



ROOM DOCUMENT 2 - ANNEX 1

DAC Network on Development Evaluation

MINUTES FROM TOTAL ODA EVALUATION

Planning Meeting Held in Stockholm 25 September 2006

This note has been prepared by SIDA for information at the 5th meeting of the DAC Network on Development Evaluation, 16 – 17 November 2006.



**5th meeting
16 – 17 November 2006**

2006-11-09
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Total ODA Effectiveness Evaluation: Process planning meeting

Stockholm, 25 September 2006

Participants:

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| Margrethe Holm Andersen | Ministry of Foreign Affairs, Denmark |
| Lucien Back | UNICEF |
| Jean-Louise Chomel | EuropeAid Co-operation |
| Cecilia De Decker | Foreign Ministry Belgium |
| Henri Jorritsma | Ministry of Foreign Affairs, the Netherlands |
| Eva Lithman | Sida, Sweden |
| Görild Mathiesen | Norad, Norway |
| Stefan Molund | Sida, Sweden |
| Suppiramaniam Nanthikesan | UNDP |
| Aira Päivöke | Formin, Finland |
| Paul Andre Rochon | AfDB |
| Goberdhan Singh | CIDA, Canada |
| Ajay Chibber | WB (by telephone-link from Washington during the afternoon session) |
| Lily Chu | WB (by telephone-link from Washington during the afternoon session) |
| Walter Kolkma, | ADB (by video-link from Manila during the afternoon session) |
| Bruce Murray | ADB (by video-link from Manila during the afternoon session) |

Introduction

The meeting was opened by Eva Lithman, who welcomed the participants and gave a brief recapitulation of recent developments within the Total ODA Effectiveness Evaluation initiative. At the March meeting in Paris there was much support for moving ahead with the project and it is now time to approach partner countries. The purpose of the present meeting was to define next steps, identify which countries to approach, discuss the management structure and, maybe most importantly at this point, to get a clear indication of the extent to which each of the participating countries is willing to contribute to the project. Details of design and process will be part of the dialogue with partner countries.

The meeting consisted of two parts. In the morning session, the participants present in Stockholm discussed the next steps in the evaluation and which prospective partner countries to approach with an invitation to participate. In the afternoon session, with participation of the World Bank (WB) and the Asian Development Bank (ADB) by remote links, ideas were presented for a joint evaluation for Bangladesh, inviting the DAC members to participate.

Scope and methodology

One important question regarding scope is the extent of inclusion of the NGO support. Where this plays an important role the effect of NGO efforts should also be part of the total ODA evaluation (e.g. Bangladesh). However, it was emphasised that the proposal to be brought to the approached partner countries must be an open one and that we cannot pre-empt questions of methodology, scope and focus if we are serious about carrying out the evaluation in partnership. A problem, though, is that the interest of some donors may to a certain extent depend on the scope of the project and the methods used.

Existing information from evaluations and studies should of course be exploited to the greatest extent possible. Certain countries are quite rich in information from joint evaluation efforts, etc. (e.g. Tanzania and Mali), whereas in other countries more information will have to be compiled as part of the total ODA evaluation.

Although the questions of methodology and scope were not intended to be a major item on the agenda there was still an interesting discussion on such issues. The total ODA effectiveness evaluation could include the whole range of methods from assessments of outcomes with 'hard-boiled' econometrics to assessment of the co-operation process with 'softer' methods. It was agreed that a multidisciplinary approach would be the most useful. An exclusively econometric or macro-economic approach would be inadequate.

Given that it may not be possible for an evaluation of total ODA effectiveness to cover the entire socio-economic system, important questions about scope and focus arise. According to one view, favoured by EU, the evaluation could focus on one or few selected sectors. Other participants, the Netherlands, for instance, suggested that it would be important to retain a systems-wide approach. It was the attempt to look at ODA impact the totality that made the total ODA evaluation really interesting. Focusing on achievements in relation to one or several broad development goals might provide a workable compromise.

Norway reiterated its view that it would be extremely useful if the evaluation tried to compare the effectiveness of different channels and modalities for development-co-operation. A note on this should be inserted into the platform document.

