Budget Support in South Africa

Evaluation of Budget Support Programmes

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

BUDGET SUPPORT IN SOUTH AFRICA

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Supplement 8 to "The Policy Framework and Procedural Guidelines for the Management of Official Development Assistance" (2003)

This document has been prepared as a supplement to the National Treasury "Policy Framework and Procedural Guidelines for the Management of Official Development Assistance (2003)" with information specific to programmes funded by the European Commission using the Budget Support modality. These Supplements reflect the commitment of the Government to ensure proper application of Budget Support funds in the South African developmental context. There are nine such Supplements with more in depth information on EU funding, modalities and Budget Support management. The nine Supplements are:

- Context for EU-funded Budget Support in South Africa
- Introduction to EU funding modalities
- Guidelines for Formulation of the Financing Agreement
- Financing Agreement Structure and Legal Provisions.
- Management of Budget Support Programmes
- Requesting the Release of Funds
- Evaluation of Budget Support Programme
- Managing Budget Support Funds with SA Public Accountability System
- Management of Grants Provided under the General Budget Support Programme.

This section is provides guidance on the EU evaluation of Budget Support programmes, including

- the responsibilities of the South African counterparts in the evaluation process
- the focus of the evaluation
- monitoring and evaluation instruments.

The purpose of this document is to assist departments that manage Budget Support programmes to engage with the development partner when a joint evaluation is undertaken. The reader is referred also to the Supplements "Context for EU Funded Budget Support in South Africa", "Management of Budget Support Funds" and "Managing Budget Support Funds within the SA Public Accountability System" for further information on Budget Support programmes in South Africa. The supplement "Introduction to EU Funding Modalities" is essential prior reading for this supplement, as it explains EU terminology and the philosophy of Budget Support.

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List of resources documents

Reference documents can be downloaded by following the URLs provided.

1. Budget Support Guidelines Executive Guide: A modern approach to Budget support. Europe Aid Development and Cooperation Directorate-General; European Commission; Brussels; September 2012 http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2008/1258_meth_det_en.pdf

2. Budget Support Programming, Design and Management: A modern approach to Budget Support; Tools and Methods Series: Working document; September 2012.

   http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/budget_support_guidelines_part-1_en.pdf

3. Sector Budget Support in Practice. Literature Review; Geoff Handley (Overseas Development Institute) and Mokoro; November 2009. http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5575.pdf

4. Evaluation Methods for the European Union's External Assistance: Methodological Bases for Evaluation: Volume 1. Directorate General External Relations; Directorate General Development; Europe Aid Co-Operation Office; Joint Evaluation Unit. http://ec.europa.eu/europeaid/evaluation/methodology/examples/guide1_en.pdf

5. Evaluating Development Co-Operation: Summary Of Key Norms And Standards, Second Edition. OECD DAC Network on Development Evaluation. http://www.oecd.org/development/evaluation/dcdndep/41612905.pdf

6. Principles for Evaluation of Development. Assistance Development Assistance Committee; Paris, 1991. http://www.oecd.org/dac/evaluation/2755284.pdf

7. PCM handbook. The European Commission Europe Aid Co-operation Office General Affairs: Evaluation; March 2001 http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/documents/publications/pcm_handbook_en.pdf

8. Glossary of Key Terms in Evaluation and Results Based Management, OECD DAC. http://www.oecd.org/dac/evaluation/glossaryofkeytermsinevaluationandresultsbasedmanagement.htm

Glossary and Abbreviations

AENE	Adjusted Estimates of National Expenditure
AFS	Annual financial statements
AG	Auditor General
BAS	Basic Accounting System
BS	Budget Support
CABRI	Collaborative African Budget Reform Initiative
CEF	Comprehensive Evaluation Framework
CFO	Chief Financial Officer
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
DCMIS	Development Cooperation Management Information System
DDG	Deputy Director General
DG	Director General
DIRCO	Department of International Cooperation and Development
DPME	Department of Monitoring and Evaluation
DTI	Department of Trade and Industry
EC	European Commission
ENE	Estimates of National Expenditure
EPRD	European Programme for Reconstruction and Development
ESP	European Special Programme
EU	European Union
EUD	European Union Delegation
FA	Financing Agreement
FMPA	Financial Management of Parliament Act
GBS	General Budget Support
GCC	General Conditions of Contract
GP	Government programme, as specified in the Financing Agreement, supported by the Budget Support programme
IYM	In-year monitoring
JAP	Joint Action Plan
JCC	Joint Cooperation Committee
LFA	Logical framework analysis
M&E	Monitoring and Evaluation
MFMA	Municipal Financial Management Act
MIP	Multi-annual Indicative Plan
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term expenditure Framework
NAO	National Authorising Officer
NGO	Non-Governmental Organisation
NIP	National Indicative Plan
NT: IDC	National Treasury: International Development Cooperation unit
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OVI	Objectively verifiable indicator
PAF	Performance Assessment Framework
PAS	Public Accountability System
PFM	Public finance management
PFMA	Public finance Management Act (as amended)
PMG	Paymaster-General
PSP	Policy Support Programme
RCF	Risk Capital Facility
RDP	Reconstruction and Development Programme
ROM	Results Orientated Monitoring
SA	South Africa
SAI	Supreme Audit Institution
SBS	Sector Budget Support
SCC	Special Conditions of Contract
SCOA	Standard Chart of Accounts
SLA	Service level agreement
SME	Small and Medium Enterprise
SP	Sector Programme
SPSP	Sector Policy Support Programme
SWAp	Sector Wide Approach
SWEEEP	Sector Wide Enterprise, Equity and Employment Programme
TA	Technical Assistance
TAPs	Technical and Administrative Provisions
TDCA	Trade and Development Cooperation Agreement
ToR	Terms of Reference
UNESCO	United Nations Educational, Scientific and Cultural Organisation

