efficiency and effectiveness. 1. What is the PCR evidence that DFID is becoming more efficient? Has there been a shift to larger programmes, such as budget support and sector wide approaches, or by moving from bilateral to multilateral spending? 2. What is the PCR evidence that DFID is becoming more effective? Are performance scores improving? Or is DFID taking on more risky activities, for instance in conflict prone and fragile states, which might constrain effectiveness?

1.20. Chapter Three addresses the issue of quality assurance. To what extent can PCR be relied upon to give a reasonably accurate reflection of project effectiveness? Does the push towards increased project effectiveness provide an incentive for project staff to exaggerate the effectiveness of DFID-supported projects? Does DFID's decentralised system lead to inconsistency in scoring between regions? Given the various factors that could lead to scoring inconsistencies, how does DFID's system provide quality assurance?

1.21. Chapter Four considers whether more could be done with PCRs. In particular, assessing the impact of development assistance poses major challenges for evaluators. Does the PCR give any indicators of potential impact? If so, could these indicators

¹⁸ The Evaluation Department's graphs are at Annex 3.

become more formalised in the PCR process? What kinds of changes would be useful and feasible?

1.22. Chapter Five synthesises the lessons regarding partnership working and programme management and compares the results with the previous synthesis report in 2005.¹⁹ This chapter then focuses on the lessons learned in important policy areas (Budget Support and Humanitarian Assistance) and new areas of learning (Fragile States and Climate Change). Finally, the chapter considers the lessons learned about gender equality, following efforts to mainstream this cross-cutting issue.

1.23. Chapter Six provides conclusions and recommendations arising from the review.

¹⁹ The full comparison is given at Annex 4.

CHAPTER 2: COMPARISON OF PCR TRENDS APRIL 2005 AND DECEMBER 2008

Summary. The PCR review of trends considered 887 records in the PRISM database. The declining number of records over the review period and the increasing average value of the projects indicate important changes in the DFID portfolio. In this review period, there are indications of DFID phasing out lower value projects and having smaller numbers of larger programmes. Most PCR were for Africa and the most significant sector was Government and State Building, with some indications of increasing funding for this programme category through budget support. The majority of projects are rated as medium risk and likely or very likely to achieve their objectives (scores 1 and 2), which was similar to the previous review period. Nonetheless, the review gives some indications of increasing efficiency and effectiveness in the way DFID manages performance and risk.

PCR Portfolio

2.1. During the period April 2005 to December 2008, 887 records were entered into PRISM.²⁰ There are more PCR in Africa than in other regions; 35% of records were for Africa Division, 16% in Asia Division,²¹ 27% in MECAB²² and 22% in Other²³ divisions. The great majority of the PCR represent project commitments of under £5 million. A third of the projects are classified²⁴ as Government and State Building, which is easily the largest category.²⁵ Health and Humanitarian Assistance represent 15% and 14% of the projects respectively, with the rest of the projects divided among the other nine categories recorded. More than 80% of projects are rated as low or medium risk.

²⁰ Most of the discussion in this chapter makes use of the graphs for the portfolio of 887 records generated by EvD (see Annex 3). In some areas, the discussion uses the complete ARIES and PRISM databases containing 970 records.

²¹ Currently Asia Division consists of South Asian countries. In 2005, Vietnam was included in Asia Division but is currently part of MECAB.

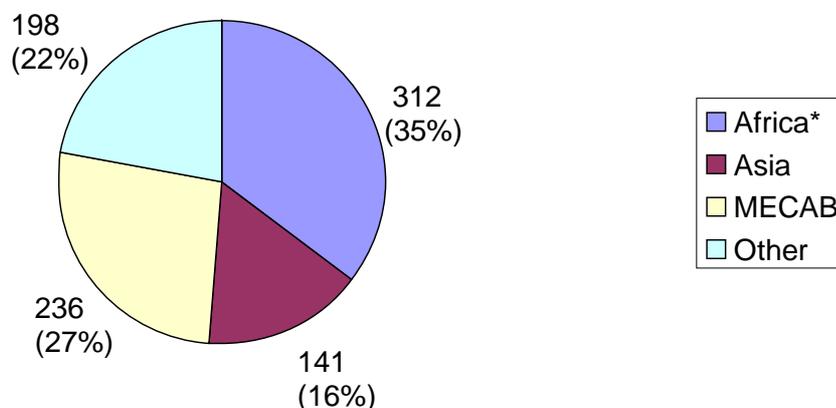
²² MECAB is the current abbreviation for Middle East, Europe, Caribbean, Americas, Central and East Asia Divisions.

²³ Other divisions include all the non-geographical departments that have funding responsibilities, such as those channelled through Research and NGOs.

²⁴ The discussion here refers to DFID classifications and categories. Sectors are development planning, education, economic infrastructure, environmental protection, government and state building, humanitarian assistance, health, production, procurement of services, research, social services and infrastructure, water supplies and sanitation and non-sector allocable. Funding types are general budget support, humanitarian assistance, multilateral organisation, non-budget support financial aid, not for profit organisation, procurement of services, procurement of goods, and sector budget support.

²⁵ Government and State Building is the largest category by budget value (about 31%), according to the data on both the ARIES and PRISM databases. Health (21%) and Education (16%) are the next largest by value with humanitarian assistance (9%) in a distant fourth place.

**Table 1 Divisional breakdown of PCRs
Apr 2005 - 31 Dec 2008***



2.2. In terms of aid modalities, the majority of the PCR in this period relate to project activities²⁶ but there are indications of a shift in aid modality. There are 13 activities classified as budget support, often supporting government and state building, and six activities classified as sector budget support in a range of sectors. While these numbers are small in relation to the whole database, PCR indicate activities that have been completed, *not* ongoing programmes. These activities constitute 13% and 4% by budget value of the portfolio.²⁷ Some of these PCR for new aid modalities are for extensions of previous activities, indicating that these aid modalities were starting to become established during the period.

Findings: Portfolio Performance

Finding 1: Some indications of greater efficiency

2.3. There has been a shift in the composition of the portfolio giving evidence of more efficiency. During the review period there has been a year on year²⁸ reduction in the number of PCRs overall. Compared with the previous period in all divisions, since 2002/03 the number of PCRs has declined substantially. This evidence tends to confirm that DFID had been phasing out from a lot of projects and perhaps indicates a slowing of this trend.

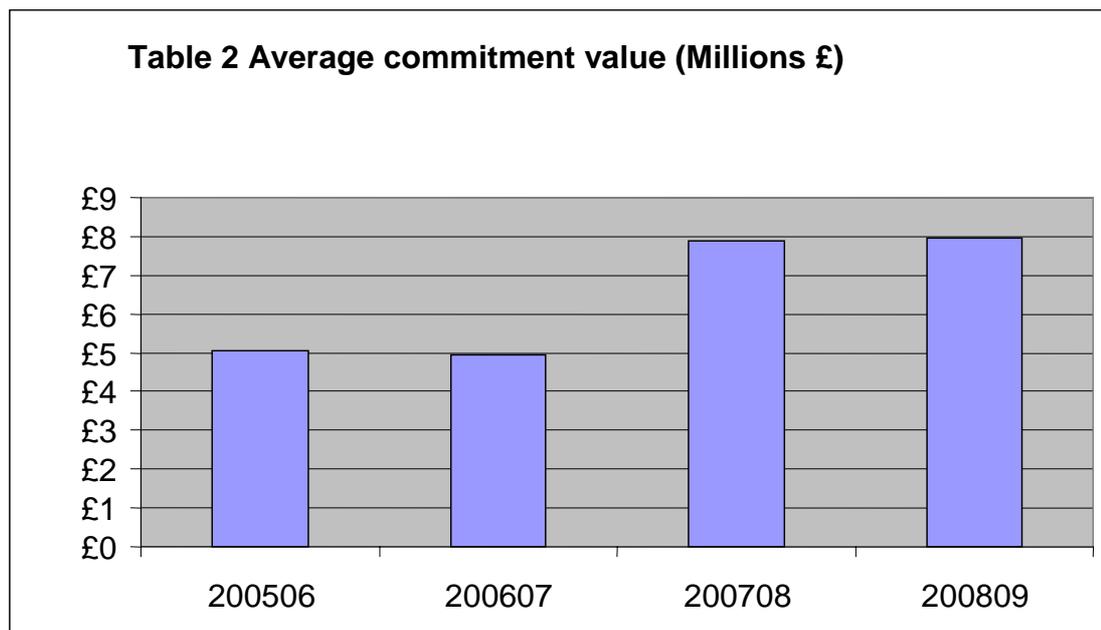
²⁶ DFID defines any funding activity with a defined completion time as a “project.” However, in recent years there has been a shift to activities do not have a clearly delimited completion time, such as budget support and sector wide approaches.

²⁷ Budget data from the ARIES and PRISM databases.

²⁸ See Annex 3, Figure 1b for the divisional breakdown of the overall reduction. It should be noted however that the records for 2008 are not comparable with other years as the PCRs are only for part of the financial year.

* Africa consists of East and Central Africa, Pan Africa Strategy and Programmes, West and Southern Africa. Asia consists of South Asia Division. MECAB consists of Middle East, Caribbean, Asia and BRICS policy and overseas territories. Other consists of International Finance and Development Effectiveness, Policy and Research Division, and Conflict and Humanitarian Division.

2.4. There is also evidence that project financial commitments are becoming larger on average (see Table 2 below), continuing the trend noted in the previous period from 2000 to 2005. While the numbers of larger projects (over £5 million) have reduced, the volume of spending has increased. For example, in Africa, there are 87 such larger projects (down from over 100 in the previous period), eight of which are over £50 million. Similarly in Asia, there are 62 such projects, of which 3 were in the largest category. Midway through the current review period, the average commitment value increased from about £5 million to nearer £8 million. This is more than double the average value in 2000/01 (£3.5 million).



2.5. At the same time there is a reduction in the numbers of smaller projects (from £1 million to £5 million), again continuing the previous trend. The trend of reducing the number of smaller projects is noticeable over the period from 2003 to 2008. In Africa there has been a steady reduction from over 100 smaller projects per year to 54 in 2008; in Asia from 50 to 12 and in the MECAB from over 80 to under 40.²⁹ From 2005 to 2007 projects from £1 million to £5 million represented about 75% of the portfolio but the proportion reduced to about 60% later. In divisional terms, Africa had 68% of its projects from £1 million to £5 million, Asia 50%, MECAB 75%, and Other 80%.

Finding.2: Most projects judged effective and contributing to strategic objectives

2.6. During the review period the majority of DFID projects were scored as “will largely achieve their objectives.”³⁰

²⁹ See also the 2005 PCR Synthesis Report. There has been some change in regional nomenclature and composition. MECAB differs from the previous grouping of the “rest of the world” but not significantly.

³⁰ Chapter 1, paragraph 1.5 sets out the PCR scoring system.

In 2008/09 the purpose score³¹ for 75% of projects is 1 or 2, which continues an improvement begun in the previous period (65% in 2000/01 and 71% in 2004/05). There are some regional differences with only 70% of projects in Africa rated as objectives likely to be completely or largely achieved, compared with 78% in Asia and 77% in MECAB.

2.7. It is more challenging to use the PCR to assess the contribution of projects to DFID's strategic objectives. Chapter Four discusses the extent to which PCR can be used to assess impact in general and that chapter also shows that few PCR refer to Millennium Development Goals though more make statements about the contribution of the project to the Country Assistance Plan.

2.8. DFID has recently introduced Departmental Strategic Objectives (DSO) which could prove more useful in the future for assessing performance at this level. There are some indications in this review period that projects make a contribution to DSO. Performance against DSO has been recorded for 258 projects. For DSO 1 relating to governance and growth, 42 projects were recorded as making a principal contribution, which was the largest category. DSO 3 for humanitarian action recorded 10 projects. There were 3 records of principal contributions for DSO 2 on climate change. The records show projects make significant contributions to aid delivery DSOs 4, 5 and 6 as well as to institutional effectiveness (DSO 7).

Finding 3: Greater effectiveness in monitoring and managing risks

2.9. DFID has been taking on more and riskier projects over time and has managed to improve performance. In the period 2005 to 2008, 157 projects (18%) were considered high risk, 469 medium risk (53%), and 259 low risk (29%). In the previous period 2000 to 2005, the risk profile was 104 high risk (12%), 437 medium risk (52%), and 294 low risk (35%) projects. In both periods, the majority of projects are rated in the PCR as medium risk and likely or very likely to achieve their objectives. However, there has been a reduction in the percentage of low risk projects and an increase in the percentage of high risk projects. Despite these higher risks, the scores for purpose ratings have been improving. During the current review period, 53% of high risk projects score 1 or 2, 76% of medium risk projects and 89% of low risk projects achieve these high scores. In the previous period, 52% of high risk projects, 61% of medium risk projects and 79% of low risk projects scored 1 or 2. DFID has improved its monitoring and management of risk for the less risky projects. The PCR form does not give an indication of the way in which risk was assessed at the start of the project cycle but some PCR mention that risks had been re-assessed in a previous review.

2.10. High risk projects pose the same challenges as before. The riskiest sector appears to be the production sector, with little to distinguish other sectors. The regional differences in perceived effectiveness noted above may also reflect risk; it may be that DFID is taking on inherently more risky activities in Africa, for instance trying to increase production in conflict-prone and fragile states. Lessons learned by projects often refer to the implementation challenges posed by various risks (see

³¹ The PCR give scores for purpose and outputs. This review refers only to purpose scores as output scores are not always recorded on PCR. See Annex 2 for further discussion of methods.

Chapter Five). DFID might wish to investigate the performance and risk profile further, through discussions with country offices.

2.11. Considering performance of projects against the 3 policy DSOs, it is clear that the 6 projects on climate change are perceived as low risk and perform very highly. The 48 projects recorded for the governance and growth DSO are perceived as more risky than the 15 projects working to prevent conflict, but the governance and growth projects achieve better results. With respect to the 3 aid delivery DSOs, bilateral assistance is the most risky and has the least satisfactory performance compared with promoting global partnerships and working to make multilateral donors more effective.

CHAPTER 3: QUALITY OF PCR SCORING

Summary. The purpose score for 75% of 970 projects is 2. Purpose scores overall show little variation, though some types of project score significantly higher than the mean, which requires investigation. The review undertook a quality assessment exercise for the scoring of a randomly selected 45 PCR (5%). Of those sample PCRs, 80% were assessed as satisfactory or better, which still leaves some room for improvement in the scoring quality. There is a wide variation in the PCR process and a lack of clarity in the rationale. The quality assessment exercise highlighted some factors leading to good quality PCR scoring and also to some inconsistencies in scoring. Good quality scoring was associated with a good logical framework for the project and making use of external sources of information. Decentralisation to country offices had not led to inconsistency in scoring. Inconsistency might arise from different approaches to partnerships. Budget support activities pose new challenges for the PCR process. While there is general awareness among DFID staff of weaknesses in the PCR process, there are also some good practices. In particular, different systems of quality assurance are emerging, which could inform further improvements.

Assessing the quality of purpose scores

3.1. Chapter 2³² showed that the purpose score for 75% of PCR in the PRISM database is 2. In other words, the PCR reviews find that the objectives of DFID-supported projects are likely to be **largely** achieved.

3.2. Is this a fair result for most projects? The present review tries to assess the quality of the scores. First, the study analysed the full database (970 PCR) to see which key factors in the database correlated with the performance score (see Findings 4 and 5). Second, the study analysed about 5% of PCR in more detail as a quality assessment exercise.³³ This exercise highlighted some factors leading to good quality PCR scoring and also some issues regarding possible inconsistency in scoring. This exercise involved 54 PCR, consisting of 41 randomly selected standard PCR (see Findings 6 to 11) and 13 purposively selected budget support activities³⁴ (see Finding 12). Third, the review considered the way in which the PCR process had an influence on the scoring (see Findings 13 and 14).

³² Chapter 2 on trends mainly considered the 887 records in PRISM. This analysis considered 970 PCR, in both PRISM and ARIES.

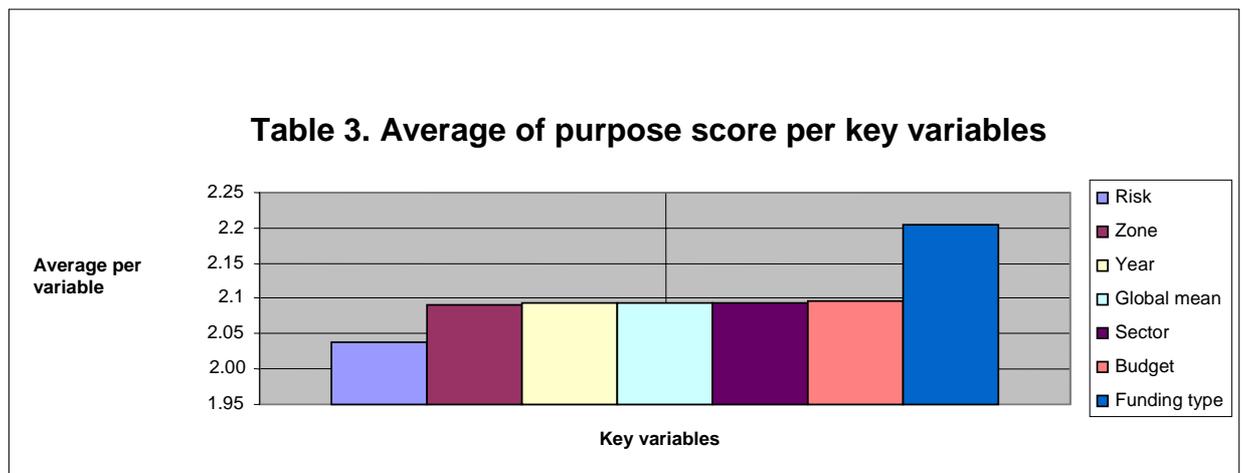
³³ The analytical methods are discussed in Annex 2.

³⁴ One of these 13 PCR was a budgetary aid project that shared many characteristics of budget support but had not been classified as such in the database.

Findings: Variation and Quality of Scoring

Finding 4: Purpose scores overall show little variation, which requires investigation.

3.3. Table 3 below shows there is little variation in the results for most factors.³⁵ The mean purpose score for 887 projects in PRISM was 2.09.³⁶ Projects in different sectors³⁷ ranged from slightly better to slightly worse than the mean: 1.83 for Research to 2.37 for Environment Protection. African projects score 2.22 while Asian projects score 2.18, both a little worse than the mean. Large projects (over £20 million) score 2.12 while smaller projects (under £10 million) score 2.11; so, again, both are a little worse than the mean.



3.4. What does this lack of variation really mean? To what extent is the scoring of most projects as “2 -Likely to be **largely** achieved” problematic? Does it suggest a DFID management culture that requires successful and credible outcomes? This could lead to a systematic tendency of “safe marking” in the scoring of successful outcomes, that is scoring 3 or 4 might be unwelcome to senior management while scoring 1 would draw attention to the project. Alternatively, does the score of 2 indicate a project cycle management process that manages risk well and leads to consistently successful outcomes? This review will consider these and other possibilities.

Finding 5: Some types of project score significantly higher than the mean

3.5. Despite the overall lack of variation, the two key discriminating factors for the performance score were the risk rating and the funding type, as shown in Table 3. As might be expected, medium and low risk projects (1.83 and 1.82 respectively) score significantly better than high risk projects (2.46). Humanitarian assistance scores well in the category of funding type (1.90) and also as a sector (1.83). The mean score for multilateral projects (2.06) is better than other funding types.

³⁵ The standard deviation is 0.77 and projects analysed in different ways stayed close to the mean.

³⁶ Chapter 2 gives the modal score, which is 2. This chapter considers the mean score, which is 2.09.

³⁷ “Sector” follows international definitions but “funding type” is a DFID definition. Divisions use administrative convenience in definitions of some geographical regions. Risk ratings are assessed at the start of the project but they are subject to revision during the course of the project.

3.6. There are some other interesting variations worthy of further investigation. “Other” Divisions score substantially better (1.19) than geographical divisions.³⁸ Does this result reflect a higher concentration of high scoring funding types or some inconsistency in the process of scoring between Other Divisions and geographical divisions? Projects with commitment volume of £10 million to £20 million score significantly better (2.02) than higher and lower value projects. The possible reasons for this particular variation are not immediately apparent.

Finding 6: The quality assessment revealed some scope for improvement in scoring

3.7. The quality assessment exercise (see Box 1) looked at the quality of scoring, irrespective of whether the project had been scored highly or not. Overall, 80 % of sample PCR were assessed as satisfactory or better, which still leaves some room for improvement in the scoring quality. In detail, the team considered that 19 of the randomly selected PCR (46%) were *acceptable*, 14 PCR (34%) were *satisfactory*, while 8 PCR (20%) were *unacceptable*. In the special case of budget support activities, which had been mainly purposively selected, six PCR (42%) were *acceptable*, four (29%) *satisfactory*, and four (29%) *unacceptable*.

³⁸ See Glossary and footnotes 17 to 20 for DFID definitions of divisions and sectors.

Box 1. Quality Assessment Exercise

For a randomly selected sample of 55 PCR, the review team tried to assess the consistency of scoring in the PCR documents. Of these 55 records, the team leader initially reviewed 41 PCR that used the standard PCR form and later adapted the method to assess the four randomly selected and 10 purposively selected budget support activities that used a specific PCR form.

The key questions addressed in the exercise were:

- Do the narrative reports on progress against outputs and purpose make reference to the OVI's from the logical framework?
- Does the score for each output reflect the narrative reporting?
- Does any discrepancy between the overall score for outputs and purpose and the narrative reporting justify rescoreing the PCR?

The team leader then made a judgement whether the PCR was acceptable, satisfactory or unacceptable and noted the reasons for the judgement. The team leader made this quality assessment without reference to the different project types, risks, regions etc.

The second member of the team then conducted an analysis of the results, assessing the possible correlation of acceptability of scoring with DFID division, year of submission, risk, score, funding type and commitment volume, which are the most easily identifiable factors on the database.

The initial sample of 41 PCR had the following characteristics, which had an effect on the analysis. All four DFID divisions were represented fairly evenly. About half the sampled projects were medium risk (24) and under £5 million (22). The most prevalent funding type was procurement of services (15 projects). There were 24 projects scoring 2, a lower proportion than in the database as a whole.

The 14 budget support PCR had the following characteristics. Eight were categorised as general budget support and four were sector budget support; the reviewers also selected one PCR categorised as budget support to a multilateral organisation and one categorised as budgetary aid that apparently had the features of budget support. Africa (9) was most heavily represented; with MECAB 4 and Asia 1. The budget values were greater than other projects on average, with 12 PCR over £10 million, of which 4 were over £50 million. The sample was mainly high risk (6) and medium risk (5) with just 3 low risk budget support activities. Ten PCR achieved a purpose score of 1 or 2, while two scored 4.

3.8. Justifications for these results included:

- *Acceptable* PCR are well structured, showing progress against OVI's and a meaningful narrative that reflects the score. The team noted some elements of good practice such as keeping narratives brief, stating clearly if OVI's had been "achieved" or "partly achieved" and providing just one or two pieces of evidence to justify the assessment. Sometimes the projects were of a simple design, with one OVI per output.
- *Satisfactory* PCR have the various elements that justify the scores but the forms are difficult to interpret. References to the OVI's are sometimes buried in a long narrative which may, at worst, seem irrelevant. Instead of using the terms used for the OVI's, the narrative report might use other terms that require

interpretation. In these cases, the scores were considered a fair reflection of the progress reports, but it was extremely difficult to dig the evidence out of the text. However, the team judged that, overall, the PCR justified the scores.

- *Unacceptable* PCR do not have the required elements to justify the scores. Sometimes there are no scores at all. Sometimes there is no distinction between output, OVI and activity. In other cases, the progress report mentioned the activities but without any benchmark against which to check progress. Sometimes there is simply a wide disparity between what is reported and the overall score.

3.9. The quality assessment suggested that, for the randomly selected PCR, all the unacceptable PCR required re-scoring along with five examples from the satisfactory PCR. Interestingly, even one of the acceptable scoring processes led to a result that appeared anomalous as the narrative support to the scores was only partly convincing. The reviewers did not attempt to undertake re-scoring of these examples. In the case of budget support, five PCR required re-scoring. One score (2) seemed too low given the positive narratives for a low risk multilateral project. Two scores seemed too generous (also 2) on the basis of the rather negative narratives; one was medium risk and one low risk. Two other PCR simply gave too little evidence in the document on which to form any judgement about the scores. These numbers are too small to support detailed analysis of scores against risk and other criteria but they do demonstrate the challenges of ensuring scoring quality.

Finding 7: Lack of clarity in the rationale for wide variation in the PCR process

3.10. As well as scores for purpose and outputs, the PCR form requires a narrative comment on the method of project scoring and whether the review took note of key documents. On the method of project scoring, the PCR form requires a note on the team composition, the methods used to conduct the review, how the scoring was agreed, and whether partners and stakeholders were involved.

3.11. There is a wide variation in the PCR process. For some projects, there might be a detailed review involving a large team of partners and stakeholders, making use of an evaluation study completed by consultants and a seminar at which the final scores are agreed with the implementing partner. Such an approach might be used in a large multi-donor project (above £20 million) but could equally be used in a small project (under £5 million) implemented by an NGO. For other projects, there might be a fairly light review of relevant project documents by the responsible DFID adviser, possibly consulting others and agreeing the scores with the implementing project officer, if time permitted. Again, the volume of funds and numbers of partners do not appear to determine the method of scoring.

3.12. DFID headquarters does not issue detailed instructions regarding a preferred method for undertaking a PCR review. Each decentralised DFID office undertakes the PCR review in its own way. Indeed, the lack of central instructions empowers each DFID office to make their own judgements about how to organise a PCR and how to approach quality assurance in scoring. One DFID staff member commented “I didn’t obtain any extra guidance from anywhere, other than from that which is on the bottom of the PCR sheet. So I talked the consultants and the project team through the implications of the various scores, using examples from my experience in DFID.”

