

**Evaluating Total ODA Impact – Workshop Report**

**OECD/DAC Development Evaluation Network**

REPORT OF THE WORKSHOP ON  
**EVALUATING TOTAL ODA IMPACT**

30 November 2005

Stockholm  
10-11 November 2005

## **Evaluating Total ODA Impact – Workshop Report**

In 2003, the Chair of OEDC/DAC, Richard Manning, challenged OECD/DAC Development Evaluation Network members to adopt a more comprehensive approach to evaluation and to look at the totality of ODA and what success donors are having in supporting countries efforts in reducing poverty.

The need for a more comprehensive understanding of the impact of ODA has increased as the architecture of international development cooperation has gradually become more closely integrated and following the Paris Declaration on Aid Effectiveness (2005), which highlights the importance on ownership, harmonisation, alignment, results and mutual accountability in aid delivery.

In order to respond to Richard Manning's challenge, a number of countries (Sweden, Denmark and Netherlands, working with the DAC Secretariat) commissioned a paper by Gösta Edgren on 'Assessing ODA Effectiveness at Country Level: Proposal for a Joint Study' to explore issues that would be involved in the evaluation of total ODA impact.

That paper was reviewed at the OECD/DAC Development Evaluation Network meeting in November 2004. It was well-received and was revised in early 2005 by, Stefan Molund and Anders Berlin. The revised paper included a technical annex by Arne Bigsten. This annex was later expanded (in October 2005) by Arne Bigsten, Jan Willem Gunning and Finn Tarp into a proposal for an evaluation of the effectiveness of total ODA<sup>1</sup>

The meeting in Stockholm on 10-11 November 2005 was organised to review the political and technical feasibility of donors and country partners evaluating of the total impact of ODA. The paper by Edgren et al and the proposal by Bigsten et al were key inputs at the workshop.

### **Objectives**

The objectives of the workshop on 'Evaluating Total ODA Impact' were to address the following questions:

- How could an evaluation of total ODA be useful to key stakeholders?
- Can total ODA be evaluated in a sufficiently rigorous and reliable way? If yes, how can we best do it?

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<sup>1</sup> Arne Bigsten, Jan Willem Gunning and Finn Tarp (2005) 'The Effectiveness of total ODA: A evaluation proposal'. A paper submitted to the OECD/DAC Development Evaluation Network.

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- How can principles of partnership and ownership be best satisfied in an evaluation of total ODA?

### Participants

A total of 44 people participated – 6 from partner countries; 10 experts from various countries; 8 from Sida; and 20 from multilateral (European Commission, UNDP, UNICEF, World Bank) and bilateral donors, other than Sida (see List of Participants at Annex 1). The workshop was facilitated by Steve Jones and Samantha Wade<sup>2</sup>, who wrote this brief report.

### Programme

The workshop was opened by Mr Staffan Herrström (Deputy Director, Sida) and Ms Eva Lithman (Chair OECD/DAC Evaluation Network).

Staffan Herrström welcomed participants on behalf of Sida. He emphasised that the nature of development cooperation is changing and becoming more integrated and country-led, as demonstrated by the Paris Declaration on Aid Effectiveness. With new approaches to aid, it may not be possible to track each dollar of aid, but partners and donors still need to know whether aid works and if our joint efforts are worthwhile. We need to know the impact of total ODA.

Eva Lithman then welcomed participants on behalf of OECD/DAC Development Evaluation Network. She briefly discussed the work of the network and highlighted the need to respond to challenge to the network by the chair of OECD/DAC to assess the totality of ODA and to do so jointly with our partners. She saw the workshop as a illustration of how well we can work together - a coalition of the willing to follow-up on ideas. She hoped the workshop would conclude to whether an evaluation of the impact of total ODA is possible and if so, how it can be done. The outcome of this meeting and any follow-up work will then be discussed at the next full Network meeting in March.

After the opening session, the workshop was divided into four sessions. The first three sessions addressed each of the objectives of the workshop in turn, while the final session drew together the main conclusions of the meeting. At each of the first three sessions, there were presentations and discussions (either in plenary or working groups). In the final session, participants discussed a draft list of workshop conclusions in working groups and in plenary session.

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The quality of all the presentations at the workshop was excellent and all participants played an active part in the discussions.

The very rich discussions at the workshop has been summarised in Annex 3. The presentations and other papers from the workshop are available on the workshop website ([www.sida.se/total-oda](http://www.sida.se/total-oda)).

Helpful written comments were received prior to the workshop from Mr Damoni Kitabire (Government of Uganda), Mr Howard White (World Bank), and Mr Yasuyuki Sawada (University of Tokyo). These were circulated at the workshop and are also available on the website.

### Overall conclusions

The overall conclusions of the workshop discussed in the final session were as follows:

Evaluating total ODA impact would be an important new approach, which could generate new insights that could not be obtained in other ways.

The idea of evaluating total ODA impact fits in with and supports the changing development paradigm and the Paris Declaration on Aid Effectiveness, including ownership, harmonisation, alignment, results and mutual accountability in aid delivery.

Evaluations of total ODA impact must be planned and implemented with partners, though modalities of partnership are likely vary from country to country.

