



ROOM DOCUMENT NO. 9

DAC WORKING PARTY ON AID EVALUATION

**APPROACH PAPER FOR A MULTI-PARTNER
EVALUATION OF THE COMPREHENSIVE
DEVELOPMENT FRAMEWORK**

Submitted by the World Bank

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Approach Paper for a Multi-Partner Evaluation of the Comprehensive Development Framework¹

Background

1. This paper describes the scope and basic components for a multi-stakeholder, multi-country evaluation of the Comprehensive Development Framework (CDF).² It is intended to serve as a basis for decisions by:

- CDF pilot and other countries to participate in the evaluation;
- development agencies to contribute financially and intellectually to the evaluation; and
- the Evaluation Steering Committee and the Board Committee on Development Effectiveness (CODE) of the World Bank to empower the Evaluation Management Group to prepare a detailed evaluation design.

2. The CDF comprises a set of principles that a number of developing countries and development assistance agencies have been seeking to put into practice over the last two years. Although the CDF, as such, was articulated by the World Bank President in January 1999, the principles on which it is based are distilled from development experience over the last five decades.³

3. In late 1999, CODE asked the Operations Evaluation Department (OED) to conduct an evaluation of the implementation of the CDF. At about the same time the Bank's Development Research Group (DECRG) proposed conducting research on the CDF. This led to an agreement by the two units to undertake the CDF evaluation as a joint effort. To launch and help guide the evaluation, about fifty persons from CDF pilot countries, donors and other development agencies, nongovernmental organizations, and academic institutions were invited to a workshop in Washington D.C. on October 19 and 20, 2000. A subsequent session on the CDF evaluation was held at the November 2000 meeting of the OECD/DAC Evaluation Working Party.

4. Based on the interest evinced at these meetings, 30 representatives of donors, developing countries, and other development organizations were invited to a meeting in Paris, January 16, 2001.⁴ This group agreed to form a multi-stakeholder CDF Evaluation Steering Committee. It confirmed that the design and governance of the evaluation should reflect the CDF principles of ownership, partnership, and participation, with full involvement of development agencies⁵ and recipients, including civil society and the private sector. It also highlighted the need for a timely assessment of how CDF principles are being implemented within countries' development processes, taking full account of the Poverty Reduction Strategy Paper (PRSP) initiative.⁶

¹ For further information regarding participation in the evaluation, please contact John Eriksson of the CDF Evaluation Secretariat at jeriksson@worldbank.org or at 1-202-458-8435.

² Governance and management structure and schedule are described in Annex 1, pp. 12-14.

³ See the *1999 Annual Review of Development Effectiveness*, issued by the Operations Evaluation Department (OED) of the World Bank, for an examination of the lessons of development experience through the lens of the CDF principles.

⁴ A summary of this meeting, a list of participants, and other pertinent documents can be found on the CDF Evaluation website identified at the end of paragraph 3, Annex 1.

⁵ The term "development agencies" is used to mean official bilateral donors and multilateral development assistance organizations, as well as international NGOs.

⁶ As discussed at greater length in paragraph 20 below, the evaluation will seek complementarity and to avoid duplication with ongoing PRSP monitoring and evaluation efforts, such as those being undertaken under the auspices of the Strategic Partnership with Africa (SPA) and the UN Economic Commission for Africa (UNECA).

Objectives and Scope

5. The objectives of the evaluation are: (1) to assess how the CDF is being implemented on the ground; (2) to identify the factors that have facilitated implementation of CDF principles and those that have hindered it; and (3) to promote learning and capacity development in countries where CDF principles are being implemented. The evaluation will deal with the relevance, efficacy, and efficiency of the overall development assistance system in selected countries, both on the ground and at the policy level, including linkages to the international development assistance architecture and the *International Development Goals* (IDGs).

Box 1 The Principles of the Comprehensive Development Framework

(drawn in part from World Bank, CDF Secretariat, *Comprehensive Development Framework. Country Experience. March 1999-July 2000*. Washington: September 2000, pp. 80-81)

I. Long-term, Holistic Development Framework

Addressing a country's development priorities requires a strong anchor in an appropriate, consistent, long-term vision of its needs and ways to address them. The vision also needs to be holistic; i.e., it needs to:

- Be all encompassing, taking into account simultaneously the key economic and financial issues, the requirements of structural change, the social issues, and other factors impinging on the country's social and economic development.
- Cover the inter-linkages between sectors, since success in one sector is often linked integrally to progress in others.

Development interventions funded by the Government and donors need to be carefully reviewed and appropriately sequenced in order to obtain the optimal mix of policies, programs, and instruments within an overall hard budget constraint.

II. Country Ownership

The country needs to be in the driver's seat, owning and directing the development agenda with the support of all other actors. The Executive Branch of Government, therefore, needs to build consensus internally within the Government, including the legislative structures and all other levels of Government, and to consult with all stakeholders outside Government, including the private sector and other elements of civil society, as well as with the country's external partners. The purpose of such consultation is to draw out ideas, knowledge, and opinions and to promote the building of consensus on the strategy expressed in the long-term, holistic vision. Enabling such ownership will often require strengthening of capacity in government and elsewhere in society.

III. Partnership

Enabling the country to be in the driver's seat requires strong partnership among the Executive Branch of Government, other levels of Government, the legislature, local authorities, civil society, the private sector, donors, international agencies, and other development actors. Such partnership should:

- Bring together, within a single framework, under Government leadership, analytical and diagnostic work.
- Align donor actions to the national strategy and promote selectivity to avoid duplication.
- Reduce wasteful competition.
- Encourage common procedures amongst all development partners.
- Support the government's lead in managing aid coordination.

