

**Planning Workshop  
on  
Evaluation of General Budget Support**

**Brighton, UK  
14 - 15 October 2003**

**Workshop Report**

**Consultations and Agreed Actions**

**November 2003**

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## SUMMARY

A workshop was held in Brighton, UK on 14-15 October 2003 to make plans for joint evaluation of General Budget Support. The workshop, hosted by DFID's Evaluation Department, brought together over forty evaluation specialists, economists and policy makers. The workshop successfully harnessed the enthusiasm and experience of participants and reached wide-ranging consensus. It was agreed to move forward quickly with an evaluation programme to include at least 6 country studies (both in Africa and elsewhere), thematic studies and synthesis work, using an evaluation framework presented and agreed at the workshop. Workshop delegates mandated a Steering Group to plan and manage the programme.

The first meeting of the Steering Group, held immediately after the workshop, was attended by delegates from about 15 donor organisations ready to support the study, of whom most made financial pledges to be confirmed when detailed proposals are presented. The Steering Committee, chaired by Colin Kirk, Head of DFID's Evaluation Department, appointed a Management Group consisting of DFID, the EC, SIDA and the Netherlands. The Management Group was tasked with preparing detailed proposals for undertaking the evaluation, to be discussed at the next meeting of the Steering Group to be held in Paris on 14 January 2004, hosted by France.

Papers are available on the website <http://www.dgroups.org/groups/dfid/budgets><sup>1</sup>. Or contact Dale Poad [d-poad@dfid.gov.uk](mailto:d-poad@dfid.gov.uk).

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<sup>1</sup> For access to the website please contact Dale Poad at DFID's Evaluation Department  
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## BACKGROUND

In 2001, DFID's Evaluation Department (EvD) commissioned an evaluability study of general budget support, including the development of an explicit conceptual model that detailed the process through which general budget support impacts on poverty reduction at the intermediate level and how this links with ultimate poverty outcomes.

The product of this study, together with other recent studies on budget support and programme aid, were presented at an informal two-day workshop ('Evaluating General Budget Support') in Glasgow (3-4 March 2003), and hosted by DFID/EvD under the aegis of the DAC Working Party on Aid Evaluation. The workshop indicated that many aid agencies have an interest in further evaluation activities on General Budget Support (GBS) and participants strongly supported the view that as budget support is a joint-donor instrument for delivering resources to a country, it makes sense that evaluation is also conducted jointly.

Subsequently, a meeting of the Working Party on Aid Evaluation in Paris, 24-28 March 2003, endorsed the creation of a technical working group for managing a joint programme of work, with DFID/EvD acting as the group's coordinator and secretariat. An inception meeting of the group was hosted in London by DFID/EvD on 6 May 2003.

At this inception meeting there was a wide ranging discussion; of the possible objectives of the evaluation and of the range of relevant questions for evaluation and research; of how the evaluation or evaluation programme should be conducted; of the wide range of stakeholders and their various interests; of roles and responsibilities in conducting the evaluation; and of key 'milestones' for future action. A key decision was that a planning workshop be held at which a range of products be discussed and the approach and management of further evaluation of GBS by the involved donor agencies be agreed.

This planning workshop was held at the Thistle Hotel, Brighton, on 14th to 15th October 2003. The workshop papers can be found at: <http://www.dgroups.org/groups/dfid/budgets<sup>2</sup>>.

The first day of the workshop allowed participants to reflect on and contribute ideas to the scope of the evaluation. The first half of the second day of the workshop focused on planning decisions and plans for action. A Steering Group meeting followed this.

This report of the workshop is structured as follows:

- A two-page summary of key agreements and issues raised by the workshop.
- The workshop programme is attached as Annex A.
- A full list of participants is attached as Annex B.
- A record of the workshop proceedings is attached as Annex C.
- The agreed minutes of the 1<sup>st</sup> Steering Group meeting is attached as Annex D.
- The work schedule of the Management Group, until the 2<sup>nd</sup> meeting of the Steering Group, is attached as Annex E.

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<sup>2</sup> For access to the website please contact Dale Poad at DFID's Evaluation Department  
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## SUMMARY OF AGREEMENTS AND ISSUES RAISED

### 1. Purpose of workshop

The workshop's purpose was:

*To identify and agree a suitable approach for a meaningful evaluation or programme of evaluations of GBS including:*

1. *The evaluation's purpose*
2. *Key objectives*
3. *Scope, approach and methods*
4. *Key stakeholder's roles and responsibilities.*

### 2. General outcomes

The workshop, hosted by DFID, brought together over forty evaluation specialists, economists and policy makers (see Annex B) from a range of bilateral and multilateral agencies, many having also attended the Glasgow meeting.

The workshop purpose, timetable and content found resonance with the delegates: a mix of 'careful evaluators' and 'impatient programme implementers'. For each voice of scientific caution there was an opposing voice for urgency to act. This judicious mix of delegates caused the resulting debate to be dynamic, realistic and fast moving. As a result of the presentations, debate and focus on action orientated outcomes, a series of decisions about the proposed evaluation study were made and endorsed.

Over half the delegates (26) opted to attend the first meeting of the Steering Group for the Joint Evaluation of GBS, held on the second afternoon. A summary of the Steering Group agreements is presented in Annex D and illustrates the progress made and success of the workshop.

### 3. Key outcomes by session

#### International data on programme aid:

- There is currently a lack of internationally agreed definitions on the different types of programme aid and data on programme aid flows is flawed. This stresses the importance of the current DAC work on harmonisation of definitions, disbursement procedures and record keeping and, by inference, the need for joint donor evaluations.

#### Purpose and scope of the evaluation:

- The proposed study should include at least 6 country evaluations leading to a global synthesis and thematic studies. The country evaluations should not just include Sub Saharan Africa (SSA) but should include Asian examples as a minimum.
- The study should focus on General Budget Support, defined as funds provided in support of government programmes for growth, poverty reduction and transforming institutions and spent using partner governments' own financial management and accountability systems with no, or only notional (virtual) earmarking. This excludes real earmarked budget support to sectors or earmarked debt relief.
- The study should consider impacts on both poverty reduction and economic growth.
- The study should be conducted primarily for "lesson learning" purposes. This in turn will lead towards the study being used for "joint accountability" purposes.
- The evaluation must use counterfactual analysis – both hypothetical constructs and sector level comparisons where possible.
- Sampling should cover both depth and breadth of experience with GBS.

- There is a need to ensure timely participation by in-country governments and civil society representatives in the country evaluations. Governments should be invited to sit on the Steering Group and should have the opportunity to influence the evaluation ToRs.
- There is confidence that several African countries are enthusiastic to partner this study.

#### Evaluation Framework:

- The framework is an appropriate tool for analysis and we should proceed to evaluation using it. The workshop delegates are confident of its utility for identifying evaluation evidence down to outcome level 3. Although it is unlikely that the country evaluations will be able to attribute evidence at outcome levels 4 and 5, policy makers insisted that the country evaluations needed to establish plausible causal linkages made to levels 4 and 5.
- Predictability is a key expected intermediate outcome of GBS and should be subject to analysis within the evaluation framework, as it was in the initial version of the framework.
- A number of other minor changes should be made to the framework now and subsequent amendments considered once the consultants have completed their initial country visits.
- The framework requires consistent application across the country evaluations to enable comparative analysis but application also should be flexible enough to allow country specific findings to emerge.

#### Country Selection

- A list of 27 countries was proposed as the long-list of sample countries.
- A number of criteria for selection of samples was also proposed including:
  - Africa and Asia
  - Low Income Countries and Middle Income Countries
  - Demand driven
  - Mix of budgetary systems
  - Reformers and non-reformers
  - Long and Short term experience of GBS

#### Management of the evaluation:

- 15 separate donor organisations expressed interest in actively supporting the proposed study.
- Broad Steering Group (SG) and Management Group (MG) roles and functions were agreed. DFID, EC, SIDA and Dutch IOB volunteered to participate on the MG.
- The MG will have authority to manage and will consult the SG at 'key moments' such as reviewing the draft ToR, and the consultants inception and interim reports, etc.
- Once partner countries for the study are agreed, partner country government representation will be facilitated to be part of the SG.
- A 'learning platform' to be set up and managed by the DAC Evaluation Network was proposed. This platform would consider the wider range of evidence on programme aid.

The second Steering Group meeting is set for the 14<sup>th</sup> January 2004 in Paris. This meeting will finalise a shortlist of sample countries and hence governments to be approached as well as funding issues and commitments.