Finding 8: Good quality PCR scoring is associated with good use of the Logical Framework

3.13. The projects that had been scored well demonstrated a well formulated logical framework. The quality assessment considered whether project complexity³⁹ made any difference to scoring quality. Some well scored projects were quite simple in their design which might have made a difference in the ability of the PCR team to undertake the scoring. Some other projects were relatively complex with several outputs and OVIs. However, if anything, project complexity appeared to improve scoring quality – only 8% (1/13) scores for highly complex projects were considered unacceptable while 69% (9/13) were acceptable and 23% (3/13) were satisfactory.

3.14. Good use of the logical framework is important for the scoring process. In many cases, the deficiencies in scoring and progress reporting appeared to result from a poorly formulated logical framework, especially when OVIs lack clarity. With such projects, it is difficult for the review team to know, on the sole basis of the PCR form, how the Head of Office reached the conclusion to sign off the document.⁴⁰ The team noted a good practice in which the logical framework had been reformulated during the course of the project, dispensing with OVIs for which data were unavailable.

3.15. Efforts to improve the quality of the PCR have to be considered within the context of the whole project management process. This review therefore welcomes DFID efforts to revise the Logical Framework as the revision might lead to better scoring of the PCR. The recent *How To Note: Guidance on using the revised Logical Framework* (2009) addresses some of the scoring issues identified in detailed PCR assessment: too many outputs and too many poorly formulated OVIs. The *How To Note* suggests that a well formulated Logical Framework should have no more than six outputs with three OVIs. This still seems to be too many pieces of information for PCR scoring purposes.

Finding 9: Good quality PCR make use of external and independent sources of information

3.16. Most projects judged acceptable (18/27) and satisfactory (6/27) had made use of external sources of information to support the scoring. This was especially the case with larger projects, often undertaken with other partners. The quality assessment identified good practices such as basing the PCR review on an independent evaluation, use of independent consultants to conduct the review, and joint review with other development partners. In contrast, unacceptable PCR might involve the Ministry staff responsible for implementing a project scoring their own work without any information from outside the project's own information systems. However, this finding appears to be a necessary but not a sufficient condition for quality; four out of 12 projects using external sources were unacceptable. In these cases, the external sources of information were not necessarily independent, but it is hard for the reviewers to judge on the basis of the PCR document.

³⁹ See Annex 2 for full discussion of methods, including the definitions of project complexity.

⁴⁰ The Head of Office, however, may have other sources of information and a deeper understanding of the projects than is revealed by the PCR form. There are real challenges with projects with insufficient data, where the PCR might be a box-ticking exercise during the closing down of a whole area of activity as the Country Office moves into other priority areas.

Finding 10: Decentralisation to country offices had not led to inconsistency in scoring

3.17. It had been suggested at the outset of the review that DFID's decentralised bilateral system might lead to inconsistency in scoring projects. The review provides little evidence that this is a serious issue. Asia division recorded 90% of acceptable or satisfactory scores, Africa 89% and MECAB 83%. DFID project officers tasked with organising PCR follow the general instructions about PCR in the Blue Book guidance notes and on the PCR form, irrespective of the division in which they are working. Heads of Office accountable for the scoring take similar approaches to their responsibilities.

Finding 11: Inconsistency might arise from different approaches to partnerships

3.18. Inconsistencies might arise from different approaches to partnerships, though this issue requires more detailed analysis of the patterns of inconsistencies. Humanitarian assistance and Multilateral funding projects achieved better results than other types. "Other" divisions also scored their projects more highly than geographical divisions did. However, the quality assessment showed that "Other" divisions had 40% (4/10) of *unacceptable* PCR in the sample. In addition, humanitarian assistance and multilateral funding accounted for 50% (4/8) of *unacceptable* funding types.⁴¹ These numbers may indicate a higher prevalence of humanitarian assistance and multilateral funding projects in the "Other" divisions portfolio, but solid conclusions would require further investigation, possibly on a larger sample of PCR and possibly through discussions with staff.

3.19. There is ample scope to modify the PCR process to accommodate the needs to consult stakeholders and other partners. Scoring can range from one DFID staff member consulting relevant actors and filling in the PCR to a complex joint exercise with other actors ending with a seminar in which the PCR team assigns scores. Neither approach guarantees better quality scoring nor leads to poor quality; many other contextual factors are involved such as the availability of data and the independence of the external sources of information.

3.20. Where reliance had been placed on the reports of other organisations, these reports might not provide all the information required by DFID. There might be a tendency to be more lenient, or more diplomatic, in scoring projects involving other partners. On the other hand, the quality assessment exercise also showed some multilateral projects were scored rather more harshly than the evidence on paper suggested, perhaps indicating access to information that the reviewers did not have.

3.21. It is difficult to draw definite conclusions from these results of the quality assessment and further investigation might be useful. Project staff and Heads of Office do not have access to clear guidance about how to deal with insufficient data provided by partner organisations, which could lead to inconsistent approaches. Given the paucity of information in some documents, case studies would be more useful than a larger sample of documents.

⁴¹ Procurement of services accounted for the other 50% of *unacceptable* PCR.

Box 2. Sierra Leone Budget Support 2004 to 2007

Sierra Leone received three tranches of budget support funding during the period:

- £12 million in 2004/5 reviewed in February 2006
- £12.5 million in 2005/6 reviewed in May 2007
- £12.5 million in 2006/7 reviewed in May 2007

During the first year DFID's contribution stood alone but in subsequent years the European Community, World Bank and African Development Bank were significant partners.

The purpose scores in each of the three PCR were 2, likely to be largely achieved. The output score dropped from 2 in the first year to 3 (likely to be partly achieved) in subsequent years. The present review considered these scores justified and noted the following factors that contributed to the quality of the scoring:

- High level political interest in the progress of this activity, especially in the first year when the Secretary of State wrote to the President of Sierra Leone to stress the need for progress.
- Clear need to learn lessons for subsequent years of budget support to Sierra Leone in the context of a 10 year partnership agreement between the UK and GoSL, for which the MoU was signed in 2002
- The innovative use of a performance tranche may have provided a further incentive to track progress
- Provision of OVIs with differentiation of scoring between them and a clear justification for the overall scores
- The use of standard indicators (macro-economic and social) at the purpose level supported by the development of GoSL systems for planning and financial management providing data on progress
- Triangulation of different sources of information. External validation provided by IMF (tracking progress against PRGF) and written evidence from GoSL on progress against other indicators
- The PCRs were undertaken by an external and independent consultant who reviewed documentation. In the second and third years the consultant also interviewed partners and stakeholders.

The present review also notes the following points in the Sierra Leone Budget Support PCR:

- The only outputs specified concern the achievement of the 10 year MoU targets. The final PCR raises questions how to assess the contribution of outputs from DFID partnership activities to achieving the purpose of budget support without a more precise logical framework.
- The contribution that DFID made to macro-economic stability in the first year appears justified in view of the withholding of funds by other donors because of the relatively high risks. The assessment of risk was revised to medium in subsequent years and other donors joined in the programme.
- The performance tranche, while a useful tool, had been less effective than expected. The final PCR indicates its effectiveness needs to be considered in relation to other donors' activities and government capacity.
- One expectation was that budget support might help to avert conflict after the cessation of the civil war. The PCR provides some justification in the first year though it is challenging to be definitive with so many other factors involved.

Finding 12: Budget support activities pose new challenges for the PCR process

3.22. Budget support⁴² and SWApS have their own PCR requirements, distinct from conventional projects. The PCR provide no OVIs at the purpose level but the PCR form requires a comment on progress against the Country Assistance Plan (CAP) improvements in financial planning and management and in government procurement systems. The form also asks for a general comment on progress with other priority reforms and also requires information about how risks were handled. Since the form does not specify the OVIs from a logical framework it is not possible to see easily if the progress recorded was the progress expected and considered acceptable.

3.23. Poor scoring occurs in high aid volume programmes just as readily as in smaller programmes and can be attributed to the following factors:

- the lack of a logical framework or OVIs at the purpose level and the lack of specific outputs
- multi-donor situations require effective partnerships but DFID does not find a good balance between being over-generous or too harsh in scoring programmes conducted with partner-donors. In one case, a score of 2 was very weakly supported whereas, in another case, the many positive comments on progress were belied by the score of 2.
- the lack of data in key areas where DFID sought system improvements in the host government's systems
- a change of personnel at a critical time can mean a new staff member has little knowledge of the programme.⁴³ In such circumstances the PCR task might appear an administrative chore rather than a learning opportunity.

3.24. There are examples of programmes that overcome these issues. Box 2 on Sierra Leone Budget Support gives an example of an ongoing programme where there was clearly a strong institutional commitment to track progress professionally and to learn lessons for the future.⁴⁴ This programme also took a proactive position on *managing* risks, with substantial technical assistance, rather than *monitoring* them as in other programmes.

Finding 13: General awareness of weaknesses in the current PCR process

3.25. There is a great deal of agreement among project staff and Heads of Office about the general aims and structure of the PCR process.⁴⁵ There is also some general agreement about some of the main deficiencies of the process in its current form. Key findings from the brief survey can be summarised as follows:

- The aims of the PCR relate to accountability and lesson learning. At its best, a PCR can contribute to understanding how tax payers' money has been spent, provide information to the public about the effectiveness of aid, and generate

⁴²There are only 13 General Budget Support and 6 Sector Budget Support activities on the database for the period under review so the initial random sample did not provide a sufficient basis for a quality assessment. To have a reasonable sample, the review purposively selected other examples.

⁴³ One key informant provided this example.

⁴⁴ The purposive sampling of budget support activities provided the reviewers with the ability to track progress over time, which could not have happened with the initial random sample.

⁴⁵ The review conducted interviews with a few Heads of Office and sent questionnaires to project staff overseas. The interview schedule and questionnaire template are at Annex 2. Individual responses remain confidential but the numbers and classification of key informants is in Annex 5.

useful lessons on policy and process for future activities for both DFID and partners. A good PCR can help to move forward on a specific agenda. However, too often the PCR is a bureaucratic chore and box-ticking exercise with too little attention to the lesson learning potential and hardly any concern about dissemination of results.

- There is a need for quantifiable, disaggregated results. Finding good indicators and data are major challenges. There are particular challenges associated with aligning with the indicators from another partner agency's plans or logical framework.
- The general guidance to conducting PCR is available and staff can fill in the gaps using their experience and knowledge of management requirements. There may be some gaps in terms of how to deal consistently with data challenges or dealing with partners.
- To improve the PCR requires improvements to the context in which the PCR takes place – from project identification, through logical framework, to evaluation of impact. In particular, to improve the potential of the PCR for learning lessons, it should be supported by an external and independent evaluation of impact. This requires a baseline at the start of a project.⁴⁶
- The new electronic systems and templates are not easy to access, not user friendly, hard to fill in and hard to read. It is difficult to gain access to earlier documents in order to check on the original assumptions.
- There are incentives for scoring that could push and pull in different directions. On the one hand, there is a requirement to improve the quality of the portfolio. On the other hand, there is recognition that scores should be justified, even if this means a proportion of projects scored 3 or 4. Senior management advice to take action following annual reviews or OPRs is aimed at resolving this issue.
- Quality assurance on scoring takes place within the context of a largely consensual process. In the process of consulting project staff and partners, commitments to particular purpose and output scores start to build up. The DFID culture of reaching consensus can take away from the needs of challenging staff to justify the scores.
- There is a wide variety of quality assurance processes in different divisions with apparently little cross-fertilisation between the divisions.
- The time taken over PCR ranges widely, depending on a variety of factors – project cost, staff seniority, number of partners, link with an external evaluation etc. For some staff, it is difficult to differentiate the PCR work as it was integral to other planning activities for a follow-up programme.

Finding 14: Good practice in quality assurance is emerging in decentralised offices

3.26. The Head of Office usually exercises responsibility for quality assurance at the operational level. This responsibility is exercised in various reviews - Annual Reviews, Output to Purpose Reviews as well as the Project Completion Review. Each Head of Office interviewed is aware of this role and has developed his/her own way of exercising it. Factors considered in the PCR include:

⁴⁶ The reviewers understand that a baseline is now a requirement of each project with references in the logical framework, which was not the case when the projects subject to PCR were being planned.

- Relevance of the project for future development activities (e.g. ranging from closing down old projects, through exiting from a sector, to developing a sector approach to take up the project activities).
- Division of responsibility between project staff, other advisers, and head of office in assuring the quality of the scoring.
- Extent to which an external assessment of performance is required to inform the PCR process.
- Need to accommodate partners' systems and requirements in multi-donor activities.
- Time management (including project staff and head of office) for different projects, depending on policy relevance and budget commitment level.

3.27. Attention to quality assurance differs widely depending on the mix of these factors. Contrast the following situations. (i) A small project has to be officially signed off and accounted for but it has little relevance to future activities. Little time will be spent on such a PCR, which may show in the quality of scoring and lesson learning. (ii) A major sector programme is being planned with several donors where a DFID project might have important lessons. Such a PCR might take substantial time and effort. Given the pressure on staff time and other resources, it is a legitimate judgement of the Head of Office to put priority on the latter example.

3.28. While the head of office usually has the responsibility of signing off the PCR, there is some variation in how to exercise quality assurance. The review also noted some good practices that arise from the decentralised system. For example, some offices specifically assign the quality assurance role to the deputy Head of Office. Other offices are divided into different sector teams and quality assurance might involve a type of peer review of scoring by the different teams. In a decentralised system which empowers staff members to develop their own systems, it would be useful to find out more about the actual quality assurance systems in action, especially those that can facilitate both quality scoring and lesson learning.

CHAPTER 4: USING THE PCR AS AN INDICATOR OF POTENTIAL IMPACT

Summary. The review considered the potential impact of the initial 45 randomly selected projects. At present, accounting for performance takes precedence over impact assessment. While there is some indication of impact on the MDGs in Africa, PCR mainly refer to impact on DFID’s corporate priorities. Discussion of impact on cross-cutting priorities (e.g. conflict, environment and gender) is not explicit. The lack of information on potential impact arises from a paucity of data and a virtual absence of project activities to assess impact.

Method and sample for assessing PCR for potential impact

4.1. The review considered the potential impact of the initial 45 randomly selected projects. The PCR template provides a few sections in which potential impact of the project might be addressed. Drawing from the original logical framework, the PCR template provides the overall goal of the activity with OVIs and the project officer should also provide a narrative statement about the relationship between the purpose and the goal. The instruction at this point is “Type in comments on how far the extent to which Purpose to Goal assumptions are being met. How far has the achievement of the Purpose objective is contributing to, or will contribute to, the project goal.”⁴⁷ In addition, the PCR requires the project officer to “Show how the project contributes to the CAP⁴⁸ objectives and how far it is helping to deliver these.”

4.2. To consider the extent to which PCR actually addressed the question of impact the review considered the following factors:

Evidence of different types of impact

- MDGs, implicit or explicit linkages of the project activities.
- Project contribution to DFID corporate plans (e.g. CAP, DDP, PSA).
- Service delivery by the partner government.
- Citizen or beneficiary satisfaction.
- Cross-cutting issues (Conflict, Environment, Gender, and Governance).

Methods of assessment

- Standard indicators used in the goal OVIs.
- Baseline survey conducted in advance of the project.
- Other survey assessments of purpose to goal statements (e.g. impact).

Attribution

- Evidence of attribution of impact to the project or DFID activity.
- Discussion of constraints on attribution.

⁴⁷ This is the actual text of the comment on the template in Word.

⁴⁸ Country Assistance Plan

Findings: PCR and potential project impact

Finding 15: Monitoring performance takes precedence over impact assessment

4.3. The PCR are primarily concerned with the monitoring of project performance. The process of assigning purpose and output scores is central to this concern. In contrast, the review found much less evidence of consideration of impact, and even less with assessment.

4.4. For budget support activities, PCR often suggest a link with poverty reduction and may also assert the relevance of the programme to cross-cutting issues of conflict reduction, environment, gender equality and governance. The assertion/assumption is that the programme will support the government's delivery of services by maintaining public investments. As budget support is an ongoing activity, project staff members make judgements about behavioural changes and potential impacts and there are clearly monitoring mechanisms in place. It is not clear from the PCR whether there are also arrangements for impact evaluation, perhaps as part of a joint donor initiative.

4.5. For other projects a requirement to measure impact may not be a priority. In the case of humanitarian assistance, the delivery of the output (e.g. food to vulnerable people) is sufficient justification without the need for establishing longer term or broader impacts. None of the humanitarian assistance projects in the sample had undertaken any assessment of broader impact. They did not make justifications in terms of the MDGs or the CAP. Nonetheless, the PCR of a humanitarian assistance project might suggest that there is relevance to DFID's cross-cutting issues – conflict, environment and gender.

Finding 16: PCR discussion of impact on the Country Assistance Plan is more specific than references to the Millennium Development Goals

4.6. The PCR form has a section relating to the overall goals of the project. A section of the PCR form is devoted to an assessment of the potential impact of the activity on delivering the CAP.⁴⁹ In this section, the PCR sets out a narrative about how the activity has been important for the CAP (or other corporate responsibilities such as the Director's Delivery Plan). The PCR form makes no explicit reference to the Millennium Development Goals but, for DFID staff, the MDGs might be implicit⁵⁰ in discussions of goals or CAP. The reviewers understand that the CAP often contains reference to the MDGs but the review did not investigate the contents of individual CAPs.

4.7. In 56% of Africa Divisions' PCR there is a direct reference to the MDG. This occurs less frequently in Asia (40%) and MECAB (42%). It seems that Asia and MECAB divisions prefer to make reference to the CAP rather than to the MDGs. Some 58% of PCR in the Asia and MECAB sample PCR mention the CAP compared with 44% in Africa sample PCR. The discussions of the links to the CAP are often detailed and convincing while discussions relating to the MDGs are frequently vague

⁴⁹ The CAP is not applicable to Other Divisions. The MDG are mentioned in 40% of "Other" divisions PCR.

⁵⁰ MDG has become fundamental tenet of DFID policy and culture over a decade, underpinning White Papers.

(e.g. references to helping reduce poverty). PCR might assert potential impacts on the MDG but data are scarce.

Finding 17: References to cross-cutting issues are weak

4.8. PCR sometimes assert potential impacts on cross-cutting issues. There is rarely any project activity to assess the actual impact.

4.9. References to gender are weak. On the one hand it is the most frequently mentioned topic (50% of PCR make reference to gender issues in some form). On the other hand, the references are frequently to women and girls as recipients of services rather than more strategic references to action regarding gender equality. While there are standard indicators for women as recipients of services, with national statistical offices collecting the data, the indicators for gender equality are less developed.

4.10. Governance and environment are the next most frequently mentioned cross-cutting issues, with conflict prevention or resolution much less frequently mentioned. Service delivery could also be regarded as a cross-cutting theme, mentioned in 25% of PCR.

Finding 18: Access to data is a major constraint.

4.11. None of the budget support projects is required to provide OVIs at the goal level though OVIs are expected for other types of projects. In the sample PCR, one of the 14 budget support projects did provide goal level OVIs while four of the 41 other projects did not provide OVIs. Some 24% of sample PCR (nine out of 41) provided references to standard indicators⁵¹ at the level of project goal. This was more frequent in the health and education sectors, whether at the country or global level, where reference to standard national statistics is possible. It appears to be much more challenging for projects in government and state building or research where the indicators might be less quantifiable or the results arise in the long term.

Finding 19: Specific activities to assess impact are largely absent

4.12. Conducting surveys is a common component of projects. Of the 45 PCR, 18 show that some form of survey was carried out, to gather essential data for project planning. Interestingly, the projects that had undertaken such surveys were also more likely to have their scoring considered acceptable (12/24) than those that were considered satisfactory (5/13).⁵² Ten⁵³ projects also rely on standard indicators and government statistical systems to provide indications of progress.⁵⁴

4.13. The sample of 45 PCR provided just three examples of impact surveys having been carried out as part of the project, and one example where the impact survey was planned. A few more showed that some kind of impact survey had been planned with 7 projects providing baseline data. In these projects, assessment of outcomes was an

⁵¹ Standard indicators are those collected routinely by national statistics offices, such as primary school enrolment or various health statistics.

⁵² Of those with unsatisfactory scores 4/8 had undertaken some form of survey.

⁵³ Some of these projects also commissioned surveys.

⁵⁴ One project with a purpose score of 2 that was considered unacceptable had indicated a baseline survey and use of standard indicators. However, the PCR provided no OVIs and no scores.

essential component of the project. This was usually associated with social service delivery – targeted social assistance in Eastern Europe, health and education projects, and HIV/AIDS activities.

4.14. The PCR give no indication of specific impact assessment activities in the case of budget support or humanitarian assistance. While all the budget support projects had some kind of survey activity, often linked with other partners, these activities were to monitor performance (e.g. in areas of financial management) with no perceptible interest in broader impact. In the case of humanitarian assistance, there was no opportunity to set up baselines and apparently no attention to longer term impact.

CHAPTER 5: REVIEW OF LESSONS LEARNED

Summary. The present review attempted to see if the lessons learned in the 2005 PCR Synthesis remained valid. For this purpose the review considered 97 (10%) of the available PCR to gather the lessons and to undertake a comparison with the previous results. The current review re-confirmed the validity of many lessons synthesised in the 2005 PCR report. In particular the current review highlights five key points where emphasis has increased. 1. Understanding the context was a key issue in the 2005 review and the current review suggests the need to deepen the understanding of the context for development interventions. 2. Flexibility in project design is of increasing importance. 3. An increasing emphasis on joint working with others has led to greater understanding of the challenges of co-ordination in joint working arrangements, especially the transactions costs to all partners. 4. This is associated with an increasing emphasis on harmonisation and alignment. 5. Management of the interplay of local ownership, leadership, and the exercise of donor power remain key issues for building partnerships.

Approach to reviewing lessons

5.1. The previous review had undertaken a comprehensive analysis of the lessons learned, the present review attempted to see if those lessons remained valid or whether new issues were emerging. For this purpose the review considered 97 (10%) of the available PCR to gather the lessons and to undertake a comparison with the previous results.⁵⁵ Annex 4 provides a detailed comparison. The key findings are presented in this chapter.

5.2. In addition, the review also focused on areas of development activity that were only emerging in 2005 (e.g. budget support, including sector wide approaches), and humanitarian assistance. The review also attempted to consider lessons from selected priority policy areas. Some of these priorities have become prominent in the present review period (e.g. conflict and fragile states and coping with climate change) while some important cross-cutting issues have been mainstreamed (e.g. gender). The lessons from these specific studies are presented in the following chapters.

Departmental Strategic Objectives and Policy Information Markers

5.3. Recent changes to the way DFID marks projects against key policies limit the comparisons that can be made. DFID has recently started to mark projects according to their relevance to Departmental Strategic Objectives (DSO). During the previous review period and also at the early stages of the current review DFID was using Policy Information Markers. Comparison of the two systems is not practical.

⁵⁵ 45 PCR (5%) were selected totally at random and a further 5% was selected to ensure representation of the key policy issues. In the event, to have a reasonable sample of PCR for the analysis of budget support and SWAP, the stratified sample was 62 PCR. Full details of the sampling methodology are given in Annex 2

5.4. Three DSO refer to important policy areas (1. growth and governance, 2. climate change, and 3. conflict and humanitarian assistance). There are 258 projects that assign DSO markings during the review period. Of these, the predominant marking is for DSO 1 (growth and governance): 42 PCR rate the project as having a principal relevance while six PCR rate the project as having significant relevance. In the database there are 10 projects that have principal relevance for DSO 3 conflict and humanitarian assistance while five projects have significant relevance. There are just three projects with principal relevance for DSO 2 climate change, and three projects with significant relevance.

5.5. The majority of projects considered in this review used the PIMS markers. While the system is completely different from DSO, there is some practical overlap. For example, the high proportion of projects that deal with government and state building would tend to be marked as relevant for DSO 1. The review has considered the lessons in this policy area in the chapter on budget support. Similarly, the overall number of humanitarian assistance projects suggests some correlation with DSO 3 on conflict and humanitarian assistance. The review considered the lessons in this policy area in the chapter below on humanitarian assistance. However, very few of the projects considered had relevance for conflict. DSO 2 on climate change does not link easily with anything comparable in the PIMS. It is not possible to draw lessons from the six projects rated for DSO 2. Nonetheless, the review attempts to learn some lessons in this and other policy areas.

Findings: Comparison between 2005 and 2009

Finding 20: Confirmation of the main lessons learned in 2005

5.6. The PCR requires comments on Working with partners and Project / Programme management, just as in the previous review period, the current review compared the lessons learned during 2005 to 2008 with those learned in the previous (2005) synthesis report.⁵⁶ An update of the 2005 analysis is provided at Annex 4. This shows that many of the lessons learned are confirmed by the current analysis. While some issues are no longer on the agenda some new issues have emerged more strongly.

Finding 21: Need to deepen the understanding of the context for interventions

5.7. In the area of programme management, understanding the context was a key issue in the 2005 review. PCR had a wealth of practical suggestions for improving planning and design of interventions.⁵⁷ The current review confirms the importance of taking time to analyse and understand the context, to promote the participation of stakeholders in the planning process, to understand the political situation and the risks. Training and local capacity building are also discussed in this context. It seems paradoxical that very few PCR discussed management needs for analytical capacity or detailed risk mitigation / management strategies.

⁵⁶ DFID (2006) *PCR Synthesis Report 2005: An Analysis of Projects and Programmes in Prism 2000-2005*. Evaluation Report EV664.

⁵⁷ It was not possible for the current review to investigate the extent to which follow on projects and programmes actually took forward these suggestions.