IV. Results Orientation

A country's national vision needs to link its overall aim to concrete development results, in a way in which progress towards the aims of that vision can be assessed. These development results are those sought through a broad-based national dialogue process. Since a key aim of the CDF is more effective and sustainable poverty reduction, the specific development results sought should be guided and informed by the *International Development Goals* (IDGs) which have emerged, mostly from agreements in UN conferences during the 1990s.

6. A characterization of the four CDF principles and some of their properties is given in Box 1. The elaboration of these principles continues to evolve. There is no authoritative set of definitions. This evaluation itself should help to refine their meaning.

7. The evaluation will consist of the following main components:
- case studies of five CDF pilot countries and one non-CDF pilot country
 - five thematic studies and a cross-cutting econometric study
 - an overall synthesis study.
8. The primary target audiences for the evaluation are the key government, donor, civil society and private sector stakeholders in the case study countries, and senior managements and governing authorities of development agencies. Secondary target audiences are stakeholders in other developing countries and tertiary audiences are the tax paying citizens of all countries.
9. The primary orientation of the evaluation is on *self-evaluation and learning*. All main actors and their behavior, processes, and practices with respect to CDF implementation will be subject to evaluative review, whether donors, governments, civil society, or private sector. The evaluation will seek to model sustainable ways of implementing the CDF principles.⁷

THE FUNCTIONALITY OF CDF IMPLEMENTATION: A “BALANCE SHEET” APPROACH

10. The CDF principles as outlined in Box 1 have achieved broad acceptance. The evaluation will ascertain whether they have been practiced and, if so, whether the ways in which they have been implemented have been functional for pursuing overarching development objectives, such as the IDGs.⁸ This requires an identification of the possible benefits and costs of CDF implementation. Twelve potential benefits and ten potential costs are suggested in Box 2. This list is not exhaustive; it will be expanded and refined for the evaluation design. The benefits and costs will be framed as hypotheses with associated “tests,” or evaluation questions. An illustrative set of hypotheses and questions for the ownership-participation principle is presented in Annex 2.

⁷ This does not preclude the possibility that, for example, country studies or the synthesis study would recommend an independent panel to review donor performance be considered, but this should not be confused with the country studies themselves.

⁸The IDGs call for the achievement of quantitative global goals in poverty reduction, infant and maternal mortality, primary and secondary education, access to reproductive health services, eliminating gender disparities, and environmental sustainability, over the next 15 years. See Annex 3 (p. 19) for specific quantitative IDG goals and indicators.

Box 2. A Balance Sheet Approach to Evaluating the CDF: An Illustration

Potential Benefits of CDF Implementation

Long-term, Holistic Development Framework

- The CDF focus on results, the long term, and a holistic vision promotes the quality of development policy and strategic planning and the link between planning and budgeting.
- This focus also improves the quality of public expenditures, and the capacity for public expenditure management and sustainable resource management in countries.

Country Ownership

- The CDF fosters country ownership, based on “rules of the game” that are mutually agreed by development partners and are facilitated by changed behavior on the part of IFIs, bilateral donors and other development agencies to create space for ownership.
- In turn, such ownership leads to better policies and processes than old style conditionality (e.g. geared to greater equity and faster poverty reduction because of more inclusive decision-making).
- Holistic approaches have led to a better combination of quantitative and qualitative assessments of poverty in decision and policy making.
- The CDF leads to broad-based ownership, anchored around the legislature in a democratic system, that recognizes other stake holders (e.g. civil service, NGOs, business and professional groups) as well as the need for greater political independence of some institutions (e.g. the central bank).
- Broad-based ownership leads to less policy reversal, better implementation, and better policy design.
- Vulnerable and marginalized groups, women in particular, have been better represented and more involved as a result of implementation of CDF principles.

Partnership

- The CDF matrix—the categories in the rows (sectors) and columns (development actors and partners) and their degree of aggregation—can influence the incentives for development agencies in a way that fosters collective actions among them in a context of partnership.
- Implementation of the partnership principle will result in greater coherence and efficiency (lower transaction costs) of aid programs.

Results Orientation

- In turn, the ensuing new aid regime will enhance accountability and good governance.
- A results focus leads to a more flexible and immediate means for citizens to be involved in providing direct feedback on the quality of government-provided services.

Potential Costs of CDF Implementation

Country Ownership

- Enhanced ownership may lead to programs that sharply violate some broadly accepted development policies, and “old style” conditionality may be the only alternative acceptable to donors.
- To the extent that there are only a few governments involved in the CDF, yardstick convergence generated by peer-pressure may not be possible to realize under broadly-based ownership.
- Similarly, country capacity may be so weak under some conditions (e.g. conflict and post-conflict countries) that reliance on country ownership will need to be circumscribed.
- The implementation of CDF principles may be perceived by civil society organizations as being imposed by donors.
- Broader participation could result in loss of prioritization; diluted role of professional expertise; and/or undue influence of narrow but well-organized lobbies.
- The CDF may tend to undermine sustainability of growth, because more inclusive decision taking might make it harder to sustain growth-enhancing policies.
- Broad-based participation could be very time- and transactions-intensive.

Partnership

- Greater emphasis on partnership could result in higher transaction costs of aid delivery if development agency partners do not agree to harmonize procedures and conditionality.
- Closer alignment of donor and governmental priorities could come at the expense of civil society-government relations.
- With intensified coordination, major donors may still not adequately consult relevant stakeholders.

Results Orientation

- Could lead to excessive focus on indicators and bureaucratic proliferation of “score cards.”