Evaluations of total ODA should meet the needs of both partners and donors, and recognise the nature of the power relationships between them.

Evaluations of total ODA must be planned and implemented in appropriate ways (e.g., openly, transparently, systematically, with due account of evaluation standards and ethics) and build on existing partner country capacity, decision-making and national processes.

Evaluations of total ODA may not always be possible and partners and donors may decide, in particular countries, to focus on selected aspects of aid (e.g., aid focused on growth and poverty reduction).

Evaluations of total ODA impact should be undertaken only when there is a prior institutional commitment by partners and donors to use the outcomes of the evaluation.

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Evaluation of total ODA impact will be difficult, but participants at the workshop considered that it is 'do-able' (but, as yet, we don't know how best to do it!). In general, evaluations should be based on:

- case studies of (initially) a small number of countries;
- an inter-disciplinary approach involving economists, political scientists, social scientists and historians;
- a sufficiently long time-frame to measure impacts effectively.

The scope of the evaluations and the evaluation questions must meet the needs of all the partners.

All assertions of causality involve counter-factual assumptions. However, the specific nature of the the evaluation question at hand will determine what type of counter-factual analysis that will be needed and/or feasible. An evaluation of total ODA may involve both statistical analyses based on experimental or observational methods as well as more informal analyses based on concepts of 'plausible association' and the like.

Evaluations should learn from the existing body of evaluations and joint evaluations and could either elaborate existing methodologies (e.g. World Bank or EC approaches) or develop new ones.

Evaluations should be undertaken by consultants who have the trust of partners and donors. There should be no negotiation of evaluations results in the light of political considerations.

Evaluations should be linked to monitoring and evaluation of PRSP, NEPAD and other processes, where appropriate.

### **Way forward**

After the workshop a meeting of the OECD/DAC Development Evaluation Network discussed the way forward. Partners and experts were invited to participate in the meeting.

At the meeting it was agreed that:

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- the group will take forward the idea of implementing an evaluation of total ODA impact and draft a paper for discussion at the next meeting of the OECD/DAC Development Evaluation Network in March 2006;
- the paper will be based on the presentations and discussions at the Stockholm workshop and will identify possible partner countries, including South Africa, who may be interested in driving the evaluations, with facilitation and support of AfREA;
- Sweden will continue to coordinate the process, in collaboration with the OECD/DAC Secretariat and with support from a number of donors, including Belgium, Denmark, the EC, Germany, Netherlands, the UK and World Bank. (The support that different countries can give will vary –e.g., the World Bank would participate 'virtually').
- A meeting to discuss progress may be organised in the UK in mid-February around the time of the next GBS Evaluation workshop.

Steve Jones/Samantha Wade  
Facilitators  
25 November 2005

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### Annex 1

#### List of participants

Name			Job title/Organisation	e-mail address
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Ms	Samantha	Wade	Facilitator, United Kingdom	samantha.wade@btopenworld.com
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### Annex 2

#### Workshop Programme

##### Day 1

###### Opening Session

Mr Staffan Herrström  
Ms Eva Lithman

Deputy Director, Sida  
Chair, OECD/DAC

###### Session 1: Why Total ODA? How would an evaluation of total ODA be useful to major stakeholders?

Presentations by:

Mr Gerald Helleiner  
Ms Wilna van Zyl  
Mr Gösta Edgren

University of Toronto, Canada  
National Treasury, Republic of South Africa  
Former Swedish Ambassador to Vietnam

Break-out group discussions on why and for whom an evaluation of the impact of total ODA would be useful.

###### Session 2: How to do it? Analytical Perspectives.

**Part 1:** Can current country evaluation efforts could be up-scaled-up?. Presentations by:

Mr Kyle Peters  
Mr Jean-Louis Chomel

Operations Evaluation Department  
EC Evaluation Unit

**Part 2:** Presentation by Mr Arne Bigsten and Mr Jan Willem Gunning of their paper on 'Evaluating Total ODA Impact: a Proposal'.

Discussion led by:

Mr David Anderson  
Mme Oumoul Khayri Ba Tall  
Mr Ole Therkildsen

African Studies Centre, University of Oxford, UK  
Chair, African Evaluation Association  
Danish Institute for International Studies,  
Copenhagen

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##### Day 2

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### **Summing Up of Day 1 (What are the options? What is feasible?)** by:

Ms Zender Ofir	IUCN, Switzerland
Mr Brian van Arkadie	Formerly Institute of Social Studies, the Netherlands and Economic and Social Research Foundation, Tanzania.

**Session 3: How to do it?** Partnership issues. Who are the stakeholders and how should they be involved? How can principles of partnership and ownership best be satisfied?

In this session there were four brief papers by:

Mr Lucien R Back	United Nations Evaluation Group (‘An approach to the evaluation of UN impact’)
Mr Wei Xing	Tsinghua University , China (‘IFI’s loans and PRC’s development’)
Mr Nick York	DFID Evaluation Department (‘The GBS Evaluation: lessons for partnership’)
Ms Elaine Venter	National Treasury, Republic of South Africa (‘Assessing South Africa’s Development Cooperation’)

Each presentation was followed by a brief discussion and the session was summed up by:

Mr Kwesi Abbey Sam	Public Procurement Board, Ghana
Mr Hans Lundgren	Peer Review and Evaluation Division, OECD/DAC

### **Concluding session:**

Discussion of the main conclusions of the workshop.