Finding 22: The increasing importance of flexibility in project design

5.8. The previous review highlighted the need for project interventions to be based on rigorous, if possible comprehensive, logical frameworks. While the importance of a good logical framework is still confirmed in the current review, much more emphasis is placed on the need for flexibility in the project cycle management process. The reviewers came across several PCR examples that suggested that logical frameworks had been revised to reflect the realities of the situation and the process nature of the project.

Finding 23: Developing understanding of the challenges of co-ordination in joint working arrangements

5.9. The current review shows an increasing emphasis on joint working with others than in the previous review. The review confirms a general point about the need for good co-ordination with other donors, governments, and civil society. There was rather less emphasis on working with international NGOs and the private sector than in the previous review, but this may just reflect a scarcity of examples in the sample selected. The previous review considered that the effort at co-ordination had increased transactions costs for donors and reduced transactions costs for partner governments. This point is not confirmed by the present review, which notes that co-ordination activities increase transactions costs for all partners.

Finding 24: Increasing emphasis on harmonisation and alignment

5.10. The issue of harmonisation had emerged in the 2005 review and the present review shows more discussion of this topic and the emergence of alignment as a complementary theme. These issues have been high on the international agenda since the Paris Declaration of Aid Effectiveness in 2005, recently reinforced in Accra. In the PCR, harmonisation of donor activities and alignment around government systems help to deal with essential elements of programme delivery, promote ownership and help to reduce the transactions costs involved in working with different donor systems.

Box 3. Analysis of lessons

In analysing the lessons learned in the PCR, the review first considered the extent to which PCR addressed some important themes. In Building partnerships, the analysis mainly used the lens of aid effectiveness - to what extent did the lessons discuss ownership, alignment, harmonisation, mutual accountability and results. In Programme management, the analysis considered project cycle management themes, risk, and aspects of corporate policy such as decentralisation. For Innovation, the analysis considered the extent to which current development topics had been emerging in the PCR before 2008, for example anti-corruption measures, good humanitarian donorship, and conflict resilience. In the event, this approach proved too restrictive in view of the richness of the lessons in the PCR, with many of the lessons categorised as “Other”.

Finding 25: In building partnerships, the management of the interplay of local ownership, leadership, and the exercise of donor power remains a key issue

5.11. The current sample of PCR make many statements about the need for local ownership, the challenges of influence, the appropriate use of donor power, the need to build solid relationships with partners and the need for good communication. In the current review, there is some elaboration of these themes of ownership and donor power. For example, the issue of capacity development is mentioned in nine of the sample PCR, usually in the context of implementation of programme activities in the field. One PCR notes that the strengthening of accountability of government to citizens is an important element in promoting country ownership, which is echoed by similar statements in other PCR. One PCR notes the differences between donors in terms of financial and human resources and their capacity to engage in effective partnerships. Other aspects of ownership and donor power are not much elaborated in the current review. None of the sample PCR deals specifically with *influencing strategies* or *conditionality*, perhaps a reflection that these approaches to exercising donor power have fallen out of favour as the language of partnership has increased.

Lessons in Key Policy Areas

Budget Support

5.12. There are just 19 budget support activities in the database and the review examined the lessons from 14 PCR through the lens of aid effectiveness.⁵⁸ For a government to make the transition from projects to budget support requires some preparation, planning and extra support. Projects can act as a transition phase. Virtually all the sample PCR made some reference to the principle that stakeholders should be involved in the process of formulating the programme and none of the PCR used the language of conditionality, a major topic in 2005. A major concern is with tracking immediate responses to incentives and the proper use of government funds. In this context, an important innovation, compared with 2005, is the use of the performance tranche. PCR discussed the effectiveness of this mechanism, often making comparisons with examples in other countries. Progress with harmonisation is linked in certain cases to the benefits to the donors themselves, both in terms of efficiency and accountability. There was often clear improvement in programme performance regarding aid effectiveness from the first to subsequent phases as DFID country offices learned how to interact more effectively with partners and improve programme management.

Humanitarian assistance

5.13. In the database, 217 PCR refer to humanitarian assistance and the review examined lessons from a sample of 20 PCR. Several PCR make reference to various good humanitarian donorship issues. For example, many of the key management issues refer to the principles of financial and administrative flexibility and speed of response, while still meeting DFID accountability requirements. The strengths and weaknesses of local partners (NGOs and government) have a major impact on the delivery of services. People affected by disaster need to be engaged as active partners able to help themselves, not just treated as victims. The PCR indicate some evolution of good practice, for example, disaster prone countries can and do improve their capacity for co-ordination with partners over time and from one disaster to another.

Fragile States and Conflict

5.14. In the database, 186 PCR refer to fragile states⁵⁹ and the review examined the lessons from 18 PCR. The fragility of the state is a major challenge and several PCR focus on state-building as a way of averting conflict and building peace, including through the use of budget support. PCR illustrate different types of fragility in different countries and show that the individual projects have to address the national contexts of government and state building. Several PCR highlight the principle of practical co-ordination mechanisms between international actors while others are concerned with reaching local people. In such cases, there is a risk that local people might be regarded as *targets* rather than *partners*. Some PCR illustrate the need to

⁵⁸ Detailed discussion of the lessons in key policy areas can be found in Annex 7.

⁵⁹ The list of fragile states changes annually with changing circumstances. The review used the World Bank list 2007 and the OECD list 2009.

promote non-discrimination as a basis for inclusive and stable societies and avoid pockets of exclusion.

Climate change

5.15. Only 17 PCR in the database are classified as relevant to climate change so the review searched for other relevant terms (e.g. drought, flood) to construct a database of 41 PCR of which eight were selected for further study. Climate change is a relatively new area for lesson learning. The main approach of projects to the issue of resilience to climate change involves the enhancement of livelihood strategies, whether in agriculture or in small and medium enterprise. Several PCR recognise that work in any environmental area requires the involvement of the community as a whole, which takes time and effort. At the global level, DFID has been able to promote the debate about certain harmful practices.

Gender Equality

5.16. Only six PCR in the database refer specifically to gender in the project title or purpose but there is reference to men or women in 49 PCR. The review examined a sample of 10 PCR. Several of these PCR were concerned with making poverty reduction programmes more effective by taking account of gender issues but the lessons often do not follow up specifically on gender issues. The lessons learned are couched in terms of general project performance, risks and challenges. Mainstreaming can draw attention away from gender without providing lessons about key learning issues, unless there is real determination to do so. Only one PCR in the sample derived some lessons about the challenges of promoting gender equality.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Risk of overstating improvements in efficiency and effectiveness

Exploring reasons for increasing efficiency is challenging

6.1. The usual narrative about increasing efficiency focuses on a trend towards budget support activities (general or sector) while signing off small projects. These projects have either been closed down or integrated into a broader sector programme. This narrative is supported by the evidence of the large number of PCR for projects under £5 million but the trend to budget support is not so easily demonstrated by the PCR figures. While PCR show completed projects, high value budget support activities are normally on-going so there are few examples of budget support PCR in the current review.⁶⁰ However, the trend to larger budget commitments is clear in both the bilateral and multilateral programmes. DFID's bilateral programme is primarily focused on Government and State building. In the multilateral programme, there might be more activity in global funds leading to larger project commitments.

Limits to conclusions about the contribution to strategic objectives

6.2. The system of marking against DSO has only just started and there are few examples in the current review. In the future it might be possible to pose questions about the results to make more informed strategic choices. For example, the DSOs imply that DFID tackles risky projects in fragile states to achieve a greater impact on poverty reduction. On the other hand, increasing financial commitments to global partnerships to tackle climate change and reducing bilateral assistance to promote economic growth, especially in the production sector in Africa, might be more efficient and effective. However, it is not possible to draw conclusions on the basis of the number of examples in the current review.

6.3. The previous PCR review recorded performance against MDGs and PIMS so comparison with the current review is not possible. This review cannot therefore draw conclusions about longer term trends in performance against strategic objectives.

Scoring is not rigorous

6.4. The review assessed 80% of scores as credible, with 20% poorly justified. Likely explanations for poorly justified scores are:

- Scores are less important when a country office is signing off a small project that will not lead onto any other activity.

⁶⁰ This was also the case in 2005.

- Scoring is difficult to justify when access to data is constrained or when relying on the documents provided by partners.
- Office focus and attention is on planning new activities with less attention to quality assurance of PCR for previous activities.

Perceived improvements in effectiveness may be overstated.

6.5. The quality of projects has continued to improve according to the purpose scores. In 2000-01, 65% of projects scored 1 or 2 rising to 71% in 2004-05. In the current review period, the percentage has risen again to 75% in December 2008, having touched 79% in 2006-07.

6.6. Were the improving scores evidence of increasing quality of projects or of a trend in offices to overestimate achievements to meet management objectives? Although the review found that the purpose scores were credible in about 80% of the sample PCR, there did not appear to be any obvious marking up of purpose scores; the assessment indicated that scores might as easily be harsh as lenient.

6.7. The review identified several factors that have a bearing on the improvement in purpose scores:

- increasing attention to aid effectiveness issues (ownership, alignment and harmonisation) in budget support activities and in other funding activities.
- in budget support activities the performance tranche appears to have been successful in stimulating improvements.
- DFID senior management guidance has balanced a drive for improved quality with recognition that some poor scores in the portfolio are inevitable and/or acceptable.

6.8. The review concludes that it is credible that about 75% of projects score 1 or 2 and that DFID should continue to guard against the risk of introducing incentives that distort the scores.

Quality assurance is not consistent

6.9. At present signing off gives assurance of PCR quality but the process for giving such assurance is not consistent. It is clearly not acceptable that 20% of scores have been poorly justified. Although the review learned that some offices have developed their own means of quality assurance, these activities do not constitute a coherent system of quality assurance. While this review endorses the principle that there should be discretion for decentralised DFID offices to assemble an appropriate review team for each project, the current process of scoring does not give an assurance of consistent quality across the decentralised offices. Principles of quality assurance in the scoring process that the decentralised offices need to consider include:

- a degree of independence from the implementing organisation.
- a degree of effort that takes account of the volume of DFID commitment.
- clearly differentiated roles and authorities assigned to stakeholders, partners and consultants.

- defined responsibility of the Head of Office⁶¹ to undertake quality assurance of the project scoring for purpose and outputs, using a clear quality assurance framework

The PCR is not a stand-alone vehicle for assessing project impact

6.10. The current review identified few examples of PCR looking beyond immediate project outcomes. Few PCR in the 5% random sample revealed information about potential project impact though 16 out of 45 PCR made some, often vague, reference to achievements in the Country Assistance Plan, which this review could not check. The system of marking against Departmental Strategic Objectives has only just started and there were very few examples to consider in the random sample. The previous PCR review recorded performance against MDGs and PIMS so comparison with the current review is not possible. The main concern in the PCR process is to assess performance (achievement of the stated purpose) rather than to assess impact. Lessons are mainly restricted to operational concerns although humanitarian assistance projects occasionally suggested longer term impact. However, the review concluded that it would be insufficient to adapt the PCR document or process to provide adequate information about impact.

Improving lesson-learning

Shifts in emphasis on familiar lessons

6.11. The current review re-confirmed the validity of many lessons synthesised in the 2005 PCR report. Continuing the practice of recording lessons about partnerships, programme management and innovations is likely to show further shifts in emphasis.

The recording of lessons focuses on operations rather than key policies

6.12. The PCR requires lessons to be recorded against three main themes of working with partners, innovations and programme management. In the main, this requirement captures operational lessons. For example, in budget support, the performance tranche has emerged as an interesting innovation that may contribute to better performance but governments need time to adjust their institutional arrangements. In humanitarian assistance, DFID funding has facilitated speedy and flexible responses to emergencies, implementing partners have addressed co-ordination challenges, and the capacity of governments to respond to emergencies may have improved. In contrast, the PCR say virtually nothing about some key policy concerns. Specifically, PCR provide few lessons about resilience to conflict in fragile states, resilience to climate change, or means to promote gender equality. These issues have been mainstreamed into state building, livelihoods, or service delivery.

The PCR presently provides limited scope for sharing lessons

6.13. The PCR process can be a useful vehicle for learning in particular circumstances but it is not used for sharing lessons more broadly. The review noted the way PCR in ongoing budget support activities might be used to plan further extensions to the programme, as in Vietnam. In such cases, the PCR process often provided an opportunity to commission evaluation studies designed specifically to

⁶¹ This role could also be delegated to another senior official who does not have a role in the project.

draw lessons for the future programme. However, the PCR is not a significant vehicle for lesson learning among DFID staff more generally. Staff members mainly use other means to gain information relevant to their planning activities, often through professional networks, rather than searching for lessons in PCR.

6.14. There are several clear constraints on the usefulness of PCR for sharing lessons:

- PCR provide just one of the means for lesson learning within DFID. As with other Project Review activities, the PCR focuses on a specific project in a specific context. Project staff charged with completing the PCR form may not be skilled in setting out general lessons for a wider audience. Lesson learning would be facilitated if the information were synthesised and analysed, often focusing on a particular theme.
- The electronic storage of PCR lessons is not user-friendly. The system does not allow sufficient space for lessons, does not use common key words for searching, and restricts learning on current policy issues. Access to additional documents is challenging. Other technical problems include the worksheet not printing out satisfactorily. The migration from PRISM to ARIES/QUEST appears designed for electronic archiving of documents rather than for lesson learning.
- In the PCR analysed during this review, useful lessons were not just confined to the lessons section. With the Word files in PRISM it is possible to derive lessons from other sections of the form but, in the ARIES system, this has become more difficult.
- Little time and effort is given to the dissemination of lessons. Typically, the lessons are shared with partners involved in planning a follow on project. At worst, the PCR records no lessons at all for the archives. Occasionally, with a particularly significant project, staff members present the lessons to senior management or a wider audience.

Promoting lesson learning could be an incentive for improving PCR quality

6.15. A decentralised approach that empowers DFID staff to learn from experience recorded in PCR could lead to better quality PCR, lesson learning and scoring. While DFID staff have responsibilities for accounting for results, this activity (including PCR) is not as important for country-based staff as the preparation, planning and on-going management of operational activities. To achieve a significant improvement in the quality of PCR records will require making the PCR process more clearly relevant to the key project planning activities and allocating adequate time and effort.

Recommendations

For DFID Senior Management

Improved context for lesson learning could improve PCR quality

6.16. **DFID senior management should give equal emphasis to lesson-learning as to project scoring in the PCR process.** Senior management should consider implementing the following incentives to improve PCR quality:

- Promote a stronger link between PCR lessons and project planning. New project proposals should refer to the lessons learned in relevant PCR, for example in the risks/assumptions column of the logical framework.
- Give directions to Heads of Office regarding the skills and experience of staff required to undertake PCR for different types of project and able to draw valuable lessons. Take account of the value of the commitments and the potential for less experienced staff to learn from project evaluation activities.
- Give indications to Heads of Office about the time and effort required to complete a satisfactory PCR that draws out both operational and strategic lessons. Take account of project complexity, the number of international and local partners, and the availability of project information (including project reviews). Something between 5% and 10% of an adviser's time (i.e. about 15 days) for one PCR would be satisfactory to complete a PCR of a complex project to an acceptable standard.

Encouragement of decentralised quality assurance could improve PCR quality

6.17. **DFID senior management should encourage Heads of Office to improve the scoring process.** At present, there is inconsistency in the scoring process. This review also identified some examples of good practice. DFID management could make efforts to identify other examples of good practice among Heads of Office, which was not possible in the current desk-based review. DFID senior management could encourage Heads of Office to apply the following principles of quality assurance identified by this review:

1. a degree of independence from the implementing organisation
2. a degree of effort that takes account of the volume of DFID commitment
3. clearly differentiated roles and authorities assigned to stakeholders, partners and consultants
4. defined responsibility of the Head of Office, or delegated official, to undertake quality assurance of the project scoring for purpose and outputs, using a clear quality assurance framework

For Finance and Corporate Performance Division

Improved PCR instructions could resolve some challenges to scoring quality

6.18. **Finance and Corporate Performance Division should prepare a *How To Note* on PCR setting out the criteria for a high quality and useful document in terms of scoring.** The proposed *How To Note* should include the following characteristics of the highest quality PCRs:

- Short and clearly stated purpose, outputs and OVIs, usually on the basis of a high quality logical framework.
- Sections of progress reports clearly numbered to relate to the OVIs.
- Progress reports start with a statement about achievement in relation to the OVI and then provide two or three convincing pieces of evidence.
- Clear link between the progress narrative and the score.
- Evidence that the scoring has been informed by external and independent sources of information, whether external documents or independent evaluation process.
- Consultation with all stakeholders is desirable but does not necessarily improve the scoring process unless it is well structured.

For Evaluation Department

The quality assurance process should be more consistent

6.19. Evaluation Department should devise means to improve the quality assurance process. Decentralised offices are developing their own means of quality assurance at field level, which Evaluation Department could encourage. At the same time, Evaluation Department needs to ensure consistency of approach within the decentralised system by giving advice on the institutional and management factors that lead to good quality PCR with useful lessons. This review has identified the following factors:

- Quality assurance should be an important principle of the process, including checking if the project complied with office guidance, and challenging scores and justifications.
- An experienced member of DFID staff has responsibility for managing the PCR process, including checking quality of data.
- The Head of Office needs to allocate sufficient staff time and level of effort for the PCR process.
- A QA guide for those responsible for the process and signing off, providing advice and suggestions based on good practice.
- The QA check of the final document might be undertaken by the Head of Office (or deputy) exercising responsibility or by teams of staff through systematic peer reviews.
- The lesson-learning potential of the PCR, rather than accountability, is the most important incentive for staff to ensure quality.
- Build a coherent system of quality assurance around the existing and emerging decentralised approaches.
- Select a sample of divisions annually and support their PCR process and assess the quality of their scoring.

Improving impact assessment needs to reach further than the PCR process

6.20. Evaluation Department should consider how PCR could inform a more systematic assessment of impacts in a country office portfolio. Evaluation Department should consider PCR as an input to a broader approach, taking account of the following suggestions:

- Require Country Programme Evaluations to consider the lessons from PCR and the contribution of projects to the achievement of sectoral goals.

- Promote the introduction of baseline surveys and impact assessments at the outset of projects in the design and planning stages. These assessments should be undertaken by external and independent personnel who are not responsible for the delivery of the programme.
- Encourage more attention in the logical framework to the levels of goal and super-goal, including OVIs and risks, which would be more challenging for project staff.

Identify and encourage improvements in the way lessons are recorded

6.21. Evaluation Department should consider how PCR might capture lessons of broader application as well as operational and contextual lessons. The recording of lessons in terms of partnerships, programme management and innovation has proved useful in the past but has serious limitations for broader lesson learning. The review was able to identify the challenges for broader lesson-learning from an analysis of PCR documents but was not able to take the issue further. Evaluation Department could explore this issue through a one-day study workshop with experienced DFID staff (policy and project), consultants, NGOs and academics, focusing on the following areas of discussion:

- Challenges of deriving and presenting useful lessons from project experiences.
- Ways that DFID staff use to learn lessons from projects.
- Encourage differentiation of operational and strategic lessons.
- Discouragement of use of country-specific acronyms and abbreviations that have little or no meaning for a wider readership.
- Identify and analyse key documents that provided useful strategic lessons that were applied in further programmes or policies.
- Identify key programme areas where useful lessons are currently being sought.

Encouraging more systematic use of lessons learned

6.22. Evaluation Department should co-operate with Research Department in more systematic dissemination of lessons. These departments have faced similar challenges of promoting lesson learning in the past. Evaluation Department could adapt some of the lessons to encourage learning from the PCR:

- Make the computerised ARIES database more user-friendly to allow DFID staff members to search for lessons using their own terms.
- Widen the information base for lessons. The PCR is one source but might need to be supplemented by easy access to other project review documents and research.
- Focus attention on the broad dissemination of lessons. Ideally, this focus should be integrated into the project's logical framework at the outset. In practice, this might be considered a priority for innovative projects, emerging policy areas, or where there are many partners.
- Develop some innovative dissemination tools and documents. For example, highlight the lessons from PCR that focus on one key theme, such as resilience to conflict or climate change. Bring together the concerned project staff in a seminar to discuss the challenges and successes.

Chapter 7: DFID's Management Response – Project Synthesis Report – A review of trends, project scoring and lessons April 2005 to December 2008

DFID welcomes this report. The report found that DFID projects have made significant contributions on key strategic objectives around aid delivery and institutional effectiveness. It concludes that there is credible evidence that, overall, efficiency and effectiveness are improving.

We welcome the finding that there is improvement in our management of performance and risk and that we are increasing our efficiency and effectiveness. The trends identified across the period 2005 to 2008 are continuing: our portfolio continues to be made up of fewer, but larger projects.

The report makes a significant finding with respect to project scoring: that there is no evidence of systematic bias in project scoring. It is also important to have an independent check on the quality of project scoring, since our Portfolio Quality Index (combining both annual and Project Completion Report (PCR) scores) is a key performance indicator for DFID. We welcome this.

It is vital that we have mechanisms for synthesising the lessons from across DFID's project portfolio. The report identifies areas where our practice needs to improve and highlights opportunities to obtain greater benefit from the PCR process. Since the writing of the report, work has already begun within the organisation to address some of the issues raised.

Since 2007, DFID's evaluation function has been scrutinised by the '**Independent Advisory Committee on Development Impact**' (IACDI). In December 2009, IACDI published its own review of the quality of DFID's evaluations, as well as its annual letter to the Secretary of State. We have recently accepted the recommendation from IACDI for senior staff to engage more formally on how evaluations are used.

This management response outlines the actions DFID will take to address these issues, including work already underway across the organisation.

Quality of project scoring

We accept the need to improve the quality of project scoring. We note and agree with the finding that good quality PCRs are associated with good use of robust logical frameworks. We have been working for the past year to improve the quality of project logical frameworks. We launched a new format in early 2009, rolled this out across the whole organisation, training over 100 "champions", and have made getting good logical frameworks for all our projects one of the top priorities for our corporate change programme. The new format ensures that projects have appropriate indicators, baselines and targets, providing a clear basis for subsequent monitoring of progress and achievement. To ensure projects are using appropriate indicators, policy teams are working to develop lists of "suggested indicators" – the first of these lists became available to staff in late 2009. Others will follow in early 2010.

Quality assurance of project scoring

DFID is committed to ensuring that the quality of project scoring improves. This means not only implementing the specific actions laid out above but also, as the report recommends, strengthening quality assurance of project scoring. DFID's Evaluation Policy already gives Evaluation Department a formal and strengthened role in quality assurance. This independent report and future synthesis reports form one important element of that assurance. Evaluation Department is currently developing a system for continual quality assurance of annual reviews and PCRs. This is intended to provide real-time feedback to project staff, including the senior approver, on individual reviews and to produce regular reports aggregating findings for review by DFID's Investment Committee. This process will provide an incentive to improve quality and could generate a metric whereby senior staff could be held accountable. The report also notes the important role played by Heads of Department in ensuring systematic PCR quality. We agree with this. DFID's senior staff agree on the importance of this and will be held to account through performance assessments.

Project Completion Reports

We note the findings with respect to the usability of PCRs. DFID modified the format in late 2009 maintaining the key elements and making the template more user friendly, both for project managers and those seeking to learn lessons from others' experience. A new 'How To' note on the Annual and Project Completion reviews was published in September 2009. This is just a first step however; we intend to undertake a more fundamental review of the PCR format, taking into account the new Evaluation Policy and our focus on results. This report has useful ideas that we can build on. We intend to meet with the report's authors to discuss this in more detail. In modifying formats, we will need to ensure comparability of results across years.

Making the most of lesson learning

In addition to making the lesson learning content of PCRs more useful, we agree that we also need to think about how we make those lessons more accessible to others and how we generate syntheses of lessons across a particular theme or sector. We have already taken action in key aspects of this: the Head of Evaluation now produces an annual report on key findings from evaluations which was published for the second time in November 2009; Internal Audit Department now have a role in following up on the actions taken on management responses and tracking findings and recommendations from evaluations; Evaluation Department is giving much greater priority to communication and dissemination and has restructured part of the team to bring in specialist expertise on this. New and more accessible IT solutions for accessing recommendations quickly and easily are being developed in DFID and in international networks and our investment in 3ie is helping to support a stream of new synthesis reports on what works in key areas of development, for example their recent report on water and sanitation.

We are keen to go further to strengthen lesson learning from evaluation and from research. DFID is implementing the recommendation of the IACDI for DFID's senior management to engage more formally and visibly on how evaluations are used, by identifying lead directors and making engagement on evaluation a formal responsibility of the Investment Committee, which includes several members of DFID's Management Board. IACDI is focusing on lesson learning as a key theme for its February meeting, and in its work throughout this year. DFID's research uptake team is helping ensure we make the most of experience from previous DFID-supported work on research into use, including the RAPID programme at ODI.

The report identifies ways in which we might make better use of PCRs, for instance as part of country programme evaluations. PCRs already form an important part of the evidence base reviewed in Country Programme Evaluations, and we expect their utility for evaluation to increase as operational departments improve their programme monitoring in line with DFID's

Results Action Plan. Policy and thematic evaluations likewise make use of PCRs, particularly in the early stages of major evaluations when mapping DFID's investment and reviewing existing evidence to identify key evaluation questions. Working with Finance and Corporate Division (FCPD), Evaluation Department has created a Resource Centre to support planning for evaluation at programme design stage, is improving evaluation guidance, and under the new Evaluation Policy will quality assure programme monitoring and evaluation.

In addition to independent evaluations, DFID is taking forward a series of internal portfolio reviews, which look at experience across a sector, looking at both bilateral, multilateral and policy interventions. DFID has completed a portfolio review of the education sector, is finalising a health sector review, and has initiated portfolio reviews of the governance sector and our support to civil society. These reviews are an important and new vehicle for synthesising and disseminating lessons on value for money.