Support and incentives

The participants are all committed to the total ODA project. Most are willing to engage in and contribute to the process even if the country/countries selected are be of less interest to them as a donor. A few donors find it more difficult to commit if the countries chosen are of less interest in their portfolios.

For budgetary reasons, some donors are constrained and cannot provide funds to the total ODA project immediately. In the longer term, however, there is a greater degree of flexibility. In accordance with its general role as an impartial facilitator the UN system could support the evaluation process and also participate in the design of the study. However, involvement of the UN in concrete country cases will depend on the interest and commitment of the respective UN Resident Co-ordinator and the UN Country Team.

The total ODA evaluation is an opportunity to examine the quality of development co-operation relationships from both donor and partner country perspectives. Partners may use it as instrument to express dissatisfaction with the performance of the donors. The donors must be open to and prepared to accommodate such criticism. However, at this stage it may not be constructive to include countries in crisis or where problems have been mounting.

The WB/ADB proposal

The Bangladesh study is supposed to be carried out in two phases. The first phase consists of an evaluation of the joint strategy of Bangladesh collaboration with Japan, the ADB, UK and the WB (JAUW), making up 60% of ODA to Bangladesh. In a second phase, additional issues and areas not covered in the first phase may be added in dialogue with the remaining donors. The implementation of the first and second phases of the evaluation must not necessarily be carried out fully sequentially. Discussions on the content of the second phase can commence as soon as a concept paper exists for the first phase.

Others than JAUW could also play a role in the first phase. There may, for example, be reason to have a broader coverage than only the ODA by JAUW in certain sector studies, etc. The WB emphasised that the objective should be to cover 100% of ODA. The four large donors' attempt to evaluate the 60% must not be seen as an attempt to exclude the 40%. However, it was also recognised that an involvement of more actors in the evaluation process will make evaluation logistics more cumbersome.

It is expected that the evaluation will take longer than a normal country assistance evaluation (CAE), which takes approximately 14 months. Hopefully, the joint evaluation can be completed in 2 years. It is still early days and the Bangladesh evaluation is only at the concept stage, though the four participating donors are in principle positive to the idea of performing the evaluation jointly. The government has not yet been formally approach and this will most likely have to wait until after the January elections. From Stockholm the point was made that JAUW already in their initial contact with the government should introduce the donors' interest in a second phase and what that might imply. More generally, it was suggested that the planning of the second phase of the evaluation should commence at the same time as preparations are being made for the first phase.

Following established WB/ADB practice the time perspective will be approximately a decade. For larger infrastructure projects it generally takes some 7-8 years from initiation before they start to pay off, so a shorter time span does not make sense. With a longer time-span one has to "write history" and the ADB warned for such an endeavour with reference to its own experience of attempting to trace linkages over a 20-year period in an Indonesian evaluation.

Even though a joint country evaluation implies less transaction costs and effort for the partner than four separate county evaluations, we cannot take a positive response from the Bangladeshi government for granted. A partner country will not necessarily be interested in an evaluation of total ODA impact. There may be a feeling that the donors are 'ganging up'. The question was raised as to what would happen if the government of Bangladesh is not interested in JAUW's proposal for a joint CAE. The WB and ADB answered that they would simply have carry out separate CAEs as usual; they would still have to report back on results to their respective boards.

The discussion on the proposal was open and constructive and the invitation from the WB and ADB for other countries to participate in the process was well received.

Selection of case study countries

The question now is whether the participating agencies at the meeting are willing to engage in any other studies than the Bangladesh evaluation, and if so, how many studies and in which countries. It was agreed that over and above the Bangladesh evaluation additional work should be done, but considering the donors' constraints, both in terms of time and financial resources, there is at this stage only capacity to carry out one additional evaluation. It was also agreed that this evaluation should be carried out in a SSA country. Still, more than one country needs to be approached, since it may very well be that an approached partner country is not able or willing to engage in this project. The suggestion is that four countries be selected for an initial approach with a proposal for a total ODA effectiveness evaluation.