A LOGICAL FRAMEWORK FOR THE CDF PRINCIPLES

11. The employment of a “Log Frame” helps to clarify how the CDF principles contribute to higher order development objectives. As shown in Annex 3 (pp. 19-20), *inputs* are the actions taken and costs incurred by partners to create a holistic, long-term development framework, and to improve ownership, partnership, and results orientation of poverty reduction programs. *Outputs* are the changed behaviors of partners, reflecting the CDF principles. The *purposes* are the country enabling conditions, as reflected in country level policy, institutional, and aid quality *outcome indicators*. *Goals* are measured by *impact indicators* defined case by case in light of the International Development Goals (IDGs). The assumptions on the basis of which the results chain is constructed will be specified in each case. The Log Frames will help to connect the Balance Sheet approach with the aid quality considerations, e.g. the role of country ownership in improving development results (a balance sheet type of analysis) will depend in part on whether aid flows are influenced by the policy environment (an aid quality consideration). Costs and benefits and core evaluation questions will emerge from the Log Frames. The Design Paper will fully articulate four Log Frames, one for each of the CDF principles and show how they feed into higher level purposes and goals, thus comprising a composite Log Frame.

OTHER METHODOLOGICAL CONSIDERATIONS

12. Country-specific and thematic studies will be guided by the same conceptual model. This will enhance cross-fertilization and comparability, though there will be room for useful differentiation in terms of methodology of analysis and tailor made features will be introduced to respond to individual country needs. Initial results of the thematic studies, which will be desk studies, will be shared with the country case study teams for potential in-depth exploration.

13. Additional features of the design and methodology for the evaluation will be covered in the detailed Design Paper to be developed as a next step in the process, taking full account of comments made by Steering Committee members. For example, an aspect that will be addressed in the Design Paper is the potential *inter-relationships* among CDF principles and the possibility that certain sequences may be associated with more lasting impact than others (e.g. ownership before other principles). The evaluation itself is expected to illuminate such relationships. The methodology will be subject to further refinement during the early stages of implementation of the country and thematic studies, as indicated below.

Country Case Studies

14. Country studies will review the experience of five CDF pilot countries and one non-CDF pilot country where one or more CDF principles have been applied.⁹ Given the short period of time since the CDF has been consciously implemented, it will not be possible for the country studies to assess the *impacts* of CDF implementation on the overarching development goals represented by the IDGs. However, the country reviews will throw light on the evaluability of individual CDF programs in terms of the linkages intended by stakeholders between CDF processes and priority development goals. A main focus of the country studies will, as explained above, be on changes observed in *outcomes, outputs, and inputs* in connection with the extent and quality of implementation of the CDF principles. Some of these changes should favor positive development impacts while others could be inimical to development given the tensions (along with the synergies) that have been shown to exist among the CDF principles.

15. The country studies will not constitute “country evaluations” as normally undertaken by the World Bank and other development agencies, although they will draw on relevant methodologies to assess the performance of development actors. They will be planned and

⁹ The thematic studies, described in paragraphs 21-25 of the main text, will also include the experience of non-CDF pilot countries in their analyses but will not involve field work.

designed in full consultation with country authorities in order to reflect their special interests and their individual circumstances. To the full extent feasible, they will be implemented with participation from the various partners active in the country – government, civil society, private sector, donors, and other development agencies. These stakeholders will constitute a *country steering committee* for each case study. The aim will be to initiate a process that informs decision makers and leads to institutional change in support of poverty reduction.

16. The selection of case study countries will be mainly determined by the interest of the country concerned and its development partners to participate actively in the evaluation. Other selection criteria will include maintaining balance in terms of regional coverage and avoiding overlap with other related evaluative efforts, such as the ongoing SPA-sponsored country case studies of PRSP implementation in eight African countries and the UNECA “PRSP Learning Group” initiative. At least one non-PRSP CDF pilot country will be included.

17. The first field visit to a country will consist of a scoping mission of one or two persons, including at least one member of the evaluation secretariat team. They will work with the country steering committee and a local institution¹⁰ to:

- agree on the detailed terms-of-reference and implementation modalities for the country study;
- assemble and analyze pertinent literature, documents, and data sources;
- design questionnaire surveys of key stakeholders to be subsequently administered by the local institution;
- design key informant and focus group interview protocols for the second visit;¹¹
- plan and make arrangements for a more extensive second visit, to take place 4-to-6 weeks after the first visit (after the results of the questionnaire surveys are available).

18. The second field visit will be composed of two-to-three highly qualified professionals, drawn from, or representing, the key development agencies active in the country. They will join with a local team composed of a like number of individuals drawn from the local steering committee and/or local partner institution. The combined team should be skilled at facilitating interviews and workshops, as well as having good analytical skills. They will conduct key informant and focus group interviews and analyze the results of the various data sources, including surveys. Meetings or workshops will be held with key stakeholders, including decision makers, to discuss and validate the findings of the analyses of surveys, interviews, and other data sources, drawing out their policy and programmatic implications. The roles of *all* partners in the development of the country, including donors and other development agencies, will be assessed through these data gathering and workshop activities. Senior officials of the main donors and development agencies will be invited to join decision-maker level workshops during the last day or two of this second mission – or perhaps slightly after the mission, when a draft report is ready.

19. An important value expected to be achieved is the learning that will take place through the process, including the nurturing of domestic monitoring and evaluation capacity development. Another objective will be to encourage the creation of an ongoing mechanism for periodic assessment of CDF processes and feedback to decision makers.

20. In those countries where PRSPs have been, or are being prepared, the relationships between the CDF and the PRSP will be explored, taking into account the early stage of PRSPs. A thorough review will be made of ongoing PRSP monitoring efforts, such as those conducted under the auspices of the Strategic Partnership with Africa (SPA) and the UN

¹⁰ Members from the case study countries on the main Steering Committee will be asked to help identify members for each country steering committee and in the selection of the local institution.

¹¹ The questions posed in the survey and interview protocols will include “core questions” developed in the evaluation Design Paper, but will also include country-specific questions proposed by the local steering committee and partner institution(s).

