



Impact Evaluation of Foreign Assistance and Donors efforts on the Development Performance: Case of Jordan

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Abstract

Foreign aid is essential to enhance economies at poor countries. Regarding to the United Nations approved article that richer countries should assist poor countries by 0.7% of the rich Gross National Product. But still many of these countries did not offer this percentage, where this is restated in 2015 in the Millennium Development Goals Global Assembly. Trillions of US dollars are spent and offered as foreign aid but a little of economic growth has taken place. Political conditions and its reforms are essential to address the growth of Economic Rate of Return (ERR) on foreign aid investment. It appears a positive relationship between foreign aid and economic growth regarding to literature if there is good political environment. Evaluation and empirical studies address that institutional and individual capacity building is not sufficient for conducting evaluations or for accepting of managing foreign aid projects and programmes. Awareness and enforcing institutional and individual capacity building will help a lot to get better impact of these aids on development intervention especially if there is distinguish government support in decision making and facilitating issues.

Key words:

foreign aid, evaluation and impact assessment, development interventions, projects and programmes, theory of change, evaluation management and communication with stakeholders

1. Introduction:

Foreign aid has its impact on development which can be addressed and assessed by evaluation and impact studies. These aids targets developing countries for development performance enhancement and raising citizens' well-being purposes. This means effectiveness of foreign aid. This paper focused on effectiveness and its related environment conditions. Foreign aid effectiveness can be assessed through evaluation and impact assessment studies using evaluation criteria that include relevance, efficiency, effectiveness, sustainability and impact. Professional evaluation staff is essential in this matter which developing countries face challenges at this point. 2. Literature Evaluation and Impact assessment is one of the essential processes of the development interventions; mainly, development projects, programmes and policies that are funded by foreign aid. Mostly, foreign aid programmes are not evaluated in terms of its impact. Over decades, evaluation and impact assessment varied in methodologies, approaches, processes and targeted outcomes and impact. It responds to fiscal and available resources for depth purposes. These evaluations variously highlight



management needs, building institutional learning, accounting for resources, informing policy makers, and building local oversight and project design capacity (Lawson, 2013). Effective evaluation deals with several challenges such as the extent of clear aid objectives, funding and personnel constraints, funding accountability, methodologies, timelines (Lawson, 2013). Foreign aid is one of policy tools that rich countries help poor ones, in order to improve citizens' well-being and facilitate economic and institutional development. Empirical piece of evidence of foreign aid benefits are mixed and debated. Foreign aid is often determined regarding to the donors' objectives rather than the recipients' needs. Piece of evidence concerning aggregate impact of foreign aid is hindered by problems of measurement and identification, which is partly due to the nature of aid. Recent studies discuss using nature and randomized experiments to test definition of aid concerning disaggregated outcomes (Qian, 2014). In 1970 resolution, the United Nations (UNs) General Assembly specified 0.7% of rich countries Gross National Product (GNP) should aim poor countries in the form of official development aid (ODA). At least 3.5 trillion dollars were given as foreign aid during 1960 till 2013, only seven countries committed to 0.7%. In 2015 this commitment restated in the Millennium Development Goals (MDGs). 16 of the OECD Development Assistance Committee (DAC) member countries have agreed to this. In 2004, UNs identified the core inputs to development such as teachers, health centres, roads, wells, medicine. This assistance aims to break down poverty cycle in the poor countries. Over these years and trillions of foreign aids and still some of poor countries poor such as Africans, this prompted towards research to evaluate the impact of foreign aid. The research raises more debate discussions, for example, World Bank (WB) meta-study of evaluations implied that even billions of dollars are spent as foreign aid there is still very little to know about the impact of these aids in the poor countries. Although aid has not met the UNs ambitions, but large amount of these aids exceed the 50% of the recipient's GDP like Liberia. Since 2010 foreign aid has accounted in average approximately 64% of GDP (Qian, 2014).

2.1 Quality of foreign aid

Wane said addressing the determinants of quality of foreign aid is crucial. Donors have that impact on foreign aid quality. Quality is an inner relationship between the donor agency and the recipient government. Well-designed project -high quality aid- and hence effectiveness is accepted by high accountability government. Poor accountability could be related to unable to assess the worth of the projects. Donors' agencies impact on its internal staff to design projects depends on the recipients' countries type. The more country capability to receive better aid packages because of its capacity to select projects targeted development. Quality of foreign aid is discussed largely recently regarding to the volume of these donation aids and the needed to assess its impact. Early, quality of foreign aid measured through four dimensions: its volume, its terms and conditions, the extent to which it is tied and the geographical allocation. Recently, quality measures involved in the priority of the recipient countries that are most need, i.e. the poorest that can get the highest impact can occur. Research finds out no impact on average, foreign aid has not spur growth or increase quality of life to those recipients. Aid works if targets appropriate candidate countries that have good economic policies and can translate these donations to economic growth and poverty reduction. This will reflect aid effectiveness.