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### Annex 3 Summaries of presentations and discussions

#### Day 1

##### Opening session

The workshop was opened by **Staffan Herrstrom** (Deputy Director, Sida) and **Eva Lithman** (Chair, OECD/DAC Development Evaluation Network).

Staffan welcomed participants. He said the fact that the workshop had attracted participants from 20 different countries and many multilateral organisations indicated the importance of discussing the evaluation of total ODA impact. He noted that the organisation and management of development cooperation is changing, in line with the Paris Declaration and becoming more integrated and country-led. The challenge, now, having signed the Paris Declaration, is to deliver – hence the increasing emphasis on results.

Swedish development cooperation, in line with that in many other OECD countries, is striving to become more coherent across ministries and policy areas (development cooperation is no longer what we do to make up for the shortcomings in other policies), more focused on poverty reduction and based on principles of country ownership, harmonisation, aid effectiveness and results. Politicians in OECD and partner countries are now aware of the need for a more joined up and coordinated approach and to demonstrate that poverty, in all its dimensions, is reducing and that ODA is delivering. It is important – in the context of accountability – that the public know this too. When different countries and organisations work in partnership, it is may not be possible to follow the individual dollar, but we need to know if aid works and our joint efforts are worthwhile. We need to know the impact of total ODA.

Eva welcomed participants on behalf of both Sida and the OECD/DAC Evaluation Network. Eva noted that DAC had been involved in evaluation since the 1980s and had become an important meeting place for professionals interested in evaluating development. The network (a) elaborates norms and standards, (b) exchanges information, (c) does some joint work, (d) and undertakes capacity building in developing countries. The challenge now is to expand our tradition of joint work fully to involve our partners and to rise to the challenge to the network given by the chair of the DAC (Richard Manning) to look at the totality of ODA and what good donors are doing in reducing poverty. Eva saw the workshop as a illustration of how well we can work together - a coalition of the willing to follow-up on ideas. We have to decide at the workshop whether an evaluation of the impact of total ODA is possible and if so, how it can be done. The outcome of this meeting and any follow-up work will be discussed at the next full Network meeting in March.

The facilitators then introduced themselves and outlined again the objectives of the workshop. These were to explore the following questions:

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- How could an evaluation of total ODA be useful to key stakeholders?
- Can total ODA be evaluated in a sufficiently rigorous and reliable way? If yes, how can we best do it?
- How can principles of partnership and ownership be best satisfied in an evaluation of total ODA?

The programme was outlined and participants were asked to discuss their expectations of the workshop. These included to:

- reduce the chaos and get a clear idea on how to go forward – moving in this direction should not mean that we are dropping individual country evaluations;
- reconcile the ambitious agenda with ownership and leadership from partner countries and get to the point where partners can eventually take over and run the process;
- overcome some scepticism on what would be the added value of the exercise – what is to be gained by looking at the macro-level?;
- find a workable model in the context of not being too ambitious;
- the how question – feasibility?;
- get a sufficiently different perspective and to make it useful for partner countries.

### Session 1: Why Total ODA? Changing Evaluation Perspectives

The aim of this session was to frame the workshop issue, putting it in the context of the history of evaluation efforts, and to assess how an evaluation of total ODA would be useful to major stakeholders.

Three presentations were given by Gerald Helleiner (University of Toronto, Canada), Wilna van Zyl (National Treasury, South Africa), and Gosta Edgren (former Swedish Ambassador to Vietnam).

**Gerald Helleiner** gave a very thoughtful and stimulating presentation. He started by briefly reflecting on the efforts that have gone into evaluating aid performance and impacts over the years before turning to the question given to the panel – would there be added value in the new approach, suggested by Edgren and colleagues, of assessing the impact of total ODA at the level of the individual partner country over an extended time period (10-15 years) from the perspectives of the partners ? His view is that there would be considerable value if done in an appropriate way.

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In the remainder of his presentation, he elaborated on this answer by looking at (a) partner perspectives, (b) methodological issues relating to the time horizon, politics and the choice of analysts; and (c) the importance of evaluating 'process' and relationships.

On partner perspectives, Gerald concluded that, if done in an appropriate way, the proposed approach has the potential to give concrete effect to some of the most important goals of the Paris Declaration on aid effectiveness – those relating to partner ownership, alignment with partner priorities, harmonisation, results-based management and mutual accountability. He noted how:

- the plethora of donor-driven evaluations of aid to date (using their own methodologies and criteria and with high transaction costs) had rarely involved partners, despite the great interest of partners in knowing the overall value of aid to them and the types of aid that work best in their own unique circumstances;
- partner countries have surprisingly little reliable information on the volume of aid flows to their countries and its impacts (the importance of making this available through any new study should not be minimised);
- most econometric studies of the relationship between aid and growth and poverty reduction are flawed because aid is given for multiple reasons, including, for example, humanitarian purposes, political objectives, institution-building and governance;
- there is a need to look with fresh eyes at "what works" – we do not yet have a clear idea of the extent to which new aid modalities work, from either donor or partner perspectives.