Economic Commission for Africa (UNECA). The objective will be to avoid duplication and to explore possibilities for complementarity and cooperation.¹² The CDF evaluation should help define the methods and processes for an in-depth PRSP evaluation at a later stage of PRSP implementation.¹³

Thematic Studies

21. Six thematic studies are proposed: one on each of the four CDF principles; one on CDF-PRSP linkages; and a paper that will attempt a cross-country econometric analysis. These studies will give particular attention to the impact on aid effectiveness of donor and development agency behavior as reflected in their policies, procedures, and practices.¹⁴

22. Although the CDF as such was introduced only recently, its principles were previously practiced at various times in different countries. Therefore, the cross-country analysis will measure whether countries and development agencies that practiced something close to the CDF principles performed better (in terms of processes and outcomes) than countries and agencies that did not. The method for testing this hypothesis will utilize a modified-control-group model. The analysis will require indicators of “closeness” to CDF principles, processes, intermediate outcomes, and development impacts. The Log Frames, to be developed more fully in the Design Paper, will help to guide these analyses. Examples of types of indicators to be used and/or developed for each of the four principles follow.

- *Long-term, holistic development framework.* Indicators of country priorities, as well as sector balance, will be derived from various sources, including the Bank’s Social and Structural Reviews (SSRs). This will permit testing whether countries where these priorities were part of a long-term, holistic vision performed better.
- *Country ownership and participation.* Indicators of country ownership have been developed by OED. These will be adapted to assess the conditions under which greater ownership leads to better results. Equally, the extent of participation can be approximated by governance indicators being developed.
- *Partnership.* Various proxies have been proposed for the quality of partnership and of aid coordination. For example, indicators of extent of tied aid, project vs. program aid, and harmonization of development agency processes will be used to examine the linkage of these factors to outcomes.
- *Results orientation.* Indicators of focus on poverty reduction and other related dimensions of development outcomes and impacts, availability of long-term development frameworks, and learning from results will be developed and tested for both countries and agencies.

23. The first four papers will focus on developing detailed indicators of “functionality” for these principles; while the fifth paper will address linkages to the PRSPs. The overarching development objective of achieving a meaningful and lasting impact on poverty would be a cross-cutting issue in all four of the CDF principles papers. At the same time, a dedicated thematic paper on CDF-PRSP linkages would make a distinctive contribution. While it will be

¹² In-depth country case studies on PRSP implementation are being conducted in eight African countries under the auspices of the SPA. The countries are: Benin, Ghana, Kenya, Malawi, Mali, Mozambique, Rwanda, and Tanzania. The studies are being conducted by the Overseas Development Institute (ODI) in London, under the supervision of DFID. Preliminary reports are to be prepared by mid-2001. ODI, with DFID support, is also embarking on a PRSP monitoring effort. UNECA is establishing a “PRSP Learning Group” to provide a forum for exchange of views and experiences with the PRSP process among African countries. The CDF evaluation secretariat has initiated a dialogue with the managers of these efforts.

¹³ Illustrative questions to be addressed by the country studies are suggested in Annex 4.

¹⁴ These considerations are discussed in two recent documents: *Aid and Reform in Africa* by Shanta Devarajan, David Dollar, and Torgny Holmgren, eds. (World Bank, 2001) and *Development Effectiveness: What Have We Learned?* by Paul Collier and David Dollar (mimeo, World Bank, January 2001).

important to analyze the linkages between the CDF and PRSPs in each of the four papers, these by themselves would be rather limited and partial analyses because they would be focusing on the marginal effects of individual CDF principles. A thematic paper focusing on CDF-PRSP linkages could provide a valuable input to the World Bank and other multilateral and bilateral development institutions as they strive to ensure that the PRSP initiative is appropriately situated in a context of a holistic development vision.

24. The sixth paper will attempt to link the range of intermediate outcomes and processes identified in the first five papers to key development impacts. Several indicators of development impacts will be used, including aggregate measures, such as GDP per capita; distributional indicators, such as the income of the bottom quintile; and, where available, other indicators of well being, such as infant mortality, life expectancy, and educational attainment. To facilitate comparison, among the indicators to be employed will be those also used to measure progress toward the International Development Goals (IDGs –see Annex 3, p.19). The focus of this paper will therefore be to assess the functionality of the four CDF principles as a means for testing their potential influence on development impacts. The main elements of the methodology are:

- i. Analysis of association/correlation among functional indicators of CDF and development outcomes and impacts:
 - hypothesis on possible association/correlation (though not necessarily causation)
 - corresponding preliminary methods of analysis
 - the potential value of the exercise for the country-specific case studies.
- ii. Estimating the marginal contribution of the CDF:
 - framework for analyzing the marginal contribution of a CDF-like environment to development, controlling for the counterfactual of "what would the treatment country have done without the CDF-like experience"
 - potential implications of the results for the country-specific case studies.

The Design Paper will elucidate additional technical details of the methodology to be employed in the analysis.

25. The foregoing suggests the following implications for analyzing the impact of CDF implementation on development outcomes:

- Processes and intermediate outcomes of CDF implementation are inseparable from the task of evaluating its effect on development impacts.¹⁵
- Development partners are often faced with real trade-offs when, for example, ownership produces programs that donors and development agencies find difficulty agreeing with.¹⁶
- Adoption/implementation of CDF principles is also influenced by the initial conditions relating to development performance, intermediate outcomes, and processes, among others.
- The analysis should be placed in a broader and more dynamic context that accounts for the process of learning and capacity building as the CDF proceeds.

Assessing the Quality of Aid

¹⁵ Ultimate development impacts (e.g. life expectancy) are jointly determined by the adoption and implementation of the CDF principles as well as the intermediate outcomes and processes (e.g. expenditure programs, central bank independence or extent of engagement of civil society). Intermediate outcomes/ processes in turn, are also determined by the application of CDF principles. See Annex 3, pp. 19-20.

