

The role of evaluation in Italian development aid

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Legislative reform of development cooperation is now on the agenda of the Italian Parliament. In that context evaluation will have to be considered both at “micro”, as well as at “macro” level. In other words both the traditional project oriented evaluation and a wider comprehensive analysis of the quality and impact of aid policies will have to find in the new legislative and regulatory context proper indications.

While abundant literature exists on project evaluation, the debate on means and responsibilities of evaluation of nations’ Official Development Aid still appears to be scanty. In this paper after a general review of Aid evaluation in the Italian experience, “macro” aspects are specifically addressed, though in the conscious limit of a donor’s perspective.

Until 1986, the evaluation of development projects financed by the Italian cooperation was confined to an internal *ex ante* evaluation (appraisal) of financial proposals and monitoring of single projects, almost exclusively in terms of verification of accomplishment of executors contractual commitments.

Italian Development Cooperation was at that time regulated by Law n.38/79, where no mention was to be found about evaluation procedures.¹

At that time, projects presented by partner developing countries, were often written with the collaboration of future contractors, who subsequently “sponsored” their approval by Italian authorities. The evaluation made by the offices of the Ministry of Foreign Affairs was therefore almost exclusively confined to the general conformity of the project to bilateral agreements and to existing guidelines on terms and conditions of Italian ODA, a generic judgment of its appropriateness with respect to partner country’s development, and acceptability of proposed costs. Rarely the *ex ante* evaluation would be extended to analysis of alternative investments, obtainable benefits, project’s social equity, long term sustainability or socio-economical validity. The decision about these aspects of the project was at that time considered to be of exclusive competence of the receptor country. Similarly, the monitoring of the execution phase was limited to occasional field visits by Italian officers, variable in depth and accuracy of the analysis, however sometimes resulting in deep revision and restructuring of evaluated projects.

¹ Legge 9 febbraio 1979, n.38, Cooperazione dell’Italia con i Paesi in via di sviluppo, *Gazzetta Ufficiale della Repubblica Italiana*, n.44, 14.2.1979

More detailed examinations of single projects would take place in the case of the request of significant variations or supplementary financements by the receptor country.

One has the feeling that the approach was a very “diplomatic” one, with the Italians considering the final use of the investment a responsibility of the beneficiary country in its sovereignty, and the latter avoiding criticism possibly altering the relations with the Italian partner and putting future investments at risk.²

However - possibly reflecting consciousness of missing evaluation “culture” - in those years an informal “Technical Evaluation Group” was established at the Italian Department for Development Cooperation of the Ministry of Foreign Affairs. Members of that group, directly depending from the Director General of the Department, began to participate regularly to the OECD/DAC Expert Group on Aid Evaluation, contributing to introduce the first elements of the evaluation concept into the Italian Cooperation to Development.³

A first “evaluation program” was established in 1983, specifically directed to the analysis of cooperation activities with Egypt and Ethiopia, at that time already considered priority countries and with a consistent level of Italian investments in a wide variety of development projects. However, the exercise, conducted exclusively with human resources internal to the Department, though identifying significant elements for the reorientation of cooperation activities in those countries, did not produce any feedback. Then, probably due to its informality, the “evaluation group” was rapidly dispersed and human resources absorbed in the fast growing operations of Italian Cooperation.

Through the approval in 1985 of an extraordinary fund of approximately 1.000 millions US dollars to face high mortality in underdeveloped areas of the world,⁴ and with the introduction, two years later, of a new national law on development cooperation, Italy’s Official Development Aid,⁵ grew in real terms (at fixed exchange rates) from 1500-2000 millions US dollars in the early eighties (0,2 of the GNP), to about 4.500 millions dollars (0,4 of GNP) at the end of the decade.⁶

In 1987, by law n.49/87, the previous department was reorganized in the new “Directorate General for Development Cooperation” (Italian acronym: DGCS), totally integrated in the structure of the Ministry of Foreign Affairs.

