

# Support to Quality Monitoring Systems and Methodologies of Projects and Programmes of External Assistance financed by the European Commission

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## **FINAL DRAFT (5)**

SQ2M – Cost effectiveness comparative  
analysis ROM & Evaluations

*Reporting Date: September 2010*



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EUROPEAID/127731/C/SER/Multi  
EuropeAid EVA / 219 – 719



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Reporting Date: September 2010

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## Cover page

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## ACRONYMS

<b>ABB</b>	Activities Based Budgeting
<b>ABM</b>	Activities Based Management
<b>ACP</b>	African, Caribbean and Pacific
<b>AF</b>	Action Fiche
<b>AIDCO</b>	Office de Coopération EuropeAid
<b>AMP</b>	Annual Management Plan
<b>BCS</b>	Background Conclusion Sheet
<b>BENEF</b>	Beneficiaries Framework
<b>BS</b>	Budget Support
<b>CMTP</b>	Centrally Managed Thematic Project
<b>COM</b>	Framework Contract Commission 2007
<b>CP</b>	Caribbean and Pacific
<b>CRIS</b>	Common RELEX Information System
<b>DAC</b>	Development Assistant Committee
<b>DG</b>	Directorate General
<b>EAMR</b>	External Assistance Management Report
<b>EC</b>	European Commission
<b>EDF</b>	European Development Fund
<b>ELARG</b>	Enlargement Directorate
<b>ENPI</b>	European Neighbourhood and Partnership Instrument
<b>ER</b>	Evaluation Report
<b>EU</b>	European Union
<b>FAQs</b>	Frequently Asked Questions
<b>FWC</b>	Framework contract
<b>HQ</b>	Headquarter
<b>IT</b>	Information Technology System
<b>J-ROM</b>	Joint Result Oriented Monitoring
<b>LFM</b>	Logical Framework Matrix
<b>LO</b>	Learning Organisation
<b>M&amp;E</b>	Monitoring & Evaluation
<b>M€</b>	Million Euros
<b>MR</b>	Monitoring Report
<b>N/A</b>	Not Available
<b>NGO</b>	Non-Governmental Organisation

<b>NSA</b>	Non-State Actor
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>oQSG</b>	Office Quality Support Group
<b>PCM</b>	Project Cycle Management
<b>PDF</b>	Portable Document Format
<b>PG</b>	Partner Government
<b>PIU</b>	Project Implementation Unit
<b>Q1</b>	Questionnaire 1
<b>Q2</b>	Questionnaire 2
<b>QC</b>	Quality Control
<b>QSG</b>	Quality Support Group
<b>ROE</b>	Results Oriented Evaluation
<b>ROM</b>	Result Oriented Monitoring
<b>RS</b>	Response Sheet
<b>SBS</b>	Sector Budget Support
<b>SPSP</b>	Sector Policy Support Programme
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>TC</b>	Technical Cooperation
<b>TM</b>	TM
<b>ToR</b>	Terms of Reference
<b>WBT</b>	Western Balkans and Turkey



## EXECUTIVE SUMMARY

### 1.1 Scope of Report and Methodology

AIDCO Management requested E5 to conduct a comparative analysis of project Evaluation and ex-post ROM (Result-Oriented Monitoring) cost-effectiveness in light of a potential replacement of some Evaluations by ROM. Based on this initial request, E5 launched a broader cost-effectiveness study of ROM and project Evaluations at all stages of the project cycle in order to identify how to use these tools in a more co-ordinated manner, making the best out of each of them.

The overall objective of this study is to contribute to the enhancement of the effective aid management by the European Commission (EC).

The specific objective of the assignment is to **assess the comparative advantages of ROM and Evaluations**, to enhance project management, knowledge management and other benefits derived from both, and to suggest the best modalities to co-ordinate their use.

Expected results:

- Analysis of the current rules and practices related to all types of project Evaluations, Mid-Term, Final or Ex-Post and both On-going and Ex-Post ROM;
- Identification of the costs and benefits (or effectiveness), strengths and weaknesses of project Evaluations and ROM. This analysis needs to take into account both the current situation and changes about to be undertaken especially regarding the establishment of a project Evaluation database;
- A mechanism to co-ordinate the use of both tools; defining criteria for their use and timing will be developed on the basis of the comparative analysis.

Methodology used:

A threefold approach permitted the collection of the most relevant information and data on the purpose, use and distribution of the two tools within EuropeAid:

- a **“desk” analysis** based on available studies, reports and comments made in recent years by Units E5 and 03;
- a **survey carried out using two specific questionnaires** addressed to the operational staff at HQ and Delegations on the actual use and the potential benefits of the two tools;
- the **collection of quantitative data** on M&E (Monitoring & Evaluation) implementation (2007, 2008, 2009) using the Common RELEX Information System (CRIS) and information from other internal sources.

Key concepts:

The concept of **Evaluation** as an **instrument to ensure accountability for the use of public resources and at the same time as a source to gather lessons learned for future interventions** is present throughout the history, tradition, customs and financial rules of the **European Union Management**. The legal obligation for Evaluation within EuropeAid essentially comes from the Financial Regulations and their Implementing Rules (2004) which contain standards valid for all types of Evaluation within the EU institutions. These standards stress the need and obligation to systematically evaluate activities, based on two broad reasons:

- To ensure accountability and*
- To promote knowledge and learning.*

Evaluation is considered as the only adequate tool to achieve both, while **“standard” monitoring as part of the internal intervention implementation process is viewed as a management instrument** that can feed Evaluation, but is not itself able to produce the information needed neither for accountability nor for knowledge production.

EuropeAid shares these concepts for its Evaluation exercises, but the complexity and the specificity of the EuropeAid interventions call for some adaptations. EuropeAid is confronted with an extremely large number of interventions in a variety of sectors, regions, sizes and modalities. Consequently, EuropeAid has developed two basic strategies to address these problems. On the one hand, it carried out the de-concentration process to bring the project management closer to the funded activities and to be able to respond more flexibly whilst safeguarding the core management rules and procedures. On the other hand, it established the ROM system as an alternative way to collect project information, which is at the same time able to provide direct support to project management.

Organisations often think that technology-driven solutions will help them acquire knowledge. However, this approach misses one vital aspect: that IT is essentially the warehouse for knowledge, not the source of it. Different studies find that although current technologies offer remarkable capability, they rarely work as well as anticipated. A simple technological approach to knowledge management is not sufficient. It needs to be coupled with more changes in attitudes and behavioural patterns at individual and organisation levels to produce and consolidate a learning path.

## 1.2 Description of the Tools

The following is a summary of the characteristics of the tools ROM and Evaluation:

	ROM	Evaluation
<b>Origin</b>	Launched as a result of a 1999 recommendation of the Council of Europe	Since early phases of EU development co-operation
<b>Original purpose</b>	Cover a higher percentage of projects focusing on relevance, design	<ul style="list-style-type: none"> <li>○ Ensure accountability (financial rules), focus on impact measurement</li> <li>○ Promote knowledge and learning</li> </ul>
<b>Actually used for:</b>	<ul style="list-style-type: none"> <li>○ Accountability (aggregated level, annual reports AIDCO)</li> <li>○ Aggregated analysis per region etc.</li> </ul>	<ul style="list-style-type: none"> <li>○ Accountability (project level)</li> <li>○ Management purpose</li> </ul>
<b>Framework, criteria</b>	<ul style="list-style-type: none"> <li>○ Logical Framework</li> <li>○ DAC criteria</li> </ul>	<ul style="list-style-type: none"> <li>○ Logical Framework</li> <li>○ DAC criteria</li> </ul>
<b>Standards</b>	<ul style="list-style-type: none"> <li>○ ToR standardised,</li> <li>○ Reports standardised, mission formats standardised</li> </ul>	<ul style="list-style-type: none"> <li>○ Guidelines existing,</li> <li>○ ToR individually tailored</li> <li>○ Reports partially standardised, reports' contents are negotiable</li> </ul>
<b>Types</b>	<ul style="list-style-type: none"> <li>○ On-going ROM (standard)</li> <li>○ Ex-Post ROM</li> <li>○ Regional ROM</li> <li>○ SPSP ROM</li> </ul>	<ul style="list-style-type: none"> <li>○ Ex-Ante Evaluation</li> <li>○ Mid-term Evaluation</li> <li>○ Final Evaluation</li> <li>○ Ex-Post Evaluation</li> </ul>

<b>Initiated by:</b>	<ul style="list-style-type: none"><li>○ Central (from EC HQ): Regional Task Managers, AIDCO</li><li>○ Mostly decentralised: Task Manager, EC Delegation;</li><li>○ Some central (from EC HQ)</li><li>○ Unit 03, AIDCO</li></ul>	
<b>Implemented by</b>	ROM external contractor's appointed expert (usually 1)	Expert team (usually more than 2) contracted through framework contract
<b>Consultation process</b>	<ul style="list-style-type: none"><li>○ Final MR report, no revisions</li><li>○ Response sheet mechanism</li></ul>	<ul style="list-style-type: none"><li>○ Draft Evaluation Report (ER) exchanged with TM and others</li></ul>
<b>Storage and dissemination</b>	Storage with ROM contractors; should be made available to all stakeholders, all uploaded into CRIS	Storage with the TM, ECD, copy should be made available to Unit 03, sometimes uploaded into CRIS
<b>Budget source</b>	HQ budget (ROM contracts)	Project resources
<b>Budget allocation per mission</b>	Standardised budget / mission	Depending on ToR and definition of working days
<b>Management</b>	Regional Task Managers, AIDCO, HQ	Task Manager, ECD; Unit 03 for regional / thematic Evaluations

### 1.3 Qualitative Comparison

The main benefits derived from Evaluations and Monitoring tools were identified and then assessed according to a set of **internal** criteria which impact management within EuropeAid as well as performance and obligations, and **external** criteria which impact the role of EC as international donor).

The **internal criteria** are:

- **Project Management** – to assess and improve the performance of the on-going implementation of individual interventions;
- **Accountability** – to produce a transparent reporting system allowing for a sound accountability to a wide range of stakeholders;
- **Knowledge Generation** – to build / develop / consolidate the in-house knowledge appropriate and useful for future interventions;
- **Aggregation** – to generate an overview of portfolio (or sub-portfolio) performance for reporting purposes and to identify areas of difficulties.

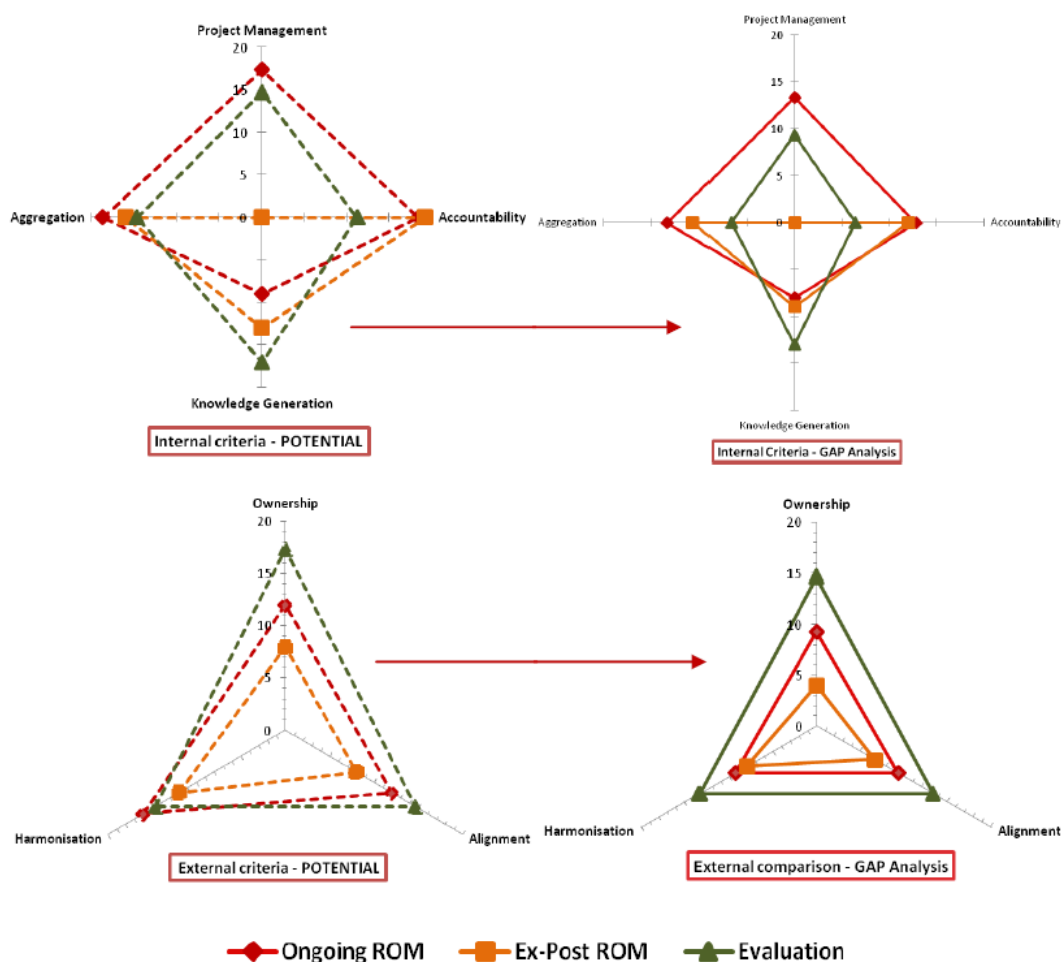
The most relevant **external criteria** are related to the Paris Declaration and to the Accra Agenda for Action:

#### External criteria

- **Ownership** – to contribute to the capacity of Developing countries in setting their own strategies thus having *increased* ownership of projects and consequently greater responsibility for their success;
- **Alignment** – to contribute to the donor countries process where they share developing countries strategies and objectives and use local systems;
- **Harmonisation** – to contribute to donor countries co-ordination, simplification of their procedures and sharing of information to avoid duplication and thus optimise resources.

In the following, the term Evaluation is used (unless otherwise stated) for all types of Evaluation modalities (Mid-term, Final and Ex-Post) whilst for ROM a division was made between On-going and Ex-Post ROM. Regional, SPSP and SBS monitoring is not included, as the methodology has only started to be used recently.

Figure 1 – Qualitative Analysis (Potential and Gap Analysis)



The analysis of the **potential of ROM and Evaluation based on the desk analysis** shows that ROM outperforms Evaluation on most **internal criteria** other than knowledge generation. ROM is particularly strong from the accountability and aggregation perspective, whereas Evaluation is strong in knowledge generation partly because lessons learnt are usually a key element of the ToR for Evaluation missions.

In respect of the **external criteria**, the analysis shows that ROM falls behind Evaluation. Ownership is more difficult to assure, as the standardisation of ROM does not allow adopting the ToR local level through involvement of partner governments (PG). The same applies for alignment and harmonisation, which are difficult to achieve because of the rigidity that is embedded in the standardisation of ROM.

**The results of the survey and the related gap analysis** show that the perception among operational offices is that Evaluation is a considerably better tool to provide precise information and lessons learnt on a project than ROM from all points of view.

The conclusion of the questionnaire analysis is that both instruments can complement each other as each, has strengths to offer which the other lacks. ROM signals a

potentially stronger role for accountability whilst Evaluations produce more material for knowledge production or best practices. Regarding the external criteria, ROM again scores lower for ownership, alignment and harmonisation, as it is very EU specific and methodologically rigid and standardised

The following comment taken from the last section of the questionnaires, which gave participants the opportunity to express their own ideas, sums up, in our understanding, the main results:

*“The dilemma between ROM / Evaluations is false as they should clearly be seen as complementary, providing both useful information, but at different levels of depth and reliability. Accountability could be easily achieved with ROM and knowledge production with Evaluations. At the end, both are insufficiently exploited [...] The issue here is more on knowledge management than production”.*

## 1.4 Quantitative Analysis of Current Use of Resources

### 1.4.1 Coverage

The size and the contents of the EuropeAid on-going portfolio are not easily defined. Thus, accurate coverage levels of investments through Evaluation and monitoring are not possible.

When the annual amount of new interventions (around EUR 9 billion in average for recent years) is considered together with the average duration of the interventions (estimated in 3 years), the overall on-going portfolio is estimated at around EUR 30 billion.

The estimated coverage in 2009 is as follows:

	Est. total EuropeAid portfolio	ROM	Evaluation
Est. number of projects	6,369	1,467	187
Coverage (% of total projects)		23%	3%
Est. budget (M€)	29,571	8,318	3,089
Coverage (% of total budget)		28%	10%

### 1.4.2 Budget Allocated to ROM and Evaluation

ROM is funded by two separate budget lines from RELEX (EUR 10.6 million) and DEV (EUR 6.6 million) with a total of EUR 17.2 million per year. These funds do not cover the EC staff cost.

The budget spent for Evaluation is more difficult to estimate than the budget for ROM, because the budget for the locally managed Evaluations is part of the budget for the projects and programmes. In addition, there is the budget for thematic and regional Evaluations managed by Unit 03.

The estimated overall budget spent for Evaluation and ROM during the last three years amounts to the following:

Budget committed	Budget ROM (M€)	Budget Evaluation (M€)	TOTAL BUDGET (M€) all external M&E
2007	17.25	16.22	33.47
2008	17.17	24.01	41.18
2009	17.28	20.33	37.61

Note: Budget Evaluation represents the total estimated costs of Evaluations, including those managed by Unit 03.

On average, the total amount for all external M&E is equal to 0.4-0.5% of the total amount of financial decisions, **very close to the percentage suggested by DG Budget (0.5%)**.

### 1.4.3 Average Costs per ROM and per Evaluation

The average amount spent for one Evaluation is about 7-9 times higher than the amount spent for one ROM. In 2009, the average cost per Evaluation was around EUR 88,000 and around EUR 10,000 per ROM.

Year	Av. cost ROM (€)	Av. cost Evaluation (€)
2007	10,655	77,853
2008	12,370	76,356
2009	10,034	87,877

## 1.5 Summary of Findings

The following table provides an overview of the strengths and weaknesses of ROM and Evaluation:

Method	ROM	Evaluation	Both
<b>Strengths</b>	<p>Useful for:</p> <ul style="list-style-type: none"> <li>Concrete support to project management;</li> <li>Collection of data on performance based on actual results;</li> <li>Capacity to produce comparative figures for aggregation and consolidation;</li> <li>Capacity to produce large quantity of data and information for further processing and analysis;</li> <li>Average cost/ROM is lower than average cost/Evaluation.</li> </ul>	<p>Useful for:</p> <ul style="list-style-type: none"> <li>Production of adequate and sharable knowledge;</li> <li>Capacity to be adapted for strategic / critical issues;</li> <li>Easy consolidation / dissemination of lessons learned for decision-making process.</li> </ul>	<ul style="list-style-type: none"> <li>Combination of ROM and Evaluation allows to cover different objectives.</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>Perception of ROM as HQ instrument;</li> <li>Different coverage per region;</li> <li>Random selection of projects to be monitored (guidance for coverage, size, etc. too unclear;</li> <li>No weight in the scoring allocated to the value of the project;</li> <li>Logistically complex (lack of preparation days);</li> <li>Dissemination of reports is not institutionalised;</li> <li>ROM reports in CRIS, but not easily accessible;</li> <li>Errors in entry of ROM reports;</li> <li>Standardised format does not allow to draw in-depth conclusions. Insufficient depth of the analysis;</li> <li>Data from On-going ROM cannot produce assertive findings or lessons learned; in particular aggregation of potential performance data are questionable</li> <li>Incomplete in respect of financial rules' obligations.</li> </ul>	<ul style="list-style-type: none"> <li>Low coverage (insufficient for aggregation and for accountability);</li> <li>Standard rules to select projects to be evaluated do not exist;</li> <li>Reports are rarely used by other projects;</li> <li>There is no Evaluation database;</li> <li>Evaluation reports not easily accessible outside the EC Delegations;</li> <li>Evaluations scattered by regional / sectoral domains without proper focus;</li> <li>Insufficient uniformity of reports, inconsistency in the information contained;</li> <li>Average cost per Evaluation too high to cover large numbers of projects or small-sized projects.</li> </ul>	<ul style="list-style-type: none"> <li>Total portfolio of EC interventions (on-going and completed) not known;</li> <li>Partly duplication of ROM &amp; Evaluation;</li> <li>Quality of monitoring and Evaluation experts varies;</li> <li>Information insufficiently used for new project and programme planning (lessons learned);</li> <li>At HQ mostly only aggregated information used.</li> </ul>



The results of the survey among local project managers show that ROM results are not considered to serve as a substantial and “necessary” support for project management. The reason is a combination of the persistent perception of ROM as an “HQ instrument”, together with the uneven quality of the reports and the difficulty associated with their availability. Evaluations remain the preferred instruments for both accountability and knowledge production; nevertheless, their capacity to contribute to the accumulation of usable / distributed knowledge remains limited and marginal, not only because of their scarce availability.

**The current situation appears to be a paradox: ROM – launched mainly to support local project management – is yet managed, implemented and mostly exploited by HQ, while Evaluations – acknowledged as the main source of knowledge to be disseminated within and throughout the organisation – are mostly managed, implemented and remain on local level.**

## 1.6 Recommendations

Our suggestions are made with a view to achieving **three large objectives**:

1. The overall amount of M&E resources should be kept within the 0.5% of the overall amount of the annual financial decisions as suggested by DG Budget<sup>1</sup>.
2. The level and the credibility of accountability information should improve to give Management a better tool to present achieved results to the European Parliament and to European taxpayers (e.g. by aggregating results of completed projects, by weighting aggregated results according to the size of interventions).
3. Value added knowledge production / processing / dissemination should be facilitated and focused on the most critical issues.

The use of the two instruments should be coordinated in such a way that each one produces the best results it can offer in line with the priorities and needs of the management. From this point of view it should be worth to study a pattern **to invert the above-mentioned cycle / process** so that the **main users / beneficiaries are closer to the expected outputs coming from each instrument**.

This means that On-going ROM should – in the long run – be mostly managed locally at Delegation level (with modalities and procedures linked to the ones of the framework contracts), creating an “on demand” cycle capable to increase Task Managers’ interest and ownership. HQ in turn should be more concerned with Evaluations with reference to strategic issues, provided, that there is a confirmed willingness to establish a well-structured knowledge management system.

Moreover, as the Technical Reform Strategy states, future trends for EuropeAid aid delivery modality should be directed towards a larger use of the GBS / SBS / SPSP modality. This has consequences for the ROM approach in terms of potential coverage of the portfolio. Currently, the testing phase of ROM for SPSP is underway, but there is no conclusion on the outcome as yet. The preliminary outcomes from the current study on the methodology to fully evaluate this type of interventions show that the method could be quite cumbersome and expensive. Consequently, the need to have an alternative

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<sup>1</sup> The use of the 0.5% percentage of the overall budget to be used for M&E is a starting point for orientation, as the DG Budget suggestion should be considered only as a basic option. However, the fact that EuropeAid resources dedicated to external M&E are at present very close to this amount, even though without a specific decision or declared objective, defines a set up that any new proposal needs to consider: in a period when the attention to budget efficiency is higher than ever, the eventual increase of resources should be well justified.



instrument able to collect the basic information to provide HQ with the results needed to assess and build the overall performance remain to be of utmost urgency.

As On-going ROM is not completely capable of providing the accountability required to respect the general obligations coming from the EU financial rules (mostly because of limited coverage and on-going assessments collection), it is suggested to use another instrument: **ROE (Results Oriented Evaluation)**, structured on the format of present Ex-Post ROM. ROE should be implemented close to the end of the interventions, and be managed by HQ as source for **accountability** and as provider of the basic data and **information for Meta-Evaluations**. ROE can substitute in the suggested framework both Final Evaluations and Ex-Post ROM, avoiding an increase of resources while producing greater coverage of finalised investments.

We suggest improving the M&E system in three different phases:

- Phase 1 (short to medium term): adjusting existing methodologies
- Phase 2 (medium to long term): redesigning the methodologies
- Phase 3 (long term): optimising new tools

### Phase 1: Adjusting the current methodologies to improve their effectiveness

- **Establish the function of an M&E Task Manager (TM) at EU Delegation level** in order to allow more coordinated implementation of ROM and Evaluation missions, and to improve dissemination of the results of ROM and Evaluation in order to support project management.
- Define **the portfolio of EC projects and analyse information about total portfolio**: Build a consistent and reliable assessment of the portfolio of EC AIDCO projects with clear methodology that can be easily updated and distributed. It will need standard definitions and concepts; it could start at Delegation level with the preparation of EAMR and at Headquarters with the compilation of all new financial decisions.
- **M&E Annual Plan**: The M&E TM should prepare an annual work plan for M&E based on the management needs or strategic / planning issues; HQ will collect local plans and prepare the overall plan as basis for contracting and controlling the external monitoring contracts in coordination with the M&E TM in the EC Delegations.
- **On-going ROM**: Gradually shift the focus of ROM to larger-budget interventions to cover a higher percentage of the portfolio in terms of investment.
- **Ex-Post ROM**: Provide flexibility to increase the number of days allocated for Ex-Post ROM (preparation and field) and adjusting the reporting format to extract lessons learned from the MRs and BCS whilst leaving them comparable enough with previous versions for future aggregation purposes.
- **Joint Monitoring**: Use some of the On-going ROM missions as preliminary training for future Joint Monitoring approach.
- **Evaluations**: Phase in a limited number of standard formats including a fixed structure for the executive summary and conclusions / recommendations that can be keyword-searchable in the future.
- **Refine the format of ROM on SPSP** to be able to produce more value added (i.e. focus on quality production of agreed indicators and support to the dialogue process).
- **Final Results Oriented Evaluation (ROE)**: Develop a methodology for ROE based on Ex-Post ROM and pilot it on a sample of projects.

- **Improve existing database:** Define requirements and develop a road map for the integration of adjusted ROM and Evaluation results into the database. Start the establishment of a credible “*knowledge management system*”, where the database is coupled with value added procedures to search / disseminate knowledge.

## Phase Two: Redesigning the methodologies

- **On-going ROM:** Repackage ROM in a format that can be perceived as a new and different tool and still be compatible with older data for aggregation purposes where project management support is clearly the main objective.
- **Increase flexibility in ROM missions:** Answer the specific needs emerging from “on demand” ROM as shown on annual M&E working plans, allow for more flexible structure for on-going missions – as one monitor mission for one single project or two projects.
- **Extended ROM:** Test a new format of On-going ROM as substitute for Mid-term Evaluations, based on ROM approach and methodology but with longer duration. Phase in Extended ROM to substitute Mid-term Evaluations. The format should be an enhanced version of ROM with longer field missions that would enable the monitor to draw more assertive, reliable conclusions.
- **Evaluations:** Further standardisation to support previous attempts to further homogenise the information. Use the format of ROE to transform existing Evaluations into a more accessible and manageable collection of data and information; thus feed the new knowledge management system with substantial contents and also allow the recovery of some value from the resources already spent on Evaluations.
- **Final ROE:** Complete / optimise the pilot phase with production of format and handbook and training programme.
- **Knowledge system:** Develop a strategy to instil a firmly adopted and sustainable information-sharing culture (immune to constant personnel changes).