1 Principles in Evaluation of Budget Support programmes

1.1 Budget Support

Budget Support is an aid modality. It should not be seen as an end in itself, but as a means of delivering better aid and achieving sustainable development results. It is based on partnership and mutual accountability and involves:

- dialogue
- financial transfers to the National treasury account of the partner country
- performance assessment and
- capacity development.

From Europe Aid Budget Support Guidelines, Executive Guide, September 2012

Budget Support (BS) is defined and explained in more depth in section 1 of the supplement "Introduction to EU Funding Modalities".

General Budget Support and Sector Budget Support both provide support to a policy and the government programme to implement the policy programme. General Budget Support (GBS) provides financial support into the national budget and is allocated to interventions within the budget process. Sector Budget[1] support is used as one of the instruments to fund a government programme in a specific sector (for example education, or health). For GBS in South Africa, the policy supported is the National Development Policy and the programme supported is the National Development Programme which defines its desired results in terms of the twelve Outcomes. Funding is managed by National Treasury and allocated within the annual budget process.

Terminology used in this document

Government Programme: A government led programme to implement a National policy. The government programme supported is identified in the Financing Agreement.

Budget support programme: An EU Programme where there is transfer of financial resources from the EU to the National Treasury in support of a SA government programme, following the compliance by South Africa with agreed conditions for payment.

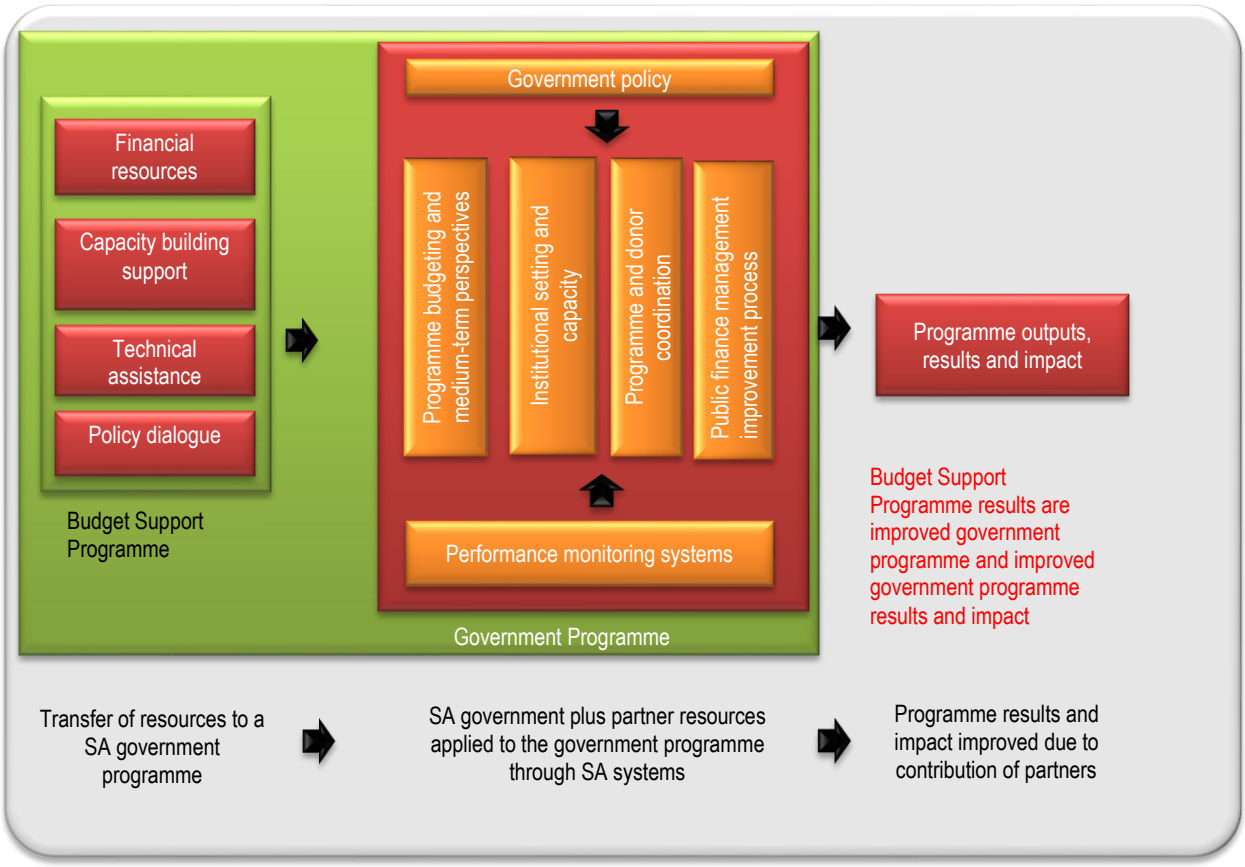
In this document, the term "government programme" has been used for the South African government programme to implement policy, and "BS programme" is used for the EU support programme.