Impact evaluation

Strengthening impact assessment is taking place at different levels, all of which are important.

Within DFID, as part of the work on results, high priority is being given to better economic appraisal, establishing baselines, training on log frames and developing indicators of outcomes and impact. All of these respond directly to the issues raised by the PCR synthesis and mean that our systems for assessing and monitoring impact are improving all the time.

DFID has committed £8.5m to 3ie, the new organisation for funding rigorous impact evaluations. This means that, with other members, we are funding a rapid increase in high quality, rigorous impact evaluations of what works in development interventions. 3ie are working closely with DFID's research department and DFID country offices such as India to identify the critical questions which need better evidence and to synthesise what is already known. The UK also led the international work in NONIE to produce guidance on impact evaluation for use within programmes and in developing countries.

Impact evaluation is being built into a wider range of DFID country programmes, for example in health, rural poverty and education in India, in food security in Ethiopia, rural livelihoods in Bangladesh and in community-led reconstruction in DRC. This is part of a wider aim in the new evaluation policy to extend and strengthen work on decentralised evaluations.

The UK together with other DAC members is helping to promote statistical systems and evaluation capacity and skills development within developing countries so that impact can be assessed at the point where services are being used. For example, we have supported developing country partners to attend training events and committed significant funding together with Sweden and the African and Asian Development Banks to support new regional centres of expertise on evaluation in Africa and Asia, under an initiative led by the World Bank's Independent Evaluation Group.

The report recognises that the PCR is not a stand-alone vehicle for assessing project impact, with few examples looking beyond immediate project outcomes. Improvements to the PCR, to more explicitly consider impact, require parallel investments to support the context in which the PCR takes place, from project identification to design of the logical framework, through to evaluating impact, including baselines to be established at the start of projects – preferably with evaluation frameworks already incorporated into project design – and supported by independent external evaluations of impact. DFID has already started implementing these improvements to the PCR process.

Annexes

Annex 1: Quality assurance of Project Completion Reports (PCR)

1.1. The PCR is just one of a series of performance reviews that DFID undertakes to assess the quality and progress of its aid activities. The PCR is a mandatory performance review in DFID for all eligible projects, programmes, budget support and technical co-operation activities over £1 million. A PCR might also be undertaken for aid activities under £1 million at the discretion of the head of office if there are particular circumstances.

1.2. The PCR assesses an aid activity at the completion stage to assess whether it has achieved its planned purpose and whether it has delivered the expected outputs. It also summarises the way in which the project handled the anticipated risks and what lessons have been learned.

1.3. The assessment should take place at one of the following points:

1. within the last three months of the project before the team has disbanded
2. when actual expenditure reaches 95% of the total commitment threshold
3. when the stage of the project is recorded as closed in DFID's Management Information System or PRISM

1.4. A PCR must be undertaken unless approval is given either to defer the PCR or exempt the project from a PCR. Approval to defer a PCR must be given by the Head of Department or Overseas Office and must only be granted where there is no documentary evidence on which to base an analysis of a project in order to complete a PCR. Deferral will be for 3 months (but can be renewed)

1.5. There are two PCR forms. One is for project activities and the other is for budget support. The main difference is that, compared with projects, outputs are pre-determined for budget support. There is a progress statement but no OVIs. Risks are also predetermined.

1.6. The PCR form has changed in recent years to facilitate direct entry into DFID's computerised database. In the early part of the period under review the PCR form was a Word Document held in PRISM, latterly an Excel file held in the ARIES system. Only a subset of the data would be readily accessible for further analysis. Supporting documents could be accessed through another computerised system - QUEST. At the time of the review, both PRISM and ARIES terminologies were in use

1.7. Evaluation Department will include project monitoring reviews (OPRs and PCRs) in its regular reviews of evaluation quality. This is vital for the evaluation strategy, as monitoring reviews provide the main data source for DFID accountability and are also a key data source for country and thematic evaluations. Protocols will be developed and agreed for these quality assurance reviews; they will cover inter alia an assessment of the quality of the evidence, a check on the validity of any scores assigned in reviews; adherence to Paris commitments (country leadership and systems) and process issues such as consultation with stakeholders.

Annex 2 Sampling, data gathering and methods of analysis

Sampling methodology⁶²

2.1. There are 970 PCR in the raw data table.⁶³ The aim of the sampling is to select 10% (or 97) representative PCR. The PCR raw data table provides various data about the project: region, country, risk profile, budget, sector, funding type, purpose score, output scores and year of the review. The objective of the sampling process is twofold: (1) to have a sample of 97 PCR representative of the whole population considering the main criteria; (2) to have an appropriate number of sampled PCR to draw broad analysis on specific topics (budget support, fragile states, gender etc.). For that purpose, statisticians usually require a minimum of 8 individuals by group.

2.2. The purpose score indicates the overall achievements of the project. However, the purpose and output scores are subjective and determined *a posteriori* (after project completion) so could not be used to categorise the PCR *a priori*. Nonetheless, they might be used to determine the most discriminating criteria. Considering the supposed correlation between the purpose score and the output scores and, given the non-exhaustiveness of the output scores, only the purpose scores were retained to determine the most discriminating criteria.

2.3. The mean and the standard deviation of the purpose scores were calculated, first globally for the entire data set and then for each criterion. The discriminating rank was determined based on the ordering of the mean of standard deviation in absolute value for each criterion. For further details on the calculation, please refer to the Table 4 below.

⁶² One of the objectives of the study is to contribute to the development of a quality assurance system for PCR. The sampling methodology discussed here could be considered for this purpose.

⁶³ Chapter 2 refers to 887 records in the PRISM database. The raw database also includes projects entered directly into ARIES.

Table 4. Purpose scoring – Mean, standard deviation and mean of standard deviation in absolute value per criteria

Global	Mean	Stand. Dev		Discriminating rank
	2.094	0.777		
Region				
Africa	2.218	0.124	0.124	
Asia	2.177	0.083	0.083	
MECAB	2.047	-0.047	0.047	
Other	1.918	-0.176	0.176	
Mean of SD absolute value			0.108	4
Risk				
High	2.459	0.365	0.365	
Medium	1.828	-0.266	0.266	
Low	1.828	-0.266	0.266	
Mean	2.038		0.299	1
Budget				
0-5.000.000	2.105	0.011	0.011	
5 to 10.000.000	2.109	0.015	0.015	
10 to 20.000.000	2.016	-0.078	0.078	
20 to 50.000.000	2.132	0.038	0.038	
over 50.000.000	2.118	0.024	0.024	
Mean of SD absolute value			0.033	6
Funding type				
GENBUDGETSUPPORT	2.154	0.060	0.060	
HUMANITASSISTANCE	1.880	-0.214	0.214	
MULTILATORGANISATION	2.066	-0.028	0.028	
NONBUDSUPPFINAID	2.242	0.148	0.148	
NOTFORPROFITORG	2.166	0.072	0.072	
PROCOFSERVICES	2.150	0.056	0.056	
PROCUREMENTOFGOODS	2.818	0.724	0.724	
SECTORBUDGETSUPPORT	2.167	0.073	0.073	
Mean of SD absolute value			0.172	2
Year				
2005	2.174	0.080	0.080	
2006	2.019	-0.075	0.075	
2007	2.117	0.023	0.023	
2008	2.061	-0.033	0.033	
Mean of SD absolute value			0.053	5
Sector				
Developing Planning	2.042	-0.052	0.052	
Education	1.980	-0.114	0.114	
Economic Infrastructure	2.244	0.150	0.150	
Environment Protection	2.368	0.274	0.274	
Government and State Building	2.200	0.106	0.106	
Humanitarian Assistance	1.835	-0.259	0.259	
Health	2.057	-0.037	0.037	
Production Sector	2.326	0.232	0.232	
Research	1.828	-0.266	0.266	
Social Services and Infrastructure	2.066	-0.028	0.028	
Water Supply and Sanitation	2.091	-0.003	0.003	
Mean of SD absolute value			0.138	3

2.4. The two most discriminating criteria are the risk and the funding type (see Table 5). There are three different types of risk (high, medium and low) and eight kinds of funding type (general budget support, humanitarian assistance, multilateral organisation, non-budget support financial aid, not for profit organisation, procurement of services, procurement of goods and sector budget support). As a result, there are 24 strata. For further detail on the distribution of the PCR data set among those 24 strata, refer to table 5 below.

Table 5. Distribution of data set per strata – Constitution of stratified sample

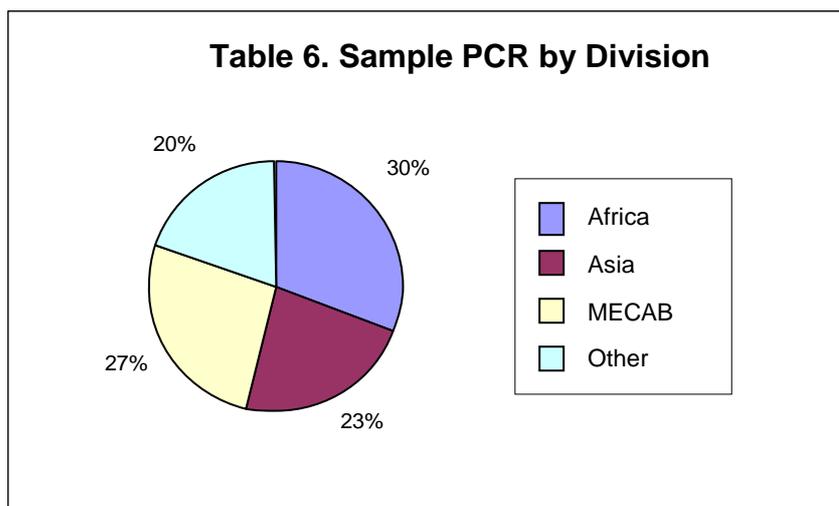
Strata		PCR distribution	Stratified sample 9%	Biased sample 1%	Total 10%
Risk level	Funding type				
High	GENBUDGETSUPPORT	6	2	2	4
	HUMANITASSISTANCE	51	4		4
	MULTILATORGANISATION	20	2		2
	NONBUDSUPPFINAID	16	1		1
	NOTFORPROFITORG	22	4		4
	PROCOFSERVICES	49	4		4
	PROCUREMENTOFGOODS	4	0		0
	SECTORBUDGETSUPPORT	2	0	2	2
Medium	GENBUDGETSUPPORT	6	1	2	3
	HUMANITASSISTANCE	107	9		9
	MULTILATORGANISATION	74	8		8
	NONBUDSUPPFINAID	56	6		6
	NOTFORPROFITORG	86	7		7
	PROCOFSERVICES	175	15		15
	PROCUREMENTOFGOODS	5	0		0
	SECTORBUDGETSUPPORT	4	1	1	2
Low	GENBUDGETSUPPORT	1	0	1	1
	HUMANITASSISTANCE	76	6		6
	MULTILATORGANISATION	48	4		4
	NONBUDSUPPFINAID	19	2		2
	NOTFORPROFITORG	37	3		3
	PROCOFSERVICES	102	10		10
	PROCUREMENTOFGOODS	2	0		0
	SECTORBUDGETSUPPORT	0	0		0
		968	89	8	97

2.5. The review aimed to select 10% of PCR (or 97 records) distributed proportionally between the different strata but the final sample included 106 PCR records. First, to help the team to approach the study, 18 PCR had been selected randomly, stratified by region and budget level (over £ 20 million). Second, 45 PCR⁶⁴ (5%) were selected randomly for the quality assessment of scoring (see below). The final PCR were selected to ensure the team could learn lessons about key policy areas. Different sampling arrangements were used for budget support activities and other policy areas:

⁶⁴ One of these randomly selected PCR was the same as one previously selected.

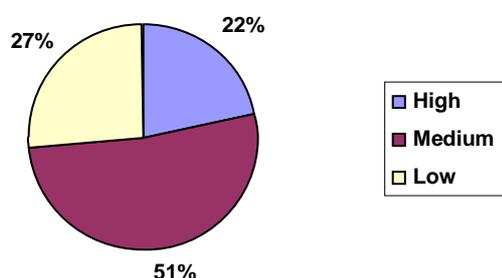
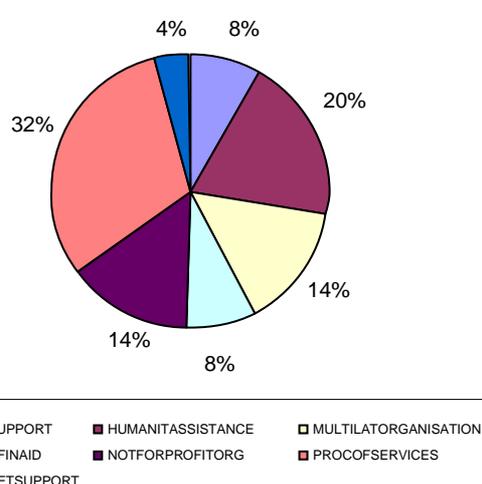
- *Budget support.* It was noted that only 13⁶⁵ PCR (of 968⁶⁶ PCR) are categorised as general and sector budget support so the team decided to bias a small proportion of the sample to have a minimum for analysis (1% or 8 PCR), which is the minimum number usually required by statisticians for an adequate analysis. In fact, a further 10 PCR were purposively selected to allow for an adequate assessment of budget support activities, including one budget support to a multilateral organisation and one budgetary aid.
- *Other policy areas.* The team identified potential PCR for lesson learning in the following ways. Using the World Bank and OECD lists of fragile states in 2007, PCR for this group were extracted. Finding PCR relevant to climate change and gender was more challenging. A list was constituted based on a key word selection process. From the 968 PCR the team extracted PCR with the following key words: “men and women”, “women and men”, “violence”, “vulnerable”, “vulnerability”, “climate”, “flood”, “drought”, “cyclone”, “gender”, “social inclusion”, “social exclusion”. In these ways, the team identified 106 PCR considered relevant to the other key policy areas and we randomly selected the last 27 PCR.

The sample is representative of the main criteria in the database as shown in Tables 6, 7 and 8 below.



⁶⁵ More than 13 PCR actually concern budget support, this could not be identified in advance of the sampling

⁶⁶ Two PCR do not have funding type reference in the raw data file. Those two projects were excluded from the sampling.

Table 7. Sample PCR by risk level**Table 8. Sample PCR by funding type**

Quality assessment of scoring

2.6. This central task of the study involved both detailed analysis of PCR documents and a questionnaire survey of some key DFID informants involved in PCR scoring.

2.7. The study team analysed in more detail a 5% random sample (55 projects), stratified by funding type and risk, as discussed above. The study team read the PCR documents to consider which other factors, such as project complexity⁶⁷ and the composition of the PCR team, might influence the score.

⁶⁷ Complexity was defined in terms of numbers of outputs and OVIs. Projects were divided into high, medium and low complexity for this analysis. Of the projects considered, the most complex had 19 outputs with an average of 6 OVIs per output. The least complex project had just three outputs with one OVI for each.

Box 4. Quality assessment method

During the initial scan of 18 projects, the team devised a quality assurance matrix against which to assess project scoring. The matrix recorded information from the PCR such as the number of purposes, outputs, and OVIs; whether each purpose and output had been scored; whether the progress narrative referred to the OVIs; and the link between the outputs, OVIs, narrative and scores. The team made a judgement if the scoring was *acceptable*, *satisfactory* or *unacceptable*. The team then analysed whether the acceptability of scoring correlated with project factors such as region, year of submission, risk rating, score, funding type or budget commitment. A second analysis considered project complexity (numbers of outputs and OVIs), use of externally-generated supporting information (such as evaluations by independent organisations), and evidence of consultation with stakeholders and partners.

The quality assurance exercise showed that best indicator of scoring quality is the extent to which the scores against purpose and outputs are backed up by the narrative on progress measured against the OVIs. A next best indicator is whether the progress reports actually refer to the OVIs directly. Too many progress reports (about a third) do not refer to the OVIs directly or, if they do refer, it takes some effort for the reader to interpret them on the basis of the text, which can be extremely lengthy. The team then analysed the 45 randomly selected projects using these major criteria.

2.8. The team also devised a quality assurance matrix against which to assess the 55 selected projects. Criteria for the assessment included lessons identified in the *How To Note* on Logical Frameworks. The team leader then undertook a quality assessment *as if* he were the Head of Office responsible for signing off the PCR. (See Box 4 above.)

Quality assessment of the PCR process

2.9. To understand how the process of PCR scoring might influence the outcome, the team also sent a brief questionnaire to DFID staff who had been involved in PCR scoring during the review period. A second questionnaire was also sent to some Heads of Office. The two questionnaires are below (Tables 20 and 21). Responses to the questionnaires were also followed up by interviews in some cases.

Table 20. Heads of Office Interview Schedule**Introductory comments**

Thank you for participating in this light survey of the process of completing project completion reports (PCR) from April 2005 to December 2008. This survey is being undertaken as part of a study of PCR on behalf of the DFID evaluation department by independent consultants. We have identified a small number of Heads of Office for this questionnaire. The final report will acknowledge the help of these respondents but, of course, your detailed responses will remain confidential.

Background information

- For which country or organisation were you Head of Office responsible for signing off PCR?
- During which years were you responsible for PCR signing off? (Only for PCR between April 2005 and December 2008).
- On average, how many PCR did you sign off each year?
- Which sectors were concerned?
- Were the financial commitments mainly under or over £5 million?
- What proportion of the projects was budget support or SWAP or conventional project?
- On average, what proportion of your working time was taken up by PCR each year?

Aims and uses of PCR

- What do you regard as the main aim and use of a PCR?
- What use has been made of the lessons from PCRs that you signed off?
- To what extent have you, as Head of Office, been involved in dissemination of lessons?

Your role in the PCR process where you had responsibility for sign-off

- What role did you have in issuing instructions about the PCR scoring process?
- What role did you have in the overall scoring process for performance?
- What role did you have in estimating and rating the risk of the project?

Signing off process

- What were the main factors you considered when signing off PCRs as a whole?
- To what extent did you feel able to vary the signing off process between different projects? If so, what were the determining factors?
- What was the access you had to advice and guidance regarding quality assurance as part of the signing off process?
- What sorts of difficulties did staff face in justifying to you the scores and rating?
- For which kinds of projects was it most necessary for you to challenge the project scoring and rating?
- If a score or rating was challenged, what would you, as the head of office, require the team to do to reach a satisfactory standard?
- What factors limited your ability to make changes to a score or rating in different projects?

Possible Improvements

- It has been suggested that the PCR might be used to indicate potential project impact. How might this be done?
- In what other ways could the PCR template or the process be improved?

18 May 2009

Table 21. Questionnaire for PCR scoring**Introductory comments**

Thank you for participating in this light survey of the process of completing project completion reports (PCR) from April 2005 to December 2008. This survey is being undertaken as part of a study of PCR on behalf of the DFID evaluation department by independent consultants. We have identified a small group of respondents for this questionnaire. The final report will acknowledge the help of these respondents but, of course, your detailed responses will remain confidential.

Background information

- Country/Division in which you participated in a PCR process?
- Which sector was concerned?
- Was the financial commitment under or over £5 million?
- Was this budget support or SWAP or conventional project?
- Which year was the scoring done? (Only for PCR between April 2005 and December 2008).
- What proportion of your working time was taken up by PCR in that year?

Aims and uses of PCR

- What do you regard as the main aim and use of a PCR?
- What use has been made of the PCR lessons?
- To what extent have you been involved in dissemination of lessons?

Your experience of scoring in the PCR in which you participated

- Who provided the individual or team with instructions about the PCR scoring process?
- What was the overall score for performance?
- Were the OVI originally identified for the project relevant for the final scoring? Were you involved in devising the original logical framework and OVI or did you devise new OVI for the PCR?
- What are your lessons learned about the choice of OVI and elaboration of the project logical framework after your work on PCR?
- What was the risk rating? How was this rating estimated?
- Was this risk rating estimated when the logical framework was formulated or when the PCR was started?
- What difficulties did you face in justifying the scores and rating?

Scoring process

- To what extent were the project stakeholders consulted in the PCR process?
- To what extent was the individual or team that did the PCR scoring independent and external to the partner government or organisation that was responsible for the project design and implementation?
- To what extent was the individual or team that did the PCR scoring independent and external to DFID?
- How was the scoring and rating challenged? Who performed this role?
- If the score was challenged, what did the head of office require the team to do to reach a satisfactory standard?

Possible Improvements

- It has been suggested that the PCR might be used to indicate potential project impact. How might this be done?
- In what other ways could the PCR template or the process be improved?

18 May 2009

Analysis of Lessons Learned

2.10. To extract and analyse the lessons learned the review constructed a series of matrices comprising the sample projects (with the main data about country, purpose score, risk, budget etc) and key indicators for the different topics of analysis, as follows:

2.11. *Lessons about working with partners, innovation, and programme management.* For each of these issues the review considered the relevance of lessons for specific indicators. For example, under working with partners the indicators included ownership, alignment, harmonisation, capacity development, joint working, co-ordination and transactions costs, conditionality etc. For programme management, indicators included project cycle management issues, logical framework, stakeholder consultation, risk assessments and mitigation, analytical capacity, decentralised organisation etc. For innovation, the review considered the key issues in the TOR such as resilience to conflict, humanitarian assistance, institutional responses to partnership, climate change, gender equality as well as some other current development issues (policy coherence, anti-corruption). As the indicators could not be comprehensive, the matrix also had a section for other lessons.

2.12. *Lessons about key policy areas.* For budget support, the indicators were related to aid effectiveness. For humanitarian assistance, the indicators included aid effectiveness and good humanitarian donorship principles. For fragile states, the indicators included conflict and security issues along with principles of engagement with fragile states. For climate change, the indicators included resilience to climate change, responding to consequences, and specific climate change events such as droughts, floods, and cyclones. For gender equality, the review considered stated intentions, promotion of gender equality, mainstreaming, gender disaggregation etc. Again, the matrix for each allowed for other indicators.

2.13. For each of the sampled projects, the review team extracted the individual lessons and placed them in the matrix according to their relevance to these different indicators. Lessons could be relevant for multiple indicators.

2.14. The review team then used the matrices to compare the lessons with the previous synthesis report, to consider what were new areas of learning, to assess the extent to which the lessons indicated potential impact, and to identify patterns of lesson learning for different project categories.

Analysis of Potential Impact

2.15. Following the analysis of lessons learned and comparison with the lessons of 2005, the team also noted whether lessons gave indications of broader impact. Very few PCR indicated anything at all in the section on lessons.

2.16. The team therefore considered the extent to which the PCR might be adapted to indicate impact. The team leader assessed the purely randomly selected 41 PCR

(previously analysed for quality) and, subsequently, the 14 budget support PCR. The criterion used in the assessment included what different sections of the PCR indicated:

- Goal and purpose levels - considerations of broader impacts.
 - Link to MDGS at the goal or purpose levels.
 - Cross-cutting issues (conflict and violence, environment, gender, governance and service delivery)⁶⁸.
 - Usage of standard indicators.
- Section on contribution of the project to the CAP.
 - Results leading to broader impacts.
 - Attribution of perceived broader impacts to DFID activity.
- Sections on scoring process and use of external information.
 - An impact survey completed or in preparation.
 - A baseline survey completed or in preparation.
 - Any other kind of survey.

2.17. A note of caution is required. While different sections of the PCR provide the opportunity to mention these issues, the PCR instructions do not require project staff to discuss these issues. It is not surprising, therefore, that many PCR do not address impact. Nonetheless, a few PCR do offer some indications, which might indicate that other projects also have relevant activities that were not revealed by the PCR.

⁶⁸ In the course of the analysis, it became apparent that service delivery was a significant aspect of governance.

Annex 3 Charts and graphs ⁶⁹

**Table 9. Divisional breakdown of PCRs
(Numbers of PCRs)**

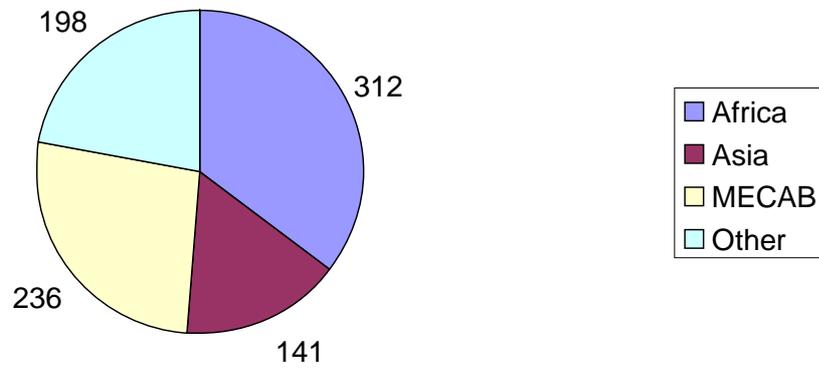
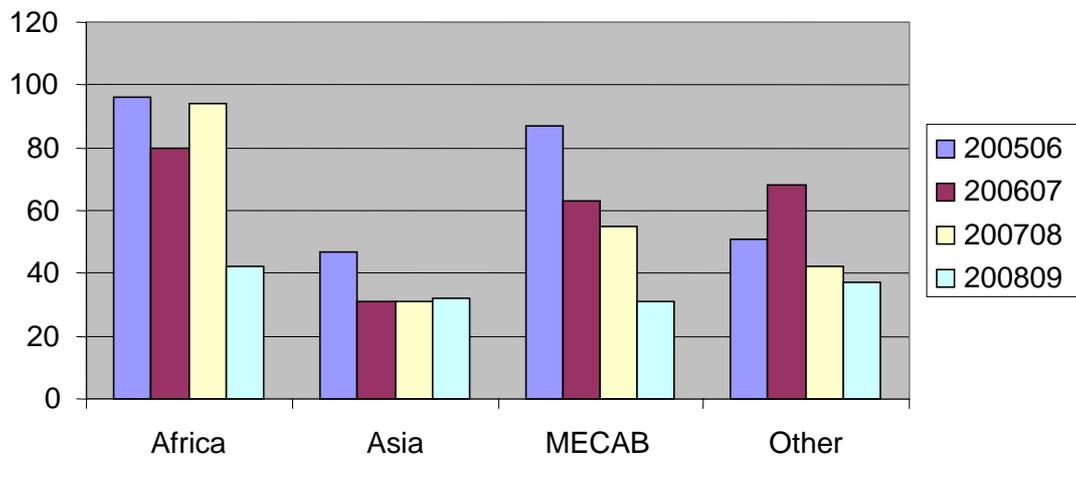


Table 10. Divisional breakdown of number of PCRs



⁶⁹ Evaluation Department provided the following figures and graphs as initial preparation for the PCR review. They constitute the basis for the discussion in Chapter 2.

