Evaluation of the Paris Declaration

Phase 2

Approach Paper

25 May 2009

Previous versions of this Approach Paper referred to "overall Terms of Reference for Phase 2". The current Approach Paper is considered the overall framework for the 2nd phase of the Evaluation of the Paris Declaration. It will be supplemented with specific Terms of Reference for the Core Evaluation Team, the country-level evaluations, the donor/agency headquarter evaluations and any supplementary studies.

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Introduction

A. Purpose

1. The overall purpose of the Evaluation of the Paris Declaration on Aid Effectiveness of March 2005[1] is to provide information about the development results of increased aid effectiveness.[2] The evaluation is being carried out in two phases in order to provide a proper basis for assessment. The first phase focused on the inputs and outputs associated with the Paris Declaration, while the second phase will focus on the intended and unintended aid effectiveness and development outcomes and results that can be attributed to the aid effectiveness agenda of the Paris Declaration. Both phases of the evaluation complement the Paris Declaration Joint Venture on Monitoring, by deepening the understanding of the lessons emerging from the monitoring surveys of the 12 "Indicators of Progress" identified in the Declaration. The second phase of the evaluation also takes as a basic point of departure the Accra Agenda for Action of September 2008, which reaffirmed the Paris Declaration and gave particular emphasis to some of its key commitments.

2. This paper constitutes the overall framework for the second phase of the Evaluation. The paper draws on the study, *The Paris Declaration, Aid Effectiveness and Development Effectiveness*, hereafter termed the *linkages study*[3], the Report of the Workshop held in conjunction with the first meeting of the International Reference Group for the Phase 2 Evaluation of the Paris Declaration held in Auckland, New Zealand, 11-13 February 2009 (hereafter called the "Auckland Workshop")[4], subsequent written comments from members of the International Reference Group and a meeting of the Evaluation Management Group on April 23-24 in The Hague.

B. Structure of the Paper

3. The Approach Paper is organized into three main chapters. The first summarizes the background leading to the Paris Declaration and the Evaluation. The second describes the scope and focus of the Phase 2 Evaluation, including its conceptual framework, the operationalised evaluation model and methodological issues. The third chapter sets out the governance, management, and operational structures and processes for the Evaluation, including a timetable and the budget. Annex 1 presents the detailed evaluation questions proposed at the Auckland Workshop. Annex 2 presents the indicative evaluation propositions drawn from the *linkages study*.

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[1] For the complete Declaration, see http://www.oecd.org/dataoecd/11/41/34428351.pdf

[2] The development literature contains varying definitions of aid effectiveness, but there is a widely held consensus about the different changes in behaviour and practice, which together are taken to comprise effective aid. This paper puts forward definitions of aid effectiveness and development effectiveness, which it employs. See paragraphs 13-15 below.

[3] This study is referred to in the text as the "*linkages study*" in order to convey its focus on linkages between "aid effectiveness" and "development effectiveness" and to differentiate it from the other thematic studies. Stern, Elliot D., with contributions by Laura Altinger, Osvaldo Feinstein, Marta Marañón, Nils-Sjard Schulz and Nicolai Steen Nielsen, *The Paris Declaration, Aid Effectiveness and Development Effectiveness*; DaRa, Madrid. Ministry of Foreign Affairs of Denmark, Copenhagen, November 2008. The "evaluation propositions" are on p. 61 of the study. http://www.oecd.org/dataoecd/59/28/41807824.pdf

[4] *Evaluation of the Paris Declaration Phase 2 Reference Group Meeting, 11-13 February 2009, Auckland, Workshop Report. http://www.oecd.org/dataoecd/37/2/42492382.pdf*

I. Background

4. The Paris Declaration highlighted the importance of independent evaluation as well as of monitoring the implementation of the Declaration. It states that the evaluation process should provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives. The Synthesis Report[5] of the first phase of the evaluation was submitted to the Third High Level Forum on Aid Effectiveness, held in Accra, Ghana, 2-4 September 2008.

5. The Accra Agenda for Action further committed the Declaration signatories to: "continuing efforts in monitoring and evaluation that will assess whether we have achieved the commitments we agreed in the Paris Declaration and the Accra Agenda for Action and to what extent aid effectiveness is improving and generating greater development impact." [6]

A. Antecedents

6. The seeds of the Paris Declaration have been traced as far back as the 1967 *Commission on International Development*, chaired by Lester Pearson. This was followed by a series of research findings and largely donor-initiated strategic aid reforms, particularly in the 1990s and the years leading up to the Declaration.[7] Among the key precursory documents to the Paris Declaration are:

- 1996: *Shaping the 21st Century: The Contribution of Development Cooperation* (OECD Development Assistance Committee (DAC)
- 1999: *Comprehensive Development Framework* (CDF). initiated by the World Bank
- 2000: *Millennium Development Goals* (MDGs), jointly initiated by the UN, OECD, World Bank, and the IMF
- 2002: *Monterrey Consensus* on financing for development in 2002
- 2003: *Rome Declaration on Harmonisation* in 2003
- 2004: *Joint Marrakech Memorandum* on managing for development results.

B. The 2005 Paris Declaration on Aid Effectiveness

"The Paris Declaration poses an outstandingly important challenge both to the world of development cooperation in general and to the field of development evaluation in particular. Compared with previous joint statements on aid harmonisation and alignment, it provides a practical, action-oriented roadmap with specific targets to be met by 2010 and definite review points in the years between. The number of countries and international organisations participating in the High Level Forum (HLF) and putting their signature to the joint

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[5] Wood, B; D. Kabell; F. Sagasti; N. Muwanga; *Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration*, Copenhagen, July 2008. http://www.diis.dk/graphics/Subweb/paris_evaluation_web/index.htm

[6] Third High Level Forum on Aid Effectiveness, *Accra Agenda for Action*, Accra; Government of Ghana, September 2-4, 2008), paragraph 11. http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/ACCRA_4_SEPTEMBER_FINAL_16h00.pdf

[7] For a useful review of this evolution, see Stern, *et al*, *op. cit* ,pp.1-11.

commitments contained in the Declaration was unprecedented, reflecting a progressive widening of the range of voices included in major meetings convened by the OECD DAC."[8]

7. This passage, taken from the *Framework Terms of Reference for the First Phase of the Implementation of the Paris Declaration*, is still applicable. The Declaration remains the dominant international statement on the aid relationship, including how the main actors in that relationship are expected to carry out their responsibilities to make the greatest possible contribution to development effectiveness. An initial "Statement of Resolve" of 12 points is followed by 56 commitments under a "Partnership Commitments" heading, organized around five key principles:

1) Ownership by countries
2) Alignment with countries' strategies, systems and procedures
3) Harmonisation of donors' actions
4) Managing for Results, and
5) Mutual Accountability

C. Results of the Phase 1 Evaluation

8. The Phase 1 Evaluation assessed the early implementation of the Paris Declaration, from March 2005 to late 2007. It comprised extensive assessments in eight countries, together with less extensive studies of eleven development partner or "donor" agencies, focusing at the headquarters level.[9] Participation by all countries and agencies was voluntary. An international management group managed the evaluation and received guidance from an international reference group drawn from 31 countries and institutions. The Synthesis Report presents the conclusions, lessons and recommendations of the Phase 1 Evaluation. In spite of a number of limitations, which are acknowledged in the Report, the evaluation results have made a significant contribution to understanding the progress achieved and challenges confronted in implementation of the Declaration.

9. The Phase 1 Evaluation sought to answer three central questions:

1) What important trends or events have been emerging in the first few years of implementation of the Paris Declaration?
2) What major influences are affecting the behaviour of countries and their development partners in relation to implementing their Paris commitments?
3) Is implementation so far leading toward the Declaration's five key principles? If so, how and why? If not, why not?

10. The Synthesis Report recommends that the Phase 2 Evaluation be designed strategically, with wide participation, in order to: pursue the Phase 1 results and dilemmas found; address squarely implications of "aid effectiveness" for development outcomes and

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[8]Phase 1 Evaluation Reference Group, *Framework Terms of Reference for the First Phase Evaluation of the Implementation of the Paris Declaration* (unpublished, Copenhagen; 25 April 2007). http://www.oecd.org/secure/pdfDocument/0,2834,en_21571361_30097720_38478112_1_1_1_1,00.pdf

[9] "Countries" or "partner countries" refer to the countries receiving aid, and the term "donors" (which is used in the Declaration) or "development agencies" signifies those countries and multilateral agencies providing aid. Other partners, such as non-governmental organisations and private sector actors, will be specifically identified.

impacts; rely heavily on representative country evaluations; apply a consistent core methodology; and commission targeted cross-cutting research in advance on some key topics.

11. Four thematic studies were commissioned for the Phase 1 Evaluation in addition to the Synthesis Report. The four thematic studies are (1) "Statistical Capacity Building;" (2) "Untying of Aid and the Paris Declaration;" (3) "Applicability of the Paris Declaration in Fragile and Conflict-affected Situations;" and (4) "The Paris Declaration, Aid Effectiveness, and Development Effectiveness."[10] These studies have been completed, with the exception of the second part (field study) of the untying study, which is still ongoing. They all have implications for the Phase 2 Evaluation, but studies (3) and (4) are of particular relevance. The third study is summarised in Section II-C below and aspects of the fourth study, central to the Phase 2 Evaluation, are discussed in more depth in the sections that follow below.

D. Aid Effectiveness and Development Effectiveness: Linkages Issues

12. The purpose of the *linkages study* undertaken for the Phase 1 Evaluation was to serve as a primary document to frame Phase 2 by exploring the relationship between the recommendations of the Paris Declaration and aid effectiveness and development effectiveness.[11] In other words, it was to be a bridge between the Phase 1 Evaluation focusing on implementation of the Declaration and the Phase 2 Evaluation with its emphasis on understanding the linkages between aid effectiveness and development results. The study reviewed the history and evolution of the Declaration; considered the plausibility of its assumptions; and built on these understandings to present options for the design of the Phase 2 Evaluation. The next three sections summarize some of the salient issues raised by the *linkages study*.

1. Defining aid effectiveness and development effectiveness

13. Given the lack of universally accepted definitions, an early portion of the *linkages study* was necessarily devoted to an effort to clarify the concepts of aid effectiveness and development effectiveness and develop a working definition of development effectiveness. The Paris Declaration, including its principles and commitments, has for many become the definition of aid effectiveness – which makes the definition self-referencing. It also contains a strong emphasis on efficiency, especially through savings in transaction costs. The *linkages study* tried to find a definition that was less self-referential and more focused on the management of aid and the targeting of objectives. On this basis, it defined 'aid effectiveness' as an: "*Arrangement for the planning, management and deployment of aid that is efficient, reduces transaction costs and is targeted towards development outcomes including poverty reduction.*"[12] This definition covers the key components of aid effectiveness and points toward development outcomes as well as efficiency.

14. The *linkages study* provides two definitions of "development effectiveness." The first is in terms of what development interventions actually achieve, i.e.:

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[10] All four studies can be found on http://www.oecd.org/document/60/0,3343,en_21571361_34047972_38242748_1_1_1_1,00.html

[11] Stern, *et al*, *op. cit.*

[12] See Stern, *et al.* for a more extensive discussion of these definitions, *op. cit.*, pp. 19-21.

1) "*Development effectiveness is the achievement of sustainable development results related to MDGs that have country level impacts that have discernable effects on the lives of the poor*."[13]

The second definition focuses on processes, capacities and sustainability, i.e.:

2) "*The capability of States and other development actors to transform societies in order to achieve positive and sustainable development outcomes for their citizens*."