Adapted from Terminological definitions from Support to Sector Programmes Covering the three financing modalities: Sector Budget Support, Pool Funding; 2007

1 The terms "General Budget Support" and "Sector Budget Support" have been replaced with the terms "Good Governance and Development Contract" and "Sector Reform Contract" in the 2012 EU guidelines for Budget Support. The former terms have been retained as the existing SA Budget Support programmes were designed under the 2007 EU guidelines when GBS and SBS were current.

1.2 The Distinction between a Government Programme and a Budget Support Programme

The distinction and relationship between the "government programme" and the "Budget Support programme" is shown conceptually in the diagram below. The distinction is critical for evaluation, as the evaluation of the Budget Support Programme is not synonymous with evaluation of the government's programme. This is discussed in more detail, with examples, in sections 1.4 and 1.5 and Annexure C.



Distinction and relationship between Budget Support programme and government programme

1.3 Earmarking and Traceability of Funds

Mokoro[2] defines the terms "earmarked" and 'traceable" in respect of Budget Support funds. While the OECD DAC definition implies that sector Budget Support funds, as a subset of Budget Support, are not earmarked, Mokoro and others indicate that, in practice sector Budget Support, funds are earmarked.

Earmarking is a requirement that all or a portion of a certain source of revenue, such as a particular development partner grant or tax, be devoted to a specific public expenditure.

Traceability refers to whether development partner funds are separately attributable to a specific use and where allocation, disbursement and spending of funds are via specified and separately identifiable budget lines. (Mokoro)

2 Sector Budget Support in Practice. Literature Review; Geoff Handley (Overseas Development Institute) and Mokoro; November 2009. http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5575.pdf

In both Sector and General Budget Support the intent is that the funds should be merged with public funds and therefore not be traceable. Due to the public finance management and accountability systems in South Africa, Budget Support funds are traceable. Detailed information of financial allocations and transactions, and information on activities being funded are, however, not made available to the development partner or the evaluators, as the development partner funds the government programme and not individual activities.

Care must be exercised that the BS evaluation does not attempt to assess the functioning of the government's day-to-day financial management but restricts itself to evaluating the impact of the support on improving systems, efficiency and quantum of allocation to the government programme.

1.4 The Focus of the Evaluation

In the evaluation of Budget Support programmes, the nature of the programme dictates the approach to evaluation. The OECD DAC objective of a Budget Support evaluation is as follows:

"…to assess to what extent and under which circumstances the Budget Support has enhanced the policies, strategies and spending actions of the partner government so as to achieve sustainable national and/or sector level development outcomes and have a positive impact on poverty reduction and sustainable and inclusive economic growth."

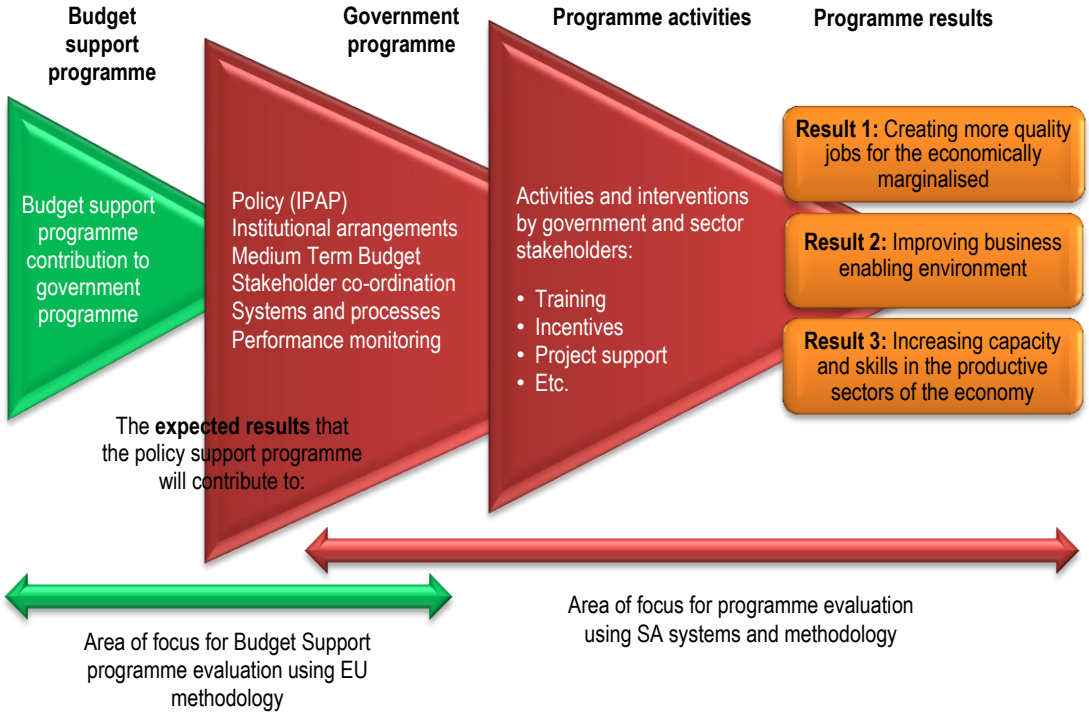
This document does not provide guidance for evaluation under South African monitoring and evaluation procedures as it is a guide for use when undertaking an evaluation of the Budget Support programme as required in terms of the Financing Agreement.