Table 11. Average commitment value Apr 2005 - Dec 2008

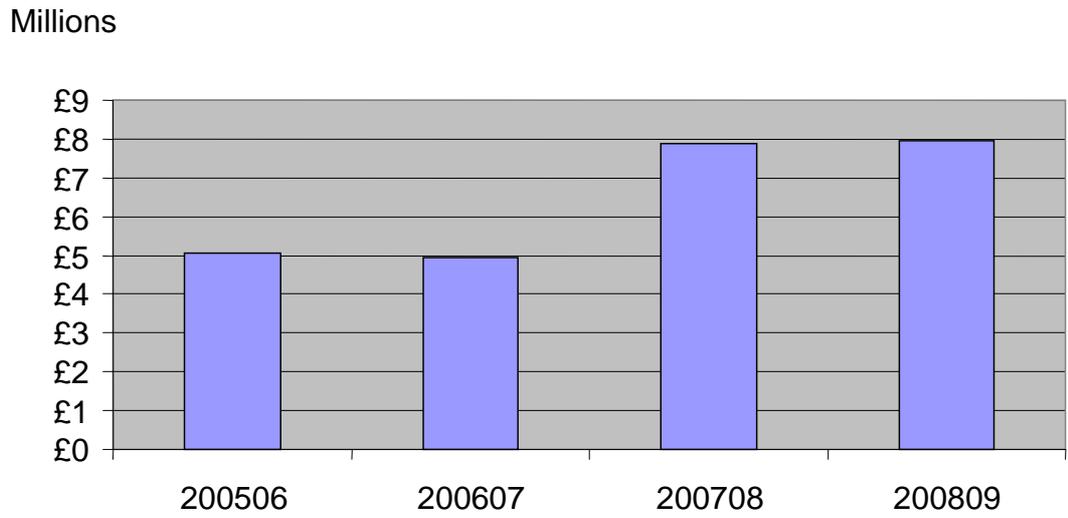


Table 12. Commitment distribution by number of projects by regional division Apr 2005 - Dec 2008

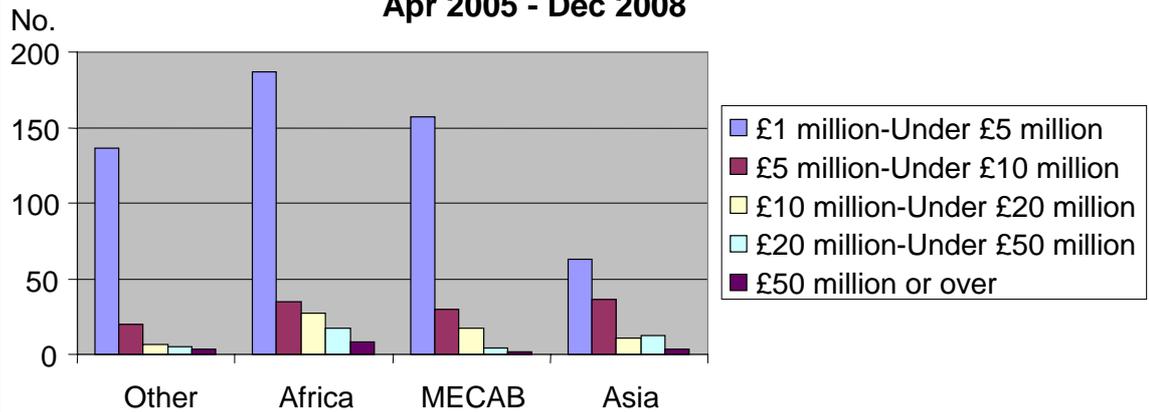


Table 13. Risk Profile Apr 2005 - Dec 2008

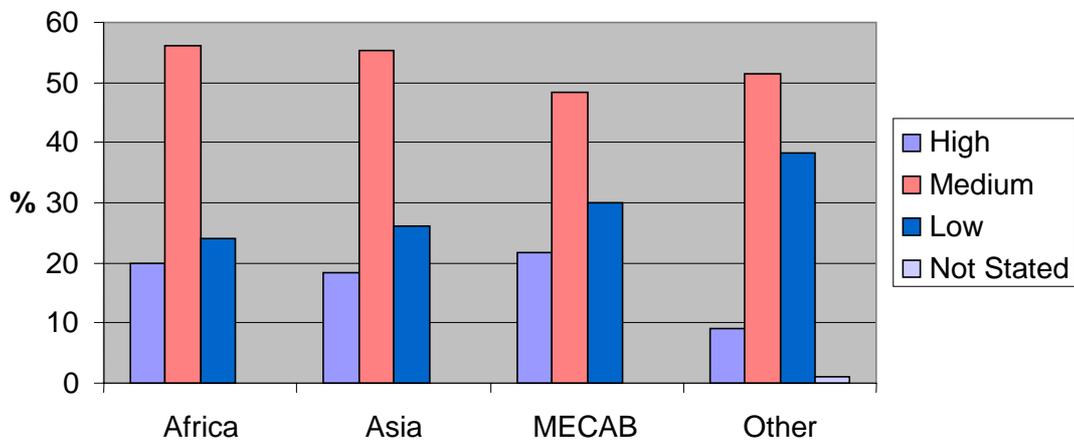
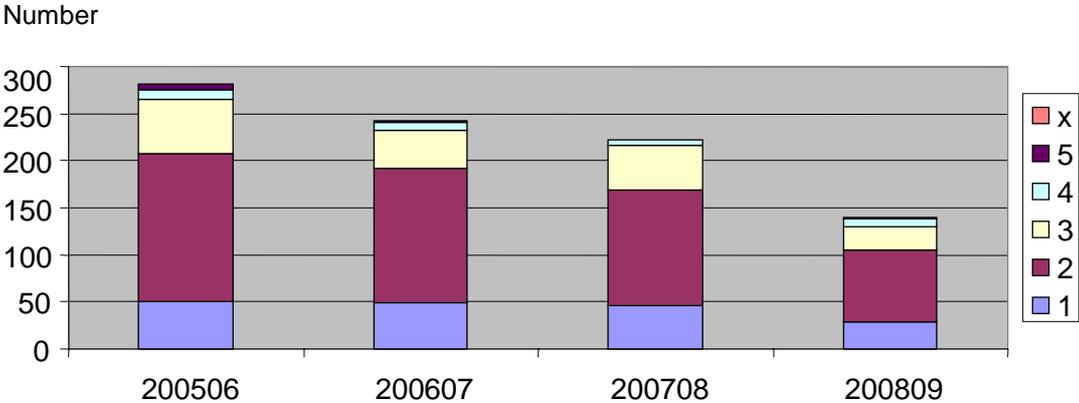
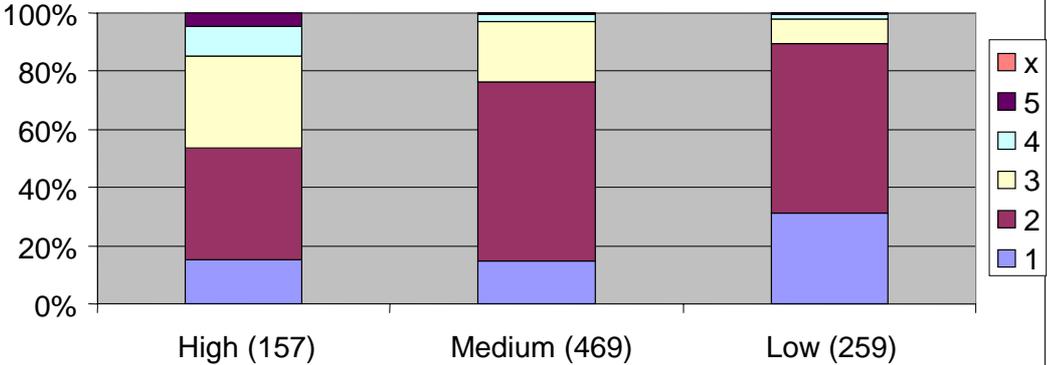


Table 14. Purpose Rating by number of PCRs



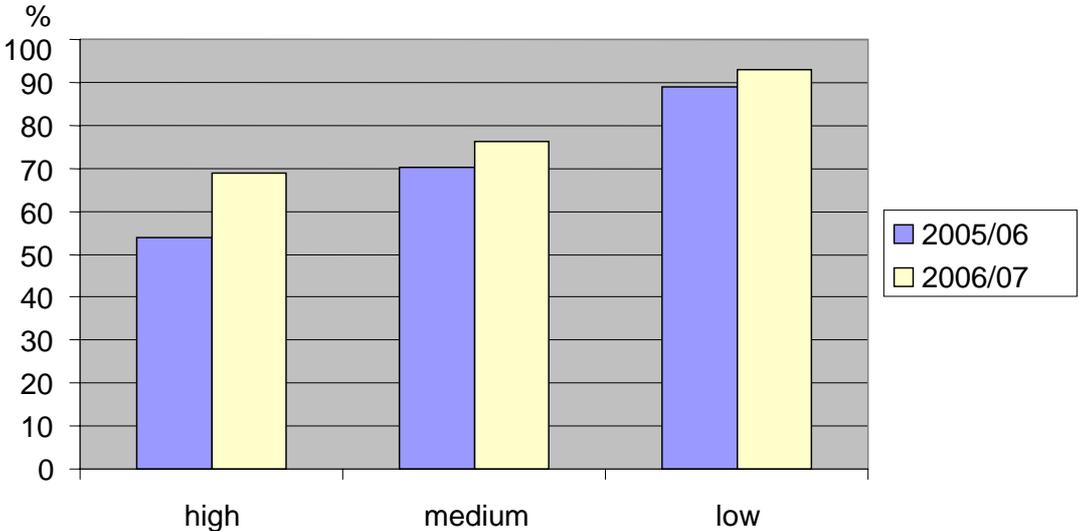
Project scores: 1 Likely to be completely achieved. 2 Likely to be largely achieved. 3 Likely to be partly achieved. 4 Only likely to be achieved to a very limited extent. 5 Unlikely to be achieved. X Not scored.

**Table 15. Purpose rating by risk category
Apr 2005 Dec 2008**



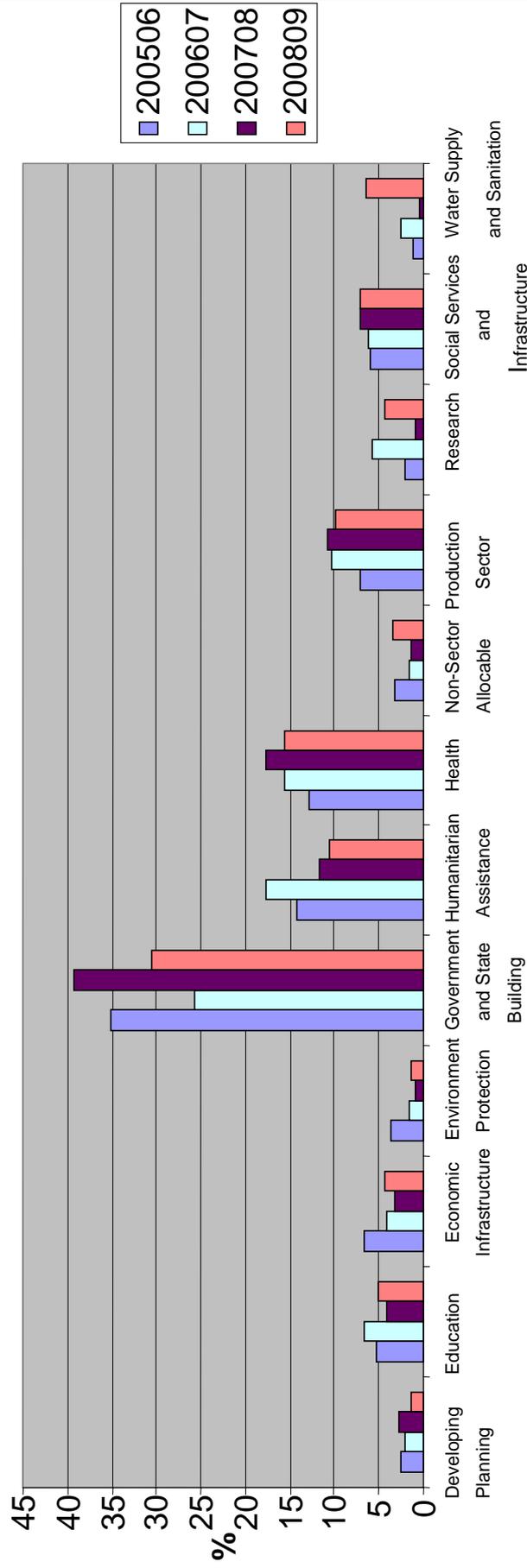
Project scores: 1 Likely to be completely achieved. 2 Likely to be largely achieved. 3 Likely to be partly achieved. 4 Only likely to be achieved to a very limited extent. 5 Unlikely to be achieved. X Not scored.

Table 16. Percentage (%) of projects scoring 1 or 2 by risk category 2005/06 and 2006/07



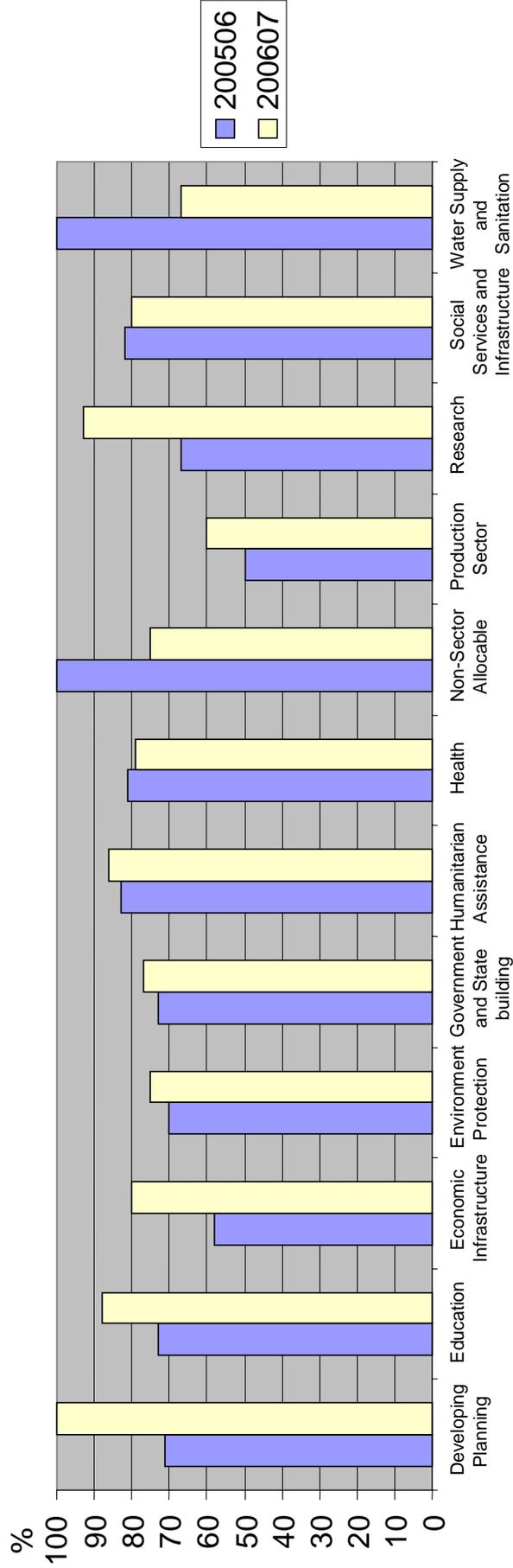
2005/06 – 2006/07 data included in table 16 to replicate the table in the previous 2000/2005 PCR synthesis report.

Table 17. Percentage of PCRs by broad sector over time



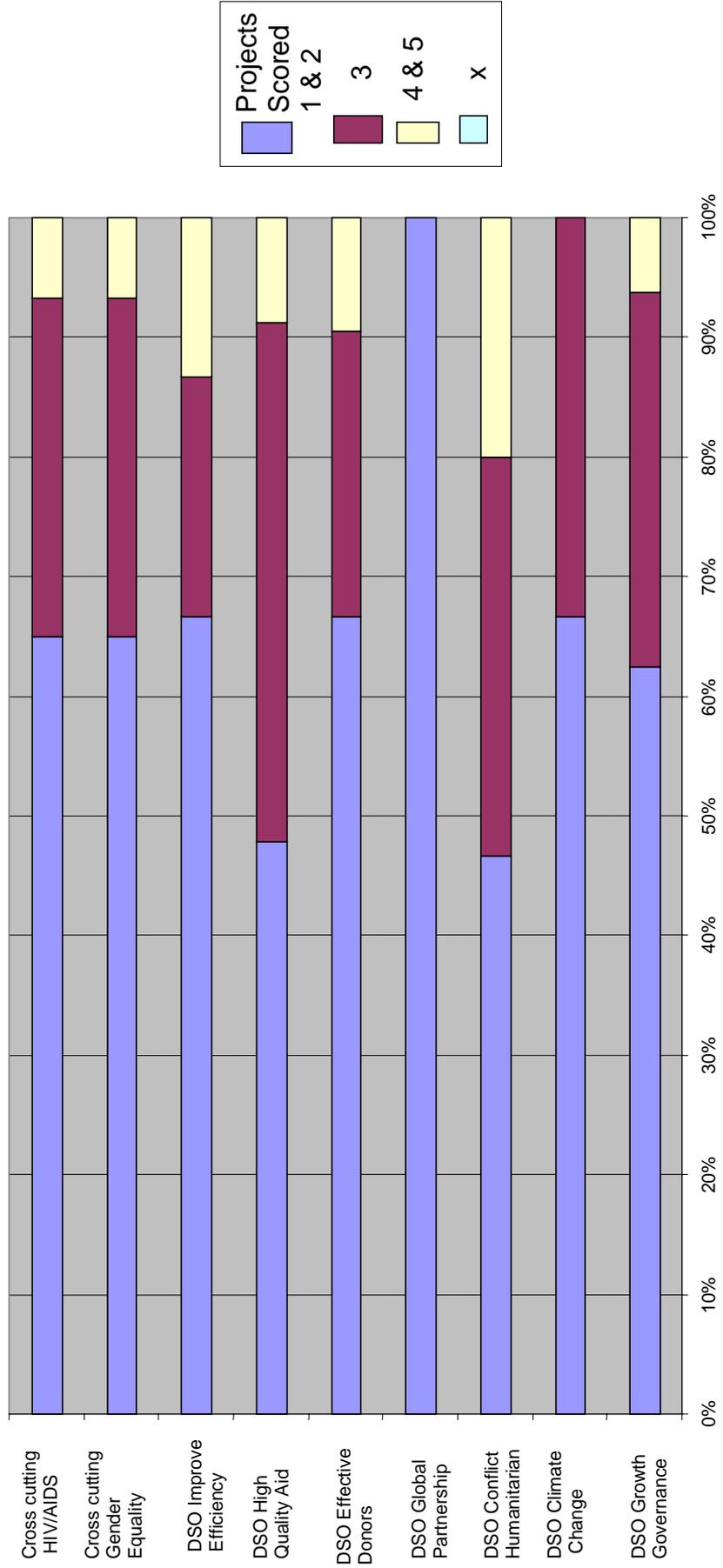
2005/06 – 2008/09 data included in table 17 to replicate the table in the previous 2000/2005 PCR synthesis report.

Table 18. Projects (%) by sector scoring 1 or 2 by period



Only 2005/06 – 2006/07 data included in table 18 to replicate the table in the previous 2000/2005 PCR synthesis report.

Table 19. Purpose Rating Scores by Departmental Strategic Objectives (DSO)



Project scores: 1 Likely to be completely achieved. 2 Likely to be largely achieved. 3 Likely to be partly achieved. 4 Only likely to be achieved to a very limited extent. 5 Unlikely to be achieved. X Not scored.

Annex 4 Comparison of findings in 2005 and 2008

Synthesis Report 2000 – 2005

Study 2005 – 2008

Overall impressions after analysis of 97 PCR

BUILDING PARTNERSHIPS

Conditionality, donor power to influence

4.1. In general, the PCR lessons are very supportive of the Paris/UNDP agenda. The authors have a lot to say about the crucial importance of local ownership and local leadership. This category of comment formed the largest group in our analysis. There are many comments that emphasise the point that the quality of partnership with other stakeholders (shared vision, transparent communications, shared decision-making etc) is key to successful donor interventions. Other strong themes are the importance of beneficiaries taking part at all stages of the project cycle and harmonisation with other donors.

Confirmed.

Many comments on ownership, but more on joint working aspect.

Communication is an issue

4.2. Looking in more detail at the lessons on partnership, PCRs display a range of views on the question of **conditionality** and using donor power to **influence** partners. Although these issues are addressed explicitly in a relatively small number of PCRs, they are of considerable topical interest. Starting with experience from programme aid, a Uganda PCR argues that conditionality is important because it strengthens the hand of pro-reform elements in the Government. A Ghana PCR comments that tranching programme aid (i.e. tying the release of funds to the achievement of specific conditions) focussed the dialogue with Government on the need for financial management reform. One from Kenya says that dividing the release into tranches with clear triggers was a sensible strategy to mitigate the risk of policy reform going off-track. On the other hand a Rwanda PCR argues that “tying disbursements to specific actions or events does not build ownership of policies nor does it allow good budgeting”.

Budget support

Issues extensively addressed. The large majority of views were that performance tranches had a positive impact on the reform process.

The author pressed for predictable funding; a view endorsed by a PCR from Mozambique. Another PCR from Mozambique declared that one should “avoid conditionality since non-compliance complicates relationships”.

4.3. The Uganda PCR recognises the need for donors to handle sensitive issues which could become deal-breakers. Political conditionality is also addressed specifically in one from Ethiopia. The message from Uganda is that the difficult issues should be explicit to all the stakeholders, there should be an agreed forum for dialogue and a graduated response when things go wrong, involving fixed and variable tranches of funds. The Ethiopian experience showed that when using political governance indicators for budget support it is important to get the right people in the international community (including the British Ambassador) to do the negotiating.

4.4. Some PCRs from India and Pakistan (both programme and project aid) suggested that donor coordination, particularly with the IFIs, should be part of a search for increased leverage. On the other hand, one from Vietnam recognised the need to be realistic about DFID’s influence in a country that is not dependent on aid. Moreover, the author produced the mainstream conclusion that “where partner governments have strong commitment to and good track records in growth and poverty reduction, budget support does not have to focus directly on the budget process... Instead it can focus on key reforms and pro-poor developments...”

4.5. Many PCRs stress that influence depends on building strong and credible relationships with partners. This is an important lesson from the health SWAps in Ghana and Bangladesh. The Ghana experience of a local DFID health office was particularly positive. See for example, DFID’s paper “Partnerships for Poverty Reduction: Rethinking Conditionality” of March 2005.

4.6. Of course, the question of the appropriate use of donor power is not just

Issues extensively addressed in the same line.

Re realism: nothing mentioned

No similar statement

Confirmed

Constraint.

relevant to programme aid but across the spectrum of aid activities. There are several references in the PCRs to the importance of equal partnerships with other stakeholders but little on how to achieve this. Perhaps, there is value in DFID seeing itself as others do. There are only two instances in our sample of comments from partners in PCRs. These are not overly complimentary: in one case an International NGO cited DFID's lack of transparency and weak communications and in another an NGO felt that DFID saw the project as a financial contract rather than a partnership. Several PCRs highlight the tension between financial accountability and releasing control. For example, DFID's financial aid procedures, in principle, facilitate the transfer of responsibility to the recipient Government. However, in two cases of failed IT programmes (Mozambique and Ghana) the Governments did not supervise the contracts adequately and, by implication, DFID was criticised for having ceded too much control.

To be added: the imbalance between various donors financial and human resources is a constraints

4.7. A Peru PCR dealing with a rights-based project was the only one to confront the issue of power imbalances head on: "Rights-based partnerships mean horizontal relationships: these are not easy if one partner has the money and veto power. More powerful stakeholders need to change attitudes and show will to shed some power and share control (which DFID tried to do with Oxfam in this case)."

No similar statement

Local ownership and leadership

4.8. The PCRs give strong support to the emphasis on **local ownership and leadership** and there is a good deal of comment concerning what that means in practice. There have clearly been cases when DFID has found it hard to tell whether rhetorical commitment is genuine. The Kenya programme aid case, already cited, is a classic of donor wishful thinking: "Judgements were made about the political commitment of a government which had previously shown very mixed commitment to poverty reduction, improving public expenditure

Confirmed

Such a case was not found

management and tackling corruption. This commitment died once the first tranche of budget support was released by most donors. We have to question seriously the extent to which the political will ought to have been believed.”

