1 Accomplishing Accountable, Effective Aid Work

Aid Effectiveness

ODA has grown steadily over the past 50 years, rising from US$5.8 billion in 1965 to US$126.3 billion by 2012. However, due to a lack of coordination among donors and the fact that actual development needs have not always received appropriate consideration, as well as political and diplomatic factors, the effects of aid have not always been effective, and many developing countries, especially in Africa, have been unable to cast off poverty.

Assistance Trends: From Reliance to Self-reliance

Since the 1960s, projectized aid has been the mainstream approach to aid work around the world. As well as being easily measurable, this type of assistance is characterized by its strong ties to foreign affairs and high levels of state control.

One of the biggest criticisms leveled against this form of assistance is that the system is dominated by donor countries, with diplomatic interests often prevailing over the ostensible purpose of supporting pro-poor development. As a result, developing countries and aid agencies have developed a symbiotic, indivisible interdependence upon one another, making developing countries overly reliant on aid, with

project benefits seldom continuing or contributing toward sustainable development following project completion.

From the 1990s, the many voices calling for aid effectiveness and a more equitable distribution of resources have prompted the international community to reflect upon the reasons for the dominance of donors in past decades. This has given rise to new aid methodologies emphasizing the need for projects better suited to recipient country systems, and for donor countries to coordinate their missions and to use standardized project and budgetary frameworks.

Consequently, in 2000 the eight MDGs set out clear, measurable indicators, pledging that aid projects should strive to meet recipient countries' needs within a target of 2015, and strengthen and enhance the benefits of aid. In 2005, the Paris Declaration on Aid Effectiveness put forward by the OECD went one step further by establishing common standards and a degree of coordination among donors' aid work, so as to enhance the transparency and effectiveness of aid projects.

Establishing Results-oriented Performance Assessment Systems

Given that aid agencies must be accountable to the public, as a further response

Every year TaiwanICDF delegations attend a number of annual meetings and seminars, including the ADB's 2013 Annual Meeting shown here, helping us to exchange ideas and keep up to date with the latest trends and approaches toward project management.

to the spirit of harmonization, managing for results and mutual accountability called for by the Paris Declaration, international development organizations around the world next began to introduce results-based management in order to enhance aid results and organizational accountability. In 2005, the MDB Working Group on Managing for Development Results, established by the group of leading multilateral development banks (MDBs) first introduced the Common Performance Assessment System (COMPAS) as a common means for such MDBs to monitor outcomes across individual organizations.

The establishment of a results-based management system allows for more effective control of internal processes, bringing continuous improvements to project quality and enhancing organizational competitiveness, and allowing an organization to appraise whether it is achieving its mission and vision effectively.

The results framework jointly formulated by the group of MDBs and adopted throughout the international community provides concrete, feasible criteria for measuring performance, and practical implementation guidelines based on four equally weighted factors corresponding to sets of different indicators and combinations, extrapolating and transforming actions into an abstract "strategy." As part of the Millennium

Declaration, the Paris Declaration and similar international proclamations, we can embody the spirit of results-based management by setting objectives, indicators and targets, and by keeping track of performance.

Appraisal Systems at a Project Level

The development of results-based management has been one of the cornerstones of the international development community's efforts to improve aid effectiveness.

At a project level, international development organizations have continued to work in accordance with processes and principles from the project cycle formulated by the World Bank. In addition, the U.S. Agency for International Development (USAID) was the first organization to employ a "logical framework" by following results-oriented management and emphasizing the causal relationships between projects' expected and actual results. This has continued to refine the decades of experience built up by the international development community, and has been rapidly embraced as an effective, mainstream instrument for planning and implementing projects, already becoming widely regarded as a key design and management tool. All major international development organizations, donor countries, partner countries and NGOs have now adopted this approach, allowing development workers to establish clear objectives, develop consensus and carry out results-oriented development interventions.

At the TaiwanICDF, we refer to this logical framework as the design and monitoring framework (DMF). The DMF is integrated into and used as part of the various phases of the project cycle, and forms the core link between project design, implementation and evaluation, as well as the basis of our project performance management system.

Project post-evaluation, the final phase of the project cycle, is an objective and scientific analysis conducted after a project has been implemented and completed. The components of this phase of a project, covering project strategies and the effectiveness of the DMF, involve performing a fair review of a project with respect to its local impacts and the outcomes achieved.