Researchers established index of “economic” selectivity that can address the impact of foreign aid. It depends on the political regime of the recipient country. Policies are important to generate improved development indicators. Thus, this country with its mature policies, institutions capacities is candidate for foreign aid and gains better economic rate of return (ERR) of projects (investments). On the other hand, the lower ERR can be seen in the distorted economies. Finally, quality of foreign aid measurement put all the emphasis on who gets the aid?and are thus driven by the downstream actors characteristics?(Wane, 2016). Debate about aid effectiveness goes for decades ago. Some argued that the extent of effectiveness due to the poor countries, others admitted failure of foreign aid. In some cases, it supported poverty reduction and even might prevent worse scenarios of performance. Regarding to literature, few research found out the positive relationship between aid and growth under certain circumstances, where others didn't. Effectiveness is considered as the economic growth where some countries have received large amount of aid and have recorded high rates of growth, while others have recorded slow or negative relationship. At the same time some received a little and have done well while others haven't. This varies among countries due to its economic conditions, mainly; economic policies (Radelet, 2006). Foreign aid can help poor economies to spur growth through (1) financing investments, since poor countries cannot generate sufficient savings to finance investments to initiate growth, (2) Increase worker productivity through investments in health and education, (3) Transferring technology and knowledge from richer countries to poor ones by paying for capital goods imports (Radelet, 2006). 2.2 Foreign aid definition:

“The standard definition of foreign aid comes from the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), which defines foreign aid (or the equivalent term, foreign assistance) as financial flows, technical assistance, and commodities that are (1) designed to promote economic development and welfare as their main objective (thus excluding aid for military or other non-development purposes); and (2) are provided as either grants or subsidized loans”(Radelet, 2006).

Most foreign aid is designed to meet one or more of the four economic and development objectives, mainly; concerning economics and development stimulation and performance improvement¹ (Radelet, 2006).

3.Evaluation and impact assessment Swedish Agency for Development Evaluation (SADEV) is one of many bodies and agencies that involved in development evaluations and impact assessment processes, management and utilization. Most of these agencies and bodies are independent and directly related to the board- top management. One of these bodies as a Jordanian practice, specifically, government practice of institutionalizing evaluation and impact assessment. Most of these agencies, bodies and associations' mandate focus on development evaluation. This concentrate in addressing the efficiency (output), effectiveness (outcomes) and impact (results) of the development interventions, in addition to the relevance and sustainability of development interventions (Veiderpass&Andersson, 2007). The question whether or foreign aid enhance economic growth and efficiency use of resources is still under debate among researcher, evaluators and policy makers. For instance, SADEV study discussed this question, where it mentioned for the



little piece of evidence concerning significant positive effects of foreign aid on poor countries growth on the long run. Foreign aid works better on economic growth if the political environment is better. This study addressed the aid effectiveness to the production theory context. First step, the study addresses how to use resources in terms of production theory inputs. Second step, addressing the correlation between efficiency of country and resource inflow in the form of aid (Veiderpass&Andersson, 2007). Foreign aid enhances changes that create better conditions for poor people to improve their income and living. Over decades, it has seen successes and failures of development assistance. Better policies and aid resources allocation more effective reducing poverty. On the other hand there are still huge challenges in health and education, mainly; in SubSaharan Africa, where it witnesses declining standards of living, malaria epidemics, weak institutions that needs effective policies. Social and economic complexity change targeted impact of aid cannot be separated easily. Developing countries bear of development burdens and receive the credits of development successes. Aid sustained only if the recipients committed to development and development process changes. Any successful project is funded by foreign aid in early stages, is probably become self-sustaining later on and serving others elsewhere, because of these reasons and others positive impact of ODA can be larger. In this context, cause and effect and attributing outcomes of ODA to particular actions is often difficult, and any attempting to claim successes of foreign aid can devalue the practice of partnership (Goldin, Rogers & Stern, 2016).

1 These objectives are: (1) to stimulate economic growth through building infrastructure, supporting productive sectors such as agriculture, or bringing new ideas and technologies, (2) to strengthen education, health, environmental, or political systems, (3) to support subsistence consumption of food and other commodities, especially during relief operations or humanitarian crises, or (4) to help stabilize an economy following economic shocks.