## Phase Three: Optimisation of new tools

- **Ex-Post ROM:** Phased out and substituted by **ROE**.
- **Mid-term Evaluations:** Substituted by **Extended ROM** in most cases.
- **Results Oriented Evaluations (ROE):** Applied to all large (> EUR 1 million) interventions plus 10% of those with less than EUR 1 million.
- **Focused Evaluations:** Carried out only for specific strategic issues defined by Management. Standard formats further homogenised and external input guidelines established.
- **Meta-Evaluations:** Managed by 03, they should develop cross-analysis from data / information / knowledge coming from different sources to improve the capacity of the organisation.
- **Knowledge system:** Complete the development of the knowledge platform where all ROM, ROE and Evaluations reports can be stored and accessed and intelligently searched and aggregated.

### Preliminary cost estimation

The following table summarises the use of resources according to the present approach and the new option. Using the threshold suggested by DG Budget will allow EuropeAid to produce the same amount of Evaluations and ROM reports as currently produced, but will significantly increase the coverage of completed investments (estimated at 73% on any given year), ensuring the foundation for sound accountability.

	Distribution today	Distribution with new option
<b>ON-GOING ROM</b>	16,000,000	16,000,000
<b>EX-POST ROM</b>	2,000,000	No more
<b>ROM SPSP/BS</b>	500,000	(included in On-going ROM)
<b>ROE</b>	N/A	13,200,000
<b>EVALUATION 03</b>	5,000,000	5,000,000
<b>FIELD EVALUATION</b>	18.000,000	15,800,000
<b>TOTAL</b>	<b>41,500,000</b>	<b>50,000,000</b>

### Advantages of the suggested option

- Sound and credible consolidated accountability based on final results of investment decisions with a yearly 73% coverage to be disseminated to EU public opinion and EU Parliament.
- Full compliance with the obligation from the Financial Regulation concerning Evaluations of large projects using the accepted Evaluation criteria.
- Continuation of On-going ROM at the same level, but with more focus on support to project management as consequence of the “on demand” approach, hence more effectiveness and impact on project management.
- Increased ownership of the ROM process and outputs as the managers directly involved in project management will have a direct say in ROM decisions.
- Exhaustive collection of data / information from terminated projects thorough ROE. These data, organised and structured within the standard database in construction, will feed meta-analysis performed by Evaluations.
- Knowledge production through Evaluations and a knowledge management system.

## 2 INTRODUCTION

### 2.1 Background

AIDCO Management requested E5 to conduct a comparative analysis of project Evaluation and Ex-Post ROM (Result-Oriented Monitoring) cost / effectiveness in light of a potential replacement of some Evaluations by ROM.

Based on this initial request, E5 launched a broader cost-benefit study of ROM and project Evaluations at all stages of the project cycle in order to identify how to use these tools in a more co-ordinated manner, making the best out of each of them.

### 2.2 Objective

The overall objective is to contribute to the enhancement of the effective aid management by the European Commission (EC).

The specific objective of the assignment is to assess the comparative advantages of ROM and Evaluations, to enhance project management, knowledge management and other benefits derived from both, and to suggest the best modalities to co-ordinate their use.

### 2.3 Expected Results

1. Analysis of the current rules and practices related to all types of project Evaluations, Mid-Term, Final or Ex-Post and both On-going and Ex-Post ROM;
2. Identification of the costs and benefits, strengths and weaknesses of project Evaluations and ROM. This analysis needs to take into account both the current situation and changes about to be undertaken especially regarding the establishment of a project Evaluation database;
3. A mechanism to co-ordinate the use of both tools; defining criteria for their use and timing will be developed on the basis of the comparative analysis.

Three expected results

Additional outputs expected:

Additional outputs  
expected

- ⇒ Estimate financial costs for both tools based on current practice and ideal practice;
- ⇒ Identify possible improvements of the tools in order to increase efficiency;
- ⇒ Present and potential integration of ROM and Evaluations in the quality management cycle especially in terms of lessons learned for programming, identification and project design;
- ⇒ Establish the criteria for the choice of tool (ROM vs. Evaluation) in the Ex-Post phase and the rules defining their use;
- ⇒ Highlight possible improvements in the links between the results of Evaluations and ROM especially in terms of lessons learned.

## 2.4 Overview on Methodology

The study methodology was based on an analysis of the present implementation and performance of the existing tools followed by the construction of an alternative system for using both tools.

This involved:

- a) assessing the actual use of the resources,
- b) defining the basic criteria for accountability and knowledge production, as these are the “core” purposes of both tools,
- c) keeping the basic existing methodology,
- d) defining the necessary conditions for increasing accountability and knowledge while maintaining, or reducing, the present level of costs,
- e) suggesting a new system and possible intermediate steps.

A threefold approach permitted the collection of the most relevant information and data on the purposes, use and distribution of the two tools within EuropeAid:

- ⇒ a **“desk” analysis** that addressed three main topics: the “Evaluation” concept within the EC financial rules, “Evaluation” and “Monitoring” within EuropeAid, and a comparative analysis of the strengths and weaknesses of the two instruments based on available studies and comments made in recent years by Units E5 and 03; **“Desk” analysis**
- ⇒ a **survey carried out through two specific questionnaires** addressed to the operational staff of HQ and Delegations on the actual use and the potential benefits of the two tools<sup>2</sup>; **Survey**
- ⇒ the **collection of quantitative data** on M&E (Monitoring & Evaluation) implementation (2007, 2008, 2009) using the Common RELEX Information System (CRIS) plus additional information from other internal sources. **Collection of quantitative data**

## 2.5 Report Structure

This introductory chapter on the study methodology is followed by a background on the legal basis and key concepts of M&E (chapter 2), description of the M&E tools (chapter 3), a qualitative comparison of On-going ROM, Ex-Post ROM and Evaluation based on the desk analysis, the results of the survey (chapter 4) and a quantitative analysis of the costs of M&E of EU-funded interventions (chapter 5).

Chapter 6 then presents a summary of the findings of the study. Chapter 7 provides suggestions on an alternative option to coordinate the use of the M&E system in three phases and cost estimations for the new approach.

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<sup>2</sup> The questionnaires' complete results are presented in a separate report: “Comparative assessment of ROM and evaluations: questionnaire analysis report”, SQ2M, May 2010.

## 3 MONITORING AND EVALUATION: LEGAL BASIS AND KEY CONCEPTS

### 3.1 The Legal Framework for Monitoring & Evaluation

The concept of **Evaluation** as an **instrument to provide accountability for the use of public resources and at the same time as a source to accumulate lessons learned for future interventions** is present throughout the history, tradition, customs and financial rules of the European Union Management. The legal obligation for Evaluation within EuropeAid essentially comes from the Financial Regulations and their Implementing Rules (2004) which contain standards valid for all types of Evaluation within the EU institutions. These standards stress the need and obligation to systematically evaluate activities, based on two broad reasons: **(i) to ensure accountability and (ii) to promote knowledge and learning.**

#### Concept of Evaluation

Evaluation is considered as the only adequate tool to achieve both, while “standard” monitoring as part of the internal intervention implementation process is viewed as a management instrument that can feed Evaluation, but is not itself able to produce the information needed neither for accountability nor for knowledge production.<sup>3</sup>

As the role of Evaluation to inform management about intervention impact in order to guide future decisions is well underlined in all documents and communications, Evaluation is defined as a specific strategic instrument. It should not be used for all interventions but only when subsequent medium- to long-term strategic planning decisions need to be taken. The Financial Rules (Article 27) require compulsory Evaluations for every action whose budget is larger than EUR 5 million. Moreover, the published guidelines from DG Budget suggest that approximately 0.5% of the overall budget of the large financial decisions should be allocated to Evaluations<sup>4</sup>.

EuropeAid shares these concepts for its evaluation exercises, but the complexity and specificity of the EuropeAid interventions call for some adaptations. EuropeAid is confronted with an extremely large number of interventions distributed throughout the world that are of different nature and scope, with different types of partners and beneficiaries and tremendous variations in value and duration.

Consequently, EuropeAid has developed two basic strategies to address these problems. On the one hand, it carried out the de-concentration process to bring the project management closer to the funded activities and to be able to respond more flexibly whilst safeguarding the core management rules and procedures. On the other hand, it established the **ROM system as alternative way to collect project information**, while offering direct support to projects’ management.

#### ROM system

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<sup>3</sup> Annex B presents an in-depth analysis of the regulatory framework related to evaluation within the EC, a description of how EuropeAid’s M&E activities comply with these requirements, the current pressure for change coming from the technical cooperation reform and a brief review of the M&E activities of other international donors.

<sup>4</sup> See: Good Practice A9, pag.32, “Evaluating EU activities. A practical guide for the Commission services”, DG Budget Evaluation Unit, Bruxelles, 2004. The indicative suggestion from DG Budget of the 0.5% as resources for external evaluations on the overall funding decisions should be used as first approximation to the definition of the budget for external M&E. In effect the environment where EuropeAid is active is characterized by an extraordinary ensemble of different situations and actors that could probably demand more specific resources to obtain scientifically correct and consolidated data. However in this study we use this threshold as a first option to verify if it is possible to respect it and obtain acceptable results on performance and accountability.



This use of evaluation concepts allows the ROM results to comply with the financial rules and obligations in terms of accountability. However, in terms of lessons learned and knowledge production, there are no defined rules as yet within EuropeAid on when and how to use the Evaluation instrument or ROM to generate this information. This issue is very current, particularly in relation to the QSG processes.

### 3.2 Knowledge Management

In every organisation knowledge is a critical asset. Knowledge management is the process of getting the right knowledge to the right people at the right time, and helping them to apply it in ways that strive to improve organisational performance. A short section on the nature of knowledge management follows to indicate its importance to this study.

Key but often underutilised sources of knowledge are the data and information that emerge from monitoring systems and the analyses, conclusions, and recommendations that arise from Evaluations. Operations in the field are substantial and costly, and it is advisable that lessons learned not only raise overall quality and improve efficiency and effectiveness, but also save time and resources.

Organisations often think that technology-driven solutions will help them acquire knowledge. However, this approach misses one vital aspect: that IT is essentially the warehouse for knowledge, not the source of it. Different studies find that although current technologies offer remarkable capability, they rarely work as well as anticipated. A simple technological approach to knowledge management is not sufficient. It needs to be coupled with more changes in attitudes and behavioural patterns at individual and organisation levels to produce and consolidate a learning path.

Data are facts, and information is interpreted data. Knowledge is created and organised by flows of information, shaped by those who possess it. It can be tacit or explicit. Tacit knowledge is non-verbalised, intuitive, and

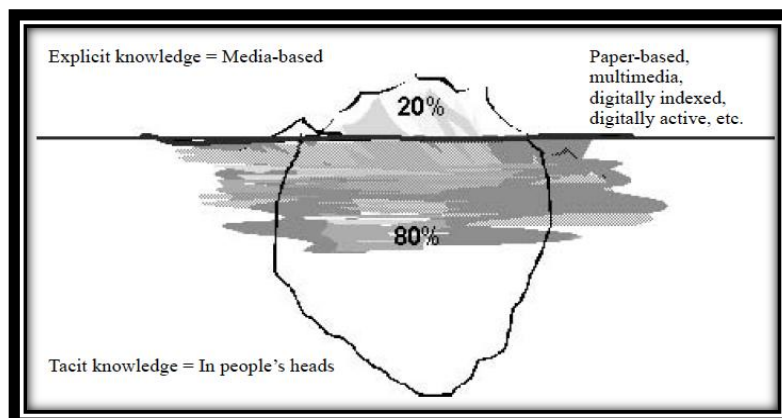


Figure 2– Knowledge assets

unarticulated knowledge that people carry in their heads. It is hard to formalise and pass on because it is rooted in skills, experiences, insight, and judgment, but it can be shared in discussion and personal interactions. It has a technical dimension, which encompasses skills and capabilities referred to as know-how, but it also has a cognitive dimension, which consists of values. Explicit knowledge is codified knowledge that can be expressed and transmitted in various forms. Tacit knowledge and explicit knowledge are mutually complementary. The graph in figure 2 exemplifies the “iceberg” metaphor used to describe the hidden nature of tacit knowledge<sup>5</sup>.

<sup>5</sup> Learning lessons in ADB: strategic framework, 2007-2009



Managing knowledge opens up larger opportunities for learning across each segment of the knowledge management cycle based on reviewing, conceptualising, reflecting, and taking action. Although data is a separate entity, the progression to information, to knowledge, and finally to wisdom does not occur in separate and definite stages of development, individuals and organisations advance along the continuum as they understand and develop. Thus the main task of a knowledge management system is not simply to be a warehouse where all relevant data are collected, but it to establish a process which allows the development and consolidation of knowledge within the organisation.

## 4 DESCRIPTION OF THE TOOLS

### 4.1 Summary

Evaluations and ROM share many similarities and yet are very different from each other. Both seek to explain the same issues and both do it following DAC criteria. Within the EC, both instruments' names are even confused when referring to them with Evaluation often used to refer to both.

In fact, when compared to other “monitoring” systems in other organisations, monitoring in the EC is comparable to an Evaluation since it follows the same methodology but in a more condensed format. In a recent seminar hosted by E5<sup>6</sup> it was found out that the methodology used by the EC on its ROM missions is more akin to Evaluations as defined by other international organisations or aid agencies. It could be argued that ROM is Evaluation “lite” as Monitoring Reports (MRs) should provide a synthesis of what a full Evaluation Report (ER) could contain. It can further be argued that Evaluation modalities are also replicated in ROM, such as Mid-Term and Final Evaluations with On-going and Ex-Post.

In spite of their similarities the differences are significant. The ToR for an Evaluation are individually tailored for each Evaluation whilst the ToR for monitoring missions are preset and remain the same for the entire duration of the three year ROM contract. This permits each ER to have a specific focus whilst MRs adhere to an already established pattern in the number of days for the mission and the format of the reports.

For this reason ERs appear to be used more for programmes or project assessments and to aid decision making when projects face difficulties. The Final report is the result of an on-going exchange of ideas between the Delegation and the consultants until an agreement is reached and the final version produced. MRs are final and non negotiable although they have some limited input influence from the Delegation during the mission. Probably for this and other reasons, MRs are seen as either complimentary information, serving to either confirm or possibly refute the existing information, and/or to justify calling for an Evaluation and identifying the areas of its focus.

However, since ROM reports cover far more projects than Evaluations they are used for project management purposes as in many instances they are the only available external review of the project. This derives, among other things, from the difference between periodicity of ROM and Evaluations: ROM can occur two or three times during a project's implementation and Evaluations once, if at all. Thus, ROM can also track performance during a project and can discern patterns and trends over a group of projects.

Ultimately, the usefulness of the information produced by either instrument depends on its distribution and accessibility. In the case of Evaluations, distribution leaves much to be desired as it is mostly local, if not remaining exclusively with the TM in question at the Delegation. ROM reports in contrast are supposedly widely disseminated as they are uploaded into the CRIS database and are potentially viewable by all staff at HQ and all Delegations. However, this is often not the case as they are difficult to track unless their detailed information is available. This issue is traceable to ownership due to the fact that the management of Evaluations resides with a particular TM at a Delegation whilst ROM is accountable to a regional Task Manager based in Brussels.

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<sup>6</sup> Multi Donors Joint Monitoring Seminar, Brussels, 14 April 2010

## 4.2 Main Features of Evaluations and ROM

ROM and Evaluation can be seen as tools along a continuum of project performance review rather than as distinctly different activities. Both Evaluations and ROM have different variants, which are summarised below.

### 4.2.1 Origin

Evaluation has been part of the EC's development aid project management since early phases of EU aid actions, as an obligation coming from the financial rules and as a source of cumulative experience since it focuses more on impact and lessons learned.

ROM was launched as a result of a 1999 recommendation of the Council of EU. Originally it was designed as a quicker and cheaper way of getting a much higher percentage of projects reviewed by focussing more on relevance and design, efficiency and effectiveness of implementation. Essentially, it began as a project management tool, but over time ROM has evolved to provide information for annual reporting.

### 4.2.2 Types of Evaluations

**Ex-Ante Evaluations** may be done in the case of very large projects or projects which have taken a long time to formulate. Such Evaluations are rare.

**4 types of project  
Evaluation**

- 🔗 **Mid-Term Evaluations** are frequent and intended to draw lessons from the first years of the implementation and to adjust the contents of the on-going intervention in relation to realities in the field and/or contextual developments.
- 🔗 **Final Evaluations** are the most common. They are commissioned in the final stage of a project and their focus can vary according to the specific ToR.
- 🔗 **Ex-Post Evaluations** are called for to assess the long-term impact of specific actions; however, they are often essentially Final Evaluations which for various reasons (logistical, administrative, etc.) take place sometime after the project has finished.

### 4.2.3 Types of ROM

- 🔗 **On-going ROM** is the standard ROM which takes place ideally at annual intervals during a project's implementation. A project can undergo On-going ROM once it has been operational for 6 months until it has 6 months duration left.
- 🔗 **Ex-Post ROM** is intended to take place roughly a year after a project has closed to focus on the real results of the intervention. It now has a modified version of the On-going ROM methodology.
- 🔗 **Regional ROM** This is an approach to monitoring regional ROM projects which also benefit from an overall report on the different components. How it is actually applied depends on the nature of the regional programme and the number of components.
- 🔗 **SPSP ROM** – this is quite an extensively adapted version of ROM which is currently being tested.

**4 types of ROM**

#### 4.2.4 Methodology

Evaluations and ROM take the Logical Framework Matrix (LFM) as the summary of the project, and both view the performance of a project from the perspective of the DAC criteria<sup>7</sup>.

In 2003 a general guideline for Evaluations<sup>8</sup> together with an adequate methodology on their practical implementation was drawn up. It deals more with the overall approach and ways to collect data rather than with the criteria for project/programme selection. ROM on the other hand has a detailed standardised methodology to ensure the highest possible level of objectivity and consistency, allowing for subsequent comparison and consolidation of results.<sup>9</sup>

Each Evaluation is an individual exercise with its own ToR tailored to the requirements considered necessary by the TM and possibly the local partner institutions. ROM is based on broader and less specific ToR drawn up for an entire geographical area. All missions follow the same ToR.

The Evaluation exercise is undertaken by external experts selected through a framework contract whilst ROM missions are carried out by external experts recruited by the contractor for the particular region of the project. Evaluations involve teams of two or more experts whilst ROM is assigned to one person, with very few exceptions.

A significant difference lies in the reporting formats. Evaluation reports follow a fairly standardised structure adapted to the specific ToR of each project, which results in quite lengthy reports. Programmes and projects are assessed and scored against DAC criteria alongside three text outputs – monitoring reports (MRs), background conclusion sheets (BCS), and a project synopsis (PS).

ERs are submitted in draft form and may undergo extensive revision based on TMs' and others' comments before a final version is accepted. MRs are presented in their final version after a quality control process and do not undergo any type of editing by the EC, although the Response Sheet mechanism is a way for EC comments to be considered during future monitoring. Additionally, monitoring reports are graded while ERs are not, making them less easily comparable with each other and permitting limited statistical analysis.

#### 4.2.5 Decision and Timing

For Evaluations the following are the general criteria put forward by Unit 03 for deciding when an Evaluation should take place:

- Pilot and innovative projects as defined by the different geographic units;
- All co-financed projects if the other donors agree;
- All projects where the implementation is done by another agency or institution;
- All SBS and Sector Policy Support Programme (SPSP);
- Projects to be replicated or renewed;
- Where ROM shows they are failing.

The final decision to implement an Evaluation remains with the TM, who is also the main beneficiary of the exercise. The timing of the Evaluation can be mid-term – often held more than half-way through the project's duration, final or ex-post.

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<sup>7</sup> The principal body through which the OECD deals with issues related to co-operation with developing countries.

<sup>8</sup> "Guidelines for Dissemination and Feedback of Evaluations", EuropeAid, 2003.

<sup>9</sup> Full details are contained in the current Handbook for Monitors, version 2009.

In contrast, the decision to undertake a ROM is not primarily taken by the TM as ROM is intended to have broadest-possible coverage of all sectors and to include a certain percentage of projects to be re-monitored. Specifics can vary from ROM contract to ROM contract, but essentially all contractors base their decision to monitor a project on the same criteria:

- All possible projects (on-going, ex-post, regional);
- Projects with at least six months after starting or before ending time and usually a year after the previous monitoring mission. For Ex-Post, usually 12 to 18 months after the end of execution period;
- Identification of portfolio of on-going interventions: contractor and regional TM;
- Identification of individual projects: contractor and Delegation;
- Standard eligibility criteria;
- Proposed selection criteria;
- Last minute selection due to timing conflicts, accessibility, new developments, etc.;
- Special criteria for regional projects (as from 2009).

#### 4.2.6 Dissemination and Storage

Currently, the dissemination of Evaluations is very ad-hoc. There is no formal requirement to make reports available to all stakeholders and confirmed information on the actual distribution is not available. This is partly because there is no central database for Evaluations. There has been a demand to have copies of all Evaluations sent to Unit 03<sup>10</sup> to be subsequently uploaded to CRIS<sup>11</sup> as project documents. Currently, a database is being designed which will also involve codifying the reports for easier search.

ROM reports are meant to be disseminated to all stakeholders<sup>12</sup>, and reports are uploaded into CRIS by the contractors. Since 2008 a comprehensive search function allows the consultation of the database. Synthesis of data cannot be done through CRIS as yet, but the base data can be extracted relatively easily across few thousand reports to date.

There are nevertheless three basic constraints in the actual CRIS system:

- 1) entry of the reports is subject to errors that produce biases and distortions in the search results;
- 2) the database does not allow for the consultation of BCS (i.e. search BCS's text);
- 3) in order to produce meta-analysis of the data, labour intensive data search and process need to be performed<sup>13</sup>.

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<sup>10</sup> In a note dated 28 June 2007, it was suggested to attach a copy of Evaluations to the final payment request on CRIS, but this was not done - recommendation reiterated by Unit 03.

<sup>11</sup> There is a special section on CRIS for Evaluations currently not in use (it is completely empty).

<sup>12</sup> It could be useful to verify the "real" distribution of MRs to add a question on the RS asking if the MR has been distributed prior to the question asking for comments from non-EU Delegation stakeholders.

<sup>13</sup> It should be noted that the major (and at our knowledge the only) study done with this purpose is the one titled: "Causes underlying Effectiveness and Impact of EC Development Projects. Qualitative study based on On-going and Ex-Post ROM reports (2005-2007)", that is remarkable both for the results and the sophisticated methodology, but also as an example of the large efforts necessary to have a good output.

#### 4.2.7 Budgets, ToR and Length

The budget to carry out ROM is managed by Headquarters, whilst the budget for Evaluations is mostly part of the project's own resources.

Evaluations are usually an item in the budget of the projects. There are no rules specifying how much resource should be allocated to an Evaluation, and there is no direct correlation between Evaluation budget and size of projects. The scope of the ToR and the allocated man-days define the budget<sup>14</sup>.

ROM has a much more standardised budget. The precise figures vary from ROM contract to ROM contract, but essentially the exercise is short and pragmatic and thus in general one monitor undertakes two projects over a two-week period with an additional two to three days for preparation and report writing.

The issues of relative costs are covered in greater detail in chapter 5.

#### 4.2.8 Management

The TMs in Delegations manage Evaluations in most instances<sup>15</sup>, unless the projects are part of a wider regional or thematic Evaluation, in which case it may be either the TM in the lead country Delegation or the relevant TM in HQ. The contractor implementing the Evaluation is therefore primarily answerable to an individual TM who is responsible for the specific project.

In contrast, as ROM is performed through a series of contracts covering different regions, the individual contractor is accountable to the TM of the entire geographical contract in Brussels rather than to the TM of individual projects within the Delegations.

#### 4.2.9 Utility of Reports

Different reports and notes to date have identified uses of M&E beyond the requirements of project management and these general points provide a base for later analysis<sup>16</sup>. But in general – since Evaluation reports have a limited number of users – their use is more to assess the performance of individual projects and to learn from a particular sector or experience when carrying out or planning similar interventions at local level.

On the other hand, to get an overview of portfolio, performance is a much stronger resource. Evaluations are undertaken by sector or by programme, but for annual reporting purposes it is ROM data that is used. This is due to the fact that:

- It is more comprehensive in the number of projects its covers;
- It grades the performance of projects allowing benchmarking;
- All data can be retrieved and manipulated to give macro level data;
- It can be used as the basis for different cross-cutting analyses.

For future planning, both Evaluations and ROM can play a large role especially in new phases or continuations of current projects. The QSG system now requires that both Evaluations and ROM reports be taken into consideration when new projects are proposed.

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<sup>14</sup> The duration of the exercise is set by the ToR and can be from a few weeks with one or two experts to several months with several experts.

<sup>15</sup> Evaluations for NGO projects and some co-financed projects are managed by the implementing partner without involvement of the Delegation.

<sup>16</sup> This is a debatable issue and is covered in more detail in the following chapter on the basis of the analysis of the questionnaire sent out during this exercise.

## 5 QUALITATIVE COMPARISON: DESK ANALYSIS AND SURVEY RESULTS

### 5.1 Methodology

This section contrasts the main features and benefits of the M&E tools and, by drawing on various reports and questionnaires, undertakes a comparative advantage analysis between the two systems.

Stepwise approach

The analysis has three different steps:

- Step 1. **A qualitative desk assessment** based on various reports<sup>17</sup> to undertake a comparative advantage analysis between the two systems.<sup>18</sup> Its purpose was to give some ideas as to the issues that needed clarification through the subsequent questionnaires;
- Step 2. **Analysis of the main results of two surveys** organised especially for this study through questionnaires sent to HQ and Delegation officers to investigate the actual usage of the M&E tools;
- Step 3. **A “gap analysis”** between steps 1 and 2.

**The first step** is based on a mix of views collected through research for specific studies and the viewpoints of many practitioners. It primarily looks at the tools as currently implemented. It does not take into consideration a future situation when Evaluation data will be more easily accessible on-line or when different methodologies for ROM (as Joint ROM) are activated. Essentially, this is a brainstorming exercise based on available data and experience from practitioners.

**The second step** is based on extensive research by means of two questionnaires addressed to all EuropeAid officers involved in project management, new project preparation and quality assessment.

**The third step** is an analysis based on the gap between the potential expectations relating to the M&E tools and the real achievements according to officers' usage.