A Secretariat made up of three officers (diplomats) of the Ministry of Foreign Affairs and five development cooperation experts forming a “Technical Evaluation Nucleus” was instituted as a support to the Directive Board of Italian Cooperation. The Board, whose members are all the Directors General

2 Società Italiana di Monitoraggio, *La Valutazione alla Cooperazione allo Sviluppo 1986-1995*, dicembre 1995

³ Comitato Direzionale, Riunione del 3.7.1997, Delibera n.37. “Nota Informativa per il Comitato Direzionale. Programmazione delle attività di valutazione in itinere ed ex post della DGCS per il triennio 1997-1999”, *DIPCO, bollettino della Cooperazione*, n.27, 1997

⁴ Legge 8 marzo 1985, n.73, Realizzazione di programmi integrati plurisetoriali in una o più aree sottosviluppate caratterizzate da emergenza endemica e da alti tassi di mortalità, *Gazzetta Ufficiale della Repubblica Italiana*, n.63, 14.3.1985

⁵ Legge 26 febbraio 1987, n.49, Nuova disciplina della Cooperazione dell’Italia con i Paesi in via di sviluppo, *Gazzetta Ufficiale della Repubblica Italiana*, n.23 S.O., 28.2.1987

⁶ Missoni, E.; Bussi, M.I., “Nunca aceptes carabelas de desconocidos. El sistema italiano de Cooperación y sus relaciones con América Latina”, Ecoe ed., Santafé de Bogotá, 1993, 65-74

of the Ministry of Foreign Affairs, plus representatives of the administration of the ministries of Treasury, Budget and Foreign Trade, is chaired by the Ministry of Foreign Affairs and on his behalf by a designated Subsecretary of State.

The mentioned “evaluation nucleus”, however did not assume the function of an “Evaluation Unit” similar to those existing in other donor countries, with a mandate to coordinate and execute *in itinere* and *ex post* evaluation on the activities of the Development Agency, the DGCS in our case. Its role remained mainly limited to the formal control on the financial proposals submitted to the Board by the DGCS and therefore to the validation of the *appraisal* of projects conducted by the “Central Technical Unit” of DGCS,⁷ whose competencies had been indicated by law in: “technical tasks related to identification, preparation, formulation, *evaluation*, management and control” of cooperation initiatives.

The possibility also attributed by the law to DGCS, if so requested by the Ministry of Foreign Affairs or the Directive Board, to resort to an external independent agency to carry out “special controls, referred to single projects and with a temporary character” has been almost exclusively confined to a frame-agreement with one single company: the *Società Italiana di Monitoraggio* (SIM).

It is interesting to note, that at least at the beginning, SIM’s evaluation reports, were not circulated in DGCS (nor externally), and often even officers in charge for evaluated projects could not be formally informed about the results.

The lack of a systematic use of evaluation tools in the Italian Development cooperation was also stressed in a 1990 study of the European Commission, which recommended the adoption of a more systematic approach to the “project cycle” and the need to increase the effectiveness of DGCS’ internal evaluation system through the establishment of an “Evaluation Unit”.⁸

EEC recommendations pushed DGCS to initiate an internal capacity building process, which led, five years later, to the formal adoption of the “Project Cycle Management” (including the “Logical Framework” and the “Integrated Approach”) as a standard method.⁹

In the meanwhile, in 1993, the Directive Board entrusted one of the officers of its Secretariat, supported by the experts of the Technical Evaluation Nucleus, to “coordinate, program and manage *in itinere* and *ex post* evaluation activities that DGCS intends to carry out”.¹⁰ Though organizing for the first time the evaluation function, its “independence” from managerial responsibilities - clearly established by the Legislator - was reduced. In fact, the DGCS would decide how to evaluate its own activities. This orientation was later on clearly confirmed by the Directive Board, when the task was transferred to a new “Evaluation Group” under the direct responsibility of the Director general of DGCS. The new “structure” however was staffed with the same professionals of the Directive Board Secretariat and its Technical Evaluation Nucleus, generating some role confusion.¹¹

⁷ Comitato Direzionale, Riunione del 28.7.1988, Delibera n.286 “Comitato Direzionale. Segreteria e Nucleo di Valutazione criteri organizzativi e compiti”

⁸ Cracknell, B.E., “Seventh Country Report: Italy. EEC Commission and Member States Review of Effectiveness of Feedback Mechanisms, Bruxelles, November 22nd, 1990

⁹ Comitato Direzionale, Riunione del 28.7.1995, Delibera n.43, *DIPCO, bollettino della Cooperazione*, n.2, 1996

¹⁰ Comitato Direzionale, Riunione del 22.12.1993, Delibera n.135, *DIPCO, bollettino della Cooperazione*, n.2, 1994