He concluded this section by commenting that the Bigsten et al proposal is overly donor-oriented and any study should not stop at the impact of aid on policies.

Gerald then went on to explore some methodological issues. He supported the idea of taking a longer-term perspective (it overcomes the short-termism – e.g., in the use of IMF macro-economic targeting and in political and bureaucratic incentives; and it makes it possible to explore the implications of instability and 'stop-go' approaches in aid delivery and domestic policies) but was concerned that it would be difficult to develop a counterfactual for such a long period. He asked whether we would need to develop a 'rolling' counterfactual, subject to change over time.

In his view the skills of historians would be needed but this would bring with it the dilemmas and controversies of historiography. The writing of history, at its best incorporates both qualitative and quantitative elements and involves judgment. In undertaking the study one would have to identify historians and others (e.g., political scientists) who are independent and have the trust of both donors and partners.

Finally, he turned to the importance of process and relationships and to examining the overall quality of aid relationships (involving issues such as trust, ownership, alignment, harmonisation, predictability and accountability). Even if it is not possible conclusively to prove the developmental impact of aid, it should be possible to assess whether aid

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efforts are made in 'good faith', are perceived as being made together, towards commonly agreed objectives by 'development partners'.

**Wilna van Zyl** gave a partners' perspective. In South Africa, aid comprises a small part of the overall government budget (<2%) – mainly because most donors view South Africa as a middle income country (MIC), despite high levels of inequality and poverty. Aid is focused on research and development focusing on indigenous solutions to the problems the country faces. ODA is managed by the IDA in the National Treasury.

**Gus Edgren** argued that there is a need to adopt an holistic and total approach – you cannot evaluate pieces of the aid jigsaw in isolation. In some countries total aid is more than the sum of its parts; in others (e.g., Mali), he concludes that total ODA is less than the sum of its parts because of high transaction costs and lack of coordination among donors.

He continued that a key aim of the workshop should be to develop a clear focus, identify good methods and discuss how ownership of the process by partners can be ensured. He noted that it is often difficult to assess partners' views (PRSPs do not always reflect the priorities of partner governments). We need to encourage an open discussion in order to 'weave a story' to understand the processes. It will be a difficult kind of evaluation – we cannot just start with a logical framework and move briskly onto impact. A key to the process will be to involve partner country researchers.

Gus concluded by discussing the problems of the counterfactual. What would have happened if either (a) aid had not been there or (b) had taken a different direction? The counterfactual for a study of this kind cannot just be the province of economists – other disciplines – especially political scientists - must also be involved.

### **Outcome of working groups**

After the presentations, the participants discussed two questions in small workgroups: In evaluating total ODA, why do we want to do it? For whom would it be useful?

In a plenary session following the group work, the following points were made:

- Joint evaluations can be a useful tool in development from both the donors and partners' perspectives. Promoting harmonisation between different donors and alignment with partner country interests would build on recent joint evaluation experiences and could bring significant added value to the proposed pilot experience.
- Evaluating the total ODA could bring opportunities to reduce transaction costs, to investigate different aid modalities, to assess individual agency performance and to look at ODA in a broad context.
- The proposed pilot could represent an exciting shift away from the traditional project evaluation approach towards a more partner-centred approach – where partners and donors develop a shared agenda and where partners have a leading role in the design and implementation of the evaluation. Evaluating total ODA could enable evaluators to move beyond mechanical questions of total aid

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- disbursement to look at questions of process (policy formulation and implementation following disbursement).
- It will be important to think carefully about the appropriate entry point at the country level (Ministry of Finance or sectoral Ministries).

### Session 2: How to do it? Analytical perspectives

Session 2 explored the evaluability of total ODA. What are the methodological issues? How can problems of measurement be dealt with? Can current country evaluation efforts and models be upscaled?

Two presentations were made – one by Kyle Peters of the World Bank (“World Bank country-level evaluations. Can they be upscaled? What is there to build on?”) and the other by Jean-Louis Chomel (“EC/France in Mali: lessons from a country level evaluation”).

In his presentation, **Kyle Peters** outlined some of the World Bank’s experience in undertaking Country Assistance Evaluations (CAE). The CAE framework works through four key steps: (i) determining the objectives of the Bank’s Assistance Strategy; (ii) organising by objectives (e.g., for each separate objective, what was the Bank trying to accomplish? What were the instruments used?); (iii) assessing the overall outcome of the Country Assistance Program (e.g., in aggregate, were the objectives of the program met?); (iv) assessing the contribution – in terms of Bank performance, borrower performance, partner performance and exogenous factors.

Kyle presented three important challenges to assessing country assistance effectively: (i) clarifying the object of the evaluation (distinguishing between, for example, country development performance and the outcome of the assistance program performance); (ii) finding the right counterfactuals; and (iii) attributing program results correctly (the Bank has moved to a concept of ‘most likely’ association). With the move by the donor community towards greater coherence in assistance programs, there is a strong rationale for expanding the approach, in spite of some issues which need addressing (eg. the difficulty involved with attribution/contribution and how to manage country participation).