15. These are broad definitions. They both emphasise sustainable, positive effects on citizens or on the poor; while the first definition focuses more on actual results, the second one focuses more on the capability of development actors, including States, to achieve results. These definitions, as noted by the *linkages study*, are complementary and are both relevant to the Phase 2 Evaluation design.

2. Research evidence regarding Paris Declaration assumptions

16. The *linkages study* uncovered a "large and disparate" body of research that tries to relate aid to development outcomes. It concludes that there is some evidence that aid delivered in ways consistent with the Paris Declaration (e.g. as found in the Comprehensive Development Framework and General Budget Support evaluations) can improve the way aid is managed and delivered. The evidence is less convincing about whether changes in 'aid effectiveness' will in turn lead to sustained reform in policy-making, governance and enhanced development capacities. Existing evidence is also less clear-cut as to the likely efficiency gains or reductions in transaction costs likely to follow from implementation.

17. With respect to development results, the study finds "clear evidence" that aid-funded interventions can improve public services for poor households but no clear evidence to confirm that Paris Declaration-like interventions lead to *sustained* improvements in such basic services, let alone to income growth.

18. The *linkages study* also notes that positive examples of development results (e.g. in East Asia) are often built on governance and rights assumptions different from those of the Paris Declaration. The study concludes that governance seems important but not consistently so. It is also observed that the Phase 1 Evaluation finds a typically narrow base for country ownership and that the Declaration appears to have reinforced central government ownership rather than meaningful inclusion of civil society, parliament and the private sector. Also, the study notes that in many countries donor influence over government policy-making and priority setting continues to be high and that the motives of donors can be commercial and strategic in the geopolitical sense and not confined to development strategic in the geopolitical sense. Differences in objectives can be a barrier to harmonisation.

19. Research on fragile states suggests that how such states are defined is important. It is probably better to focus on "dimensions of fragility" or "fragile situations," which many

[13] In other words, development effectiveness refers to the actual *achievement* of relevant results (e.g. achievement of the Millennium Development Goals or MDGs) with discernable effects on the lives of people. Development *efficiency*, on the other hand, refers to a given level of development effectiveness or results achieved with a minimum feasible level of resources.

states experience to various degrees at different times rather than to assume that fragile states all fall into common – or even differentiated – categories. Most perceived dimensions of fragility draw attention to state-building processes (e.g. the processes by which the accountability, legitimacy and capability of the state are developed).[14] If a national government lacks capacity, clearly articulated development objectives, effective control over its territory or legitimacy this calls into question underlying assumptions about the nature of the 'development partnership' that can be seen as implicit in the Paris Declaration. This issue is significant for a number of partner countries and donors and was the subject of one of the four thematic studies undertaken for the Phase 1 Evaluation.[15] It will be discussed further in section III-C "critical substantive issues."

3. Implications of research and evaluation evidence for the Phase 2 Evaluation

20. The *linkages study* concludes that research and evaluation findings suggest that the Paris Declaration should be expected to have short, medium and long-term outcomes. Therefore, many of the results will be not be evident by 2011, and evaluation design and methods must be adapted to this.

21. Country specific dynamics appear to be important in understanding development results and aid effectiveness. These tend not to be clear from cross-country analyses. As the implementation of the Paris Declaration appears to be influenced by specific starting conditions and histories, it is likely to be highly varied. The interaction and sequencing of factors are likely to change over time, and two-way causalities are possible. Simple "logic models" will not be easily applied. This suggests that the main unit of analysis should be Paris Declaration-endorsing and implementing countries and their implicated donors. A key part of such a focus should be how development actors (governments, civil society, and donor agencies) have defined their priorities and used Paris Declaration arrangements over time and to what effect.

22. At the same time, the study notes that research tends to confirm that direct, vertical interventions have a good record in bringing about targeted improvements in basic needs – such as child and maternal health, HIV/AIDs programmes and primary education. This suggests that the Phase 2 evaluation should undertake comparative analysis between different strategies, delivered in similar settings in pursuit of common goals. Other relevant topics and issues from the *linkages study* are addressed in the following sections on the proposed scope and focus of the Phase 2 Evaluation.

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[14] While definitions and concepts of 'state-building' are a debated topic, the DAC members have endorsed the 'Principles for Good International Engagement in Fragile States and Situations' (OECD/DAC, 2007) including the principle 'state-building as a central objective'. The emphasis here is on the need for international engagement focused on building the relationship between state and society through two areas: (i) supporting the *legitimacy and accountability* of states by addressing issues of democratic governance, human rights, civil society engagement and peace building; and (ii) strengthening the *capability* of states to fulfil their core functions in order to reduce poverty, including security and justice, mobilising revenue, establishing an enabling environment for basic service delivery, strong economic performance and employment generation.

[15] Jones, Stephen and Katrina Kotoglou, Oxford Policy Management, and Taylor Brown, IDL Group, *The Applicability of the Paris Declaration in Fragile and Conflict-affected Situations*, Oxford, UK, August 2008.

II. Scope and Focus of the Phase 2 Evaluation

A. Constituencies for the Evaluation

23. Since the findings of this evaluation will be of interest to multiple constituencies, its design and implementation must incorporate their needs and perhaps diverging concerns. Primary constituencies include the signatories to the Paris Declaration: the governments of the partner countries and governing authorities and senior managements of development agencies. At the second level are those tasked with implementing the Paris Declaration: government, donor, civil society and private sector stakeholders in the partner countries as well as management and operational staff of donor/development agencies. The findings should also be of interest to the citizens of both partner countries and donor countries.

24. The Phase 1 Evaluation focused on the practical lessons learned about implementation and contributed to ongoing aid effectiveness policy debates in the High Level Forum 3 (HLF 3) on Aid Effectiveness in Ghana in September 2008 and in other fora. The focus of Phase 2 will be on a more results oriented evaluation to be presented to the HLF 4 in 2011.

B. Objectives of the Evaluation

25. The overall aim of the Phase 2 Evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately to development effectiveness, including poverty reduction.

26. To this end, the evaluation will document and analyse the results of the Paris Declaration in terms of improving the effectiveness of aid and the contribution of aid to development results.

27. The evaluation design as outlined in this Approach Paper, acknowledges the importance of country-specific differences and other differences in policy, history, and resources both among donors and the recipients of aid. The evaluation is therefore expected to analyse results in context, taking into account preconditions or enabling conditions that may lead to or inhibit positive development results supported by aid.

28. Specific objectives include:

- To document the results achieved through implementing the Paris Declaration.
- To enable country-based ‘partnerships’, partner countries and donors/agencies to clarify, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness.
- To highlight barriers and difficulties that may limit the effectiveness of the Paris Declaration and its effects and impacts – and how these barriers and difficulties may be overcome.
- To strengthen the knowledge base as to the ways in which development partnerships can most effectively and efficiently help maximise development results through aid in different development contexts – including various degrees of ‘fragility’.
- To enable sharing and exchange of experience among stakeholders, countries and partnerships to facilitate reflection, lesson-learning and policy improvement.

The Phase II evaluation will therefore be summative *and* formative – allowing judgements to be made about what has been achieved whilst at the same time also supporting policy development and improvement across different constituencies and stakeholders.

C. The Evaluation Model

1. The conceptual framework

29. Taken together, Phases 1 and 2 of the evaluation seek to address all the levels outlined in a conceptual framework, which is summarized below and presented graphically in Figure 1. This framework was inspired by two key papers: (i) an *Options Paper* for the Paris Declaration Evaluation prepared in 2006 by Booth and Evans,[16] and (ii) the previously cited *linkages study* prepared for the Phase 1 Evaluation, *The Paris Declaration, Aid Effectiveness, and Development Effectiveness,* prepared in 2008 by Stern, et al.[17]

30. Drawing on a wide range of development research and evaluations, the *linkages study* constructs a Paris Declaration evaluation framework based on a policy approach.[18] This Approach Paper adopts a modified version of the framework put forward in the *linkages study*, as depicted in Figure 1, below

31. The *linkages study* argues that the Declaration is not a traditional intervention with its own inputs and actions – rather it enables, encourages and aims to change the character of other often pre-existing inputs and actions, such as policy development and planning through various forms of "partnership working." The study introduces the term "PD Configuration" to communicate that the Paris Declaration is not a unitary intervention but consists of a number of elements that can be brought together in different ways. For example, some developing countries have well-developed poverty reduction strategies linked to well-established aid management processes that are strongly "owned" by their governments – but in others, this is not so. This is why the Declaration appears in Figure 1 as a background influence on existing inputs and outputs rather than as a self-contained input.

32. Not every Paris Declaration configuration is unique. The Phase 1 Synthesis Report and the monitoring reports make it possible to identify a set of Declaration configurations. But their form and content are dynamic and can be refined over time. Tracking this evolution will provide some confirmation that the Declaration is being used and contributing to development outcomes.

33. The framework depicted in Figure 1 has the following additional features:

1) The Paris Declaration's *inputs and outputs* are directly concerned with aid and the aid management capacity of governments. The two-way arrows between these inputs and outputs in Figure 1 indicate the need for consistency: for example, planning and analysis need to be conducted in ways that ensure that policies and programmes are inclusive, relevant and targeted.

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[16] Booth, David and Alison Evans, *DAC Evaluation Network: Follow-up to the Paris Declaration on Aid Effectiveness: an Options Paper*, Revised Draft, OECD/DAC, Paris, 2006. https://www.oecd.org/dataoecd/8/3/38255452.pdf

[17] Stern, *et al., op.cit.*

[18] Stern, *et al, op. cit.* Explanatory text is on pp.43-46 and the figure (3.2) is on p. 44.

2) This framework stresses the processes of operational *partnerships* and *capacity development* as main means for enhanced implementation of the Declaration. Partnership includes policy dialogues, donor coordination groups, joint reviews and joint problem solving meetings. Capacities for aid and development effectiveness can include, in addition to building government capacity, strengthening parliamentary scrutiny and inputs into policy; and supporting structures that give civil society and the private sector a voice in policy-making and a "watchdog" role. Capacity development is likely to require donor inputs as part of its implementation.

3) The framework also stresses *policies* as a key step toward realizing development results from the Paris Declaration. But aid-related policies are themselves embedded in other country-based policies and policy-making processes. Policies that may not be aid-related are nonetheless important for development results and for the way aid is managed. But as the multi-directional arrows in Figure 1 suggest, the model is open to the possibility that the Paris Declaration itself will have spill-over effects that will influence non-aid policies. For example, improvements in statistical analysis, budgeting and planning encouraged through the Declaration may have implications for how non-aid policies are implemented. An even more direct impact on non-aid policies can result from the policy conditionality that donors attach to their aid.

4) Country level *outcomes* include some that are expected to be short-term, medium-term and longer-term. It is posited that some poverty reduction results will be evident, although not necessarily sustainable within the timeframe of the Paris Declaration.[19] "Other Essential Outcomes" in Figure 1 refer to other elements of development integrally linked to poverty reduction and the MDGs, but that warrant separate identification, namely, gender and social inclusion, and security.[20]

5) The inclusion of *state building* as a long-term outcome of the Paris Declaration follows from the importance given by the *linkages study* to the institutions of government and the capacities of the State. This is further reinforced by the prominence given to "*fragility*" and fragile states in the Declaration.[21]

6) The Paris Declaration has *international outcomes and impacts*. It was partly intended to re-assure taxpayers in donor countries that aid is well-spent, yielded results and was worth increasing levels of expenditure. The legitimacy of ODA is therefore an important international outcome. Another international outcome/impact identified by the *linkages study* is a donor "learning effect," resulting in the greater efficiency of donor policies and behaviour.