¹¹ Comitato Direzionale, Riunione del 9.2.1996, Delibera n.26, *DIPCO, bollettino della Cooperazione*, n.2, 1996

It may be of some interest to observe that roles confusion is structural to the present organization of Italian Development Cooperation, with a quite blurred distinction between the policy level and the implementing level, being political responsibility often mixed up with managerial decisions.¹² For example: the Minister of Foreign Affairs on one side proposes the political guidelines of development cooperation at Government level (Interministerial Committee for Economic Planning - CIPE), and on the other - as a chairman to the Directive Board - is responsible for its enforcement, down to the approval of consultants or to the definition of technical procedures; the Director General of DGCS as a full member of the Board, is called to judge the proposals presented by offices under his own responsibility. The absence or uncertainty of individual responsibilities has been recognized as an important cause of institutional inefficiency and past deviations of Italian Development Cooperation, and probably represents one of the main motivations for the sectoral Reform presently debated in the Italian Parliament.

Following 1993 indications, a biannual evaluation plan (1994-1995) was approved,¹³ but only one out of six planned project evaluations had been completed by half of 1997, when a new 1997-1999 plan was presented.¹⁴ In 1997, for the first time since 1986, the agreement with the SIM was not automatically renewed, in view of the adoption of European Community tender procedures for the selection of contractors.

If really put in place, the 1997-1999 evaluation plan, will probably represent an important methodological milestone in the history of Italian Development Cooperation. Having in mind OECD/DAC principles for effective Aid,¹⁵ suggesting a comprehensive analysis of development cooperation activities (adopted policies, programs, sectors, cross-cutting issues, as well as procedures and management issues), as well as the principles of coherence, coordination and complementarity of European Union ODA, mentioned in the Maastricht Treaty, the Planning criteria are thoroughly exposed. Three evaluation scenarios are finally identified according to geographical, sectoral and financial tool oriented criteria:

- ex post evaluation of development cooperation activities in Sub Saharan Africa which has always represented a priority area of Italian ODA
- ex post evaluation of activities in the field of capacity building (higher education)
- ex post evaluation of the use of the an innovative financial tool introduced by Law n.49/87 for the financment of the risk capital in the implementation of joint ventures in Developing Countries.

The proposed publication of evaluation results, as well as the planned feed back in terms of capacity building and institutional development of an evaluation “culture”, would undoubtedly represent a positive step forward.

¹² cf. Stokke, O. Policies, Performance, Trends and Challenges in Aid Evaluation, in “Evaluating Development Assistance: Policies and Performance” edited by Stokke, O., EADI book series; 12, Frank Cass, London, 1991, p.10

¹³ Comitato Direzionale, Riunione del 12.7.1994, Delibera n.48, *DIPCO, bollettino della Cooperazione*, n.27, 1994

¹⁴ Comitato Direzionale, Riunione del 3.7.1997, *ibidem*

¹⁵ OECD, Development Assistance Manual. Dac Principles for effective Aid, Paris, 1992

The choice of letting coincide the temporal framework of evaluated activities with the period during which Law n.49/87 has been in force, may have the added value of helping to “read” a highly controversial period of Italian Cooperation in view of the transition to the new institutional scenario which may be introduced with the expected approval of the Reform.

However, as we have seen above, the responsibility of the evaluation activities - originally identified in a structure directly referring to the Directive Board - lays now in the hands of the “executive” Director of the institution whose results are to be evaluated, with some constraints to the generally recommended “impartiality”, especially if the policy-making process and the general management of development assistance is to be judged. The need for an evaluation function “internal” to the Aid institution (in our case DGCS) is out of discussion as a fundamental tool for the general management; but if “accountability to political authorities and general publics”¹⁶ is to be sought, an independent evaluation function placed on a higher level is also needed.