In his presentation, **Jean-Louis Chomel** firstly outlined the methodology of the Country Level Evaluations. In the EC the shift from project to country level evaluations has been challenging, not least because an evaluation at this level assesses a complex set of interventions (with many cause-and-effect linkages), over several strategy cycles, and for many audiences.

Jean-Louis outlined the process involved in focusing the evaluation and gave some examples of typical evaluation questions, linked to the DAC criteria. He highlighted the weakness in many evaluations of devoting sufficient resources to analysis. In many cases, evaluators jump from data collection to conclusions. In the second part of his presentation, Jean-Louis provided an example of a Joint Evaluation of the EC and France’s support to Mali. There are four main lessons to share from the joint evaluation



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experience: (i) there needs to be an agreed frame and methodology between the donors; (ii) which is strictly adopted by the consultants; (iii) the evaluation process needs to be closely supervised (to ensure the agreed methodology is respected, to control the quality of the documents produced by consultants, to ensure good involvement of the various reference groups); and finally (iv) the partner country should play a central role.

### Session 3: Evaluating total ODA impact: a proposal

Arne Bigsten and Jan Willem Gunning talked to a proposal they had developed for the workshop (*The effectiveness of total ODA: an evaluation proposal*, Arne Bigsten, Jan Willem Gunning and Finn Tarp, 25/10/05).

**Arne Bigsten** outlined the proposal's terms of reference and questions involved in identifying the evaluation problem: what is it we want to evaluate? Whose perspective are we going to take? How can one evaluate the effects of aid in a scientifically credible way? The issue of establishing an appropriate counterfactual is a key challenge here.

Arne presented some of the tools in the evaluation toolbox which may be useful: cost-benefit analysis and impact evaluation (focusing on the benefits due to the project). He concluded that both these tools would be relevant if the evaluation was confined to a project approach. Experience has shown us that adding up the aggregate effect of individual projects does not give us an accurate macro picture (ie. the total effect may differ from the sum of the parts) because there are other external effects to aid. Other evaluation tools such as aid-growth cross-country regressions, computable general equilibrium models and econometric time-series country studies do not point to one single 'best methodology' that could be used in an evaluation of total ODA. He concluded by highlighting the experience of using mixed approaches by the OED/World Bank and the OECD-DAC comprehensive evaluation of general budget support programmes.

**Jan Willem Gunning** challenged participants to consider some of the innovations included in the proposal paper. Firstly, looking at effects of aid on policies presents an interesting taxonomy with four logical possible outcomes. Secondly, to what extent can Statistical Impact Evaluation techniques be used at a higher level to assess the effect of aid? Jan concluded by advising that the evaluation pilot not be overly ambitious, that it set realistic objectives and identify the value added in doing such an exercise. The evaluation design will depend on what the evaluation wants to achieve. As such, it may be appropriate to look at the effect of aid on 'economy-wide policies' (where there is scope for using case-studies and cross-country regressions) or the effect of aid via 'non-economy-wide changes' (using statistical methods).

Three discussants had prepared comments on the evaluation proposal. **David Anderson** agreed with the need to use a political economy approach, as set out in the paper. However, in asking the question 'Can a political economy approach be made to work?' we would need to consider that the adoption of *methodologies* rather than a single methodology requires plurality and therefore both qualitative and quantitative approaches and perhaps different categories of each. Also, a crucial aspect of the

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evaluation will be the articulation of different data sets. The evaluation will need people who are interdisciplinary in the way they think.

David flagged a number of important issues in choosing a sample and evaluation questions:

1. *data sets* – there needs to be consistency across a number of different examples.
2. *country outcomes* – these will be more interesting if they are different but they will need to be comparable
3. *different political contexts* – it will be more interesting to look at ODA impact in different political contexts but this will be challenging.

There is a need to find a method to reconcile contradictions since the evaluation would need to be broadly applicable in order to be replicated elsewhere.

David also highlighted a number of methodological 'traps':

- *use of counterfactuals* – counterfactuals are crucial to the economic discipline but are not intrinsic to all social science disciplines. In addition, as the timeframe extends, counterfactuals become more difficult to define and therefore less robust and meaningful.
- *processes and mechanisms* – vary among donors and partner countries. Should we take these as part of the context for the study, or should we seek to explain them?
- *breadth of the study* – it seems almost impossible to evaluate *total* ODA – would 75% or 80% of ODA suffice? Should we focus on particular sectors?
- *starting points* – how deep should the time depth be? Starting points are important (e.g., include Structural Adjustment Programmes phase, Cold War politics?) but could differ in each country. The time horizon could be sequential rather than chronological.
- *questions of scale* – comparing countries of differing scales (e.g., China and Malawi) would be challenging.

David concluded by reiterating that choice of method and data sets is crucial. In terms of research design, we should be asking 'what we want to do' but 'what we think we can get to do it with'. He recommended developing a pilot study in 2-3 countries, assessing 2-3 sectors in each country.