Reforms to the TaiwanICDF at an Organizational Level

The results framework adopted by MDBs can be divided into two parts: results and performance. At the TaiwanICDF, we have sought to follow the practices of mainstream international aid agencies, establishing a comprehensive results framework of consistent, tiered objectives and work plans that provide a means of measuring development results, operational effectiveness and organizational efficiency. This has allowed vertical integration of our organization's vision, strategies and personal objectives, and compels us to examine our core competencies in terms of workflow, systems, learning and innovation. Performance appraisal and feedback systems are helping us to achieve efficacy in terms of organizational self-regulation and management, which in turn improves the quality of our aid work.

Setting Performance Indicators, Measuring Actual Benefits

To highlight some of the tangible ways of measuring performance, we've set out principles for performance indicators in our Vision 2022 Core Strategies and Medium-term Corporate Results Framework, as discussed below.

Firstly, we have emulated the use of benchmarking targets now seen within the field of international cooperation and development, in order to formulate a results framework. This is directing our efforts toward certain standards of performance, enabling effective control of processes, continually improving project quality, enhancing organizational competitiveness, and allowing us to appraise whether we are achieving our mission and vision effectively.

Secondly, results-oriented input indicators, output indicators and outcome indicators safeguard the sustainability of our development work.

Thirdly, we have set out a series of integrated indicators based on the principle of following medium-term objectives. This allows us to manage situations dynamically, as objectives are achieved, and provides a real-time view of changes in the internal and external environment that could affect specific objectives or have an impact upon certain indicators. Targets can also be amended or added annually on a rolling basis in order to guide our operations forward.

Leveraging Comparative Advantages, Developing Two Core Strategies

In accordance with our vision, we are making use of Taiwan's comparative advantages and aim to achieve tangible results in our aid work. We are also strengthening the integration of public and private sector resources, cooperative partnerships and associated systems.

(1) Leverage Taiwan's comparative advantages and respond to partners' needs

Our projects will gradually come to focus on agriculture, public health, education, information and communications technology (ICT), and environmental protection. These five main areas will represent 80 percent or more of the total budget of the annual projects approved by our Board of Directors by 2022.

(2) Integrate public and private sector resources and strengthen cooperation with partners
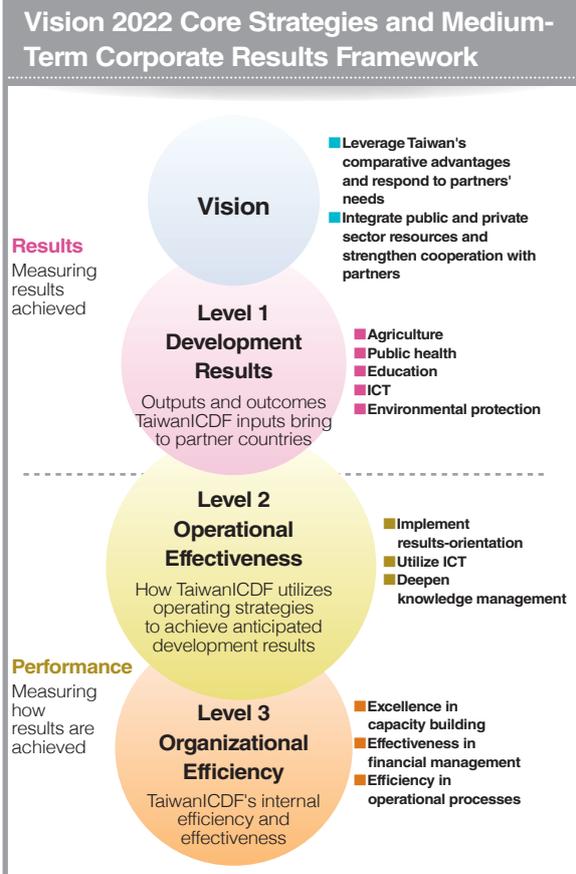
Based on Taiwan's successful economic development, and taking the context of partner countries' needs and development into account, we will manage and integrate a range of specialized disciplines to ensure that resources are utilized cost-effectively for maximum benefit and to increase the international visibility of our projects. Expressed as an indicator, 15 percent or more of the total budget of the annual projects approved by our Board of Directors should now be funding cooperation projects involving international organizations, NGOs or the private sector.