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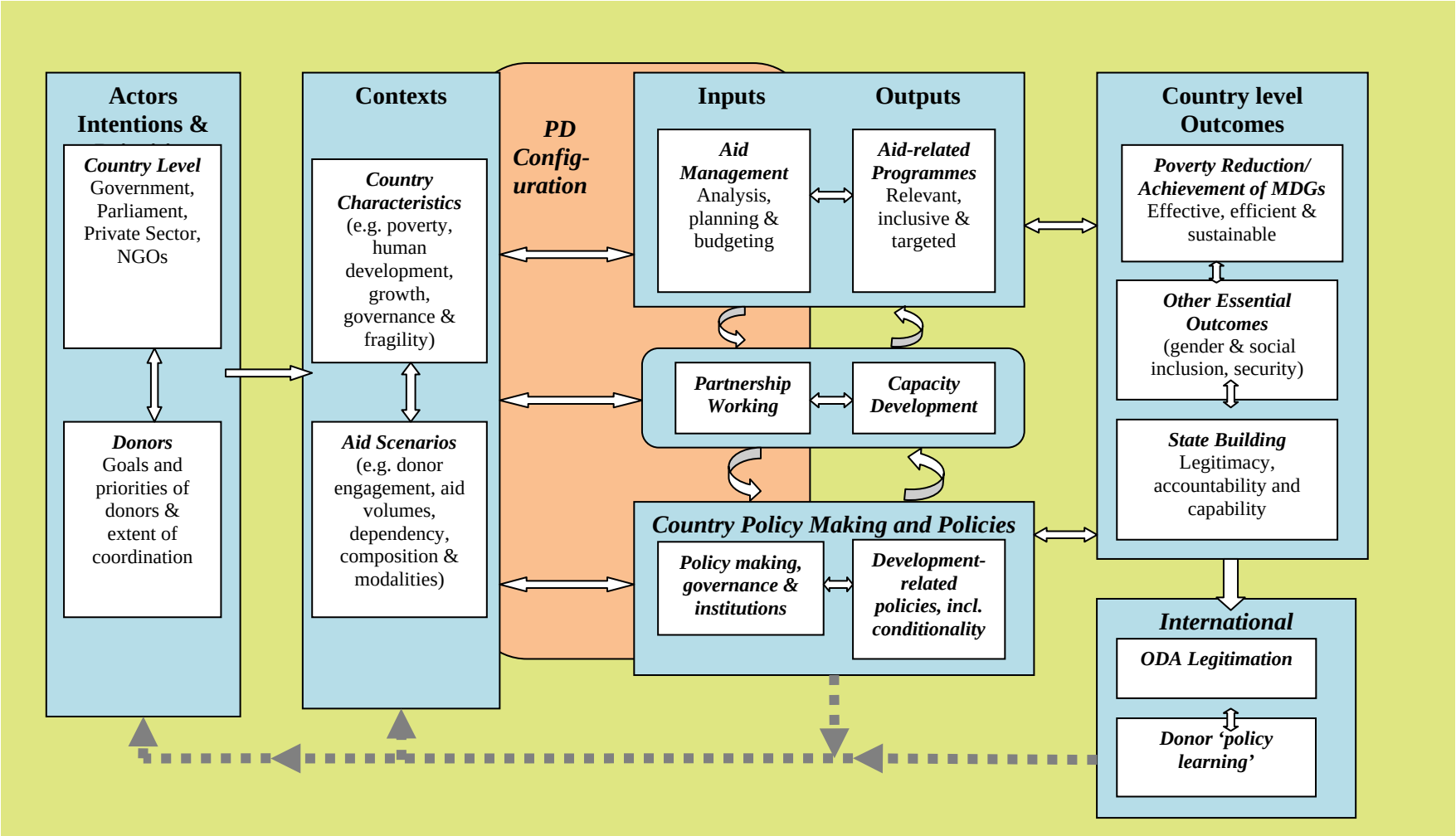
[19] This assertion is based on evidence that targeted improvements in health and education and other public services can be achieved in the short-term. But *sustained* improvement will be a longer term outcome.
[20] Millennium Development Goal No. 3 is to "Promote Gender Equality and Empower Women."
[21] "It is not suggested that State-Building outcomes if detected are likely to be attributable mainly to the PD. However the model acknowledges the potentially catalytic effect of the PD to improve public management, strengthen institutions and promote inclusion when combined with other development and non-development polices and when supported by capacity development measures." Stern, *et al*, *op. cit*., p. 45.

Figure 1. Framework for Phase 2 of the Paris Declaration Evaluation



7) Multi-directional causality flows and feedback loops from "Outcomes and Impacts" back to "Actors" and "Contexts" are explicit in the framework, as shown in Figure 1. The feedback loops imply iterative and learning approaches to implementing the Paris Declaration. An initial configuration of inputs, outputs and outcomes is likely to lead back to a changed configuration as new ways of managing and using aid are learned and implemented more effectively, providing other things remain equal.

8) The importance of the external environment, contexts or exogenous factors cannot be overemphasized. These factors include global and regional economic, political, and public health conditions (and their impacts on a partner country, as well as on a donor), to political, economic, social, and natural developments or crises originating within a partner country. Specifically, these can range from the ongoing global financial crisis, commodity price fluctuations, to the spread of dangerous communicable diseases, to the outbreak of violent conflict, to natural disasters, to the emergence of new donors providing substantial resources but who are not Declaration signatories. Inevitably, contexts and actor intentions for implementation of the Paris Declaration will not "remain equal." An iterative perspective should focus attention on changes in the context and in so doing, will help safeguard against inappropriate attribution of change to the Paris Declaration.

9) It should be emphasized that Figure 1 is schematic. There are limits to what can be captured in a one-page figure (e.g. the right-hand column in Figure 1 is labelled "Outcomes," whereas a more detailed treatment might distinguish between "intermediate outcomes," "ultimate or final outcomes," and "impacts"). [22]

2. Operationalising the model

34. The substantial methodological and data challenges implied by Phase 2 of the Paris Declaration Evaluation suggest two different but complementary foci that comprise an evaluation model for Phase 2.

a. Implementation focus

35. The first focus will involve a horizontal expansion of the Phase 1 Evaluation emphasis on implementation (inputs, process, outputs, and aid effectiveness) by increasing the number of country level studies. This would provide a more balanced mix among countries, including those where implementation of the Paris Declaration principles has been faster as well as those where progress has been slower. A larger number of countries would also improve the

[22] For example, the 2006 "options paper" (Booth and Evans) assigns policies to the outcome level and the 2008 linkages study assigns policies to the output level; the options paper shows the five main PD principles as "outputs" and the linkages study shows "PD configurations" in the background. But it is also significant that both frameworks recognise, in somewhat different ways, that understanding the development results that follow from the Paris Declaration requires a focus on outcomes and impacts as well as outputs. This was well signposted in the "options paper" and has been further elaborated in the *linkages study*. The former identified the mechanisms of political support, peer pressure and coordinated action and concentrated on the direct consequences of the actions to which the Declaration commits its signatories. It suggests, following the logic of the Declaration itself, that these actions will strengthen capacity and policy-making leading to improved public and private investment. There has been an evolution of thinking and evaluative research of over the two years between the two papers (including the findings and conclusions of Phase 1 of the Paris Declaration Evaluation). The *linkages study* identifies a wider set of mechanisms and emphasises the way the Paris Declaration is likely to be affected by the context in which it is being implemented as well as its interactions with many other aspects of aid management including other "programmes," policies and policy-making processes. Both the options paper and the study understand impacts to include poverty reduction, achievement of the MDGs, improved regulation and institutions. The *linkages study* elaborates on these outcomes to include lessons learned and applied for donors as well as for partner countries and takes on board some of the "state-building" priorities that follow from the Paris Declaration's inclusion of fragile states or fragile situations.

likelihood of a more diverse set of countries along other relevant dimensions, including degree of aid dependency, fragility, and regional location. The range of country stakeholder groups would also be expanded (levels of government, parliaments, civil society – including umbrella media organisations, private sector, donors).[23] In some situations, it may also be necessary to engage with a wider range of actors and stakeholders, most notably those from the humanitarian, diplomatic and security communities.[24]

36. The implementation focus should also cover the Accra Agenda for Action. This focus would also give greater attention than did Phase 1 to targeted capacity building (including technical assistance and training) and would assess the contribution of donor supported analytic and advisory activities in support of the Paris Declaration principles, which was not given much attention in Phase 1. Several donors that did not participate in the Phase 1 Evaluation will assess their performance in implementing the Paris Declaration.

b. Results focus

37. This focus will identify Paris Declaration consequences in the form of development outcomes and results; i.e. development effectiveness. This will require the selection of countries with sufficient data and experience to help meet the challenging analytical and methodological hurdles that will have to be overcome, including the fact that few development outcomes directly attributable to the Paris Declaration can be expected by 2011, the year when the Phase 2 Evaluation is to be completed for the 4th High Level Forum. One method will be to employ "backward-tracking" in selected countries to assess the impact on policies, and possibly, outcomes, of "Paris Declaration-like" principles implemented in the past, even though they may not have been recognized as "Paris Declaration principles" at the time. (see further discussion below).

c. Main elements and challenges

38. The proposed evaluation model incorporates the "implementation focus" and the "results focus." But its relative emphasis will be on development outcomes and results. The Phase 2 Evaluation will not have achieved its purpose if it does not identify results attributable to the Paris Declaration. Policy changes and their implementation, including associated programs, play a central role in the model. They are key outputs in achieving results attributable to the Declaration. As shown in Figure 1, capacity development interacts with policies and programmes, which are in turn influenced by implementation of the Paris Declaration principles. The resulting policies and programmes "point" to potential Paris Declaration-associated outcomes (see right-hand column of Figure 1), even though these might not yet be measurable.[25] Implementation of this model will involve the following elements:

1) Being able to make predictions of *change in development outcomes and/or results* in line with the "results focus," or at least the direction of likely change, perhaps more feasible on

[23] In most cases it will be more feasible to survey and interview umbrella organisations or associations representative of civil society organisations (including the media) and the private sector, rather than all CSOs and all enterprises in a country (a random stratified sample could also be taken but this will likely be time-consuming and costly).

[24] The thematic study on fragile and conflict-affected situations emphasised that in some situations of fragility other efforts may take priority over development interventions. In these situations, diplomatic, security, humanitarian and development interventions (including transition from humanitarian relief to recovery and development) need to be as coordinated as possible and mutually reinforcing.

[25] See Stern, *et al*, *op. cit.* pp. 50-51 for a more extensive treatment of some of these issues.

a sector basis, providing the conceptual or theoretical linkages are sound, and that realistic assumptions can be made about intervening variables.[26]

2) *Backward-tracking* of countries with relevant experience and data, which may permit observation of changes in outcomes and/or results that could be attributed to outputs and inputs resulting from the implementation of "Paris Declaration-like" principles before 2005. The possibility of "tracking" from apparent cases of successful development outcomes and results to understand the origins and evolution that led to the current situation is especially appropriate for the Paris Declaration, given that many of the actions and processes that the Declaration encourages have been promulgated for a number of years. Tracking back to uncover the conditions that were associated with success could use a variety of methods, including historical case-studies; synthesis studies of already extant research; and statistical analyses where time-series data exist.

3) More rigorous and comprehensive analyses of linkages between the Paris Declaration principles and aid effectiveness inputs and outputs implied by the "implementation focus" are needed in order to *confirm and extend the findings of the Phase 1 Evaluation*. While there is a general expectation that Phase 2 will yield findings about results, explicit statements by key stakeholders, including by the Phase 1 Reference Group, the Accra Agenda for Action, and the DAC Working Party on Aid Effectiveness (WP-EFF), have indicated a desire for confirmation and extension of the findings of the Phase 1 Evaluation.

d. Methodological issues

39. The kinds of methodological challenges to be addressed include:[27]

- Different ways in which the Paris Declaration is being implemented
- Importance of different political, economic and institutional contexts for implementation ("intervening variables")
- Significance of key actors' intentions and priorities
- Possibilities of multi-directional causality between the main elements in the model
- Iterative nature of policy implementation associated with the Paris Declaration.
- The challenges of the model are particularly daunting if development outcomes and results are to be explicitly identified, quantified and attributed.