In his discussant role, **Ole Therkildsen** made three main points relating to the proposal by Bigsten *et al*:

- *An emphasis on policy rather than implementation* - the authors imply in their taxonomy that 'truly effective aid' only happens when donor pressure leads to sustained reform. The paper also implies that the only yardstick for policy-reform and implementation is the government. Ole argued that in addition to government and opposition, it is also important to include businesses, NGOs, academics, religious leaders and donors. The evaluation would also need to include other stakeholders such as 'well-informed persons' outside the normal stakeholder groups (not just the 'normal suspects')
- *Focus of evaluation* – the evaluation should focus on recipient-donor relations, transaction costs (and not exclude donors who are too small since

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they can contribute significantly to transaction costs) and issues of commitment and ownership to policies.

- *Evaluation method* – counterfactuals are difficult to establish but they should not drive the evaluation. The evaluation could provide valuable information about variation in what works – and doesn't – across aid modalities and contexts and therefore it would be useful to analyse variations in implementation and outputs across sectors. Ole highlighted the unusual nature of pilot evaluations – by their very nature, they are well-funded and receive an unusual amount of attention. When it comes to applying the pilot experience in other situations, a key issue is low cost and efficient replication. Ole suggested reformulating the purpose of the evaluation in order not to generalise (i.e., to analyse what works) but instead to specify (i.e., what works in specific contexts).

Finally, **Oumoul Khayri Ba Tall** offered some reflections on the proposal:

- *Perspective of the partner countries* – partner countries' interests lie in knowing what is working to overcome development challenges.
- *Principles underlying a joint evaluation of total ODA* – (i) accountability with respect to public resource management; (ii) ownership of the evaluation process and identification of appropriate stakeholders within the partner countries; (iii) identification of donor and partner country agendas – partner countries are interested in going beyond the question of impact of aid disbursements.

Oumoul suggested selecting a given set of sectors and making comparisons on a cross-regional basis over a longer timeframe. She agreed with the need to identify the 'well-informed persons' or resource persons in each country and found the taxonomy presented by Jan Gunning useful.

In the plenary discussion following the presentation and discussant comments, the following points were made from the floor:

- There needs to be further discussion on the concept of evaluating *total* ODA and further reference to contracts theory and moral hazard. Are we talking about the totality of the aid community? Do we mean total ODA to be 'economy-wide' and to cover all sectors; or is total ODA the sum of sector aid? There must be some analysis of the interaction between different stakeholders, not just on the financial aid disbursements. The paper discusses policy change and implementation (but focuses on the former more than the latter).
- Page 12 of the proposal introduces the idea of institutional change as a result of aid. In the institutional sphere, aid is most dysfunctional in its effect – e.g., through providing disincentives in the public sector.
- An innovative feature of the evaluation could be the central role of partners. At present the proposal does not sufficiently address the partners' perspectives. What do partners regard as a useful approach? A first step might be to invite interested partner countries to formulate questions they would be interested in answering. This would also create some space for donors to incorporate their own concerns.

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- It will be very important to convincingly set out the usefulness of the evaluation in 1 page in order to capture the interest of political decision-makers in donor countries (without making the study appear too much like an academic exercise).
- Michael Quin Patton's work on evaluation as an empowering tool could offer an interesting perspective. Evaluation as a field of work would fail if it does not empower recipient countries to improve development.
- The study should not underestimate the importance of small-scale ODA inputs – especially where the process of dialogue has been key.

### Day 2

#### Summing up Day 1

At the start of Day 2, Zenda Ofir and Brian van Arkadie summed up the presentations and discussions on the morning and afternoon of Day 1, respectively.

**Zenda Ofir** commented that there seemed to be general consensus during Day 1 that evaluation of total ODA in a particular country could be an important new evaluation approach. She offered the following points as a summing up of first morning of the workshop:

- There are some convincing arguments from the donors' perspective: (i) changes in development paradigms and in how aid is managed require a more systematic approach to the evaluation of aid support. The underlying assumption that new aid mechanisms will have greater impact needs to be tested; (ii) an evaluation of total ODA will consider aid from a broad perspective, increasing our understanding of how aid modalities work in a country, thereby 'reducing the chaos'; (iii) there are opportunities for increasing the potential of evaluation as an instrument to improve and support development and change working practice, to promote harmonisation and reduce transaction costs, and to increase the focus on real results over time; (iv) the evaluation can support donor accountability to taxpayers and to recipient countries; and (v) assist recipient countries in understanding the make-up and effects of aid flows.
- The evaluation approach has the potential to address some of the most important goals of the Paris Declaration on Aid Effectiveness, such as partner ownership, alignment priorities, harmonisation, results-based management and mutual accountability. However, considerable value added by the evaluation of total ODA will be achieved with the firm caveat: 'only if done in an appropriate way'.
- There are some key issues which still need serious attention:
  - What does the term 'partner countries' really mean, in a context where power relations are unequal? Incorporating partner country perspectives demands more than consulting local stakeholders, employing local consultants if donors are still in the driving seat. The current proposal implicitly reflects a donor-driven approach but the evaluation will only work if 'partner countries' take a central role in the process. Partner countries are less likely to be interested in issues of policy reform and implementation through donor intervention, than in the likely effects and true value of particular forms of aid in the unique circumstances of their

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own countries. However, there is limited representation of partner countries in the workshop and therefore we can only speculate about their interests. One of our critical next steps is to engage with potential partners in a spirit of true partnership and in a manner that will ensure ownership of the evaluation approach and process.