Example

The diagram below depicts the Employment Creation Sector Policy Support to the Economic Cluster Programme of Action (referred to as the Employment Creation Fund or ECF Programme). . The Budget Support programme is evaluated against the improvements in programme efficiency, effectiveness and impact due to the additional resources provided. Although not shown in the diagram, Budget Support evaluation assesses the impact of the joint resources, but with the focus on the **improved impact** possible due to the Budget Support programme.

For evaluation of Budget Support programmes (the EU support) therefore, the underlying government programme is evaluated only insofar as it is necessary to establish how the contribution of the Budget Support inputs impacted the performance of the government programme. This is done through a **contribution analysis**[3], and by evaluating against the Budget Support logic. The focus of the Budget Support evaluation should therefore be on policies, strategies and processes, and on value added by the development partner contribution, rather than on programme activities.

3 A useful methodology is set out in 'Contribution Analysis: A New Approach to Evaluation in International Development.' Kotvojs, F; (2006). https://communities.usaidallnet.gov/fa/system/files/Contribution%2BAnalysis%2B-%2BA%2BNew%2BApproach%2Bto%2BEvaluation%2Bin%2BInternational%2BDevelopment.PDF



Focus area for evaluation for Budget Support to the Employment Creation Fund Programme

The chart overleaf provides an overview of the Comprehensive Evaluation Framework[4], the EU methodology of evaluating Budget Support programmes, which is based on analysing the contribution of the Budget Support programme to the government programme. The CEF reflects the standard logic of Budget Support. The diagram shows five steps in Budget Support evaluation, and provides insight into what is evaluated at each step. It can be seen that the underlying government programme activities are considered only insofar as they provide a base against which the value addition/contribution of the Budget Support is assessed. More information on the Comprehensive Evaluation Framework is provided in Annexure C.

1.5 Objectives of Evaluation of EU Funded Budget Support Programmes in South Africa

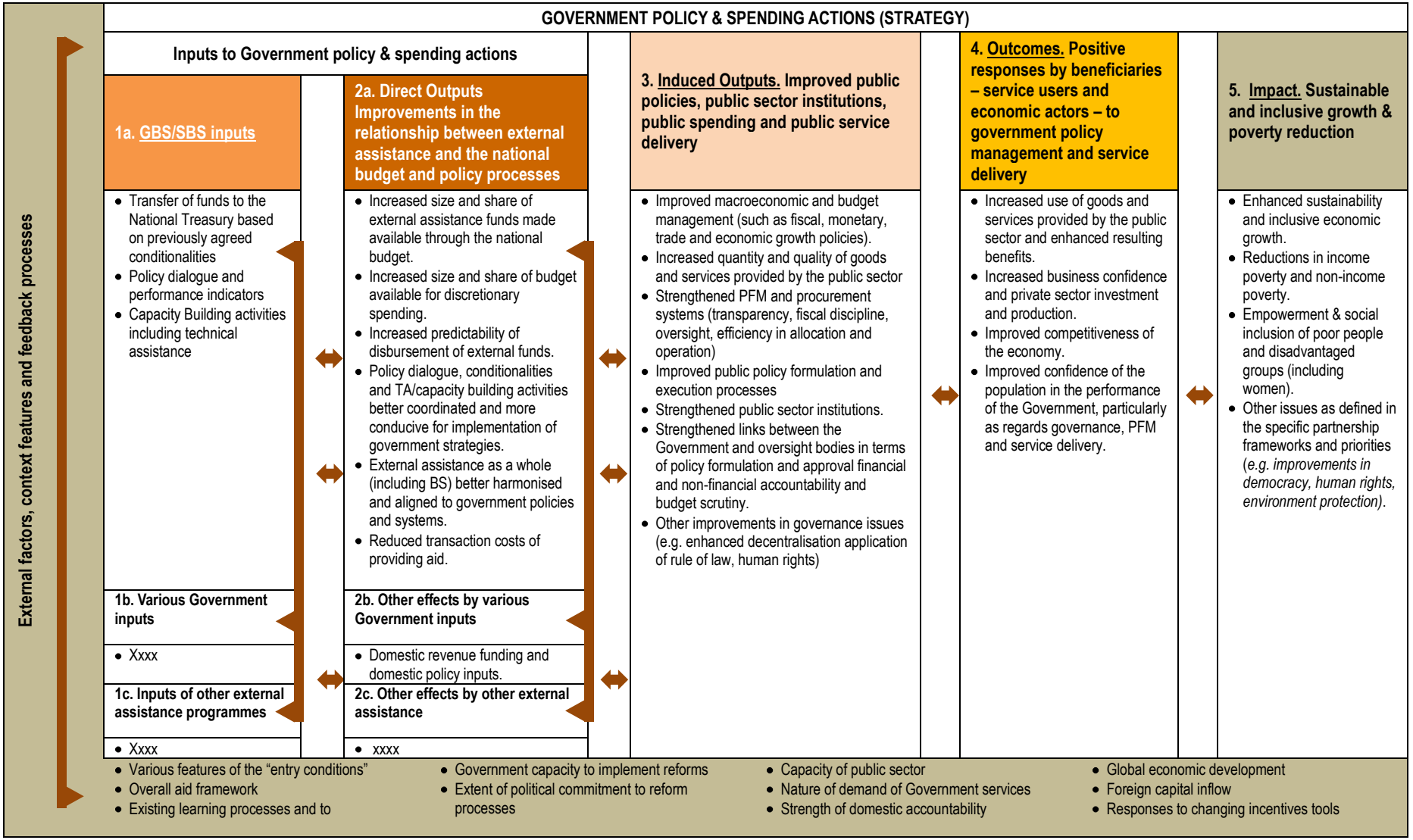
The objectives of undertaking evaluations include:

- that the programme remains aligned to both EU and SA policy
- to ensure that funding is being applied according to the Financing Agreement
- to ensure that implementation is taking place at a reasonable pace and
- to assess and predict the development impact.

As Booth and Evans (2006) stress, "evaluation is interested in 'how' and 'why' as well as 'what' questions, and has to concern itself with underlying theories of change."

Quoted in Sector Budget Support in Practice, Literature Review. November 2009

4 Refer to Methodology for Evaluations of Budget Support Operations at Country Level. Methodological Details; April 2009. http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2008/1258_meth_det_en.pdf



Common Evaluation Framework for Budget Support Programmes

The focus of the **mid-term evaluation** is typically on monitoring progress and implementation status, predicting outcomes and impact, and recommending implementation modifications to ensure the programme achieves its objectives. (Note: The term "mid-term review" is frequently used for mid-term evaluation, and is synonymous. In this document the word "evaluation" has been adopted). The focus of the **final evaluation** is typically on evaluating the outcomes and impact of the programme and making recommendations for future programme design.

It is now common practice to include an evaluation of the Budget Support programme against the aid effectiveness criteria established in the Paris Declaration, the Accra Agenda for Change and the 4th High Level Forum on Aid Effectiveness (at Busan).

1.6 Joint Evaluation

Joint evaluations require the evaluation of the Budget Support programme to be done in such a way that the information and analysis requirements of both South Africa and the EU are met during the evaluation. Joint evaluations **should not result in** both the government programme and the Budget Support programme being evaluated under the same process as the "Chinese Wall" (the ethical conceptual information barrier between development partner and government) is then breached.

The OECD DAC recommends joint evaluations for Budget Support programmes. Traditionally, mid-term and final evaluations are funded under complementary support budget lines in the programme Financing Agreement, but for more recent Budget Support programmes in South Africa evaluations are funded by the South African government. EU methodologies (the CEF) are used to evaluate the Budget Support programme, while South African Government methodologies are used to monitor and evaluate the underlying government programme. The procurement and funding of the evaluation under

Ensuring a joint evaluation

To ensure a joint evaluation, the following mutual agreements are proposed:

- the evaluation timing and scope (what is to be evaluated)
- the evaluation methodology (how the evaluation will be done)
- the evaluation terms of reference and the skills and experience required of the evaluation team
- people to be interviewed and documents and processes to be studied by the evaluation team

Furthermore, the following joint management is proposed:

- Joint Evaluation committee for the procurement of the team
- Joint Briefing of the evaluation team
- Management of team output through a joint evaluation reference group
- Joint approval of the final evaluation report

After conclusion of the evaluation, a mutual agreement should be reached with the EU on the response to the evaluation report recommendations.

complementary support or other EU resources does not preclude joint evaluation, but does require special effort from SA departments to ensure the evaluations address South African requirements.

Evaluating the **government programme's** performance is the responsibility of government and the development partner should not fund or be involved in the evaluation of the government programme. It can, in practice, be difficult to distinguish between evaluation of the Budget Support programme and the underlying programme. Therefore special effort must be made to ensure that the Budget Support evaluation does not attempt to evaluate the underlying programme. This is particularly true for outcomes and impact evaluation, where the Budget Support programme supports **the improvement** of outcomes and impact. The distinction between the BS and the underlying government programmes must be made in the **evaluation questions** (refer to Annexure E of this supplement). Special attention must be given to the evaluation questions when approving the evaluation methodology.

Responsibility of the EU in Budget Support evaluation

The EU will usually specify the requirement for evaluations and audit in the Financing Agreement's technical and administrative provisions section. The wording of the clause is important, as it indicates whether the evaluation will be funded by the EU or by the South African government. The text box below quotes clauses from some existing Budget Support Financing Agreements, showing the different approaches and their implications.

Example 1

A mid-term review and final evaluation will be funded through the sector policy support for employment creation under the coordination of the Economic Cluster Secretariat.

Implication: SA government commissions and pays for the evaluation using Budget Support funds.

Example 2

A mid-term review and Final Evaluation will take place and will be initiated, contracted and paid by the Department of Justice and Constitutional Development.

Implication: SA government commissions and pays for the evaluation.

Example 3

A total amount of Euro 400,000 will be retained for the complementary support using EC procedures. Explicitly this will be used through tenders to commission technical support in programme reviews and evaluations. The indicative price breakdown is as follows

Quoted from the Innovation for Poverty Alleviation Financing Agreement.