40. Measurement of change will need to extend beyond expenditure data and administrative records. To be true to the definition of development effectiveness the evaluation will need to establish whether there have been changes to the lives and capabilities of poor men and women as a consequence of poverty reduction efforts and, indirectly, Paris Declaration implementation. Resource constraints will tend to preclude collection of primary data on beneficiaries, but existing relevant information from Living Standard Measurement Surveys (LSMS), Poverty Reduction Strategy Papers (PRSPs) and related monitoring and evaluation is relatively plentiful.

41. Being able to attribute any observed effects exclusively or largely to the Paris Declaration is a major challenge. Several non-mutually exclusive ways of ascertaining attribution are suggested below. They would also demonstrate the synergies among inputs, outputs and outcomes of the Paris Declaration.

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[26] Ranges of change might be suggested, such as "positive" or "negative" effect, and "little" or "substantial."

[27] See for example, Stern, *et al*, *op. cit*., p. 43.

1) The number of country level studies will need to be sufficiently large in order to provide a balanced mix among countries, including those where (i) the Paris Declaration principles have been implemented more rapidly and (ii) those where progress has been relatively slower. This will permit comparisons of poverty reduction progress in countries in group (i) with those in the group (ii). Consistent definitions and measures of Declaration implementation progress will have to be formulated and the effects of other intervening factors will have to be assessed – e.g. country size, aid dependency, fragility, and regional location.[28]

2) Sites or sectors could be selected to compare more or less successful experiences of poverty reduction across different sites or communities within the same country and common policy setting. This could enable the identification of factors responsible for more successful and less successful implementation in the same country.

3) Comparisons could also be made between examples of poverty reduction pursued within a policy setting supported by Paris Declaration types of partnership interaction and another that employed what might be called "non-Paris Declaration" strategies to implement targeted poverty reduction policies and programs. For example, there are a number of documented sectoral or 'vertical' programs focusing on maternal health, HIV/AIDS, primary education, agriculture, environment, etc., which by-pass national treasuries but are nonetheless attempting to achieve similar outcomes to those that are to be found in national plans intended to be strengthened by the Paris Declaration. Comparisons should also include emerging donors such as Brazil and China, and other major private donors (e.g. foundations). Such an approach if carefully designed will begin to address "counterfactual" type questions.

4) Investigations should be undertaken in more depth of several issues flowing from the eight country level studies that were a part of the Phase 1 Evaluation, as well as from additional countries covered in Phase 2. For example, slow rates of aid disbursement and what influence, if any, implementation of the Paris Declaration has had and why.

42. These approaches and methods will be of particular interest to policy makers at both country-level and internationally because they will highlight the strengths and weaknesses of different strategies to achieve similar outcomes. While in some settings detectable changes in "targeted poverty reduction/MDG" outcomes can be expected, less progress in other development areas relevant to the Paris Declaration will be observed. For these other outcomes, it will still be possible to track "distance travelled" and "directions of change", provided the evaluation applies causal models, "theories of change" or other theory based approaches that specify plausible steps towards future but still nascent outcomes.

43. The *timeframe* required to identify development outcomes attributable to the Paris Declaration will vary according to the specific Declaration commitment and type of outcome. The right hand column of Figure 1 suggests several levels of possible Paris Declaration outcomes and results. The first two might possibly be observed within the 2005-2011 timeframe of the Phase 2 Evaluation – (1) targeted poverty reduction, including the MDGs and (2) "other essential development outcomes," such as gender and social inclusion and

[28] Careful case studies of observed effects will be required in terms of inputs, outputs and possible exogenous influences that might account for them. The range of possible outcomes in terms of strengthening capacities and other actions and policies that might influence the focal result, i.e. poverty reduction, will have to be identified; the interdependence of these actions or polices will need to be assessed, with weights assigned to each, including the Paris Declaration in relation to other inputs. See Stern, *et al. op. cit.*, p. 50.

security. The next two categories – (3) state building (e.g. accountability, legitimacy, and capability of the state) and (4) "international outcomes" (e.g. "ODA legitimation" and "policy learning") – are likely to be observed only over the long run. The "backward tracking" approach suggested above will provide a way of getting around the timeframe problem if adequate historical data can be found in countries adopting Paris Declaration-like measures.

44. The International Reference Group may wish to discuss at a later stage the possibility of assessing a small number of 'tracker sites' in countries where revisits could be planned over a more extended time-period (beyond 2011 – see further discussion in paragraphs 72 and 102, below) [29]. The purpose would be to identify and monitor longer-term processes and outcomes such as state building and changes in institutions. Such a study could be funded and executed separately from the Paris Declaration Evaluation.

45. The *cost* of the proposed evaluation is substantial. Selectivity will be required in the final designs of the "implementation" and "results" components of the proposed model. A balance will need to be struck between the call for more rigor and comprehensiveness on the one hand, and cost, on the other. The governance and management structures required for the proposed model will likely be somewhat more costly than they were for Phase 1 (see section on governance and management structures and a budget estimate in Table 2).

e. Evaluation questions[30]

46. Building on the schema of the *linkages study*, four classes of broad evaluation questions can be delineated.

The first class of questions concerns the ***starting conditions*** that exist in partnerships. This focuses on the extent to which the Paris Declaration principles and commitments have been taken on board, adapted and put in context by partnerships.

- *What are the Paris Declaration "configurations," how were they decided and are they appropriate, i.e. are they well adapted to country circumstances and aid scenarios?*

These questions were the main focus of the Phase 1 Evaluation. They address issues among countries and donors that need to be included as part of Phase 2 (where they were not covered in Phase 1), as they will ensure that the different ways in which the PD is implemented are taken into account. But as the main overall focus of the Phase 2 Evaluation will be on development outcomes and results, the main justification for these questions rests on the extent to which answers will help *explain* these outcomes and results.

47. The second class of questions concerns ***results in terms of aid effectiveness and development*** more directly and considers whether Paris Declaration partnership arrangements (opportunities for policy dialogue, planning, new aid modalities - e.g. budget support, "SWAps," etc. - problem solving, joint review) made a difference to the way development actors identify and achieve their development objectives.

What has been the added value for development actors of implementing the PD's partnership principles in terms of aid effectiveness and development results – including creating the enabling the preconditions for development (such as capacity development) and strengthening their policies and institutions?

[29] Stern, *etal, op. cit.*, p. 50.

[30] Drawn from Stern, *et al, op. cit*., pp. 48-9.

This question is clearly at the heart of the Phase 2 evaluation. It will be important that in answering this question the focus on development results as well as aid effectiveness is maintained. A credible answer will require careful selection and application of evaluation methodologies.

48. The third class of questions concerns the ***processes that can help to explain results*** and make it clearer how far these results can be attributed to the PD. 'Processes' as the term is used here includes both intermediate outcomes and the 'means to the end' – what has been done to achieve results?

> *How have governments, donors and civil society actors used the Paris Declaration arrangements to improve aid effectiveness and development results and with what intermediate effects – e.g. in terms of reducing transaction costs, targeting policies at the poorer sections of the population, strengthening national consensus about development priorities etc?*

Once again it is important to emphasize that the main justification for this question rests on the extent to which answers will help explain these outcomes and results,

49. The fourth class of questions concerns ***policy alternatives*** i.e. the extent to which the Paris Declaration can be said to be the most appropriate policy or strategy to achieve poverty reduction and broader development results and begins to approach what are called ***'counterfactuals'***, i.e. whether other strategies – or doing nothing – could have led to the same results[31].

> *Is the Paris Declaration the best way to achieve the kinds of outcomes and results that the evaluation model identifies? Are there other strategies that could achieve the same results more effectively and efficiently? Would the same effects have happened without the PD?*

These questions falls clearly into Phase 2 and getting answers will also require as robust a set of methodologies as available data will permit.

50. The questions posed above are to be seen as 'top-level' evaluation questions. Auckland Workshop participants proposed a number of more detailed questions, which are reported in Annex 1 and are grouped in three categories that are consistent with the above 'classes' of evaluation questions, i.e., (i) results questions; (ii) process and intermediate outcome questions; and (iii) counterfactual type questions (i.e. could the same results have been achieved through other non-Paris Declaration approaches?);

51. It will not be possible nor necessary to address the full list of further evaluation questions that are included in Annex 1 in all PD settings, although the longer list of questions does highlight issues that some country-level studies will want to address. This is consistent with the agreement in Auckland that country level evaluation teams will answer both a common set of evaluation questions and prioritize a number of specific country–level questions that are important in that particular country setting.

52. However three sets of more specific questions have been selected for prioritization from Annex 1 based on the following criteria: (i) feasibility of linking to results or development effectiveness; (ii) measurability; and (iii) cost or burden to the partner country. These are examples of more specific questions that should be included in the TOR to be followed in each country level, donor HQ and possible supplementary study components of the Phase 2 Evaluation. Each of these more detailed sets of questions is linked with an important focus, i.e. the MDGs; Reducing Transaction Costs; and Aid Modalities and 'Vertical Funds'.

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[31] It is not expected that the Phase 2 Evaluation will be able to conduct a full 'counterfactual' type study but strong forms of attribution are expected. See also Paragraph 81, point 6, below.

1) ***Results Type Questions: The Achievements of the MDGs***. Has the PD enhanced ODA's impact on the MDGs and poverty reduction? Did the PD principles and commitments help development partners and partner countries to prioritize the needs of poorest people, including women and girls, and reduce poverty? Were results in specific sectors enhanced through the application of the PD principles? What results did the PD achieve? To what extent are intermediate results (to the extent achieved) plausibly going to lead to longer-term/higher level results? What has the PD achieved relative to what was initially expected?

2) ***Process and Intermediate Outcome Questions: Reducing Transaction Costs & Strengthening Capacity***: Have transaction costs actually diminished because of implementation of the Paris Declaration? What has been the impact on the partner country? What has been the impact on donors? What helps explain this? For example, has harmonization and alignment, led to reduction of transaction costs and more resources for poverty reduction and development priorities? What evidence is there that there has been an increase in capacity? What kinds of capacity – e.g. administrative, improved country systems, ability to consult with stakeholders, new forms of regulation; and for donors: has there been new divisions of labour or delegation of responsibilities by donor HQs to country or regional offices? What actions appear to account for changes in capacity – i.e. collaborative work in partnerships, new personnel, learning by doing, training and education, network formation, decentralisation etc?

3) ***Counterfactual Type Question Set: Aid Modalities and Vertical Funds***: What will be the implications for development results in a given country if donors were to shift a majority of aid to either general or sector-specific budget support? Were the development results in specific sectors more significant in cases where the PD principles are implemented compared to situations of vertical sub-sector programs and project type approaches that follow few if any PD principles? What is the added value of the PD in comparison with other "strategies" to reach development results (e.g. PD modalities versus non-PD modalities; donor aid versus internal mobilization of resources; PD donor intervention versus non-PD donor intervention)? Could sustainable non-PD sources of funding have achieved the same results (e.g. domestic and non-PD related external resources and policies, economic conditions, regional factors, vertical programs with little capacity strengthening, other sources)?

f. Evaluation "propositions"

53. The *linkages study* sets out 21 "indicative propositions"[32] drawn from its review of the research and evaluation literature, including the findings of the Phase 1 Evaluation. They are tentative hypotheses to be kept in mind during the detailed design of various components of the Phase 2 Evaluation. The propositions were the subject of considerable discussion at the Auckland Workshop, where working groups sought to identify the most important of the propositions, but there was little unambiguous consensus on the importance of more than a few propositions.[33] Discussions in Auckland suggest that the experience of practitioners and policy makers is not always identical to research findings; and that country specific circumstances can often over-ride generalisations based on research. The propositions in turn suggest a number of "mechanisms of change" that should be investigated as part of the

[32] The term "indicative propositions" instead of "hypotheses" is used in the *linkages study* to indicate the tentative nature of the analysis at this point in the process. *Ibid.* p. 46.