4.9. Relevant lessons include the following:

- ownership often depends on individuals and needs to be constantly tested and renewed as people change; *Confirmed*
- there should be some kind of test or prior action before taking leaders at their word; *Confirmed*
- high level support does not necessarily guarantee action at more junior levels, so buy-in must not be confined to a few individuals but should be broad-based and at all levels of government. *No similar statement*
- leaders must be good at communicating their vision and donors must be prepared to invest in a group of people so that they understand a project’s objectives and methods; *No similar statement*
- interventions are more likely to be successful if they are driven by established local demand; *Confirmed*
- locally devised solutions to local problems are the best way to ensure ownership; *Confirmed*
- work with the grain of what exists already; *Confirmed*
- project resources should be adjusted to the evolving level of commitment; and *Confirmed*
- when commitment is lacking, DFID should be prepared to walk away. *No similar statement*

4.10. There is good evidence from the PCRs that interventions work best where there are strong local champions for change. A Peru case is interesting and not unique. DFID seized the “reform window” provided by the appointment of reformist technocrats to prominent positions. However, they were quickly removed and the PCR concludes, “unless the reforming individuals are very powerful (i.e. the President), in politically unstable countries, interventions should work with underlying medium-term processes rather than relying too

heavily on individuals. Building larger constituencies for reform are likely to be the only way to confront such lack of political will.” A project in Nigeria attempted to develop change agents but this also was a risky strategy since there was no guarantee that the trainees would occupy influential positions (although one has since become Nigeria’s Minister of Health).

Confirmed

4.11. Commitment can be encouraged. For example, PCRs from Mozambique and Uganda comment that financial contributions from governments strengthen accountability and ownership. A number of PCRs echo the view from an Indonesian case that a balance between quick wins, to build credibility, and longer-term interventions to promote change is needed.

No similar statement

4.12. Incentives for change are clearly important but PCRs do not have a great deal to say on that nor on the potential disincentive effect of aid. But they do point out the range of motivating factors that can encourage participants to commit to capacity development. These include professional satisfaction, personal recognition and personal skill development.

Good communication and taking time to develop strong partnerships

4.13. Many PCRs comment on the importance of **good communication and taking time to develop strong partnerships**. They suggest that:

Confirmed

- Some formal structures (steering groups, roundtables and possibly written agreements) are often necessary to make sure that partners understand one another. This is particularly important when projects are complex and when they are seeking to involve a wide range of government and non-government stakeholders.

Confirmed
Confirmed

- Interventions should have their own communication strategies and outputs.
- Building networks can be an effective way of sharing knowledge and encouraging commitment to a common cause.

<ul style="list-style-type: none"> • It is vital to build strong personal relationships between project staff (i.e. DFID officials, project managers, TCOs, consultants) and their local partners. Suggestions include deploying an appropriate mix of local and foreign expertise, locating someone with real authority close to project partners, ensuring continuity of staff and encouraging personal behaviour that makes staff credible such as delivering timely responses to local needs, being sensitive to the local situation and maintaining partnership principles of openness and transparency. 	<p><i>No similar statement, except for staff continuity, being sensitive to the local situation and maintaining partnership principles of openness and transparency.</i></p>
<p>Working with specific partners</p>	
<p>4.14. 1/5 of the sample PCRs commented on relationships with other donors and international NGOs. Support for better joint working between donors. e.g. Tanzanian PCR “working with other donors increases the transaction costs for donors but reduces them for GoT. Further efficiency gains could be made. However, this would require a strong commitment from donors to rationalise and agree to focus on core competences.”</p>	<p><i>1/3 of PCR commented on harmonization issues. Few concerned relationships with INGOs Confirmed</i></p>
<p>4.15. Crucial to have a shared vision Beneficial synergy between DFID and other funders Example of a lack of common understanding, which led to confusion. In some cases, the failure to reach a common understanding partly due to the lead partner (in these cases World Bank, IDB and UNDP) not taking a strong enough coordinating role.</p>	<p><i>Confirmed Confirmed Confirmed</i></p>
<p>Lessons learned:</p>	
<ul style="list-style-type: none"> • The need to define clearly donor roles in advance. • The positive role of a common funding mechanism in encouraging a more common approach among donors; • The need for a formal joint agreement between funding partners or “common arrangements” – but an Indian PCR argues that when there is a shared vision 	<p><i>Confirmed Confirmed Confirmed</i></p>

that is unnecessary;

- The need for donors to have an operational strategy to respond to slowing policy reform, which is explicit to the Government;
- The need for a contingency plan covering the withdrawal of co-financing.

No similar statement

No similar statement

4.16. **World Bank:** positive. Call on a wide range of expertise, rigour, joint approach reduced transactions cost for Government while increasing DFID's clout. Negative side, staff based in Washington, communications difficult, too much time on unnecessary details. At times, difficult for DFID's voice to be heard.

No similar statement

4.17. EC (only one comment): flexibility provided by parallel DFID funding, but administrative burden on project management.

No similar statement

UN System

Confirmed in Humanitarian Assistance

4.18. UN System; Heavy workload for DFID. Particular issue in three cases: weak management, lack of advisory capacity. In one comment: in future, when contemplating a UNDP-managed programme, DFID should review the capacity of UNDP's management structures at the design stage. In two other cases, however, UNDP and UNFPA may have been slow but they did provide a reasonable standard of management.

Confirmed

4.19. Good experience of a partnership with WHO good examples of collaboration with UNOPS and UNICEF.

Confirmed

4.20. Humanitarian aid with UN system: experience was generally positive too. But, bureaucracy of the UN system. Around £77m in the sample have been channeled through WFP: good at delivery, good relationship with Governments. However, operating quite independently and there are queries about its partnership with government and

<p>the local non-government sector.</p>	<p>4.21. Working with Governments: overcome failures in coordination between Ministries and Departments. Bridging the gap between central and local government is a particular challenge. Lessons: engagement at both central and local government, testing the relationship between levels of government at the preparatory stage and involving a broad range of stakeholders.</p>	<p><i>Confirmed</i></p>
<p>4.22. Working with local communities: major concern of many projects in the sample, from one Bangladesh project “necessary to define clearly the units for community partnerships ... should not be assumed that NGOs automatically represent community views.”</p>	<p><i>Confirmed</i></p>	<p><i>Confirmed</i></p>
<p>4.23. Community involvement is vital (infrastructure in health, education and roads). Key lessons: • Involve communities from the beginning and, in the early stages of developing a provider/community partnership, make sure that the community sets the goals based on guidance; • Support what people are doing already and make sure it is demand-driven; • Take time to build partnerships and make sure communities receive sustained support including from the government; • Identify local leaders and resource people to help make interventions sustainable and to provide the links between poor communities and service providers. NGOs may not be the right source of that leadership; • interventions are more likely to be sustainable if communities make a contribution (in cash or kind); but • The pursuit of sustainability is likely to exclude the poorest, although poor</p>	<p><i>Confirmed</i></p> <p><i>I think all key lessons are still valid, but PCR reviewed do not contain elements to support them</i></p> <p><i>Confirmed (HA)</i></p> <p><i>Confirmed</i></p> <p><i>Confirmed</i></p> <p><i>No similar statement</i></p> <p><i>Confirmed</i></p> <p><i>No similar statement</i></p>	<p><i>Confirmed</i></p>

<p>communities have found ways around their financial constraints e.g. to support health services in Bangladesh;</p> <ul style="list-style-type: none"> • Reaching the poorest and most vulnerable remains very difficult and requires special focus on them, their complex needs and the political context; • Poor people themselves must be the key actors in identifying and addressing their livelihoods priorities; and • Participatory techniques work. The PCRs contain various suggestions. 	<p><i>No similar statement</i></p> <p><i>Confirmed</i></p> <p><i>Confirmed</i></p>
<p>4.24. Communities can also play a beneficial role in managing humanitarian aid. In particular, the PCRs agree that community-based targeting is a sound approach. People need to be empowered to take part and it should be complemented by vulnerability analysis.</p>	<p><i>Confirmed</i></p>
<p>4.25. The sample includes a number of projects to promote the rights of the poor through rights-based approaches or to increase the accountability of governments to citizens.</p>	<p><i>No similar selection</i></p>
<p>4.26. Rights-based approaches when powerful groups. Suggestions about dealing with conflict in such situations – be inclusive rather than confrontational, take time to communicate with all the stakeholders, build the capacity of the “duty bearers” and create spaces for dialogue between groups</p>	<p><i>No similar statement</i></p>
<p>4.27. Bangladesh experience: non-formal education an effective means of empowerment. However, marginalised people need sustained support and it is a mistake to spread educational inputs too thinly.</p>	<p><i>No similar statement</i></p>
<p>4.28. Support the important role played by local NGOs and Community Based Organisations in delivering services and advocating for rights. Some experience suggests that capacity-building can enable local NGOs to work well but a</p>	<p><i>No similar statement</i></p>

Nigerian PCR

comments “In capacity building of CSOs there is a danger of solutions searching for problems - many organisations achieve despite capacity problems and it can be counterproductive to create a sense that an organisation needs a set of capacities to function”.

Further comments: local NGOs are a varied group and collaboration must be based on thorough analysis of their capacity. It is also important to understand their interests and incentives before developing partnerships. A Kenya PCR raises the question of collaboration with more political groups, “The development community should not ignore ethnicity and identity-based organisations but should work out how best to engage with them and with issues of ethnicity and religion.”

No similar statement

4.29. Some PCRs point out that successful interventions depend on effective collaboration between NGOs and governments e.g. for health service delivery in Pakistan or child protection in Romania. Benefits can flow both ways. But sometimes, interventions have to overcome mistrust between Government and NGOs, as in Bangladesh education and on the question of Roma Rights in Eastern Europe. Close working together in the context of a project is one approach to overcoming this.

Confirmed

4.30. Collaboration with **private sector** much less represented (diverse activities involving business and commerce).

Views on public-private sector relationships vary from liberal economy values to more interventionist positions. This reflects the diversity of projects ranging from power sector reform in India to promoting micro-irrigation technology in Tanzania. Some projects have tried to build partnerships between business and the voluntary sector. There have been good results in Sri Lanka and Russia although there are clear limits to the willingness of the private sector to engage in non-profit activities.

No similar statement

Sometimes, the private sector may be better than other channels at using aid to benefit the poor e.g. forestry in South Africa or targeting the beneficiaries of agricultural inputs in Malawi.

MANAGING PROJECT CYCLE

4.31. DFID has produced an updated guide to its management procedures in 2005, “Essential Guide to Rules and Tools”, which is supported by a “Tools for Development” handbook 2002. The PCR lessons are generally consistent with this guidance and the following commentary is limited to the more interesting cases.

Planning

4.32. It is a common concern of PCRs that successful interventions require a **sound policy and institutional framework**. Even small projects can have real impact in the right environment. However, projects do not always depend on the best policies. For example, in the post-conflict environment of Serbia, the PCR felt that it was better to take action than to wait until the regulatory regime was fully in place. A Bangladesh PCR poses the dilemma between trying (and probably failing) to promote fundamental changes in a poor environment or trying (and probably succeeding, at least in the short term) to improve specific processes. Linked to this is the question of the appropriate boundaries for an intervention. Several PCRs suggest that, particularly where change processes are involved, **project scope** should be comprehensive. However, there are counter-arguments. In Ghana, one PCR argues that the breadth of the intervention led to opportunities being missed.

No similar statement

Reference to project flexibility rather than comprehensiveness

Confirmed

4.33. Another common lesson is that **high quality analysis of the context is essential**, especially understanding the local politics and institutions. Political issues seem to have been at the root of the failure of two cases of programme aid (Bolivia and Kenya) and of a decentralisation sector adjustment credit, also in

Bolivia. In the first case DFID did not have a good enough understanding of the political dynamics and, in Kenya, DFID was guilty of taking at face value assertions of Government commitment to what turned out to be a donor-driven reform agenda. For decentralisation in Bolivia, the approach of high level policy dialogue failed to grapple with the underlying issue of political clientelism. The Indian programme aid cases, as well as numerous project PCRs, also emphasised the importance of a good understanding of the “drivers for change”.

No similar statement

4.34. The essence of many interventions is to **manage change** as part of institutional or policy reform. The process takes place within a context which is inherently uncertain and can be made more risky by policy and institutional failures. Indeed reform creates its own turbulence. The PCRs suggest ways of dealing with this: - try to anticipate factors beyond your control, take a holistic approach to promoting change, make sure you have the resources needed in place first, build cohesive teams that cross institutional boundaries, be flexible and adaptable, think “outside the box”, build institutional capacity to manage change and don’t be afraid to take risks and make mistakes.

Confirmed.

4.35. Political change is a **risk** for many programmes. Experience from Bangladesh suggested that the policy framework provided by a SWAp can help when negotiating a way forward with a new Government, even when their priorities had not been anticipated in its original design.

*Need to manage fiduciary risk: confirmed
Re trade-off: no similar statement*

4.36. Managing **fiduciary risk** is a concern for PCRs dealing with programme aid. Several are concerned that more needs to be done to reduce these risks. But a Ugandan PCR suggests that DFID should look more rigorously at the trade-off between development benefits and fiduciary risk when making judgements on budget support. In Vietnam, the PCR points out the Government’s relatively good track record and urges realism over the influence DFID can expect to have on this issue.

<p>4.37. Most of the interventions covered in the PCRs incorporate some form of capacity building of counterpart organisations. There are plenty of comments about the difficulties faced in weak institutional and policy contexts. Several PCRs emphasise the well-known limitations of traditional models of skills transfer, particularly where the objective involves structural change. One lesson is the need for a larger framework to ensure that increased capacity is used. Other PCRs come up with ideas for overcoming the practical problems. The lack of continuity of staff can be mitigated by building core teams, seeking commitments to keep trainees in the jobs for which they have been trained, developing networks, and by targeting staff who are less likely to be moved or who have future potential. PCRs contain many comments on skill development methods which generally cover familiar ground. There are some strong lessons on being culturally sensitive, making use of local training capacity and making sure that new learning is put into practice.</p>	<p><i>Capacity building aspect confirmed with fewer details</i></p>
<p>4.38. PCRs have a lot to say on practical aspects of design and preparation, for example:</p> <ul style="list-style-type: none"> • Preparation must be given enough time. But authors are divided on what that means in an emergency. One Iraq case points out that proper planning is essential while another from the same country suggests that a quick response and diving in the deep end is right. • An inception phase may be a good idea but there could be risks of creating dependency by concentrating unsustainable resources in one area. Moreover, initial work should avoid raising unrealistic expectations. • Stakeholders must be involved in design. • Design should be flexible and responsive; but. • There may be a trade off between flexibility and sloppy thinking. Several PCRs call for more rigorous and realistic logframes. • Design should be simple and appropriate. • Be realistic about how long it will take – this is one of the most frequent 	<p><i>Confirmed</i></p> <p><i>No similar statement</i></p> <p><i>Confirmed</i> <i>Confirmed</i> <i>Not confirmed</i></p> <p><i>No similar statement</i> <i>Confirmed</i></p>

comments. Particularly when interventions involve institutional change, capacity-building or empowerment of the poor, they take much longer than optimistic planners tend to think. Development often means being “in for the long-term”.

- Exit strategies must be explicit and when they involve lesson learning, dissemination and replication this must be planned for and resourced.

Experience in two cases suggests there are diminishing returns to technical assistance at the end of a project and that continuing donor support may simply allow the government to avoid taking responsibility.

Confirmed

Re government responsibility: no similar statement

Cross-cutting issues

No similar statement

4.39. Comments on **HIV/AIDS** are not as widespread as one might expect, given its prevalence. PCRs do stress the importance of tackling the issue as a mainstream concern (Malawi, Nigeria). One from Lesotho comments about the difficulty of getting private sector commitment because of the cost.

Confirmed

4.40. **Gender** is also less common in PCR comments than one might expect, particularly from regions other than South Asia. PCRs from Bangladesh, India and Pakistan found that gender issues must be specifically targeted if they are to be addressed successfully. There are some interesting comments from other projects – the need for practical steps to address the problems of women managers in Pakistan; and several examples of successful interventions in India, Bangladesh and Pakistan.

Confirmed

4.41. **Conflict** sharpens the need for project managers to create good relationships with other stakeholders and build their own credibility. Several PCRs stress the importance of partnership and inclusivity to prevent conflict. For example, a Rwanda PCR emphasizes the need for social protection for all vulnerable groups during the post-conflict phase, not just ex-combatants, and one from Nepal advocates labour-intensive infrastructure as a way of providing

employment. Sensitivity to the local situation and the ability to adapt and respond flexibly is even more important than normal. PCRs from Nepal and West Bank and Gaza endorse the importance of strategies that take account of unintended positive and negative impacts.

4.42. There are some examples from Sierra Leone of a more top-down, approach *No similar statement.*

in a situation of government collapse, which required an initial reliance on expatriate staff and made it difficult to achieve a well-articulated policy framework (e.g. for the Anti-Corruption Commission). The key findings point to a need for strong high-level political commitment, a long-term DFID commitment and a leadership succession strategy.

4.43. Good management practice is fundamental to a robust response in a *Confirmed*

conflict zone. For example, experience in Iraq is that projects in dangerous environments should adopt best practice in relation to staff security and risk management. A PCR dealing with a project in conflict-prone inner-city Jamaica advocates a diverse project team with the right skills to handle the tricky situation.

4.44. Post-conflict reconstruction brings strong pressure for urgent action which *No similar statement*

may not be consistent with normal management systems. PCR comments are divided on whether this leads to good or bad outcomes. A Serbian PCR warns against mixing emergency and development phases of aid because the skills required are so different. For Sierra Leone and Iraq (recruitment), short-cuts were a bad thing but for Iraq (procurement) and Serbia good practice delivered quickly was better than best practice delivered late.

Management

4.45. Most of the comments in PCRs are in line with guidance and established *Confirmed*

good practice. Amongst the more interesting suggestions are some for

collaborative management. These include delegating management responsibilities to partners, developing joint implementation plans, transparent reporting and various kinds of consultative mechanisms and steering committees.

4.46. Responsive, flexible and fast management processes are particularly important for humanitarian aid. Other lessons include the importance of a clear communications strategy, ensuring the security of team members is considered at the outset, and the benefits of using national staff to target affected populations and deliver assistance. *Confirmed*

4.47. Although some PCRs endorse the idea of administrative implants in partner organisations, others (e.g. Malawi, Mozambique) feel strongly that specially created **project management units** are a bad idea because they duplicate existing systems. This contradiction reflects the tension between trying to deliver project objectives and systemic reforms. *No similar statement*

4.48. There is a diversity of experience about contracting out management from DFID to consultants etc. A case from Iraq found that sometimes the best approach is to appoint project managers and let them get on with it. However, other experience is that contracting out does not always work well. It is important that relative roles are clear and that conflicts of interest are avoided. *No similar statement*

4.49. There are plenty of comments endorsing the importance of effective **monitoring and evaluation.** Some PCRs provide evidence that community involvement can be successful. One argues that performance measurement should be a shared activity with other stakeholders, which can provide stakeholders with an opportunity for reflection and reinforcing their group commitment. For humanitarian aid, PCRs highlight the importance of having responsive and immediate monitoring data to guide the emergency response. Involving local stakeholders in monitoring improves the quality and accuracy of *Confirmed*

the information.

Sectoral lessons

Focus coming from the previous PCR format.

4.50. The PCRs provide diverse lessons that are specific to sectors. The following gives a flavour:

- Non-formal education should cover the full primary cycle to provide sustainable skills (Bangladesh) *No similar statement*
- Distance education is a cost-effective way of providing opportunities for the development of educators (South Africa). *No similar statement*
- Health interventions must address the demand side of health care (several cases). *No similar statement*
- Social marketing is best used with products that lend themselves to mass distribution rather than those that require counseling or provider information. A product priced within the reach of poor women can generate revenue to cover costs of marketing and distribution. (Nigeria, Bangladesh) *No similar statement*
- Reforming the intensely politicised power sector is complex and long-term. A sustained process of capacity building and institutional development that is flexible and responds to a changing political environment must be built in. (India – Orissa) *No similar statement*
- Short-term employment on roads projects can assist households to recover from disaster, displacement and extreme poverty. It can also contribute to the empowerment of marginal groups, particularly women. It is feasible and appropriate to include social clauses in contract documentation e.g. to facilitate the enforcement of labour standards. (Mozambique) *No similar statement*
- Developing an organisational culture of zero tolerance of loan delinquency is essential for financial viability. Poverty-focused micro-finance programmes for women can be financially viable in Pakistan and taken to scale quickly, if the programme is focused and the product range restricted. Poor people are willing and able to pay sustainable levels of interest on loans. Their main concern is the size and period of the loan, rather than the interest rate. (Pakistan)

- The Cochin urban poverty reduction project yielded a range of sector specific lessons e.g. the success of community health volunteers, that successful enterprise development combines access to credit with capacity-building, that small scale waste management activities cannot be scaled up to make a significant impact on the livelihoods of the poor. (India-Cochin)

No similar statement
- Urban poverty reduction. Without community contributions there is no sense of ownership of infrastructure projects by the community, little or no interest in design or implementation and subsequent problems in operation and maintenance. The groups were far more sustainable as long as 50 % of contributions came from the community. (Pakistan)

No similar statement
- Public service reform. In a resource-constrained environment, it is unlikely that government will be willing to fund an expensive reform programme through their own budget. A joint donor financing arrangement is more likely to be effective. Technical fixes are possible but need to be strategic and linked, not a series of discrete interventions. The issues of organisational culture, change and the sociopolitical context are rarely addressed but critical to the success of the programme. (Uganda)

Confirmed
- The prospect of improved public services and government's commitment to other socio-economic targets are crucial to generating the support and enthusiasm required to implement public service reforms. (Tanzania)

No similar statement
- Targeting the poorest groups in agricultural projects is extremely challenging as they have very little or no land for agriculture and the transaction costs to attend training sessions are extremely high for them. Working on wider livelihood options (poultry, livestock and processing) is more acceptable to poorer groups. Although farmer groups were encouraged to tackle wider issues (dowry, access to land, social justice) this did not bring meaningful results as expected. The project could have impacted on livelihoods more if food

No similar statement

security, economic vulnerability and other felt needs of the poor were adequately addressed. (Bangladesh)

Lessons from Project Failures

4.51. The analysis looked at the variation of lessons with the success ratings given to projects. In general, there is no strong pattern. There are only 23 projects within the sample that are rated as failing to meet their objectives (i.e. 4 or 5) and which have significant lessons.

The general messages are similar to those emerging from the sample as a whole:

- 11 of those PCRs argue for stronger local ownership and improved partnerships between stakeholders;
- 11 emphasise the importance of better analysis so that interventions can be more appropriate and effective; and
- 4 mention the importance of strengthened local capacity or better management

In the database, 33 scoring 4 and 10 scoring 5

In the sample, 6 scoring 4, 0 scoring 5.

Annex 5 Departments that contributed to understanding PCR

Six advisers during the review period representing divisions and project types as follows

Africa - governance
Africa – budget support
Africa and MECAB – social development
MECAB – poverty reduction
MECAB – budget support
Other - governance

Four Heads of Office during the review period representing the divisions as follows

Africa
Africa
Asia and MECAB
Other

Evaluation Department

Finance and Corporate Performance Division

Annex 6 Terms of Reference.

Project Completion Reports (PCR) - A Review of PCR ratings, lessons and findings 2005- 2008

Background

6.1. Project Completion Reports (PCRs) are mandatory for all DFID programmes and projects over £1m. They are undertaken within three months of programme completion and rated against purpose and output level objectives on a scale 1-5. All PCRs are required to include specific lessons on programme management, good practice, innovation and working with partners. PCRs are also a means of assessing and measuring risk across the portfolio.

6.2. DFID Evaluation Department (EvD) periodically produces a synthesis of PCRs. The last one, published in February 2006, covered the period 2000-2005 and was based on a total of 981 PCRs. The quantitative analysis was done by EvD and Corporate Strategy Group (CSG). Among the main findings was that about 68% of projects and programmes either completely or largely achieved their goals, ie scored 1 or 2.

6.3. A qualitative analysis of lessons learned was commissioned separately and undertaken by consultants.

6.4. Since the last review, there has been a significant increase in senior management's attention to performance management through for example head of department sign-off on annual and project completion reports. Scoring approaches have also been strengthened with the introduction of a new impact weighted output scoring mechanism and separate forms for assessing Budget Support and SWAP programmes. These and related changes may be expected to have generated new and more accurate performance information.

6.5. An updated PCR review, therefore, and will contribute to corporate compliance and performance management and will inform other areas of related work streams such as those commissioned through the Results Action Plan (RAP) and the Investment Committee. It is also consistent with DFID's new Evaluation Policy, which includes a commitment to ensure appropriate quality assurance of evaluations and project completion reports, including decentralised evaluations.

Purpose of the Review

6.6. To update the 2005 PCR Synthesis Report, based on PCRs completed up to and including December 2008 (estimated to be around 900). This will include a quantitative analysis of performance and expenditure trends and a qualitative analysis of lessons learned, including reviewing the evidence for development impacts and scoring assessments. The updated report will provide:

- An update on trends in project/ programme in performance and expenditure for the period 2005-2008.

- An analysis of lessons and findings from PCR reviews to promote and encourage a more systematic use of lessons learned.
- a quality assurance (QA) process for PCRs and establish a baseline against which to assess the quality of future reports and draw out any examples of development impact from the scoring methodology and lessons learned.

6.7. Findings from the study will be sent to the Management Board and Independent Advisory Committee on Development Impact (IACDI).

Conduct of the Work/ Outputs

6.8. The work will be led by EvD Country Programme Team, who will undertake the initial task of updating the previous PCR Synthesis tables using ARIES/PRISM data, drawing on support from the FCPD/ ARIES team as required. EvD will reproduce these tables to the extent possible under the new system, showing the performance and expenditure trends since 2005.