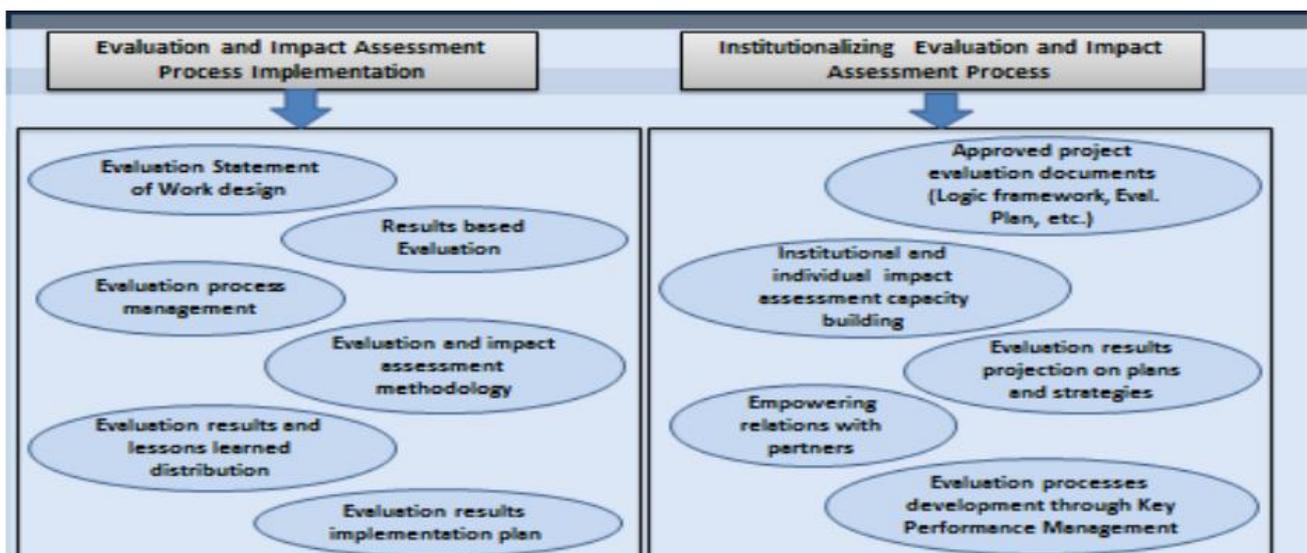
3.1 Understanding

The role of evaluation Independent evaluation of development programmes provides information about what works, what does not and why. Improving development effectiveness of foreign aid is good learning practices which contribute in holding the donors and partner country governments accountable for results. Encouraging good practice, this practice includes questions, how should evaluator plan an evaluation, consult with stakeholders and follow up on findings and recommendations? These questions are addressed in the evaluation framework, evaluation plan and theory of change of the development interventions under evaluation advocated by Paris Declaration(OECD, 2016).