To establish a common approach that could be used for all three analyses, the main benefits derived from Evaluations and Monitoring tools<sup>19</sup> were identified and then assessed according to a set of **internal criteria** which impact management within EuropeAid, as well as performance and obligations and **external criteria** which impact the role of the EC (as international donor).

Criteria for qualitative comparison

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<sup>17</sup> “Developing a concept for an EuropeAid evaluation Database” 2009, “Review of the Ex-Post ROM Methodology for EuropeAid”, 2009, “Causes underlying Effectiveness and Impact of EC Development Interventions”, 2009 and Annual reports of the ROM contractors

<sup>18</sup> The structure follows partially the method and the approach of a recent report “Developing a concept for a EuropeAid evaluation Database”, produced by Unit E5 in 2009, whose real purpose was to design a concept for an evaluation database. During the course of that exercise, Evaluation and ROM were analysed from the perspective of accountability and knowledge management based on a questionnaire sent to Delegations, meetings with different EuropeAid units and consultation of existing literature.

<sup>19</sup> For simplicity's sake the term evaluation was used (unless otherwise stated) for all types of Evaluations modalities (Mid-Term, Final and Ex-Post) (see chapter 4 for definitions) whilst for ROM a division was made between On-going and Ex-Post but not including regional, SPSP and SBS monitoring.



The **internal criteria** are:

**Internal criteria**

- **Project Management** – to assess and improve the performance of the on-going implementation of individual interventions;
- **Accountability** – to produce a transparent reporting system allowing for a sound accountability to a wide range of stakeholders;
- **Knowledge Generation** – to build / develop / consolidate the in-house knowledge appropriate and useful for future interventions;
- **Aggregation** – to generate an overview of portfolio (or sub-portfolio) performance for reporting purposes and to identify areas of difficulties.

The most relevant **external criteria** are related to the Paris Declaration and to the Accra Agenda for Action:

**External criteria**

- **Ownership** – to contribute to the capacity of Developing countries in setting their own strategies thus having *increased* ownership of projects and consequently greater responsibility for their success;
- **Alignment** – to contribute to the donor countries process where they share developing countries strategies and objectives and use local systems;
- **Harmonisation** – to contribute to donor countries co-ordination, simplification of their procedures and sharing of information to avoid duplication and thus optimise resources.

The following **scoring** was used in order to summarise and visualise the qualitative analysis: Each of the criteria has three to five sub-criteria, which were rated on a 1 to 5 scoring system<sup>20</sup>:

**Scores**

- **5 High**
- **4 Medium to high**
- **3 Medium**
- **2 Medium to low**
- **1 Low**

**All scores for each sub-criterion were added<sup>21</sup>** to give a total for the priority criterion and then **presented on an axis in spider web charts**. The further out on the axis the score is, the relatively better is the rating of one instrument over the others.

The analysis is acknowledged to be relatively general and simple, but it is a way of summarising many different points of view to get an overall picture of the relative strengths and weaknesses of ROM (On-going and Ex-Post) vs. Evaluations.

**Comparison of On-going ROM, Ex-Post ROM and Evaluations**

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<sup>20</sup> This study is not attempting to standardise each sub-criterion within a criterion but simply to observe on each sub-criterion how ROM and evaluation fair against each other – it is an attempt to show data in a different way to make general points.

<sup>21</sup> Scores are counted from one to five and pondered (in the graphs provided) in order to provide the same final values throughout when aggregated when the number of sub criteria differs.



ROM and Evaluations have been compared in three **groups**:

- **On-going ROM**
- **Ex-Post ROM**
- **Evaluations**

The reason to distinguish between On-going ROM and Ex-Post ROM is that the use of results from On-going ROM and Ex-Post ROM are different, as only Ex-Post ROM can provide information on the performance of completed interventions and then offer credible elements for the construction of lessons learned.

Regional and SPSP ROM have not been included in the analysis, as they are relatively new instruments in the testing phase.

The purpose of the **survey** through questionnaires was twofold:

#### Survey

- to test the real use of the instruments (ROM reports and ERs) in day-to-day operations at project management level and during the QSG procedure for new actions;
- to collect the reflections and ideas of EuropeAid operational officers on the potential use / co-ordination / substitution of the two instruments and their suggestions for improvement for future usage.

Two questionnaires addressed to EuropeAid officers were undertaken as part of this study.

#### Questionnaire 1

- **Questionnaire 1 (Q1) was to identify the real use of the two instruments during the project's management process** for different purposes: performance assessment, modifications, accountability, knowledge and the preparation of new interventions. It was sent to all officers at Delegation and at HQ directly engaged in project management.

#### Questionnaire 2

- **Questionnaire 2 (Q2) was to identify the real use of the two instruments during the QSG's new fiches / projects assessment process** in order to verify their contribution to the general improvement of projects' design which is still deemed to be one of the weakest phases of PCM. It was sent to the officers who participated to some extent<sup>22</sup> in the QSG procedures for new project assessments during the 16 months between the last trimester of 2008 to January 2010<sup>23</sup>.

Both questionnaires are based on the assumption that if in the performance of their duties for project management or for new projects assessment officers use the M&E instruments it means that they consider the "instruments" useful and thus contribute to an increase in EuropeAid's effectiveness. Some questions were common to both questionnaires and composed mainly of closed questions. However, the final section invited respondents to provide comments in a free text area. They collected the opinions and ideas of the officers in more general terms, focused on a direct comparison of the two instruments, their differences and the perceived value added in different phases of the PCM.

This survey, which was sent to **2,144 individuals**, is one of the largest direct consultations undertaken within EuropeAid in recent years. The positive **response rate of 33% (707 responses)** provides a high level of confidence in the results.

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<sup>22</sup> To build the universe for Q2, we used the lists of persons appearing in all oQSG meetings as "members" or as "observers" from the last trimester in 2008 until January 2010 as are reported on the PDF files available AIDCO E5 Intranet facility.

<sup>23</sup> There was no overlapping as those who were invited to participate in Q2 were eliminated from the Q1 invitation list if they appeared there.

## 5.2 Step 1 – Results of Desk Analysis

### 5.2.1 Summary and Conclusions of the Desk Analysis

The analysis was mostly based on the potential of the different tools although, inevitably, the information collected also commented on actual performance.

With regard to **internal criteria**, the analysis shows that **ROM outperforms Evaluation on most criteria** other than knowledge generation. Evaluation is strong partly because lessons learnt are usually a key element of the ToR. It is noteworthy that Ex-Post ROM does appear to provide more lessons learned than On-going ROM.

Of the other internal criteria ROM (On-going and Ex-Post) is particularly strong from the accountability perspective and also the aggregation perspective. To some extent the two factors are interlinked as ROM was designed both for project specific uses and to permit aggregation for more general reporting and accountability purposes.

For project management, ROM On-going would appear to be slightly stronger in general due to its transparent process and the possibility of using reports from similar projects to assist decision making – the extent to which this is done is less clear from the documentation and was a key issue in the questionnaire. ROM Ex-Post by definition cannot assist in the management of a project.

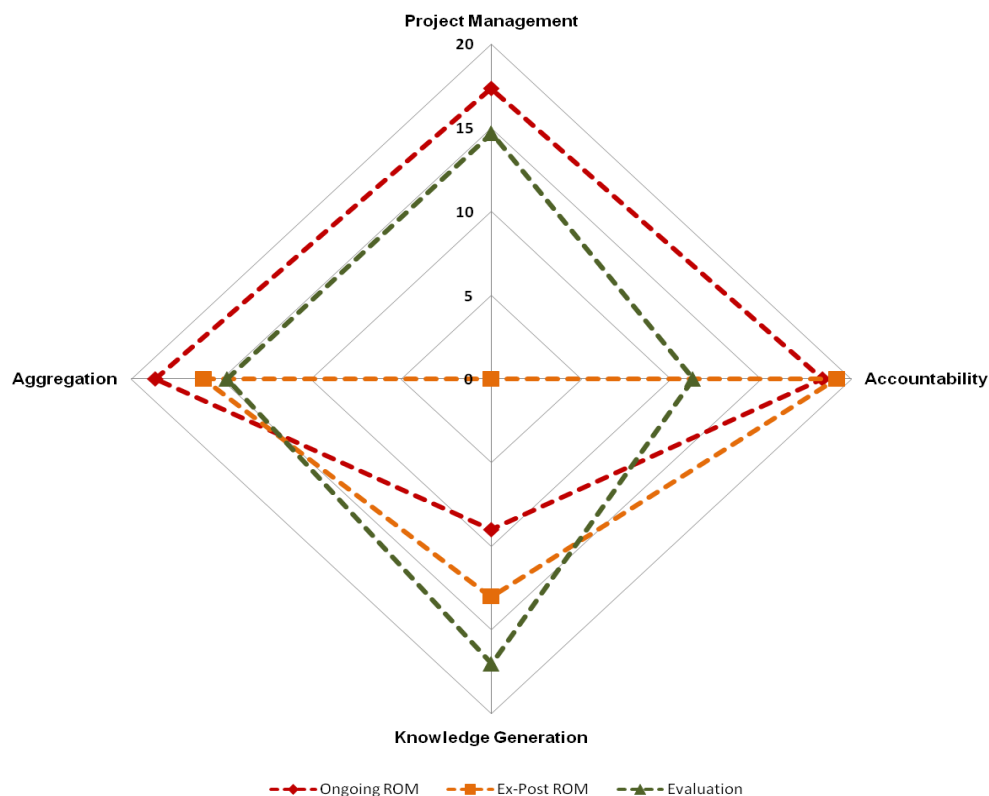
In respect of the **external criteria** the analysis shows that **ROM falls behind Evaluation**. Ownership is more difficult to assure, as the standardisation of ROM does not allow adopting the ToR at local level through involvement of partner governments (PG). The same applies for alignment and harmonisation, which are difficult to achieve because of the rigidity that is embedded in the standardisation of ROM.

What the exercise did not pick up on directly, but is an underlying factor, is the attitude of AIDCO staff towards ROM and Evaluations. The common perception is that ROM is not seen favourably, possibly because it is an externally run system and thus not owned by the Commission. Other reasons could be that it is not seen to add value or maybe because it is seen as an exercise mandated from Headquarters and thus a form of audit. As these issues were difficult to capture and quantify, they were also included in the questionnaire. Thus, the questionnaire's purpose was to substantiate or refute the prevailing views on the comparative strengths of ROM and Evaluations in a more statistically sound manner in order to be able to supply the benefits perspective to this cost/benefit analysis study.

## 5.2.2 Comparison Against Internal Criteria

The spider web below graphically represents the findings of the desk research and the sections below give summary commentaries for each sub-criterion.

**Figure 3 - Internal Criteria Comparison (Potential)**



Sub-Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS <sup>24</sup>
<b><i>Simplicity of the process</i></b>	<b><i>High 5:</i></b> Standard procedures prepared by HQ well disseminated to all staff. ToR and process are designed to be shared with project managers.	<b><i>Not applicable</i></b>	<b><i>Medium 3:</i></b> No standard rules or practices for ToR definition. ToR for each Evaluation prepared by TM can go through a revision process. Stakeholders should contribute to ToR.
<b><i>Usefulness of project specific information</i></b>	<b><i>Medium to High 4:</i></b> Information in the reports is rapidly available and focuses on what needs to be done to improve the performance of a project. Report turnover intended to be fast as report time sensitivity <sup>25</sup> is high.	<b><i>Not applicable</i></b>	<b><i>High 5:</i></b> The specific usefulness of an Evaluation can be very high as significant amounts of time and expertise can be focussed on resolving problems to improve the project's performance. Report time sensitivity is lower than ROM with report turnover timing having a lesser impact on the usefulness of the information.

Project management

<sup>24</sup> There are Mid-term, Final or Ex-Post Evaluations. The most favourable or suitable for the sub-criteria is assumed to be used throughout this exercise.

<sup>25</sup> The period of usefulness of the information contained in the report

Sub-Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS <sup>24</sup>
<b>General usefulness of information</b>	<u>Medium to High 4:</u> Standard methodology should allow extraction of more relevant information. Information is available and partially searchable on CRIS.	<u>Not applicable</u>	<u>Medium 3:</u> A dedicated database could improve the systematic dissemination of ERs. The specificity of the project limits its scope and usefulness for other uses.
<b>Total</b>	<b>13</b>	<b>0</b>	<b>11</b>
<b>Total on 20</b>	<b>17</b>	<b>0</b>	<b>15</b>

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Transparency</b>	<u>High 5:</u> Standardisation through the BCS and the process of judging and assessing individual projects and programmes.	<u>High 5:</u> Standardisation through the BCS and the process of judging and assessing individual projects and programmes.	<u>Medium 3:</u> Less clarity on procedures to arrive at conclusions due to a low standardisation and specific methodology. This can be improved by stricter adherence to O3 guidelines (e.g. DAC criteria, methodology, etc).
<b>Integrity and reliability of the collection and reporting system</b>	<u>Medium to high 4:</u> ROM is based on a comprehensive, coherent system that uses formalised approaches for data collection and reporting. The ECD has no influence on the report as it does not go through a draft process and so the independence of the monitor could be deemed higher. On-going data produces inconclusive findings.	<u>High 5:</u> Ex-Post ROM is based on a comprehensive, coherent system that uses formalised approaches for data collection and reporting. The ECD has no influence on the report as it does not go through a draft process and so the independence of the monitor could be deemed higher.	<u>Medium 3:</u> Selection of evaluators based on ToR specific criteria. Variance in methodologies, i.e. no requirements on providing financial data.
<b>Consistency of reporting</b>	<u>High 5:</u> Consistency of reporting is the result of data collection standardisation and methodology-set templates. The entire process is overseen and managed by a centrally organised group of stakeholders (ROM co-ordination, geographical contractors).	<u>High 5:</u> Consistency of reporting is the result of data collection standardisation and methodology-set templates. The entire process is overseen and managed by a centrally organised group of stakeholders (ROM co-ordination, geographical contractors).	<u>Medium 3:</u> Freedom for discretion in deciding what their assessment should focus on. Discretion also means that reports do not consistently address the same issues as other Evaluations reports on other, similar or related projects.
<b>Fairness of comparison</b>	<u>Medium to high 4:</u> The assigning of "grades" to the different criteria by which an intervention is judged enables a comparison between the different programmes. Different types of interventions with dissimilar topics.	<u>Medium to high 4:</u> The assigning of "grades" to the different criteria by which an intervention is judged enables a comparison between the different programmes. Different types of interventions with dissimilar topics.	<u>Medium to low 2:</u> Due to the diversity of approaches and collective data, comparison is possible only through intensive efforts outside the scope of the project Evaluation.

#### Accountability

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Coverage</b>	<u>High 5:</u> The ROM system provides an economical, comprehensive coverage of projects in terms of theme and country/regions. ODA Subsectors coverage.	<u>High 5:</u> The ROM system provides an economical, comprehensive coverage of projects in terms of theme and country coverage, country. ODA Subsectors coverage.	<u>Medium 3:</u> Limited coverage/volume linked to the cost per exercise and time required. ODA Subsectors coverage.
<b>Total</b>	<b>23</b>	<b>24</b>	<b>14</b>
<b>Total on 20</b>	<b>18</b>	<b>19</b>	<b>11</b>

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Rigor of triangulation</b>	<u>Medium to low 2:</u> The short format of monitoring missions and its planning stage are structured to cover only part of the relevant information and stakeholders' involvement.	<u>Low 1:</u> The short format of monitoring missions and its planning stage are structured to cover only part of the relevant information and stakeholders' involvement. Added constraint of facing a closed project.	<u>High 5:</u> Evaluations collect aggregated information and data on the same issue from different, complementary sources due to their non-limitations on timing. Quality of reports is based on the scope of the mission and selection of appropriate STE.
<b>Comparability of outputs</b>	<u>Medium 3:</u> ROM reports and BCS allow for comparability of information, limited by different timing of missions resulting in restricted perspective capacity.	<u>Medium to high 4:</u> ROM reports and BCS allow for comparability of information. Gathered data provides conclusive findings.	<u>Medium 3:</u> Comparability across reports is possible due to the 03's methodology guidelines.
<b>Lessons learned that can inform practice</b>	<u>Medium to low 2:</u> Comparative advantage of ROM reports is their comprehensive coverage of EC-funded projects. However on-going data produce inconclusive findings.	<u>Medium to high 4:</u> Compiled data on completed interventions can provide a large overview of a sector or programmes.	<u>Medium to high 4:</u> As a result of the greater depth of information provided, ERs offer greater possibilities to explore the connections between findings and the extent to which context conditions influence these.
<b>Extrapolation usage</b>	<u>Medium to low 2:</u> Analysed together in clusters or sets, the reports can possibly point to particular reoccurring phenomena. on-going data is only able to produce inconclusive findings	<u>Medium to high 4:</u> Ex-Post has a potentially important role to play as the full picture of the projects can be assessed and lessons learned can then be examined and potentially transferred to proposals or new interventions. Meta analysis is possible with finished interventions.	<u>High 5:</u> ERs have the potential to produce the information that is needed to establish, for example in a meta-analysis of several ERs, under which context conditions the findings of these ERs are likely to apply to other situations, people or places.
<b>Total on 20</b>	<b>9</b>	<b>13</b>	<b>17</b>

Knowledge generation

Aggregation

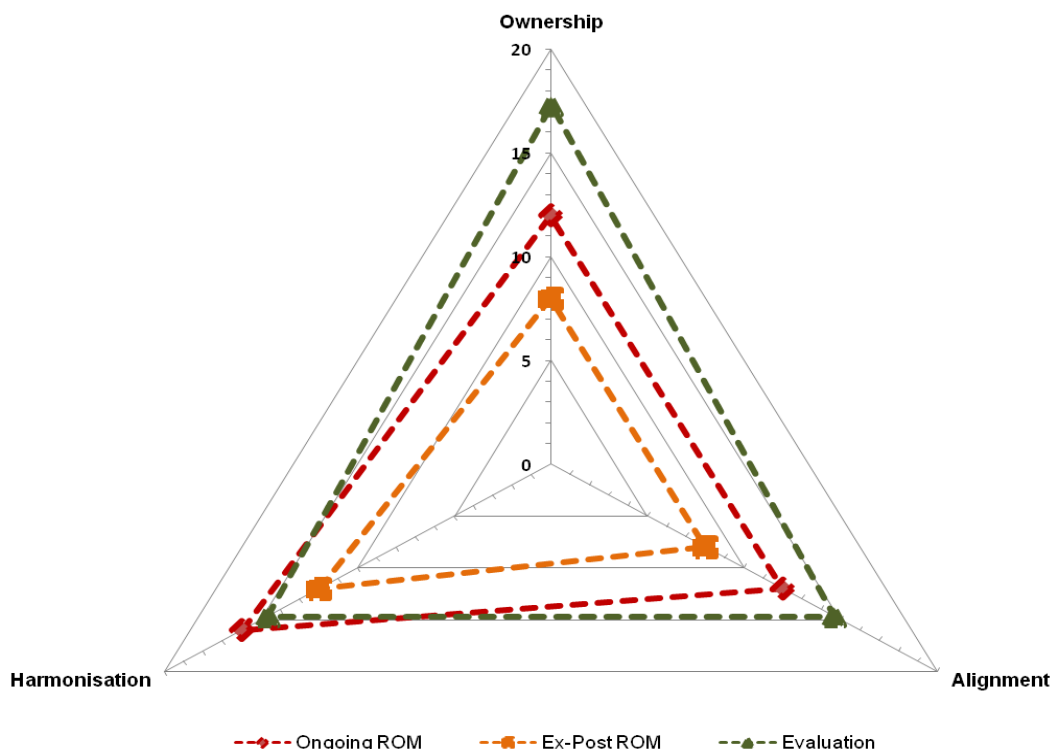
**Support to Quality Monitoring Systems and Methodologies of Projects and Programmes  
of External Assistance financed by the EC**

EUROPEAID/127731/C/SER/Multi – Contract Number: EVA/219719

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Volume of reports</b>	<u>Medium to high 4:</u> Given the budget allocated to ROM contractors, in a three-year period up to three quarters of the total amount of projects can be monitored (Ex-Post and On-going).	<u>Medium to high 4:</u> Given the budget allocated to ROM contractors, in a three-year period up to three quarters of the total amount of projects can be monitored (Ex-Post and On-going).	<u>High 5:</u> Most projects can be evaluated as Evaluations are imbedded in the projects' budgets.
<b>Data aggregability</b>	<u>High 5:</u> The ROM database allows to aggregate information on project performance for reporting purposes. It is possible to stack up performance data in terms of scores for annual reporting purposes.	<u>Medium to high 4:</u> The ROM database allows to aggregate information on project performance for reporting purposes. It is possible to stack up performance data in terms of scores for annual reporting purposes, providing high volumes of reports are available.	<u>Medium 3:</u> Strategic selection of projects by theme, country and sector can provide a quality-oriented base for data aggregation. A dedicated database would allow access and accessibility to the limited number of Evaluations.
<b>Extraction of data for analysis</b>	<u>High 5:</u> The amount and homogeneity of data generated from ROM provides raw figures for aiding in policy and decision making.	<u>Medium to high 4:</u> The amount and homogeneity of data generated from ROM provides raw figures for aiding in policy and decision making, providing high volumes of reports are available.	<u>Medium 3:</u> Project Evaluations can and do feed into sector and regional Evaluations and meta analysis through their aggregation in a dedicated database.
<b>Total</b>	<b>14</b>	<b>12</b>	<b>11</b>
<b>Total on 20</b>	<b>19</b>	<b>16</b>	<b>15</b>

### 5.2.3 Comparison Against External Criteria

Figure 4 - External Criteria Comparison (Potential)



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Inclusion of local partners</b>	<u>Medium 3:</u> In all ROM exercises the local partners should be fully involved in the data gathering process. The amount of time requested is limited as the entire exercise takes a maximum of a week.	<u>Medium to low 2:</u> It also shares substantially the approach of On-going ROM with an added time lag constrain to include local partners.	<u>Medium to high 4:</u> In all Evaluation exercises the local partners are fully involved (ToR, timing, scope, reference groups) as they are the major sources of information.
<b>Promotion of ownership</b>	<u>Medium to high 4:</u> The methodology is based on results. ROM calls for both briefings and debriefing with the PG intended to increasing the level of ownership.	<u>Medium to low 2:</u> Due to the nature of the timing of the Ex-Post exercise promotion of ownership is limited as some or most relevant stakeholders are disassociated from the intervention.	<u>High 5:</u> Results oriented and based on 03 guidelines. Potentially compulsory 03 guidelines regarding briefing and debriefing sessions with the local partners foment ownership.
<b>Capacity to adapt to the local context</b>	<u>Medium to low 2:</u> To fully benefit from ROM it needs to be adopted as a full system with specialised independent human resources.	<u>Medium to low 2:</u> The Ex-Post ROM approach needs the adoption of a system and can provide an element to strengthen feedback practice.	<u>Medium to high 4:</u> Evaluations provide value as an individual exercise as much as when systematically adopted.
<b>Total</b>	<b>9</b>	<b>6</b>	<b>13</b>
<b>Total on 20</b>	<b>12</b>	<b>8</b>	<b>17</b>

Ownership



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Proximity to local systems</b>	<u>Medium to low 2:</u> The ROM system is EC-“oriented and designed” and thus involves specific procedures and training.	<u>Medium to low 2:</u> The Ex-Post ROM system is EC-“oriented and designed” and thus involves specific procedures and training. Contradiction between “Monitoring” and “Ex-Post” terminologies.	<u>Medium to high 4:</u> As the ToR for each Evaluation is specific to each project, local partners can influence the ToR to reflect their requirements. Universality increases their opportunity of being used locally.
<b>Time demands of methodology/transaction costs</b>	<u>Medium to high 4:</u> As ROM is a short exercise completed within a defined period of time, demands and transaction costs are low, apart from initial training requirements.	<u>Medium to low 2:</u> It shares substantially the approach of On-going ROM with a necessary time lag between end of execution and the field mission.	<u>Medium 3:</u> Conventionally, Evaluations consume substantially more resources as they involve additional time and expertise.
<b>Expertise requirements</b>	<u>Medium 3:</u> More local experts can help contribute to local alignment. Qualification and education levels vary according to different countries as this system requires very specific knowledge.	<u>Medium to low 2:</u> The exercise should require qualified and independent expertise. Qualification and education levels vary according to different countries.	<u>Medium to high 4:</u> In many Evaluations the teams include, or are run by local experts, so the demand for more sector-qualified experts could give rise to further alignment. Less methodology-intensive system facilitates its adoption.
<b>Total</b>	<b>9</b>	<b>6</b>	<b>11</b>
<b>Total on 20</b>	<b>12</b>	<b>8</b>	<b>15</b>

## Alignment

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Proximity to other donors' systems</b>	<u>Medium 3:</u> Widely accepted principles (DAC criteria, PCM) constrained by the narrow concept of EC Result Oriented Monitoring done by external experts.	<u>Medium to low 2:</u> Widely accepted principles (DAC criteria, PCM) constrained by the narrow concept of EC Result Oriented Monitoring done by external experts. EC exclusive use.	<u>High 5:</u> As there is a universal concept it may be easier for different donors to combine with the EC to undertake Joint Evaluations as the ToR of each Evaluation could be jointly designed.
<b>Flexibility and simplicity of the system</b>	<u>Medium to high 4:</u> ROM methodology is relatively simple, quick, pragmatic and can be easily adapted.	<u>Medium 3:</u> Ex-Post ROM methodology is not very complex, quick and pragmatic. Ex-Post ROM demands particular specific professional expertise and knowledge.	<u>Medium to high 4:</u> There is no standard methodology for Evaluations and their flexibility are common elements allowing them to be widely used.

## Harmonisation



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Objectivity of the system</b>	<p><u>High 5:</u> The underlying ROM methodology was specifically designed to ensure the maximum possible objectivity by the introduction of BCS and a scoring system. Together with the fact that the consultants' reports are not subject to negotiations, it should make harmonisation easier.</p>	<p><u>Medium to high 4:</u> The underlying ROM methodology was specifically designed to ensure the maximum possible objectivity by the introduction of BCS and a scoring system. Together with the fact that the consultants' reports are not subject to negotiations, it should make harmonisation easier.  The lack of solid evidence and relying more on narrative data erodes the objectivity of this tool.</p>	<p><u>Medium to low 2:</u> The objectivity of the system is dependent on the professionalism of the evaluators. It's guidelines sanction negotiation of the final report.</p>
<b>Total</b>	<b>12</b>	<b>9</b>	<b>11</b>
<b>Total on 20</b>	<b>16</b>	<b>12</b>	<b>15</b>

## 5.3 Step 2 – Results of the Survey

### 5.3.1 Summary and Conclusions on the Survey's Results

The questionnaires pinpointed strengths, weaknesses, faults and under-usage of both instruments and resources. Most importantly, they also pointed to areas where changes in the application of ROM and/or Evaluations cannot only generate potential savings, but also increase M&E coverage of AIDCO's portfolio and thus hopefully improve aid effectiveness through better consolidation of experiences and lessons learned. It should, however, be remarked that after 10 years of development, ROM remains a mechanism which is still perceived as more focused to the needs of higher level within EuropeAid Management than to field managers.

