

## DEG evaluation – a guiding principle

The objective of evaluation at DEG is to demonstrate the development effects and impacts of DEG investments and to continuously improve DEG's work. The question "What did we achieve?" is linked to the question "How did we achieve it?". DEG is following OECD's definition of evaluation:

"The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors."

OECD (2009)<sup>1</sup>

What is more, DEG ensures that evaluation is carried out professionally as well as externally. This is facilitated by the adherence to academic standards and the reporting, which has to point out the evaluation results, methods and processes in a transparent and understandable manner. By publishing the evaluation reports, this information is made accessible to the general public.

The goals and principles of DEG evaluation are depicted below.

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<sup>1</sup> OECD (2009). DAC Glossary of developmental terms regarding evaluation and management by objectives.

## 1. Objectives

DEG formulates four key objectives for evaluation:

### **I) Creation of knowledge**

Valid findings are the result of the evaluation studies. The generated information and recommended actions deriving from these form the basis for strategic management decisions at DEG, especially for controlling.

### **II) Learning**

The creation of knowledge as well as the involvement of employees and customers in the evaluation process make institutional learning possible. Employees are involved at an early stage and are kept informed continuously in order to finally discuss the results of the evaluation. The customers' potential interest in the results and lessons learnt are considered explicitly when searching for topics, implementing the evaluation results and in the reporting.

### **III) Quality assurance**

The evaluation assures the quality of DEG's work and thus the intended impacts. Valuable findings and continuous improvement enable DEG to optimally adjust its role in the developmental cause-and-effect chain to global changes.

### **IV) Legitimacy**

DEG legitimises its role as development finance institution through publication of its evaluation results and a transparent presentation of its evaluation process.

## 2. Principles

DEG is guided by good evaluation practices which comply with international evaluation standards and principles and are provided, among others, by the evaluation cooperation group of the multilateral development banks and the OECD DAC. In accordance with its mandate, i.e. the promotion of the private sector, DEG is guided by five evaluation principles:

### **I) Independent**

DEG has created an evaluation unit that is independent of its operations and performs the conceptual design, processing and selection of topics autonomously.

### **II) Transparent**

All evaluation results and processes are published (anonymised).

### **III) Conscious of quality**

For its evaluations, DEG aligns itself with newest approaches and findings in the evaluation research. In this context, DEG participates actively in (inter-)national networks.

### **IV) Participative (internally, externally)**

Within DEG, single drafts and evaluation processes are discussed directly with the front-office departments in charge. Recommendations (of action) are therefore not only given to the Management Board for central controlling purposes, but explicitly returned to the operational level with the aim of institutional learning. External participation refers to the involvement of several stakeholders, especially customers, in the evaluation process. The customers' interest in lessons learned and in knowledge is a key element throughout the whole evaluation process, from planning and implementation to publication of the results. DEG is convinced that evaluations have to benefit not only the organisation itself but also its partners. Besides customers, this also refers to financing partners or representatives of the civil society locally and in Germany.

### **V) Outcome-focused**

The evaluations deal with relevant questions concerning the outcome of the evaluation results. These outcomes may be of an internal nature, customer-related and also related to the wider public. At the same time, an outcome-oriented approach means that evaluation is done with the efficient use of resources.