## ANNEX A - WORKSHOP PROGRAMME

### PLANNING WORKSHOP ON EVALUATION OF GENERAL BUDGET SUPPORT THISTLE HOTEL, BRIGHTON, 14 -15 OCTOBER 2003

#### Tuesday 14<sup>th</sup> October

- 8.30 Registration & Coffee
- 9.00 Introduction, Background Papers, Workshop Objectives and Ground Rules
- 9.15 Welcome and opening address by Mark Lowcock, Director General (Corporate Performance Management and Knowledge Sharing), DFID
- 9.30 Panel session: sharing information on recent studies of budget support, programme aid etc (Chair – Colin Kirk).  
Panel Members:  
Achim Mortier (BMZ, Germany)  
David Goldsborough (IEO, IMF)  
Rob van den Berg (IOB, Netherlands)  
Joe Lieberman (USAID)
- 10.30 Coffee
- 11.00 Presentation on IOB Inventory of Programme Aid - Piet Lanser
- 11.25 Considering the Purpose of the Evaluation. Presentation of key questions defining scope (Kate Tench).
- 11.40 Working groups: Purpose and Scope
- 12.20 Report back/plenary  
What do we have consensus on?
- 13.00 Lunch
- 14.00 Presentation on a proposed Evaluation Framework - David Booth
- 14.30 Group work: Strengths and Weaknesses
- 15.15 Report back/plenary – Agree framework and general areas for further work in designing country studies
- 15.45 Coffee
- 16.15 A route-map forward for the evaluation of budget support: bridges to cross and milestones to pass (Paul Balogun)
- 16.45 Panel Presentation – The way forward...  
True Schedvin (European Commission)  
Colin Kirk (DFID)  
Rob van den Berg (Netherlands)

- 17.15 Open Questions to the Panel from the floor
- 18.00 Close
- 19.45 Workshop Dinner

### **Wednesday 15<sup>th</sup> October**

- 8.30 Introduction. Review of Conclusions from Day 1 and their implications for Day 2 - Philip Dearden
- 8.45 Definitions – Andrew Lawson
- 9.15 Core design challenges - Paul Balogun
- 9.45 Group work – Choice of Countries for the Study
- 10.30 Coffee
- 11.00 Report back on Choice of Countries - What do we have consensus on?
- 11.30 Issues and options – managing the proposed evaluation activities - Mandate of working group and agreement on the way forward
- 12.00 Review – Mike Hammond
- 12.15 Next steps – and keeping in touch – Colin Kirk
- 12.30 Lunch and close
- 13.30 Steering Group Meeting
- Taking the plunge: detailed planning and resourcing of joint evaluation activities.  
Roles and responsibilities.  
Next steps.
- 16.30 Close



## ANNEX B - LIST OF PARTICIPANTS

DELEGATES	ORGANISATION	POSITION/JOB TITLE	GROUP No Day 1	GROUP No Day 2
Nurul Alam	UNDP	Deputy Director, Evaluation Office	1	2
Robert Anderson	World Bank	Deputy Director, Evaluation Office	2	4
Paul Balogun	Advisor to DFID	Independent Consultant	3	5
David Booth	ODI	Research Fellow	4	6
Hannah Brogren	SIDA	Economist	6	2
Karel Cools	PMEO, Belgium	Evaluation Expert	2	5
Stephen Curry	ADB	Lead Evaluation Specialist	3	6
Kate Dawson	DFID	Aid Effectiveness Policy Divn.	4	1
Peter Dearden	DFID	Econ. Adviser, Africa Policy Dept	5	2
James Donovan	SIDA	Senior Economist	6	3
Patrick Empey	Ireland Aid	Evaluator	1	4
David Goldsbrough	IMF	Deputy Director Independent Evaluation	2	6
Mike Hammond	DFID	Head, DFID Uganda/Evaluation Dept. Designate	4	1
R Herimandimby	ADB	Principal Evaluation Officer	4	2
Konstantin Huber	Ministry of Foreign Affairs, Austria	In charge of East Africa Desk, Aid Administration	5	3
Daniel Kamelgarn	French Devt Agency	Evaluator	6	4
Colin Kirk	DFID	Head, Evaluation Dept.	2	1
Piet Lanser	Netherlands IOB	Senior Consultant	3	2
Andrew Lawson	Advisor to EC	Independent Consultant	3	3
Bjorg Leite	MFA Norway	Evaluation Section	5	4
Joe Lieberson	USAID	Snr. Economist	6	5
Eva Lithman	SIDA	Director, Dept for Evaluation and Internal Audit	1	6
Esther Lønstrup	DANIDA	Evaluation Officer	2	2
Hans Lundgren	DAC	Head of Evaluation and Effectiveness Section	3	3
Susanna Lundstrom	SIDA	Economist	4	4
Francois Mailhot	CIDA	Gestionnaire de l'évaluation	5	5
Takeshi Sakamoto	JBIC	Representative Office, London	6	6
Danielle Meuwly	SECO	Deputy Head Balance of Payment Support and Debt Relief Operations	1	1
Achim Mortier	BMZ	Evaluator	2	3
Oladeji Ojo	ADB	Chief Evaluation Officer	3	4
Lynn Quinn	DFID	Programme Support Officer	4	5
Diane Ray	USAID	Senior Research Analyst	5	6
Alain Ries	French Dev. Agency	Snr. Member of the Evaluation Unit	6	1
Inder Ruprah	IADB	Evaluator	1	2
True Schedvin	EC Europe Aid	Evaluation Manager	2	4
Kate Tench	DFID	Economist, Evaluation Dept	4	2
Graham Teskey	DFID	Head, Africa Policy Dept.	3	5
Clare Thomas	JBIC	Research Analyst	4	6
Rob van den Berg	Netherlands IOB	Director Policy and Evaluations Dept. + DAC WP Chair	5	1
Fred van der Kraaij	Netherlands IOB	Evaluator	6	2
Nuno Vaz	IPAD Lisbon		1	3
Philip Dearden	CIDT, University of Wolverhampton	Workshop Facilitator		
Des Mahony	CIDT, University of Wolverhampton	Workshop Reporter		

## ANNEX C – WORKSHOP REPORT

Tuesday 14<sup>th</sup> October.

### 1. Welcome and workshop opening

**Colin Kirk** (Head of Evaluation, DFID) welcomed the participants and reflected on the progress of the March Glasgow meeting which focused on budget support information sharing and the positive outcome of a willingness to collaborate across donors and institutions on sharing research, lesson learning and an eagerness to move forward. In the May Kampala workshop there was consultation on DFID findings of the GBS case study of Uganda. Andrew Lawson and David Booth have developed an evaluation framework.

He urged participants to be ready to agree specific actions and evaluation ToRs. At minimum he stated that we hope to establish a forum to agree a shared approach and mandate, a Steering Group and Management Group to push forward the proposed 'budget support' evaluation study.

**Mark Lowcock**, Director General (Corporate Performance Management and Knowledge Sharing, DFID) explained the structure of DFID and the pressure it is under to deliver political objectives.

Budgets are important tools for managing economies and have been downplayed by donors for many years. However in all countries, developed or otherwise the State is the financial last resort for delivering services. UK public spending amounts to €9,000 per year, per person. In the poorest developing countries where €300 per year is an average income, governments cannot raise sufficient taxes to finance even rudimentary state functions. Hence a role of development agencies is to "top-up" the difference. In the 1970s we financed infrastructure projects to free up money for services. In the 1980s – 90s we focused on technical assistance and capacity building. In the 1990s the social sectors helped us recognise the problem faced by LICs was a lack of recurrent expenditure budget as opposed to the capital expenditure budget. We also recognised that the scale of off-budget expenditure was dwarfing government expenditure and this was not helping recipient governments. Don't agree with critique of statism; DFID cares about provision of services via government budget.

Mark went on to make three key points:

- Budget Support is not new. In the 1970s there was budgetary aid and the then UK ODA decided they should get out of this. Ironically now we've come full circle.
- For GBS we should worry about the same issues as we worry about in other forms of policy based lending and grants such as fungibility which encourages us to think of wider public finance issues. Budget Support forces us to focus on financial management, proper transparent accountability and procurement practice.
- Donors are not so far apart on Budget Support. – i.e. Japan uses 30% of its ODA to finance debt relief, while the UK only spends 20% of ODA via BS.

Mark then welcomed the delegates and commented on their diverse backgrounds. He noted that the Kampala workshop was a very good workshop but now things had to move forward at a faster pace. He felt that it was crucial that the workshop participants agree an efficient management process. His critique of evaluators is they offer yesterday's solutions to the day before yesterday's problems! Evaluation systems need to be fast and effective.

### **Questions from the floor**

A delegate asked how DFID deals with the high fiduciary risks associated with BS to which Mark Lowcock replied that DFID takes fiduciary risks very seriously and will not risk public funds. DFID reduced expenditure in Africa in 2002 as a result of fiduciary risk. The National Audit Office gives DFID advice on assessing risk. Advice on this is available on the DFID web site. Ultimately we must make judgements that are technical and political.