Overall, the questionnaires establish a common perception among operational officers **that Evaluation is a considerably better tool to provide precise information and lessons learned on a project than ROM from all the points of view.** The same conclusion is found whatever the assignment, experience or region of work of the participants. In effect, there is wide **understanding that ROM and Evaluations produce a "lot of knowledge"**. But as an open comment clearly points out: *"The issue here is more on knowledge management than production"*. While there is an appreciation for the *"external appraisal through ROM as guarantee for independent judgement"*, nevertheless the issue for the **internal ownership** is often mentioned as a critical outcome: *"ROM seems to be an exercise which transfers knowledge of the projects/programmes to external experts instead of project managers who must follow up/understand the project activities they manage..."*.

The **under-usage of both instruments in the phases of PCM related to the preparation / assessment of new interventions** is particularly worrying, not simply because of the extra costs needed to produce further documentation, but also because of the low capacity to profit from in-house experiences. If the low level of usage is due to the unavailability of reports, as often cited, the consideration need to be given to structuring a system for collecting, consolidating and disseminating the essential information. The fact that ROM reports are available on CRIS appears not to be sufficient to develop their use beyond the direct beneficiaries. Further information on how to access them would help, as would a review of the search function on the CRIS system or its successor and improved quality control of the report entry process.

The same applies to Evaluation reports, which currently cannot be easily accessed by all officers. However, even if the reports could easily be searched for and found, that would not by itself produce the improved knowledge management needed to satisfy demands and requirements. There needs to be some reconfiguration of the format of the Evaluations reports that permits an easier comparative/consolidation capacity. As one respondent commented: *"ROM appears to be a "good tool" to produce data to be used by directors to show results and to compare it from one region to another or from one year to another. But no in-depth understanding of what is at stake, no real production of lessons learned (except the very general one such as an overambitious project will fail...).... Evaluations are needed but info should be organised (evaluations are most of the time not included in CRIS and not available from HQ)"*

Despite all, the perception of ROM as a pragmatic instrument able to generate some lessons learned could serve as basis for a different approach structured to exploit the capacity of both instruments to produce different qualitative and quantitative information.

The scarce attention given to **accountability** as a reason to perform M&E activities is, in contrast to its importance, at central level. More efforts are needed to establish a shared and deep-rooted "culture of accountability", to connect investments and outcomes of interventions at project level rather than using the simple disbursement-rates approach.

Some remarks of the overall **management performance** show the need for better integration of both instruments into what has been called the “quality management approach”: *“There are hardly any incentives to ensure that Evaluations (or ROM) are used jointly to adapt the on-going programme; they are mainly seen as a contractual obligation; only a formality. This is partly because the professional incentives of Delegation staff are too focused on quantity (disbursement) and very little on quality”.*

An important proportion of officers already share the view that ROM can provide information to local partners, which they may use for accountability reasons. This, if coupled with some sort of participation of local stakeholders in the ROM process, could be an important asset for a possible development towards JROM.

The conclusion of the questionnaire analysis is that both instruments can complement one another, as each has strengths to offer which the other lacks. ROM signals a potentially stronger role for accountability whilst Evaluations produce more material for knowledge production or best practices. Regarding the external criteria, ROM again scores lower for ownership, alignment and harmonisation, as it is very EU-specific and methodologically rigid and standardised.

Exploiting these potentials will require two major efforts:

- (i) a shift in human resource capacity in order to increase the probabilities of success of applying new or enhanced modalities or methodologies;
- (ii) the establishment of a knowledge management system through all aspects of PCM based on a profound preliminary “knowledge audit” to check the needs and the use within the organisation.

The following comment taken from the last section of the questionnaires, which gave participants the opportunity to express their own ideas, sums up, in our understanding, the main results:

*“The dilemma between ROM / Evaluations is false as they should clearly be seen as complementary, providing both useful information, but at different levels of depth and reliability. Accountability could be easily achieved with ROM and knowledge production with Evaluations. At the end, both are insufficiently exploited [...] The issue here is more on knowledge management than production”.*

In the following paragraphs the main findings<sup>26</sup> are presented following the internal and external criteria used in the desk research part of this chapter.

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<sup>26</sup> The full report, presented by SQ2M to Unit E5 in May 2010, is titled: “ROM - evaluations Comparative analysis. Questionnaires Report”

### 5.3.2 Project Management

Most respondents<sup>27</sup> agree that ROM is more useful for day-to-day project management<sup>28</sup> than Evaluations: it confirms that ROM is regarded as the most appropriate tool for project management as it provides a quick and formatted view of the project or programme monitored. However, a substantial minority does not agree, especially at the higher levels of local management, as 35% of Heads of Units do not agree.

At project management level, ROM is mostly used to assess on-going project performance as a supplementary source of “information”. Half of the respondents used On-going ROM reports of their own projects “always” or “most of the time” to **stay informed** about their implementation<sup>29</sup>. However, the large majority only used them “sometimes” or “never” to **modify** their implementation<sup>30</sup>. There is a particularly limited use of the BCS either to stay informed about implementation or to modify the implementation of projects or programmes: only 40% of project managers read the BCS to obtain information and less than 20% use them to decide on projects’ modifications<sup>31</sup>. As to the question: “Which tool is more suitable to produce recommendations that help in the improvement of the on-going project?”, while in general (45%) participants to Q1 consider that both tools are useful to provide recommendations, 30% of respondents consider that ROM is a better tool.

The critical point that received most of the open comments is the **Quality and Effectiveness of the ROM process**. As one officer put it: “Main weaknesses and uncertainty about ROM are the usual low quality of experts that undermine the exercise, combined with the shortness of missions of the ground and sometimes the lack of adequacy expert profile/sector covered. The main criterion for ROM experts should not be experience with ROM (methodology quite easy to understand) but field experience”. A repeated remark concerns the choice of experts, they are not always the most adequate and/or prepared. This, combined with the typical short ROM mission, produces – according to a number of respondents – results with little added value.

Although ROM and Evaluation missions<sup>32</sup> are mostly carried out without overlap, in at least one third of cases duplications occur to some extent. As local officers fully manage Evaluations and have a final say on the selection of projects to be monitored, duplications should be minimal<sup>33</sup>. “There seem to be a tendency to impose ROM by HQs to cover a given quota, independently of the evaluations being carried out simultaneously or around same dates. Not much co-ordination foreseen in HQs when proposing lists of projects”.

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<sup>27</sup> Q1-2 combined. To the statement “ROM is more useful for day-to-day project management than Evaluations”, 70% fully or partially agree, 30% fully or partially disagree. (Part of question 23)

<sup>28</sup> In the opening remarks it is confirmed that ROM was originally designed to provide support to individual projects, “Use and Scope of ROM: Suitability of ROM information to draw overall qualitative conclusions on the EC Development Aid Portfolio”, Del Bas and Eguiguren, 2009, p.2.

<sup>29</sup> Q1 question 18: 55.40% of respondents “always” or “most of the time” used On-going ROM reports of own project / programmes to stay informed about their implementation during the last 12 months.

<sup>30</sup> Q1 question 18: 69.9% of respondents used “sometimes”, “rarely” or “never” On-going ROM reports of own projects / programmes to modify their implementation.

<sup>31</sup> Q1 question 18: 37.2% of respondents used “always” or “most of the times” BCS of own projects / programmes to stay informed about their implementation. The percentage is only 18% for the use of BCS to modify their implementation.

<sup>32</sup> Q1question 19 “Have you experienced ROM and evaluation missions overlapping or being done close in time leading to duplication?” 65.2% answered “Never”.

<sup>33</sup> The cases for Evaluation covered by the questionnaire are around 500 in the last 12 months; the more precise quantitative analysis (based on more than 600 cases in the last 3 years) presented in following chapter shows no more than 18% of cases when ROM and evaluations have been carried out closely.

### 5.3.3 Accountability

For most of participants, “*accountability*” is not the reason for an Evaluation, nor is “*contractual obligation*”. The main reason is “*assessing project performance*”<sup>34</sup>, together with “*building knowledge and expertise*”<sup>35</sup> (more than 90%).

Most respondents, including 100% of Heads of Operations and Head of Section/Unit, consider that Evaluations should be mandatory for three kinds of projects or programmes<sup>36</sup>.

- Projects that will have direct follow-up interventions
- Pilot or innovative projects
- Co-financed projects

These answers stress the importance of Evaluation as a tool for lessons learned or for strategic purposes related to the EC’s programming options. There is less agreement on doing a final Evaluation for all projects or only for projects of a very large dimension<sup>37</sup>, which shows that Evaluations for accountability purposes is not considered essential.

### 5.3.4 Knowledge Generation

In terms of “knowledge” production, the participants strongly agree that evaluations are more adequate tools to produce sound knowledge. In effect with regards to statement “**evaluations and ROM provide similar quality of in-depth assessment**”, the large majority<sup>38</sup> disagree with the statement especially senior officers, (72%: 28%) junior officers are more evenly divided.

The comparative capacity of the two instruments to produce information and knowledge for different purposes has been further tested through specific questions relative to: a) assessment of “**project performance**”, b) Recommendations for “**project management**”, c) Lessons learned at “**sector/domain level**”, d) Lessons learned for “**accumulated knowledge**”. Not surprisingly, there is a general consensus that Evaluations are a better tool to collect/draw conclusions and lessons learned, while ROM appears a better choice only for the management of on-going projects<sup>39</sup>.

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<sup>34</sup> Q1 question 9: To the question “For the evaluations you managed, which were the main reasons?” 93.8% considered the proposal “to assess project performance” as “very important” or “important”.

<sup>35</sup> Q1 question 9: To the question “For the evaluations you managed, which were the main reasons?” 83.2% considered the proposal “to build knowledge and expertise / lessons learnt” as “very important” or “important”.

<sup>36</sup> Q1-2 combined: to the question 24 “For which of these types of projects and programmes should final evaluation be mandatory?” 93.5% of respondents “fully agree” or “partially agree” with the proposal “For projects or programmes that will have direct follow-up interventions”; 94.05% of respondents “fully agree” or “partially agree” with the proposal “For pilot or innovative projects that are meant to test the worth of new type of intervention” and 85.57% of respondents “fully agree” or “partially agree” with the proposal “For projects or programmes that have been co-financed with other donors”.

<sup>37</sup> Q1-2 combined: to the question 24 “For which of these types of projects and programmes should final evaluation be mandatory?”, 50.49% of respondents “partially disagree” or “not agree at all” with the proposal “only for project of very large dimension (>3M€)”, and 64.7% with “all projects” proposal.

<sup>38</sup> Q1-2 combined. 42% agree against 58% who do not agree.

<sup>39</sup> Q1-2 combined question 25. For “project performance”, 50.5% favour evaluations against 9.6% ROM, for “project management”, 36.6% favour ROM against 17.9% evaluations, for “Lessons learned at sector/domain level” 57.8% against 6.2% favour evaluations, for “accumulated Knowledge” 49% against 7.5% favour evaluations.

### 5.3.5 Aggregation / Consolidation

The fact that the ROM methodology is more suited than Evaluations to produce aggregated / comparative information is substantially acknowledged<sup>40</sup>. While it confirms the hypothesis that one of the purposes of ROM could be the production of quantitative analysis and consolidation of overall data<sup>41</sup>, it is worth noting that an important percentage of officers do not share this view, especially the more senior officers (over one third).

In the open comments the use of figures from ROM to build consolidated accountability for EuropeAid received some specific comments, such as: *“The habit to make statistics on the “quality of EC cooperation” by means of ROM scores is not fully sustainable. They compare small and big projects and programmes of different kind and do not take into account the subjectivity and the likely intra-observer variation of the scores produced”*.

### 5.3.6 Alignment

Most participants agree with the statement that ROM is “easier” for stakeholders than Evaluations<sup>42</sup>. There is a large consensus on the fact that both Evaluations and ROM can be adapted to specific circumstances and environment and the same response is given whatever the status, the experience or the region of intervention of respondents<sup>43</sup>. This is interesting, as the way two instruments are built and implemented is quite different, Evaluation being much more flexible than ROM.

Most of respondents agree on the statement *“Partners accountability can be better promoted by evaluations than ROM”*<sup>44</sup>. The same result is found whatever the assignment, the experience or the region of work of the respondent. This is probably due to the implicit larger involvement an evaluation process demand from all stakeholders and the clearer distribution path of the Evaluations reports.

### 5.3.7 Harmonisation

**Harmonisation** is often mentioned in connection with Evaluations and ROM. As one open comment summarised: *“There are way too many ROMs / Evaluations. Most of our projects have been monitored / evaluated every year, more because of an obligation than a necessity. This is not appreciated by our local partners who need to devote time to those evaluations and then take the reports less seriously”*.

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<sup>40</sup> Q1-2 question 23 combined: 57% of respondents “fully agree” or “partially agree” with the statement “the ROM methodology is more suited than evaluations to produce comparative information”, while 43% do not partially / fully agree.

<sup>41</sup> “The fact that ROM includes a certain degree of uniformity in its approach and format across the board allows a degree of comparability among different interventions at a scale that is currently not possible through any other evaluation tool within the EC” in “Use and Scope of ROM: Suitability of ROM information to draw overall qualitative conclusions on the EC Development Aid Portfolio”, Del Bas and Eguiguren, 2009, p.2.

<sup>42</sup> Q1-2 combined question 23: 68.04% of respondents “partially disagree” or “not agree at all” on the statement “ROM can be more time consuming and demands more effort from stakeholders than evaluations”.

<sup>43</sup> Q1-2 combined question 23: 83.46% of respondents “fully agree” or “partially agree” with the statement “both evaluations and ROM can be adapted to specific circumstances / environment”.

<sup>44</sup> Q1-2 combined question 23: 67.32% of respondents “fully agree” or “partially agree” with the statement “partners accountability can be better promoted by evaluations than ROM”.



### 5.3.8 Ownership

At the same time, the consequences for local partners' ownership of their low level of participation are often commented upon: *"There is a problem that in many instances the partner country, although it provides input to the evaluators/monitors, does not provide comments to the final report (more likely to provide comments to a short ROM report than a full evaluation report). It seems that they don't value too much the importance of project evaluation"*.

### 5.3.9 Further Results

Questions related to new project preparation according to the QSG procedure were included to analyse the use of the two M&E tools in a *"decision-making process"*.

Contribution to the  
decision-making  
process

For new project preparation, Q 1 reports around 550 cases<sup>45</sup>. In general, the use of ROM and Evaluation reports appears limited, 59% of officers "always/most of the times" use Evaluation reports to prepare new projects, but only 25% use ROM report "always/most of the times". Using "external" sources of information such as documents prepared by external consultants appears to be by far the most common approach<sup>46</sup>. The scarce use of Evaluation reports is not a consequence of quality: in fact, the large majority of respondents consider that those received during the last 12 months are of "good" quality. Only a few (less than 10%) consider that the quality of reports was barely sufficient or poor<sup>47</sup>.

A similar behaviour is registered for the QSG respondents in charge of the assessment of new project fiches: in this case, the answers are relative to more than 500 assessments of new fiches/new projects. 48% of officers used evaluation reports, and less than 42% used ROM reports. In the same process 85% of officers used "other tools" such as external studies, feasibility studies and identification reports.

The main reasons for the low use of Evaluations and ROM reports are the poor availability of the reports<sup>48</sup> (53% for Evaluations and 47% for ROM reports) and the fact that their structure is not suited to easy consultation (33% for Evaluations), while in addition a substantial proportion (36%) considers that ROM reports don't contain transferable lessons. The inadequateness of the formats for distribution and assimilation of transferable lessons learned were also mentioned as reasons for limited use.

Half of the Q1 respondents have directly managed an Evaluation of projects or programmes during the last 12 months, and approximately 35% of them have managed more than two. We can therefore assume that the sample managed approximately more

Costs / value added

<sup>45</sup> Q1: 150 officers prepared 1 new project, 87 officers 2 new projects, 79 more than 2 new projects.

<sup>46</sup> Q1 question 22: to the question "In the preparation of these new project identification / action fiches", 71.2% of respondents use "always" or "most of the time" "external studies (feasibility / identification made by external consultants)" and 29.1% use "always" or "most the time" "evaluations of other projects / programmes (i.e those they were not directly involved in)".

<sup>47</sup> Q1: To the question 12 "What was the quality of the evaluation reports you received in the last 12 months?" 54.76% answered "good" and only 5.71% "barely sufficient". The fact that evaluations are managed locally and then in a sense can be "negotiated" with the experts in charge of them can probably explain this high level of perceived quality. This result appears to be in opposition to the findings of a small random analysis on evaluation reports managed by Delegations made internally by Unit 03 (in 2006) that is: almost 50% of the assessed evaluation reports did not have the expected required quality level.

<sup>48</sup> In the document "Developing a Concept for a EuropeAid Evaluation Database" by Martin Steinmeyer (2009), the main problems to using the information in reports for the elaboration of transferable lessons, best practises and indicators for the identification and formulation of new programmes/projects, is that there is "No inventory of EC project / programme evaluations (in particular mid-term, final and Ex-Post evaluations) exists or can easily be produced" (p. 12).

than 500 Evaluations in the last 12 months<sup>49</sup>. A large percentage considers that the additional cost of an Evaluation vis-à-vis ROM is always justified by the additional value produced<sup>50</sup>, either for assessment of projects' performance or for knowledge production.

Interestingly, the fact that approximately 70% of respondents thought that a Mid-term<sup>51</sup> or Ex-Post Evaluations<sup>52</sup> was necessary, even if there has been an On-going ROM or Ex-Post ROM, shows that the ROM instruments are less useful for the immediate needs of project management. It also shows limited attention to the extra costs needed to produce Evaluations. In effect, the immediate unavailability of resources is not considered a reason to discard an Evaluation<sup>53</sup>.

## 5.4 Step 3 – Gap Analysis

### 5.4.1 Summary and Conclusions of the GAP Analysis

The benefits and the advantages of the different tools are hereafter reconsidered in the light of the results of the survey.

**Fundamental assumptions:** ROM is inexpensive, independent, and produces to-the-point reports.

**Factual flaws:** ROM missions are short and therefore less expensive than Evaluation missions. However, short missions may not capture all the relevant information needed to make solid assumptions and provide a useful and credible analysis. Further, the Monitors' ability to capture key issues varies greatly from individual to individual within each contractor and more so between contractors. The number of days allocated for ROM missions in all its modalities (On-going, Ex-Post, etc.) are to some extent based on arbitrary numbers fitting a working week's pattern rather than a studied minimum number of days required to prepare, organise, visit, and analyse the information required in certain types of projects.

The uploading of reports which permits their distribution and retrieval lacks quality control and thus some can be "lost".

ROM

<sup>49</sup> According to consulted EAMR, between 2008 and 2009 there were 726 evaluations planned, out of which, according to FWC lists, 461 performed.

<sup>50</sup> Q1-2 question 23 combined: 69.59% of respondents "fully agree" or "partially agree" with the statement "the additional cost of an evaluation vis a vis ROM is always justified by the additional value produced"

<sup>51</sup> Q1-2 question 23 combined; 66.9% of respondent "partially disagree" or "not at all agree" on the statement "Once a ROM report is available a Mid-term Evaluation is not necessary".

<sup>52</sup> Q1-2 combined question 23; 59.26% of respondent "partially disagree" or "not at all agree" on the statement "After an Ex-Post ROM and Ex-Post Evaluation is not needed".

<sup>53</sup> Q1. To the question 14:" If you did plan an Evaluation later not implemented, please can you mark the reason why", 5.4% of the cases has been motivated by lack of financial resources.



**Fundamental assumptions:** **Ex-Post ROM** is the same as On-going ROM, but with the added intended value of capturing real impact of interventions.

**Factual flaws:** Ex-Post ROM is similar to ROM, but more importance is given to the minimum number of days needed to delve into a completed intervention and draw well-informed conclusions. Whilst a couple of days are sometimes added to the field phase, the planning stage remains often very short, which makes it difficult to allow preparation of interviews with a larger variety of stakeholders.

#### Ex-Post ROM

**Fundamental assumptions:** **Evaluations** are a thorough external/independent tool based on objectivity and project cycle management principles.

**Factual flaws:** The quality of reports depends heavily on the evaluator's project management experience and PCM. Local evaluators are frequently used and tend to provide a lower level of analysis. Further, Evaluation reports are subject to scrutiny and changes so the evaluators' independent analysis can be diluted in trying to fit the views of the Delegation or other stakeholders.

The lack of an established reporting format used in all situations means key parts may not be easy to find thus making their "intelligent" storage and usage thereafter almost impossible.

#### Evaluations

There is an ample **gap between what was expected of the tools and what they can deliver** given the shortcomings of implementing them in their present design. In summary, there are four horizontal flaws across the tools:

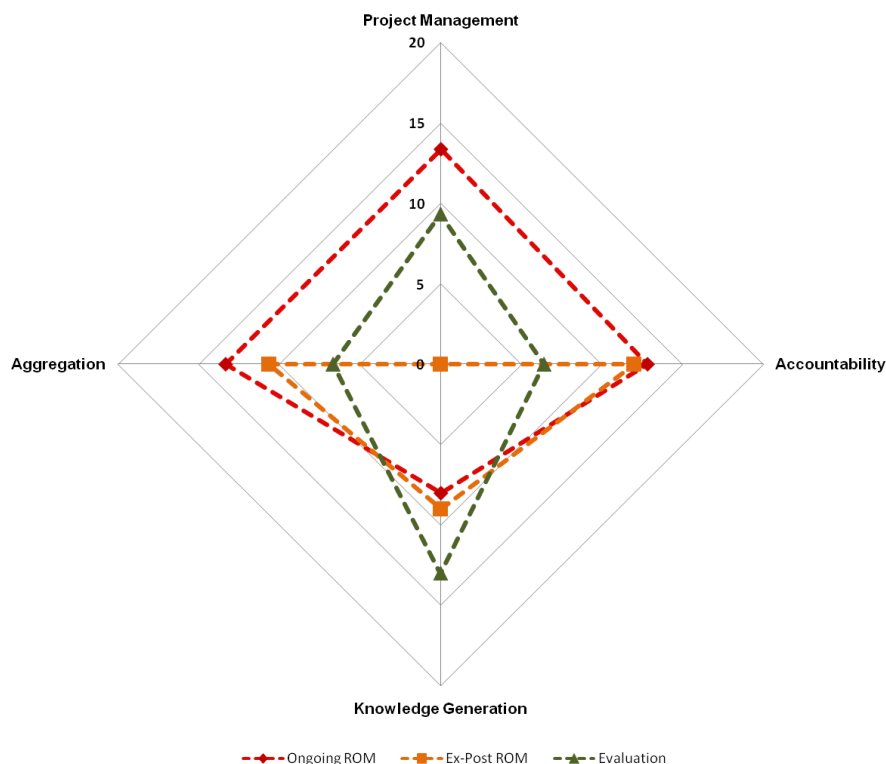
- financial restrictions,
- human resources-derived limitations,
- data management restrictions,
- lack of homogeneity between ROM and Evaluation tools and reporting formats.

#### Conclusion

In chapter 7, suggestions for how to overcome these shortcomings are presented. Before that, however, this summary and conclusion section is substantiated by the following further-detailed analysis.

#### 5.4.2 Comparison Against Internal Criteria

Figure 5 - Internal Criteria Comparison (GAP Analysis)



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Simplicity of the process</b>	<i>Medium to high 4:</i> Open process and homogeneous ToR. A simple tool to use. Delegations staff and other local stakeholders are not always fully aware of procedure and purposes.	<i>Not applicable</i>	<i>Medium to low 2:</i> Each Evaluation has a different focus and different ToR and has to adapt to local constraints. 03 Guidelines do not offer comprehensive processing support. Limited access to other Evaluation reports.
<b>Usefulness of project specific information</b>	<i>Medium 3:</i> Usefulness is sometimes limited by low quality of internal monitoring, unequal quality of monitors, lack of "real" quality control on reports. ROM is considered more of an information instrument than a tool to develop better project management. <sup>54</sup>	<i>Not applicable</i>	<i>Medium to high 4:</i> Whilst Evaluations are considered as the best instrument, their usefulness is constrained by the experts' proficiency, unstructured and no-standardised format and the varying quality of reports. <sup>55</sup>

Project management

<sup>54</sup> Q1: 55.4 % of respondents stated that they use "On-going ROM reports of own projects/programmes to stay informed about their implementation" "always" and "most of the time", according to their own experience in the last 12 months (p. 67).

<sup>55</sup> Q1: For the question "for the evaluations you managed, which were the main reasons" 67.4% of respondents deem it as "very important" to "assess project performance"

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>General usefulness of information</b>	<u>Medium 3:</u> Synthesis format facilitates rapid understanding of projects findings; however, ROM reports do not provide enough in-depth information. Quality of final reports is not always fully checked. CRIS database allows for storage and dissemination of reports. BCS, MRs and PS are not keyword-searchable.	<u>(No grade assigned)</u> <i>Synthesis format facilitates rapid understanding of projects findings.</i> <i>Sample is limited and the quality of final reports is not always fully checked.</i> <i>CRIS database allows for storage and dissemination of reports.</i> <i>BCS, MRs and PS are not keyword searchable nor are its lessons learned.)</i>	<u>Low 1:</u> ERs are rarely used, consulted or shared by anyone other than those related to the specific project. Database Evaluation does not yet exist.
<b>Total</b>	<b>10</b>	<b>0</b>	<b>7</b>
<b>Total on 20</b>	<b>13</b>	<b>0</b>	<b>9</b>

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Transparency</b>	<u>Medium to high 4:</u> Standardisation through the BCS and the process of judging and assessing individual projects and programmes. ROM's CRIS database is not completely precise.	<u>Medium to high 4:</u> Standardisation through the BCS and the process of judging and assessing individual projects and programmes. ROM's CRIS database is not completely precise.	<u>Low 1:</u> Although DAC criteria are used in all reports, ER formats are not standardised. Methodology varies from expert to expert. A certain degree of transparency is guaranteed as the ToR and contract are drafted and executed by the EUD. On the other hand, reports are subject to contents' "negotiation".
<b>Integrity and reliability of the collection and reporting system</b>	<u>Medium 3:</u> Monitors objectivity cannot be fully guaranteed to be exempt of any external influence on the reports. On-going data produces inconclusive findings. Time allocated for field phase does not always allow for thorough verification.	<u>Medium to high 4:</u> Monitors objectivity cannot be fully guaranteed to be exempt of any external influence on the reports. Ex-post data produces more conclusive findings. Time allocated for field phase does not always allow for thorough verification.	<u>Medium to low 2:</u> There is more opportunity for the EUD to influence the final report. Intermittent lack of internal quality control. Increased consistency of data by larger field time allocated to validate information.