A Three-level Approach to Implementing Results-orientation

We have set out baseline values and annual targets for our two core strategies and corresponding performance indicators, positioning each of these strategies under a three-level results framework so that we have a standard set of performance metrics and implementation guidelines.

Measuring development results, operational effectiveness and organizational efficiency on three levels (see Figure 1), the TaiwanICDF's results framework comprises a consistent, tiered series of objectives and work plans. This has allowed us to vertically integrate the organization's vision, strategies and annual objectives, as well as view the organization's core competencies in terms of workflow, systems, learning and innovation. Performance appraisal and feedback systems are helping us to achieve efficacy in terms of organizational self-regulation and management.

Vision 2022 Core Strategies and Medium-Term Corporate Results Framework

Results
Measuring results achieved

Vision
- ■ Leverage Taiwan's comparative advantages and respond to partners' needs
- ■ Integrate public and private sector resources and strengthen cooperation with partners

Level 1 Development Results
Outputs and outcomes TaiwanICDF inputs bring to partner countries
- ■ Agriculture
- ■ Public health
- ■ Education
- ■ ICT
- ■ Environmental protection

Level 2 Operational Effectiveness
How TaiwanICDF utilizes operating strategies to achieve anticipated development results
- ■ Implement results-orientation
- ■ Utilize ICT
- ■ Deepen knowledge management

Performance
Measuring how results are achieved

Level 3 Organizational Efficiency
TaiwanICDF's internal efficiency and effectiveness
- ■ Excellence in capacity building
- ■ Effectiveness in financial management
- ■ Efficiency in operational processes

■Level 1: Development Results

This refers to the inputs into partner countries and the outputs and outcomes brought about as a result. We have already set out five areas and objectives determining the direction we plan to take in allocating resources, laying out an action plan for each area forming a basis for the development of new projects.

The five attributes of this level of the framework therefore refer to development results by area: agriculture, public health, education, ICT and environmental protection.

■Level 2: Operational Effectiveness

This refers to the effectiveness of the TaiwanICDF's own operations, including how we utilize our operating strategies to achieve projected development results. As such, working under the framework of our vision and core strategies, we are focusing on how to facilitate our cooperative partners' sustainable development more effectively. Designed to achieve a virtuous circle where projects are underpinned by knowledge and generate new knowledge in turn, and thereby promote international cooperation and development priorities, this level involves three elements: results-orientation through the implementation of project management mechanisms from project-level up; utilizing ICT to

exploit decision-making synergies; and building a knowledge-based community which draws on a knowledge management framework as part of its aid work.

At this level we therefore have three attributes that are crucial elements in putting our vision into practice: implementing results-orientation; utilizing ICT; and deepening knowledge management.

■Level 3: Organizational Efficiency

This refers to the TaiwanICDF's internal efficiency. By looking at internal management and administrative processes, we can see whether or not we have the requisite strengths – the human resources, and budgetary and other resources, for example – to achieve our objectives through our operations, and understand the relationships and links between inputs and the objectives that we would ultimately expect to achieve. Drawing on the idea of a "balanced scorecard," at this level we differentiate between three aspects, namely capacity building, financial effectiveness and operational processes.

In terms of capacity building, we are developing, sustaining and utilizing human resources so that the deployment of the most suitable human resources will ultimately raise overall institutional capacity. Financial effectiveness refers to the use and performance of the TaiwanICDF's funds – including, for example, financial planning and budget utilization rates – so that we can ensure that our finances remain suitably robust through the construction of the appropriate performance measurement systems. Operational processes are the average time expended in project management, the soundness of internal regulations, the transparency of information and the effectiveness of our communications.

The three attributes at this level are: excellence in capacity building; effectiveness in financial management; efficiency in operational processes.

In accordance with our Vision 2022, we have formulated 18 concrete objectives and 28 performance indicators, including baseline indicators and annual objectives for 2013 through 2015. Using our results framework and associated performance indicators in combination, each year we will review whether these annual objectives have been achieved and publish reports on our performance. At the same time, we will look to integrate our annual work plans and budgets, identify which changes to which key elements have actually had an impact, responding and allocating resources as early as possible.