[33] See *Workshop Report, op. cit.*, pp. 5-6, for a more detailed discussion that seeks to identify the most important propositions in the view of Workshop participants.

evaluation. All 21 propositions are shown in Annex 2, organized under five main headings that encompass, but are not identical to the five Paris Declaration principles.

g. "Mechanisms of change"

54. The *linkages study* argues that in order to be confident that effects are "caused" by policies or programs, it is not sufficient to observe just changes. In addition, the *mechanisms* of change that operate in particular contexts also have to be identified.[34] Exploring the following mechanisms of change within the broad map outlined by the proposed model will provide Phase 2 evaluators with useful tools to assess the contribution of the Paris Declaration to aid and development effectiveness. Examples of mechanisms of change include:

- Empowerment of development actors (including governments, CSOs –including umbrella media organisations-, parliaments and the private sector)
- Reforms perceived as positive (because supported by a broad country-based consensus)
- Increased levels of trust between development partners
- Increases in confidence in governments by citizens of recipient countries
- Improved decision-making skills
- Improvements in risk-management
- Improvements in negotiating and influencing skills by donor agencies in their own policy communities
- Organisational supports for learning from policy experience
- Improved quality of needs analyses and available information
- More information sharing and transparency of information
- Spill-over of capacities from aid to non-aid policy-making
- "Learning by doing" or experiential learning
- Positive feedback loops from policy reforms and program innovations.

D. Some Critical Substantive Topics

55. There are several important substantive topics that should be addressed in country studies and possibly in supplementary studies if required.

1. Accra Agenda for Action of September 2008

56. The Accra Agenda for Action adopted by the 3rd High Level Forum on Aid Effectiveness specified 48 commitments undertaken by partner countries and donors to increase aid effectiveness. These are grouped under the following headings. The Phase 2 studies should assess the implementation of these commitments.

<u>Country Ownership over Development</u>

- We will broaden country-level policy dialogue on development
- Developing countries will strengthen their capacity to lead and manage development

[34] *Ibid.* p. 47.

- We will strengthen and use developing country systems to the maximum extent possible

Building More Effective and Inclusive Partnerships for Development

- We will reduce costly fragmentation of aid
- We will increase aid's value for money
- We welcome and will work with all development actors
- We will deepen our engagement with civil society organisations
- We will adapt aid policies for countries in fragile situations

Delivering and Accounting for Development Results

- We will focus on delivering results
- We will be more accountable and transparent to our publics for results
- We will continue to change the nature of conditionality to support ownership
- We will increase the medium-term predictability of aid.

2. Capacity strengthening

57. Capacity strengthening is critical for effective implementation of the Paris Declaration. Capacity is not just a means to realise results in health, education, agriculture or environment. Rather, it refers to effective systems such as institutions and organisations that are crucial elements of a county's ability to pursue its development path. This perspective on capacity requires that governments use checks and balances to protect public goods, that laws are upheld, that public goods and services are delivered, etc. It requires also that citizens, particularly the poor men and women and their civil organisations need the ability to defend their rights by means of political and decision-making processes, access to basic services and opportunities to earn an income above the poverty threshold and realise their ambitions. From this perspective, capacity is not merely a means to achieve development results but also a goal in itself and a key to development. However, the results of capacity strengthening may be observed only in the long run, after 2011.

58. Some key evaluation questions about capacity strengthening are:

1) What changes attributable to the Paris Declaration have taken place in the capacity of partner country institutions?

2) What effects have changes in the capacity of these institutions had on the realisation of their development objectives in terms of outputs and outcomes affecting women as well as men?

3) How effective have external (donor development partner) interventions been in terms of strengthening the capacity of partner countries?

4) What factors explain the level of effectiveness of external interventions? What lessons can be learned?[35]

[35] The above two paragraphs draw heavily on Piet de Lange and Rafaela Feddes, General Terms of Reference Evaluation of Dutch support to capacity development: Evidence-based case studies on how to support

3. Fragile situations

59. The Accra Agenda for Action recognises the need to 'adapt aid policies for countries in fragile situations'. This includes a commitment to work towards realistic peace and state building objectives that address the root causes of conflict and fragility. There is also a commitment for donors and partner countries to monitor the implementation of the *DAC Principles for Good International Engagement in Fragile States and Situations*, and share results in reports on the Paris Declaration. [36] Such a process is underway, and several countries have indicated interest in the first round of monitoring during 2009-10.[37]

60. The Phase 1 thematic study on fragile and conflict-affected situations[38] argued that the Paris Declaration is based on a particular model of 'development partnership' that rests on certain key assumptions: (i) agreement between a national government and its development partners on development goals and priorities; and (ii) the ability of the government to take forward its programmes and policies. This implies both that the government has effective control of its territory and that its legitimacy is not severely contested and that it possesses sufficient administrative, planning and management capacity. In what are termed 'fragile' situations, some or all of these assumptions will likely not hold. This assumption has two consequences.

61. The first consequence is that a concern with 'aid effectiveness' as a basis for international engagement needs to be supplemented by a more fundamental concern with the effectiveness, accountability, responsiveness and legitimacy of the institutions of the state. This means that international engagement must explicitly address the agenda of state building as well as the agenda of aid effectiveness.

62. The second consequence is that the approaches and forms of development partner engagement that are generally associated with the Paris Declaration model will not be straightforwardly applicable in many fragile contexts. The thematic study examined different types of fragile contexts and concluded that:

1) In 'problematic partnerships' (situations of deteriorating governance, increasing risk of conflict, prolonged impasse between national governments and the international community, or ongoing violent conflict) the model of development partnership that the Paris Declaration envisages is unlikely to apply.
2) 'Hopeful partnerships' (situations of post-conflict and peace-building transition and of improving but weak governance) provide an opportunity for building partnership in the way envisaged by the Paris Declaration, but the capacity of the state (and civil society) is likely to be extremely weak, the political settlement may be vulnerable and the risk of falling back into conflict or deterioration of governance is high.
3) Harmonisation remains a key priority for development partners in all of these contexts.

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organisational development effectively, Policy and Operations Evaluation Department (IOB), Ministry of Foreign Affairs, The Hague, November 2008.

[36] Accra Agenda for Action, September 2009, page 5.

[37] These include Afghanistan, the Central African Republic, the Democratic Republic of Congo, Haiti, Sierra Leone and Timor Leste.

[38] Jones, *op. cit.*

63. These conclusions limit the applicability of the Paris Declaration evaluation framework in fragile situations:[39]

1) An assessment should be made of the quality and characteristics of (i) problematic features of the development partnership (e.g. the capacity, legitimacy, objectives and reach of the state); and (ii) elements of state failure or conflict (or risks) that require that state building (including conflict prevention or resolution) be a central feature of engagement by development partners.

2) An assessment is also required of the wider elements of international engagement, including forms that go beyond aid instruments and look specifically at diplomatic and security engagement, and the relationship between these and aid. The DAC *Principles for Good International Engagement in Fragile States and Situations* can be used as a benchmark for identifying criteria for assessing the quality of international engagement.

64. Six possible questions dealing with fragile situations are included in Annex 1.

E. Evaluation Products

65. The evaluation's primary focus will be at the level of country studies (that assess donors/agencies as well as country stakeholders), with a few supplementary "studies" where essential to ensure adequate coverage of important issues. 21 partner countries have expressed a strong interest in conducting country level evaluations and four donor countries have indicated that they would undertake a HQ level study to complement those conducted in Phase 1 by other donors/agencies.

1. Country level evaluations

66. The Phase 1 Evaluation included eight country level studies. The number of countries will be substantially expanded to some 20 countries in Phase 2 to provide the variation in the rate of Paris Declaration implementation, aid dependency, fragility, and regional location that would enhance the possibility of drawing inferences about the influence of Paris Declaration principles on policies, development outcomes and results. Taking into account the number of countries in each region, this range could permit six-to-eight African countries, five-to-seven Asian countries, and four-to-five Latin American countries[40]. Donor performance on the ground in adhering to the Declaration principles should be assessed in the country level studies.

67. As indicated in a previous section, country level evaluations will have two complementary foci:

1) *Implementation or "process"* – a continuation of Phase 1 investigations both in "old" and "new" countries. The "Core Questions"[41] should be relatively few and precise concerning changes of behaviour of countries and donors while allowing countries to adapt these studies to their particular interests.

2) *Results or outcomes* in terms of aid and development effectiveness. In order to allow meaningful aggregation and synthesis the "generic TOR" including the "core questions" needs to be rather precise, leaving limited room for variations in scope and methodologies.

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[39] See briefing note by Jones, Stephen and Katarina Kotoglou 'Evaluating the Paris Declaration in Fragile and Conflict-Affected Situations' (March 2008) for further details.
[40] The numbers also depend on the available evaluation budget, see below.
[41] The Core questions should be drawn from the TOR for Phase 1 country evaluations.

68. Each country evaluation will be a freestanding evaluation that will be made publicly available. Partner countries interested in conducting country level evaluations are: Bangladesh, Benin, Bolivia, Cambodia, Cameroun, Colombia, Indonesia, Malawi, Mali, Mozambique, Papua New Guinea (PNG), Samoa, Senegal, South Africa, Sri Lanka, Uganda, and Vietnam. Still to be confirmed are the Democratic Republic of Congo, Ghana, Kyrgyz Republic and Laos.

2. Donor/agency headquarter evaluations

69. There will be a few donor/agency HQ studies similar to the Phase 1 studies. These studies are justified because they cover major donors which did not conduct such studies in Phase 1. In addition, these donors and agencies regard such studies beneficial for their own organisation. Both Phase 1 and 2 donor HQ studies and the "self reporting" which the DAC[42] has initiated will provide a basis for analysing changes in donor policies, strategies, incentives, etc.(but not donor behavioural changes on the ground which will be assessed in the country evaluations) feeding into the overall Synthesis. Each HQ evaluation will be a freestanding evaluation that will be made publicly available.

70. Donor countries interested in conducting HQ studies are Japan, Spain, Sweden and the US.

3. Possible supplementary studies

71. Thematic studies such as conducted in Phase 1 will be limited. Most of the topics suggested will be integrated in the country studies: gender and social exclusion; the roles of civil society (in implementation and development effectiveness)[43]; donor harmonisation in relation to country ownership and alignment, including division of labour[44]; the previously mentioned "backward tracking" of success in relation to Paris Declaration-like initiatives[45].

72. While findings and conclusions on these themes should be reflected in the synthesis report, it might be feasible to produce separate "supplementary" thematic "papers" or "briefs" that would support and build on the country studies (and other relevant sources). Among the potential special study topics that have been suggested are:

1) Transaction costs of Paris Declaration implementation for countries and donors[46].
2) The roles of one or more "global funds" in implementing the Paris Declaration principles. Two funds that have been identified in this connection are: *The Global Alliance for Vaccines and Immunization* (GAVI) and *The Global Fund to fight AIDS, Tuberculosis, and Malaria.*

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[42] Implementing the AAA; OECD DCD/DAC/EFF (2008)34/Rev1

[43] CSOs have burgeoned in number in recent decades. Therefore, as a practical matter, an assessment of the role of civil society could, where feasible, focus on CSO umbrella groups (including the media). Such umbrella groups will need to be representative of the spectrum of CSOs in the country.