Accountability<sup>56</sup>

<sup>56</sup> "A comparison of the strengths of evaluations and ROM reports suggest that ROM reports have a clear advantage when it comes to the establishment of accountability for evaluation results and performance" (Steinmeyer: 2009).

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Consistency of reporting</b>	<u>Medium 3:</u> The entire process is overseen and managed by a centrally organised group of stakeholders. Contractors have different criteria for hiring STEs (economic conditions, experience) and quality assurance processes. The assessment of the experimental phase of Ex-Post ROM has found a weak relationship <sup>57</sup> (in terms of impact and sustainability) between On-going and Ex-Post ROM scores, casting doubt on the consistency of ROM reporting.	<u>Medium 3:</u> The entire process is overseen and managed by a centrally organised group of stakeholders. Contractors have different criteria for hiring STEs (economic conditions, experience) and Quality Assurance processes. The increased complexity of the nature of the exercise delimits the depth of the analysis and conclusions.	<u>Medium to low 2:</u> Evaluations and evaluators have more discretion in deciding what their assessment should focus on. Reports do not consistently address the same issues as other ERs on other, similar or related, projects.
<b>Fairness of comparison</b>	<u>Medium 3:</u> Grades allow comparison restricted by: subjective of grades; templates not always fully filled-in; nature of projects and weighting for the value of investments not taken into consideration (projects' budget).	<u>Medium 3:</u> Grades allow comparison restricted by: subjective of grades; templates not always fully filled-in; nature of projects and weighting for the value of investments not taken into consideration (projects' budget).	<u>Low 1:</u> Evaluations have no common measure to gauge the "quality" of interventions, nor are EC project or programme evaluations necessarily meant or "designed" to produce this kind of measurement.
<b>Coverage</b>	<u>Medium 3:</u> On-going ROM covers 28.13% of the portfolio's investment <sup>58</sup> and 23.03% of projects' portfolio. ODA subsectors are covered but with no apparent strategy for targets on each.	<u>Low 1:</u> Total coverage is low. Contractors have an obligation to monitor Ex-Post projects equalling 10-15% of the total amount of monitored projects. ODA subsectors are covered but with no apparent strategy for targets on each.	<u>Medium to low 2:</u> Evaluations cover 10.48% of the portfolio's investment and 2.94% of projects' portfolio. The ODA subsectors which are covered are not known and there is no apparent strategy behind it.
<b>Total</b>	<b>16</b>	<b>15</b>	<b>8</b>
<b>Total on 20</b>	<b>13</b>	<b>12</b>	<b>6</b>

Knowledge generation<sup>59</sup>

<sup>57</sup> Review of the Ex-Post Results Oriented Monitoring (ROM) Methodology for EuropeAid, Final draft, page 12, 2009. EuropeAid EVA / 159 – 987.

<sup>58</sup> Universe data provided by Regional ROM Contractors.

<sup>59</sup> When comparing Evaluations and ROM, "in the area of generating lessons learned and knowledge, however, [ROM is] at a disadvantage....(as) a) ROM monitors do not have the chance to pursue rigorous triangulation of sources to the extent that is possible in more comprehensive project or programme evaluations; b) they do not contain as rich a description of project context to assess which context conditions need to be present in other types of situations to allow the lessons learned to be transferred and applied outside of the original context of the evaluation(s)." "Developing a Concept for a EuropeAid evaluation Database" by Martin Steinmeyer (2009), p. 53.

In contrast, more than 90% of respondents stated that building knowledge and expertise are the most important reasons for carrying out Evaluations.

Sub Criteria	ONGOING ROM	EX-POST ROM	EVALUATIONS
<b>Rigor of triangulation</b>	<u>Medium to low 2:</u> Due to the short time for the assessment of each project it is more difficult to build the evidence base for drawing conclusions.	<u>Low 1:</u> Ex-Post suffers from On-going ROM's limitation even further, as terminated projects require even further analysis and are more complex to examine.	<u>Medium to high 4:</u> Enhanced credibility / validity of causal claims in particular in connection with qualitative inquiry are more easily attainable due to the larger format of missions and reporting size limitations. However, the individual STE will ultimately determine the solidity of the information.
<b>Comparability of outputs</b>	<u>Medium 3:</u> Different levels of quality assurance within the contractors. High level of standardisation and validation process contributes to a relatively sustained quality of the reports. The ROM methodology is suited to produce comparative information. <sup>60</sup>	<u>Medium 3:</u> Different levels of quality assurance within the contractors, high level of standardisation and validation process contributes to a relatively sustained quality of the reports. The ROM methodology is suited to produce comparative information.	<u>Medium to low 2:</u> ERs vary considerably with comparability proving to be limited due to the different requirements within the ToR. Evaluations are rarely used for comparative purposes.
<b>Lessons learned that can inform practice</b>	<u>Medium to low 2:</u> On-going data produces inconclusive findings for lessons learned. The short assessment allowed for each project and size of reports make it challenging to present ample information. Most ROM users do not think that it can provide the information required for lessons learned. <sup>61</sup>	<u>Medium 3:</u> The short assessment allowed for each project and size of reports make it challenging to present ample information. A limited pool of reports and a lack of strategy for selection of projects hamper its usage for lessons learned. The timing of the reports is often too late to be of use for follow-up interventions. <sup>62</sup> Most ROM users do not think that it can provide the information required for lessons learned.	<u>Medium to high 4:</u> Evaluators have the liberty and mandate to go deep into the context of the project and to analyse in greater detail how the results or phenomena observed are determined or influenced by this context. Evaluations are therefore structured to provide more accurate and accepted lessons learned. <sup>63</sup>

<sup>60</sup> Q1/Q2: 57.01% of respondents "fully agree" or "partially agree" that "The ROM methodology is more suited than Evaluations to produce comparative information", p. 36.

<sup>61</sup> Q1/Q2: Only 6.22% of respondents consider that ROM can provide "Lessons learned" that further the knowledge and understanding of supporting the assessed sector overall", p. 54.

<sup>62</sup> "Due to the timing of Final and Ex-Post Evaluations, it is unlikely that any lessons or findings will actually be available in time to inform the design of the new project." "Developing a Concept for a EuropeAid evaluation Database" by Martin Steinmeyer (2009), p. 56.

<sup>63</sup> Q1/Q2: 57.85% of respondents consider that Evaluations can provide "Lessons learned" that further the knowledge and understanding of supporting the assessed sector overall", p. 54.

Sub Criteria	ONGOING ROM	EX-POST ROM	EVALUATIONS
<b>Extrapolation usage</b>	<u>Low 1:</u> Due to their size, they are relatively less well-suited to provide the depth of information that is required for extrapolation or to make generalisations. BCS are not keyword-searchable. On-going data produces inconclusive findings.	<u>Medium to low 2:</u> Due to their size, they are relatively less well-suited to provide the depth of information that is required for extrapolation or to make generalisations. BCS are not keyword-searchable. To date, there is no conclusive feedback on whether it properly collects lessons or if they are used. Ex-Post ROM is not widely considered by upper management as a substitute for Ex-Post Evaluations <sup>64</sup> . The amount of reports available is not substantial.	<u>Medium 3:</u> Scope of report and mission format provide a larger pool of data. Compilation of reports is hampered by the specificity on single project focus and the lack of a centralised data system. This supports the finding that there is contradiction between Evaluations being regarded as sources of knowledge production and their actual usage which is reported to below. <sup>65</sup>
<b>Total on 20</b>	<b>8</b>	<b>9</b>	<b>13</b>

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Volume of reports</b>	<u>Medium to high 4:</u> In 2009 produced 1,600 MRs. There is a cumulated availability of more than 10,000 reports. Lack of portfolio figures and set targets for regions make all the achieved goals less institutionalised.	<u>Medium to low 2:</u> Since its pilot stage in 2007 only seven hundred reports have been produced. Lack of portfolio figures and set targets for regions make all the achieved goals less institutionalised.	<u>Medium to low 2:</u> The total number of ERs is not clearly known – 650 were planned in 2009 and 421 took place. As a result, the potentiality to aggregate its data is limited.
<b>Data aggregability</b>	<u>Medium to low 2:</u> Despite the high volume of reports and standardisation of data, there have been frequent changes in the ROM formats and, more significantly, each year the portfolio of projects monitored is different. Therefore as of now, year on year comparability presents increased difficulties.	<u>Medium to low 2:</u> The low amount of reports produced yields less credibility alongside the frequent changes in the templates, formats of the reporting system which hamper comparability.	<u>Low 1:</u> The absence of a priori objective to aggregate information from Evaluations reports and the lack of a platform to access them, aggregation is low. Access to reports is limited and unknown to non-stakeholders.

#### Aggregation

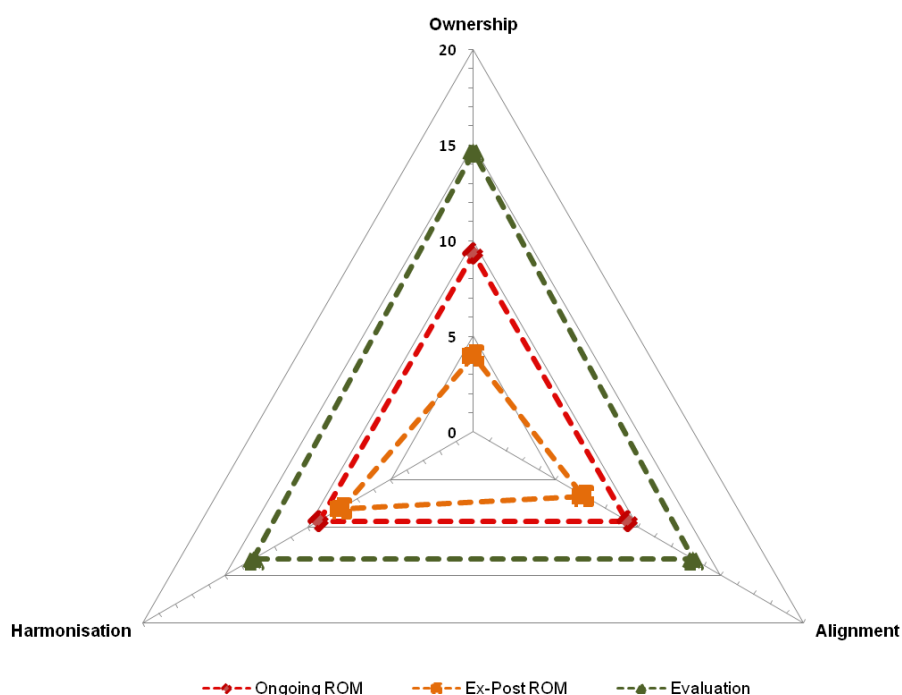
<sup>64</sup> Q1/Q2: Under 70% of Heads of Section/Units “partially disagree” or do “not agree at all” with the statement “after an Ex-Post ROM an Ex-Post evaluation is not needed”, p 44.

<sup>65</sup> Q1: In the preparation of IF and AF 59.2% of respondents stated that “always” or “most of the time” they “use evaluations of projects/programmes I manage”. On the other hand 29.1% stated that “always” or “most of the time” they “use evaluations of other projects/programmes” (p. 70). This difference can be attributed to lack of access to the reports confirmed by the answers to the question (Q2) “which were the main reasons for not using the evaluation reports” where 53.4% stated that reports were “not easily available”, p.80.

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Extraction of data for analysis</b>	<u>Medium to high 4:</u> In addition to the annual extraction of data from the MRs to produce the different Europe Aid indicators, data can be extracted along many criteria in order to undertake different analyses. ROM data format and storage allows for its easy extraction. <sup>66</sup> Extraction limited to grades on evaluation criteria and sub-criteria (BCS)	<u>Medium to high 4:</u> In addition to the annual extraction of data from the MRs to produce the different Europe Aid indicators, data can be extracted along many criteria in order to undertake different analyses. ROM data format and storage allows for its easy extraction. Extraction limited to grades on evaluation criteria and sub-criteria (BCS)	<u>Medium to low 2:</u> Reports are not aggregated in a format that permits more general EC reporting or used for policy-making, partly due to the lack of a database and encoding mechanism. Difficulty in finding reports as one of the main reasons for not using them. <sup>67</sup>
<b>Total</b>	<b>10</b>	<b>8</b>	<b>5</b>
<b>Total on 20</b>	<b>13</b>	<b>11</b>	<b>7</b>

### 5.4.3 Comparison against External Criteria

Figure 6 - External Criteria Comparison (GAP Analysis)



<sup>66</sup> Q1/Q2: To the statement “The ROM methodology is more suited than evaluations to produce comparative information”, under 67% of respondents “agreed” or “partially agreed” with it, p. 36.

<sup>67</sup> Q2: 53.40% of the questionnaire’s participants indicated that reports not being “Not easily available” were the main reason for not using them whilst 33.10% of them indicating that they are not being used as they are “Not structured to facilitate reading / consultation”, p. 80.



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Inclusion of local partners</b>	<u>Medium to low 2:</u> The short duration of ROM missions and the different behaviour of monitors does not always allow for consultations / meetings with all local stakeholders.	<u>Low 1:</u> The time lag since project's end often does not allow to find local stakeholders Interest for exercise's outputs is more within EC staff than with local ones.	<u>Medium to high 4:</u> In general there is participation of local stakeholders at all stages. Final presentation is normally addressed to EC staff, PGs and stakeholders.
<b>Promotion of ownership</b>	<u>Medium 3:</u> There is in general a satisfactory response from PG. However, the system as applied by the EU is more commonly associated with evaluations. Most Pgs consider ROM as an Evaluation and not as "monitoring".	<u>Low 1:</u> Attention to outcomes is commonly low and difficult to gauge as local partners are not usually informed about the exercise or difficult to contact.	<u>Medium to high 4:</u> Evaluation reports are usually disseminated and contribute to local expertise as well as familiarisation with the exercise.
<b>Capacity to adapt to the local context</b>	<u>Medium to low 2:</u> Adopted templates but not the methodology. However, the brief and to the point exercise is an attractive option.	<u>Low 1:</u> The exercise is mostly considered a donors' practice. Budget-conscious PGs prioritise on-going interventions. The brief and to the point exercise is an attractive option.	<u>Medium 3:</u> Evaluations provide evidence of achievements and contribute to the establishment of a "feedback" culture. Their flexibility provides the opportunity for replication of the exercise. Costs can be significantly reduced using local expertise.
<b>Total</b>	<b>7</b>	<b>3</b>	<b>11</b>
<b>Total on 20</b>	<b>9</b>	<b>4</b>	<b>15</b>

## Ownership



Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Proximity to local systems</b>	<u>Medium to low 2:</u> In spite of EU ROM differing from local instruments, the DAC criteria methodology is widely used. <sup>68</sup>	<u>Low 1:</u> Linked primarily to donors' requirements, too divorced from local priorities to be of appeal to local partners.	<u>Medium to high 4:</u> Local partners demonstrate sufficient interest and familiarity in evaluations practices and outcomes. evaluations have been taking place in most PGs for many years.
<b>Time demands of methodology/transaction costs</b>	<u>Medium 3:</u> Field experience confirms that the exercise is acceptable, easily replicable by local partners as well as not requiring high input levels. <sup>69</sup> The perception of ROM as rapid instrument is well established. It is considered as an acceptable instrument with adequate efficiency. However, in order to adopt (EU-) ROM as a system a large initial investment is required.	<u>Medium to low 2:</u> The exercise is acceptable, easily replicable by local partners and does not require high input levels. The perception of ROM as rapid instrument is well established. It is considered as an acceptable instrument with adequate efficiency. However, in order to adopt (EU-) ROM as a system a large initial investment is required. The opportunity cost to implement it is higher than ROM.	<u>Medium 3:</u> Widespread acceptance and knowledge for evaluation obligations. The length and expense incurred by a proper Evaluation reduces the frequency of its application.
<b>Expertise requirements</b>	<u>Medium to low 2:</u> The search for local experts does not always have the expected results as local levels of capacity vary from country to country having an effect on the quality of the outputs produced.	<u>Medium to low 2:</u> The search for local experts does not always have the expected results as local levels of capacity vary from country to country having an effect on the quality of the outputs produced.	<u>Medium 3:</u> Presence of local experts in different occupations and vocations does give rise to some professional expertise available. Familiarity and expertise with PCM tends to vary widely from country to country.
<b>Total</b>	<b>7</b>	<b>5</b>	<b>10</b>
<b>Total on 20</b>	<b>9</b>	<b>7</b>	<b>13</b>

Alignment

<sup>68</sup> Q1/Q2: Almost 85% of people consider that ROM can be adapted to specific circumstances and environment, p. 83.

<sup>69</sup> Q1/Q2: 70% of respondents consider that ROM does not demand more efforts from stakeholders than evaluations and therefore less time consuming, p. 34.

Sub Criteria	ON-GOING ROM	EX-POST ROM	EVALUATIONS
<b>Proximity to other donors' systems</b>	<u>Low 1:</u> The ROM methodology is too EC-specific and donors' organisations deem it very different from their own methodologies. More akin to Evaluations.	<u>Low 1:</u> The ROM methodology is too EC-specific and donors' organisations deem it very different from their own methodologies. More akin to Evaluations.	<u>Medium to high 4:</u> Combined evaluations between different donors are common events, although not always producing common reports. The lack of a database means that sharing of data can only be done between informed users.
<b>Flexibility and simplicity of system</b>	<u>Medium to Low 2:</u> ROM under its present guidelines and requirement is rigid and complex. Nevertheless, there is scope for adding in areas relevant to specific donors.	<u>Medium to low 2:</u> Confusion from other donors as to the scope and methodology of the system limits the capacity to enlarge it. ROM under its present guidelines and requirement is rigid and complex. Interest from other donors is almost non-existing.	<u>Medium 3:</u> Evaluations can be a burden for other donors. However, its flexibility or lack of strict guidelines allows for more freedom on the contents and format, increasing its harmonisation degree.
<b>Objectivity of the system</b>	<u>Medium to high 4:</u> Results from ROM are generally accepted and carried out by external experts, which increases their perception of their objectivity.	<u>Medium 3:</u> Results from ROM are generally accepted and carried out by external experts, which increases their perception of their objectivity. The lack of availability of direct stakeholders might decrease this.	<u>Medium 3:</u> It is known that Evaluation reports are subject to changes in consultation with its stakeholders reducing their objectivity and hampering their harmonisation.
<b>Total</b>	<b>7</b>	<b>6</b>	<b>10</b>
<b>Total on 20</b>	<b>9</b>	<b>8</b>	<b>13</b>

## Harmonisation

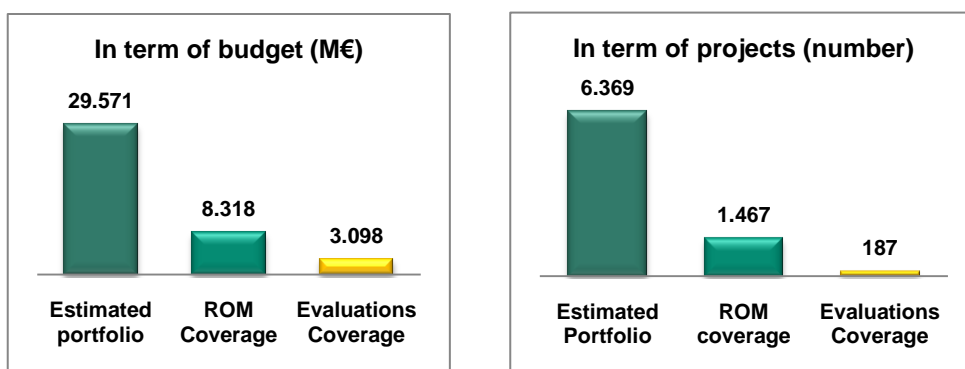
For specific data on the different scores of On-going ROM Ex-Post ROM and Evaluations between potential and actual and thus the challenge for each instrument, see Annex H.

## 6 QUANTITATIVE ANALYSIS OF CURRENT USE OF RESOURCES

### 6.1 Summary

The size and the contents of the **EuropeAid on-going portfolio** are not easily defined thus accurate coverage levels of investments through evaluation and monitoring are not possible. The best estimate for the on-going portfolio is the one generated by external contractors that for 2009 report<sup>70</sup>: when the annual amount of new interventions (around 9,000 M€ in average for recent years) is considered together with the average duration of the interventions (estimated in 3 years), the following estimation can be made: overall on-going portfolio **of around EUR 30,000 million for a total of around 6,300 projects.**

Figure 7 - Estimated coverage of ROM and Evaluations



The **coverage rates** for Evaluation and ROM for 2009 are **187 projects evaluated** (for a total of 222 evaluations) and **1467 projects monitored**: it corresponds more or less to 23% of the project portfolio for ROM and 3% for Evaluations. In both cases the coverage is relatively low and does not allow EuropeAid to fully comply with the financial rules obligations.

Around **0.4 to 0.5% of the total budget committed each year to investments (EUR 9,000 million)** is allocated to external M&E. When the costs of all Evaluations and ROM are added up, they amount to around **EUR 41.5 million annually**. This budget is very close to the percentage (0.5%) of the yearly new commitments made by EuropeAid as suggested by DG Budget for Evaluations. However, as no specific rules within EuropeAid exist for Evaluations, it appears that this result is an unintended consequence of multiple decisions.

<sup>70</sup> Data from Annual ROM report 2009.

According to Unit 03's estimate (July 2005), 70% of the on-going projects are of "reduced / small" size; if true, this means that presently **there are approximately 4,300 small projects and 2,000 larger ones on-going** (using the data from the Annual ROM Report 2009 and the EUR 1 million as threshold). If the former assumption is correct, considering that the average duration of projects is 3 years, **there should be around 600/700 Final Evaluations per year**, if at least the larger projects follow the "evaluation obligation" as it comes from the financial rules: but **in reality**, the amount of performed Final Evaluations is by far lower – **around 100 / 120 per year**, meaning that as per now the main sources for accountability are the consolidated figures coming from On-going ROM reports.

In 2009, the **average cost** of an Evaluation was around EUR 88,000 million and around EUR 10,000 million for ROM, thus the average amount spent for Evaluation is almost nine times the average spent for a ROM mission.

## 6.2 Limitations and Difficulties

The data collected in the course of this quantitative analysis had a number of limitations which should be kept in mind when viewing the results.

ROM and project Evaluation information can be retrieved in different ways. ROM has its own database available on CRIS and centrally managed in HQ and each ROM contractor has an own database for their projects. ROM data is therefore relatively easily searchable. However, information on project evaluations is not compiled<sup>71</sup> on a dedicated database and thus data extraction is not possible.

In order to compile the list of projects evaluations, we used two sources of information. The first was Annex A from the External Assistance Management Report (EAMR)<sup>72</sup>, containing the planned project evaluations by Delegations. Compiling data from this source proved challenging due to the following factors:

- the Annex A is **not always available** for all Delegations and the data it contains is not always complete.
- The 3 categories in Annex A (projects carried over, planned for year n and planned for year n+1) are not always completed in a standardized way leading to some duplicate data or the need for interpretation.

Given these shortcomings, the data contained in EAMR Annex A proved not to be reliable and comprehensive enough.

The second source of information was the actual contracts for individual Evaluations signed within specific Framework Contracts FWCs. Information was available on CRIS, but it had to be extracted individually, which means that there is no guarantee that all evaluation contracts have been found.

This exercise was further complicated by the presence of **different terminology** when referring to an Evaluation: e.g. "evaluation / evaluación / avaliação, review, assessment, mid-term, final analysis, appraisal mission, etc". Thus, the title of each contract had to be examined one by one in order to identify only the relevant ones.

Finally, special attention has been given to the task of finding the **overall portfolio of projects**, meaning the on-going projects for each year. This has involved using several different sources to try to identify the full portfolio of projects or actions managed by EC.

<sup>71</sup> It should be stressed that if CRIS contains a specific tab for projects evaluations accessible from the main menu, it leads to an **empty database** not linked to any projects Evaluations

<sup>72</sup> See Annex E for an overview of Evaluations from EAMR.

Table 1 gives an overview of the **different sources and figures** and shows that the numbers vary considerably from a source to another. It is not clear how these figures are compiled nor is there a clear definition of what an on-going portfolio means. As most of sources greatly underestimate the existing portfolio when compared to the figures the ROM contractors provide it may be that the EC only counts new contracts starting whereas the contractors include all on-going contracts. The CRIS figures have a different weakness, in this case all actions not administratively closed continue to appear as “on-going”; even when the operational activities have finished.

An accepted and shared methodology to define and calculate the on-going portfolio is needed. For now the only way to get an accurate portfolio of on-going “investments” would be to go through the contracts and decisions one by one. It would involve substantial amount of time and resources, but would be worth the effort as in order for the EC to know precisely what its investments are and how they are performing.

As official sources did not give the necessary consistency, it was decided to use the portfolio provided by the ROM contractors and used for the 2009 Annual Report. For purposes of accuracy, we calculated the total of new financial decisions made over three consecutive years, as the average duration of a project within EuropeAid is three years. This total was close to the contracted amount for the last three years, giving some credibility if not final precision to the estimate.

**Table 1 - Sources of data for estimated portfolio**

Estimated Portfolio		2007		2008		2009	
Sources	Definition	Amount €	Projects	Amount €	Projects	Amount €	Projects
Contractors	Portfolio used for the Annual report 2009	N/A	N/A	N/A	5,677	26,651,000,000	6,267
DWH	Contracted amount for all on-going contracts (i.e. not yet closed financially or legally) by year of contract	6,936,166,149	4,012	7,181,397,409	6,367	9,472,091,615	5,887
AIDCO G1	Size of projects managed by AIDCO	6,275,369,346	1,636	8,856,588,065	1,785	7,735,445,429	1,888
AIDCO G1	Size of projects opened after 31/12/2009 for Budget and European Development Fund (EDF) (only for 2009)	3,183,150,554	1,145	3,982,588,065	1,557	7,735,445,429	1,887
AIDCO G1	Primary commitment and size 31/12/2008- Details of EDF projects	N/A	N/A	9,763,861,000	392	N/A	N/A
AIDCO E4	Final small projects 2008 - Overview of table Directories 08/12/2009	N/A	N/A	7,792,242,000	441	N/A	N/A

Financial decision according to Annual reports	8,043,910,000	N/A	9,451,520,000	N/A	N/A	N/A
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## 6.3 Construction and Analysis of the Databases

### 6.3.1 EAMR Table

The EAMR<sup>73</sup> database has been extracted from the Annex A related to the Evaluation Plan of the EAMR produced by each EC Delegation. **Annex A** should list:

- All Evaluation projects carried over from last year (year n-1), in accordance with the latest edition of the Annual Evaluation Review.
- All Evaluation projects planned for the year **n** and included into the Annual Management Plan for that year.
- An overview on the Evaluation projects planned in the year n+1, n+2, etc. in order to establish a multi-annual Evaluation Programme.

