DFID
Department for International Development

Quality Assurance: Lessons from other Organisations

by Philippa Haden

The Performance Assessment
Resource Centre (PARC)

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

WORKING PAPER 6

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January 2005

CONTENTS

ADR	Assessment of Development Results, UNDP
AMG	Aid Management Guidelines, Danida
ARPP	Annual Review of Portfolio Performance, World Bank
CAP	Country Assistance Plan, DFID
CAS	Country Assistance Strategy, World Bank
CCA	Common Country Assessment, UN
CODE	Committee on Development Effectiveness, World Bank
CSG	Corporate Strategy Group, DFID
DAC	Development Assistance Committee
DFID	Department for International Development, UK Govt
DKK	Danish Kroner
EO	Evaluation Office, UNDP
ESW	Quality of Economic & Sector Work, World Bank
EvD	Evaluation Dept, DFID
IAD	Internal Audit Department, DFID
ICR	Implementation Completion Reports, World Bank
KVA	Department for Quality Assurance, Danida
M&E	Monitoring & Evaluation
MFA	Ministry of Foreign Affairs, Denmark
MROC	Management Review & Oversight Committee, UNDP
OAPR	Office of Audit and Performance Review, UNDP
OECD	Organisation for Economic Cooperation & Development
OED	Operations Evaluation Department, World Bank
OPCS	Operational Policy & Country Services Network, WB
OPR	Output to Purpose Review, DFID
OSG	Operations Support Group, UNDP
PARC	Performance Assessment Resource Centre
PCR	Project Completion Report, DFID
PDB	Programme & Project Database, Danida
PIP	Portfolio Improvement Programme, World Bank
PR	Performance Review, Danida
PRS	Poverty Reduction Strategy
PSA	Public Service Agreement, DFID
PSR	Project Status Report, World Bank
QA	Quality Assurance
QACU	Quality Assurance & Compliance Unit, World Bank
QAG	Quality Assurance Group, World Bank
QEA	Quality at Entry Assessment, World Bank
QER	Quality Enhancement Review, World Bank
QS&A	Quality Support & Assurance, UNDP
QSA	Quality of Supervision Assessment, World Bank

Glossary

RBM	Results Based Management
ROAR	Results Oriented Annual Review, UNDP
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
VfM	Value for Money (key DFID target within its PSA)
VPA	Annual Business Plan, Danida

Executive Summary

This working paper is an interim output from DFID's Evaluation Department (EvD) as part of its ongoing work in developing a quality assurance system for DFID. The work is an external review of quality assurance systems in the World Bank, UNDP and DANIDA. It is a fairly light desk review and complements work already undertaken by EvD in conjunction with Corporate Strategy Group (CSG) and Internal Audit (IAD).

Key findings:

- It is difficult to define clear boundaries between "quality control", "quality review", "quality support "and" quality assurance". These terms can be regarded as a series of interconnected processes although, it is generally agreed, that there is a point at which "quality control" equates to compliance
- The evolution of the QA function is strikingly similar between all the development agencies when it became clear that all three organisations were under-performing both in terms of project performance and performance reporting
- Each organisation underwent a fundamental organisational change and adopted processes around the principles of Results Based Management (RBM) and Decentralisation.
- A key issue for each organisation is coherence at the programme and country level and ensuring a closer fit between country strategies and Poverty Reduction Strategy.

Key Issues for DFID:

- Whether QA would be linked to the CAP approval process or not
- Whether the QA function could be carried out between EvD and IAD along similar lines to the arrangements for audit reviews
- How and if this process would be linked to the annual performance reviews of CAPs as part of the emerging peer review idea
- How and if this process links to the rolling country programme evaluations

Next Steps:

EvD will submit formal proposals to the Management Board with recommendations for the further development and implementation of a quality assurance function within DFID.

Evaluation Department
December 2004

1.   Introduction

1.1   Four major reports relating to DFID's performance assessment systems produced in the last three years have made key recommendations relating to performance improvement. A peer review by the OECD/DAC in 2001 found that monitoring and evaluation of portfolio performance had little ownership by DFID staff, resulting in low compliance rates. The Development Effectiveness Report of 2002 highlighted the need for a credible "performance ladder" to measure both organisational and development effectiveness, and included the recommendation to enhance quality and credibility of assessment systems. The self-assessment underpinning much of DFID's performance assessment was problematic in terms of "coverage, consistency, timeliness and quality". A National Audit Office Review of 2002 called for a stronger alignment between performance measurement and performance management. Finally, an Independent Review of DFID's Value for Money (VfM) Indicator in 2003 found that "the various elements of the performance reporting system operate independently with no provision for cross-checks or reviews of consistency", resulting in concerns about quality.

1.2   In the light of the above, and as part of an international move towards enhancing performance assessment through results based management among many of the multilateral and bilateral agencies, DFID is engaged in a multi-faceted drive towards portfolio quality improvement. Within the overarching context of strengthening performance systems, DFID has been taking steps towards portfolio quality improvement, including increasing focus on the Value for Money (VfM) target and indicator within the Public Service Agreement. Further, DFID is explicitly considering enhancing its processes of "quality assurance". A dedicated team within the Evaluation Department has the specific remit to develop DFID's quality assurance function, working closely with colleagues in the Internal Audit Department and in the Corporate Strategy Group. Evaluation Department has a key role to play in terms of accountability and lesson learning, alongside the Internal Audit role of ensuring systems compliance and that of the Corporate Strategy Group in developing and maintaining performance assessment systems.

1.3   Specifically, EvD is already working on the quality assurance of Project Scoring, Output to Purpose Reviews (OPRs) and Project Completion Reports (PCRs). A potential area for consideration by all departments involved in aspects of quality assurance in DFID is a mechanism for annual quality assessment of the new draft Country Assistance Plans (CAPs). This would ensure that there is a proper internal challenge function for CAPs, independent of the geographical divisions. The need for quality assurance of the country level strategy documents has a strong resonance with the ongoing work of other aid agencies, as shown in Section 3 below.

1.4   This paper has been commissioned to review lessons emerging from work on quality assurance from other aid agencies (the World Bank, UNDP, Danida). The review will inform thinking within DFID about the development of its own approach to quality assurance. Section 2 below provides some definitions around some of the key concepts related to quality assurance in the context of aid management, followed by a summary of where the impetus for QA has come from in relation to the three organisations. Section 3 summarises the comparative experience between agencies in relation to aspects of quality assurance, and makes recommendations for DFID to take the consideration of other agency experience further. Annexes 1-3 provide more detail on individual organisational approaches to quality assurance. Finally Annex 4 summarises the current thinking regarding the role of EvD in taking the QA function forward within DFID.

2.   The Context: Definitions & Impetus for Quality Assurance

2.1 <u>Performance Assessment:</u>

The PARC recognises that the term Performance Assessment incorporates a number of different meanings. Emerging trends in aid management indicate that the most common use of the concept of Performance Assessment at the macro level relates to organisational performance. It is connected with ideas related to Results Based Management, performance measurement, performance management and the development of organisational learning systems. As the use of Performance Assessment evolves in the context of international development, it is becoming more:

a)   Related to outputs than to inputs
b)   Related to internal organisational and inter-organisational learning
c)   Aware of the importance of learning and transparency
d)   Concerned with actually improving performance
e)   Empowering of beneficiaries

2.2 <u>Results-Based Management (RBM):</u>

The OECD DAC defines results-based management as a management strategy focusing on performance and the achievement of outputs, outcomes and impacts. UNDP defines RBM more fully as a management strategy or approach by which an organisation ensures that its processes, products and services contribute to the achievement of clearly stated results. RBM provides a coherent framework for strategic planning and management by improving learning and accountability. It is also a broad management strategy aimed at achieving important changes in the way agencies operate, with improving performance and achieving results as the central orientation, by defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance.