¹⁶ In a paper prepared for the October 19-20, 2000 Workshop on the CDF Evaluation, John Williamson suggests that in these cases, "striking the right balance will involve recognizing (a) that there is room for professional disagreement even among those who share a common intellectual framework, and (b) that no one is omnipotent and there is often scope for extra ideas to be injected into the policy dialogue to mutual advantage." (John Williamson, "Country Ownership, Public Participation, and the CDF," 2000: 3).

26. Recent research and policy work on development aid has focused on the importance of a good policy environment for aid effectiveness. However, effectiveness is also constrained by the quality of aid, including its instruments, delivery mechanisms for knowledge and resources, and donor coordination. Recipients and development agencies have a mutual responsibility for development outcomes and the distinctive accountabilities and reciprocal obligations of all parties. This is all the more important given that the developing countries and regions where poverty is the highest and institutions are the weakest, are also the ones that are likely to be the most aid-dependent. Although it is clearly not the only consideration, improvements in the quality of aid in these countries can make a critical contribution to achieving the levels of growth required for poverty reduction on a sustained basis. Unfortunately, these countries commonly experience what might be characterized as an “aid-bombardment” syndrome.¹⁷ This syndrome (an unintended consequence of poor aid coordination) is apparent in countries in which the sheer volume of resources and numbers of development agencies, activities, and complex and inconsistent procedural requirements overwhelm the government’s capacity to plan, budget, manage, monitor, and evaluate.

27. Meaningful improvement in aid quality will require greater coherence, selectivity, and efficiency in development agency support of country development strategies. It will also require more effective support for capacity strengthening so that recipient countries with a sound policy framework can assume greater leadership and responsibility for the management and coordination of aid resources. Success in tackling these issues cannot be achieved solely at the country level; actions are also required at the headquarters levels of development agencies. Therefore, both the country and thematic studies of the CDF evaluation will examine the quality of country-led partnerships and their relationship to mandated aid procedures and to development effectiveness on the ground. In this connection, ongoing work of the OECD Development Assistance Committee (DAC), such as its Peer Reviews and the new Bilateral Task Force on Donor Practices, is particularly relevant.

28. A range of partnership and aid quality issues at the country and global levels are presented in Box 3 below. While such issues as those dealing with international public goods, debt relief, and trade cannot be covered in depth in this evaluation, they do relate to aid effectiveness. These linkages will be examined in the country and thematic studies where relevant.

¹⁷ This term and the set of issues it entails are discussed in World Bank, Operations Evaluation Department (OED), *Review of Aid Coordination and the Role of the World Bank*, Report No. 19840, October 28, 1999, pp. 15-17.

Box 3. Global and Country Level Partnership Issues

- ⇒ *Expanding partnerships and participation.* Partnerships, coordination, and dialogue are needed to build consensus on coherent programs. How do donors translate the concepts of partnership and participation into decisions on aid allocations—including to countries with views on development that differ from theirs? How do donors interact with civil society and with representative institutions—particularly parliaments—in ways that ensure they are well informed and properly involved in aid programs and processes and yet respect local institutions, policies, and processes? How might a “code of conduct” help?
- ⇒ *Reducing aid delivery transactions costs.* Harmonizing aid delivery policies and procedures, so as to reduce the heavy burden they often impose on poor countries, may well require development agencies to seek changes from their authorizing environments. To what extent are they prepared to do this?
- ⇒ *Strengthening capacity and fostering ownership.* Are development agencies prepared to support programs for skills retention rather than for expatriate technical assistance? Are they willing to support comprehensive multi-donor programs and not fragmented programs that tend to undermine capacity (e.g. with their own administrative procedures and implementation units, ad hoc budgets, etc.)?
- ⇒ *Decentralizing development.* Many countries are devolving greater responsibilities and authority to local governments and communities so as to be more responsive to the needs of the poor. How can aid agencies support this process and at the same time strengthen the capacity of local entities to manage development programs?
- ⇒ *Moving beyond boundaries.* Aid mechanisms mostly focus on countries, but the 21st century will see a growing need for a range of international and regional public goods (e.g. in the areas of agricultural research, vaccine development, knowledge creation and acquisition, and conflict management). How should mechanisms for regional aid delivery be enhanced to support such efforts?
- ⇒ *Enhancing debt relief.* It is well established that high indebtedness reduces the quality of aid and perpetuates aid dependency. Excessive debt creates expectations of future taxes and policy reversals, which reduce the incentives for current investment. High fixed debt service obligations increase countries’ leverage and raise uncertainty, especially if donor funding is decided on a short-term basis. Has incremental debt relief through the “HIPC” initiative proceeded at a sufficient pace to make a meaningful impact?
- ⇒ *What basis for selectivity?* Reallocating aid toward countries that are poor but maintain good policies would increase the development effectiveness of aid. In the past donors have undermined incentives by providing aid even when conditions are unfavorable. Is assistance being allocated on a more selective basis?
- ⇒ *Moving away from aid dependence.* Though aid cannot be phased out rapidly, plans should be made to free countries from aid dependence. Such plans need to be endorsed by recipients and their development partners and anchored in mutually agreed strategies of making recipient countries economically competitive and reducing poverty. What role can donors and development agencies, including the World Bank, play in supporting the agenda of poor countries in the WTO to ensure that WTO rule making mechanisms are made compatible with the development requirements of poor countries?

Sources: Adapted from OED, *op.cit.*, and *Can Africa Claim the 21st Century?*, a collaborative report of the African Development Bank, African Economic Research Consortium, Global Coalition for Africa, UN Economic Commission for Africa, and World Bank (Washington, D.C.: World Bank, 2000).