In order to use relevant data and avoid double counting, it was decided to take into account only the category “planned for year n” for the years 2007, 2008 and 2009.

Table 2 presents an overview of the main results found: for these three years, 1,458 evaluations were forecasted. But if we look only at Evaluations linked to a budget in order to have a proxy of the total amount forecasted for Evaluations (some Delegations did not fill in the column Budget of the table), the total amount forecasted is approximately EUR 71.8 million for 1,013 Evaluations.

**Table 2 - Overview at EAMR level**

	Number of Evaluations forecast	Number of Evaluations taken into account <sup>74</sup>	Total amount forecasted
2007	430	287	19,364,751
2008	425	305	24,160,333
2009	601	421	28,329,745
2009 adapted	-	650	30,000,000
<b>Total 2007-2009</b>	<b>1,456</b>	<b>1,013</b>	<b>71,854,829</b>
<b>Total 2007-2009 adapted</b>		<b>1,242</b>	<b>73,525,084</b>

<sup>73</sup> “The EAMR is completed by Heads of Delegation (and Directorates) on a bi-annual basis. This report is meant to make an assessment of achievements/progress each year with reference to the previous Annual Management Plan. In order to effectively complete the EAMR, reliable information on the progress/achievements and issues/constraints relevant to the project and program portfolio must be available. This highlights the importance of having effective project/program monitoring systems in place within each Delegation/Unit –that capture information from internal, external and Delegation based monitoring systems, including from On-going dialogue with partners (formal and informal).” In “Strengthening project internal monitoring - How to enhance the role of EC TMs”, Tools and Methods Series, reference document number 3, European Commission - June 2007

<sup>74</sup> Only evaluations linked to a budget were taken into account: when a budget is not present it has been assumed that the evaluation is to be performed within the project regular activities (as it is the case of most NSA / NGO projects). It is assumed for the scope of this analysis that these figures can be used as a proxy to estimate the plan for evaluations coming from project managers. It should be noted that the EAMR from 2009 is the most complete in terms of the presence of information from almost all Delegations: however in this one two large Delegations are missing (South Africa and Turkey) plus seven minor ones. Thus, if an estimated 50 evaluations are added for these missing Delegations based on the figures from precedent years, the figures from EAMR 2009 can be considered as the total yearly demand for evaluations coming from projects / programmes on going: it suggests that for 2009 almost 650 evaluations were planned for a total amount of around 30 M€ forecasted.

The following table 3 shows the **distribution among types of Evaluations**. In terms of distribution of planned Evaluations, 45% are Mid-Term Evaluations and 37% Final Evaluations (37%). The 40 evaluations marked as “other” did not have enough information in their subject/title to be categorised.

**Table 3 - Distribution by type of evaluation (2007-2009)**

Type of Evaluation	Count of Type of Evaluation	Percentage
Mid Term Evaluation	459	45.31%
Final Evaluation	379	37.41%
Ex-Post Evaluation	110	10.86%
Other	40	3.95%
Ex-Ante Evaluation	25	2.47%
<b>Grand Total</b>	<b>1,013</b>	<b>100.00%</b>

### 6.3.2 Framework Contract Table

As a first step, all Framework Contracts were identified <sup>75</sup> from CRIS and then the contracts concerning Evaluations. Finally missing data such as DAC codes, budget, etc was collected to complete the information on evaluation contracts. According to the data extracted, a total of 662 Evaluations (of which 636 were linked to a decision number) for a total amount planned of about EUR 51.3 million have been contracted.

**Table 4 - Overview at FWC level**

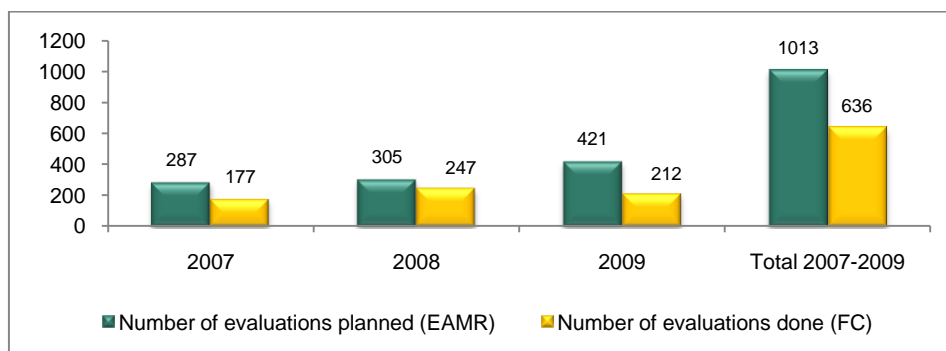
		Number of Evaluations	Number of Evaluations taken into account <sup>76</sup>	Total amount planned (I)	Total amount paid (II)
<b>2007</b>	BENEF	139	134	9,650,489	9,391,505
	COM	46	43	4,134,270	3,862,801
	<b>TOTAL</b>	<b>185</b>	<b>177</b>	<b>13,784,759</b>	<b>13,254,306</b>
<b>2008</b>	BENEF	217	211	15,884,037	14,728,374
	COM	38	36	2,984,598	2,597,714
	<b>TOTAL</b>	<b>255</b>	<b>247</b>	<b>18,868,634</b>	<b>17,326,088</b>
<b>2009</b>	BENEF	180	172	14,445,406	10,558,633
	COM	42	40	4,187,931	2,005,117
	<b>TOTAL</b>	<b>222</b>	<b>212</b>	<b>18,633,337</b>	<b>12,563,750</b>
<b>Total 2007-2009</b>		<b>662</b>	<b>636</b>	<b>51,286,731</b>	<b>43,144,144</b>

<sup>75</sup> Beneficiaries Framework Lots/Phases 1 2 3 4 6 7 8 9 10,11 and Framework Contract Commission 2007 Lots/Phases 4,5.

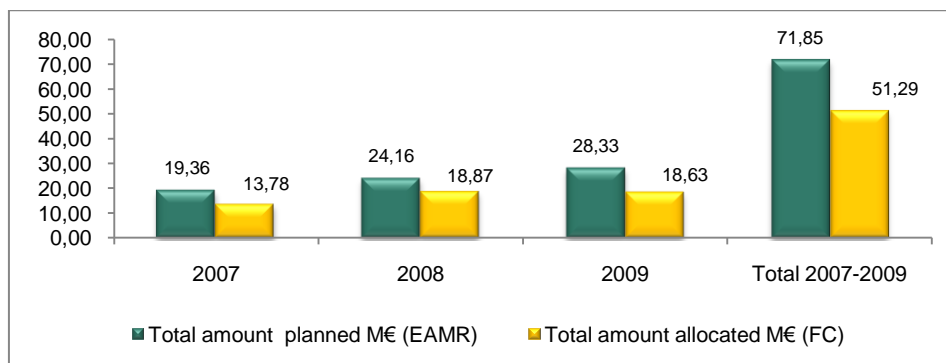
<sup>76</sup> Some Evaluations were not linked to a decision number or projects.

If the total amount of projects Evaluations planned (from EAMR) and contracted (from FWC) is compared, it appears that about 62% of planned Evaluations have been contracted and that 71% of the budget planned has been allocated. This means that at least about 30% of planned Evaluations are not implemented. This percentage should be higher, as Annex A of the EAMR used to build the database was not found for 7 countries. Figures 12 and 13 show the difference between Evaluations planned and carried out both in terms of number and total value.

**Figure 8 - Comparison between scheduled and evaluations done**



**Figure 9 - Comparison between planned and allocated budget**



## 6.4 Analysis

### 6.4.1 Funds for External M&E

ROM is funded by two separate budget lines from RELEX (EUR 10.6 million) and DEV (EUR 6.6 million) with a total of EUR 17.2 million per year. An additional EUR 1 million comes from the Food Security budget for ROM of the Food Facility projects making the total EUR 18.2 million. Of the total around EUR 5 million per year are allocated to Unit 03 for the centrally managed evaluations. These funds do not cover the EC staff cost. The M&E budget lines have some particularities: a) they are outside all policy instruments through which projects/programmes are funded and b) no resources are provided by EDF. While the first characteristic is understandable as M&E are cross-cutting management tools and consequently cannot be linked to any specific policy decision, the second is harder to explain – there is a need for a further research.

The budget for the locally managed evaluations is part of budget for the project/programme and within the actual amount is only constrained by the total amount available.



#### 6.4.2 Overall Budget for Evaluations and ROM and Sources

Table 5 provides an overview of the committed amount allocated to Evaluations and ROM. On average, the total amount for all external M&E is equal to 0.4-0.5% of the total amount of financial decisions. Note that “EVAL” column represents the total estimated cost of evaluations, including those managed by 03.

**Table 5 - Percentage of budget allocated to Monitoring and Evaluation**

	FINANCIAL DECISIONS M€	EVAL	ROM	Total Ext. M&E	% N-2
	Commit.	Commit.	Commit.	Commit.	Percentage
2005	7,508.12	N/A	N/A	N/A	N/A
2006	7,613.55	N/A	N/A	N/A	N/A
2007	7,743.91	16.22	17.25	33.47	0.45%
2008	9,451.52	24.01	17.17	41.18	0.54%
2009	N/A	20.33	17.28	37.61	0.49%

In effect, the proportion of Evaluations and Monitoring spending within EuropeAid is very close to the percentage (0.5%) suggested by DG Budget (see chapter 3). However, we have been unable to assess whether this result comes from specific decisions or whether it is an unintended consequence of multiple decisions.

#### 6.4.3 Duplications Between ROM and Evaluations

To identify the possible existence of duplications between Evaluations and ROM, all the evaluated projects from the FWC database were looked at to see if ROM has been done on these projects. Table 6 presents the results found and it appears that on average, **around 50% of evaluated projects have also been monitored during their implementation phase.**

On average, over the last 3 years, 18.55% of projects benefited from Evaluation and at least a ROM in the same year<sup>77</sup>.

**Table 6 - Percentage of evaluated and monitored projects**

	Total of evaluated projects	Evaluated project with ROM	% of evaluated and monitored (though ROM) projects	Evaluated project with ROM during the same year	% of evaluated and monitored (though ROM) projects during the same year
2007	177	99	55.93%	50	28.25%
2008	247	134	54.25%	39	15.79%
2009	212	92	43.40%	29	13.68%
Total	636	325	51.10%	118	18.55%

<sup>77</sup> Some examples of these duplications are available in Annex F, which presents concrete cases of overlapping between projects Evaluations and ROM.

#### 6.4.4 Evaluations and ROM Costs

The two following tables propose an estimate of the average cost of each tool and the average cost for assessing EUR 1 million of investment.

**Table 7 - Average cost of evaluations**

	Quantity	Planned amount spent for evaluations	Total budgets of evaluated actions	Average budget of evaluated actions	Average cost	Average cost for 1M€ investment
2007	177	13,780,000	2,519,710,131	14,235,650	77,853	5,469
2008	247	18,860,000	4,206,625,932	17,030,874	76,356	4,483
2009	212	18,630,000	3,098,050,482.	14,613,445.67	87,877.36	6,013.46

**Table 8 - Average cost of ROM**

	Quantity	Amount spent for ROM	Total budgets of monitored actions	Average budget of monitored actions	Average cost	Average cost for 1M€ coverage
2007	1,619	17,250,000	11,318,000,000	6,990,735	10,655	1,524
2008	1,388	17,170,000	5,944,500,000	4,282,781	12,370	2,888
2009	1,722	17,280,000	7,832,000,000	4,548,200	10,034	2,206

In 2009, the average cost of an Evaluation was around EUR 88,000 million and EUR 10,000 million for ROM<sup>78</sup>, thus the average amount spent for Evaluation is almost nine times the average of ROM.

Looking at the average ROM or Evaluation cost for EUR 1 million investment, the multiple of cost between the two tools is lower, with figures of around EUR 6,000 million for Evaluation and EUR 2,200 million for ROM. The difference is due to the higher average value of the project evaluated, more than three times the average amount of projects monitored. Thus, there appears to be a tendency to select larger projects for Evaluation, probably due to the awareness of the extra costs of the exercise.

<sup>78</sup> Ex-Post ROM missions may be higher in their average costs.

## 6.5 Portfolio Analysis

Looking at the **percentage of project budget used for Evaluation**, it appears that much depends on which type of contract is used. If the Evaluation is managed through the **beneficiaries FWC**, it is **0.4% / 0.5%** of budget and if through the **Commission FWC**, it is **0.9%**. The possible explanation for this large difference is that **Commission FWC is mostly used for cross-cutting actions and interventions** when in interest of HQ, while BEN FWC is the most typical modality for basic project evaluation.

Overall, between 2007 and 2009, from 0.45% to 0.60% of the total budget of projects has been allocated to Evaluations. However, the **variance in the costs of Evaluations ranges from a minimum of around EUR 30,000 to a maximum of more than EUR 200,000.**<sup>79</sup> This large variance, coupled with the fact that the budget for Evaluations depends substantially on the TM and the resources within the approved project's budget and that there are no clear-cut guidelines for Evaluation budgets, it is impossible to assess the link between resources spent and results achieved.

Table 9 - Comparison between projects evaluation and evaluated projects

		Evaluation Level			Project Budget		Average
		Number of Eval	Number of Eval taken into account*	Total amount planned (I)	Number of projects (II)	Allocated (III)	% allocated to Evaluations (I/III)
2007	BENEF	139	134	9,650,489	121	2,100,547,270	0.459%
	COM	46	43	4,134,270	28	419,162,861	0.986%
	TOTAL	185	177	13,784,759	149	2,519,710,131	0.547%
2008	BENEF	217	211	15,884,037	190	3,903,279,371	0.407%
	COM	38	36	2,984,598	26	303,346,561	0.984%
	TOTAL	255	247	18,868,634	216	4,206,625,932	0.449%
2009	BENEF	180	172	14,445,406	152	2,630,600,416	0.549%
	COM	42	40	4,187,931	35	467,450,066	0.896%
	TOTAL	222	212	18,633,337	187	3,098,050,483	0.601%
Total 2007-2009		662	636	51,286,731	552	na	na

<sup>79</sup> It should be noted that the amount of resources dedicated to M&E in some cases could reach very high levels: We found cases where the total cost of this process reached the 10% of the project budget! See Annex F for a preliminary list of projects where the multiple missions for Monitoring and Evaluation brought the total spent for this process to important levels.

## 6.6 Coverage of ROM and Project Evaluations

### 6.6.1 Overall Coverage

The aim of this analysis is to compare ROM and Evaluation **coverage in terms of budget and projects**.

On average, according to ROM contractors, **ROM** covers 25% of the EC's portfolio in terms of budget and 20% in terms of projects. This **percentage varies substantially between regions**: In the Caribbean and Pacific (CPO) region, for instance, On-going ROM covers around 65% of their portfolio in terms of budget and 62% in terms of projects, whilst this percentage is around 17% for Centrally Managed Thematic Projects (CMTP) in terms of budget and only 4% in terms of projects.

While the overall average size of the portfolio of on-going projects (EUR 4.64 million) is close to average size of monitored projects (EUR 5.84 million), this is not reflected throughout all ROM contracts. There are some remarkable differences. In CMPT the average size of monitored projects is 4 times bigger than the average size of the overall regional portfolio, while for Africa and ENPI south it is the contrary (monitored projects average size 30 / 40% smaller than regional portfolio). The reason, besides the difference in the contract management, is that there are different "quota" to be achieved according to each contract. It also depends on the structure of the ROM missions: In order to prepare a country "package" with enough on-going projects to be monitored for a team of 4/5 monitors, the selection probably goes toward any on-going action "available in the field" without a proper analysis. This adds to the difficulties to consolidate and compare results.

Table 10 - Overall On-going ROM coverage

	Estimated Portfolio (M€)	Estimated Portfolio Projects	Estimated Portfolio > 1M€ (M€)	Estimated Portfolio Projects > 1M€	ROM Coverage in €	% ROM Coverage in €	ROM Coverage in Projects	% ROM Coverage in Projects	Average Value of Portfolio Project (M€)	Average Value of ROM Project (M€)
AFRICA	10213	787	n/a	n/a	3120	31%	323	41%	12.98	9.66
LATIN AMERICA	1680	526	1584	334	816	49%	183	35%	3.19	4.46
ENPI SOUTH	6451	679	2024	203	1181	18%	164	24%	9.50	7.20
ENPI EAST	1055	571	917	199	486	46%	231	40%	1.85	2.10
CAR PAC	1179	181	1159	154	769	65%	112	62%	6.51	6.87
ASIA	4825	2368	4207	719	929	19%	231	10%	2.04	4.02
CMTP	1248	1155	415	162	212	17%	49	4%	1.08	4.33
OVERALL	29571	6369 <sup>80</sup>	n/a	n/a	7513	25.41%	1293	20.30%	4.64	5.81

<sup>80</sup> Please note that for Africa the Contractor Annual Report *figures* for portfolio refer to 2008 in its 2009 report as they have not been able to update it; moreover 102 projects with 2,920M€ are not considered as addressed to ACP region as whole. Nor are they considered in CMTP, but have been added to the total amount of the estimated portfolio for 2009.

In terms of budget, ROM covers on average 28% of the portfolio and project Evaluations only 10.5%. The difference of coverage is higher when looking at the units: If ROM covers on average 23% of the projects, Evaluations only cover 3% of them.

Table 11 - Estimated coverage of ROM and projects Evaluation for 2009

	Estimated portfolio		Estimated Coverage for 2009			
	Estimated portfolio (M€) <sup>81</sup>	Estimated Portfolio Projects	in M€	in Projects	% coverage in M€	% coverage in projects
ROM	29,571	6,369	8,318	1,467	28.13%	23.03%
Evaluations	29,571	6,369	3,098	187	10.48%	2.94%

Further analysis by region and sector is provided in Annex G.

## 6.7 Ex-Post Evaluations

Ex-Post Evaluations deserve special analysis as according to the development literature they should be one of the best instruments to build lessons learned and hence knowledge. In effect, Ex-Post Evaluations constitute **10% of the plan for Evaluations** according to EAMR (chapter 5.3.1). However, **the percentage of Evaluations carried out** that the figure is far lower, only **2.5% of the total**. Attention needs to be drawn to the fact that the most important instrument for improving project design, which is considered the weakest point of the PCM within EuropeAid,<sup>82</sup> is the least implemented.

Table 12 - Planned Ex-Post Evaluations (EAMR data)

	EAMR database			
	Number	Percentage	Total amount planned €	Average cost
Ex-Ante Evaluation	25	2.47%	1,848,038	73,922
Mid Term Evaluation	459	45.31%	33,961,899	73,991
Final Evaluation	379	37.41%	26,210,841	69,158
Ex-Post Evaluation	110	10.86%	6,714,896	61,045
Other or n/a	40	3.95%	3,119,154	77,979
<b>Total</b>	<b>1013</b>	<b>100.00%</b>	<b>71,854,829</b>	<b>70,933</b>

<sup>81</sup> Portfolios are based on the data provided by ROM contractors.

<sup>82</sup> This is the most relevant conclusion coming from the often mentioned study: "Causes underlying Effectiveness and Impact of EC Development Projects. Qualitative study based on On-going and Ex-Post ROM reports (2005-2007)".

Table 13 - Performed Ex-Post evaluations (FWC data)

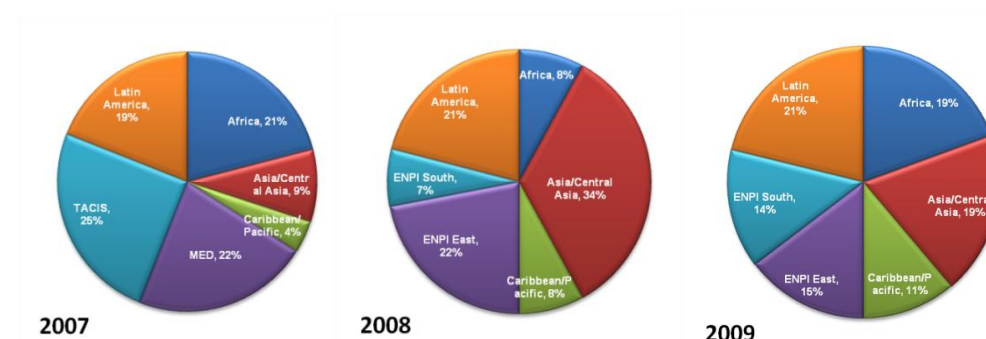
	FWC database			
	Number	Percentage	Total amount planned €	Average cost
Ex-Ante Evaluation	2	0.31%	111,660	55,830
Mid Term Evaluation	207	32.55%	15,363,928	74,222
Final Evaluation	185	29.09%	12,955,356	70,029
Ex-Post Evaluation	<b>16</b>	<b>2.52%</b>	<b>1,310,181</b>	<b>81,886</b>
Other or n/a	226	35.53%	22,855,788	101,132
<b>Total</b>	<b>636</b>	<b>100.00%</b>	<b>51,286,731.</b>	<b>80,640</b>

## 6.8 Ex-Post ROM

**Ex-Post ROM** is a recent addition to the set of instruments in the ROM methodology and important resources are dedicated to it (around 200 reports per year with a total cost in excess of EUR 2 million per year).

The following figure confirms a large variance in the regional distribution of missions with no direct relation with the distribution of the investments: this is due to the fact that Ex-Post ROM missions are not selected according to specific criteria on the distribution of completed actions, but as a “defined” percentage on the amount of resources/missions dedicated to On-going ROM.

Figure 10 - Regional distribution of Ex-Post ROM 2007-2009



The distribution of Ex-Post ROM compared to the overall portfolio has been estimated for the years 2007 and 2008 in a recent study<sup>83</sup> and shows again important diversity between the regions.

<sup>83</sup> “Review of the Ex-Post Results Oriented Monitoring (ROM) Methodology for EuropeAid”, Nayra Bello O'Shanahan and Maria Navarro, EuropeAid E5, June 2009

Table 14 - Ex-post eligible universe<sup>84</sup>

Ex-post eligible universe							
	Africa	Asia / Asia-CA	Caribbean/ Pacific	Latin America	ENPI TOTAL	TACIS / ENPI East	MED / ENPI South
2007	534	103	83	62	210	97	113
2008	665	162	103	77	307	171	136
No. of ex-post monitored projects							
2007	41	18	8	37	94	50	44
2008	11	46	11	29	39	30	9
Coverage							
2007	8%	17%	10%	60%	45%	52%	39%
2008	2%	28%	11%	38%	13%	18%	7%
Av. 2007	28%						
Av. 2008	18%						

**Ex-Post ROM produced 174 reports in 2009 with an estimated coverage close to 30% of completed actions.**<sup>85</sup>

Ex-Post ROM has covered all thematic areas; however there is still a lack of the critical mass of projects to aggregate sector specific / thematic lessons.

<sup>84</sup> Source: "Review of the Ex-Post Results Oriented Monitoring (ROM) Methodology for EuropeAid".

<sup>85</sup> The overall portfolio being the amount of all projects >1M Euros€ ended in the preceding year according to contractors, but as the overall portfolio of completed projects is unknown it is not possible to confirm this figure.

## 7 SUMMARY OF FINDINGS

As the final output of this study, an alternative option for the coordinated use of both instruments is presented herein. This option should be considered as an additional contribution to the present debate and as such is subject to in-depth comments and further developments.

### 7.1 Developments in EuropeAid Related to M&E

Some aspects of the developments within EuropeAid will have an impact on the further development of M&E. They refer especially to the general trends in aid delivery modalities and the participation of partner governments in M&E.

#### 7.1.1 Aid Delivery Modalities

As the Technical Reform Strategy states, future trends for EuropeAid aid delivery modality should be towards a larger use of the GBS / SBS / SPSP modality. It is estimated that one third of the budget is already distributed through this modality which could rise to 40% to 60% soon<sup>86</sup>. As a consequence, the testing phase of ROM for SPSP is currently underway, but there is no conclusion on the outcome as yet. Unit 03's programme of activities for 2010 includes a specific evaluation framework / approach for BS interventions which should be ready to produce a standard Evaluation methodology in a few months time; however, the preliminary outcomes from this study show that the methodology is quite time-consuming and expensive. Therefore, the hope that this new BS Evaluation methodology could mean that a reduction of ROM for this aid modality is not fully funded.

Consequently to the above, there remains an urgent need for an alternative instrument able to collect the basic information on a large share of portfolio and funded by alternative aid modalities in order to provide HQ with the results adequate to assess and build the EuropeAid overall performance. There is a need to develop an adapted format for monitoring of GBS / SBS / SPSP modalities.

At the same time, the funding of projects / programmes addressed to civil society through centrally / locally managed calls for proposal in all major domains issues is likely to continue, possibly with higher levels of funding as the move toward more "decentralised co-operation" suggests. It may create the need to define the trade-off between the cost of ROM and the outcome and impact of monitoring for this class of projects or develop some alternative methodology, probably based on local management and implementation.

#### 7.1.2 Partner Government Participation

The on-going TC reform consistently advocates a new focus on partner ownership of projects and programmes, stressing that local partners have to play a vital role in quality assurance during implementation of the activities. When the EC takes part in joint reviews or uses its own ROM system, care should be taken to ensure that these systems also contribute to domestic accountability and to alignment.

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<sup>86</sup> In the context of international efforts to improve aid effectiveness, the European Union has approved a *European Consensus on Development* in 2006. Moreover, the European Commission is committed to the *Paris Declaration* in its bid to deliver more coordinated aid. This implies capacity building assistance through coordinated programmes and channelling 50% of EU assistance through budget or sector wide approaches.



This fact has led to the development of a new modality for monitoring, J-ROM, Joint Monitoring between EC as donor and the partners' governments as beneficiaries. With reference to Evaluations, the TC reform indicates that partners' presence and contribution should be an important feature, implying that Evaluation should be a joint exercise with partners' government.

A different trend is the participation of new partner actors in aid delivery, as the local authorities from European Member States and Beneficiaries, the Co-operation Agencies of the European Member States, join the already extensive range of UN and other International Organisations as implementing agencies. This could have consequences for the ROM institutional approach, as for some of these implementing partners "monitoring" has quite a different meaning, thus complicating the harmonisation.