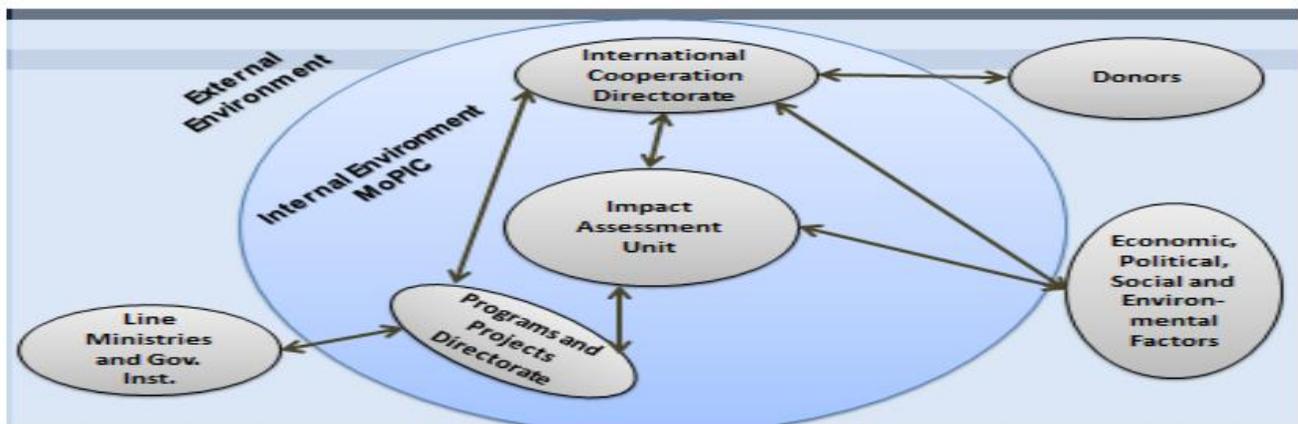
3.2 Supporting collaboration

Coordinated and collaborative, evaluations doesn't only concern of depth or broader level and scope of analysis, but also streamline fragmented efforts. Joint evaluations are essential in the matter of coordination towards ownership advocated by the Paris Declaration. On the other hand building capacities among developing countries to perform and collaborate in evaluations is crucial matter also (OECD, 2016). The figures below (1, 2 &) are done to institutionalize evaluation and impact assessment processes practices at Jordanian government, since 2010 that foreign aid is essential resource of funding development projects and programmes in Jordan.

Figure(1): Evaluation and Impact Assessment Framework.



Figure(2): Evaluation and Impact Assessment Methodology.



Figure(3): Evaluation Practicing through stakeholders- case of Ministry of Planning and International Cooperation (MoPIC).

Evaluation needs to address essential steps to be conducted, one focus on management, implement and utilize good evidence and results of evaluation. Evaluation is methodology to address what works? and what is not? and so what? These questions are developed in a theory of change of that development intervention. This change is the programmes and projects' results. In terms of institutional evaluation processes all international agencies practicing evaluations at all the programmes and projects level, that is; planning phase, implementing and using. There are developed norms and facilitateAs a platform for evaluation learning and co-ordination, the Evaluation Network develops shared norms and standards and facilitates our members' efforts towards joint work by encouraging them to share and co-ordinate their plans for future evaluations(OECD, 2016). 4. Monitoring and Evaluation: Concepts and Process Most of the 30 OECD countries have mature M&E systems which earliest adopters had. These systems are democratic political systems, strong empirical traditions, civil servants trained in social science and efficient administrative systems and institutions. Developing countries attributes includes similar and different challenges, weak political will slows progress, difficulties in inter-



ministerial cooperation and coordination can impede progress, new evaluation systems need: political will in the government, highly placed champions willing to assume political risks, credible institutions (IPDET, 2009). Development interventions are managed based on results, which is called Result Based Management (RBM). Developing countries facing growing pressures concerning improving performance of their public sectors and reforming involvement by tracking results of government or organizational actions over time. On the other hand if results are not measured success or failures cannot be addressed. If success cannot be seen it cannot be rewarded. If success cannot be rewarded it is probably rewarding failure. If success cannot be seen it cannot be learned from it. If failure cannot be recognized it cannot be corrected (IPDET, 2009). RBM Monitoring and Evaluation M&E provides crucial information about public sector performance, a view over time on the status of a project, program, or policy, promotes credibility and public confidence by reporting on the results of programs, helps formulate and justify budget requests, identifies potentially promising programs or practices by studying pilots, focuses attention on achieving outcomes important to the organization and its stakeholders, provides timely, frequent information to staff, helps establish key goals and outcomes. permits managers to identify and take action to correct weaknesses, supports a development agenda that is shifting towards greater accountability for aid lending (IPDET, 2009).. Result-based monitoring (monitoring) is a continuous process of collecting and analyzing information on key indicators, and comparing actual results to expected results. Monitoring tracks movement of indicators towards the achievement of specific, predetermined targets where evaluation: takes a broader view, considering progress toward stated goals, the logic of the initiative, and its consequences. It is important to note that both are needed to better manage policies, programs, and projects (IPDET, 2009). Theory of change is a representation of how a project, program or policy initiative is expected to lead to the outcomes and impacts. It also identifies the underlying assumptions being made with respect to how the change will occur. The components of the theory of change are: Inputs, financial, human, and material resources, Activities, tasks undertaken in matter of input under processing, Outputs, products and services are the processes results, Outcomes, behavioral changes which reflects effectiveness and Impacts, long term widespread improvement in society (IPDET, 2009).