2.3 <u>Quality Assurance:</u>

A suggested definition of Quality Assurance includes a means of establishing, maintaining and recording consistency of predetermined standards in terms of the products and processes of an organisation. It is difficult to define clear boundaries between "quality control", "quality review", "quality support" and "quality assurance". The World Bank Quality Assurance Group considers these terms to be interconnected processes on a continuum. However, it is generally agreed that there is a point at which "quality control" equates to compliance, responsibility for which will usually rest with an Internal Audit function.

2.4 <u>The Evolution of the QA Function in the World Bank, Danida & UNDP:</u>

The evolution of the QA function is strikingly similar between the developmental organisations analysed for this study. By the late 1990s it was clear that all three organisations were under-performing; the Bank in terms of project performance, Danida in terms of performance reporting, and UNDP in terms of maintaining the confidence of the donor community (and therefore its funding base). As a result of both external and internal pressure for change, all three engaged in fundamental organisational change processes. These processes included commitment to some form of Results Based Management and to decentralisation. Part of the reform process in each case included a renewed focus on performance enhancement, including consideration of quality

3. Summary of the Organisational Location, Mandate, Resources and Extent of the QA Functions

	The World Bank, QAG	Danida, KVA	UNDP
Location & Reporting Structure	Separate unit within the Bank, reporting directly to the Managing Director of Operations, part of the business structure of the Bank. Assessments are shared with Task Teams & line managers for immediate feedback and follow up, issues requiring institutional response communicated to senior management. Synthesis reports go to the Board's Committee on Development Effectiveness (CODE). Inputs are made into staff training.	Separate unit (then Department). Head of KVA reports directly to Head of Danida. In daily management, Head of KVA reports to Heads of Bilateral & Multilateral Affairs. At a country level, review processes are followed by immediate feedback to the Representation and to Danida as a whole.	No single location: UNDP has an oversight and accountability framework, which comprises of 3 organisational instruments: a) The Management Review & Oversight Committee (MROC) b) The Office of Audit and Performance Review (OAPR) c) The Oversight Group
Mandate	• Increase management & staff accountability by conducting real-time assessments of the quality of Bank performance in its major product lines • Provide in-time feedback on Bank's operations to catalyse changes in policies, programmes & procedures • Use lessons learned to enhance Bank training programmes	• Performance management system of Danida • Other activities related to the quality assurance of the implementation of Danish development co-operation • Overall financial management of Danish development co-operation	The Oversight Group is mandated to maximise and co-ordinate the distinctive oversight roles of Operations Support Group (OSG), Evaluation Office (EO) and OAPR

	The World Bank, QAG	Danida, KVA	UNDP
Size & Budget	QAG annual budget of US$5 million (the Bank has some $102 billion of ongoing commitments, and $20 billion of new commitments per year). QAG light permanent staffing, and uses some 300 different staff and consultants per year, accounting for 2/3 of annual budget	Running costs of KVA, (excluding salaries), DKK 2.4 million per annum, in context of annual Danida budget of DKK 10.5 billion. KVA total of 20 professional staff, 1 admin, 2 students. QA section staffed with 6 professionals and 1 student	Not available
Other QA locations & relations with Evaluation Dept	Other monitoring and self-evaluation sections include the Quality Assurance & Compliance Unit (QACU), Regional Quality Teams and the Operational Policy & Country Services Network (OPCS). In contrast to all of these groups, including QAG, the Evaluation Dept (OED) reports independently and directly to the Board of Directors. QAG intended to complement the work of OED, latter focusing on performance and impact of the Bank s work, former concentrating on quality promotion and immediate feedback to management	In contrast to KVA reporting lines, the Head of the Evaluation Dept reports only to the Head of Danida	See above, key co-ordination point with Evaluation Dept through the Oversight Group

	The World Bank, QAG	Danida, KVA	UNDP
Review Type	For new lending: *Quality at Entry Assessment (QEA)* Key Issues: a) Are we doing the right thing? b) Are we doing things right? For supervision of ongoing operations: *Quality of Supervision Assessment (QSA)* Key Issues: a) Is reporting candid? b) Problems addressed promptly? c) Proactive changes to project design? d) Adherence to Safeguard Policies and fiduciary standards? e) Local capacity development? For analytical & advisory services: *Quality of Economic & Sector Work Assessment (ESW)* Key Issues: a) Strategic relevance & timeliness b) Internal quality c) Dialogue & dissemination d) Likely impact e) Cost-effectiveness & quality of management input	Within the Performance Management Framework, KVA is involved in developing & maintaining key management tools: • *Annual Business Plan (VPA)*. This is an annual agreement between Representations and the Ministry. KVA facilitates & monitors VPA process, including analysis, gathering of experience & providing recommendations to Danida management. • *Performance Review (PR)*. This happens every 2 years in 15 programme countries and South Africa, and assesses whether country programmes are on-track according to stated goals, plans & procedures. Carried out by KVA, provide real-time performance info for Danida management • *Review multilateral co-operation*	Evaluation Office manages the *Assessment of Development Results (ADR)*; a country-level evaluation focusing both on results and forward-looking analysis of strategic positioning. Linked to other corporate exercises. OSG participates in the *Quality Support & Assurance Group* (14 UN agencies brought together under umbrella of UNDG) to support UN country teams with the CCA (Common Country Assessment) and UNDAF (Development Assistance Framework) processes and products

	The World Bank, QAG	Danida, KVA	UNDP
Portfolio assessment	As part of the Portfolio Improvement Programme (PIP), every year QAG produces the Annual Review of Portfolio Performance (ARPP): a strategic view of the status of the Bank operations, identifying priority actions for the health of the portfolio. This is the Bank s primary operational management tool.	Every year KVA produces an Annual Performance Report, including best practice from PR process, and data from VPAs and multilateral monitoring. Intention to expand this report to include info from other depts, including Evaluation. In addition, KVA reports to management on a 6-monthly basis on PRs.	ADRs can be used to validate information for ROAR (Results Oriented Annual Report) UNDG compiles lessons learned from the QS&A system, and verifies consistency and policy across regions.
Portfolio Issues	At level of the individual project & task team, major concerns with 2 issues: a) The individual clarity of development objectives, and b) Subsequent quality of monitoring, exercised through the supervision process & the Project Status Report (PSR). PSR is the nearest equivalent to DFID s project scoring. Approaches have much in common but the Bank s form has a wider range of aspects that are rated & draws on supervision missions led by Bank staff, rather than any formal review process such as OPR. PSR seen by QAG as key, under-performing vehicle for M&E.	KVA inherited the Programme & Project Database (PDB) from the Policy Dept. The PDB is the internal database for Danida management. KVA has been encouraging & checking on the use of the PDB system as part of the PR process. Key problem with the limited amount of information downloaded onto the system. Through VPA process there is a check on the quality of info that Representations are providing. Key info relates to project and programme targets & indicators, latter weakest.	QA per se not highlighting portfolio issues, rather feeding into annual ROAR.