- Relevant learning needs to emerge from the evaluation process and we need to avoid being too academic in our approach. We need to look at the determinants of aid effectiveness, in addition to the effects or successful policy change and implementation. We need an emphasis on what works, regardless of who delivers the aid. Are the new aid modalities effective? What are the political implications of foreign aid flows? What is the overall quality of aid relationships? What is the effectiveness of the development cooperation system, right from the planning phases? To reiterate Gerry Helleiner's comment, it matters less what the results are than whether good faith efforts are being made together towards commonly agreed objectives between the development partners. A major challenge becomes how to focus the evaluation questions in view of the needs of both key participants and the identified need to assess outcomes and impacts as well as to create useful ideas and knowledge in order to improve practice and the whole aid system.
- There is a need to reformulate the overall question. One suggestion given was 'What has been the usefulness (in the partner country's context) of ODA and how can this be maximised?'. This means determining who should be engaged and benefit, at what level, for a useful evaluation that serves the interests of all key stakeholders. The role of civil society has not been absent in workshop discussions to date. It is not yet clear whose ODA will be involved – we do not seem to be talking about every project from every donor or NGO.
- In summary, there are some key components to consider in the evaluation process:
  - Reformulate the overall question and compile a concept note that minimises donor terminology and can attract the interest of potential partners.
  - Find an efficient way to engage with a few interested countries, in good faith, and in a spirit of real partnership so that it is clear that it is not a donor-driven effort and that partner countries are 'in the driving seat'.
  - Jointly develop the evaluation questions, recognising the need for mutual benefit yet focusing on not being overly ambitious.
  - Determining the organising principle of what we would like to achieve as well as the most suitable methods (likely to be mixed approaches bringing together the best expertise of a variety of disciplines).
  - Ensure the use of independent and credible consultants, trusted by all key stakeholders, including local consultants, in a manner that respects the intellectual contributions they can make. Finally, 'we should be neither naïve nor overly cynical, and we should not underestimate our potential partners in this initiative'.

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**Brian van Arkadie** commented that there appeared to be some consensus during Day 1 that (i) country studies would be appropriate in an evaluation of total ODA; (ii) rigorous econometric processes would not be the main thrust of this work; and (iii) there should be some realism and modesty of ambition.

Brian highlighted the three models discussed during Day 1 (the World Bank, the EC and the proposal) and set out some outstanding issues which still needed resolving: (i) the proposal looks at policy issues and not institutions or impact – is this the right way forward? (ii) the discussion on the World Bank and EC models did not centre on whether either of these were a potential model for an evaluation of total ODA – should we use one or other of these models for the study?; (iii) we need to decide on a useful time horizon (10 years in the WB model, 15 years in the EC model); (iv) the discussion on counterfactuals was inconclusive, though counterfactuals would seem to be implicit in all historical work; (v) there has not been consensus to date in what a partnership approach really means in practice; (vi) we need to be careful in the terminology we use (e.g., avoid 'ventriloquism' when we mean 'dialogue') – what is the basis for genuine interchange between players? How do you find legitimate stakeholder groups when you move away from government?; and (vii) finally, how far does the evaluation need to go in terms of outcome – an intermediary outcome like policy change or a final outcome such as impact?

### Session 3: How to do it. Partnership issues.

Session 3 focused on roles and organisation. Who are the stakeholders and how should they be involved? How can principles of partnership and ownership best be satisfied? Four short presentations were made on experiences and lessons for partnership offered by United Nations Evaluation Group, Tsinghua University China, the evaluation on General Budget Support and the National Treasury South Africa.

**Lucien Back** (United Nations Evaluation Group) presented on *An Approach to the evaluation of UN impact: Country level evaluations* and set out the experience of the UNEG Task force on inter-agency/ joint Country-level Evaluations. A prime concern of the task force was to look at issues relating to national ownership and leadership, starting from the countries themselves and building on their explicit demands for evaluations. Lucien emphasised four key issues to be considered in the scope and purpose of country-level evaluations:

- The process should directly contribute to building capacity for evaluation in the partner countries;
- Inter-agency/joint evaluations can be a useful vehicle to enhance coherence, coordination, effectiveness, efficiency and impact of UN contributions;
- Challenges include: diversity in terms of mandates, constituencies, size and resources, residence/ non-residence, degree of centralisation, in-country alignments and partnerships
- Evaluation can be an agent of change.

**Wei Xing** (Tsinghua University) presented the key findings of a research study into *The IFI's loans and the development of the People's Republic of China*. This was the first time that the PRC had evaluated loans from the IFIs. The study used both the logical

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framework approach and econometric analysis in order to produce its evaluation results and policy recommendations. The success of the evaluation was largely due to the PRC driving the evaluation process.