SYNTHESIS REPORT

29. Cross-cutting conclusions and lessons will be drawn from the country studies and thematic studies and presented in an overall synthesis report. Based on these conclusions, the report will frame recommendations for consideration by members of the Steering Committee and the entities they represent.

Dissemination Strategy

30. The workshops will be a major dissemination vehicle for the country studies. A dissemination strategy for the final products, such as the overall Synthesis Report and selected thematic and country studies, is an important issue that will be addressed in the Design Paper. The workshop is proposed in late calendar 2002 to discuss the main findings and conclusions of the Synthesis Report.

**CDF Evaluation Secretariat
May 2001**

Annex 1. Governance and Management Structure, and Schedule

1. Two entities will provide the governance and management for the evaluation:

a) Steering Committee of about thirty members

This governing body establishes the mandate for the evaluation and oversees its implementation. In addition to the initiating meeting of January 16, 2001, the Steering Committee will meet three times:

- June 14, 2001 (hosted by Danida in Copenhagen) -- to agree on detailed terms of reference and modes of implementation, including mobilization of study teams and consultants.
- January 2002 – to review progress of the evaluation.
- January 2003 -- to endorse the evaluation conclusions and recommendations.

Membership will include:

- About 10-12 representatives of donors to the evaluation, including the Chair of the OECD/DAC Evaluation Working Party
- Representatives of the six case study countries
- A representative for Multilateral Development Banks (the current chair of the MDB Evaluation Cooperation Group, from the AfDB)
- About 3-4 representatives of NGOs, civil society, and research institutions
- About 2-3 representatives of the private sector
- The President of the OECD Development Center
- A representative of the OECD/DAC Secretariat (Development Cooperation Directorate)
- UN Economic Commission for Africa representative (UNECA)
- UNDP representative
- IMF representative
- World Bank CDF Secretariat representative
- The Director General of Operations Evaluation and the Director of the Development Research Group of the World Bank (as co-chairs of the Steering Committee)¹⁸

b) A Management Group of five members

This group will manage the evaluation, commission elements of the work, and sign off on the country and thematic studies and the synthesis report. The group will meet at least twice a year, including just prior to each meeting of the Steering Committee. Members will be in frequent communication with each other by electronic means. The Management Group, as endorsed by the January 16 meeting of the Steering Committee, includes:

- World Bank co-chairs: DG of Operations Evaluation and Director of Development Research Group
- Donor representative: Chair of the DAC Evaluation Working Party
- Two CDF pilot country representatives:
 - Bolivia (DG of External Finance, Ministry of Finance)
 - Uganda (Governor of the Bank of Uganda)

¹⁸ A list of persons who attended the initiating meeting of the CDF Evaluation Steering Committee in Paris, January 16, 2001, can be found on the Evaluation webpage identified in paragraph 3 of Annex 1. The Management Group will propose one or more additional names from the private sector and civil society as Steering Committee members.

2. The Steering Committee and Management Group will be supported by a secretariat comprised of staff from the Operations Evaluation Department (OED) and the Development Research Group (DECRG) of the World Bank. The secretariat will also oversee the preparation of detailed terms of reference for the country and thematic studies, mobilize study teams and consultants, and provide day-to-day oversight of study progress. The Management Group and the secretariat will assemble a list of individuals who could serve as occasional external advisors on evaluation design and methodology. These advisers could include Steering Committee members, who would act in their individual capacities. The advisers will be drawn from relevant fields, including economics, political science and related fields, reflecting the various dimensions of the changes called for by implementation of CDF principles.

3. All pertinent CDF evaluation documents, including a summary of the January 16 meeting and the revised Approach Paper, will be posted on the evaluation's own website. The temporary web address follows (which also may be entered from the World Bank external website and links to "Evaluation" and "Operations Evaluation Department"). The permanent address will be made known as soon as available.

<http://wbln0018.worldbank.org/oed/oedevent.nsf/2eb5f3212da493e7852567eb00082ca9/1701ef415bbff18f852569de004efefa?OpenDocument>

Implementation Modes and Processes

4. The following implementation modes and processes are proposed for the evaluation:

- 1) For the *country studies*, a member of the secretariat will work with a consultant in undertaking the initial scoping mission for each of the six studies and in coordinating and supporting the subsequent multi-partner missions described in paragraph 18 of the main text. The consultants will be selected from a short list developed by the Management Group from suggestions submitted by Steering Committee members. The short list will be developed on the basis of criteria set by the Management Group, in consultation with the Steering Committee.
- 2) For the *thematic studies*, a member of the secretariat will oversee and direct consultants, who will prepare the studies. The consultants will be selected from a short list, based on criteria set by the Management Group, in consultation with the Steering Committee.
- 3) As the work progresses, the country and thematic study teams will stay in close communication electronically and through periodic meetings in order to maximize the benefits of cross-fertilization to the design and results of each set of studies.
- 4) The Management Group, in consultation with the Steering Committee, will select one or more consultants to work with the secretariat to prepare the overall *Synthesis Report*. The secretariat will arrange for research and editorial assistance for the authors of the Synthesis Report.

Schedule

5. The evaluation schedule includes the following milestones:

- June 14, 2001 –Steering Committee meets to agree on detailed terms of reference and modes of implementation, including mobilization of study teams and consultants.
- May-July 2001 –Management Group and secretariat mobilize evaluation teams and oversee implementation of the evaluation.
- July 2001-July 2002 –Country studies and thematic studies are conducted.

- January 2002 –Steering Committee meets to review evaluation progress, including review of country and thematic studies available in draft and terms of reference and schedule for Synthesis Report.
- June-July 2002 –remaining draft country and thematic studies sent to Steering Committee for review and comment.
- September 2002 –draft Synthesis Report sent to Steering Committee for comment.
- November 2002 –Workshop to discuss main findings and conclusions of Synthesis Report.
- January 2003 –Steering Committee and World Bank Committee on Development Effectiveness (CODE) hold meetings to review and endorse conclusions and recommendations of final Synthesis Report.