6.9. EvD will engage consultancy support to assist with:

- developing a QA mechanism, based on agreed criteria, against which PCR quality and consistency of scoring/ reporting can be regularly assessed,
- a review of a sample of reports, and supporting documentation (as necessary) to assess the extent to which PCRs can contribute to and provide evidence of development impact at the programme level.
- the analyses of a sample of reports looking at lessons learned under the mandatory requirements to identify and record lessons against Working with Others, Innovation and Programme Management.

6.10. The work is essentially a desk based review but may include some telephone/ e-mail discussion with a small selection of DFID staff to gain a wider appreciation and perspective of PCR scoring and reporting. EvD will assist with the process of identifying and agreeing a sample and methodology, and retrieving the necessary documentation from the PRISM/ QUEST systems.

6.11. The consultants will compile a report based on the evidence collected, which will combine key findings from both the quantitative and qualitative findings. A draft report for review and discussion with EvD will be produced on 15th June. The final report, of no more than 40 pages and including an executive summary, will be agreed and delivered to EvD by 10th July.

Inputs/ Timing

6.12. Anticipated inputs over the period March to July 2009 are as follows:

- EvD management of study and compilation of quantitative data – completed by end March.
- Initial meeting (1 day) with consultant to agree scope of work and representative sample for both the QA and analyses of lessons – early April.

- Review scoring, lessons learned, evidence of impact from PCR sample, and report writing (2 consultants @ 25 days each) – May – June.
- Additional support from FCPD/ ARIES team as required.
- Publication and dissemination – end June/ July.

6.13. Costs will be met from the 2009/2010 administration budget line.

6.14. It is assumed that a) all the relevant data and documentation is readily available from the system, and b) it will be possible to conduct most of the work by review of PCR documents only. Any additional requirements and/ or amendment to the scope of work will be agreed in advance with EvD.

Audience and Dissemination

6.15. The primary audience for the report is DFID's Management Board and IACDI. The report will also be of wider interest to corporate performance and policy teams as well as country programme managers and staff.

6.16. The final report will be published and distributed in line with EvD's standard procedures.

Evaluation Department
March 2009

ANNEX 7 LESSONS IN KEY POLICY AREAS

Budget Support experiences

Information base

7.1. In the database, 19 PCR⁷⁰ referred to budget support, as follows:

- general budget support (13) and sector budget support (6).
- 14 in Africa, 1 in Asia, 4 in MECAB.
- 4 in 2005, 5 in 2006, 7 in 2007, 3 in 2008.
- Risk: 8 high, 10 medium, 1 low.
- Purpose score: 3 for score 1, 12 for score 2, 2 for score 3, 2 for score 4.
- Budget: 1 between £1 and £4.9 million, 5 between £10 and £19.9 million, 4 between £20 and £49.9 million and 9 over £50 million.

7.2. In the sample, 14 PCR refer to budget support as follows:

- general budget support (8), sector budget support (4), 1 multilateral organisation (using general budget support) and 1 budgetary aid⁷¹.
- 9 in Africa, 1 in Asia, 4 in MECAB.
- 3 in 2005, 3 in 2006, 6 in 2007, 2 in 2008.
- Risk: 6 high, 5 medium, 3 low⁷².
- Purpose score: 2 for score 1, 8 for score 2, 2 for score 3, 2 for score 4.
- Budget: 2 between £1 and £4.9 million, 5 between £10 and £19.9 million, 3 between £20 and £49.9 million and 4 over £50 million.

7.3. In addition three PCR in the sample, although not budget support, made useful comments on budget support activities.

7.4. Many of the sample PCR referred to programmes of Poverty Reduction Budget Support (PRBS), indicating the main link to the MDGs is the overall goal of poverty reduction. The review focused on the extent to which these aid modalities had been learning lessons about approaches to aid effectiveness to achieve these goals. This analysis took account of the Paris Declaration and the Accra Agenda, considering ownership, alignment, harmonisation, managing for results and mutual accountability.

⁷⁰ The review team suspects that there are probably more than 19 budget support PCR in total, as there appear to be a small number that have been wrongly categorised.

⁷¹ This project was categorised as non-budget support financial aid, but had many of the characteristics of general budget support.

⁷² The difference with the entire database comes from the fact that the ECA budget support and the Budgetary aid Montserrat were not referenced as budget support funding type in the raw data. Both projects were low risk.

Promoting ownership

7.5. Virtually all the sample PCR made some reference to the principle that stakeholders should be involved in the process of formulating the programme.

- *Wide understanding of key principles.* While designing a Poverty Reduction BS (PRBS) it is critical to ensure that all stakeholders including the government and donors understand the key principles of budget support. When it is the first PRBS, the principles of budget support have to be advocated at every step from design to implementation with a range of government stakeholders especially the Ministry of Planning and the Ministry of Finance. Ownership tends to be weak if it is not shared by all the actors of the partner country. (*Vietnam Programme 135*)
- The point was reiterated in a non-budget support PCR in Vietnam, “The government welcomes and appreciates the DFID’s move from projects to budget support modality. However, it has to be communicated, lobbied over and over again as some parts of the government have vested interests in continuing projects. - The project modality is less effective as it is delivered through a separate mechanism parallel to government systems and processes and therefore can not deliver sustainable change in the long run.” (*Vietnam Mountains*)
- PRBS is much more effective when the partner government understands the importance of and is genuinely committed to sound fiscal management. (*Malawi 2004-06*)
- *The importance and challenges of dialogue.* Dialogue might help to focus government attention on the importance of public financial management. The Fiduciary Risk Assessment (FRA) is a good basis for this dialogue. The FRA needs to be treated as a live document and process with adjustments being made to the benchmarks over the year. At the same time, there is a need to approach dialogue with government in the spirit of respecting their ownership of the budget process and not seek to micro-manage. (*Montserrat Budgetary Aid*)
- *Institutional change is essential but takes time.* A less democratic setting was tempting for the donors since it seemed to assure the effectiveness of governmental decisions. However, in situations of fragile governance, this type of ownership is usually passing and has high risks in the medium term. Other lessons learned include not being too ambitious in expectations of the speed of institutional change. Changes in government systems take place in a longer timeframe (10 years, rather than two-five years). Inter-Ministerial coordination has improved considerably since the start of the programme, but has required considerable support from donors to ensure all Ministries are included in missions and briefing. (*Vietnam*)
- *Appropriate institutional structures.* The first phase in Vietnam set up a Partnership Committee to oversee the implementation of the Partnership

Agreement in parallel to government system. In addition, representation from line ministries to the Partnership Committee (PC) was usually of junior staff. This made it impossible for the PC to engage in substantive policy dialogue and decision making. The solution used for the second phase: Establishing a Secretariat which consists of working level government officials and Vietnamese staff from donor agencies also proved to be very efficient in “ironing” out contentious issues and smooth communications between donors and Government of Vietnam. The second phase resulted in greater allocation of government resources and a more focused approach to poverty reduction that would otherwise have occurred. (*Vietnam*)

Alignment

7.6. Several of the PCR have lessons relating to alignment with government systems. While some lessons concern the need to address challenges, there is also an important discussion of an important innovation - the performance tranche. None of the PCR uses the language of conditionality, which was an important discussion in the previous review period, as the PCR recognise there are disadvantages in trying to impose additional measures.

- *Challenges of having a perfect fit in a one year programme.* Poverty reduction budget support (PRBS) needs to be planned in a fashion that it aligns with government planning and budgeting cycle and the resources allocated are on-budget. In a one year PRBS it is not always possible to accomplish a perfect fit. Institutionalising and adopting new financial practices takes time within any line Ministry. Despite agreeing to quarterly fund flow maps and reconciliation statements for the financial year 2005, the Government of Vietnam could only begin implementation in the last quarter of the financial year and institutionalise the practice for 2006 onwards. (*Vietnam*)
- *Usefulness and challenges of the performance tranche.* The use of a split disbursement mechanism (Base Tranche + Performance Tranche linked to pre-defined triggers) has worked well. A key point is that all the bi-laterals have agreed to use the same disbursement triggers for the Performance Tranche, even though the WB interpret some PRSC triggers differently. The arrangement does lead to very specific disbursement conditions for the Performance Tranche and there is a danger of excessive micro-management by Donors and consequent resentment by Government. This problem does not appear to have arisen but awareness of this danger is needed. The use of more outcome focused triggers should therefore be considered. (*Ghana*)
- The Sierra Leone PRBS has been unusual in having a significant performance tranche (50 % of the fixed tranche). In contrast to Ghana, this has not been linked mathematically to specific triggers but rather to a holistic assessment of a pre-defined set of triggers. Although the incentive effect of the performance tranche was less effective than expected, all commentators (including government and CSOs) agree that in the absence of the performance tranche and related dialogue, reforms would have been slower and less focused. (*Sierra Leone 2006 – 07*)

- *Additional measures can threaten alignment.* Though the PRBS was premised on Government's systems and procedures, additional financial measures were factored into the programme to ensure robust fiduciary management. This practice has not undermined alignment with government policies and procedures, but has demonstrated the value of new methods (eg the process audit and quarterly fund flow maps). (*Vietnam*)
- Targets in the PAF represent a sub-set of those included in the country Poverty Reduction Strategy. There remains a danger of divergence: the need to avoid separate Poverty Reduction Strategy documentation needs to be stressed. (*Ghana*)

Harmonisation

7.7. Several PCR make reference to harmonisation. Not only is there recognition of the challenges but there are also specific lessons arising from progress in certain areas. This progress is linked in certain cases to the benefits to the donors themselves, both in terms of efficiency and accountability (see below).

- *Addressing key challenges in multi-donor situations.* For Mozambique (18 donors), a key challenge is the management that must be careful with well thought-out governance structures at different levels (sector and reform working groups, Economist working group, PAF Coordination Group, Heads of Cooperation, Heads of Mission, Troika+ and JSC). A remaining challenge is the imbalance in resources and capacities between the donors and the country government. Joint structure of reviews and adoption of common monitoring tools have helped to keep transaction costs low. (*Mozambique*).
- *Joint donor working is a pre-cursor to harmonisation.* Joint donor working was strengthened through: building consensus on issues before raising them with government agencies, and enabling donors to talk with one voice at official meetings, and appointing a lead donor (rotating) to act as focal point for contact with Government. (*Vietnam*)
- *Harmonisation of documentation.* Wherever possible, a harmonised approach involving partner governments and other donors should be adopted when preparing Project/Programme documents. (*Nicaragua*)
- *Harmonisation of assessment processes.* The BS framework of a joint MoU with government, a jointly agreed PAF and harmonised method of review through two annual missions provides an excellent model for the provision of harmonised budget support. Sharing of assessments among donors and in a joint dialogue with the country government gives greater leverage, promotes cohesion and saves resources. (*Ghana*)
- There was a need to create greater coherence and predictability among all partners providing budget support. A 10 year MoU and credible benchmarks against which to measure progress were helpful tools. (*Sierra Leone 2004 – 05*)

- Development of a shared assessment framework (a PAF), a common assessment process and calendar and an integrated disbursement calendar are important to effective multi-donor budget support. (*Sierra Leone 2006 – 07*)

Managing for results and accountability

7.8. There is rather less attention in the PCR to results and mutual accountability, except in the context of the need for harmonisation among donors. This might indicate that attention to results is implicit in the programmes but the discussion above regarding impact suggests that PCR generally are not focused on longer term results. Budget support is no exception. The main concern is with tracking immediate responses to incentives and the proper use of government funds. Given the ongoing nature of these budget support activities, the immediate lessons are often integrated immediately into the next phase of the programme. Nonetheless, some PCR make reference to other aspects of results and accountability.

- *Focusing attention at the strategic level.* Need to engage at a strategic level, avoid micro-management and focus on policy outputs and outcomes. Some notice a shift towards increased dialogue on governance and social sector performance. (*Montserrat Budgetary Aid*)
- *Accountability for sectoral and cross-cutting issues.* The PAF is a mix of process, output and outcome indicators. Reviews have led to increased MoF and Sector Ministry engagement, potentially enhancing sector accountability to the centre and away from donors. The PAF has introduced some gender disaggregated indicators that have enabled gender issues to be raised at a higher level in the government. (*Malawi 2006 – 07*)

Promoting a transition from projects to budget support

7.9. Some PCR discuss the merits of budget support and conventional projects. At the same time, the PCR recognise that, for a government to make the leap into budget support, requires some preparation, planning and extra support.

- *Projects sometimes lead to sector budget support.* Projects have been useful in getting resources to the poorest communes and piloting new approaches in community management and instruments like the commune development budget which was taken up by the Government National programme P135. The project can not address structural issues such as long term sustainable financing for O&M in poor areas. Such an issue is best addressed in budget support instruments that provide space for policy dialogue for structural institutional and policy reforms. It can be a useful learning platform for feeding in ideas, approaches and testing them. (*Vietnam*)
- *Consider a transitional phase.* A major shift in a donor's funding policy and approach should be accompanied by a transitional phase plan to mitigate adverse effects on partners' programmes of the changed funding modality. (*Cambodia Health SWAp*)

- *Combination of BS and technical assistance.* It is important to support strategic management and improved planning and policy formulation with technical assistance. (*Montserrat*)
- BS is proving to be a good aid instrument for addressing structural issues such as O&M financing. Projects like NMPRP or Central Region Livelihoods Improvement Project could not address this issue within a project framework. Technical Assistance (TA) is critical to the success of PRBS implementation. At best, there should be one comprehensive programme for prioritising and delivering TA. (*Vietnam*)

Evolution of good practice

7.10. The small number of examples of budget support allowed the review to sample different phases of ongoing programmes and to track the evolution. There was often clear improvement in programme performance regarding aid effectiveness from the first to subsequent phases as DFID country offices learned how to interact more effectively with partners and improve programme management. In one case, the country office makes the effort to disseminate the lessons to have a wider impact.

- *Malawi Poverty Reduction Budget Support 2004 – 06 and 2006 – 07.* The same person undertook the reviews and noted “the breadth and depth of dialogue between development partners and GoM” had been enriched. While noting the deficiencies of programme management in the earlier phase, the reviewer later noted “improved team coherence” and an increased emphasis on performance and governance indicators rather than a narrow focus on macro-economic stability and debt reduction. This led to a good practice. “The 06/07 PAF and reviews shifted towards increased dialogue on governance and social sector performance” including concern with sector accountability and gender disaggregated indicators. There had been no good practices to mention in the earlier phase.
- *Sierra Leone Budget Support 2004 – 05, 2005 - 06 and 2006 – 07.* Coherence and predictability among donors was weak in the early phase but later a shared assessment framework (PAF) had been created along with a process and calendar for disbursements, which was being further developed in the final year. In terms of programme management, there was a shift from central management by DFID’s West Africa Department to a country office. This was considered a successful move by the final year. There was innovation in the way progress was measured and acted upon. The 10 year MoU was considered helpful in the first year but in the subsequent years attention turned to the performance tranche. Although not as effective as expected, “in the absence of the performance tranche and related dialogue, reforms would have been slower and less focused.”
- *Vietnam Budget Support to Programme 135 and Phase 2.* The effort in communicating with stakeholders clearly paid off between the two phases of this sector budget support programme. “As this is the first PRBS in Vietnam, the principles of budget support had to be advocated at every step from design to implementation with a range of government stakeholders especially the

Ministry of Planning and Investment and the Ministry of Finance.” “The independent evaluation of targeted budget support (TBS) in Vietnam, identified P135-2 as ‘a good ‘partnership’ platform for GoV and donors to discuss solutions for reducing poverty in rural areas, around a clear agenda and policy matrix’.” Programme 135 has introduced many innovations in programme management and there have been efforts to disseminate the lessons to have wider impact. “All these initiatives were presented by DFID at the Consultative Group meeting in December 2008, and accompanied by a written statement in which we encouraged GoV to use these lessons in mainstream planning initiatives, and to harmonise new programmes using the procedures piloted under P135.”

Humanitarian Assistance

Information base

7.11. In the database, 217 PCR referred to humanitarian assistance.

- 62 in Africa, 14 in Asia, 28 in MECAB and 113 in other.
- 61 in 2005, 71 in 2006, 54 in 2007, 31 in 2008.
- Risk: 42 high, 104 medium, 71 low .
- Purpose score: 63 for score 1, 120 for score 2, 28 for score 3, 4 for score 4 and 2 for score 5.
- Budget: 29 below £1 million, 148 between £1 and £4.9 million, 23 between £5 and £9.9 million, 11 between £10 and £19.9 million, 4 between £20 and £49.9 million and 2 over £50 million.

7.12. In the sample, 20 PCR referred to humanitarian assistance:

- 7 in Africa, 4 in Asia, 3 in MECAB, 6 in other.
- 4 in 2005, 7 in 2006, 5 in 2007, 4 in 2008.
- Risk: 6 high, 8 medium, 6 low.
- Purpose score: 4 for score 1, 15 for score 2, 1 for score 3.
- Budget: 1 below £1 million, 12 between £1 and £4.9 million, 2 between £5 and £9.9 million, 4 between £10 and £19.9 million, 1 between £20 and £49.9 million.

7.13. The analysis of the lessons identified in the PCR found a rich diversity of issues of interest to DFID staff, not easily captured by the format of working with partners, innovation, and programme management. Lessons also touch on the principles of good humanitarian donorship, aid effectiveness, and communications.

Good Humanitarian Donorship principles

7.14. The analysis considered the extent to which DFID had responded to the principles and good practice of Good Humanitarian Donorship. It seems clear that DFID staff members are aware of and concerned by these principles. As well as the comments on co-ordination and other issues above, several PCR make reference to

other issues such as sustainability, preparedness, post-conflict situations, and dissemination of lessons

- *Management systems promote sustainability.* The continued insecurity and lack of regular access to many of the remote locations where IRC is implementing a health programme has resulted in IRC adopting 'remote control management'. Partners have been obliged to use such management tool. However, it is worth mentioning that this will have a positive impact on the capacity of national staff to manage such projects when IRC decide to phase out and will help supporting the future sustainability of health care. (*Darfur*)
- *The need for preparedness in urban areas.* A culture of preparedness and quick response to disasters needs to be cultivated among the partners. Traditionally, it is the rural areas where community-based disaster preparedness activities have been carried out. Nonetheless, the ever increasing urban population and its slum and other high-risk population make the disaster preparedness in cities possibly even greater challenge. (*India Floods 2005*)
- *Addressing the challenges of working in conflict situations.* Difficulty in running program when conflict resurfaced, highlighting the need for complete trust on implementing agency by conflicting parties. (*Indonesia*) Working with an experienced partner trusted (by national and local authorities and the general public) in a location affected by security problems is likely to have less impact on the success of the project than working with an agency "parachuted" into the area. (*Post Tsunami*)
- *Communication and dissemination of lessons.* Standardization of communication materials and messages to contain panic, raise awareness and take appropriate action to prevent outbreak of diseases is critical in emergency situations. Standard messages on hygiene practices (hand washing, garbage disposal and personal hygiene), early detection of diseases, home treatments and use of ORS or chlorine sachets need to be developed in local languages for prompt dissemination. ...Dissemination of these lessons should take place through coordination bodies for disaster management at the national, state and district level, on which the Government of India, UN agencies, donors (at national level) and NGOs are represented. UNICEF's experience has been posted on their website. (*India Floods*)

Management that provides flexibility, speed of response and accountability

7.15. Many of the key management lessons refer to the good humanitarian donorship principles of financial and administrative flexibility and speed of response. However, DFID still has to meet its own financial accountability requirements. Specific lessons are:

- *Avoid complexity.* Complex procurement procedures are not appropriate for an emergency situation. (*Indonesia*)

- *Avoid funding delays.* Even if a government (i.e. India) has financial and human resource capacity to respond to emergencies, these may not be released immediately and there are still gaps in response management. It is essential that, when UNICEF provides support, we get the funding available as soon as possible, as the early days and weeks are often the most critical ones in terms of life-saving interventions. Delays in availability of funds mean delays in procurement and delivery of emergency items, and delayed support in advocacy and other efforts. (*India Floods 2005*)
 - *Right balance between value for money and speed of response.* There is a need for a balance between value for money concerns and speed of response. The use of known local suppliers enabled some international partners to procure rapidly. Others that used standard procurement procedures faced delays often with few cost savings as the high demand for recommended shelter material led to increased prices. (*Pakistan Floods 2007*)
- *Need for international partners to be aware of DFID accountancy rules.* While the bulk of funds were allocated as intended [by UNICEF], the funding of personnel, office supplies in Nairobi and training courses in Europe for example are pretty unacceptable especially since a significant percentage is already drawn on for administrative costs. (*Emergency Drought*)

Few examples of innovation

7.16. The focus of humanitarian assistance is on fast and effective service delivery of tried and tested responses to emergencies with just a few examples of innovation.

- *Best practices in construction.* The housing shelter component was cost effective and culturally relevant fitting in with traditional style of housing. Local community leaders helped identify beneficiary selection criteria. Construction of Pond Sand Filters contributed to sustaining water quality for local people. (*Bangladesh Cyclone Sidr*) The use of local contractors for construction is a strategy that CARE adopted in the implementation of the project. The work with local "fundis" or artisans or contractors includes on the job training and other aspects. (*Food Crisis Kenya*)
- *Micro-planning.* The 2005 floods in India highlighted the importance of responding to particular problems in urban settings, particularly in urban slums..... The whole experience highlighted the relevance and appropriateness of micro planning as a core programming strategy in disaster programming. This integrated and developmental approach involving varied sectors such as health, nutrition, water, sanitation has instilled considerable interest and initiatives within the communities to initiate action for the common good. (*India Floods 2005*)

Working with local partners

7.17. The previous synthesis report noted that DFID faced challenges in working with partners and that partnerships were more negotiated contracts. This thinking comes across in the frustration expressed in some comments. For example, in the

emergency drought programme “DFID had to push UNICEF quite hard at the beginning to recognise the nutrition crisis and the low level of nutrition coverage, and to think what they needed to do to improve outputs.” Many of the comments in this section revolve around the perceptions of strengths and weaknesses of the local partners (NGOs and government).

7.18. Strengths reported include:

- *Contextual Information.* Utilising the expertise and local knowledge of partners with existing programmes in the disaster area. Able to provide information within days if not hours of the onset of the disaster. In one case (*Pakistan floods 2007*), using this information, DFID was able to start relief planning and identifying partners without waiting for the UN Flash Appeal to issue.
- *Communication.* UNICEF’s experience during *Floods India* confirmed the importance of engaging with local community based organisations. who played a vital role in communication campaigns that, reached the most vulnerable and marginalised communities.
- *Service delivery.* Local government health agency proved to be strategic allies in the provision of much needed medical supply during the emergency.

7.19. Weaknesses reported include:

- *Lack of local knowledge in Cyclone Sidr Bangladesh.* DFID worked through trusted partners that were pre-qualified for this type of intervention. This pre-qualified system did not significantly contribute to a more efficient distribution system. Some of the INGOs used did not have an operational presence in the cyclone affected area, therefore the INGOs worked through local partners (PNGOs) many of whom also did not have extensive knowledge of the area. This had an impact on their operational efficiency.
- *Weak capacity of local NGOs in emergency areas.* In Bangladesh the capacity of local PNGOs was a constraint with regard to strengthening the partnerships among the various actors - such as local authorities. Some of the INGOs reported that they had to be involved with capacity building of the grass roots level local NGOs, while delivering. This calls for reviewing the list of the pre-selected NGOs and the need of a strategic choice of partner NGOs given the vulnerability of the coastal areas. In another PCR (*Indonesia*), local NGO capacity was weak in dealing with emergency response initiatives, especially in vulnerable conflict areas such as Maluku. Fishermen associations emerged as an important partner.

Harmonisation

7.20. In view of the need to respond quickly to an emergency it might seem that, while co-ordination among partners is essential, harmonisation could be more challenging. Donors naturally have different perceptions of the priorities. However, the PCR show that, as the emergency unfolds and moves into the recovery and rehabilitation stages, there is more scope to seek harmonised activities among donors. These points are illustrated in the following comments:

- *Different perceptions.* Look for consistency with UNICEF's mandate but sometimes difficult due to different perception, for example in Kenya drought 2006. (*Emergency Drought*)
- *Best practice example.* Proper reporting formats, updates, feedback sessions and dissemination of information to all concerned groups help functioning in an organized and planned manner prevents duplication and helps identify course correction where necessary. (*India Floods 2005*)

Results assessments

7.21. Humanitarian assistance often begins with an emergency response in which the simple and straightforward aim is to save lives. However, as the situation evolves there is often a perceived need to assess the results as shown in the following comments about the need for monitoring and evaluation to be integrated into programmes:

- A monitoring and evaluation component should be built into each project (activity and budget) especially when the implementing agency is a local NGO. (*Indonesia*)
- M&E must be formalized across all activities in all programmes and staff appropriately trained to maintain regular sight of progress and identify/rectify gaps. (*Emergency Preparedness and Response*)
- Need to consider independent 'real-time' external impact monitoring. (*Bangladesh Flood 2004*)
- Emergency Interventions that involve multiple implementing partners should still require an overarching Programme Logical framework that provides a comprehensive tool for programme review and monitoring. (*Pakistan Floods*)

Involve local beneficiaries of humanitarian assistance to promote ownership

7.22. Several of the PCR make the point that the people affected by disaster need to be engaged as active partners able to help themselves, not just treated as victims. The lessons here emphasise the aid effectiveness point about ownership in the humanitarian field. Specific cases make the following points:

- *Active partnerships.* To ensure that the affected don't end up as 'helpless victims' but as active partners in the process of recovery and change, the active participation of communities in planning and implementation of disaster response is essential. (*India Floods 2005*)
- *Seek mechanisms that promote ownership.* Cash for Work was highly effective, initially for meeting immediate food needs in the absence of general food distribution and later in allowing beneficiaries to recover from drought by establishing small scale business and purchasing livestock. (*Kenya Food Crisis*)

Few examples of integrating cross-cutting issues into humanitarian assistance

7.23. DFID has been concerned to mainstream cross-cutting issues such as gender and environment. The PCR on humanitarian assistance show little evidence that this has been done. Gender is mentioned in two PCR in conflict situations (see section 5.7.4). Some emergencies are environmental in nature (floods and droughts) but there are few lessons regarding environmental issues in other programmes.