	The World Bank, QAG	Danida, KVA	UNDP
Portfolio Issues	Key Issues identified by QAG: • Chronic over–optimism in project design • Lack of proactive management • Lack of strategic management QAG co-ordinates the implementation of the Projects at Risk system that flags projects with problems: this has become a key instrument for portfolio oversight. Also the Realism Index & the Proactivity Index.	KVA is developing the PDB, in 2003 introduced a new element using data from the VPA, which equates to an assessment system, both for country level, and for sector or thematic level. Once system embedded, possible to track progress on thematic & crosscutting issues.	As above.
Annual Work Programme	Based on 3 core factors: a) Minimum core tracking over time (established review processes b) Senior management priorities c) QAG s own analysis of where gains can be made	KVA prepares its annual programme based on its own identification of priorities, & the timetable of established review processes, such as with the PR. The programme is then presented to management for endorsement.	Not available

assurance issues; and it was explicitly recognised that decentralisation would add increasing pressure on existing performance assessment systems. In the Bank and Danida, this resulted in the establishment of dedicated quality assurance units (QAG and KVA respectively), and in UNDP a series of measures aimed at ensuring and enhancing quality.

3.2 Summary of Experiences & Challenges for the Future of QA

The World Bank
The Bank regards the institutionalisation of the QA function to have been a success in terms of internalising a "quality culture". However, this culture remains vulnerable due to continuing pressure to book commitments. The success of QAG as a unit is measured in two ways: by the "bottom line" of the World Bank and its improving overall performance, and in terms of regular review of QAG itself.

The success of QAG to date is related to a combination of factors:

i)   Ongoing commitment from senior management,
ii)   The quality of QAG feedback,
iii) Processes giving staff the opportunity to challenge QAG findings
iv)   Annual attention to defining what is meant by "good quality", clarifying expectations and building consensus around standards,
v)   QA as a process of constructive feedback rather than a policing effort.

QAG believes that it has made considerable progress at the task level, and that it now needs to move towards looking at coherence at the programme and country levels; moving from the particular to the whole, including a new focus on the CAS (Country Assistance Strategy) performance. Early indications show that there is much to do at the country level and that the CAS does not necessarily equate to the sum of its (task) parts.

Danida
It is still early days in terms of judging the success of the QA function within Danida. However, there are some good preliminary indications of real impact on the culture of the organisation, both at Headquarters and within Representations. KVA continues to have very strong support from senior management. The Department is providing and collating a lot of information that simply did not exist before, which is having a knock-on effect for other departments, such as Technical Advisory Services, in terms of thinking about formal objectives from a performance perspective. Danida as a whole is becoming much more aware of performance management and its importance. The key quality assurance tool is the Performance Review, and KVA is seeing changes in behaviour within the Representations as a result of this process.

KVA believes that it has several tasks ahead in terms of developing the Performance Review process, focusing on multilateral monitoring processes, consolidating the newly developed tools and enhancing the Programme and Project Database (PDB). The Performance Review process has become a key mechanism for dialogue between the country Representations and Copenhagen; in the context of decentralisation this has been very much appreciated at the Representation level. A key finding from the PR process to date has been the need to strengthen coherence between future country strategies and the PRS (Poverty Reduction Strategy).

UNDP

A review of the Quality Support & Assurance process at the end of 2003 highlighted some key issues in terms of the dynamics of ensuring quality at a country level in a decentralised system. A real dilemma was identified in terms of being critical of country level documentation without discouraging the UN Country Team. The CCA and UNDAF are political consensus products, and this constrains technical review to some degree. In addition, the regional review team needs to have a good knowledge of the country to be able to provide meaningful comments. The review also found that the roles, responsibilities and authority of the QS&A team were not clear.

However, there was a degree of quality improvement as a result of the QS&A process, particularly when the review team takes a facilitative role (rather than a driver's role) in the early stages of involvement. Challenges for the future include ensuring a closer fit with UN Country plans and the PRS of a particular country.

3.3   Summary & Recommendations for DFID

The organisational experience summarised in this report (and elaborated on in more detail in Annexes 1-3) is diverse and varied, but there are several features of commonality between the three. All the aid organisations described in this report have been subject to external criticism, but this push was combined with internal recognition of the need for change. The desire to improve the quality of aid delivery, and reporting on that delivery, has manifested itself in substantial change processes, within which the institutionalisation of quality assurance procedures has played a part. The World Bank and Danida have set up dedicated structures to take responsibility for quality assurance, and UNDP has a more complex structure of inter-connected organisational areas of responsibility for quality assurance.

There is much to learn from the experience of these organisations. Key features of the QA function crosscutting all four include:

- The ongoing commitment and support of senior management to institutionalise QA,
- The reporting lines to senior management
- The rapidity of feedback from QA processes into the organisation for immediate response, and
- The credibility (and associated resources) of the personnel carrying out the quality assurance processes. The Bank uses a combination of internal and external professionals for its reviews, Danida relies heavily on the KVA internal staff, particularly for the Performance Review process and UNDP relies on its own staff for the QS&A process.

In terms of organisational location of the QA function, the Bank and Danida make a clear distinction between their Evaluation Departments and their QA Departments. QA in UNDP more closely reflects DFID's current situation, with a variety of different sections taking responsibility for elements of QA.

It is suggested that DFID takes its own QA development process forward by internalising the lessons summarised here. It should then select the agency or agencies from which it feels it has most to learn in terms of its own current reality, inviting representatives from those agencies to interact with key officials in EvD, CSG and IAD.

The World Bank QAG

1) The Evolution of the QA function within the organisation and the current drivers

1.1 The World Bank has been working to improve its performance (and results orientation) since 1992. In that year the Bank was severely criticised by the internal "Wapenhans Report", which noted the declining trend in project performance (by the mid-1990s 30% of the Bank's portfolio was at risk, and operational quality was less than satisfactory for one in four projects). Wapenhans blamed the "approval culture" and stated the need for the institution to return to its previous emphasis on performance. The World Bank responded with a concerted effort to improve its focus on quality and results. In 1993 the Bank issued a new plan entitled "Getting Results: the World Bank's agenda for Development Effectiveness" and initiated the "Next Steps" reform programme. In 1994 "Learning from the Past, Embracing the Future" was published, with a "results orientation" as one of the six guiding principles. This was followed by the "Renewal Process" in 1996. A raft of general and sector-specific performance monitoring indicators and the logical framework were introduced[1].

1.2 In the same year, the Quality Assurance Group (QAG) was launched. QAG's mandate was to increase management and staff accountability by conducting real-time assessments of the quality of the Bank's performance in its major product lines. QAG was also expected to provide in-time feedback on Bank's operations to catalyse changes in policies, programmes and procedures and to use lessons learned from its assessments to enhance Bank training programmes. The group's mandate added a significant quality element to the traditional measures of lending approvals (number and amount), project performance (projects at risk), and ratings of closed projects (outcome, sustainability and institutional development impact). QAG was intended to complement the work of the Evaluation Department (OED), the latter focusing on performance and impact of the Bank's work, while the former concentrated on quality promotion and immediate feedback to management.

1.3 The processes of reform within the Bank continued to develop. In 1997 the Strategic Compact was launched with the central objective of increased efficiency and development effectiveness through better accountability, decentralised decision-making, greater partnership and a more effective learning process.