## **2 Panel session: sharing information on recent studies of budget support, programme aid (Chair – Colin Kirk).**

### **Rob van den Berg (IOB, Netherlands)**

Four years ago we told the evaluation community we wanted to do a study on debt relief. We couldn't find the donor partners then but now we are happy to see we have a great coalition. Four years ago it was seen as too sensitive a subject.

A problem we had was separating out Dutch inputs/outputs from international inputs/outputs. Hence we produced two evaluation reports: one on the attributed Dutch impact and one on the International impact. We will organise a conference to share our results and you will all be invited

Here is a highlight of some of our dilemmas:-

1. The counterfactual: – how to establish this? How can you prove an impact is associated with debt relief? - We adopted a case study approach to hypothetical constructs, which we accept is not scientifically rigorous.
2. How to measure fungibility?
3. How to establish evidence? - Audiences we face have different perspectives. The scientists say 20 years of macro-economic modelling is required for reliable data! We used 10 years, HIPC used 3 years.

Our Ministers want a timely product to measure impact, over say the last three years since a new policy has been adopted because they want to know the impact of that policy. We had to say to the Ministers that three years was too little and to the scientists that 20 years was too much. We decided we could go back 10 years only (beyond that there was difficulty retrieving data from Dutch project archive files). We went for a compromise. We know it will not be rigorous macro-economically but it can at least give indicative information. I'd say collecting evidence from 5-10 years back is valid.

We have found that we are in line with OED evaluation of HIPC presented to WB re HIPC initiative. Re: HIPC 1 initiative presenting process results to inform HIPC 2. It is an illusion that a new policy makes everything new.

### **Joe Lieberman (USAID)**

Carried out a study of GBS in Mozambique. Can see the disadvantages of projects such as poor ownership and sustainability and the opportunity for local government ownership with GBS.

USAID consider there are also serious risks with GBS such as statism and government corruption and consequential stop/start aid flows. For example, in Mozambique, poor accounting of donor funds led to a temporary freeze on further funding by donors in early 2003. As 50% of government budget is donor funds, such a freeze had major implications.

USAID will consider piloting GBS because it needs a 'place at table' if all other donors are shifting to GBS and also because it needs to be able to spend increasing aid budgets effectively. Could consider converting HIV projects to SWAPs and certainly USAID should use a range of aid instruments rather than rely too heavily on projects.

### **Achim Mortier (BMZ-Germany)**

Germany is increasing its piloting of Budget Support and has carried out an in-house survey of experience. The full report will be available on the BMZ website in November. Some of the findings of this survey are as follows:

- As each recipient country is different it will make sense to team up and follow guidelines of other agencies such as EU and WB and have a joint approach.
- New BS is essentially 'experimental' and there is little experience so far of how to handle policy dialogue beyond elections or changes of government
- In many countries BS is inherently risky due to the poor fiscal control systems in place.
- Hence we recommend awaiting evaluation of German GBS until 2005 when a full PRSC will have been completed and more experience gained.
- A risk with BS is that, at the 11<sup>th</sup> hour, recipient governments do not meet conditions and large amounts of donor funds allocated for BS remain unspent. Hence there is a need for fallback alternative expenditure plans to avoid unspent commitments.
- Preparation for GBS is very time consuming. How to deal with the increase in transaction costs for donor staff - We have to increase our numbers in the field.
- A lesson learnt is we must fit in with partner countries and assist them to own the processes.
- Another dilemma is how to phase out GBS, prevent dependency and how to define sustainability with GBS?

### **David Goldsbrough (IEO, IMF)**

The IMF is undertaking a joint evaluation with WB triangulating cross-country analysis of 23 countries with 10 case studies. Clearly its findings are of relevance to questions about BS. Some of its findings are:

- In practice PRGFs often negotiated before the PRSPs even though it should be the other way around.
- The IMF is weak on participatory processes at the outset of developing PRGF and needs to improve this area.
- Embedding the PRSP in a broader institutional framework for implementation is critical.
- The process which has changed least is the discussion of the macro-economic objectives which remains as central as ever.
- Priorities are now less driven by the IMF which has more flexibility to respond to country initiatives
- Predictability of aid flows still remains very weak – donor projections are the least accurate way to judge aid flows.
- The IMF can play the role of 'signalling' to other donors on country performance against pro-poor policies and fiscal management and so avoid duplication of assessments.
- The IMF has no clear policy on what actions to take if aggregate conditionalities build up over time. The same dilemma will face donors supporting GBS interventions.
- Tanzania is an interesting case, which has changed dramatically because of constructive dialogue and collaboration between donors and the IMF over its Medium

Term Expenditure Framework.

- The IMF and WB are exploring how to divide up roles and responsibilities between them.

### **Comments from the floor:**

In response to the four presentations a number of observations were made from delegates

- Given the corruption and low capacity for fiscal control highlighted in SSA in the USAID and German studies why do we assume GBS is an appropriate aid instrument at all?
- The international paradigm at the moment is to support country led processes (PRs) through a mix of instruments but increasingly BS. With 2005 approaching, when the MDGs will be formally reviewed within the UN system, we need to demonstrate some successes of this paradigm quickly. The evaluation must demonstrate whether GBS is helping us move towards the MDGs and if so where and to what extent and if not why not? 2005 may be the last chance to demonstrate success of the new approach.

### **3 Presentation on IOB Inventory of Programme Aid - Piet Lanser**

The preliminary results of this major study, based on 9 years of data from 1992-2001, were presented. There were problems with sources of OECD DAC statistics. The coverage is very incomplete and many differing definitions are used.

Some conclusions drawn were that:

- Programme aid is neither new nor more important than 10 years ago. For example Australia gave a lot to Papua New Guinea in the 1980/90s.
- Nordic countries favour GBS as an instrument
- Pakistan has recently been receiving programme aid from the US, probably for political reasons.
- Indonesia is a major recipient from Japan. Japan has the highest proportion of aid as programme aid whereas the UK and Netherlands are far less.
- France has very much shifted from programme aid to Debt relief.

A number of observations were made from delegates:

- The IFIs are not consistent in giving data hence this undermines the results
- Definitions of DBS disputed and concern at exclusion of sector budget support
- Both German and EU strongly disputed accuracy of data and cautioned against drawing conclusions from such an incomplete source of data.
- The Head of DAC Evaluation and Effectiveness Division cautioned on the need for more careful interpretation of the data. He pointed out that there is no legal reporting obligation for multilaterals (IMF, WB) to submit their commitment or disbursement figures to DAC whereas EU member states have voluntarily agreed to pool data.
- The report could not be published with such inaccuracies but could be used to help improve the quality of data reported by the DAC and therefore should be passed to the DAC Working Party on Statistics.

**Piet Lanser** accepted there are statistical problems with the database and hence a need for caution in reporting this now. He agreed that the data are incomplete. This is especially the case when looking at debt relief. He does however believe that the data gives a more or less clear picture from the donor side. He also believes that when looking at reports of donors,

then classifications are important to categorise the type of support. This throws up the need for agreed definitions. Finally he stated that he hopes that the data show important trends.

#### **4 Considering the Purpose of the Evaluation. Presentation of key questions defining scope - Kate Tench.**

**Kate Tench** explained the need to narrow down the options for the BS evaluation to enable rapid progress to help address the policy questions we all face. Six issues were presented and implications of each option for the policy relevance of the evaluation were proposed.

Working groups were asked to prioritise each of the following options:

- 1 Focus on General Budget Support or Direct Budget Support where GBS is unearmarked support to the Government (or notionally earmarked) and where DBS includes GBS as well as sectorally earmarked budget support?
- 2 Focus on country specific lessons, regional lessons or lessons of global relevance about the instrument?
- 3 Test impacts or sustainable impacts on poverty reduction and/or growth?
- 4 Prioritise lesson learning or accountability?
- 5 Use postulated alternative case histories or revealed case studies of non-GBS countries as the counterfactual?
- 6 Sample to maximise depth or breadth of experience with GBS?

All groups had an opportunity to discuss the concepts and debate the ideas. Groups were asked to delete options they agreed were not priorities from the following paragraph:

**'Is GBS / DBS in country X / Africa / Globally a relevant, efficient, effective aid modality for achieving impacts / sustainable impacts upon poverty reduction / growth? Priority is for lesson learning / accountability .The counterfactual should be: postulated alternative case histories in the GBS country / revealed case studies of non-GBS countries. The sampling should be done to maximise number of years of experience with GBS / or /maximise breadth of experience with GBS in sample'**

#### **Working Group Findings:**

##### *GBS or DBS*

4 of the 6 groups (groups 1, 3, 4, 6) focused on GBS at this stage of the workshop – but one group wanted to retain a broader DBS or programme aid focus including food aid. Group 2 did not reach agreement at this stage.