Figure (4): Comparison between Monitoring and Evaluation

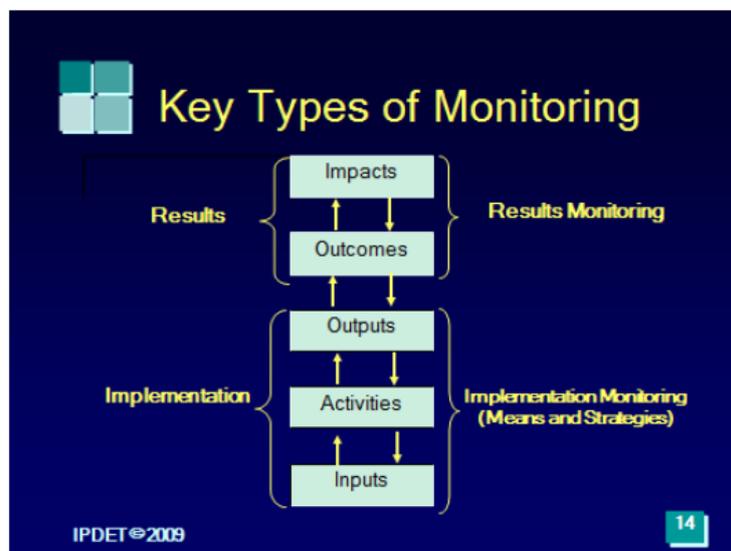
Complementary Roles of Monitoring and Evaluation

Monitoring	Evaluation
<ul style="list-style-type: none"> ✓ Clarifies program objectives ✓ Links activities and their resources to objectives ✓ Translates objectives into performance indicators and sets targets and baseline ✓ Routinely collects data on these indicators, compares actual results with targets ✓ Reports progress to managers and alerts them to problems 	<ul style="list-style-type: none"> ✓ Analyzes why intended results were or were not achieved ✓ Assesses specific causal contributions of activities to results ✓ Examines implementation process ✓ Explores unintended results ✓ Provides lessons, highlights significant accomplishment or program potential, and offers recommendations for improvement

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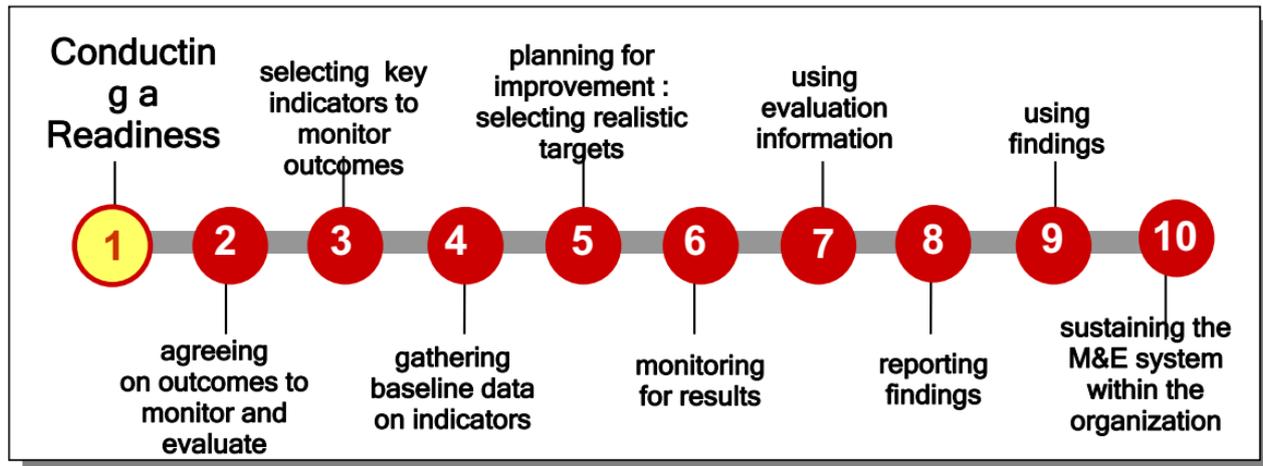
Source: International Program for Development Evaluation Training (IPDET). (2009). Retrieved from <http://www.ipdet.org/>

Figure(5): Key types of monitoring



Source: International Program for Development Evaluation Training (IPDET). (2009). Retrieved from <http://www.ipdet.org/>

Figure(6): Ten Steps to Building a Results-Based M&E System



Source: International Program for Development Evaluation Training (IPDET). (2009). Retrieved from <http://www.ipdet.org/>