- *Gender disaggregated data.* Sensitive GIS database to provide accurate data base on the needs for women. (*Indonesia*)
- *Promoting environmental impacts.* Networking with expertise bodies in urban areas resulted in promotion of hygiene behaviours and garbage disposal. (*India Floods*)

Co-ordination

7.24. The challenge of co-ordination is an issue strongly related to programme management in a situation where working with partners is so important. An important lesson appears to be that the situation can improve. For instance, the comments on the Bangladesh floods in 2004 and 2005 are very negative in terms of donor coordination and the UN system but in 2008, the situation had improved with the Cyclone. These PCR for Bangladesh illustrate well the capacity of a country and development partners to improve co-ordination practices in humanitarian assistance. Several other PCR refer to the challenges:

- *Co-ordination essential.* Coordination between humanitarian agencies, government authorities at state and district level, and communities is essential for an effective relief effort. (*India Floods 2005*)
- *Co-ordination is welcome but comes with transactions costs.* In 2007 flood affected communities Pakistan, the use of clusters for information exchange and coordination between partners was broadly welcomed with the proviso that there were too many, particularly at federal level absorbing much staff time. Fewer clusters possibly 5 covering groups of interventions: WASH, early recovery, health, emergency shelter and possibly food would be a more efficient use of scarce staff time. (*Pakistan Floods*)
- *Design co-ordination to limit the transactions costs.* Coordination of agencies was an important factor given the large number [of partners] operational post-tsunami in Sri Lanka. However, there were a large number of coordination meetings in Colombo and Zoa was unable to attend all the meetings. Consideration needs to be given to the optimal number and location (why Colombo when agencies were focused on the worst affected regions outside Colombo?) of agency coordination meetings. (*Post-Tsunami*)

Evolution of good practice

7.25. Although emergencies appear as one off events with a seemingly inevitable repetition of previous mistakes, the PCR indicate some evolution of good practice in this area. There is some indication in disaster-prone countries of governments and local NGOs learning from each humanitarian disaster. DFID staff members appear to be generally aware of principles of good humanitarian donorship, especially the importance of the continuum of emergency response, recovery, rehabilitation and reconstruction. This awareness underpins the need to treat those affected as partners, to promote ownership, to monitor performance and assess results as in any development project.

- *Kenya Food Crisis 2007 and Food Crisis Kenya 2008.* With the food crises in Kenya, there appeared to be better institutional understanding of roles, coherence between the international actors (WFP, UNICEF, and WHO), effective innovative work by NGOs (OXFAM UK and CARE) and collaboration on the ground with local actors. In the first crisis “The projects have improved co-ordination and collaboration mechanisms at the district level” In the second crisis, “There was good collaboration between implementers and Government of Kenya actors.”
- *Bangladesh floods 2004 and Cyclone Sidr 2007.* In Bangladesh, DFID appears to struggle to find the best institutional arrangements for its support to humanitarian action. In 2004 we read, “There must be a concerted effort by both the UN and donors to reform and improve the existing process, for emergency response, and above all to make it more efficient, effective and timely.” “Phasing between NGOs and the UN will be critical, and judgement of when the UN’s comparative advantage kicks in will be dependent on the circumstances of the crisis in question; given the significant lead times for UN agencies to translate financial pledges into outputs.” In 2007, “DFID worked through trusted partners, the majority of whom were pre-qualified for this type of intervention. However this pre-qualified system did not, on the whole, significantly contribute to a more efficient distribution system. Some of the INGOs used did not have an operational presence in the cyclone affected area.....” and local NGOs lacked capacity.
- *India Floods 2005.* In the sample PCR there are other examples of floods, including Indonesia and Pakistan, but the India case shows understanding of the lessons from previous experience. It also goes further by recommending a multi-pronged strategy that could be adapted for other situations.
 - Using structured assessments to create a robust information base. (Knowledge Base)
 - Sensitizing policy and decision makers to issues using an effective information base so that they will take appropriate action. (Advocacy)
 - Disease Surveillance Platform in Place. (Active Surveillance)
 - Organizing networks that plan and expand people’s involvement in the planning and execution of actions. (Social Mobilization)

- Empowering communities by providing them with effective communication material using the most efficient mediums. (Strategic Communication)
- Involvement of the community in carrying out the tasks. (Community Participation)

Lessons regarding Fragile States and Conflict

Information base

7.26. In the database, 186 PCR refer specifically to Fragile States⁷³

- 122 in Africa, 31 in Asia, 14 in MECAB and 19 in other.
- 32 in 2005, 51 in 2006, 51 in 2007, 52 in 2008.
- Risk: 53 high, 100 medium, 33 low.
- Purpose score: 34 for score 1, 103 for score 2, 38 for score 3, 9 for score 4 and 2 for score 5.
- Budget: 17 below £1 million, 125 between £1 and £4.9 million, 17 between £5 and £9.9 million, 19 between £10 and £19.9 million, 7 between £20 and £49.9 million and 1 over £50 million.

7.27. In the sample, 18 PCR⁷⁴ concern Fragile States:

- 11 in Africa, 1 in Asia, 3 in MECAB, 3 in other.
- 1 in 2005, 3 in 2006, 9 in 2007, 5 in 2008.
- Risk: 4 high, 12 medium, 2 low.
- Purpose score: 4 for score 1, 12 for score 2, 2 for score 3.
- Budget: 10 between £1 and £4.9 million, 2 between £5 and £9.9 million, 5 between £10 and £19.9 million and 1 between £20 and £49.9 million.

7.28. DFID puts emphasis on conflict as a factor in dealing with fragile states. This review, however, only identified four PCR in the 97 sample projects that derived specific lessons related to promoting resilience to conflict.⁷⁵ The analysis of the sample of fragile states therefore considered the extent to which projects promoted or elaborated international principles.⁷⁶ In most cases, PCR lessons did not focus on the fragility of the state and the lessons regarding these issues was mainly coincidental to other development concerns.

The challenge of working in a Fragile State

7.29. The International Red Cross experienced the challenge of working in fragile states context and attempted to make the challenge into an opportunity.

⁷³ The countries on the list of fragile states changes annually, with changing circumstances. For this analysis the list of fragile states took account of the World Bank list 2007 and the OECD list (March 2009)

⁷⁴ Some sample PCR, e.g. central research projects, also concern fragile states without specific reference in the project title.

⁷⁵ Occasionally a PCR mentions conflict in other sections of the form, not in the lessons.

⁷⁶ 'Principles for Good International Engagement in Fragile States and Situations' adopted by the DAC in April 2007.

- IRC has experienced increasing bureaucratic impediments both in Darfur and in Khartoum, leaving a number of staff “stuck” in the field for months and some positions empty for long period of time. *IRC Darfur*
- The continued insecurity and lack of regular access to many of the remote locations where IRC is implementing a health programme has resulted in IRC adopting ‘remote control management’. this will have a positive impact on the capacity of national staff to manage such projects when IRC decide to phase out and will help supporting the future sustainability of health care. *IRC Darfur*

7.30. In addition to the projects based in fragile states, one central research project also concerned the basic issues of fragile states and security:

- The research centre had been operating for a year before the events of 9/11, they were able to adjust the research programme to focus new work on terrorism, Afghanistan and security. *Crisis and Breakdown*

7.31. One PCR concerned a project that directly related to the principle that development activities should “do no harm” by focusing on revenue management in the extractive industries.

- The project provides a good example of how DFID has been able to leverage considerable positive policy and institutional changeIt is also an example of where high-level political backing to an initiative (by the Prime Minister and the Secretary of State) has been supported with funding at the local level. Support totalling £2 million has so far managed to leverage around US\$1 billion in increased government revenues. *EITI Nigeria*

State building, addressing conflict and peace building

7.32. Several PCR lessons focus on state-building as the central objective (Principle 3). Eight of the 17 PCR are in the sector of government and state building. Some projects tried to build ownership, leadership and government capacities.

- Even though there is strong government ownership, ownership might not extend across all line ministries where the notion of ‘national ownership’ could be misunderstood..... Joint Learning Events are good mechanisms for introducing new concepts and building ownership. *Cambodia: Poverty Support Programme*
- This was a Ministry in which there was little enthusiasm or energy for the SCRH Programme in the beginning, then within the relatively short period of two years the whole situation has been turned around.....It is clear there are several stand-out ingredients contributing to this: strong committed senior leadership; sensitive and capable technical assistance; and a core of committed and competent staff. *Strengthening Cambodia’s Response to HIV/AIDS (SCRH)*

- The 3-way partnership (DFID-UNDP-Government) has enabled diverse partners to support the return of Diaspora to strategic positions in a co-ordinated manner, increasing Nigerian ownership. *Nigeria Diaspora Trust Fund*

7.33. In some PCR there is recognition that re-emergence of conflict could derail efforts to build trust between different groups that had been involved in previous conflict:

- DFID's relationship with PCBS has evolved very positively, with considerable trust and respect on all sides. By joining the Core Funding Group, DFID has strengthened its engagement with other donors in the Occupied Palestinian Territories. These relationships have mostly been cordial, but it would be better if there were written norms for conflict resolution within the group *before* the urgent need for them should arise. *Utilisation of Census Data.*
- Difficulty in running program when conflict resurfaced, highlighting the need for complete trust on implementing agency by conflicting parties. *Co-operation of Humanitarian Assistance Fund, Indonesia*

7.34. In Sierra Leone (see also Box 3.2), one achievement of budget support was to help avert conflict by building confidence.

- The principal achievements at the Purpose level (i.e. Macro stability, improvements in service delivery and peace and security) have certainly been facilitated by the budget resources made available through DFID PRGS and by the boost to public (and business) confidence which the continuation of DFID budget support provides. *Sierra Leone Budget Support 2006-07*

Agree on practical co-ordination mechanisms between international actors

7.35. This principle is as important in conventional development contexts as it is in fragile states. Several PCR reiterate the point.

- It is worth reiterating the message of earlier reports that the management of relationships and clarity over roles in a programme as complex as SCRH Programme is as important as the management of the technical aspects of the programme. ...Clarifying and agreeing on roles and responsibilities, especially with respect to the separation of financial management and monitoring functions from technical oversight functions, has taken more time than envisaged; the first function being accorded to UNDP and the second to DFID. *Cambodia SCRH*
- Partnerships with UN agencies, Government departments and NGOs were strengthened through joint programming, planning and monitoring, and capacity building activities throughout the year. *Zimbabwe PRRO*

- The communication and learning events were particularly useful for bringing partners together to promote common achievements and present a common face. *Lupp II Angola*.

Align with local priorities in different ways in different contexts

7.36. Alignment is an issue central to the aid effectiveness agenda and a rationale for budget support, though not often attempted in fragile states. Sierra Leone is an exception in this regard. More often, this principle of engagement with fragile states highlights the concern of donors to reach local people and institutions. In such cases, PCR indicate that local people might be regarded as *targets* rather than *partners*.

- The Sierra Leone PRBS has been unusual in having a significant performance tranche, equivalent to 50 % of the fixed tranche. In contrast to the Ghana MDBS, this has not been linked mathematically to specific triggers but rather to a holistic assessment of a pre-defined set of triggers. Although the incentive effect of the performance tranche was less effective than expected, all commentators (including GoSL and CSOs) agree that, in the absence of the performance tranche and related dialogue, reforms would have been slower and less focused. *Sierra Leone Budget Support 2005 - 06*
- The value ofhaving its head office (and sub-office) in-country, enabling closer programme management in the following fields: relations with local authorities; monitoring and support to partners; monitoring of and reaction to changes in political, security and humanitarian situations within Sudan; links and cooperation with other agencies, including UN. *Christian Aid Sudan*.
- Through the establishment of the United Health Network (UHN), PSI/C successfully collaborated with international and local NGOs involved in outreach and community health work with target populations to disseminate messages. *Social marketing of condoms, Cambodia*

Act fast...but stay engaged long enough to give success a chance

7.37. The review noted above the difficulties for IRC in Darfur to follow this principle because of bureaucratic impediments from the host government. Other interventions in fragile states have not faced the same political constraints on acting fast.

- DFID has been able to leverage considerable positive policy and institutional change by responding quickly to opportunities as they arose and by supporting a locally-driven initiative by alleviating funding bottlenecks of the government. *EITI Nigeria*
- ...the possibility to arrange reallocation of DFID funds in a timely manner and as needs arose, allowed the NCHADS to respond promptly, appropriately and

with innovation to the changing HIV and AIDS landscape in Cambodia.
Cambodia SCRH

- Supporting salary incentive schemes can significantly motivate staff of partners, but are only effective when staff already have the capacity appropriate to their roles within the programmes. The schemes can undermine sustainability when funding ceases at the end of a programme unless strategies to ensure ongoing funds, internal or external, will be available to keep the schemes active. *Cambodia SCRH*

Promote non discrimination as a basis for inclusive and stable societies and avoid pockets of exclusion

7.38. In the sample, projects in Zimbabwe were particularly concerned with these principles.

- WFP and its cooperating partners also implemented a standardised system for household identification and registration, which sought to reduce exclusion errors, minimise inclusion errors and eliminate room for manipulation. *Zimbabwe PRRO*
- SCs focus on orphans, women and vulnerable children addresses gaps in emergency response interventions and helps to inform and improve the activities of counterpart agencies and those that do not have this expertise. *Emergency Response Zimbabwe*

Evolution of good practice

7.39. The sample PCR concerned several fragile states: Afghanistan, Angola, Cambodia, Nigeria, Occupied Palestinian Territories, Sierra Leone, Somalia, Sudan and Zimbabwe. Projects in Cambodia, Sudan and Zimbabwe demonstrate different types of fragility and show that the individual projects have to address the national context of government and state building. The PCR show an evolution of good practice in the area of government and state building. For example, in Sierra Leone the PCR show an understanding that budget support can be undertaken in such states, helping to address security issues.

A little learning about Climate Change

Information base

7.40. In the database, there are 11 PCR relating to the work of the Environment and Climate Change Group. A further six projects have been marked as relevant to DSO 2 (Climate Change).⁷⁷ The review used other environmental and climate related terms (environment, cyclone, flood, drought, vulnerable) as an initial set of search terms to identify other projects related to this topic. This provided an initial database of 41 PCR. To focus on resilience to climate change, the review excluded projects relating to emergency preparedness and response,⁷⁸ food aid and broad environmental issues

⁷⁷ Only one PCR in the database has a purpose statement that refers explicitly to climate change.

⁷⁸ This issue has been addressed above in Humanitarian Assistance

by applying a filter (e.g. capacity,⁷⁹ livelihoods, sustainability and resilience). This produced a list of 29 PCR that significantly related to climate change:

- 7 in Africa, 5 in Asia, 4 in MECAB and 13 in other.
- 10 in 2005, 8 in 2006, 6 in 2007, 5 in 2008.
- Risk: 4 high, 12 medium, 13 low.
- Purpose score: 0 for score 1, 25 for score 2, 4 for score 3.
- Budget: 7 below £1 million, 16 between £1 and £4.9 million, 4 between £5 and £9.9 million and 2 between £10 and £19.9 million.

7.41. Of these, the sample included eight for further detailed study:

- 1 in Africa, 4 in Asia, 1 in MECAB, 2 in other.
- 2 in 2005, 2 in 2006, 1 in 2007, 3 in 2008.
- Risk: 3 high, 2 medium, 3 low.
- Purpose score: 8 for score 2.
- Budget: 1 below £1 million, 4 between £1 and £4.9 million, 3 between £5 and £9.9 million.

7.42. The database shows most projects are supported by other divisions, notably Policy and UN Divisions, highlighting the global dimension of this issue. Climate change is a relatively new area for lesson learning. The analysis focused on the approach of the projects to addressing the issue.

Promoting resilience to climate change

7.43. The PCR in the database show several approaches to this central concern. The main approach of projects to this issue involves the enhancement of livelihood strategies, whether in agriculture or in small and medium enterprise. There are also approaches adapted to sectors.

- To improve livelihood security of men and women living in 221,375 poor and vulnerable rural households in Bangladesh. *CARE rural livelihoods*
- To enhance the food security of subsistence farmers in drought prone areas through diversification to encourage more drought tolerant crops. *FAO Zambia*
- To improve the management of water resources for economic growth, building resilience to climate change and supporting adaptation through the implementation of integrated water resources management. *The Global Water Partnership*

7.44. Unfortunately the Global Water Partnership provides few lessons.⁸⁰ However, CARE elaborated on this issue, commenting on some of the institutional bases of resilience:

⁷⁹ In this sense, capacity might be management capacity or greater understanding or analytical tools.

- Market access and opportunities are central to improving rural livelihoods, particularly, in the short-term, for the “middle poor” i.e. those with access to assets including land. *CARE rural livelihoods*

Involve the whole community and build capacity

7.45. Several PCR recognise that work in any environmental area requires the involvement of the community as a whole, with one PCR putting this as one of the aims

- To strengthen social networks & coping mechanisms & build resilience for future droughts through community-prioritised micro-projects. *NGO Consortium Kenya*

7.46. The lessons show that involving the whole community requires time and effort. Thought and planning needs to be given to a range of considerations including:

- The RLP has pro-actively engaged with the private sector. *CARE rural livelihoods*
- Community empowerment is a long-term, skilled process. Further evidence is needed on its cost-effectiveness vis-a vis alternative approaches to reducing extreme poverty. *CARE rural livelihoods*
- BRAC's housing shelter component was cost effective and culturally relevant fitting in with traditional style of housing.⁸¹ Local community leaders helped identify beneficiary selection criteria. *Cyclone Sidr*
- Capacity of local PNGOs was a constraint with regard to strengthening the partnerships among the various actors - such as local authorities. *Cyclone Sidr*

Promote attention to harmful development activities

7.47. An important lesson is that DFID has been able to promote the debate about certain harmful practices:

- Investment in the cross-departmental work has paid dividends. The use of Chatham House as a “safe forum” for discussions and development of a “neutral” illegal logging website, open to all, and which is the prime source of information on the subject for the international community. They have been very influential. Skill and patience in finding common ground across UK Government and then extending this to private sector institutions as well as

⁸⁰ The only lesson in ARIES is that the programme took a long time to develop and had been successful in attracting more funding.

⁸¹ The issue of using culturally relevant housing design was also noted in the Zoa Refugee Post - Tsunami Programme in Sri Lanka.

other donors. Ministerial engagement at key moments in policy processes has created opportunities and removed obstacles. *Illegal Logging, Indonesia*

Evolution and dissemination of good practice

7.48. As this is a new area of learning within DFID, it can be expected that further good practice will develop. Some projects on the database are concerned with research and developing methodologies and already have experience of dissemination.

- SEAM developed many examples of best practice, such as the participatory GEAP methodology, working at strategic and practical demonstration levels, participatory community environmental projects, and integrated approaches to environment and development at national and local level. These continue to be disseminated in Egypt and internationally. *SEAM, Egypt*

Gender Equality: lessons from mainstreaming

Information base

7.49. In the database, just six PCR refer explicitly to gender but there is also reference to differences between women and men in 49 PCR:

- 14 in Africa, 20 in Asia, 9 in MECAB and 6 in other.
- 15 in 2005, 11 in 2006, 11 in 2007, 12 in 2008.
- Risk: 8 high, 24 medium, 17 low.
- Purpose score: 4 for score 1, 30 for score 2, 12 for score 3, 2 for score 4 and 1 for score 5.
- Budget: 4 below £1 million, 30 between £1 and £4.9 million, 11 between £5 and £9.9 million, 4 between £10 and £19.9 million.

7.50. In a sample of 10 PCR, the review selected six that referred to gender issues or men/women and a further four that made reference to vulnerability⁸² or social inclusion/exclusion:

- 2 in Africa, 2 in Asia, 3 in MECAB, 3 in other.
- 2 in 2005, 2 in 2006, 4 in 2007, 2 in 2008.
- Risk: 0 high, 4 medium, 6 low.
- Purpose score: 1 for score 1, 7 for score 2, 1 for score 3 and 1 for score 4.
- Budget: 5 between £1 and £4.9 million, 3 between £5 and £9.9 million, 1 between £10 and £19.9 million, and 1 between £20 and £49.9 million.

7.51. DFID has intended to mainstream gender issues into projects, which might explain the relative few references to the issue in the titles and purposes of projects in the database. The analysis of the sample therefore considered the extent to which the

⁸² Many of the references to vulnerable groups or vulnerability were in the context of natural disasters.

projects that make reference to gender issues promoted or elaborated international principles regarding gender equality.⁸³

Engendering Poverty Reduction and Sector Programmes

7.52. Several of the PCR were concerned with making poverty reduction programmes more effective by taking account of gender issues. This aim is often set out in the purpose statement:

- Development and Dissemination of a national poverty reduction agenda which is HMGN-led realistic, gender and socially inclusive and draws on high quality analysis from Nepal and elsewhere. *Nepal, National Poverty Reduction Agenda*
- Influence pro-poor policies and best practices for Angola by demonstrating and promoting effective, sustainable and replicable gender and age sensitive models strategies and for basic service delivery and poverty reduction in peri-urban Luanda. *Lupp II Angola*
- To improve livelihood security of men and women living in 221,375 poor and vulnerable rural households in Bangladesh. *CARE Rural Livelihoods, Bangladesh*
- Sustained national and international support for Education for All objectives including Universal Primary Education (UPE) by 2015 and gender equality. *EFA, 2000 Assessment*
- Reduce Poverty and Promote Social Inclusion. *Vietnam Programme 135, Phase 2*

7.53. The lessons often do not follow up specifically on gender issues, preferring to make more general statements. In Angola, the lessons refer to the success of the microfinance component. “The lessons from this experience and the pathway of successes and failures would be a valuable lesson for wider dissemination.” In view of the role of women in the success of microfinance, it would have been useful to know more about the gender aspects in this case. In the Bangladesh project, the lessons refer to the whole community, rich and poor, and community empowerment that identifies “natural leaders amongst the poorest members of the community.” Participants in the market are milk producers and processors, with no reference to gender.

Promoting gender equality in law

7.54. Two of the PCR were related to this central issue of gender equality. The purposes of these projects were set out as follows:

⁸³ See, for example, the work of the DAC Network on Gender Equality for the High Level Forum in Accra.

- To increase the effectiveness of Palestinian institutions and pressure groups working for gender equitable legislation and policy. *Gender and Law, Palestine*
- Improved safety of the person, security of property and access to justice particularly for the poor and vulnerable. *Malawi Access to Justice*

7.55. In neither of these cases did the PCR draw attention to methods of promoting gender equality. The lessons learned for the projects are couched in terms of general project performance, risks and challenges. Whether these risks and challenges were related to gender equality is not clear. For instance, the Palestine PCR notes, "The original Project Memorandum in June 2004 assessed Sector Budget Support (SBS) as overall medium risk, although, with hindsight, this was probably an underestimate." In the case of the Malawi project, "This is an ambitious and innovative enterprise focused on security and justice outcomes rather than inputs, collaboration between donors and novel and challenging approaches especially in the relationship between formal and informal and between tradition and rights."

Making HIV/AIDS programmes more effective by addressing gender issues

7.56. Two sample PCR deal with the issue of HIV/AIDS and the need to address vulnerable people: *KP13 and Social marketing of condoms, Cambodia*. These projects do not specifically refer to gender issues. However, the research programme *KP13* has developed the following useful tool, which might be developed to deal with gender issues:

- The current project has no mechanism to measure the extent to which it reaches the poor. PSI/C is therefore piloting an "Equity Concentration Index" (ECI) – an innovative tool to measure equity of access to public, private and socially marketed health products and services. The ECI will help determine whether PSI/C's project activities are reaching the poor and vulnerable.

Engendering conflict prevention

7.57. One PCR deals with this important emerging policy area. Like other projects it sets out the intention to address gender issues: To engender conflict prevention and peace processes to increase effectiveness of relevant UN, regional and national institutions and civil society. Unlike other projects considered above, the *UNIFEM Peace and Security* project actually goes on to derive some lessons about the challenges of promoting gender equality in this field:

- Views from the capital, even by NGO representatives and others who claim to speak for poor and marginalised rural women, are sometimes overly optimistic in assessing the effects of national legislation and reforms. The lives of women on the ground are often governed by customary law and local hierarchies rather than by laws promulgated from the centre. It is important to work closely with women's organisations in the field which are able to speak authoritatively about the reality of women's lives. *UNIFEM Peace and Security*

7.58. Another PCR mentions the difficulties of adapting the programme to a conflict situation.

- The adaptation of the programme into its current format has been a sign of a positive learning process. It was a result of a realistic assessment by all parties on what could be possibly achieved in light of developments at the time (the break out of the *Intifada* and the loss of one implementing organisation), and what would constitute a realistic operational option that would allow the maximum percentage of the project's aims to be achieved in the longer term.
Gender and Law

Evolution of good practice

7.59. The lack of attention to gender issues in many of the PCR might simply reflect the restrictive nature of the lesson learning section of the PCR form. Nonetheless, there is a risk that mainstreaming can draw attention away from cross-cutting issues, such as gender. Some projects set out to examine gender aspects of mainstream activities but do not deliver lessons about key learning issues:

- To what extent was the integration of gender into the project successful?
- What were the factors that facilitated or constrained successful integration?
- What difference did gender integration make to the achievement of the project purpose?
- What were the indications of broader impact from gender integration?

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