##### *Country, regional or global evaluation*

There was full agreement that the unit of analysis would be the country but that lessons were needed on the global use of GBS – no one wanted the evaluation to focus only on Africa.

##### *Impacts/sustainable impact on growth or poverty reduction*

It was felt too early to test for impact and even more so for sustainable impacts. One group suggested we should measure results, not impacts because of this. Another group suggested focusing on intermediate outcomes only. In the long-term, we should focus on sustainable impacts but not at this stage.

##### *Priority on lesson learning or accountability*

5 of the 6 groups agreed the primary focus should be on lesson learning. One group preferred a focus on accountability. But it was agreed that, in addition to lessons, issues of joint accountability should also be covered.

#### *Counterfactual*

A counterfactual was seen as critical. Postulated alternative hypotheses in the country evaluations were considered the only feasible way of creating a counterfactual. One group suggested evaluating experience pre and post GBS in each country to help define the counterfactual. One group requested that both types of counterfactual be used. The focus should be on alternative hypotheses but where possible, non-GBS comparisons should be made.

#### *Breadth or depth of sample*

Not all groups reached this question. Two groups argued for breadth of experience sampling up to 15 countries with 3 or more years of GBS experience.

### **General discussion**

- There was concern that restricting the study to GBS only would lead to it being too narrow.
- There was general agreement with a broader definition of 'un-earmarked or nominally earmarked budget support'.
- Andrew Lawson pointed out the need, at country level, to take into account DBS and other donor support as all are happening simultaneously.
- A primary focus on country evaluations from which thematic and synthetic lessons could emerge was agreed.
- A sole focus on SSA was rejected implying at least one Asian country be included.
- It is important to unpack the term accountability – to whom? – Recipient government to donor? Recipient government to their people? Donor to recipient government? – All of these?
- Economic growth and poverty reduction were equally important to most of delegates.
- Because bilaterals must report to politicians, while multilaterals report to their boards, this causes a greater emphasis by bilaterals on poverty reduction.

## **5 Presentation on a proposed Evaluation Framework - David Booth**

The changes made to the evaluation framework, as a result of comments from the last three meetings, were explained. Full details of the framework documents are on the web site <http://www.dgroups.org/groups/dfid/budgets>. Some key recent amendments have been:

- Predictability of donor flows now treated as a precondition, not an outcome,
- Framework applicable to measure effectiveness of all current forms of budget support/programme aid

These have been made to meet requests made at the March and May workshops.

### **Questions and observations:**

- It was pointed out that despite the fact Rwanda, being a post-conflict state, did not meet this frameworks of pre-conditions for budget support, DFID decided they should get GBS despite the fiduciary risks. The point being, that politics sometimes over rules the principles of best practice and GBS in Rwanda is in fact yielding positive

results.

- In answer to this it was agreed perhaps 'pre-conditions' should be replaced by softer words such as 'favourable factors' or 'assumptions'.
- It was proposed that predictability should be returned to the cause and effect links column of the framework, as previously found. It is an assumed impact of GBS. If early evidence from Uganda suggests predictability becomes worse, it should be tested in the evaluation itself. This was agreed
- It was noted that theory based evaluation approaches try to look at the theory behinds interventions. Clarification was sought on what is meant by "theory based" in the framework?
- In answer it was stated that the idea in the framework is that the lower levels of the framework are informed by social science research and judgement needs to be made on a country-to-country basis.
- The group required this research of impact at lower levels of the framework to be referenced and further unpacked.
- It was proposed the dimensions of ownership and partnership at levels 3 to 5 are critical. It was agreed that the framework should cover issues of enhanced trust of developing country citizens in their Government.

### **Group work: on Strengths and Weaknesses of framework - Agree framework and general areas for further work in designing country case evaluations**

The six workshop groups were asked to discuss the proposed evaluation framework and report to plenary on the following questions:

- a) Is this the evaluation framework we need?
- b) What are its strengths and weaknesses?
- c) Where adjustments or further guidance are needed?
- d) Is there enough to proceed in principle?

The feedback from the six groups is presented below:

#### ***Is this the evaluation framework we need?***

All groups agreed it was an appropriate and adequate framework. It was considered comprehensive, reflecting all our inputs so far. It crystallises programme aid theory and is a useful communication tool. One group expressed concern at further delays – 'we want to get on with it. We have been talking about it for too long!' No alternative was considered possible. However, in country evaluations we would need to be more pragmatic in terms of what's 'doable' bearing in mind evaluation costs – perhaps it is too heavy on data requirements.

#### ***What are its strengths...***

- Very comprehensive
- Logical
- Good pragmatic approach to counterfactual
- Politically useful to answer difficult questions from donor's point of view.
- Inclusive/Comprehensive
- Good starting point and will change with use
- Would be an advance to get answers to 50% of questions at levels 2 and 3.

#### ***...and weaknesses?***

- Not sufficient focus on comparative advantage of GBS.



- Evaluation should certainly examine factors influencing predictability through country evaluations.
- Framework does not adequately address Technical Assistance and capacity building/institutional effects or recipient countries' priorities
- Framework is from a donor perspective
- Doesn't address sustainability sufficiently.
- Are we expecting too much from the one instrument from level 3 onwards?
- Based on unproven assumptions
- Maybe too much and too complicated

*Where adjustments or further guidance are needed?*

- Exit strategies – Short term (triggers) and long term (donors).
- Guidance needed on feasibility to answer all questions? (We don't need all the answers)
- Lots of support to change wording of 'preconditions'
- Need to examine consequences of starting BS or other support.
- Governance issues could be better articulated
- Focus on GBS should be tighter
- Questions need to be further elaborated.
- Attribution will be hardest for the macroeconomic benefits.
- Purpose of detailed flow of funds analysis not fully clear.
- Agreement that we should expect predictability as a result – put it back into the framework as an intermediary outcome
- Need to maintain flexibility at levels 4 and 5 of the country evaluations.
- Changes in trust between government and people should be included at level 3
- Are inputs 1.3 –1.5 right as GBS inputs or are they something broader?
- The impacts of TA should be separated out
- Each country study needs to be pragmatic about what is relevant and do-able
- Better to speak of contribution not attribution.
- Counterfactual- with /without is important question to keep in as well as comparing to other modalities.
- Include the minimum standards of budget reform required before starting to offer GBS.
- Need to ask what would have happened without BS?
- Add a new precondition at level 3 – 'Government commitment to making budget comprehensive'
- What minimum progress in budget reform is required before GBS?
- Focus on essential questions only (i.e. is GBS a macro economic tool or a public finance tool? Is GBS pro poor? Can counterfactual be done?)

*Is there enough to proceed in principle?*

All groups agreed there was enough to proceed in principle but some minor amendments should be made first – more substantive changes would happen as the framework is piloted.

**Open discussion.**

Some of the key points in the discussions were:

- A caution we might be expecting too much from just one aid instrument
- Evaluating BS is very difficult and complex and this is why it has not been done. If the proposed evaluation is to be successful it will be necessary to recruit high quality

evaluators and brief them thoroughly.

- It was suggested that the 'with/without counterfactual' question be addressed through assessing sector level cases rather than at the full country level (i.e. comparing a health sector with GBS funding to one with sector specific support). This would help test the additionality of GBS. Such an approach was possible and helpful.
- The framework is useable, quite comprehensive and applicable to many contexts.

## **6 A route-map forward for the evaluation of budget support: bridges to cross and milestones to pass - Paul Balogun**

**Paul Balogun** described the context of the proposed evaluation study and with a power point presentation posed a series of questions to the group. (See power point and issues and options paper at <http://www.dgroups.org/groups/dfid/budgets>).

He suggested the following stream of outputs:

- Framework – to improve the effectiveness of aid
- Country evaluations
- Synthesis evaluation
- Thematic evaluation reports (including additional research evidence)

In addition to the presentation he asked delegates to help answer:

- Will answering the questions from the Glasgow meeting answer the policy makers' questions?
- Where will the evaluation study add value to other on going studies on debt relief, HIPC etc?
- Beyond the country studies which other synthesis products should be referred to, to answer the questions of the study?

Paul then stressed that the evaluation has to be done because decision makers are demanding evidence. The evaluation will be challenging and will not answer all our questions. It is feasible but will require intensive management and triangulation. It should be possible to improve its reliability and validity through iterative processes as it progresses.