5. Evaluation and Impact Assessment Practice:

Case of Jordan Since 2010 of institutionalizing evaluations and impact assessment practices at Jordanian government, many evaluations are achieved. The evaluation commissioners were decision makers in order to enhancing decision making processes and implementation. Evaluations covered programmes, projects and institutions using the evaluation approaches, methodologies and concepts. Main items are involved in evaluation high communications with all the stakeholders, preparing evaluation plan and approved by those stakeholders, establishing evaluation questions that covered all levels of evaluation standards and criteria, that is; relevance, efficiency, administration, effectiveness, sustainability and impact. Those evaluations are highly considered the beneficiaries of development interventions, the context of what is under evaluation and adopting efficient communications are noted. These factors help to address recommendations straight to the point regarding the project objectives, to design a plan to implement the recommendations and learned lessons that are came up of these evaluations and efficient sharing and communications channels. Even these evaluations are conducted there are still a lot to do to fill gaps that help effectiveness and raising economic growth of the development interventions. Professional personnel are still few to do this professional works, where the developed countries are too experienced in this matter. It is matter the systems of gathering and analyzing data of the monitoring process need a lot work and investments in human capital and software. This is challenge to get effectiveness (project outcomes) and its impact results. The less the quality of collected and analyzed data (Monitoring side) the less the quality of evaluation will be. It is also matter that utilizing evaluation results and recommendations is essential. The more data quality the more result utilization by decision makers and takers. Although Jordan has strong relationships and collaboration and cooperation with donors and funded agency, but there are still lot to learn. In general, these agencies designed an evaluation framework at the planning phase of the project using several evaluation approaches. But, capacities institutional, systems, culture need to work on more. Evaluation driven Decision is crucial to create demand



on evaluation. This demand will be followed by supply of evaluation services in order to address if these programmes, projects and policies work enough. On the other hand, culture is important to look at evaluation as improving and not auditing.

Please note that,

“Evaluation is to improve not to approve”

We should always ask ourselves,

Are we evaluating the right things? Or

Are we evaluating things right?

6. Methodology

This paper used descriptive approach by reviewing reports and conducting studies concerning foreign aid, best practices and challenges. These studies expressed practical experiences of reports and imperial experience. Case of Jordan depended on the evaluation studies that were conducted by the researcher. These evaluations used interviews, field visits to several areas in Jordan. It used a random sample of projects and programmes that are funded by foreign aid in Jordan. Evaluations depended on the evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability in proposing the evaluation report.

7. Findings & Conclusions

7.1 There is serious situation of foreign aid effectiveness in the developing countries, mainly; in Jordan. These needs well project design, and qualifies staff to approve good project packages. This goes in line with study of Wane and Radelet concerning quality of foreign aid.

7.2 Developing countries suffer of lack of Monitoring and evaluation systems that collected quality data and analyzing it to support rational decisions. This goes in line with the reference “International Program for Development Evaluation Training” (IPDET).

7.3 Culture is something to deal with, since there is lack of culture concerning foreign aid management and reporting. This goes in line with Wane and Qian who addressed the needed mature foreign aid measurements.

7.4 Most Jordanian evaluation experience addressed that managing project and evaluation processes are not enough sufficient concerning foreign aid efforts. This goes in line with evaluations that are conducted by the researcher and dealt with Jordanian projects.

7.5 Although international agencies evaluate their projects, but this evaluation consider their interests, that are in the project design. These interests are shown in the evaluation questions. This means sometimes skip the beneficiaries’ interest. This goes in line with the OECD reference and the researcher experience and practices with international agencies.

7.6 Although as the case of Jordan has national. Government plans (to express the planning phase) but the implementation, follow up and evaluation phases are poor in developing countries. This is in the absence of well- designed systems for these purposes.



8. Recommendations:

8.1 Enhancing personnel qualifications in building well project packages that are related to the country priority.

8.2 Foreign aid management is essential to focus on by building capacities and getting follow- up of the staff performance to generalize good experiences and best practices.

8.3 Building systems for collecting and analyzing quality data using local qualified expertise.

8.4 Environment is essential especially legislatives and regulations to get government support in the matter of building or accepting well project packages, evaluation processes and building system.

8.5 Awareness focus groups and workshops are needed to share knowledge and to be so close to the beneficiaries. Since they know the most what they need and are interests in. This goes in line with the OECD reference and IPDET concept of evaluation.

9. Learned Lessons:

9.1 Developing countries, Jordan also should have the privilege to learn on job -by practice- with international agencies experience in conducting evaluation processes and building well-designed projects.

9.2 Awareness of the international agreement and declarations is supported to developing countries to rely on in designing, evaluating and utilizing the collected data.

9.3 Jordan have comparative advantage of those ICT qualified personnel that can help in building up systems as an indication of mature implemented process.

9.4 Jordan's society members are very close to each other and have high education levels, these probably ease implementing a new idea or approach.