Annex 2. Illustrative Hypotheses Regarding Ownership and Participation

The potential benefits and costs of implementing the CDF ownership-participation principle are illustrated below in the form of eleven hypotheses and associated “tests” or evaluation questions. The first five are concerned with possible benefits and the last six are concerned with costs.

Benefits:

Relative to the “counterfactual” of old-style (donor-imposed) conditionality, broad-based ownership and participation lead to:

Hypothesis 1: Broad-based ownership and participation lead to better implementation of policies than old-style conditionality. The key word here is *implementation*, not just what governments signed up to.

- Testing this hypothesis via evaluation questions will require developing indicators of extent of CDF implementation and of the “counterfactual” (absence of CDF implementation)

Hypothesis 2: Broad-based ownership and participation lead to fewer instances of policies being reversed (this hypothesis can be tested by direct observation).

Hypothesis 3: Broad-based ownership and participation lead to better policy design. If the key participants are all involved in policy design, stakeholders are telling policy-makers what is good for them, not just taking advice from them, and that should improve the design.

- The simplest way to test this hypothesis is to ask those who are responsible for policy design what they have learned from a participatory process. Has policy design been influenced by participation?

Hypothesis 4: Country ownership will lead to a wider set of real choices within a feasible or admissible range. In order to create the space for such choices, development agency behavior (including that of the Bretton Woods institutions) needs to change.

- The evaluation question would be: has agency behavior changed? Or is it changing? (This question is clearly relevant for the PRSPs.)

Hypothesis 5: Broad-based ownership leads to more effective participation. A necessary condition for effective participation is much more information and better capacity. The evaluation questions would be:

- Do stakeholders *know* what the strategy is once it has been agreed upon?
- Do they broadly agree with it? (Broad agreement does not necessarily require an overwhelming majority.)

Costs:

Hypothesis 6: In some cases where only “old style” conditionality is possible (e.g. when country capacity and/or social and political cohesion are exceptionally weak), attempting to apply CDF principles may be impossible or lead to worse policies. The evaluation questions could be built around cases of successful post-conflict experiences (such as Mozambique):

- Was old style macro conditionality and hands-on donors involvement necessary for successful post-conflict reconstruction?
- Is it also sufficient: could the same outcome or better be achieved by a CDF-like approach to post conflict reconstruction? (the counterfactual)

Hypothesis 7: To the extent that there only a few governments involved in the CDF, yardstick convergence generated by peer-pressure may not be possible to realize with broadly participatory ownership. The evaluation questions could be:

- Does the CDF approach to development stimulate the spread of implementation of CDF principles at the regional level ?

- How does the CDF compare to old style reform in terms of spread-effects across a given region?

Hypothesis 8: The CDF tends to produce unstable growth, because more inclusive decision taking might make it harder to stick to growth-enhancing policies, particularly following a crisis. (However, research evidence suggests quite the contrary, that in reacting to crisis, democratic and more inclusive societies do a better job of mediating distributive conflicts following crisis.) The evaluation question could be:

- How do CDF-like reform experiences compare to traditional reform experiences in terms of sustainability of growth, following external shocks?

Hypothesis 9: The CDF could lead to loss of prioritization. If everybody is “in the tent,” but everybody has different priorities and everybody has to be appeased, the “strategy” that emerges may well say that everything is important. To test this hypothesis, the extent to which the goals set under the CDF are realistic, given initial conditions, would need to be assessed.

Hypothesis 10: Broad-based participation could be very time- and transactions-intensive. The evaluation question:

- How long did it take to plan, build consensus, and finally implement a CDF program as compared to an old style reform program?

Hypothesis 11: The CDF-style of broad-based participation could be associated with unduly increased influence of small but well-organized lobbies. The evaluation questions:

- How many groups of stake holders actually shaped the programs adopted by the CDF?, and
- What percentage of the constituency do they represent?¹⁹

¹⁹ A recent report of the PRSP Institutionalization Study being undertaken for the SPA by the Overseas Development Institute (ODI) draws a distinction between two types of ownership, based on their review of PRSP implementation experience in 8 African countries. The first type is termed “identification ownership,” which applies where there is “broad-based identification with a plan that is well known to relevant stakeholders and has been widely discussed.” The second type is termed “mainstreaming ownership,” which applies where there is “structural integration of the plan into the mainstream policy processes, including the public-expenditure management systems, of the country.” While the report finds both types of ownership desirable, it also observes in some countries a short-run tradeoff between the two types, with a number of stakeholders perceiving a loss of “identification ownership” where the PRSP has led to a “more robust ‘mainstreaming ownership.’” ODI, *PRSP Institutionalisation Study (Scoping Phase) Report on Progress and Preliminary Findings*; prepared for the SPA (London: ODI, November 2000).