### **Open discussion**

- The utilisation of the GBS evaluation results was discussed. It is hoped the study will assist recipient country stakeholders to choose aid instruments best suited to improving the position of the poor in their countries.
- The study should throw light on the issues of predictability and ownership.
- To yield independent results the evaluation must be independent from interference by operational staff.
- It was stressed we need to respond to demand for information and not create artificial supply. We should ask "Who are the audiences for the evaluation study?" - probably operational programme staff, recipient country stakeholders and the bilateral donor public taxpayers who want to know if aid is being spent wisely.
- One delegate asked if GBS is a political tool for donors and whether this should be reflected in the evaluation? For example it was noted that where donors team up (through a SWAp or BS) they increase their influence on the partner recipient country.
- There was concern that the transaction costs for both recipient governments and donor staff will be high and the nature of the study more intrusive than a classic

project evaluation and hence scepticism that cooperation will be forthcoming from recipient government staff. Delegates who attended the Uganda workshop, where government representatives were requesting more analysis of GBS because it is their preferred aid instrument, countered this concern.

- Some commented that the scale of the evaluation seems too large. It was agreed the finalisation of the scope will need to await formal involvement of partner governments.
- It was agreed evaluation costs could be high and decisions would need to be taken as to where to draw the line and focus.

## **7 The way forward... Panel Presentation – True Schedvin, Colin Kirk and Rob van den Berg**

Three ‘like minded donors’, who were already collaborating to develop best practice on BS, were asked to reflect on the day and their visions for the future:

### **True Schedvin (European Commission):**

True emphasised that, as for the other organisations, there is a strong interest in the evaluation of budget support within the EC in particular regarding information on impacts and effects. Hence we should not further delay the launch of the evaluation but start as soon as possible. She also pointed out that it is important to not only focus on the agreements reached but to see possible disagreements and to follow these up after the workshop.

However, there already appears to be good agreement on the following points/questions:

- The evaluation should be global in scope and be based on country case studies. The implications for the country selection, and hence the criteria, rest to be discussed. The primary objective of evaluation should be “lesson learning” with a secondary objective of “joint accountability”
- We have broad agreement on the evaluation framework. Some adjustments are needed. There is a need to develop it further, and also possibly to test it by sequencing the case studies.

True also noted some outstanding issues of importance to discuss at the workshop and in the follow up of the workshop:

- Should the subject of the evaluation be GBS or DBS? This is a possibly a definitional issue and we need to give it attention in the meeting tomorrow.
- We need to be clear about the focus and scope of the evaluation. Is it to be to level 3 in framework and not level 4 and 5? This also has important implications for the formulation of the purpose of the evaluation.
- We need to decide on whether to focus specifically on some key issues (ref. list from Glasgow), and when discussing the scope and focus carefully balance the demand for an evaluation that 1) is evidence based, 2) adds value on a very complex issue and 3) respects the limits of an evaluation.
- The implications of the scope, focus and purpose for the management arrangements should be considered:
  - How to involve partner countries?
  - The size of the management group?
  - How centralised/decentralised should the management be?

True also raised the question of how we want to take the work forward? She mentioned the possibility of developing the evaluation framework into DAC guidelines on evaluation of

budget support

### Colin Kirk (DFID)

Colin presented a diagram of his vision of the study highlighting 4 streams of output (see Figure 1 below). It showed the evaluation framework, leading to country level evaluations. The country evaluations will then yield country lessons of direct use to country stakeholders. A synthesis report would synthesis experience across all the countries to deliver globally relevant lessons on GBS. But a number of thematic papers could also be prepared drawing on elements of the country evaluations as well as broader research evidence.

Colin noted that GBS is very much an issue of the moment. He noted that:

- We need to be aware that there is wider constituency out there urgently wanting the type of information that the proposed study could provide.
- The Glasgow workshop demonstrated the need to have a general forum for evaluators and others to get together to share findings and conclusions from evaluation and research.
- We need to establish a network or learning platform, linked to existing networks, to provide good communications with researchers and policy makers
- For the study itself we need to practically organise it in a way so as to get most benefit from it
- We will need a well-focused management structure to drive forward the evaluation with energy, efficiency and quick results.

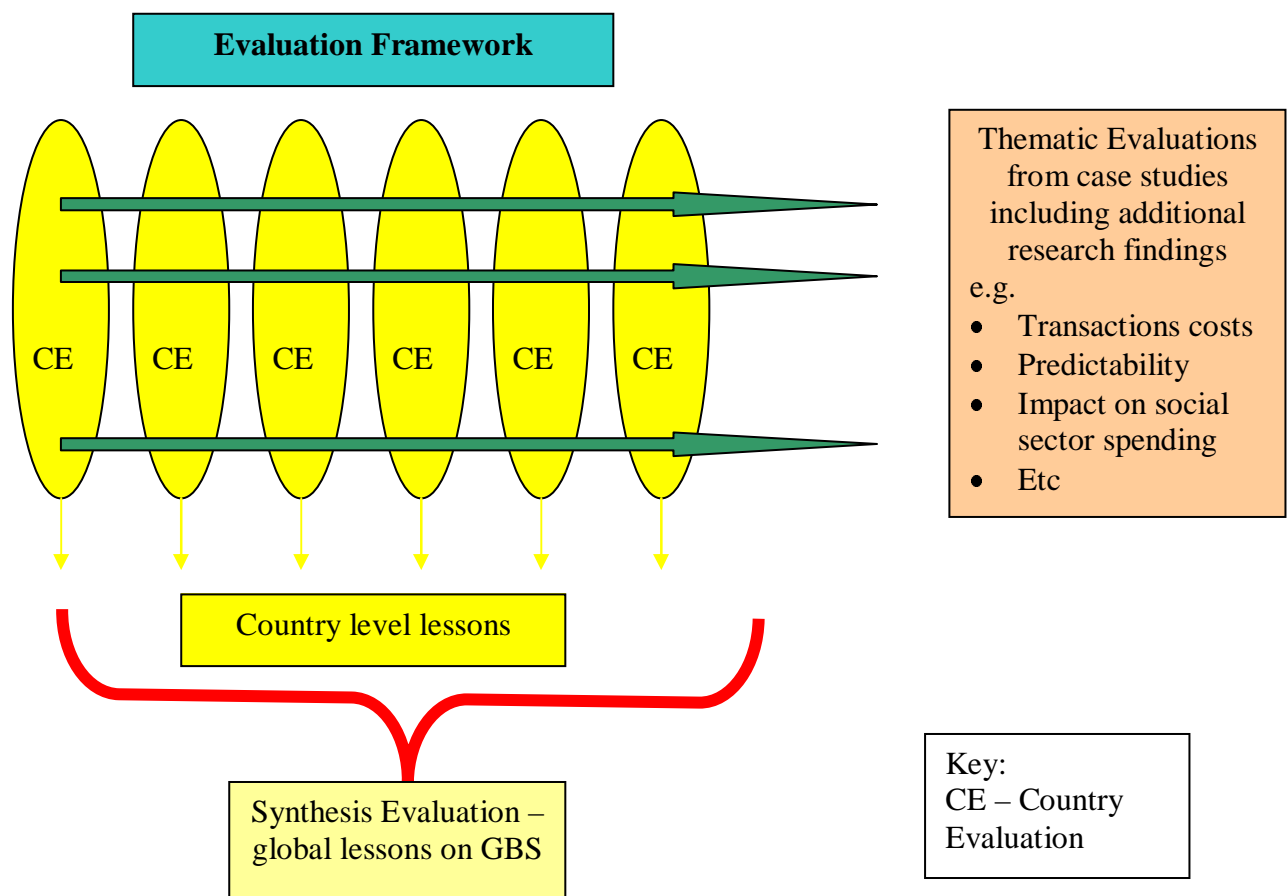


Figure 1 - A Vision of the Budget Support Evaluation

### **Rob van den Berg (IOB Netherlands)**

For Rob the day had raised more questions than answers. He agreed with the outline Colin had given. However he also felt that:

- We may have overloaded the evaluation, given its focus on only one instrument namely GBS. He suggested that the scope could be broadened to include DBS too so we get a bigger sample. Maybe we should wait to see what the findings are at country level before deciding what the thematic evaluations should be.
- The proposed study should not have an African bias but Asian countries should somehow be part of this too.
- DAC has a network on development aid evaluation and needs to study ‘total aid to recipient countries’. Keeping a GBS focus in this evaluation would compliment the broader DAC work.
- If the study is very ambitious then intensive management will be required. This will be difficult for the DAC to do. Responsibility to manage the process will be primarily with the evaluators. We need intensive information exchange on intermediate results. We need to develop a forum to enable research and evaluation studies to be more easily joined up without a formal joint programme of work. The DAC evaluation network could be a nodal point for information exchange. We don’t all need to agree every case study (learning from the humanitarian network model in ALNAP).