[44] In order to improve harmonisation and division of labour among donors aimed for in the EU Code of Conduct (2007), the EU has launched a Fast-tracking Division of Labour Initiative involving 30 partner countries and 12 EU donors. Progress with in-country and cross country division of labour is being monitored and reviewed. The results of the monitoring/review exercise will provide a useful input for the Phase 2 Evaluation. In addition, the Task Team on Complementarity and Division of Labour, co-chaired by Uganda and Germany, works on systematic monitoring and division of labour at the global level, building on the experiences of the monitoring of the EU initiative, the OECD DAC statistical units and other sources.

[45] "Backward-tracking" studies are already mentioned as part of the "evaluation model" and could be included in country studies. However, it is possible to conduct such tracking in a number of partner countries not involved in conducting a country study. Such supplementary tracking studies are expected to largely utilise secondary sources.

[46] This special study might be undertaken prior to country studies if time permits.

3) The previously mentioned "tracker sites" study involving revisits beyond 2011 in order to identify and monitor longer-term processes and outcomes[47]

73. The special studies should be guided by specific Terms of Reference and conducted under separate contracts. They will be freestanding studies to be made publicly available.

4. Synthesis Report

74. The Synthesis Report will draw together the findings and conclusions of the Phase 1 evaluation, the above Phase 2 evaluations and studies as well as other relevant information. It may also contain recommendations for follow-up by partner countries and by development partners (provided such recommendations are based on the evaluation evidence)..

75. The Synthesis will be a freestanding report supplemented with annexes, special briefing notes and other means of dissemination which will be detailed in the dissemination plan for the evaluation.

F. Communication and Dissemination

1. Communication

76. The magnitude and complexity of this evaluation requires constant communication among the immediate stakeholders as well as with the wider development community. Formal meetings (see Chapter III on Governance below) are important, but also expensive in terms of time and financial resources and will therefore limited to key decision points while written procedures will be used to the maximum (without jeopardising ownership).

77. At present all (also draft) documents are posted on the DAC Evaluation website. A dedicated interactive website will be developed to facilitate communication between evaluation teams at all levels.

78. Throughout the evaluation, concise periodical briefings will be produced with the purpose of (i) communicating evaluation progress and intermediate results with the wider community and (ii) managing expectations with respect to this evaluation. The Evaluation Secretariat provides periodic updates on progress to the DAC Working Party on Aid Effectiveness and to its Cluster D on Assessing Progress on the Paris Declaration and the Accra Agenda for Action.

2. Dissemination

79. The primary products of the Evaluation will be (1) the Synthesis Report; (2) Country and Donor/Agency HQ Studies; (3) possible supplementary studies; and (4) briefing notes. Since the Phase 2 Evaluation represents the culmination of the overall Paris Declaration Evaluation, a systematic, global dissemination plan should be developed to encourage awareness, the exchange of good practice and lesson-learning. In addition to the 4th HLF the results of the evaluation should be communicated in different ways to different constituencies. This should entail dissemination workshops, discussions, and press interviews in the main partner country regions as well as in Europe and North America. Ideally, there should be one workshop in each of two sub-regions of Africa, Asia and the Pacific, and Latin America. The executive summary of the Synthesis Report should be available in a number of widely read languages and distributed widely. The use of newspaper, periodical, film, and broadcast media should also be explored.

[47] Such a study may be designed at a later stage as a separate research project, funded and executed separately. See paragraph 102 -6) below for further discussion.

80. The detailed dissemination plan should be finalised by January 2011 when the findings – and thus the messages from the evaluation emerge.

G. Points of Agreement on Approach and Methodology Issues from Auckland Workshop

81. The participants at the Auckland Workshop, which constituted the first meeting of the Reference Group for the Phase 2 Evaluation of the Paris Declaration, expressed agreement on seven points concerning the *approach* to be taken by Phase 2, as shown below.[48]

1) The main goal of the evaluation is to analyze the results of the PD in terms of aid effectiveness and development effectiveness and/or the preconditions or enabling conditions that will lead to development results. However, due to the 2011 timeline, in many instances we will need to settle for intermediate and proxy indicators for outcomes, which theory and experience tell us point to development results. Addressing development results is critical for maintaining evaluation credibility.
2) The evaluation should ensure that all five key commitments of the Paris Declaration are addressed adequately in the evaluation. Especially adequate coverage of results-based management and mutual accountability aspects need to be addressed in the evaluation design of Phase 2.
3) An assessment of the development results of PD-like aid modalities is important and should be a central element of the country-level studies drawing on the extent possible on existing evaluations.[49]
4) The conceptual framework of the evaluation needs to strike the right balance between bringing out the complexities and striving for feasible implementation.
5) There are different stakeholder groups at partner country, donor and broader policy levels all of whom have interests in this evaluation. For this reason although there will be a common core of evaluation priorities and evaluation questions, the country-based partnerships will be able to supplement their country studies with evaluation questions that match their needs and interests and specific country contexts. The changing global context, including the financial crisis, should be reflected in the core questions.
6) It is unlikely that the PD Phase 2 evaluations will be able to undertake the kinds of experiments that will support a rigorous explanatory (counterfactual) logic. However, comparisons of various kinds will be possible and attribution of results to the PD should at least be attempted – for example by comparing PD approaches with strategies of emerging donors such as China and Brazil and the vertical funds.
7) There was little unambiguous consensus on the importance of the 21 indicative propositions. This is why it was agreed to retain the propositions as tentative hypotheses only to be kept in mind during the detailed design of the Phase 2 Evaluation.

82. The Auckland Workshop participants expressed agreement on eight points concerning *methodology* for Phase 2, as shown below.[50]

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[48] *Workshop Report, op.cit.*, p. 7.
[49] For instance, the EU has programmed a joint evaluation of poverty effects of General Budget Support. The World Bank is in the process of finalizing an evaluation of Sector Wide Approaches (SWAp). The Netherlands has conducted an evaluation of SWAp for water and sanitation programs.
[50] *Workshop Report, op.cit.*, p. 10.

1) The Phase 2 Evaluation should be focused primarily at the level of country studies (that involve donor as well as country stakeholders), with supplementary "studies" where essential to ensure adequate coverage of important issues.
2) Continuity of Phase 1 countries so that they participate also in Phase 2 is to be encouraged. However, it is not proposed to extend the work of Phase 1 except for a few donors that did not previously undertake a HQ case study. Emerging and non-PD donors, however, should be sought out explicitly in the country studies.
3) Participation in the Phase 2 Evaluation will be voluntary, with the aim of comprising a group of countries that represents a diversity of contexts. There is agreement about a minimum set of 'criteria' concerning geographical spread, aid levels, fragility etc. If all criteria for inclusion are not met in the group of partner countries that have already indicated their participation, it may be necessary to encourage other countries to participate.
4) There will be country-based teams and an international "core" team. The core team will offer technical support to country teams, and eventually produce a cross country synthesis report. Furthermore, the core team will provide guidance on supplementary studies to be conducted. A priority task for the core team is the conduct of an additional literature review to guide the work of the country studies. Also regional workshops to guide the work of the country teams are foreseen.
5) Evaluation teams at both country-partnership and 'central' levels will be selected by open tender. The country teams should be formed using national expertise to the maximum extent possible but may also include regional and international experts.
6) Use of country systems should be prioritized to capitalize on existing data/literature including academia, universities, and civil society. However, global and regional networks could play a role as well in the identification of e.g. relevant background studies.
7) A mix of methods will be necessary e.g. synthesis of existing evidence, evaluations and research; case studies; tracking (longitudinal) studies that look forward and backwards; comparative studies across cases and themes etc.
8) There is agreement that national reference groups will have an important role to play in accessing information; exerting quality control; linking to government and civil society; and encouraging the use and usefulness of the evaluations findings. Furthermore, it was agreed that TOR should guide the work of the reference groups to ensure clear roles and responsibilities.

III. Governance and Operational Architecture

83. The governance of the evaluation is closely tied to its operational architecture. The evaluation architecture follows from evaluation design – its tasks, methods and intended outputs. But in evaluations where there are many stakeholders, as in the case of the Paris Declaration, issues of power and influence can arise and the technicalities of operational architecture have to be reconciled with issues of governance. The Paris Declaration evaluation architecture and governance should support and strengthen "development partnerships" in their pursuit of aid effectiveness and development results. It should do this in ways that support joint ownership and, in line with the Accra Agenda for Action, do so in an inclusive way.

A. Evaluation Architecture (Operational Structure)

84. The evaluation is organized operationally at two levels:

1) A "*Core Team*" that under the guidance and approval of the Evaluation Management Group will undertake overall design and facilitate coherence among country and HQ studies; interact closely with country and HQ teams; and contribute to the design of any required supplementary studies; it will also produce the evaluation's synthesis report.
2) '*Country-level Teams*' *and* "*HQ-level Teams*" that under the guidance from the Core Team and national reference groups will be responsible for undertaking country level evaluations and HQ level evaluations.

85. All teams should be selected through open tender with the Core Team set up approximately 6-8 months in advance of Country-level and HQ-level Teams and involved with partner country reference groups in the selection process for these teams.

1. Core Team

86. This team will be responsible for detailed evaluation design and work planning in close consultation with the Evaluation Management Group, the Secretariat and the country-level teams

87. The Core Team will:

1) Review and collate relevant existing research and evaluations.
2) Provide professional advice on the selection of country-level and HQ-Level teams.
3) Design for the approval of the Evaluation Management Group and the International Reference Group of the "Generic Terms of Reference" for country and HQ case-study work, data gathering and fieldwork that will be comparable and able to be synthesized.
4) Provide ongoing advice and support to Country Teams to ensure the coherence of the evaluation and the comparability of its different elements.
5) Propose and contribute to the design of any required supplementary studies[51] for the approval of the Evaluation Management Group.
6) Synthesize evaluation results generated at country and donor HQ levels as well as any supplementary studies and prepare the overall Evaluation Synthesis Report[52].

88. An important responsibility of the Core Team will be to continuously interact with country and HQ-level teams to ensure consistency and coherence across country studies. While the Core Team will propose criteria for the selection of country-level team members, it will not select those members, which will be the responsibility of the Country Reference Groups. If required the Core Team may conduct selected supplementary studies in cooperation with country-level teams or other experts as appropriate.

89. The Core Team will be engaged for the length of the Phase 2 Evaluation, from September 2009 through September 2011. It will be selected on a competitive basis and bring

[51] The supplementary studies will be contracted separately and may be undertaken by the core team if it has the required expertise.
[52] The DAC Evaluation Quality Standards will apply to this report.

together a high-level, multi-disciplinary evaluation team of international standing and be organized and managed by a single entity contracted to do this work.

2. Country/donor HQ Teams

90. Country level teams will undertake country based studies approved by the County Reference Group, within the overall plan and common design template approved the Evaluation Management and the International Reference Groups.

91. The Country level teams will:

1) Undertake country-specific studies that they design as requested and approved by the Country Reference Group, linked to the priorities and circumstances of the particular country and development partnership.
2) Prepare reports on country studies and provide feedback to the country reference group.
3) Participate in regional 'review' and exchange events.

92. Each country-level team will have 3-4 members, a majority of whom will be from the specific country and/or another partner country (for example, from elsewhere in the region). These teams should be selected on a competitive basis in accordance with national procurement rules and regulations. It should be possible for country-level to include regional experts. For example, there could be some shared team members across country-level teams within a region, even though these teams will need to have strong in-country roots.