Reforms to the TaiwanICDF at a Project Level

To respond to the importance that the international development community has placed upon aid effectiveness and organizational accountability, we have focused on the use of a DMF, the project cycle and evaluation. The goal of evaluation is to influence the TaiwanICDF's ability to achieve development outcomes. We have also emphasized effective feedback in terms of performance and the use of lessons learned to improve the development effectiveness of the TaiwanICDF's operations in its partner countries. Moreover, we emphasized the importance of knowledge management and sharing, especially for evaluation findings, recommendations and lessons learned, for the accumulation of organizational memory and experience facilitates innovation backed by knowledge.

The Development and Importance of Post-evaluation Mechanisms

Evaluation is a systematic, objective assessment of an ongoing or completed project, and its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness and sustainability. Providing impartial, evidence-based assessments and lessons on drivers of success and failure will assist us in understanding the problems encountered while carrying out projects, and allow us to document lessons learned and best practices, providing feedback to various stakeholders.

To enhance the quality of evaluation work and promote communication and coordination within the discipline, international development organizations have long endeavored to establish common standards and principles. The trend began in 1976 when the World Bank's Operations Evaluation Department published its Standards and Procedures for Operations Evaluation. This document, which established a two-phase evaluation mechanism, remains in use to this day.

In 1992, the OECD's Development Assistance Committee (DAC) issued its Development Assistance Manual: DAC Principles for Effective Aid, which became another important milestone in the area of development assistance evaluation. In addition to setting out six major principles for evaluation – including the necessity of evaluations, and the need for independence and the participation of partner countries – this document was an instruction manual for carrying out evaluation work and also formed the basis for discussion regarding evaluation criteria that are now in common use today.

With an emerging demand to clarify and compare development results, MDBs were recognizing the need to determine common evaluation methods and standards, and to define best practices, which led to the establishment of the Evaluation Cooperation Group (ECG) in 1996. The purpose was to strengthen mutual cooperation among evaluation offices at these development banks and coordinate evaluation

To study the methods of international organizations, TaiwanICDF personnel have taken part in training from the World Bank at Canada's Carleton University, allowing us to incorporate the latest international evaluation systems into our own Project Evaluation Handbook.

methodologies in order to provide a common basis for comparing the results of various programs.

In 2002, the ECG issued the first edition of its Good Practice Standards (GPS), formulating further evaluation-oriented criteria, processes and methods. An updated version was released in 2012 to reflect the increasingly diverse needs of project evaluation. The GPS forms the foundation for work at a number of development organizations, who have each made discretionary adjustments to its spirit and its principles in order to match the specific characteristics of their operations.

Looking more deeply at some of the factors behind the development of project evaluation, it is clear that the principle of Managing for Development Results (MfDR) is the driving force behind development projects, and that the need to measure development results has given rise to objective, effective monitoring and evaluation mechanisms. Centered on a results chain, the DMF provides a logical approach to work, assisting those engaged in project design to define core problems and needs, to design project content and operational processes based around those needs, and to define measurable indicators, baselines and targets for project implementation.

A well-designed and properly functioning

DMF doesn't just assist those designing projects to clarify core issues during the project identification stage: During project preparation and appraisal it can help to confirm whether a project's results chain is rational; and during the project implementation and completion stages, it can be used to judge whether resource inputs have been employed effectively, and whether a project has achieved the results expected, in accordance with the data and information originally set out in the DMF.

Evaluation work also uses the DMF as a baseline during the post-evaluation stage, utilizing the OECD/DAC Principles for Evaluation of Development Assistance to calculate the relevance, effectiveness, efficiency and sustainability of a project. Therefore, the evaluation stage presents another chance to examine core issues, to analyze how the outputs listed in the DMF have come about during project implementation, and, through rigorous research methods drawn from the social sciences, to explore the causal relationships between a project's results chain and implementation results, as well as whether a project has generated meaningful and long-term changes in a partner country. Post-evaluation work revolves around four core points:

1. Identifying correlation: A question commonly encountered during development projects is, is a project that is well suited to country A also suitable for country B ? Evaluation explores whether similar types of intervention logic could be expected to yield the same results across different scenarios and environments, providing an explanation of the correlation between intended results.

2. Determining causality between outputs and outcome: This involves determining whether or not the operations taken on, the resources input and the monitoring framework used have led to the expected outcome.