2) The Scope of Quality Assurance

2.1 QAG responds to its mandate of assessing the quality of Bank output by synthesising the results of random samples of the main Bank products: projects as they enter the lending programme (QEA); project supervision (QSA); and analytical and advisory work (ESW) and presenting the synthesis reports to the Board's Committee on Development Effectiveness (CODE). QAG does not provide quality control for individual Bank tasks: that is the role of the line managers. QAG standards of quality are measured by the combined judgement of objective panels of experienced experts using set questionnaires in a totally transparent manner. QAG review is not part of the Bank's approval or clearance procedure; this remains the responsibility of the operating Regions and the Board; accountability for portfolio health and project success lies squarely with the Regions.

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[1] Summary adapted from "Easier Said Than Done. A Review of Results-Based Management in Multilateral Development Institutions". Michael Flint. March 2003

2.2 QAG's primary objective is to promote excellence in Bank performance by increasing accountability and enhancing learning. QAG's strategy for achieving its objective involves two complementary approaches:

a) providing staff and managers with credible, rapid feedback on operational performance and identifying, in a transparent fashion, systemic issues affecting operational performance;

b) identifying and highlighting skills and resources needed by the operational staff for high quality work and using lessons learned to support staff training.

QAG has four key functions to fulfil the above:

1) Assessing the Quality of Operational Products

2.3 For each of the three areas of Bank operations (preparation of new lending operations, supervision of ongoing operations, and advisory services), QAG has developed a systematic way of assessing the quality of specific tasks. These reviews are as follows:

Review Type	Review Name	Key Issues Considered
For new lending	Quality at Entry Assessment	• ***Are we doing the right thing?*** Are the project objectives worthwhile & the risks commensurate with potential rewards? • ***Are we doing things right?*** Is the project likely to achieve its objectives? • Is the underlying logic clearly articulated?
For supervision of ongoing operations	Quality of Supervision Assessment	• Is project performance assessed realistically and reported candidly, with particular emphasis on achieving objectives? • Are emerging problems being addressed promptly and proactively, incorporating global best practices adapted to country circumstances? • Are adjustments made to project design to suit changing circumstances? • To what extent does the project adhere to Bank Safeguard Policies and fiduciary standards? • Is local capacity being created to sustain project achievements?
For analytical & advisory (AAA) services	Quality of Economic & Sector Work Assessment	Assessment is aimed at Bank reports such as Country Economic Memoranda, Public Expenditure Reviews, Sector Reviews and Poverty Assessments and focuses on the following: • Strategic relevance & timeliness • Internal quality • Dialogue & dissemination • Likely impact • Cost effectiveness and quality of management input

2.4 Each review follows a rigorous methodology, set out in an Approach Paper and agreed with Regional staff and management. Apart from these annual reviews, QAG conducts special reviews of other operational products on-demand from the senior management.

2) Portfolio Monitoring: the Portfolio Improvement Programme (PIP)

2.5 QAG monitors the quality of the Bank's lending portfolio (about 1500 ongoing projects) and periodically reports on various aspects of its performance to the Board, senior management and staff. Each year it produces the Annual Review of Portfolio Performance (ARPP): a strategic view of the status of the Bank operations identifying priority actions needed to sustain the health of the portfolio. This is the Bank's primary operational management tool.

2.6 At the level of the individual project and task team, there continue to be major concerns with both the individual clarity of development objectives and the subsequent quality of monitoring, exercised through the supervision process and the PSR (Project Status Report)[2] . The PSR is the nearest equivalent to DFID's project scoring. The approaches have much in common but the Bank's form has a wider range of aspects that are rated and draws on supervision missions led by Bank staff rather than any formal review process such as an OPR[3] . QAG reports that problems with updating PSRs and the timely delivery of ICRs (Implementation Completion Reports) have been noted for several years. The PSR is seen by QAG to be a key, but seriously under-performing, vehicle for M&E. Its effectiveness is diminished since it is not used much as an active management tool.

2.7 Key portfolio issues identified by QAG have been chronic over-optimism in project design, a lack of proactive management and a lack of strategic management. QAG co-ordinates the implementation of a "Projects at Risk" system that flags projects that are at risk of not achieving their development objectives or are facing implementation hurdles. This has become a key instrument for portfolio oversight. Two other quality indicators formed part of the 1996 portfolio assessment package: the Realism Index and the Proactivity Index. The Realism Index measures the ratio of actual problem projects to projects at risk, as an indicator of optimism in the task team. The Proactivity Index measures whether corrective action has been initiated on self-identified problem projects in the last 12 months. The system, working as designed, should track in a predictive mode the independent estimates of portfolio outcomes prepared by OED on projects exiting the portfolio. The methodology has required some fine-tuning to bring about a better alignment between at-risk status and final OED outcome ratings.

3) Training

2.8 In support of training, QAG works closely with the World Bank Institute (WBI) to enhance learning by delivering customised training to staff, based on lessons learned in quality assessments. QAG presentations made to the Regional Units, Sector Boards and thematic groups are updated frequently and present the latest picture of the Bank's portfolio to groups and agencies within and outside the Bank.

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[2] Annual Report on Portfolio Performance, QAG, FY 02

[3] Measuring Value for Money? An Independent Review of DFID's Value for Money (VFM) Indicator, Public Service Agreement 2003-06, Poate & Barnett, November 2003

4) Quality Enhancement

2.9 QAG also provides assistance on request to the Regions for undertaking Quality Enhancement Reviews (QER) of individual operations usually in their preparation phase. While these QERs are not part of QAG's formal review procedures the lessons learned by QAG can be rapidly brought to bear on project design in the QER process.

3) QA organisational location, budget & structure

3.1 QAG reports directly to the Managing Director of Operations, and is part of the business structure of the Bank (whereas OED Operations Evaluation Department reports independently and directly to the Board of Directors).

Roles & Mandates: M&E and Quality Control

Bank Operations	Reporting to the President Monitoring & Self-evaluation (management)	Reporting to the Board Independent Evaluation (OED)
Projects	Quality Assurance & Compliance Unit (QACU)* Quality Assurance Group (QAG) Regional quality teams	OED (Evaluation Summary & Project Performance Assessment Report)
Economic & Sector Work (ESW)	QAG Regional quality assurance teams OPCS (Operational Policy & Country Services) Network	OED (Country Assistance Evaluations and sector/thematic evaluations)
Sector / theme	QAG *(proposed)* Network & Sector anchors	OED (sector/thematic evaluations & sector implementation reviews)
Country	Regional Front Offices Network and sector anchors OPCS Network	OED (country evaluation summaries and CAEs)
External claims of non-compliance	Inspection Panel	

*Notes: QACU was established in 2001 as part of the World Bank's Environmentally and Socially Sustainable Development Vice-Presidency. QACU ensures that safeguard policies are implemented consistently across the regions, and gives advice to the units in the region and in the centre on compliance with the safeguard policies in projects. Safeguard co-ordinators, with dedicated funding, are appointed in each region to oversee project compliance with the policies and assure that the proper steps have been taken to avoid or mitigate negative impacts. The central QACU has the power of final determination on compliance, and has the power to prevent projects from being approved.

3.2 Internal Auditing Department (IAD) guides World Bank management in establishing and maintaining strong internal controls and risk management procedures. IAD assures management that the World Bank's internal controls are adequate and effective, and it provides advice on the design, implementation and operation of internal control systems. In 1997, a special unit within IAD was created specifically to review all allegations and guard against fraud or corruption within the World Bank group.