93. Donor/agency headquarter teams will undertake donor/agency headquarter studies additional to those conducted in Phase 1 of the evaluation and using the same approach and methodology.[53]

3. Engaging Regional Resources

94. The *linkages study* highlights the potential advantages of engaging regional evaluation networks in the evaluation. Given the relative newness and the consequent lack of experience and human and financial capacity of relevant regional networks, their ability to take on operational roles in the evaluation will in most cases be limited. On the other hand, they could serve as forums for taking up common issues of a design or methodological nature or reviewing tentative findings emerging from country studies in the region. The linkages study suggests the following menu of possibilities:

1) Having an 'evaluation forum' or 'regional evaluation capacity centre' in areas where the Paris Declaration is being implemented; for example, Latin America, Sub-Saharan Africa and East Asia could provide a platform for horizontal or 'peer-to-peer' exchange in settings not perceived as dominated by donors.
2) Ideally, a 'regional evaluation forum' could also serve as an 'observatory' gathering regional information on aid effectiveness, and synthesizing existing regional case-studies and research as well as outputs of the Paris Declaration evaluation to promote the dissemination of good practice.
3) Evaluation skills that country-level evaluation activities will need to call on can be networked at regional as well as national levels.

[53] These are details in Annexes 3 and 4a to the Framework ToR for Phase 1.

4) A regional forum could help reinforce regional evaluation capacities, for example by involving regional professional evaluation association networks, such as the African Evaluation Association and the Latin American Network of Monitoring, Evaluation and Systematization (ReLAC), and mobilizing regionally-based research institutes; and encouraging links between regional evaluation and research networks (e.g. the African Economic Research Association) and country based evaluation activities.
5) In regions where existing networks are less well established, the International Development Evaluation Association (IDEAS) and the International Organisation for Cooperation in Evaluation (IOCE) may also be able to offer support, possibly working through regionally respected national institutions.[54]

95. Taking up this entire menu may be more than is feasible within the Phase 2 time frame. As noted above, the capacity of many regional institutions to take on such activities is likely to be limited. However, The Management Group and the Core Team may explore these possibilities together with the countries in each region.

B. Governance and Management Structures, Roles and Responsibilities

1. Principles of governance

96. The following principles are drawn from the experience of the Phase 1 Evaluation, the suggestions contained in the *linkages study*[55] and the decisions taken at the Auckland Workshop.

97. The governance of the evaluation entails appropriate involvement, cooperation and ownership by the main stakeholders in the Paris Declaration evaluation. This is to ensure that the evaluation will be relevant to stakeholders, its results will be used and that evaluators will be able to access needed information. There is also a prior expectation that all stakeholders will be committed to the independence and professional credibility of the evaluation. This is particularly important if this complex effort to identify outcomes and results is to be successful and be seen as credible.

98. Stakeholders are understood to be the main development actors at country, regional and international levels who have endorsed the Paris Declaration and are active in its implementation. This could include central and other tiers of government; parliaments; donors and their agencies; and civil society based development actors – at country level this could include the private sector, the media and research institutes. Different but linked structures are needed at country and international levels.

2. Levels of governance

a. International Reference Group

99. The International Reference Group consists of a representative of each entity (country, donor or organisation) with a strong interest in the evaluation or actively participating in it, either through overseeing and coordinating participation at the country level or through contributing financially or in kind to the evaluation. Accordingly, every country conducting a country study will be represented, as will all donors and other organisations participating in and contributing to the evaluation. Sri Lanka and the Netherlands will co-chair the Group.

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[54] Stern, *et al, op. cit.*, see for example, p. 40.
[55] *Ibid.* pp. 40-41.

100. The Group will make major decisions and review evaluation products, including:

1) Approval of the Management Group membership, the Evaluation Approach Paper[56], the Terms of Reference for the Core Team, Generic Terms of Reference for Country and Donor evaluations, ToR for any supplementary studies and the overall budget.
2) Review of draft country-level and supplementary study reports.
3) Review of draft and final Synthesis Report.

101. While the International Reference Group will approve the items mentioned under category "1)", it will only review and provide comments on the quality, clarity and credibility of draft reports mentioned under categories "2)" and "3)". In order to protect the independence and credibility of the evaluation, the International Reference Group will not approve or disapprove the reports produced by independent evaluation teams.

b. Evaluation Management Group

102. The Evaluation Management Group comprises six members representing partner countries and donors[57] and the Evaluation Secretariat. The Management Group reports to the Reference Group but is separately charged with the responsibility to safeguard the quality and independence of the evaluation. The Evaluation Management Group will meet more frequently (by videoconference or in person) than the International Reference Group. Specific responsibilities include:

1) Develop Terms of Reference for the Core Team (to be approved by International Reference Group).
2) Select the Core Team through international competitive tender.
3) Develop, with the Core Team, generic TOR for Country and Donor evaluations including "mandatory core questions" to be approved by the International Reference Group.
4) Oversee, and maintain regular interaction with, the Core Team, including being responsive to requests from the Team during the course of the Evaluation.
5) Commission required supplementary studies and other consultancies as necessary (e.g. select and appoint consultants and peer reviewers).
6) Recommend to the International Reference Group at its December 2010 Meeting whether an ongoing "tracker sites" study, as described above, should be pursued.
7) Develop and implement a dissemination strategy.
8) Be responsible for the communication to immediate stakeholders and the wider development community through concise periodical briefings with the purpose of (i) communicating evaluation progress and intermediate results with the wider community and (ii) managing expectations with respect to this evaluation.
9) Oversee budget, spending and accounting for the Core Fund (see Section III-E below).

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[56] Previous versions of this Approach Paper referred to "overall Terms of Reference for Phase 2". The current Approach Paper is considered the overall framework for the evaluation to be supplemented with specific Terms of Reference for the Core Team, for the Country Evaluations for additional Donor/Agency HQ Evaluations and for any supplementary studies.

[57] Colombia, Malawi, the Netherlands, Sri Lanka, Sweden and the USA, with Sri Lanka and the Netherlands as co-chairs.

10) Prepare the agendas for and approve documents submitted to the International Reference Group meetings.

103. The Evaluation Management Group will be supported be a small secretariat located at the Danish Institute for International Studies. The Head of the Secretariat is ex officio member of the Evaluation Management Group

104. The Management Group may draw on two or more independent evaluation practitioners, experts and/or academics from donor and developing countries to serve as professional reviewers and to offer impartial methodological advice at various stages in the evaluation process.

c. Country Reference Groups[58]

105. Country Reference Groups will consist of key government and non-government development stakeholders in a given partner country, including but not confined to the central government and key donors. The functions of these groups include:

1) Approving the design of the pertinent country study that comprises a common set of evaluation questions applicable to all country level evaluations and a module with country-specific evaluation questions.
2) Deciding on selection criteria for the country level teams
3) Selecting the members of country evaluation teams, consistent with the selection criteria and national competitive procurement or tender rules
4) Serving as a resource and to provide advice and feedback to teams
5) Review (but not approve) the draft products of the respective country study.

C. *Points of Agreement on Governance Issues from Auckland Workshop*

106. The Auckland Workshop participants expressed agreement on six points concerning governance for Phase 2:[59]

1) The International Reference Group comprise countries/organizations contributing actively to the evaluation either in the form of study activity or in the form of funds are invited to appoint a representative to participate in the work of the International Reference Group. However, civil society representatives will be invited to participate as observers with representatives from entities such as CONCORD (European NGO Confederation for Relief and Development) and REALITY OF AID representing "south" NGOs. The International Reference Group will be co-chaired by Sri Lanka and the Netherlands.

2) The Evaluation Management Group is comprised of three partner country representatives, three donor country/body representatives, and the Paris Declaration Evaluation Secretariat. Malawi, Sri Lanka and Colombia represent Africa, Asia and the Pacific and Latin America in the Evaluation Management Group. The Netherlands, Sweden and the USA represent the donors.[60] The Evaluation Management Group will ensure linkages with the OECD/DAC's Working Party on Aid effectiveness – the

[58] Those donors conducting HQ studies will appoint a Reference Group for each study, with the same functions as in the Phase 1 donor studies.
[59] *Workshop Report*, *op.cit.*, p. 10.
[60] No multilateral agencies or international finance institution indicated a desire to be represented in the Management Group.

links will be formal, but designed to ensure the independence of the evaluation. The Evaluation Management Group will be co-chaired by Sri Lanka and the Netherlands.

3) Criteria for selection of country reference group members should be developed in order to ensure diversity.

4) The quality of the evaluation reports is the responsibility of the independent evaluation teams. However, each country/HQ reference group is responsible for reviewing the relevant country study. The International Reference Group is responsible for reviewing the draft synthesis report; the draft supplementary studies; and the TORs guiding the various studies including the country studies.

5) Whenever feasible national and regional evaluation quality standards should guide the country level evaluations. Where such standards do not exist and for the other products such as the synthesis report and supplementary studies, the DAC Evaluation Quality Standards should be applied.

6) Concise periodical briefings will be produced by the Evaluation Secretariat with the purpose of (i) communicating evaluation progress and intermediate results with the wider community and (ii) managing expectations with respect to this evaluation.

D. *Timeline*

107. The timeline, which includes changes adopted at the International Reference Group Meeting in Auckland, is shown in Table 1.[61] The evaluation is organised in stages with a preparatory stage; a main evaluation stage and a reporting stage aligned with the High Level Forum (HLF) planned to take place in the third quarter of 2011.

- The scope, design, governance, and administration of the Evaluation should be decided by early 2009 to ensure that the Core Team is contracted by mid-2009 in order to undertake preparatory work and detailed planning, and that country study teams and teams to undertake possible supplementary thematic studies are contracted by early 2010.
- While the Phase 2 Evaluation will be a complex effort, it should be noted that the time period for implementation for the individual studies is the full year of 2010 – about twice as long as for the Phase 1 Evaluation[62].

Table 1. Timeline for PD Evaluation Phase 2

2009	
February 11-13	1st Meeting of the International Reference Group (Auckland Workshop)
March	Auckland Workshop report to MG and IRG
	2st draft Approach Paper to IRG
April	3rd draft Approach Paper to MG → IRG_
	Prepare draft TOR for core team to MG → IRG
Mid-May	IRG Approval of AP and TOR by written procedure
May – August	Tendering and contracting of the Core Team.
End-September	Core Team in place and operational.
	Forming of national reference groups
October	Draft generic TOR for country level evaluations

[61] See the *Workshop Report* for the changes adapted at the Auckland Meeting.
[62] In the Phase 1 Synthesis Report, owing to timing differences, it was not possible to incorporate the findings and conclusions of three of the four Phase 1 thematic studies.

October – November	Regional workshops to discuss generic TOR and initiate development of country-specific TOR.
Early-December	IRG meeting to discuss evaluation progress, to validate generic country study TOR, and to discuss country-specific TOR
2010	
January – October	Conduct of country and donor -level evaluations and possible supplementary studies
November	Core Team produces Emerging Findings note
	MG produce draft Dissemination Plan
December	IRG meeting on Emerging Findings and Dissemination Plan
2011	
January	Finalized detailed dissemination plan
January – April	Preparation of draft Synthesis report
April	IRG Meeting to comment on draft Synthesis report
April – May	Finalize Synthesis report, IRG review of final report and feeding final report into preparations for 4th HLF
September/October	4th High-Level Forum
May - December	Dissemination activities

E. *Budget*

108. The budget for the Phase 2 Evaluation is based on the costs of the Phase 1 Evaluation adjusted for changes in structure between the two phases.