## 7.2 Strengths and Weaknesses of ROM and Evaluation

The following table provides an overview on the strengths and weaknesses of ROM and Evaluation:

Method	ROM	Evaluation	Both
<b>Strengths</b>	<p>Useful for:</p> <ul style="list-style-type: none"> <li>Concrete support to project management;</li> <li>Collection of data on performance based on actual results;</li> <li>Capacity to produce comparative figures for aggregation and consolidation;</li> <li>Capacity to produce large quantity of data and information for further processing and analysis;</li> <li>Average cost/ROM is lower than average cost/Evaluation.</li> </ul>	<p>Useful for:</p> <ul style="list-style-type: none"> <li>Production of adequate and sharable knowledge;</li> <li>Capacity to be adapted for strategic / critical issues;</li> <li>Easy consolidation / dissemination of lessons learned for decision-making process.</li> </ul>	<ul style="list-style-type: none"> <li>Combination of ROM and Evaluation allows to cover different objectives.</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>Perception of ROM as HQ instrument;</li> <li>Different coverage per region;</li> <li>Random selection of projects to be monitored (guidance for coverage, size, etc. too unclear;</li> <li>No weight in the scoring allocated to the value of the project;</li> <li>Logistically complex (lack of preparation days);</li> <li>Dissemination of reports is not institutionalised;</li> <li>ROM reports in CRIS, but not easily accessible;</li> <li>Errors in entry of ROM reports;</li> </ul>	<ul style="list-style-type: none"> <li>Low coverage (insufficient for aggregation and for accountability);</li> <li>Standard rules to select projects to be evaluated do not exist;</li> <li>Reports are rarely used by other projects;</li> <li>There is no evaluation database;</li> <li>Evaluation reports not easily accessible outside the ECDs;</li> <li>Evaluations scattered by regional / sectoral domains without proper focus;</li> </ul>	<ul style="list-style-type: none"> <li>Total portfolio of EC interventions (on-going and completed) not known;</li> <li>Partly duplication of ROM &amp; Evaluation;</li> <li>Quality of monitoring and evaluation experts varies;</li> <li>Information insufficiently used for new project and programme planning (lessons learned);</li> </ul>

- Standardised format does not allow to draw in-depth conclusions. Insufficient depth of the analysis;
- Data from On-going ROM cannot produce assertive findings or lessons learned; in particular aggregation of potential performance data are questionable
- Incomplete in respect of financial rules' obligations.
- Insufficient uniformity of reports, inconsistency in the information contained;
- Average cost per evaluation too high to cover large numbers of projects or small-sized projects.
- At HQ mostly only aggregated information used.

In the current experience of EuropeAid we see, on the one hand, some overlapping in the use of the two instruments while on the other hand it appears that the capacity to accumulate lessons learned and knowledge from both is not fully exploited. This is probably due to the lack of a specific mandate for each instrument due to the accumulation of different approaches and to an insufficiently structured knowledge management system.

The results of the survey among local project managers show that ROM results are not considered to provide substantial and “necessary” support for project management. The reason is a combination of the persistent perception of ROM as an “HQ instrument” together with the uneven quality of the reports and the difficulty associated with their availability. Evaluations remain the preferred instruments for both, accountability and knowledge production. Nevertheless their capacity to contribute to the accumulation of usable / distributed knowledge remains limited and marginal, in particular because of their scarce availability.

**The current situation appears to be a paradox: ROM – launched mainly as a support for local project management – is yet managed, implemented and mostly exploited by HQ, while Evaluations – launched as main source of knowledge to be disseminated within and throughout the organisation – are mostly managed, implemented and remain on local level.**

Some of the difficulties related to the use of M&E instruments within EuropeAid noted in this study's findings have been mentioned, inter alia, in the Meta-Evaluation of 2008<sup>87</sup>, where it says: “Almost all the Evaluation reports analyzed address the lack of a proper performance-based M&E system. The lack of a results-based approach in Commission interventions and the lack of results indicators affect the analysis of impact. This is worsened by poor institutional memory due to a high staff turnover, lack of a clear paper trail and weak dissemination of lessons learned [...]. Therefore M&E should be strengthened, internal coordination developed and an institutional learning process also developed. Performance-based M&E systems should be set up or enhanced so as to develop a sound basis for performance and results assessment. Internal coordination, covering inter alia knowledge management aspects and information dissemination, need to be developed. This includes concentration of information gathered via systematic Evaluations, identification and application of good practices, and exchanges between experts. An institutional learning process needs to be developed”.

<sup>87</sup> See “Synthesis of the geographical evaluations managed by the evaluation Unit during the period 1998-2006”, EuropeAid evaluation Unit, October 2008; the study is based on the analysis of 34 country evaluations and 6 regional evaluations managed by Unit 03.

One specific weakness is that it is difficult to draw ‘lessons learned’ from On-going ROM.

According to E5 – ROM Coordination Office, studies of 2009, and significantly confirmed by the questionnaires, “lessons learned” are more credible when they come from already completed interventions<sup>88</sup>.

## 8 SUGGESTIONS

### 8.1 Principles, objectives and assumptions

Two basic **principles** underpin or suggestions:

Two basic principles

#### 1. “Create the conditions to exploit each instrument for the best it can offer”

**For ROM:**

- ⇒ Concrete support to project management (i.e. to TMs in Delegations and HQ).
- ⇒ Collection of data on performance based on actual results.
- ⇒ Capacity to produce comparative figures for consolidation, i.e. capacity to produce large quantity of data and information for further processing and analysis.

**For Evaluations:**

- Production of adequate and sharable knowledge.
- Capacity to be adapted for strategic / critical issues.
- Capacity for consolidation / dissemination of lessons learned for decision-making process.

#### 2. “Structure an environment where the main users/beneficiaries of each instrument are closer to the expected outputs coming from each instrument”, contributing then to increase efficiency, effectiveness and ownership.

We suggest inverting the current organisational set-up, i.e. linking ROM more to the local level to allow its use in project management, and Evaluations to be more defined by HQ. Task/Project Managers at operational level should have a larger say in ROM decisions, and HQ should be more involved in the definition of the objectives and the focus of Evaluations and Meta-Evaluations.

Three large objectives

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<sup>88</sup> See especially: “Causes underlying Effectiveness and Impact of EC Development Projects. Qualitative study based on Ongoing and Ex-Post ROM reports (2005-2007)”, and “Uses and scope of ROM: suitability of ROM information to draw overall qualitative conclusions on the EC development aid portfolio”, EuropeAid Unit E5, 2009, by Jordi del Bas and Rafel Eguiguren, Unit E5, 2009. It is reported that most of the resource persons interviewed in recent studies agreed that the value added of lessons learned is addressed especially to better design of new interventions. In this sense, they confirm that lessons learned are more credible when they are sourced from finished interventions, besides suggesting that they need to be organised in a proper knowledge management system.

In order to be credible as an improvement over the present approach, this option should be able to achieve **three large objectives**:

4. The overall amount of M&E resources should be kept within the 0.5% of the overall amount of the annual financial decisions as suggested by DG Budget<sup>89</sup>.
5. The level and the credibility of accountability information should improve to give Management a better tool to present achieved results to the European Parliament and to European taxpayers (e.g. by aggregating results of completed projects, by weighting aggregated results according to the size of interventions).
6. Value added knowledge production / processing / dissemination should be facilitated and focused on the most critical issues.

Three **assumptions** about specific developments within EuropeAid are taken into account. All are currently envisaged developments, still in the preparation / test phase and none appears to be close to a fully operational state; nevertheless they should be considered as essential to complete the effort to better exploit the basic M&E tools:

#### Three assumptions

- The establishment of an adequate knowledge management system proceeds, quickly offering new opportunity for knowledge consolidation and dissemination;
- The development of Joint Monitoring with partners' governments continues, as well as the full implementation of internal monitoring as foreseen in the Technical Co-operation Strategy Reform.
- The test for a specific Evaluation methodology to be applied to SPSP and Budget Support should have a standardised methodology during 2010.

The most useful / effective **approach** appears to build the conditions for better co-ordination in the use of the two instruments so that each one can produce the best it can offer according to the priorities and needs of management. Thus, **the paradox mentioned above should be inverted** so that the main users / beneficiaries are closer to the expected outputs coming from each instrument. On-going ROM should be mostly managed locally at Delegation level, creating an "on demand" cycle able to increase interest and ownership by TMs. At the same time, HQ should be more concerned with Evaluations and Meta-Evaluations, albeit fed by the outputs of ROM, with reference to strategic issues and medium- to long-term investment decisions. This approach should be framed by the establishment of a new and well-structured "knowledge management system" addressed to the accumulation and distribution not only of information but also of processed outcomes following the project cycle.

#### Approach

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<sup>89</sup> The use of the 0,5% percentage of the overall budget to be used for M&E is a starting point for orientation, as the DG Budget suggestion should be considered only as a basic option. However, the fact that EuropeAid resources dedicated to external M&E are at present very close to this amount, even though without a specific decision or declared objective, defines a set up that any new proposal needs to consider: in a period when the attention to budget efficiency is higher than ever, the eventual increase of resources should be well justified.

## 8.2 Proposed development of the new approach

We recommend improving the M&E system in three different phases:

Three different phases

- Phase 1 (short to medium term): adjusting existing methodologies
- Phase 2 (medium to long term): redesigning the methodologies
- Phase 3 (long term): optimising new tools

### Phase 1: Adjusting the current methodologies to improve their effectiveness

- **Establish the function of an M&E Task Manager (TM) at EU Delegation level** in order to allow more coordinated implementation of ROM and Evaluation missions, and to improve dissemination of the results of ROM and Evaluation in order to support project management.
- Define **the portfolio of EC projects and analyse information about total portfolio**: Build a consistent and reliable assessment of the portfolio of EC AIDCO projects with clear methodology that can be easily updated and distributed. It will need standard definitions and concepts; it could start at Delegation level with the preparation of EAMR and at Headquarters with the compilation of all new financial decisions.
- **M&E Annual Plan**: The M&E TM should prepare an annual work plan for M&E based on the management needs or strategic / planning issues; HQ will collect local plans and prepare the overall plan as basis for contracting and controlling the external monitoring contracts in coordination with the M&E TM in the EU Delegations.
- **On-going ROM**: Gradually shift the focus of ROM to larger-budget interventions to cover a higher percentage of the portfolio in terms of investment.
- **Ex-Post ROM**: Provide flexibility to increase the number of days allocated for Ex-Post ROM (preparation and field) and adjusting the reporting format to extract lessons learned from the MRs and BCS whilst leaving them comparable enough with previous versions for future aggregation purposes.
- **Joint Monitoring**: Use some of the On-going ROM missions as preliminary training for future Joint Monitoring approach.
- **Evaluations**: Phase in a limited number of standard formats including a fixed structure for the executive summary and conclusions / recommendations that can be keyword-searchable in the future.
- **Refine the format of ROM on SPSP** to be able to produce more value added (i.e. focus on quality production of agreed indicators and support the dialogue process).
- **Final Results Oriented Evaluation (ROE)**: Develop a methodology for ROE based on Ex-Post ROM and pilot it on a sample of projects.
- **Improve existing database**: Define requirements and develop a road map for the integration of adjusted ROM and Evaluation results into the database. Start the establishment of a credible “*knowledge management system*”, where the database is coupled with value added procedures to search / disseminate knowledge.

## Phase Two: Redesigning the methodologies

- **On-going ROM:** Repackage ROM in a format that can be perceived as a new and different tool and still be compatible with older data for aggregation purposes where project management support is clearly the main objective.
- **Increase flexibility in ROM missions:** Answer the specific needs emerging from “on demand” ROM as shown on annual M&E working plans, allow for more flexible structure for on-going missions – as one monitor mission for one single project or two projects.
- **Extended ROM:** Test a new format of On-going ROM as substitute for Mid-term Evaluations, based on ROM approach and methodology but with longer duration. Phase in extended ROM to substitute Mid-term Evaluations. The format should be an enhanced version of ROM with longer field missions that would enable the monitor to draw more assertive, reliable conclusions.
- **Evaluations:** Further standardisation to support previous attempts to further homogenise the information. Use the format of ROE to transform existing Evaluations into a more accessible and manageable collection of data and information; thus feed the new knowledge management system with substantial contents and also allow the recovery of some value from the resources already spent on Evaluations.
- **Final ROE:** Complete / optimise the pilot phase with production of format and handbook and training programme.
- **Knowledge system:** Develop a strategy to instil a firmly adopted and sustainable information-sharing culture (immune to constant personnel changes).

## Phase Three: Optimisation of new tools

- **Ex-Post ROM:** Phased out and substituted by **ROE**.
- **Mid-term Evaluations:** Substituted by **Extended ROM** in most cases.
- **Results Oriented Evaluations (ROE):** Applied to all large (> EUR 1 million) interventions plus 10% of those with less than EUR 1 million.
- **Focused Evaluations:** Carried out only for specific strategic issues defined by Management. Standard formats further homogenised and external input guidelines established.
- **Meta-Evaluations:** Managed by 03, they should develop cross-analysis from data / information / knowledge coming from different sources to improve the capacity of the organisation.
- **Knowledge system:** Complete the development of the knowledge platform where all ROM, ROE and Evaluations reports can be stored and accessed and intelligently searched and aggregated.

## 8.3 New Processes and Products

The above set of objectives, findings and assumptions have been used to structure an alternative option for the coordinated use of ROM and Evaluations, described in the following paragraphs, according to the main area of impact.

### 8.3.1 Methodology and Procedures

**More participation of EU Delegations in ROM procedure.** In each EU Delegation, the function of a **Delegation Task Manager for M&E (DTM M&E)** should be established. The task of the DTM M&E should be to analyse the portfolio of the on-going and ending projects and to define the projects to be “ROMed” during the following period, avoiding as much as possible duplications with other instruments. The final decision should then be taken with participation of the DTM M&E and the partner government (or any involved stakeholder) in order to increase ownership.

**Accurate definition of investment portfolio.** The full knowledge of the investment portfolio is a must in any organisation. The local portfolio coming from DTM M&E combined with information from HQ units will permit the accurate definition of the **portfolio of on-going and ending investments / interventions**. This should then be the basis for any further decision and analysis (i.e. by country, by sector, etc.). The aggregated planning from the EU Delegations will form the basis for the planning of ROM missions by the ROM contractors.

**On-going ROM “on demand”.** The more active participation of EU Delegations in defining the portfolio to be monitored should allow On-going ROM to almost become an “on demand” tool from DTM M&E. This should help eliminate the existing perception of it as a “Headquarter” instrument and at the same time increase the ownership of the product and its results. On-going ROM will mainly produce project management focused reports, but not anymore for accountability reason (as anyway, performance should be measured on completed interventions). Thus, the need to have a monitored portfolio as large as possible will no longer exist. A new set of rules can also be used to select the actions to be “ROMed”. **On-going ROM missions in smaller “packages”.** In order to increase the flexibility of the procedure and provide the capacity for “on demand” services to project management, **ROM missions should be smaller**, i.e. only one monitor going to the country to monitor one or two projects. This would avoid including too many (and sometimes inappropriate) projects into



larger missions which may become very time-consuming for the EU Delegations and partner governments.

**Priority for internal monitoring and Joint Monitoring.** Internal monitoring is a priority of the ongoing TC reform. At the same time, Joint Monitoring with partner governments is another important instrument to improve effectiveness in interventions management. However, the relation between ROM and these two other tools has not been fully assessed and developed. It is necessary to test the implementation of these tools and find out “in field” how they can interface with ROM. Gradually, On-going ROM can be substituted by internal and Joint Monitoring, while the external monitors offer a value added to the monitoring process. As On-going ROM shall depend mostly on the demand defined by the DTM M&E, it is also the DTM M&E that could determine when external support is most useful. When there is a specific need for external monitoring, this can be organised through the new instrument “Extended ROM” (see below).

### 8.3.2 Products

**“Extended” ROM as substitute for Mid-Term Evaluations.** Unit 03 suggested<sup>90</sup> that after an On-going ROM report there is no compelling need for a Mid-Term Evaluation for all interventions. The answers to the questionnaires however show almost complete disagreement with this suggestion. Consequently, a move toward this option needs to be better supported to be more credible from a project management point of view and able to save resources from a budget point of view. Our proposal is a new “product” for this purpose: **“Extended ROM”**. As its name implies, it will be a longer field mission – two weeks at least – addressed to a single intervention and producing a larger report, based to a large extent on the existing ROM approach and methodology. It will avoid the weakness of On-going ROM mentioned by the TMs (missions too short to fully grasp the issues, quality of report not satisfactory as limited to confirm existing knowledge) and allow to meet the expectations of the TMs (sound analysis and solid operational recommendations) at a lower cost than the average Mid-term Evaluation.

**Develop Result-Oriented Evaluation (ROE) as basis for consolidation of figures on overall performance from completed investments.** This new product – ROE – should be based on the structure and format of the ex-post ROM, which should then be discontinued. ROE should have an allocation of  $\pm 20\%$  more resources (approximately at last 12 working days per intervention). This modality should be implemented with the basic ROM approach on all large actions managed according to the projects / programmes delivery method close to the end of the project activities.<sup>91</sup> Selection criteria of programmes and projects for ROE must be determined. For the following analysis and cost calculation, we assumed that ROE will be implemented for all projects > EUR 1 million). Besides paying attention to real final results achieved in comparison to the expected ones, ROE will specifically focus on lessons learned. In order to close the gap between conclusions and recommendations for individual projects and the need to learn and improve EuropeAid’s development practice overall, the evaluation guidelines rightly stress the importance of the intermediate step of formulating *lessons learned* as *conclusions that are transferable – either to subsequent cycles of the same intervention or to other interventions*. This approach should be fully incorporated into ROE. ROE can **substitute Final Evaluations and Ex-Post ROM**, thus avoiding any resource increase whilst producing greater investment coverage and considerable useful information.

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<sup>90</sup> See “Note de Dossier AIDCO / 03 / JLB D(2007), “Recommendation: il conviendrait de supprimer les évaluations à mi-parcours dans les cas où le ROM est d’application »

<sup>91</sup> Please note that a similar suggestion was presented by Unit 03 in “Note de dossier: evaluations projets et Result-Oriented Monitoring – ROM », dated 23/11/2005 : “Le ROM est actuellement appliqué aux seuls projets et programmes en vie. Pour assurer une meilleure appréciation notamment des critères d’efficience, de pérennité et surtout d’impact, il est proposé que l’ensemble des projets et programmes clôturés l’année précédente soient passés en revue (sauf soutien budgétaire)”. We can also note that the World Bank has a similar procedure (see Annex B.4.3 of this study for more information).

**Use the Evaluation instrument for specific purposes.** The collection of large sets of comparable data through ROE and ROM will facilitate the decision on when, where, why to use the Evaluation instrument. It will allow meta-analysis to be performed by **Focused Evaluations** according to specific issues as selected by the EU HQ Management. This will produce the required knowledge in terms not only of specific “lessons learned”, but also, through the knowledge management system, a better dissemination capacity for decision making process. The extensive information from ROE on “all” finished projects will benefit the Focused Evaluations of Unit 03, reducing the effort and resources needed to collect basic information.

**Special products for SPSP / SBS.** The use of the ROM approach for these aid modalities is still in a testing phase and has not yet produced consolidated results. Unit 03 is preparing a specific methodology for Evaluations for SPSP / SBS. Such will probably be the most effective instruments to produce full accountability results and consolidated experience. As stated in the former chapter, this aid modality shall in effect increase its share in the overall EuropeAid investments portfolio. Therefore, the search for the most reliable and effective methodology should be a future priority. We suggest to make a specific comparison of the cost-effectiveness of ROM and Evaluations for SPSP and BS once the testing phase of both has been completed.

Nonetheless, at the moment it appears that there is no alternative to the extension of the use of ROM to all aid delivery approaches, including SPSP and BS. Thus, the need to adapt ROM to cover SPSP and BS and to allow for some form of Joint Monitoring should be taken into account in the short to medium period. However, in the medium to long run, a combination of ROM and ROE should be developed. The methodology to be developed could then be focused on the capacity of ROM/ROE to relate with the outputs coming from Joint Monitoring, with special reference to the use of the indicators.

### 8.3.3 Contractual Issues

It may be considered to separate the contracts for On-going ROM and for ROE.

The On-going ROM would then still be implemented by several ROM contractors under Regional TMs at EU HQ.

ROE would be implemented by one single contractor assuring that ROEs will be implemented for all larger completed interventions and a selection of smaller completed interventions. This contract could be managed by Unit E5 in strict agreement and co-operation with Unit 03.

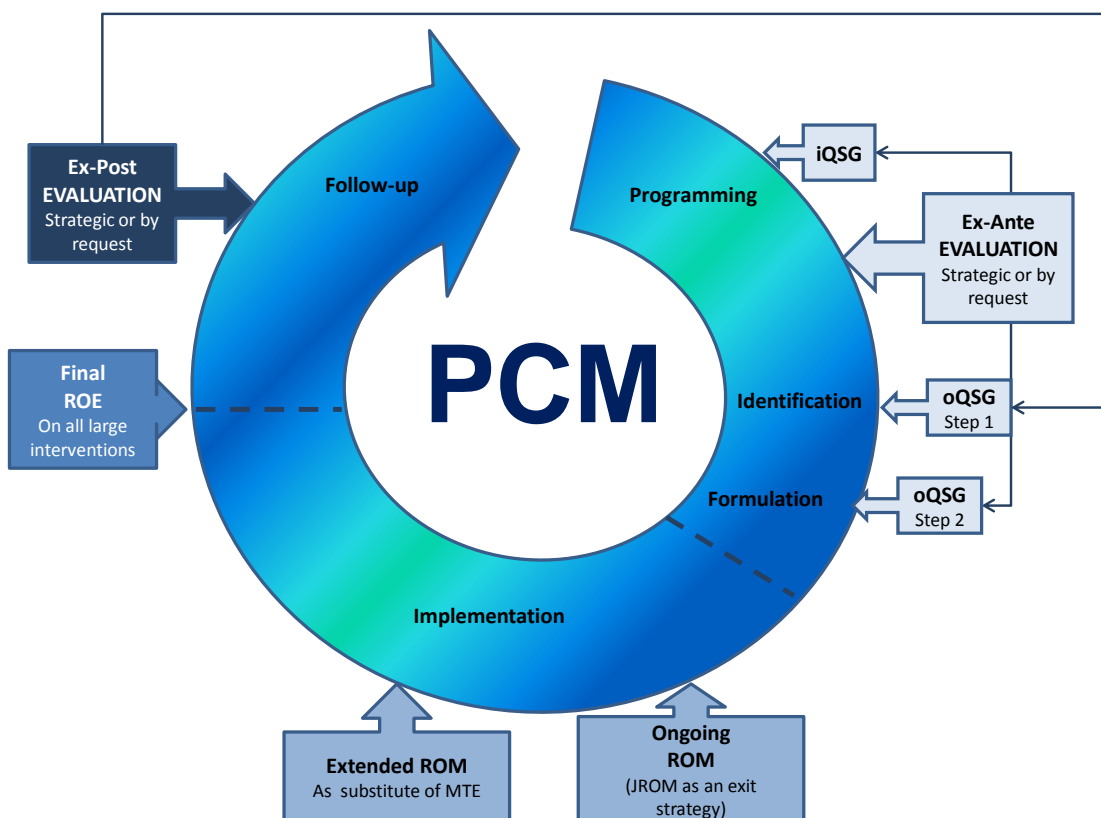
This proceeding can have the following advantages:

- The coverage of completed interventions with ROE can more easily be assured;
- The chance that the same expert implements On-going ROM and ROE will be lower, thus allowing more independence for ROE experts;
- Criteria for expert requirements can be raised to allow only very qualified and experienced experts to work on ROE;
- The consolidation of ROE data can be assured more easily.

### 8.3.4 Timing of M&E in the Project Cycle

Figure 11 shows the timing of the different products in the project cycle.

Figure 11 - Timing of M&E in the project cycle



### 8.3.5 Preliminary Cost Analysis of the New Option

The cost analysis, related to the suggestions above, is based on the portfolio figures coming from Contractors 2009 Annual Reports.

#### A) Definition of portfolio and ROE missions

- ✦ On-going Investment Units (as projects / programmes based on a financial decision) around 6,000 at any given moment.
- ✦ Investment Units with a budget < EUR 1 million estimated at 70% giving approximately 4,000 units.
- ✦ Investment Units with a budget > EUR 1 million estimated at 30% giving approximately 2,000 units.
- ✦ ROE on all large interventions are estimated at around 700 ROE missions per year. In addition, ROE missions on 10% of small projects randomly chosen would give 400 more ROE missions, making a total of around 1,100 missions.

## B) Costs for ROE

- ✎ The unit cost for ROE is estimated at 20% more than the present standard ex-post ROM cost (around EUR 10,000) giving an average estimate of EUR 12,000. We estimate that this average cost of ROE is not only valid for larger-sized interventions, but also for the smaller-sized interventions, as the additional costs are deriving from the intensity of the analysis of performance and lessons learned rather than from size-related issues.
- ✎ The total cost for ROE on the estimated 700 large investment units ending per year will then be EUR 8.4 million.
- ✎ Total cost for ROE on 10% small investment units (randomly selected, i.e. 400 interventions ending each year) will then be EUR 4.8 million.
- ✎ Total cost of ROE is EUR 13.2 million per year.

## C) Cost for other M&E tools

- ✎ **On-going ROM:** The costs for the continuation of On-going ROM with an estimated 1,600 reports/year (i.e. the current amount) at the present average unit cost of approximately EUR 10,000 will be EUR 16 million. Part of the missions will address SPSP / SBS interventions with a redefined format.
- ✎ **Focused Evaluations:** Using the EUR 50 million amount (calculated according to the DG Budget suggestion as 0.5% of new yearly financial decisions made for aid delivery – averaging in recent years around 10 billion per year) as a top figure for external M&E, deducting the costs for ROE and ROM above calculated, it results that the amount available for focused Evaluations is EUR 15.8 million. This amount can fund around 200 Evaluations at the present average EUR 80,000/each; which is very close to the amount of Evaluations performed at present. The Final Evaluations for SPSP/BS should be included in this share.
- ✎ **Large Evaluations:** The continuation of standard large Evaluations managed by Unit 03 according to most recent annual average budget is valued at EUR 5 million for 25 Evaluations (average cost EUR 200,000).

The following table summarizes the use of resources according to the present approach and the new option. Using the threshold suggested by DG Budget will allow EuropeAid to produce the same amount of Evaluations and ROM reports as currently produced, but will significantly increase the coverage of completed investments (estimated at 73% on any given year), ensuring the foundation for a sound accountability.