Annex 3. Illustrative Schematic Logical Framework for Evaluation of CDF Implementation

Narrative Summary	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
I. Goals (of CDF Principles; broad goals based on “International Development Goals” [IDGs])	Impacts (in terms of indicators of IDGs to be achieved; these entail adaptation for each country)	Means of Verification	(Since these goals are at the highest level, there are no critical assumptions to link to a higher level)
Sustainable poverty reduction	(a) Reduce proportion of people living in poverty by at least 50% by 2015	Household surveys	
	(b) Reverse trends in key indicators of environmental degradation by 2015	Industrial monitoring; household surveys	
Health for all	Reduce infant/child mortality by 2/3 & maternal mortality by 3/4 by 2015; provide all people of appropriate age groups access to reproductive health services by 2015	Demographic statistics; household surveys	
Universal primary education and eliminate gender disparities	Achieve 100% primary enrollment ratios by 2015; eliminate gender disparity at primary & secondary levels by 2005 ²⁰	School enrollment data	
II. PURPOSES (OF CDF PRINCIPLES)	Outcome Indicators	Means of Verification	Risks (that higher level goals will not be achieved)
Positive country development enabling environment, as reflected in country level policy and institutional variables	(a) Changes in indicators of <i>country policy frameworks and institutional quality</i> (at macro & key sector levels; to be specified in Design Paper). For relatively new programs, only the intended changes can be specified, thus contributing to enhancing the evaluability of the program.	Country and donor data and analyses; stakeholder surveys and interviews	Political instability; adverse weather or external economic factors (e.g. terms of trade)

²⁰ A more ambitious goal would be measured in terms of school completion rates and test performance scores.

Annex 3 (continued) Illustrative Schematic Logical Framework for Evaluation of CDF Implementation

Narrative Summary	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
II. PURPOSES (OF CDF PRINCIPLES) (continued from p. 20)	Outcome Indicators	Means of Verification	Risks (that higher level goals will not be achieved)
	(b) Changes in <i>aid quality indicators</i> (to be specified in Design Paper), Here too, intended changes rather than actual changes will be specified in the case of very new programs.	OECD/DAC and other donor data & analyses; stakeholder surveys and interviews	
III. Outputs (of implementation of CDF Principles)	Output Indicators (core output indicators to be specified in Design Paper [D.P.]	Means of Verification (core means to be specified in D.P.)	Risks (that outcomes will not be achieved; to be specified in D.P.)
A. Long-term, Holistic Development Framework	Changes in pertinent attitudes and behaviors (processes, practices) of partners (core changes to be specified in D.P.)	Document reviews; key informant surveys and interviews; workshops	Pertinent core risks to be specified in D.P.
B. Country Ownership	(Same)	(Same)	(Same)
C. Partnership	(Same)	(Same)	(Same)
D. Results Orientation	(Same)	(Same)	(Same)
IV. Inputs (for implementation of CDF Principles)	Input Indicators (core input indicators to be specified in D.P.)	Means of Verification	Risks (that outputs will not be achieved; to be specified in D.P.)
A. Long-term, Holistic Development Framework	Pertinent actions taken and costs incurred by partners (core actions and costs to be specified in D.P.)	Document reviews; key informant surveys and interviews; workshops	Pertinent core risks to be specified in D.P.
B. Country Ownership	(Same)	(Same)	(Same)
C. Partnership	(Same)	(Same)	(Same)
D. Results Orientation	(Same)	(Same)	(Same)

Annex 4. Illustrative Questions to be Addressed in Country Case Studies

The following questions, grouped by CDF principle, represent some of the issues that the country case study teams would be expected to address. For inclusion in questionnaire surveys and interview protocols, they would need to be disaggregated and reframed. Some of the questions would need to be framed as “benefit and cost” hypotheses, as in Annex 2, so as to imply the counterfactual. The answers to others would provide significant descriptive information. There would be a common core of questions for all the country studies, supplemented by questions specific to each case-study country.²¹

a) Long-term, Holistic Development Framework

- To what extent (negligible, moderate, substantial, or high) and in what way ... have development assistance agencies contributed to (or influenced) the government’s vision of long-term development and poverty reduction strategy since early 1999?
- To what extent did the process of development strategy formulation influence strategic decision-making (i.e., for priority setting, policy reforms, resource allocation)?
- ... exploit synergies arising from cross-cutting issues, such as environmentally sustainable development, private sector development, and gender?
- ... affect coherence and synergy among sectoral programs? ... coordination among sectoral ministries at the national, regional and municipality levels? ... the management of public expenditure programs? ... the design and implementation of development assistance programs and projects?

b) Country Ownership

- To what extent was there stakeholder participation in developing strategies, policies, and programs?
- To what extent and in what way ... did observance of the country ownership principle influence national dialogue and country commitment to development priorities?
- ... were the views of civil society and private sector reflected in the strategy?
- ... were implementation and sustainability of policy reforms affected?
- ... have development agencies affected government capacity to manage the development agenda since early 1999?
- ... did participation lead to the re-structuring and re-allocation of public expenditure programs?
- What were the costs, risks and constraints to emphasizing country ownership (e.g., reduced focus on accountability, vested interest capture of the process, etc.)?

c) Partnership

- How do partners perceive the costs and benefits of practicing partnership? Were the transaction costs for the country, donors, and other development organizations affected, and in what way?
- What impact did the CDF matrix have on selectivity among development agencies, based on comparative advantage? Did agencies accommodate government preferences?

²¹ All questions will need to be carefully phrased, so as to be clearly understood and not in themselves suggest a response to respondents. This is one reason why the involvement of local experts with experience in survey design and administration is important.

- What tools, processes or delivery methods (e.g., sector-wide approaches; Medium Term Expenditure Frameworks) proved most promising in facilitating partnership, selectivity, and capacity building?
- Have in-country CGs and other local coordination meetings made a difference for partnerships? How? What are the costs and benefits over the short and long term?
 - What are the obstacles to further harmonization, and to what extent can they be resolved at field level?

d) *Results Orientation*

- To what extent and in what ways have the government and its development partners shifted from reliance on expenditure data and other input information to greater use of output and outcome information in making strategic and resource allocation decisions?
- ... were country outcome objectives reflected in the “International Development Goals?”
- ... have development agencies helped the government to identify specific desired results of the development strategy and to measure achievement of the results?
- ... did the CDF matrix add value in specifying desired outcomes and in measuring progress?
- ... was there a shift to more transparent and accountable financial management?
- Was evidence of progress and impact made available to all stakeholders? With what result?