**Nick York** (Evaluation Department, DFID) presented on lessons for partnership from the General Budget Support evaluation in seven countries. He outlined the overall management structure as a 'spider diagram' with the Management Group and consultants team at the centre, in dialogue with other stakeholders such as the partner countries, a review panel, steering group and donor reference groups. Using lead donors in partner countries to promote the evaluation and established reference groups, early notification of field visit dates and having a named lead government representative all worked well in promoting country ownership. It was more challenging to identify a single point of focus in each country for GBS and to avoid making unrealistic demands on the lead government representative. Nick cautioned against being too ambitious in an evaluation of total ODA and proposed setting realistic expectations for the study, building in a sizable contingency in the budget and planning for the inevitable time slippage. The GBS evaluation has shown that effective planning is key. Nick concluded by posing the questions: should we scale up studies such as the country evaluations and the GBS evaluation? Or are we paving the way for a paradigm shift, looking at a partner-led approach? If the latter, we need to be realistic in terms of capacity to deliver in partner countries. A partner-led process will involve going beyond having partner country representation at the steering group level.

**Elaine Venter** (National Treasury, South Africa) presented on the South African experience in evaluating aid to all sectors during the period of the 2<sup>nd</sup> Development Cooperation Report. In the last two years, South Africa has built up experience in undertaking joint evaluations with development partners in order to determine the future strategic framework for cooperation. In this process, a number of management and project/programme level challenges arose:

- *At the management level*, there was some disagreement around the joint formulation of TOR, the donor appeared less likely to accept criticism and was more likely to assume a management role despite a joint management agreement. In the case of a critical evaluation, both donors and recipients were hesitant to share results upwards.
- *At the project/programme level*, there were challenges involved in avoiding subjectivity in interpretation of results, keeping pace with the new government policy and objectives, retaining institutional memory on both sides, developing good performance indicators and monitoring systems, recognising the limited time and capacity for evaluation.

Elaine proposed the following ways to address these challenges in South Africa:

- Obtaining upfront agreement on modalities
- Developing guidelines for joint evaluations in South Africa
- Making the partner country position clear with important decisions negotiated upfront
- Creating awareness and the benefits of evaluation early on at high levels
- Encouraging a self-critical perspective to promote learning
- Raising awareness of the importance of feedback into the policy design

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- Linking with strategic plans so that recommendations are implementable and sustainable.

In the general discussion following the presentations, Sebastian Ling (DAC-Secretariat) offered an overview of Horst Breier's report to the DAC Evaluation Network on Joint Evaluations (*Recent experiences, lessons learned and options for the future*). The DAC Secretariat will shortly be publishing a 30 page practical guidance booklet based on Horst's findings. Sebastian set out three key sets of issues relevant to discussing a way forward for an evaluation of total ODA:

1. *Advantages of a joint approach to undertaking evaluations* include:
  - a. Opportunities for mutual learning and capacity building
  - b. Builds and broadens participation and ownership
  - c. Shares the cost and burden of the work
  - d. Reduces the number of individual evaluations, thereby reducing transaction costs of developing country partners
  - e. Offers increased weight and legitimacy of findings
  - f. Responds to the challenge of the Paris Declaration committing partners to find more effective ways to work together
  - g. Development becomes increasingly harmonised and aligned and it becomes less sensible to evaluate individual donor contributions
2. *Management challenges and thoughts on the way forward:*
  - a. Large joint evaluations face particular costs involved in management structures where sometimes over 20 agencies may participate (e.g. traveling costs and delays in obtaining group buy-in)
  - b. In determining a management structure, decision-makers need to be aware of the trade-offs involved between full and active participation of all agencies and a streamlined process with delegated authority and consequently less active participation of non-lead agencies.
  - c. There are lessons to be learned in delegating management responsibilities to one partner or to a management group – namely, (i) sufficient responsibility must be delegated to avoid continuously referring back to the Steering Group; (ii) importance of continuity of personnel in the management group; (iii) agreeing clear ground rules among all partners at the start of the process.
  - d. Joint evaluation planners should give serious attention to working out and agreeing effective management and coordination structures. The report states that 'multi-partner evaluations should be built on mutual trust and confidence – not on tight control, process and systems'.
3. *Need for greater partner country participation and ownership of joint evaluations.*

While partner countries do face evaluation capacity and resource constraints, they should be leading and shaping the agenda rather than being case studies. There are few examples of major partner country-led joint evaluations.



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A final point in the general discussion centred on the focus in the workshop on evaluation in 'well-ordered situations'. Evaluations in humanitarian situations have yielded some interesting models. A 5-donor study of support to Afghanistan (with DANIDA as lead agency) covered 25-30% aid to Afghanistan from 2001-5 and demonstrated that useful lessons could be drawn from an evaluation of the impact of a percentage of aid.

The session closed with summing up comments by Kwesi Abbey (Public Procurement Board, Ghana) and Hans Lundgren (Peer Review and Evaluation Division, OECD-DAC).

**Kwesi Abbey** reflected back on the four models presented during the morning and concluded that the all four presentations had flagged important points, setting the foundation for a joint evaluation of total aid. Kwesi pointed in particular to the importance of promoting partner-driven processes, effective teamwork and building internal capacity to undertake large evaluations.

**Hans Lundgren** reiterated the need to build on the many learning points brought out in the presentations and discussions in taking forward an evaluation of total ODA. He concluded that partnership issues are important and central – and that partner countries should be engaged early on in the process.

### **Final Session**

In the final session a summary of key conclusions was presented for discussion by the facilitators. This was discussed in groups and then in plenary session. The conclusions of the discussion are reflected in the main report.