3. Determining intervention logic: This means determining whether there is any causality in the sequencing of project activities, as well as whether project design was instrumental in bringing about the expected outcome.

4. Objectively evaluating project implementation performance: This means evaluating whether and to what degree a project's performance has allowed us to achieve our core strategies, whether strategies are calibrated to

needs, and to what extent the results of project implementation can be said to have supported organizational and operational performance.

Project Post-evaluation Criteria: Relevance, Effectiveness, Efficiency And Sustainability

The most commonly used project evaluation criteria around the world today are determined in accordance with evaluation criteria published by the OECD/DAC: relevance, effectiveness, efficiency and sustainability. These criteria show the conditions and characteristics that effective, quality development projects should consistently meet. Although in principle international organizations don't deviate from this spirit, in practice they do accommodate objectives they have already established, as well as their own mission statements, by making slight adjustments to these standard criteria. In accordance with our Guidelines for TaiwanICDF Project Evaluation, we have set out and use criteria defined and designed to accommodate the TaiwanICDF's own project performance appraisal systems and rating standards. Each of these criteria is explained below.

■ Relevance

Relevance refers to the extent that a project really reflects partner countries' needs and the reality of the situation in a local community or country, as well as whatever projected results have been clearly laid out. Project planning should use a results chain, make use of a problem tree and an objective tree, and safeguard the rationality of a project's intervention logic. If a project changes, its content and components should continue to comply with the principle of relevance.

1. Intervention Logic

The causal relationship between a project's outputs and outcome should be fully tested, and in order to give full play to the effects of an intervention, the implementation and completion of a project's various activities should take place at the appropriate time. The relevant stakeholders should be able to participate effectively in project implementation and design, and personnel evaluating a project should actively encourage stakeholders' participation in implementation, recognizing their commitment to the project. An analysis of related technical, commercial, financial,

economic, industrial and organizational capacity must be done when carrying out feasibility studies, while project design should refer to lessons learned from similar projects. Any risks or factors that might limit the project in achieving its expected results must also be considered.

2. Consistency

Consistency refers to whether a project's intervention logic and its results chain (impact, outcome and outputs) were suitably designed to meet a partner country government's strategic priorities, as well as the relevance of the TaiwanICDF's development assistance strategies. This incorporates the following three aspects:
- Consistency of the results chain of the project under evaluation during the project approval phase;
- Whether or not the results chain has remained in alignment during the evaluation phase of the project;
- Whether changes should be implemented to ensure that the project remains in alignment.

3. Formulation Quality

During project evaluation, a project proposal should be examined for the relevant explanations and definitions of its outcome and outputs, together with evidence gathered after project implementation and activities designed during the project, including the effectiveness and feasibility of resource inputs and the planned timeline. Personnel evaluating a project can look at four aspects:
- The project proposal clearly explains the project's expected outcome;
- Project outputs were defined clearly and unambiguously, and the project's content and planned work schedule were concrete and feasible;
- Lessons learned as part of similar projects;
- Evidence of causality between the project's outputs and outcome.

■ Effectiveness

Effectiveness refers to the degree to which a project under evaluation achieved its expected outcome, notwithstanding any external factors. When looking at the effectiveness of a project, it is important to analyze whether the project did indeed achieve this expected outcome, and to analyze and discuss what factors contributed to this achievement, or lack thereof. Effectiveness is measured through three criteria:

To ensure projects get results, we control them effectively via a range of monitoring, auditing and evaluation activities. Shown here, members of a TaiwanICDF mission to St. Kitts and Nevis conduct an inspection and discuss capacity building for the Agro-tourism Demonstration Farm Cooperation Project.

1. Reviewing the Effectiveness of Project Management

A project's resource inputs and the management of project activities are reviewed to understand whether these conformed to the needs of local communities and cooperating partners. Project outputs, including labor and services, are reviewed to understand whether they conform to characteristics laid out during project planning.

2. Achievement of Project Outcome

After collating relevant data and information, those evaluating a project must examine to what extent the project outcome has been achieved, based on an objective evaluation of the information gathered. If the project was not on schedule or did not meet some qualitative or quantitative target, it must be determined whether or not this was due to external factors, and the reasons given must be reviewed.

In addition, those evaluating a project must also assess whether or not the project has been able to strengthen partners' institutional capacity, for example by determining whether or not such

partners have become more knowledgeable about problem-solving or have accomplished tasks entrusted to them, and whether or not partners' internal administrative efficiency has improved.