**Table 15 - Summary of the use of resources (EUR)**

	Missions, Current Methods	Distribution Current Methods	Mission with New Options	Distribution with New Option
<b>ON-GOING ROM</b>	1,600	16,000,000	1,600	16,000,000
<b>EX-POST ROM</b>	200	2,000,000		Phased out
<b>ROM SPSP/BS</b>	N/A	500,000		included in On-going ROM
<b>ROE</b>	N/A	N/A	1,100	13,200,000
<b>FIELD EVALUATION</b>	210	18,000,000	200	15,800,000
<b>EVALUATION 03</b>	25	5,000,000	25	5,000,000
<b>TOTAL</b>		<b>41,500,000</b>		<b>50,000,000</b>

#### D) Accumulated outputs per year

- 🔗 **1,100 ROE reports** reporting on the final achievements of the largest share of the investment decisions ever attained.
- 🔗 **1,600 ROM reports** concentrated on implementation of interventions and support to project management with participation of local partners.
- 🔗 **200 Focused Evaluations** addressing the most important knowledge production issues and / or related to the most relevant decision-making topics
- 🔗 **25 META Evaluations on strategic issues.**

Figure 12 - Output per year



#### 8.4 Advantages of Suggested Approach

- 🔗 Sound and credible consolidated accountability based on final results of investment decisions with a yearly 73% coverage to be disseminated to EU public opinion and EU Parliament.
- 🔗 Full compliance with the obligation from the Financial Regulation concerning Evaluations of large projects using the accepted Evaluation criteria.
- 🔗 Continuation of On-going ROM at the same level, but more focus on support to project management as consequence of the “on demand” approach, hence more effectiveness and impact on projects’ management.
- 🔗 Increased ownership of the ROM process and outputs as the managers directly involved in project management will have a direct say in ROM decisions.
- 🔗 Exhaustive collection of data / information from terminated projects thorough ROE. These data, organised and structured within the standard database in construction, will feed meta-analysis performed by Evaluations.
- 🔗 Knowledge production through Evaluations and knowledge management system-coherent strategic issues as defined by the Management.

## APPENDIX I: WEAKNESSES OF ROM AND EVALUATION AND RELATED SUGGESTIONS

The following table summarises the main findings of the analysis and shows the main suggestions to improve the efficiency and effectiveness of the instruments.

**Table 16 - Weaknesses and suggestions**

ROM and Evaluations weaknesses found in the present environment		
Methodological		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>ROM still perceived as an imposed HQ's instrument</li> <li>Difficulty in defining total portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Standard rules to select actions to be evaluated do not exist</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E TM at EU Delegations level</li> <li>Complete accurate definition of overall investments portfolio</li> <li>Annual plan for M&amp;E based on local portfolio</li> <li>Evaluations selected according to strategic / critical issues</li> </ul>
Procedural		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Inefficient selection of projects to "ROM"</li> <li>Logistically complex (lack of preparation days)</li> <li>Suitability of the length of missions</li> </ul>	<ul style="list-style-type: none"> <li>Duplications ROM / Evaluations</li> </ul>	<ul style="list-style-type: none"> <li>On-going ROM on demand</li> <li>Single project missions</li> <li>"Extended ROM" as substitute for Mid-term Evaluation</li> <li>Final ROE (Results Oriented Evaluation) as new format along the current ex-post ROM format with some changes to collect most needed results from indicators at the end of the intervention</li> </ul>
Project Management		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Dissemination of reports is not institutionalised</li> <li>Report information is time-sensitive</li> </ul>	<ul style="list-style-type: none"> <li>Reports are seldom used by other projects</li> <li>Evaluation database does not yet exist</li> </ul>	<ul style="list-style-type: none"> <li>Improved distribution of MR</li> <li>Availability of BCS on CRIS</li> <li>Interactive Evaluations database available</li> </ul>
Knowledge Production		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Exercise format does not allow to form solid conclusions</li> <li>On-going data cannot produce assertive findings or lessons learned</li> <li>Lack of depth</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations scattered by regional / sectoral domains without proper focus</li> <li>Quality of Evaluations not always satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>Focused Evaluations used for strategic / critical issues on selected interventions</li> <li>Meta-Evaluations on collected data from final ROE</li> <li>Evaluation quality assessed by 03</li> <li>Knowledge management</li> </ul>

		system in place
Outputs		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Ex-post ROM: dubious achievements</li> <li>Monitors' diversity of professionalism</li> <li>Different contractors offering varying economic conditions to monitors</li> <li>On-going assessments not always able to produce credible lessons learned</li> <li>Length of reports</li> </ul>	<ul style="list-style-type: none"> <li>Lack of uniformity of reports</li> <li>Inconsistency in the information contained</li> </ul>	<ul style="list-style-type: none"> <li>Stop ex-post ROM</li> <li>Final results from final ROE as sources for accountability / credibility and meta-analysis</li> <li>Separate contracts for On-going ROM and final ROE</li> <li>Evaluations for strategic / critical issues</li> <li>On-going ROM focused on project support</li> <li>Embed formats and templates for Evaluations</li> </ul>
Dissemination		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>ROM reports not easily accessible</li> <li>Errors in ROM entry</li> <li>ROM reports not disseminated to all parties</li> <li>"Snapshot" format is time-sensitive</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations reports not easily accessible</li> </ul>	<ul style="list-style-type: none"> <li>Improved database for ROM / ROE reports including BCS</li> <li>Better entry quality control of ROM MR</li> <li>Organised system to collect / process Evaluations</li> <li>Specific training for their use</li> <li>Knowledge management system developed</li> </ul>
Accountability		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Incomplete in respect of financial rules' obligations</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations are negotiated</li> <li>Evaluations' coverage limited</li> </ul>	<ul style="list-style-type: none"> <li>Final ROE on all large (&gt; EUR 1 million interventions) + 10% others complies with rules</li> </ul>
Aggregation		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Unequal coverage by geographical regions</li> <li>Relying on assessment of on-going interventions as source of judgment on performance</li> <li>Efficiency always being the lowest score</li> <li>Uploading of data lacks quality controls</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations are not standardised</li> <li>Evaluations numbers are low</li> </ul>	<ul style="list-style-type: none"> <li>Final ROE on all large (&gt;EUR 1 million interventions) + 10% others produces credible figures</li> </ul>
Consolidation		Suggestions
ROM	Evaluation	
<ul style="list-style-type: none"> <li>Lessons learned not easily transformed into</li> </ul>	<ul style="list-style-type: none"> <li>Selection of Evaluations not</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations locally / centrally selected for strategic issues</li> </ul>

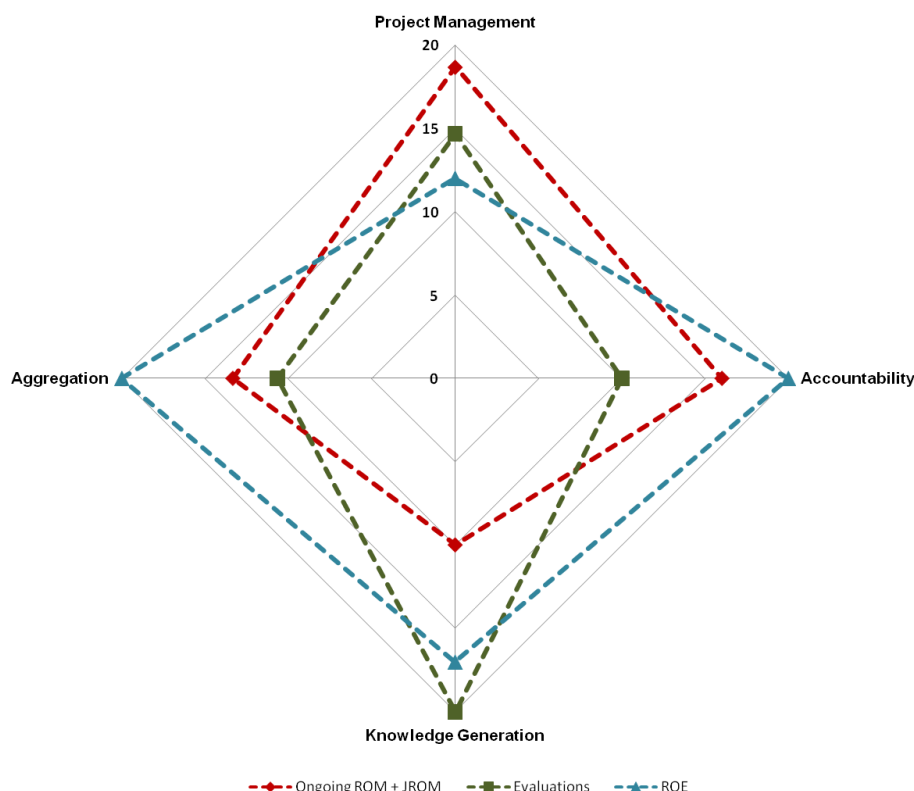


knowledge	always consistent	<ul style="list-style-type: none"> <li>Knowledge management system in place</li> </ul>
<b>Alignment</b>		<b>Suggestions</b>
<b>ROM</b>	<b>Evaluation</b>	
<ul style="list-style-type: none"> <li>PG not always satisfied with / informed of procedures / outputs</li> </ul>		<ul style="list-style-type: none"> <li>M&amp;E TM at EU Delegations level</li> <li>Annual plan for M&amp;E based on local portfolio</li> </ul>

## APPENDIX II: ANALYSIS OF THE NEW INSTRUMENTS AGAINST INTERNAL / EXTERNAL CRITERIA

Using the same methodology as in chapter 5, we propose the analysis of the main instruments suggested in the new option: On-going ROM coupled with J-ROM, ROE and Focused Evaluations.

Figure 13 - Internal criteria comparison (new instruments)



Sub-criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Simplicity of the process</i>	<u>High 5:</u> For project management, TMs and contractors, the On-going ROM is a familiar and well-known process; J-ROM should be structured following the same basic approach.	<u>Medium 3:</u> Focused Evaluation will have a different focus and different ToR, so transparency across Evaluations is higher.	<u>Medium to high 4:</u> Following a hybrid approach of systematisation of ROM methodology alongside a more ample coverage, ROE will continue being a familiar instrument.
<i>Usefulness of project specific information</i>	<u>High 5:</u> The information in the reports is succinct and focuses on what needs to be done to improve the performance of a project. The participation of partners shall increase the usefulness of recommendations.	<u>Medium to high 4:</u> Mid Term focused Evaluations can provide a thorough insight for project management.	<u>Medium to low 2:</u> The main characteristic of this instrument (carried out at the end of the project) limits its usefulness for project management. Being at the end of project cycle, there is less relevance for actual project management.

Project management

Sub-criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>General usefulness of information</i>	<u>Medium to high 4:</u> Information could also be easily available from other similar projects if the TM looks for it on CRIS which can help solve project problems. However, in practice this happens infrequently.	<u>Medium to high 4:</u> Focused Evaluations coupled with systematic dissemination through a knowledge management system can offer substantial information.	<u>Medium 3:</u> By combining a near breadth scope of an Evaluation with homogenised methodology ROE information can contribute to future decisions.
<b>Total</b>	<b>14</b>	<b>11</b>	<b>9</b>
<b>Total on 20</b>	<b>19</b>	<b>15</b>	<b>12</b>

Sub-criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Transparency</i>	<u>Medium to high 4:</u> By virtue of their standardisation, On-going ROM and J-ROM through the BCS as way of collecting data and the process of judging and assessing individual projects and programmes.	<u>Medium 3:</u> Despite the fact that Focused Evaluation formats would be less standardised than the formats for ROM reports, some kind of standardisation (in the ToR) will be applied to increase transparency.	<u>High 5:</u> The main scope of ROE is the collection of final factual results of project implementation; the standard process will facilitate it as in ROM.
<i>Integrity and reliability of the collection and reporting system</i>	<u>Medium to high 4:</u> On-going ROM and J-ROM are based on a comprehensive, coherent system that uses formalised approaches for data collection and reporting. The ECD has no influence on the report as it does not go through a draft process and so the independence of the Monitor could be deemed to be higher.	<u>Medium to low 2:</u> Apart from the integrity of individual Evaluations, the EC has not (yet) a comprehensive system in place to relate individual Evaluations to each other. As to the integrity of the individual, there is more opportunity for the ECD to influence the final report as it goes through a draft phase	<u>High 5:</u> ROE will share the basic approach of ROM, based on the independence and externality of Monitors. Moreover, a separate contract will allow EuropeAid to impose specific quality requirements for the experts. It would also be expected that ROE reports are not negotiable in order to maintain their independence, although they would benefit from a comprehensive consultation process that would add to their fidelity in terms of describing and analysing project data.

#### Accountability

Sub-criteria	Comparative advantage of On-going ROM and <u>J-ROM</u>	Comparative advantage of <b>FOCUSED Evaluations</b>	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Consistency of reporting</i>	<u>Medium to high 4:</u> By design, reporting through ROM is more consistent than reporting through Evaluations, as the data collection and analysis process for missions is more standardised. Balance and consistency are also entered into the process by the fact that the entire process is overseen and managed by a relatively small and centrally organised group of stakeholders (ROM coordination, geographical contractors).	<u>Medium 3:</u> Evaluations and evaluators have more discretion than ROM Monitors in deciding what their assessment should focus on. Discretion also means, however, that reports do not consistently address the same issues as other ERs on other, similar or related, projects.	<u>High 5:</u> Consistency of the ROM processes alongside the benefit of widening the coverage and depth of the analysis and data processing as with Evaluations. By design, reporting through ROE is more consistent than reporting through Evaluations, as the data collection and analysis process for missions is more standardised.
<i>Fairness of comparison</i>	<u>Medium to high 4:</u> The assigning of “grades” to the different criteria by which an intervention is judged makes a comparison between the different programmes “transparent” and thereby relatively fair.	<u>Medium to low 2:</u> Even though Evaluations have no common measure to gauge the “quality” of interventions, nor are [they] meant or “designed” to produce this kind of measurement, increased standardisation will allow for a higher degree of comparison than before.	<u>High 5:</u> A wider and more just comparisons as ROE are expected to grade projects whilst widening the scope on which these grades are based on.
<b>Total</b>	<b>16</b>	<b>10</b>	<b>20</b>

Knowledge generation

Key factors	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Rigor of triangulation</i>	<u>Medium 3:</u> Due to its short format, it is harder for ROM missions to provide a solid evidence base for drawing conclusions through a comprehensive triangulation process. One expected characteristic of J-ROM is that it might open (local) doors that would water down this ROM characteristic.	<u>High 5:</u> Focused Evaluations have the potential to collect information and data on the same issue from different, complementary sources. This has the potential to greatly increase the credibility / validity of causal claims and associated lessons learned, in particular in connection with qualitative inquiry.	<u>Medium to high 4:</u> Given the larger mandate compared to ROM and yet not as large as Evaluations, ROE is expected to be able to uncover the necessary data as it can process and verify information from different sources. ROE would be structured to collect basic information of results at the end of activities; as terminated projects require further analysis and are more complex to examine. The format of the missions would be 20% larger than current ex-post ROM in order to achieve the desired outcome.
<i>Compatibility of outputs</i>	<u>Medium 3:</u> In terms of comparability of the data sources, i.e., the ROM reports and BCS, ROM ranks favourably. High level of standardisation and the quality assurance system contribute to a relative sustained quality of the reports.	<u>High 5:</u> Most senior personnel agree that Evaluation is the source of the best lessons learned information. In spite of the variances in quality between one Evaluation and others, an increased standardisation would provide a useful instrument that would yield comparability and quality of analysis.	<u>Medium to high 4:</u> Similarly to ROM, ROE would benefit from a high degree of comparability which would enable them to be observed in parallel. The quality assurance process would ensure also a more levelled consistency between reports.
<i>Lessons learned that can inform practice</i>	<u>Medium to low 2:</u> The need for mission reports to gather sufficient and sufficiently comprehensive information to construct credible claims makes it challenging for On-going ROM and future J-ROM to identify solid principles that can inform practice, due to the short time available and limitations to present its findings.	<u>High 5:</u> Due to the greater depth of information provided, ERs offer greater potential in comparison to the more focused ROM reports to explore the connections between the particular findings and the extent to which context conditions influence these.	<u>Medium to high 4:</u> ROE's strongest comparative advantage is the proposed comprehensive coverage of projects. Compiled data on <b>all</b> large completed interventions has the potential of yielding a larger outline of a sector or programmes. ROE is poised to provide more focused comparisons whilst being able to point to potential trends.

Key factors	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Extrapolation usage</i>	<u>Medium to low 2:</u> ROM is not considered to be a source for lessons learned that can be “generalised” in the ECD, but rather seen as a management tool. However, analysed together in clusters, the MRs can point to trends or common issues. Nevertheless due to the relative shortness of formats used in comparison to Evaluations, they are relatively less well-suited to provide the depth of information sometimes required that allows examining how phenomena, methods, approaches, etc. could be used to the same effect in other places or circumstances.	<u>High 5:</u> Evaluators have the freedom and mandate to dwell deeper than ROM Monitors and to analyse in greater detail how the results or circumstances observed are determined or influenced by this context. Therefore, focused ERs have a greater potential to produce the information that is needed to establish, for example, in a meta-analysis of several ERs, under which context conditions the findings of these ERs are likely to apply to other situations, people or places.	<u>High 5:</u> ROE has a potentially more important role to play than ROM as the full picture of the projects can be assessed and lessons learned can then be examined and potentially transferred to proposals or new interventions. Homogeneity in its approach would have an added value that would enable several reports to be clustered together and extrapolate findings.
<b>Total</b>	<b>10</b>	<b>20</b>	<b>17</b>

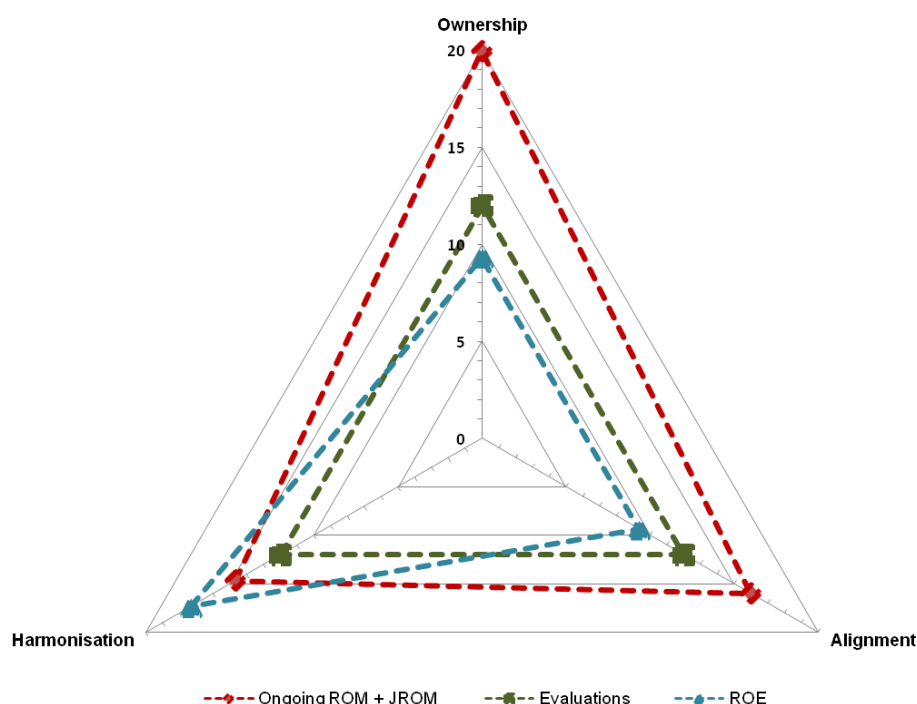
Sub-criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Volume of reports</i>	<u>Medium to high 4:</u> Currently there is a cumulated availability of more than 10,000 reports. It produces annually around 1,600 MRs. JROM and ROM would be complementary to each other and could be aggregated in parallel.	<u>Medium to low 2:</u> The total number of focused Evaluations per year would be around $\pm 200$ , not large enough for substantive quantitative aggregation.	<u>High 5:</u> Aimed at covering all interventions ceasing execution of activities in a given year (plus on 10% of minor projects randomly selected), virtually all geographical areas and most themes will be covered by ROE, 745 reports per year are expected to produce a rich wealth of knowledge. This allocation will be sufficient to grant an actual coverage on 75% of the invested resources.

#### Aggregation

Sub-criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Data agreeability</i>	<u>Medium to low 2:</u> While the system allows an easy aggregation process, basing conclusions on on-going data and figures should limit this capacity.	<u>Medium to low 2:</u> Traditionally, Evaluations were not designed or intended, under the current format, to be used for material for aggregation of information purposes. However, certain standardisation points can ease this labour intensive task to some extent.	<u>High 5:</u> Similarly to one of the strongest points in ROM, the aggregation capabilities of ROE are possible because grading will be one of its characteristics as well as the uniformity of its reports. ROE is designed to allow for easy and useful aggregation. An element of the design of ROM was to create a database that could aggregate information on project performance for reporting purposes.
<i>Extraction of data for analysis</i>	<u>Medium to high 4:</u> Data collected can be extracted for reporting purposes and other analysis. Enhanced data processing uniformity can help overcome to some extent the validity questions of the data produced.	<u>Medium to high 4:</u> Focused Evaluations, with some modifications to the reporting formats, would feed into larger Evaluations to increase the amount of processed information.	<u>High 5:</u> For its format and purpose, ROE shall be the most relevant sources of basic information on the activities of EuropeAid. It would be reasonable to expect that just as with MRs, due to their uniformity and standardised formats, ROE reports could produce data to feed information on different AIDCO indicators with the added value of greater accuracy and depth.
<b>Total</b>	<b>10</b>	<b>8</b>	<b>15</b>
<b>Total on 20</b>	<b>13</b>	<b>11</b>	<b>20</b>



Figure 14 - External criteria comparison (new instruments)



Sub Criteria	Comparative advantage of On-going ROM and J-ROM	Comparative advantage of FOCUSED Evaluations	Comparative advantage of Results Oriented Evaluations (ROE)
<i>Inclusion of local partners</i>	<u>High 5:</u> In On-going ROM and more on J-ROM exercises, the local partners will be fully involved – the extent to which they are is a question of their own time and choice.	<u>Medium 3:</u> In all Evaluation modalities local partners need to be fully involved. The time format allows selecting from a wider pool of stakeholders.	<u>Medium 3:</u> Just as with Evaluations, the pool of local partners can be widened without much risk of leaving marginalised key stakeholders in the process.
<i>Promotion of ownership</i>	<u>High 5:</u> The On-going ROM methodology calls for both briefing and debriefing with the PG intended to increase the level of ownership of a project's results. J-ROM will involve the PG directly.	<u>Medium 3:</u> Although there is no standard methodology, there is a moral obligation to debrief to the local partners so the opportunity to increase ownership is potentially present.	<u>Medium to low 2:</u> Due to the nature of the timing of the ROE exercise, promotion of ownership is limited as some or most relevant stakeholders are disassociated from the intervention.
<i>Capacity to adapt to the local context</i>	<u>High 5:</u> While it has been reported that in some countries examples of PG adopting a ROM type approach exist, once J-ROM will be implemented the local partners will be pushed to assume responsibilities.	<u>Medium 3:</u> There is no specific system in place with Evaluations but the concept of Evaluations is well taken and used by many partner countries.	<u>Medium to low 2:</u> ROE is more focused to addressing the interest of the EC as donor than that of the PG.
<b>Total</b>	<b>15</b>	<b>9</b>	<b>7</b>
<b>Total on 20</b>	<b>20</b>	<b>12</b>	<b>9</b>

Ownership

Sub-criteria	Comparative advantage of On-going ROM and J-ROM in relation to Sub-criteria	Comparative advantage of FOCUSED Evaluations in relation to sub-criteria	Comparative advantage of Results Oriented Evaluations (ROE)	Alignment
<i>Proximity to local systems</i>	<i>Medium to high 4:</i> The On-going ROM system is EC-“oriented and designed” and thus involves specific procedures and training, but in the J-ROM approach the partners will be directly called into the exercise with full power	<i>Medium 3:</i> As the ToR for each Evaluation are individual, there is no standard system for a partner country to adopt and it can influence the ToR to reflect its requirements.	<i>Medium to low 2:</i> ROE remains an exercise mainly for the donor.	
<i>Time demands of methodology / transaction costs</i>	<i>Medium to high 4:</i> As on-going and J-ROM is a short exercise completed within a defined period, time demands are low, apart from initial training requirements.	<i>Medium 3:</i> Conventional Evaluations are quite costly as they involve time and expertise. The assumption would be that Evaluations therefore produce more valuable information – an open issue at this point and the crux of this exercise.	<i>Medium 3:</i> Although the exercise should last only a few days, the intensity of the practice could create substantial demand on local partners’ side.	
<i>Expertise requirements</i>	<i>Medium to high 4:</i> In many regions the On-going ROM system uses already local experts; further alignment will be promoted by J-ROM that shall give rise to a demand for more experts to be found locally.	<i>Medium 3:</i> In many Evaluations the teams include or are run by local experts, so further alignment would give rise to a demand for more experts who could be found locally.	<i>Medium to low 2:</i> The success of the exercise needs highly qualified experts, whose availability in the local context cannot always be assured.	
<b>Total</b>	<b>12</b>	<b>9</b>	<b>7</b>	
<b>Total on 20</b>	<b>16</b>	<b>12</b>	<b>9</b>	

Sub Criteria	Comparative advantage of On-going ROM and J-ROM in relation to Sub Criteria	Comparative advantage of FOCUSED Evaluations in relation to Sub Criteria	Comparative Advantage of Results Oriented Evaluations (ROE)	Harmonisation
<i>Proximity to other donors’ systems</i>	<i>Medium to high 4:</i> On-going ROM and J-ROM are relatively simple, quick and pragmatic; J-ROM approach will be developed to be as flexible as possible to encourage others to adopt it.	<i>Medium 3:</i> As there is no standard methodology, it may be easier for different donors to combine with the EC to undertake Joint Evaluations, as the ToR of each Evaluation could be jointly designed.	<i>Medium to high 4:</i> ROE will respect the basic principle of results based management that most of the donors now claim to use.	

Sub Criteria	Comparative advantage of On-going ROM and J-ROM in relation to Sub Criteria	Comparative advantage of FOCUSED Evaluations in relation to Sub Criteria	Comparative Advantage of Results Oriented Evaluations (ROE)
<i>Flexibility and simplicity of the system</i>	<u>Medium 3:</u> The system that can be applied to almost all types of activity makes ROM and J-ROM straightforward to use. The use of a weighting scoring system is common across other donors systems.	<u>Medium 3:</u> Evaluation is not yet really a system as it lacks a standard approach and the lack of a database means that data sharing can only be done by passing on reports via email – so the potential user has to know it exists before they can request it.	<u>Medium to high 4:</u> The structure of the system repeats the shared concept of Evaluations adopted by all donors.
<i>Objectivity of the system</i>	<u>Medium to high 4:</u> The underlying ROM methodology was specifically designed to ensure the maximum possible objectivity (which can never be 100%) by the introduction of BCS and a weighting system. The above and the fact that the consultants' reports are final and not subject to comments by other stakeholders should make harmonisation easier.	<u>Medium 3:</u> The objectivity of the system is dependent upon the professionalism of the evaluators which in most cases will be high. However their reports are often subject to amendments which may reduce their objectivity and make harmonisation harder.	<u>High 5:</u> The quality of the experts and the methodology focused on quantitative and qualitative results should grant highest levels of objectivity.