Implication: The EU commissions and pays for the evaluation, using complementary funds under the Financing Agreement.

Example 4

Annual audits, a mid-term and final review of the RCF will be undertaken. The methodology of the audit will be based on the experienced gained from the audit of RCF1. These reviews and audits will be funded from EC resources included in the budget of this programme.

Implication: The EU commissions and pays for the evaluation, using complementary funds under the Financing Agreement.

Responsibility of South African Government in Budget Support Evaluation

From the text box above, it can be seen that in some cases the EU is responsible for procuring the evaluation teams, using complementary funds from the Financing Agreement. This does not, however, imply that the evaluations are not joint evaluations. For joint evaluations, SA government should participate fully in:

- Identifying the timing of the evaluation
- Developing the terms reference for the evaluation
- Co-management of the evaluation process
- Review and validation of the evaluation outcomes/report and
- Response to the recommendations of the evaluation.

From the examples of Financing Agreement clauses given in the text box above, it can be seen that the SA Government must at times undertake the procurement of an evaluation team, and may need to fund the process either from the Budget Support funds transferred to the lead department, or from government resources. The government has a responsibility to ensure that:

- evaluations procured by the EU reflect the evaluation information and analysis needs of the SA government
- the evaluation process is supported and facilitated by government so that the evaluation team have relevant, comprehensive and accurate information on which to base their assessment and
- the SA government perspective is reflected in evaluations.

As the Financing Agreement between the EU and the South African government is signed by the Minister of Finance, the NT: IDC unit must be included in the evaluation process. This should include:

- Notification of Treasury of the timing of the evaluation
- Obtaining Treasury comment on the proposed terms of reference
- Inviting Treasury to participate in briefing and report sessions and
- Requesting Treasury comment on the draft evaluation report, before finalisation.

Care must be taken, when providing information to the evaluation team, to ensure that the confidentiality of South African systems is preserved. Therefore, information provided should not include information on individual activities and their costs, nor on the source of funding for individual activities. Information can be provided on global resource inputs from each partner. For example, total funds and in-kind contributions to the government programme.

Similarly, information on specific outputs and their source of funding should not be provided, Information can be provided on global outputs with an indication of the additional global outputs that could be achieved as a result of the Budget Support. For example: where policy dialogue, improvements in systems and processes and/or additional services could be undertaken due to additional resources provided by the Budget Support programme.

2 Monitoring and evaluation

2.1 Distinction between Monitoring and Evaluation[5,6]

Monitoring is the routine tracking of the key elements of programme/project performance, usually inputs and outputs, through record-keeping, regular reporting and surveillance systems as well as observation and client surveys. The EU[7] defines monitoring as *"the systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making".*

In South Africa, **monitoring** of EU funded Budget Support projects is done through:

- South African performance monitoring systems.
- Quarterly reporting to National Treasury on Budget Support expenditure and performance against work plans.
- Progress and performance assessment undertaken when submitting a request for release of fixed and variable tranches.

A **monitoring system** can be defined as an observation system for the project managers to verify whether the project activities are happening according to planning and whether means are used in a correct and efficient manner. The system must supply the project managers with a continuous flow of information throughout the course of the project to make it possible to take the right decisions. **Evaluation** is the assessment of the change in targeted results that can be attributed to the programme or project/project intervention. Evaluation attempts to *link* a particular output or outcome directly to an intervention after a period of time has passed. The EU[8] defines evaluation more broadly as *"a periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination of the background, objectives, results, activities and means deployed, with a view to drawing lessons that may guide future decision-making".*

In an ideal evaluation a comparison is made between the "before" and "after" situation, and positive and negative consequences of the intervention are assessed.

This document does not cover monitoring of the underlying government programme. It provides information on the system and process of evaluation of the Budget Support programme.

5 Definitions From the Global Fund for Aids; and
6 From the International Fund for Agriculture Development www.ifad.org/gender/tools/hfs/bsfpub/bsf_7.pdf
7 PCM handbook. The European Commission Europe Aid Co-operation Office General Affairs; Evaluation; March 2001
8 PCM handbook. The European Commission Europe Aid Co-operation Office General Affairs; Evaluation; March 2001

2.2 Monitoring and Evaluation of Budget Support Programmes

There are dual monitoring and evaluation requirements for Budget Support funding.

The Financing Agreement specifies only the development partner requirements in terms of monitoring and evaluation. However, as funds are managed using South African government procedures, all the government monitoring and evaluation instruments are also applicable to the Budget Support funding.

Evaluation of Budget Support is distinct from evaluation of the government programme which is supported in that:

- Evaluation of the Budget Support is undertaken using the EU methodology for Budget Support Programmes (the Comprehensive Evaluation Framework)[9]. Because the development partner funds are, from the perspective of the development partner, not distinguishable from South African government funds applied to the programme (not traceable), the evaluation assesses the **results** achieved with all resources applied to the programme[10] (including Budget Support funds, government funds and other development partner resources). However, the focus of the Budget Support evaluation is the contribution made by the Budget Support to the government programme
- Evaluation of the underlying government programme is undertaken using SA systems and methodologies. Because Budget Support funds are used within the South African accountability systems the South African monitoring and evaluation procedures assess the whole programme, covering all the activities, outputs and results, regardless of the source of funding (i.e.: including Budget Support funds, government funds and other development partner resources).