3.3 The QAG team consists of a Director and a small group of staff, complemented as required by experienced past and present Bank staff (the latter on temporary assignment) and by experts from outside the Bank. About a quarter of QAG staff are retired Bank staff, another quarter come from external agencies (NGOs, academic institutions, consultancies, think tanks) and the rest are internal staff deputed for particular exercises. This model of using peer review works partly because of the sheer size of the Bank, with 4000 staff to draw upon QAG is careful to select staff who are organisationally distant from the team under review. Typically, every year QAG uses about 300 different staff and consultants, which accounts for two thirds of the annual budget of $5 million (the Bank has some $102 billion of ongoing commitments, and $20 billion of new commitments approved every year). The light and flexible structure enables QAG to respond quickly to emerging needs without being burdened by onerous administrative procedures and heavy overhead costs. QAG has resisted the temptation to expand its portfolio, and constantly prioritises.

4)   The Use of QAG Findings

4.1 QAG findings are used in a variety of ways:
- Assessments are shared with Task Teams and line managers for immediate feedback and follow up,
- Issues requiring an institutional response are communicated to senior management,
- Synthesis reports,
- Inputs into staff training.

5)   Defining the Annual Programme

5.1 The QAG annual programme of work is based on three core factors:
- Minimum core tracking over time (established review processes)
- Senior management priority areas
- QAG's own analysis of where gains can be made

6)   Success and Areas for Improvement

6.1 QAG is regarded internally as a success in terms of institutionalising a culture of quality improvement, with continued support from top management, and credibility throughout the organisation due to the professionalism of the teams and processes utilised. The Annual Report on Portfolio Performance for 2002 reports a substantial advance in quality (projects-at-entry, supervision and ESW) over the period 1997-02; "the quality culture is now broadly internalised in the Bank compared to five years ago, but it remains vulnerable to continuing pressures from the push to book commitments". The success of QAG itself is measured in two ways: by the "bottom line" of the World Bank and improving performance, and in terms of regular review: every year or so, an expert panel looks at what QAG has done in terms of processes and outputs.

6.2 There is also recognition of room for improvement in terms of moving from the particular to the whole, becoming more strategic (such as a new focus on CAS (Country Assistance Strategy) performance[4]), engaging the client more effectively, and getting the balance right between compliance and quality. QAG believes that it has made considerable progress at the task level, and now needs to move towards looking at coherence at the programme and country levels. Early indications show that there is much to do at the country level and that the CAS does not necessarily equate to the sum of its (task) parts.

6.3 The founder Director of QAG, Prem Garg, believes that the institutionalisation of the unit is down to several factors:

a) On-going commitment from top level decision makers within the organisation being matched with the generation of ownership at a user level, which takes time to achieve

b) QAG draws on sound professional judgement in order to be credible and sustainable: the quality of QAG feedback is paramount

c) QAG processes include a lot of face to face interaction during data collection phases in recognition of the fact that interviews will supplement paper records

d) As QA is not an exact science, there will always be some degree of subjectivity involved: due process giving staff an opportunity to challenge QAG findings is very important

e) Feedback to staff from QAG must be given in a systematic fashion, with the logic spelt out clearly and in a formal written format to avoid any sense of "audit by gossip"

f) Every year QAG devotes attention to defining what is meant by "good quality", clarifying expectations and building consensus around standards. Standards are dynamic, and there are no rigid and inflexible frameworks

g) There are no fixed boundaries between quality control and quality assurance; there is a continuum. QA should not be a policing effort, but a constructive feedback mechanism.

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[4] The ARPP for FY 02 recommended piloting a self-assessment instrument and peer review process for results-based CAS. Interestingly, in the same report it was emphasised that country co-ordination mechanisms, notable an enhanced PRSP and a new results-based CAS should be used to "appropriately internalise and align MDG and Poverty Reduction agendas.

Quality Assurance in Danida

1) The Evolution of the QA function within the organisation and the current drivers

1.1 Two 2002 reviews of Danish aid (covering bilateral and multilateral elements, respectively) by the Auditor General of Denmark were critical of the *documentation* of results being achieved by Danida. In combination with an internal push from Danida senior management to improve the quality of aid delivery, the reviews resulted in some radical changes in Danish aid management. The decision to decentralise aid management, which had been planned for some years, was combined with a much stronger focus on results (including the key issue of reporting), and the adoption of a system of Results Based Management (RBM). Danida acknowledged that decentralisation alone would not achieve the desired increase in performance. As a result in March 2003, the Ministry of Foreign Affairs (MFA) established a Unit for Quality Assurance (KVA) to support the decentralisation process, as part of the response to the increased need for documentation of results and enhanced quality assurance of Danish development assistance. In September the Unit became a permanent Department in recognition of the fact that KVA would continue to play a key role in supporting the decentralised Danida.

2) The Scope of Quality Assurance

2.1 The Department for Quality Assurance, Development Co-operation (KVA) is responsible for the performance management system of Danida and for other activities related to the quality assurance of the implementation of Danish development co-operation. In addition, and more recently, the responsibility of the department includes the overall financial management of Danish development co-operation.

2a) <u>Performance Management</u>

2.2 Within the Performance Management Framework, performance management is considered at three levels: corporate, country and programme and project in order to:

a) Improve the quality of Danish development assistance, through a stronger focus on results
b) Improve management and continuous learning, through better information and reporting
c) Increase accountability through performance assessment and measurement within an increasingly decentralised management structure

2.3 KVA's role:

1) Develop and maintain key management tools, including the Annual Business Plan (VPA) concept and guidelines, Performance Reviews, Aid Management Guidelines (AMG), and guidelines for organisational strategies
2) Developing and maintaining the financial management systems for development co-operation including specific guidelines and instructions for financial management and accounting
3) Overall harmonisation of the performance systems with relevant international initiatives

Table 1: PMF Tools and Methods

- ***Annual Business Plan (VPA)***: an annual agreement between Representations and the MFA. The plan defines annual indicators for programme development as well as targets for disbursement, unsettled accounts and activities
- ***Country and Sector Programme Assessment***: two self-assessment formats:
  - Assessment of the Developments within the Danish country programme, completed by the Representation, prior to the discussion of the Annual Business Plan for the following year
  - Assessment of the Progress of Sector programmes; completed at the end of each sector programme support review and signed by the Technical Services Team Leader and the Head of Representation
- ***Performance Review***: assesses whether the country programmes are on track (including management) according to stated goals, plans and procedures. Includes an Action Plan for follow-up measures: the review can make recommendations regarding adjustments. Reviews to be undertaken every second year in the 15 programme countries and South Africa. Key quality assurance instrument in assessing whether the PMF instruments are used consistently, and key monitoring and management tool in a decentralised aid administration.
- ***Organisation Strategies and Matrices***: For multilateral organisations supported by Denmark. They define objectives and targets to be met.
- ***Day to day Monitoring***: by the Representations and MFA.

2.4 KVA facilitates and monitors the VPA process, including analysis, gathering of experience and providing recommendations to the Management of Danida. This includes the analysis and monitoring of reports from Representations to ensure the effective use of VPAs for management purposes, and as a solid basis for the annual VPA negotiations. It also encompasses systematising reports from Representations and preparing reports to the management on overall, crosscutting and specific issues, where follow-up and reporting to other units are relevant.

2.5 KVA carries out Performance Reviews. These exercises take up about half of staff time for the staff working with bilateral aspects of quality assurance, with each review requiring considerable preparation time in Copenhagen, and then two weeks with a Representation office. The reviews offer Representations the opportunity to discuss the challenges of managing country programmes. For the management of Danida, PRs provide real-time performance information and allow analyses across countries and Representations of lessons learned, identification of best practices and identification of common problems, which demand management decisions. KVA reports to management on a 6 monthly basis on Performance Reviews. In addition, general issues from the PR process feed into the KVA Annual Performance Report, including best practices (this report also includes data from VPAs and from multilateral monitoring). The intention is to expand the Annual Performance Report to include information from the reviews of the Technical Advisory Services Department, and evaluation work from the Evaluation Department. It would therefore integrate all performance reviews generated in the Danida system.