Finally, there is the need to evaluate whether or not the project has strengthened participants' willingness to change, for examples in terms of changing their own situation, improving their abilities or becoming more willing to direct cooperation projects and make substantial improvements.

3. Appraising External Factors

External factors are issues that are not under the direct control of a project but which may nevertheless significantly influence its outcome. Generally speaking, external factors can come from anywhere within a project's surrounding environment, for example within the economic, political or industrial spheres, due to the climate or natural disasters, or due to some change in the nature of the core issues being addressed by the project. However, projects can also be influenced by specific external factors (such as political lobbying) and other readily observable external factors (such as the business cycle).

To be able to confirm whether the results chain of the project under evaluation did indeed contribute toward achieving the project's expected outcome, reviewers need to consider which external factors may have interfered with cause and effect within the results chain. An outcome or impact may not have arisen as a result of the project itself, but rather due to external factors — positive or negative. Reviewers must review the following two aspects of a project:

- Proof that outputs were brought about by the project's inputs and activities, rather than by external factors;
- Proof that the project outcome was brought about by project outputs, rather than by external factors.

■Efficiency

Efficiency refers to whether the resources used as part of a project under evaluation were utilized to achieve its outcome efficiently. Evaluating project efficiency means measuring a project's inputs and outputs – qualitative and quantitative – and analyzing matters from an economic perspective to determine whether the resources input were the minimum required to

yield the expected outcome. When evaluating project efficiency, it can be useful to make assumptions about whether the project would have achieved the same outputs if it had drawn on similar projects, comparing which actions would have maximized the efficiency of implementation. Measurements of project efficiency can be split into the following three criteria:

1. Achievement of Project Outcome through Efficient Use of Inputs

- Project inputs and resources were economical and effective in terms of the outputs and outcome yielded;
- The project budget was utilized cost-effectively;
- The project effectively caused projects participants and cooperating partners to change and to willingly accept changes, and such changes were already anticipated as part of the project.

2. Procedural Efficiency

For procedural efficiency, or administrative efficiency, the following considerations are relevant:

- The efficiency with which a project's internal operations were managed;
- The efficiency of cooperating partner organizations and the management of their internal operations;
- The efficiency with which external experts and businesses were hired and managed, and whether implementation operations and procurement were handled efficiently;
- Project objectives designed to be achieved in cooperation with other development partners;
- Projects with other cooperating development organizations, and whether such cooperative relations had a positive or negative influence on efficiency.

3. Timeliness of Outcome

This refers to whether or not a project was or could have been revised to respond objectively to changes in circumstances through real-time adjustments to the allocation of resources, with inputs and activities achieving outputs and outcome with maximum efficiency. In addition, a project must be evaluated to check whether the procurement of goods and services during its various phases satisfied requirements in a timely fashion, including whether consultancy and/ or professional services provided by those from external consultants or professional agencies were provided at the right time and in the right place, and whether such services were able to raise the quality of project decision-making.

■Sustainability

After resources have been withdrawn, a project is evaluated to understand whether the outcome represents a sustainable benefit for cooperating partners and local communities. A range of technical, financial, economic, social, political and other components are relevant to a project's sustainability, as are cooperating units' organizational efficiency, management quality and commitment to a project. Evaluating the sustainability of a particular strategy or project must take the following issues into account:

1. Whether beneficiaries and/or stakeholders still have a need for the goods or services output by the project;

2. The financial status of the project executing agency, the sustainability of operational strategies and relevant processes, and financial support to be provided to the project in the future, as well as whether government units or private enterprises are capable of maintaining the project outcome;

3. Whether relevant economic and social conditions external to the project will be of benefit to the sustainability of operations;

4. Whether a project is supported by suitable human resources, and whether incentives are in place to encourage stakeholders to continue to maintain the operations of a project;

5. Whether partner government policies are capable of ensuring project ownership, and whether a partner government's policies, regulations and relevant standards benefit the sustainability of a project.

As a professional development organization, we need to constantly examine the outcome of project implementation through project monitoring, auditing and evaluation work. Taking control of projects from various perspectives, we must continue to exploit knowledge in pushing things forward, improving project design and management skills, and break through existing resource limitations to create strengths and niches in our aid work.