Criteria

There are many aspects that should influence the selection of countries to approach. These include:

- Different dimensions of the importance of ODA (e.g. in relation to GDP, the government budget, the development budget, etc.).
- The use of different ODA modalities, to facilitate comparative analysis of the effectiveness of modalities.
- The extent to which there have been changes/developments during the intended evaluation period. It may be interesting to look at one country that has reduced its dependence on aid during the evaluation period (e.g. Vietnam) and one country that has stayed heavily dependent on aid.
- Ownership and capacity constraints. It is important that the partner assumes a shared ownership of the evaluation. Unfortunately, most of the poor, large-aid receiving countries are also countries with severe capacity constraints, contributing to low ownership. However, to some extent one can distinguish between political will to engage, on the one hand, and on the other, administrative capacity to take an active part. Furthermore, a total ODA partnership will include an element of evaluation capacity building for the partner country. It was noted that ownership may be a problem in both Bangladesh and Mali.
- Whether there is a joint framework for development co-operation in place (e.g. a JAS). In Africa, Tanzania, Uganda and Mozambique are interesting cases in this respect, where Tanzania exercises the strongest ownership while the process is more donor driven in Uganda and Mozambique. An evaluation in a country with a strong ownership of the development co-operation process is more likely to be relevant to the partner country government (e.g. Tanzania).
- Evaluation fatigue. Some countries have been subject to a lot of evaluations and maybe should therefore be avoided even if they for other reasons would be interesting. Here Tanzania was frequently mentioned and some participants advised strongly against approaching Tanzania for this reason. There is currently an ongoing joint evaluation of the health sector and Tanzania will also participate in an evaluation of the Paris Declaration. Mali may also to some extent experience evaluation fatigue. However, it was recognised that the group cannot foresee the reactions of the partner countries – the group's role is to approach the countries it considers most interesting

(not to exclude countries it thinks may not be interested because of evaluation fatigue or for other reasons) and then it is up to the partners to respond to the approach.

Countries selected

After the morning's discussion, the participants were asked to give their preferences for countries to be approached. This boiled down to a short-list of six countries: Burkina Faso, Ghana, Mali, Mozambique, Tanzania and Zambia. Since it was agreed that only four countries should be approached, the participants were asked to indicate the four countries they would prefer to keep on the list. This resulted in Tanzania being dropped from the list. Mozambique, Zambia and Ghana were preferred candidates. It was agreed that either Mali or Burkina Faso should be approached as well, however here there was no clear preference between the two. In the end it was decided that both Mali and Burkina Faso should be kept on the list. That is, the countries to be approach are:

- Burkina Faso
- Ghana
- Mali
- Mozambique
- Zambia

Approaching proposed partner countries

Sweden will prepare an evaluation proposal note that will be the basis for the contact with partner countries. When this note has been finalised the members of the group should feel free to get an opinion from their respective country representations. In contacts with the embassies and others, the members of the group should make clear that the total ODA project is a high-level initiative and hence cannot easily be disregarded. A country should not necessarily be dropped from the list even if the donors' local representations are negative. In the end, the important thing is whether the partner country is interested or not.

After the donors' consultations with embassies and local offices, a smaller group of donor representatives (the *approach group*) should contact the prospective partners and initiate discussions on the Total ODA Effectiveness Evaluation. It seems preferable to have some continuity in the *approach group*. One or two members of the group should be the same for all approached countries while there could be one or two members that are specific for each country.

Approaching the different partner countries should be a parallel rather than a sequential process, as a sequential process would take too long a time. However, the parallel process requires that it is made clear to presumptive partners that the group can only engage in *one* Total ODA Effectiveness Evaluation at this stage and that positive interest from the partner is no guarantee for an evaluation to actually get off the ground in that particular country.

Most donors offered themselves to be part of the *approach group* (with some reservations, e.g. with respect to language constraints, in particular in the case of Mozambique). With reference to Sweden's role so far in the project it was suggested that Sweden should be one of the *approach group* members.

Next steps

Within two weeks after the meeting, Sida will provide produce a draft evaluation proposal note to serve as a platform for discussion with the selected partner countries. The participants will comment on the draft and suggest how may be improved. Once the note has been completed, the participating organisations should to contact their respective country representations (embassies, local offices etc.) to get their view on the potential for positive response from the partners and, possibly, get an early indications of red flags.

The note together with an update on the Total ODA Effectiveness Evaluation project will be presented at the next DAC evaluation network meeting in November. Likewise, the WB/ADB will make a presentation on intentions for the Bangladesh evaluation.