2.6 KVA assesses the performance and results of multilateral co-operation based on:
- Organisational strategies and fulfilment of indicators given in the annual action plans
- Assessment of the annual reporting from relevant Representations regarding the performance of multilateral organisations at country level

- Co-ordination of Danish participation in the Multilateral Organisations' Performance Assessment Network (MOPAN)
- Assessment of the results-based management systems of multilateral organisations

2.7 In addition the Department is responsible for co-operating with other bilateral and multilateral donors at the international level concerning harmonisation of performance assessment and monitoring systems, and ensuring that management is well informed about international developments in this area. In collaboration with relevant departments and units KVA follows international developments regarding the Special Programme on Africa (SPA), Poverty Reduction Strategies (PRSs), and the DAC.

2.8 In collaboration with DCCD (Danida's Centre for Competence Development), KVA ensures the development of MFA staff, staff at Representations and Danida advisers concerning the use of performance management tools.

2.9 The Department assesses aid effectiveness and strengthens its documentation, including the production of an annual performance report. Finally in term of performance assessment, KVA participates in the Programme Committee.

2b) Financial Management

2.10 In 2004, finance and quality assurance were combined within KVA as part of the overarching aim to see technical management combined with financial management. The combination of functions at headquarters set an example for Representations in this regard, and from the KVA perspective, it has facilitated tasks such as the preparation of Performance Reviews.

2.11 KVA is therefore responsible for the overall quality assurance of Danida's financial management of appropriations for Danish development co-operation according to the annual Finance Bill, including overall budgeting, continuous financial control and accounting:

- o Monitoring and supervision of the financial management of the appropriations for development co-operation in MFA and the Representations
- o Follow-up and registration of accounts
- o In case of irregularity, reporting to the Auditor General and follow-up
- o On-going supervision and training of financial officers
- o Overall financial management of the operating budget of Danida

2c) Programme and Project Database (PDB)

2.11 KVA inherited the PDB from the Policy Department. The PDB is the internal database for Danida management. The main focus in this area to date has been to encourage and check on the use of the PDB system, as part of the Performance Review process. KVA is responsible for:

- o Maintaining and further developing the PDB

o Preparing annual statistics on Danish development co-operation, and in co-operation with the Department for Development Policy, producing the annual DAC statistics and managing the ongoing Creditor Reporting System and notification on untied development co-operation with Less Developed Countries (LDC)

2.12 This responsibility relates to ensuring the quality of technical information on PDB (financial information is transferred onto the system from another department). At the moment there is a problem with the amount of information that is actually downloaded onto the system, much of which remains at Representation level. Through the VPA process there is a check on the quality of the information that Representations are providing. Key information relates to project and programme targets and indicators. The latter is the weakest area that has been identified.

2.13 In 2003 KVA introduced a new element onto the PDB, using data from the VPA, which equates to an assessment system, both for the country level, and for the sector or thematic level. Once this system is embedded, it will be possible to track progress on thematic and crosscutting issues (such as gender).

3) QA organisational location, budget & structure

3.1 The Head of KVA reports to the Head of Danida. In daily management, the Head of KVA reports to the Head of Bilateral Affairs on matters relating to bilateral development co-operation and to the Head of Multilateral Affairs on matters relating to multilateral development co-operation. In contrast, the Head of Evaluation reports only to the Head of Danida.

3.2 The running costs of the Department, excluding salaries, amounts to about Danish Kroner 2.4 million per annum, in the context of the annual Danida budget of DKK 10.5 billion. KVA does make use of consultancy services, but in specific areas, and the Performance Review process is carried out entirely by in-house staff.

3.3 The Department is split into three areas: Quality Assurance, Finance, and Programme and Project Database (PDB). The head of the QA area is also deputy head of the department, and the Finance and PDB sections are united under another head. KVA has a total of 20 professional staff, 1 administrative support staff and 2 students. The QA area is staffed with six professional staff members and one student. Five of those staff focus on bilateral issues, and one on multilateral issues, though two of the bilateral staff support on the multilateral issues.

4) The Use of KVA Products & Findings

4.1 Performance Reviews have proved to be a key management and quality assurance tool to increase focus on management issues, monitoring and lessons learned both within individual Representations and across countries. Individual reports and action plans have been developed for the five Representations where Performance Reviews were undertaken in 2003. (Another five Performance Reviews have been done in 2004 and a further two are planned before the end of the year.)

4.2 The action plans include recommendations on new management structures at the Representations, stronger focus on aligning to national frameworks, improvement of target setting, indicators and monitoring systems in on-going and primarily new programme phases, improvement of assessments of the needs, roles and performance assessment of all technical assistance, increased focus on harmonisation and integration of the Danish assistance into national policy frameworks. As a consequence of the findings from the Performance Reviews a decision has been taken at Headquarters to strengthen monitoring, to clarify the roles of advisers and to improve the results measurement system. The first systematic monitoring of the Annual Business Plans for 2003 has provided results for the Annual Report of the MFA and the Annual Report of Danida[5].

4.3 The Performance Reviews undertaken to date have demonstrated that the overall country programme frameworks differ considerably from one country to another; partially because of variance in national conditions, but also as a result of limitations in the Danish processes. The Annual Performance Report of 2003 identified areas for improvement in terms of strengthening coherence between future country strategies and the PRS and general development plans, strengthening the strategic approach to design and management of human rights and democracy activities (a Danish policy priority), and a need to ensure better coherence between wider reform programmes (public sector programmes, good governance) and the sector programme support (SPS).

4.4 In terms of Representation management, key findings centre around the demands of decentralisation, including the need for an internal quality assurance mechanism, which can promote homogeneity in documentation and work as a clearing house before terms of reference and programme documents are presented for final approval. In a broader sense, the Performance Review process includes a key element of dialogue between Copenhagen and the Representations. This dialogue is very much appreciated by the Representations, who have found that decentralisation has meant very little interaction with Copenhagen. When the Review process started, KVA included a session within it on a general introduction to decentralisation and the Aid Management Guidelines. This proved to be so important to the Representations that it became a separate process in the autumn of 2003, with KVA representatives visiting 16 Representations solely for this purpose.

4.5 After the first pilot Performance Reviews in Mozambique and Uganda in the spring of 2003, Danida management decided that all PRs would be made available to all staff as soon as they are completed. This in-house transparency has led to a considerable degree of organisational learning between Representations. The QA team is finding that most Representations have done a considerable amount of proactive work before the formal process, based on lessons emerging from previous Performance Review. For example, within the Nepali Representation there was a comprehensive process of adjusting the internal organisational structure before the Performance Review in September 2003. A key function of this new structure was to strengthen quality assurance and professional peer-to-peer interaction, as part of the process of facilitating a culture of knowledge sharing.

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[5] Annual Performance Report 2003, Establishing a Performance Management Framework for Danish Development Assistance, Department for Quality Assurance, KVA, May 2004

5) Defining the Annual Programme

5.1 KVA prepares its annual programme based on its own identification of priorities. The programme is then presented for management endorsement. Part of the programme is dictated by the rolling review process (i.e. each Representation has a Performance Review every second year).