### **Open comments and questions**

- DFID paymasters want to know specifically about GBS not DBS and on the framework require evidence of impact at levels 4 and 5. Failing hard evidence at levels 4 and 5 then plausible association is needed.
- France has shifted to earmarked debt relief and not GBS but would like to use the evaluation framework to evaluate their debt relief to Mozambique and report back to the DAC on the findings.
- EU may wish to add to/refine evaluation issues in framework.
- The aspirations of civil society and private sector as well as the State, need to be built into the evaluation framework.
- Experience suggests African partners willing to come on board with GBS modalities (Burkina Faso, Tanzania, Ethiopia, Uganda and Rwanda have expressed interest in refining the use of GBS). But Asian partners are less enthusiastic as they perceive BS as intrusive to their sovereignty.

## **8 Actions for Day Two.**

**Rob van den Berg** highlighted tasks needing to be done:

- Need to come up with TORs which are ‘do- able’
- Prepare tender ToRs and get the right kind of people to do evaluation work.
- Decide how to get the research known to DAC.
- Appoint a Steering Group who can steer the study
- Appoint a Management Group to take care of quality issues.

The day’s session was then closed.

**Wednesday 15<sup>th</sup> October**

## **9 Introduction - Review of progress and conclusions from Day 1 and the implications for Day 2 - Philip Dearden.**

During the first day there had been broad agreement that:

- The proposed evaluation will aim to learn lessons from country level to inform international practice
- The evaluation should not just focus on Africa but should, if possible, be wider and include Asia.
- The proposed evaluation should primarily be undertaken as a “lesson learning exercise” but it was recognised that joint accountability is also very important.
- The evaluation framework is useful and can be used after a few minor adjustments.
- The proposed evaluation study needs to be informing policy makers in the long term.
- Participatory processes need to be fully embedded in the implementation of the evaluation.
- Policy needs from the evaluation are pressing, early results would help

For the second day

- Return to the debate on GBS/DBS and be clear on our understanding of the terms we are using.
- Establish a Management Group and a Steering Group and define their respective roles and responsibilities.

## **10 Clarification on Definitions - Andrew Lawson**

In this session a number of points were made:

- It will be clearer to remove reference to Direct Budget Support and just call it ‘Budget Support’.
- We are not concerned with balance of payment support but rather budget support.

Indirect Budget support was common in 1980s but nowadays BS is understood to be direct. An example of Indirect Budget Support is Food Aid. In order to classify the type of financial aid, ask the question: Are the resources earmarked?

- If not, class as GBS or macroeconomic support.
- If resources are earmarked, usually class as SBS. Can be ‘VIRTUAL’ or ‘REAL’ ... is control before or after?
- ‘Virtual’ = based on trust for years in question. i.e. can be fully fungible and most earmarking these days is virtual.

An example of ‘real’ earmarking is the EU’s targeted budget aid where, following ACP rules, they issue a 40% advance through the Government Ministry of Finance as sector budget support to a joint account or separate account.

- Debt Relief could be considered earmarked budget support only where the debt was being serviced prior to the relief – otherwise it does not increase resources available to government.
- SWAPs can be funded for SBS via government budget or an amended project where it remains off-budget.
- A sector programme combines resources from government and donors

- Primary distinction between GBS and SBS is that SBS has real earmarking while GBS funds do not (only virtual).

**Comment from the floor:**

A caution was raised that BS in the form of grants and loans should be treated differently in the evaluation.

The group agreed a focus for this evaluation of GBS meaning unearmarked budgetary support.

**11 Core design challenges - Paul Balogun**

In this session Paul posed a series of challenging questions:

- Where will we add value to other work?
- Will we need to commission further research to strengthen our ability to provide evidence?
- To what extent will country evaluations need to be joint evaluations?
- Are we confident that there is sufficient 'evidence' from research to allow establishing the plausibility of these linkages to reductions in poverty?
- How feasible will it be to amass and present sufficient evidence in a country evaluation?
- Synthesis requires consistency across country evaluations but what does consistency actually mean?
- What lessons from our experience from previous or on-going work must we integrate into our approach to the six challenges presented today?

**Open discussion – Core Design Challenges**

In discussion a series of points were made:

- Proceeding jointly is the “value added” but we must minimise transaction costs through limiting representation by delegating evaluation to one another.
- Harmonisation with silent partners lowers transaction costs and is increasingly being done at implementation level so we as evaluators should also do it. To consolidate harmonisation we need Memorandums of Understanding between agencies for access to papers on other agencies evaluations.
- A huge literature is already available on conditionality; there is no need to do more new work on that area but a literature review may be helpful. Similarly, OED is doing work on transaction costs of BS which may answer our concerns.
- Research topics should be tackled separately to the evaluation and certainly not before it.
- We need to strike a balance for the evaluation between academic excellence and pragmatic implementation.

**Group work: Which countries and why?**

Given the meeting had already agreed country evaluations would form the core of the study the next question was which countries should be in the sample. A fresh set of groups were formed and asked to address the questions:

- What countries – please formulate a preliminary list? (Max 10)
- What particular issues in relation to these countries?

**Table 1: Summary of suggested countries for the Evaluation**

<b>Africa</b>	<b>Asia</b>
Uganda (6)	Vietnam (6)
Mozambique (6)	India – either Andhra Pradesh or Kerala (4)
Tanzania (5)	Indonesia (2)
Rwanda (5)	Pakistan (2)
Ghana (4)	Mongolia (1)
Burkina Faso (4)	Cambodia (1)
Mali (3)	
Benin (3)	<b>Other regions</b>
Ethiopia (2)	Bolivia (2)
Malawi (2)	Nicaragua (2)
Mauritania (1)	Russia (1)
Morocco (1)	Kyrgyzstan (1)
Tunisia (1)	Tajikistan (1)
Zambia (1)	
Kenya (1)	
Cap Verde (1)	

Note: Numbers in brackets refer to how many working groups (out of 6) shortlisted these countries

**Table 2: Summary of suggested criteria for country selection for the Evaluation sample.**

<ul style="list-style-type: none"> <li>• Do not just choose African countries - Have a wide geographical spread (not necessarily all regions)</li> <li>• Need a variety of budgetary systems (Anglophone/Francophone/Lusophone)</li> <li>• Cover reformers and non-reformers</li> <li>• Ensure substantial volume of GBS</li> <li>• Ensure the country has adequate experience of BS, balance long and short term experience (3-5 years supplemented by one more recent example)</li> <li>• Cover LICs and MICs</li> <li>• Avoid fresh post conflict countries (but some emerging experience would be valuable)</li> <li>• Ensure the country is of real interest to sponsors (mix of donors)</li> <li>• Ensure there is data available at levels 4 and 5 of the framework</li> <li>• Demand driven (by country)</li> <li>• Need some form of nationally driven poverty reduction strategy</li> <li>• Avoid overload</li> </ul>
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A number of issues for thematic analysis in the evaluation came out of the country sampling discussion. These included:

- Link to PRSP
- Impact on Pro-poor expenditure



- Improving the budget process
- BS leading to changing budget structure
- Are GBS and SBS complementary or conflicting?
- Does GBS reduce transaction costs?
- Does GBS increase domestic accountability?
- Does GBS result in greater ownership?
- Does GBS reduce donor transaction costs
- Impact on/issues around decentralisation and federal – local government links

There were a considerable number of points made and a lively discussion followed. Some of the specific comments and issues raised included:

- How far is the evaluation process going to look at AfDB support?
- The Framework must address all types of aid including that from the IFIs
- Should we skew country selection to countries, which are primarily dependant on bilateral aid or a wide range for comparison?
- It would be a good idea to start the country evaluations with a primary focus on GBS and learn lesson as we go.
- Why should we want to avoid recent conflict countries? In reply – We simply need to have had enough prior years of BS to get to level 3 of framework
- We need to have some recent countries on the list.
- Helpful to exclude countries that are not receiving GBS.

## **12 Issues and options – managing the proposed evaluation activities - Mandate of working group and agreement on the way forward**

In this last session of the workshop delegates focused on the roles of actors required to mobilise and implement a quality evaluation process. For the evaluation study to progress and have a synergy between policy analysis and implementation it was proposed that there needs to be three levels of institution as follows:

- **Management Group (MG)** with the right to manage and drive the modality of the evaluation study (not necessarily by consensus). Preparing documents, approving drafts, tendering. A relatively narrow focus on GBS.
- **Steering Group (SG)** (active) focused on key moments, reference, syntheses, consultation on ToRs and draft reports. Providing funds.
- **Learning Platform** (DAC EV Network) for knowledge generation, resources, partners will be part of infrequent meeting for knowledge sharing. Focus on Policy Analysis. A relatively broad focus of trying to find out which aid instrument is most appropriate at which time as partner countries shift from old to new fashion. Annual conferences.

