



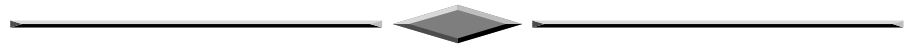
# **ROOM DOCUMENT 4**

## **DAC Network on Development Evaluation**

**EVALUATIONS OF PROGRAMME AID:  
SHARING LESSONS AMONG MEMBERS OF THE  
DAC NETWORK ON DEVELOPMENT EVALUATION**

**Item 2: ii**

This note is submitted jointly by the Chair of the Network and the Secretariat for consideration at the DAC Network on Development Evaluation meeting, 15-16 January, 2004.



**1st meeting  
15 – 16 January 2004**



**EVALUATIONS OF PROGRAMME AID  
SHARING LESSONS AMONG MEMBERS OF THE DAC NETWORK ON DEVELOPMENT  
EVALUATION**

1. The Workshop on Evaluation of General Budget Support hosted by DFID on 14-15 October 2003 highlighted the need for further attention to sharing lessons on other programme aid modalities. Workshop participants and Members of the DAC Evaluation Network Bureau noted that a number of issues fall outside the direct focus of the GBS evaluation. It was therefore suggested that the DAC Network on Development Evaluation consider modalities for better sharing of approaches, methods and lessons from evaluations of programme aid.

2. This brief note invites Network Members to consider possible ways to address the growing demand for evaluation-based evidence on programme aid modalities, including the creation of an Evaluation Learning Forum on Programme Aid. The note sketches the context, outlines some of the issues and suggests possible avenues to initiate the discussion.

**Context**

3. In recent years, the international development community has given increasing attention to a new breed of aid modalities often referred to under the label of Programme Aid (PA), including Budget Support, Debt Relief and various forms of sector support such as SWAps. The adoption of PA modalities is usually based on their supposed benefits vis-à-vis other approaches, including claims that PA

- allows a higher degree of partner countries' ownership of their development strategy
- makes development assistance more consistent with partners' overall budget framework, thus lowering the possibility of aid-induced economic shocks (overheating, Dutch disease, etc)
- strengthens Governments' control over aid flows and hence resource allocation
- facilitates institutional reform and better coordination between central and line ministries
- facilitates harmonisation amongst donors in aid policy and delivery, with consequently lower transaction costs imposed on partner countries.

4. Yet, despite the increasing interest surrounding programme aid, what we know about its effectiveness still suffers from a number of shortcomings. Most information available is often based on a restricted number of cases (i.e. Uganda, Mozambique, Tanzania and Vietnam) and tends to remain dispersed among different donors. This prevents cross country comparability, and hinders lessons sharing and learning among donors.

5. As the debate around PA is broad, providing an exhaustive and detailed summary of the issues which need to be addressed to solve this information gap is not possible here. It seems nevertheless clear that attention needs to be given to issues relating to both the process and outcomes of programme aid. This would for instance include the following questions:

- *Are PA instruments suitable to different countries and contexts?*

PA seems to be working in appropriate enabling environments made of sound policies and strong institutions. There is nevertheless less evidence on the effectiveness of programme aid in less-than-good performers.

- *To what extent are programme aid modalities compatible and consistent with other aid assistance frameworks?*

There is scarce information on the inter-relationship between programme and project aid, and between PA and other recently emerging aid assistance frameworks, such as for instance the relationship between SWAps and PRSPs.

- *Is the role of non-state actors taken into account by programme aid modalities?*

PA tends to emphasise the role of government agencies in the development process. There is a growing demand for information on PA's impact on civil society and the private sector, particularly in the context of consultative processes around PRSPs.

- *In what way do programme aid instruments impact on recipient countries' governance structures?*

According to some evidence, SWAps and other forms of programme aid seem to substantially affect the balance underpinning the central-local government framework, usually leading to a weakening of local governments.

- *To what extent do programme aid modalities address issues of capacity?*

Weak capacity in partner countries is a well known obstacle to the use of programme aid approaches. But the recognition that donors might also lack the capabilities to consistently operate through programme aid modalities is slowly emerging. Some donors are still grappling with the change in culture and management practices required by a broader reliance on PA, which affects the skill mix of their staff, the need to focus more strongly on operational areas such as public financial management, the degree of decentralization in their agencies, as well as broader issues of coordination, harmonization, attribution and external accountability.

### **The potential role of the Evaluation Network**

6. With the launch of the GBS Joint Evaluation, Members will address questions concerning the use of this aid modality through thematic lessons comparable across countries. There are however other areas of programme aid on which Members already have developed a substantial experience, such as for instance sector support and debt relief. Here as well, the demand for timely insights from evaluation is high, as is the need for developing appropriate methods and tools.

7. The dissemination and feedback of evaluation results also need to be addressed. By linking up practitioners and analysts from aid agencies, NGOs and the research community, the Learning Network on Programme Aid (LENPA) might provide a useful outlet for channelling insights and lessons from evaluations, particularly on issues of process. The Network could begin to explore the potential for collaboration with LENPA on the dissemination of process-focused evaluations and also other ways to reach other stakeholders.

8. A few suggestions are here proposed to elicit a discussion on the role that the Network could consider playing in the area of evaluations of programme aid.

### ***Possible Areas of Action***

9. In keeping with its experience in taking stock of existing evaluation knowledge and stimulating new work, the Evaluation Network can provide a “learning hub” delivering sound evidence and reality-based findings to different stakeholder constituencies. This would involve actions along four main axes:

- Review of Evaluations. This would consist of a detailed inventory of past and ongoing evaluations dealing with PA, followed by thematic syntheses based on the demand from the policy and operational communities.
- Tools and Methods. The Network provides a vantage point from where the development of methodologies, tools, assessment frameworks and criteria can be undertaken by drawing on Members’ combined experiences.
- New Evaluations. This would involve an identification of critical issues surrounding PA, which have until now been left unexplored, followed by the encouragement / setting up of new evaluations in these areas, to be undertaken by Members individually or jointly.
- Dissemination. Meeting the demand for evaluation results on different forms of programme aid will not only involve delivering the right products but also devising the most appropriate dissemination strategy. This could involve collaboration with existing structures such as LENPA but also consideration given to new ways of reaching out to the policy and operational communities, particularly on product evaluations.

### ***Issues for discussion***

10. In discussing the issues above, Members may wish to address the following questions:

- Do Members see a need for an enhanced mechanism for sharing lessons on evaluations of programme aid?
- Can the Network play the role of an evaluation learning platform/forum on PA?
- How can the Network respond to the demand by the policy and practitioner communities for lessons learning on PA?
- Is there a need / scope for carrying out new joint evaluations in this field, and which areas should be prioritised?