5.2 KVA is currently in the process of preparing its Terms of Reference for the second round of Performance Reviews; as the first round will be completed soon, and the second round is due to begin in April/May 2005. It is acknowledged within KVA that it does not make sense to have the same focus for this second round, and the emerging thinking at this point is that KVA should focus on internal management, including the tasks and skills matching issues.

6) Success and Areas for Improvement

6.1 It is still very early days in terms of judging the success of the QA function within Danida. However, there are some good preliminary indications of real impact on the culture of the organisation, both at Headquarters and within Representations. KVA continues to have very strong support from senior management. The Department is providing and collating a lot of information that simply did not exist before, which is having a knock-on effect for other departments, such as Technical Advisory Services in terms of thinking about formal objectives from a performance perspective. Danida as a whole is becoming much more aware of performance management and its importance. The key quality assurance tool is the Performance Review, and KVA is seeing changes in behaviour within the Representations as a result of this process.

6.2 KVA identifies key issues for the immediate future in terms of its own priorities:

- Developing the PR process
- Focusing on multilateral monitoring processes, which is a key issue for the future, as to date KVA has largely focused on the bilateral area
- Consolidating the newly developed tools
- Enhancing the PDB

Aspects of Quality Assurance in UNDP

1) The Evolution of Results Based Management (RBM) within the organisation, and its implications for QA

1.1 UNDP is in the forefront of the UN agencies in terms of commitment to Results Based Management; in a review by Michael Flint of 2003[6], it was the only institution of five multilateral organisations (World Bank, UNIFEM, IDB & UNICEF) to implement RBM as an organising principle at all levels. Its advanced status has two origins:

a) The pressure of declining funding in the 1990s. UNDP knew that it had to change to recover the confidence of the donor community. In the six years between 1994 and 2000 there was a systematic erosion of the UNDP funding base, which meant that in 2000 UNDP's core income was at a 20 year low. In 1997 UNDP initiated a set of change management processes, known as "UNDP 2001". This emphasised, among other things, the need to become more results-oriented.

b) In parallel, UNDP's Evaluation Office (EO) had been working on developing results-based monitoring and evaluation policies, methodologies and tools. In 1997 EO commissioned a joint study with SIDA on results management and produced a handbook on results-oriented monitoring and evaluation for programme managers. In 1998 EO was given lead responsibility for developing a framework for the measurement and assessment of programme results. This initiated the introduction of RBM in UNDP and led to the Multi-Year Funding Framework (MYFF) in 1999. The MYFF was a four-year framework (2000-03) encompassing a Strategic Results Framework (SRF) and a resource framework that integrated all financial allocations. It was intended to be a compact in which UNDP committed itself to achieve an agreed set of development results, while donor countries committed themselves to support this effort by progressively rebuilding the core resource base of UNDP.

1.2 RBM was introduced worldwide in a year, with the first Results-Orientated Annual Report (ROAR) produced in 1999. Strategic choices were made to learn from others, to learn by doing, to tailor RBM to UNDP, to keep the system as simple as possible, not to over-invest in indicators and to manage for (not by) results. The result is an approach that is still being adapted, but which has been mainstreamed throughout the organisation and its instruments. In addition, a process of decentralisation of UNDP has accompanied these shifts.

1.3 Originally the Evaluation Office (EO) was responsible for developing the RBM system and the accompanying guidelines for the MYFF. However, in 2000 responsibility for leading in this area shifted to the Operations Support Group (OSG), which subsequently led on both the review of the experience of the first MYFF in 2003, and the development of the new MYFF for 2004 - 07. Quality Assurance is one of many of the OSG functions, and there are elements of QA that are carried out by other parts of the organisation.

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[6] "Easier Said than Done, A Review of Results-Based Management in Multilateral Development Institutions", M. Flint, March 2003

Performance Reporting in UNDP

1.4 Various parameters of performance are reported and recorded through three instruments:

- The ROAR/MYFF: reports operational results at country and corporate level, with a focus on substantive results
- The Balanced Scorecard: reports results in more non-operational areas at corporate level, with a focus on processes
- ATLAS: the Enterprise Resources Planning System, which can track and report on resource use.

2) QA organisational locations and structures

2.1 UNDP has an oversight and accountability framework, which comprises of three organisational instruments:

1) The Management Review and Oversight Committee (MROC)
2) The Office of Audit and Performance Review
3) The Oversight Group

Management Review and Oversight Committee

2.2 MROC was established to provide the Administrator with the assurance that UNDP accountability framework was operating effectively. MROC operates at the strategic level (as opposed to the operational level of the Oversight Group).

The Office of Audit and Performance Review

2.3 In 2002, OAPR piloted a new approach to internal audit, which amongst other features has broadened the scope of audit to include the full range of country activities, covering programmes as well as financial and administrative aspects. In addition the remit of the office is to include a strengthened quality assurance function. OAPR operates in a decentralised manner, with some sections at headquarters and others in three regional audit service centres and two sub-offices, and 44 posts in total.

The Oversight Group

2.4 The group was introduced by the Administrator in 2000 to maximise and co-ordinate the distinctive oversight roles of OSG, EO and OAPR. The three units comprising this group continue to co-ordinate their work to strengthen links between the various oversight tools. They meet once a month, and consider QA among other issues. A key output of the group, since 2001, has been a set of indicators of country office performance, drawing on the results of the oversight activities in each of the three units. These indicators are used by UNDP senior managers to strengthen accountability for good and poor performance.

3)   The Scope of Quality Assurance

3.1 As is clear from Section 2) above, UNDP does not have one unit mandated and resourced to ensure the quality of the input into the RBM system. Rather, guidelines exist on various aspects, and systems are in place for individual elements (such as verifying statements on in-country ROARs or surveys for Balanced Scorecard indicators). The Evaluation Office and the Office of Audit and Performance Review each ensure a certain oversight function. In addition, much of the QA function has been decentralised to the Regional Bureaux, with Operations Support Group (OSG) providing central co-ordination, guidance and tracking differences across regions in terms of adherence to policy and picking up on interesting or innovative practices for cross learning in UNDP.

3.2 The primary role of the *Evaluation Office* in terms of quality assurance is the management of the Assessment of Development Results (ADR); a country level evaluation focusing both on results and forward-looking analysis of strategic positioning. The improved planning and analysis provided through the self-assessing ROAR gave rise to more demand for an independent validation of achievement of results. EO conducts between 5 and 10 ADRs per year (as from 2002), with the overall objectives to:

a)   Support the Administrator's substantive accountability function to the Executive Board and serve as a vehicle for quality assurance of UNDP interventions at the country level
b)   Generate lessons from experience to inform current and future programming at the country and corporate levels
c)   Provide to the stakeholders in the programme country an objective assessment of results (specifically outcomes) that have been achieved through UNDP support and partnerships for a given multi-year period

3.3 The ADR is closely linked to other corporate exercises and RBM. It will use the results of the Strategic Results Framework (SRF), the Country Co-operation Framework (CCF) and the UN Development Assistance Framework (UNDAF). In turn, the ADR can be used to validate the results reported in the ROAR. The EO consults with the Oversight Group regarding ADRs. (In addition, the EO carries out strategic and thematic evaluations conducted at the request of the Board, for example the evaluation of UNDP's role in the PRS process).