It was suggested that through the DAC a broader synthesis study on all programme aid, including the actions, modalities and impact of the IFIs, should be commenced to compliment/justify the 'narrow' scope of the GBS evaluation. But this evaluation should focus on GBS.

Concern was expressed about the 3-tier hierarchy. MG will need time, funds, consultants

and a clear mandate to manage. The SG can act as a reference group and have the right to be listened to by the MG, without necessarily demanding consensus. Further clarity was added on roles:

- The MG could manage contracts and quality assurance.
- The SG could build a coalition to provide a forum for learning and maintain contact with each other by email. Need a chance to talk about TORs, inception report of consultants. At key moments the MG should consult them. Should consist of 6 or 7 Evaluation Departments plus 5 or 6 partner country representatives.
- The Learning Platform would underpin the learning of the SG.
- Through discussion it was agreed the criteria for joining the SG is a commitment to active involvement and input to a long-term endeavour. It was recognised further thought would be needed as to how to organise the selection, participation and funding of recipient partner country stakeholder representatives to the SG.

DFID accepted to chair and act as Secretariat of the evaluation process. It was noted Donors are leading different studies; for example currently the Danish, Dutch and Germans are leading other joint-evaluation processes.

### **13 Reflections on the Workshop – Mike Hammond**

The following points were made:

- Donor harmonisation on implementation of activities is becoming the norm so harmonisation of evaluations is a logical next step.
- Many African country government partners see GBS as their preferred aid instrument and now wish to be involved in its refinement.
- We have to deliver an evaluation product. It is all right for it to be modest. We need to beware of building the Titanic... a project which was too grand and overambitious and hit disaster because it was rushed in its implementation and took risks as a result.

### **14 Workshop Closure – Colin Kirk**

Colin thanked a number of people for their contribution to the workshop and reiterated that Mike Hammond is the incoming Head of DFID/EvD from December and so will be a point of contact concerning the GBS study in the future along with Kate Tench as DFID's manager of the evaluation.

**The Steering Group met after lunch (see Annex D)**

**The Management Group met after that (see Annex E).**

## ANNEX D - Agreed Minutes of the 1<sup>st</sup> GBS Evaluation Steering Group Meeting

**Time:** 14.00 - 16.30 on Wednesday 15<sup>th</sup> October 2003

**Location:** Tennison Room, Thistle Hotel, Brighton, Sussex, UK.

**Meeting Host:** UK DFID Evaluation Department

**Attendees:** 26 attendees + 2 facilitators

<b>NAMES</b>	<b>ORGANISATION</b>	<b>POSITION/JOB TITLE</b>
Paul Balogun	Independent Consultant, UK	Adviser on GBS Ev
David Booth	ODI, London	Adviser on GBS Ev
Hannah Brogren	SIDA, Sweden	Economist
James Donovan	SIDA, Sweden	Senior Economist
Patrick Empey	Ireland Aid	Evaluator
Mike Hammond	DFID, UK	Head, DFID Uganda/Evaluation Dept. Designate
Daniel Kamelgarn	French Treasury, Paris	Head of Development Activities Evaluation Unit
Colin Kirk	DFID/EvD, UK	Head, Evaluation Dept.
Andrew Lawson	EC, Independent Consultant	Advisor on GBS Ev
Joe Lieberon	USAID, USA	Senior Economist
Eva Lithman	SIDA, Sweden	Director, Dept for Evaluation and Internal Audit
Esther Lønstrup	DANIDA, Denmark	Evaluation Officer
Hans Lundgren	DAC, Paris	Head of Section - Evaluation and Effectiveness Division.
Susanna Lundstrom	SIDA, Sweden	
Françoise Mailhot	CIDA, Canada	Gestionnaire de l'évaluation
Danielle Meuwly	SECO, Switzerland	Deputy Head Balance of Payment Support and Debt Relief Operations
Achim Mortier	BMZ, Germany	Evaluator
Lynn Quinn	DFID/EvD, UK	Programme Support Officer
Diane Ray	USAID	Snr. Research Analyst
Alain Ries	French Development Agency	Snr. Evaluator, Evaluation Unit, AFD
Inder Ruprah	IADB, Washington	
True Schedvin	EC, Europe Aid, Brussels	Evaluation Manager
Kate Tench	DFID/EvD, UK	Economic Advisor
Clare Thomas	JBIC, Japan	Research Analyst
Rob van den Berg	IOB, Netherlands	Director Policy and Evaluations Dept.
Fred van der Kraaij	IOB, Netherlands	Evaluator
Philip Dearden	CIDT, University of Wolverhampton, UK	Workshop/meeting facilitator
Des Mahony	CIDT University of Wolverhampton, UK	Workshop/meeting reporter

## CONTEXT AND PROCESS:

1. This meeting followed on from a one and half-day planning workshop on 'General Budget Support (GBS) Evaluation' attended by over 40 international delegates. The GBS workshop's purpose was to obtain broad consensus on the scope for a joint evaluation on GBS as an aid instrument.
2. All delegates were invited to attend the final afternoon meeting if they saw their organisation as being in a position to **actively participate** through contributing time, information, funds, logistics or expertise to the proposed GBS evaluation effort.
3. Conclusions of the planning workshop included that a Steering Group (SG) and a Management Group (MG) needed to be formed to initiate an evaluation specifically on the use of 'General Budget Support' (i.e. unearmarked budget support).
4. It was also agreed that the DAC Network on Development Evaluation would host a 'Learning Platform Group' (LPG) to act as a nodal point for exchange of information on experiences and evaluations of all types of budget support and programme aid more generally.
5. DFID (Colin Kirk) was appointed chair of the SG.

### Objectives:

6. The meeting's objectives were to:
  - a). Establish the Steering Group (SG) and the Management Group (MG)
  - b). Clarify roles and financial contributions of SG members
  - c). Define who should determine the criteria for country evaluations and then decide on which countries to approach for inclusion
  - d). Define who should determine the Scope of Work and ToRs of the Evaluation study
  - e). To agree on the degree of consultation between the MG and SG
  - f). Agree MG chair, ToRs etc., and when to next meet.

## RECORD OF AGREEMENTS – METHODS

### Design and sequencing:

7. The SG wanted to keep momentum going with a view to results emerging within 18 months. Consequently, the management of the evaluation must be kept simple. There was general consensus that the country evaluations (up to 10) should be phased so as to: (a) spread out the management load; (b) facilitate on-going learning during the overall study; and (c) lead to a stream of results.
8. The framework needed to be consistently applied to facilitate synthesis and identifying thematic lessons. But enough flexibility should be allowed for new concerns to be addressed as they arise and as the study progresses.
9. Sequencing was discussed and broad agreement reached that:
  - Country evaluations would be grouped into two, and possibly more, phases of work to allow lesson learning from phase to phase;
  - Within each phase, evaluators, with in-country partners, would carry out concurrent scoping exercises in all of the participating countries;
  - Evaluators would meet, exchange notes and agree with the MG a common approach and method to the application of the framework for all country evaluations;

- The MG would need to keep close contact with the evaluators to ensure consistency and quality control during fieldwork.
10. It was agreed that it would be unlikely that a Latin American country evaluation would be included in the first phase of country evaluations, since no such countries appear to meet the use of unearmarked budget support criterion. However, Latin American cases should be considered in later phases, especially given the offer of IADB to fund such work.
  11. An OJEC Expressions of Interest Notification would be launched by December to speed up the process of contracting later on.
  12. The MG would prepare a short scoping paper making recommendations to the SG on country selection and sequencing issues. This would be based on the criteria for country selection suggested by workshop delegates in the morning and use SPA questionnaire data (supplemented by questionnaires to donor field office staff elsewhere in the world). The MG would approach members of the SG to fill gaps in knowledge if necessary.

**Quality control:**

13. There was agreement that high quality evaluators would be needed to carry out country evaluations. The MG would have primary responsibility for quality control, but it was agreed that a consultant with specific expertise in general budget support be engaged to support the MG in fulfilling this role.
14. The possibility of using independent experts to peer review the quality of country evaluations was also considered but a decision on whether to adopt this approach was deferred.

**Development of evaluation framework:**

15. There was broad discussion of next steps with the evaluation framework – building on the workshop findings. It was agreed that Andrew Lawson/David Booth would adjust the framework to reflect the minor revisions agreed in the workshop and received from others by email by end November.
16. The MG would then decide whether more substantive comments should be addressed after the scoping missions for the first phase of country evaluations have been completed. These might include referencing research at levels 4 and 5 and inclusion of predictability as a theoretically anticipated outcome. Andrew and David would also make the framework suitable for publication.
17. The DAC-supported LPG would consider developing the framework as an approach to evaluating programme aid more generally.