Apart from OECD Development cooperation reviews (the last one conducted in 1996),¹⁷ until now, a comprehensive evaluation of Italian development cooperation has only been the result of the autonomous initiative of some research institutions or independent researchers. In the absence of an adequate, independent *watch* on the institutional performance of development cooperation, the Parliament itself felt on more occasions the need to activate specific investigation procedures, coming, among others, to the conclusion that a permanent Bicameral Parliamentary Surveillance Commission should be established.¹⁸

Another important aspect to be taken into account when dealing with a broad evaluation of ODA is the capacity to involve civil society organizations in the process. A consultative body was established by law n.49/87, made up of representatives of Universities and National research Institutions, Regional and Municipal administrations, trade unions, private enterprise, development NGOs. Its task was to express its opinion on the guidelines given by the Directive Board and to elaborate on specific aspects of Development Cooperation activities. Despite some important theoretical contribution, the work of the Consultative Committee remained mainly confined to its formal role and could be suppressed without too much noise in 1993. However, the discussion on the role of civil society in the evaluation of development cooperation activities, as well as in the corresponding decision-making process, remained open. To our purpose it may be noted that in recent years, probably as a consequence of growing dissatisfaction about public management of ODA, some non governmental organizations have led the movement for Reform, some times with significant contributions to the debate and to a correct evaluation of past experience. One of the Reform bills presented in Parliament, signed by parliamentarians belonging to all political groups, explicitly mentions this participatory origin.¹⁹

In the present debate on the Reform of Italian ODA the definition and separate role of political guidance, programming and management of Development Assistance, and its control, appear to be the

¹⁶ OECD, *ibidem*, p.131

¹⁷ OECD, Development Co-operation review series. Italy, Paris, 1996

¹⁸ Camera dei Deputati - Senato della Repubblica. XII Legislatura. Atti Parlamentari 1994-1996. Commissione Parlamentare d’Inchiesta sull’attuazione della politica di cooperazione con i Paesi in via di Sviluppo

¹⁹ Camera dei Deputati. XIII Legislatura. Atti Parlamentari n.3208; Senato della Repubblica. XIII Legislatura. Atti Parlamentari N. 2494

most difficulty point to solve. Practically all the proposed bills, introduce the establishment of an autonomous development cooperation “Agency” for the management of Italian ODA, however the extent of its “power” is a point of strong contrast.

When it comes to control of ODA, everybody seems to agree that adequate tools are needed to provide the Parliament with all the necessary elements to evaluate effectiveness of adopted policies. The proposed permanent Parliamentary Surveillance Commission by itself, while being obviously completely independent from both the Governmental political and the planning-management function, would not have the needed technical characteristics for the management of evaluation activities. However a “Central Evaluation Unit”, nominated by such a Parliamentary Commission and directly reporting to it, would overcome that limit. In alternative, without modifying the present role of the Permanent Commissions for Foreign Affairs existing in both Houses of Parliament, these could jointly establish such a “Central Evaluation Unit”. In both cases, the “Unit” would act as an “authority” granting the highest level of independence and impartiality, as well as an adequate “hierarchical” position to comprehensively evaluate any aspect of development cooperation activities.

The suitability of lower level alternatives (i.e. a Central Evaluation Unit reporting directly to the competent Minister or to the head of the “Agency”) are highly dependent on the characteristics and role that will be attributed to the latter. If the “Agency” will be invested with wide responsibilities in planning as well as managing ODA, an “Evaluation Unit” depending from the Government, i.e. the competent Minister could be another possible solution. However, if political guidance, policy making and planning activities (down to the definition of the country program and its main initiatives) will once again remain concentrated at Ministerial level, then only an “authority” directly reporting to Parliament, may respond to the needed requisites of independence and neutrality. This solutions, remains however in author’s opinion the most appropriate and trustworthy also *vis-à-vis* the principal stakeholders: citizens.²⁰

Whatever organizational arrangement will be finally decided, linkage between evaluation findings and decision-making, from the “macro” down to the “micro” level, will highly depend on mechanisms for collaboration and exchange of information - i.e. the “evaluation system” - that will be put in place among the different institutions concerned with ODA.

Finally, an aspect that should not be underestimated is the potential of adequate mechanism to ensure the participation of the different expressions of civil society in the evaluation process, as well in other significant moments of decision making. Evaluation is said to be “a tool of transparency, of social participation or even of political participation”.²¹ In that sense, the contribution of NGO may also help to read the results of development activities under a non homologated perspective. An institutionalized mechanism of consultation and even collaboration with the “evaluation body” may have, among others, the effect of facilitating the support of public opinion to international cooperation to development, a non secondary aspect in our individualistic, shortsighted western society.

²⁰ cf. Stokke, O., *ibidem*, p.13

²¹ Bezzi, C. “La valutazione sociale. Una mappa concettuale” in Bezzi, C.; Palumbo, M. *Strategie di valutazione*, Gramma, Perugia, 1998