The *Operations Support Group* role is:

3.4 Active participation in the Quality Support and Assurance Group, which brings together 14 UN agencies to unify approaches in the UN system. Currently, UNDP, UNICEF and UNFPA are particularly active in this group. The main purpose of the Quality Support and Assurance System, under the umbrella of the United Nations Development Group (UNDG), is to "motivate, capacitate and support UN Country Teams, as well as review and effectively oversee the CCA and UNDAF preparation process and products". The responsibility for Quality Support and Assurance is divided between 3 levels in the decentralised UN system: country-based, regional and Headquarters, with the main responsibility for quality assurance with the UN country team[7]. Guidelines (revised in May 2002) are provided for all levels.

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[7] Quality Support and Assurance System for the CCA and UNDAF Processes and Products, January 2003

3.5 In addition to improved country-level co-ordination, the UNDG decided to promote and reward systematic collaboration at regional levels, particularly among Regional Bureaux and regional technical teams and staff, in order:

- To enhance their collective support to UN country teams
- And to ensure the quality of CCA and UNDAFs

3.6 The Quality Support and Assurance System aims to motivate, capacitate and support UNCTs, as well as review and effectively oversee the CCA and UNDAF preparation process and products. Consequently, the system should:

a) Accompany the preparation of individual CCAs and UNDAFs, by supporting and reviewing both the individual processes *and* products
b) Create conditions conducive for the improvement of the quality of CCAs and UNDAFs

Box 1: Quality Support & Assurance Responsibility – CCAs & UNDAFs

Country	• Rigorous review through self-assessment by the UNCT and development partners, to ensure that quality standards are identified, agreed and met, first for the CCA before proceeding with their UNDAF and subsequently with their UNDAF • Country Teams that produced quality CCAs and UNDAFs to serve collectively or individually as mentors or resource persons (virtually or otherwise) for other country teams
Region	• Oversight by agencies Regional Bureaux/Programme Chiefs responsible for Country Teams and staff, starting at the planning stage of CCA and UNDAF process • Inter-agency technical and programme support teams to accompany the CCA and UNDAF processes • Inter-agency review teams verify that quality standards have been met and provide feedback/lessons to CT and HQ
Headquarters	• Oversees the functioning of regional support and oversight systems and ensures global quality standards are being met by regions, including the sharing of experiences between regions • Capacitates UN Country Teams • Motivates UN Country Teams

3.7 The success of this system is to be measured by feedback from the focal countries of 2003 and 2004 in terms of those Country Teams reporting on the value added of the QS&A system.

3.8 The system makes a distinction between quality support and quality review, with inter-agency regional support teams and inter-agency regional review teams functioning at different times in the process (and staffed by different people). The support teams should be involved from the outset of the CCA/UNDAF process, and the review teams should come in later to check the self-assessment lists of the UNCTs.

3.9 At the Headquarters level, UNDG compiles lessons learned, posting them on a global learning website. In addition, UNDG verifies consistency and policy across regions, and uses country and

regional feedback to refine the CCA/UNDAF guidelines. Finally, UNDG ensures that there is a good connection between the learning from this process and training materials.

4)   Success and Areas for Improvement – QS&A

4.1 A Quality Support and Assurance Meeting at the end of 2003 reviewed the function of the QS&A to date, and selected key findings were as follows:

Added value of the QS&A

a)   A real dilemma was identified in terms of being critical of documents and process without discouraging the UNCT. The CCA and UNDAF are political consensus products which proves to be a constraint to technical reviews
b)   The regional review team needs to have good knowledge of the country to be able to provide meaningful comments

Roles & Responsibilities

c)   There may be a conflict of interest between quality support and oversight at the regional level: these two functions should be clearly defined and separate
d)   The roles, responsibilities and authority of the QS&A team were not clear. Clarity of responsibility between the UNCT, the external review QSA, regional bureaux and headquarters is necessary

Quality Improvement?

e)   Support and comments provided by the QS&A team improved the quality of CCAs and UNDAFs in a number of countries
f)   The product quality is better when the product is well consolidated from UNCT before handing it to external reviewers
g)   The product quality could be better when the review team takes a facilitating role and not a drivers' role in the early stages of involvement
h)   Links between the CCA, UNDAF and the PRS (as well as other processes) should be strengthened

Summary of Current Internal DFID Expectations of the Role of EvD in Quality Assurance

Based on a review of current internal DFID documents and ongoing discussions with staff from EvD, CSG and IAD, there appear to be two areas of focus for an EvD role in quality assurance within the organisation, one of which is already functional (1), the other an emerging possibility (2):

1. Quality assurance of Project Scoring, OPRs and PCRs. At programme and project levels, EvD will be reviewing the quality of data and evidence used by country offices in producing OPRs, PCRs and project scoring on PRISM. This work has two aims:

- to make the internal review and project scoring processes more useful and meaningful for managerial decision-making
- to ensure that the data provide a stronger basis for corporate accountability (through the PSA VFM measure), and that clearer ownership and responsibility for the quality of data is developed

The scope of this work has already been defined by the following steps:

i) The identification of minimum standards and best practice, drawing on the work currently underway under the Corporate Compliance Project. The function of QA will generate lessons to feed back into programme guidance

ii) The establishment of clear criteria for the selection of projects and programmes, across the 3 regional divisions, as only a sample will be covered

iii) Audit visits and desk reviews, working with IAD to streamline QA with existing arrangements for internal audit in country offices

Feedback mechanisms and lesson learning: detailed reports to the Head of Office highlighting quality issues, copied to the regional management team. Synthesis report, echoing the role of the previous PCR synthesis reports but also prioritising lessons and examples of best practice, and feeding into guidance needing review. This latter report to be circulated widely.

2. A quality assessment of **new draft** CAPs on an annual basis, with rapid report-back to the respective Country Office. This mechanism will ensure that there will be a proper internal challenge function for the CAPs, independent of the geographical divisions, which is managed in a structured way. At present DG Programmes or the Secretary of State approve the CAPs, which are submitted through the Divisional Policy Units. There is increasing concern within DFID about the variability of CAP quality and inconsistency in terms of cross-cutting issue coverage, for example consideration of gender, social inclusion, HIV/AIDS and trade issues. There is a need to ensure that the wider interests of the Department and Whitehall are being addressed and to check for consistency across the divisions.

Key issues to decide:

a) Whether this form of Quality Assurance would be linked to the CAP approval process or not
b) Whether this QA function could be carried out between EvD and IAD along similar lines to the arrangements for audit reviews described under point iii) above
c) How and if this process would be linked to the annual performance reviews of the CAPs as part of an emerging peer review idea
d) How and if this process links to the rolling Country Programme Evaluations

THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the UK Government department responsible for promoting sustainable development and reducing poverty. The central focus of the Government's policy, based on the 1997 and 2000 White Papers on International Development, is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015. These seek to:

• Eradicate extreme poverty and hunger
• Achieve universal primary education
• Promote gender equality and empower women
• Reduce child mortality
• Improve maternal health
• Combat HIV/AIDS, malaria and other diseases
• Ensure environmental sustainability
• Develop a global partnership for development

DFID's assistance is concentrated in the poorest countries of sub-Saharan Africa and Asia, but also contributes to poverty reduction and sustainable development in middle-income countries, including those in Latin America and Eastern Europe.

DFID works in partnership with governments committed to the Millennium Development Goals, with civil society, the private sector and the research community. It also works with multilateral institutions, including the World Bank, United Nations agencies, and the European Commission.

DFID has headquarters in London and East Kilbride, offices in many developing countries, and staff based in British embassies and high commissions around the world. DFID's headquarters are located at:

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1 Palace Street
London SW1E 5HE
UK

and at:

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