**RECORD OF AGREEMENTS - MANAGEMENT:**

**Management Structure:**

18. Based on experiences of previous joint evaluations, and ensure a management structure conducive to rapid progress, the following was agreed:
  - a). Management Group (MG) will be empowered to act and unilaterally decide on the day to day running and financial management of the evaluation study. The MG will report to the SG at regular meetings and via email. The MG will be expected to uphold the standards and quality of the evaluation.

b). Steering Group (SG) is envisaged to be informed and consulted regularly by the Management Group, particularly at 'key moments' but not on daily detail. Important milestone reports such as ToRs, scoping mission findings, Inception Reports and draft initial findings will be circulated to the SG for comment and endorsement. The SG will have the opportunity to question the Management Group, influence policy and direction of the evaluation or request changes to the evaluation approach at the SG meetings.

19. In addition, a separate Learning Platform Group (LPG) is envisaged to be a loose affiliation of a wide range of interested organisations/persons working in the field of budget support and programme aid research, monitoring and evaluation. The DAC Network on Development Evaluation will be the nodal point for this group where comparisons can be made across a wide range of evaluation studies. This group can and should interact with the Steering Group. Meetings of the LPG will be organised by the DAC Secretariat and the Network chair (currently the Netherlands).

### Commitments:

20. Indicative commitments to the joint evaluation were stated. These are summarised in the table below. The details of these would be confirmed at the next Steering Group meeting with reference to more detailed evaluation proposals.

#### *Tabular summary of donor pledged support.*

Donor	Which group?			Form of support?			Other comments:
	MG	SG	LPG	Money	Staff	In kind	
ADB		(/)	(/)			(/)	African case study
CIDA		/	/	/			
DAC Secretariat		/	/			/	Coordinate LPG
Danida		/	/	/			Will respond to need re MG
DFID	/	/	/	/	/		
EC	/	/	/	(/)	/	/	Money for discreet entity of study
France		(/)	/	(/)			May contribute later; also working on debt relief under LPG
BMZ		/	/	(/)		(/)	Form of support yet to be decided
IADB		(/)	/	(/)		(/)	Only if L Am covered. Fund a Latin American case study based on existing studies
IrelandAid		/	/	/		/	One African case study
JBIC		(/)	/	(/)			Require clearance from HQ
IOB, Netherlands	/	/	/	/	/		Will need to hire consultant for MG
Norway		(/)	(/)	(/)			Interest indicated but not at meeting
SIDA	(/)	/	/	/	(/)		On MG need to confirm with HQ
SECO	(/)	/	/	(/)			Check availability of personnel for MG
USAID		(/)	/		(/)		Require clearance from HQ

Key: ( ) = Uncertainty or as yet unconfirmed. MG – Management Group, SG – Steering Group, LPG – Learning Platform Group

20. The chair thanked the delegates for their pledges and noted that Norway was absent but had expressed prior interest in participating in the evaluation. Rob van den Berg also noted that the AfDB were also absent but had expressed an interest in funding an African case study. The Chair concluded that 'the door was not closed but remained open to participation from other stakeholders'.

### **Country participation**

21. It was agreed that Government representatives from the participating countries evaluated should be invited to sit on the SG and have the opportunity to contribute to ToRs. The modalities for this will need to be decided. Within countries, these representatives should take the lead in forming a local reference group. Parliamentary Finance (and Budget) Committees should be included.

### **Roles and divisions of labour:**

22. The MG currently consists of True Schedvin (EC); Kate Tench (UK DFID); SIDA (person to be nominated) and Fred van der Kraaij (IOB– Netherlands). The MG will produce a short paper on country selection and drafts of the full Scope of Work and ToRs.
23. It was agreed that the next SG meeting should take place on 14<sup>th</sup> January 2004 in Paris; the day before the DAC Network on Development Evaluation meeting. The French Government will host this meeting.
24. It was agreed that at the 14<sup>th</sup> January meeting the MG should present country sampling recommendations, the scope of work, approach, ToRs and tender process to the SG for endorsement. In addition SG members should bring to the meeting more precise information on financial pledges from their various organisations and procurement restrictions/constraints peculiar to their organisations. In the mean time communication between SG members should take place by email.
25. Partner country Governments would be formally approached once the SG had approved a shortlist. A MG paper recommending country samples would issue to the SG by end November and a final decision on the countries to be approached will be taken at the next SG meeting.
26. Hans Lundgren of the DAC Secretariat and Rob van den Berg agreed to develop a paper on the development and shape of the 'Learning Platform', also to be presented for comment and endorsement at the next SG meeting.
27. Colin Kirk agreed to chair the SG until the 14<sup>th</sup> January meeting. He asked SG members to email the MG members the names of a range of good quality evaluators who could be asked to tender for the study.

### **Reporting:**

28. Colin Kirk asked that the minutes of this SG meeting be written up separately to the main workshop report but be included as an annex to the workshop report and circulated to all the workshop delegates. He considered the afternoon's discussions were not confidential and should be shared with the workshop delegates. It was felt that all workshop delegates should be kept informed of the ultimate decisions and developments decided upon as a result of the workshop.
29. The workshop report should be submitted to DFID/EvD by 22<sup>nd</sup> October and circulated to workshop participants by 29<sup>th</sup> October.

### **Conclusions:**

30. An agreed way forward had been found. The SG and MG should be wary of trying to do too much too quickly; rather set an achievable scope of work and pace of implementation. Quality evaluation does take time.
31. The MG will report back to the SG on 14<sup>th</sup> January 2004 in Paris, hosted by the French Government.

**Schedule of tasks.**

<b>WHAT</b>	<b>WHO</b>	<b>BY WHEN</b>
Circulate workshop report and SG minutes	DFID/EvD	End Oct
Recommend quality evaluation/GBS consultants to proceed with the evaluation	SG members to email MG	ongoing
Prepare paper recommending country selection based on criteria from workshop	MG and/or interim appointed key consultant(s)	End Nov
Revise framework in line with comments on instruction from MG and prepare for publication before next SG meeting	Andrew Lawson and David Booth	Nov/Dec
Prepare draft document for OJEC EOIs	MG and/or interim appointed key consultant(s)	Dec
Develop draft Scope of Work	MG and/or interim appointed key consultant(s)	End Dec
Develop draft evaluation ToRs	MG and/or interim appointed key consultant(s)	End Dec
Logistics, papers and invitation for 2 <sup>nd</sup> SG meeting in Paris	SG/MG Chairs	Dec/Jan
Develop Learning Platform proposal	Hans Lundgren and Rob van den Berg	Jan 14 <sup>th</sup>
Consult within own organisation and firm up commitments to the evaluation	SG members	Jan 14 <sup>th</sup>
Decide on country evaluation candidates	SG	Jan 14 <sup>th</sup>
Contact candidate countries once SG approves shortlist.	MG and/or interim appointed key consultant(s)	Jan-Feb



## ANNEX E - MANAGEMENT GROUP WORK PROGRAMME OCT 03 – JAN 04

The following Work Programme was agreed at the first meeting on 15 October 2003. This meeting was held immediately after the GBS Steering Committee meeting.

<b>Tasks</b>	<b>Lead person</b>	<b>Date for completion</b>
Finalise workshop report and SG minutes – circulate to all workshop delegates	KT – all to comment	31 Oct
Agree consultancy input requirements of Mgt Group over 3 years – prepare ToRs for call down arrangements, select consultants, contract, briefing	All	??
Collate and agree which comments should be included in evaluation framework, notify consultants and prepare for publication by Jan 04	KT	14 Nov notify consultants
Meet to agree outputs and progress, Brussels	All	25/6 Nov??
Prepare note on country selection based on workshop findings and criteria – include recommendation on selection and sequencing	KT	30 Nov for SG circulation
Develop paper on funding issues – consult all SG members expressing interest in funding to assess procurement rules, possibility of basket funding, interest in funding discreet v basket support, etc. Include recommended way forward	DP	To be circulated end Dec to SG
Prepare Scope of Work documents - draft	TS	To be circulated end Dec to SG
Prepare draft ToR – to be agreed with SG and to be proposed to sample countries	TS	To be circulated end Dec to SG
Issue OJEC notification for expressions of interest in bidding for evaluation work or components thereof	KT&DP	Early Jan
Prepare Agenda and papers for 14 Jan meeting and issue invitations	ML	End Dec
SG meeting minutes	ML	End Jan
Issue letters to MoF in selected countries inviting them to participate and offering MG visit	KT	End Jan
Visits to participating countries	All	End March?
Update MG workplan	KT	Ongoing

### Key

KT/DP – Kate Tench/Dale Poad, DFID

TS – True Schedvin, EC

EL /SL – Eva Lithman/Susanna Lundstrom, SIDA

FK/ML - Fred van den Kraaij/Martin van der Linde, IOB