While Budget Support evaluations differ in focus from evaluations of the underlying government programme, both types of evaluation cover all the resources applied to the Government programme (including Budget Support funds, government funds and other development partner resources).

South Africa has developed a comprehensive system of monitoring[11]. Monitoring takes place within the planning framework which includes the Medium Term Expenditure Framework, departmental medium term strategic planning, and annual action plans (at National level) and instruments such as integrated development planning (at local level). The linkage between planning and budgeting, which takes place through instruments such as the MTEF, and the estimates of National expenditure (ENE), provide a basis for the well-developed monitoring system. The monitoring system elements include:

9 More information on the EU methodology for evaluating Budget Support can be found in Annexure C

10 Evaluation of the results achieved by all resources applied to the government programme (including Budget Support) should not be equated with evaluation of the detail of the government programme. The focus here is on the improvement due to the Budget Support

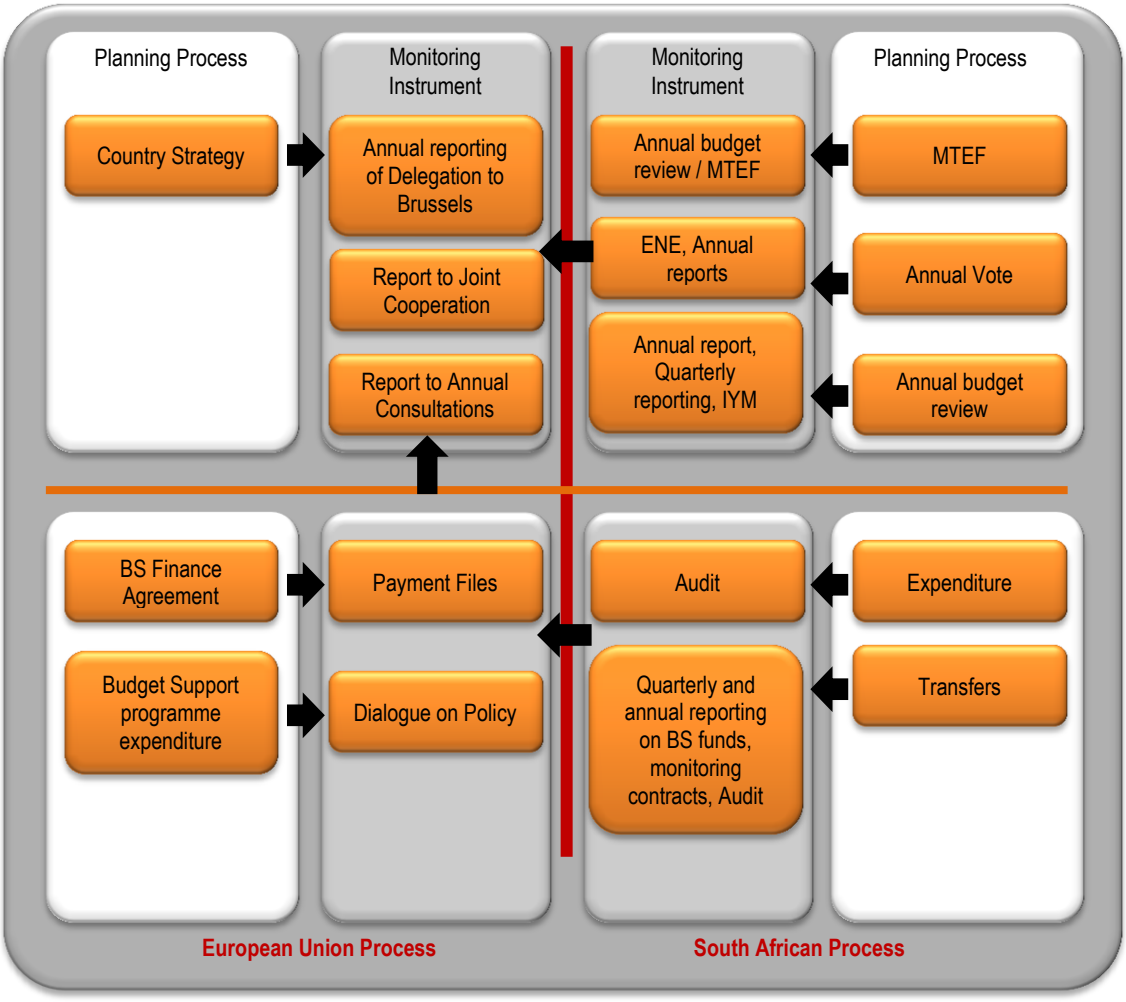
11 Evaluation is also done, using a variety of instruments. Examples of instruments which are providing guidance for evaluation include the Policy Framework for the Government-wide Monitoring and Evaluation System, National Evaluation Policy Framework, a suite of DPME Evaluation Guidelines, the proposed annual evaluation programme led by DPME, and the Good practice guide on the Role of Premiers' Offices in Government-wide Monitoring and Evaluations.

- The annual budget review
- Annual reporting against annual planning, and associated annual audits, required from all organs of state
- In year monitoring and
- Quarterly reporting, including reporting on Budget Support programmes.