Table 2 Budget Estimate

as of 25 April 2009	**Total €**	**Total $ @ 1.30**
Country Level Studies (18)	1,440,000	1,872,000
Donor HQ Studies (4)	320,000	416,000
Core Team	1,000,000	1,300,000
Special Studies	550000	715,000
Reference Group Meetings (4)	350,000	455,000
Management Group Meetings (8)	25,000	32,500
Regional workshops (8)	225,000	292,500
Dissemination	310,000	403,000
Secretariat DIIS	740,000	962,000
Contingencies	125000	162,500
Total Estimated Cost	**5,085,000**	**6,610,500**

109. It should be noted that:

a) The cost of country level studies is based on 18 studies at € 80,000 (USD 104,000) each. This is a very preliminary estimate, both in terms of number of studies and unit cost, e.g. already 21 partner countries have expressed interest in conducting country studies (see above). As in Phase 1 these may be funded by individual donors or they may be funded from the core fund. Country teams must be contracted in accordance with national procedures regardless of source of funding.

b) Four new donor HQ studies are included in the budget at € 80,000 (USD 104,000) each. These will be self-financed by each donor, as was the case in Phase 1.

c) The general (core) costs are budgeted at € 2,585,000 (USD 3,360,500). These costs will be managed through a basket fund held by the Evaluation Secretariat at DIIS, as in Phase 1.

c) Some items, such as the costs of the International Reference and Management Groups' meetings and regional workshops are difficult to predict with precision, as some meetings may be back-to-back with other meetings that will reduce the cost. The budget estimate for supplementary studies is very tentative, depending on the number of studies/consultancies decided upon. The "Dissemination and Communication" item is estimated somewhat higher than for Phase 1.

d) The Evaluation Secretariat is funded by a separate grant of € 740,000 (US$ 962,000) from the Netherlands.

110. Several donors have either made pledges in the form of (untied) funding to the core fund or (tied) funding of country studies. A total of EUR 2,142,000 (app. 83%) has been committed to the basket fund[63] and funds for 18 country studies have been pledged. The donor HQ studies are self-financed.

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[63] As of 25 25 May 2009

Annex 1. Evaluation Questions from the Auckland Workshop, February 11-13, 2009.[1]

Working groups at the Auckland Workshop suggested numerous evaluation questions. The first three categories of questions presented below are drawn from the Workshop Report. As noted in the Report, the questions were often of a similar nature, yet subtly different. For this reason, all the questions proposed are retained, but sorted by type (results, counterfactual, process) and theme.

1. *Results type questions* (what did the PD achieve?):
AE/DE: To what extent has the PD achieved aid effectiveness? Has the PD enhanced ODA's impact on development results? Because evaluation will be in the context of different countries with different development goals: did PD implementation allow development goals to be addressed effectively? Were the achievements of development results in specific sectors enhanced through the application of the PD principles? What results did the PD achieve? To what extent are intermediate results (to the extent achieved) plausibly going to lead to longer-term/higher level results? What has the PD achieved relative to what was initially expected?

MDGs and poverty: To what extent has aid reduced poverty (degree of sustainability, equity, efficiency, and capacity)? What is the contribution of the PD to the MDG and poverty reduction? Did the PD principles and commitments help development partners and partner countries to bring good results to reduce poverty?

Country systems and capacity building: Did the PD lead to enhanced use of developing country systems? What are the effects of the PD for building and enhancement of capacity (individual, institutional and organizational level) at the medium/long term (focusing on all MDGs or central key sectors)? Does the PD provide a sufficient model to enhance country capacities to take development into their own hands; or are additional enabling factors more important? Has the PD had an impact on the kinds of modalities used?

Policy changes and leadership: What are the effects of the implementation of PD on state building and democratization? What did PD achieve in terms of ownership and alignment (focusing on political leadership, budgetary systems, policy coherence, reduced transactions costs, aid coordination, and accountability/sustainable development policy)? Has mutual accountability led to more sustainable development policies?

Other: To what extent will policy changes associated with PD be robust in a changing global context and evolving donor policy?

2. *Alternative polices & 'counterfactual' type questions* (could the same results have been achieved through other non-PD approaches – or by doing nothing?):

General: Was the PD the best way to achieve results? Whether PD approaches effectively brought results better than other approaches in the relevant field? How did the results (development goals) relate to previous achievement of development goals?

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[1] The first thre3 sets of questions emerged from the working groups at the Auckland Workshop and are taken from *Evaluation of the Paris Declaration Phase 2 Reference Group Meeting 11 -13 February 2009 Auckland: Workshop Report*, pp. 4-5. The 4th set of questions was drawn from comments submitted by OPM (Stephen Jones and Katarina Kotoglou, main authors of the Phase 1 thematic study of fragile and conflict-afflicted situations), from comments supplied subsequent to the Auckland Workshop.

Level of alignment: Does the provision of budget support with ODA enhance ownership by the country?

Aid dependency: Are PD approaches necessary in countries that are not aid dependent?

Policy coherence/coordination: Do countries and donors that have enhanced policy coordination and policy coherence out-perform other countries and donors as regards development trends and benefits? What are the key external factors that may have also contributed to the attained results?

Pre-2005 processes: What has been the added value of the PD for those countries that have implemented PD-like processes before 2005?

Modalities: What will be the implications for development results in a given country if donors were to shift a majority of aid to budget support?

Vertical funds: Were the development results in specific sectors more significant in cases where the PD principles are implemented compared to situations of vertical sub-sector programs and project type approaches that follow few if any PD principles? What is the added value of the PD in comparison with other "strategies" to reach development results (e.g. PD modalities versus non-PD modalities; donor aid versus internal mobilization of resources; PD donor intervention versus non-PD donor intervention)? Could sustainable non-PD sources of funding have achieved the same results (e.g. domestic and non-PD related external resources and policies, economic conditions, regional factors, vertical programs with little capacity strengthening, other sources)?

3. *Process questions s and intermediate outcomes* that could help explain results (what processes e.g. ways of implementing the PD, explain effects and outcomes?):

Transaction costs: Have transaction costs actually diminished? Has harmonization and alignment led to reduction of transaction costs and more resources for poverty reduction and development priorities?

Country leadership/capacity: How have countries used PD partnership to achieve results? Has the PD actually helped the alignment of donor intervention with the partner country priorities (mainstreaming of priorities)? Have parameters such as high degree of country leadership and capacity; and effective donor coordination contributed to the implementation of the five PD principles?

Context: Were significant improvements in specific sectors and specific countries linked to application of the PD principles? Does only contextualized PD implementation lead to development results? To what extent have the levels of domestic and external resources contributed to the PD effects/outcomes?

AE/DE: To what extent has experience so far encouraged critical reflection on practices affecting aid effectiveness and linkages to development effectiveness? Is aid delivered more efficiently? What processes and ways of implementing PD enhanced the achievement of outcomes?

Does the implementation of the PD lead to excessive emphasis on consensus-seeking at the expense of creativity and variation (i.e., with an increase in transaction costs without a commensurate increase in benefits)?

Civil society and other groups: To what extent are resources provided under PD principles enabling civil society actors to strengthen their contribution to development outcomes (as well as to local government, Parliaments, and the private sector)?

4. *Questions regarding fragile situations* (contributed by OPM)[2]

Do the underlying assumptions of the Paris Declaration development model hold in fragile situations?

Is there a shared assessment of specific state building issues and what level of consensus is there on solutions?

What is the balance in the assessment and in actions taken between the need to address issues of accountability, legitimacy and capability of the state?

Is there a shared assessment of the main political, security, and development issues and what level of consensus is there on the solutions?

Are there tensions between different objectives for international engagement, and if so how do they that affect development partners' actions?

To what extent has the Paris Declaration contributed to the development of mechanisms or processes to ensure that development, defence, humanitarian and diplomatic agencies work together to ensure coordinated and coherent policies?

[2] Oxford Policy Management – Katarina Kotoglou, who was a participant at the Auckland Workshop, and Stephen Jones, the primary authors of the Phase 1 thematic study, *The Applicability of the Paris Declaration in fragile and conflict-affected situations* (August 2008).

Annex 2. Indicative Evaluation Propositions

Country Ownership and Poverty Reduction

1. The Paris Declaration, by addressing inequalities of power between donors and recipients of aid, makes recipient country governments more able to exercise leadership in planning and delivering polices to reduce poverty.

2. Developing countries are more likely to respond to incentives and 'conditions' to improve policy-making and aid effectiveness if they are linked to poverty reduction goals that are nationally determined.

3. Ownership if it rests on effective political leadership, an agreed and supported national development plan, cross-government (ministry) coordination and better budgetary systems will make it more likely that aid will be directed to development-related priorities including poverty reduction.

4. Consulting and involving national development actors including Parliaments, NGOs working with the poor and marginalized groups and the private sectors, will lead to plans for poverty reduction that are relevant to country needs and more sustainable.

Propositions about Donor Harmonisation and Alignment

5. The extent to which donors are willing to harmonise among themselves will depend on the extent that they share development objectives not overshadowed by other commercial or political objectives incompatible with development needs.

6. The willingness and ability of donors to align with country systems will depend on the extent to which a) they trust these systems and b) are able to manage risk while these systems are tested and improved and c) are able to negotiate their own domestic accountability requirements to match developing country circumstances.

7. Suitable organisation of aid agencies (front-line staff skills, local autonomy, and discretion to local actors) and their influence with their national governments will determine their ability to deliver Paris Declaration commitments and promote policy learning among donor governments.

8. Mutual accountability will lead to enhanced learning among donors about how better to lower barriers to development resulting from their own policies, which should lead to improvements in development outcomes.

9. If harmonisation leads to a sensible division of labour among donors and lower transaction costs for Partner countries then the latter will be able to spend more resources for poverty reduction and development purposes rather than on aid management.

Propositions about Contribution to Wider development Goals

10. Managing for development results will create a focused and clearer analysis of development needs and how to pursue them in a particular country context.

11. If ownership translates into improved capacity in budgeting and planning this will spill-over into other development related government decision-making with positive effects quite apart from reductions in transaction costs.

12. The Paris Declaration should also increase capacities of policy coordination and policy coherence, which will then also spill-over to the benefit of broader development goals.

13. Aid that directly supports trade preparedness, facilitates the redeployment of resources, the acquisition of relevant technologies etc will make a direct contribution to growth and indirectly to development outcomes in broad terms (including, basic services, human development, equal rights etc.)

14. Institutional developments that support innovation and economic growth through the private sector will be more likely if the extremes of social inequality are reduced

Propositions about Improving Governance and Reducing Fragility

15. Increases in public services that address the needs of the poor will increase the legitimacy of governments thus reducing fragility of States.

16. Improvements in the effectiveness of governments (e.g. through budgeting, policy making, planning, stakeholder consultation, policy coordination and policy coherence) will gradually strengthen governance more generally thus reducing aspects of State fragility.

17. Greater social inclusion, government effectiveness and State legitimacy will maker it more likely that a virtuous cycle of poverty reduction and improvements in governance will occur.

Propositions about Capacity Development and Mutual Accountability

18. Capacity development will follow from practical experience of implementing the Declaration principles and commitments (learning by doing) if supported by an effective partnership relationship with committed donors.

19. Mutual accountability in its broader sense that includes accountability to stakeholders, parliaments and civil society – and when combined with transparency/information flows – will provide positive feedback, reinforcement and increase the likelihood that development policies will be sustainable.

20. International mutual accountability (e.g. between donors and the recipients of aid) will be strengthened by more inclusive in-country accountabilities which requires capacity development for other development actors.

21. Partnership arrangements promoted by the Paris Declaration – including policy-dialogue, open exchange of information, joint reviews and assessment mechanisms, as well as joint problem solving – will lead to greater trust and confidence in governments to innovate.

*