For Budget Support programmes, information is drawn from South African monitoring instruments and included in the reporting that accompanies the request for release of tranches (the "payment file"), submitted to the European Commission (typically annually). **These payment requests are a thus a monitoring instrument from the EU perspective.** The SA government sources of information for EU monitoring of Budget Support are shown in the diagram below.

Monitoring information included in the payment file will cover (broadly) information on:

- the status/maintenance of public finance management, policy implementation, macro-economic stability and (in some cases) democracy and stability
- progress in the underlying government programme implementation and
- progress against agreed indicators.



Broad alignment between EU and SA monitoring instruments for Budget Support

In addition to the mid-term and final evaluations required by the EU and National Treasury, the EU may undertake other monitoring and evaluation of programmes funded in South Africa, and the Budget Support programmes may therefore be subject to additional monitoring and evaluation. The monitoring and evaluation may include:

- Audits. For Budget Support this may mean that the funds of the whole government programme are audited (including both South African funds and Budget Support funds)
- Results-oriented monitoring (ROM). This is an instrument which the EU uses to assess the appropriateness and status of its overall country, sector or thematic approach. Typically a number of programmes are evaluated during the ROM
- Evaluation of modalities (such as the evaluation of Budget Support as a modality in South Africa) and
- Evaluation of country and regional strategies (such as the 2010 evaluation of the SA-EU Country Strategy), thematic strategies (e.g.: evaluation of support to human rights), etc.

Annexure A: Terminology and Definitions

Sources:

- The European Commission Europe Aid Co-operation Office General Affairs: Evaluation: PCM handbook; March 2001[12]
- Bond Network for International Development Network: Guidance Notes No. 4: Logical Framework Analysis (LFA)[13]
- Additional definitions are provided by OECD-DAC[14]

Issues to be addressed for various aspects of an evaluation

Term	Explanation / definition
Performance monitoring	Systematically keeping track of progress and budgets with a view to assessing compliance with planned quality, quantity, timelines and budget. Information generated is used to inform processes to improve performance. Gathering and analysing information with the purpose of assessing whether the work is being done according to plan.
Overall objective	It explains why the project is important to society, in terms of the longer term benefits to final beneficiaries and the wider benefits to other groups. It also helps to show how the programme fits into the regional / sectoral policies of the government / organisations concerned. The Overall Objective will not be achieved by the project alone (it will only provide a contribution to the achievement of the Overall Objectives), but will require the contributions of other programmes and projects as well. The ultimate result to which your project is contributing – the impact of the project. Higher level purpose towards which the project is expected to contribute. The expected long-term goal of the intervention.
Purpose	The change that occurs if the project outputs are achieved – the effect of the project. The effect which is expected to be achieved. It describes the intended effects on the direct beneficiaries. It can also be considered an intermediate objective.
Objective	Description of the aim of a project or programme. In its generic sense it refers to activities, results, project purpose and overall objectives.
Means	Means are physical and non-physical resources (often referred to as "Inputs") that are necessary to carry out the planned activities and manage the project. A distinction can be drawn between: human resources and material resources.
Methods	A series of steps or actions to achieve the output. Specifies technologies and/or techniques.
Outcome	The interaction between the output and the external world.
Output	The specifically intended results of the project activities – used as milestones of what has been accomplished at various stages during the life of the project. The output has a physical dimension.

12 http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/documents/publications/pcm_handbook_en.pdf
13 http://www.slideshare.net/rexcris/beginners-guide-to-logical-framework-approach-bond, or http://www.gdrc.org/ngo/logical-fa.pdf
14 Glossary of Key Terms in Evaluation and Results Based Management

Term	Explanation / definition
	Its delivery is under the full control of the manager.
Input	The materials, manpower, money, etc. that are used to deliver the output.
Relevance	The appropriateness of project objectives to the real problems, needs and priorities of the intended target groups and beneficiaries that the project is supposed to address, and to the physical and policy environment within which it operates. A test that the project meets demonstrated and high priority needs and will contribute to the achievement of the purpose and objectives.
Impact	The effect of the project on its wider environment, and its contribution to the wider sectoral objectives summarised in the project's Overall Objectives, and on the achievement of the overarching policy objectives.
Programme	A series of projects with a common overall objective.
Project	A series of activities with set objectives, designed to produce a specific outcome within a limited time frame.
Intervention	A group of activities to achieve a specific objective. See Result.
Matrix	A 2-dimensional rectangular array. A table with columns and rows. An item in a matrix is called an entry or an element.
Monitoring	The systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making.
Evaluation	A periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination of the background, objectives, results, activities and means deployed, with a view to drawing lessons that may guide future decision-making.
Goal	See Overall Objective.
Specific purpose	See Purpose.
Strategic	Pertaining to, characterised by, or of the nature of strategy: Strategy is used to define objective, direction and allocate resources and identify methods to achieve the objective.
Result	The "products" of the activities undertaken, the combination of which achieve the Purpose of the project, namely a start of enjoyment of sustainable benefits for the target groups.
Efficiency	The fact that the results were obtained at reasonable cost, i.e. how well Means and Activities were converted into Results, and the quality of the results achieved.
Effectiveness	An assessment of the contribution made by results to achievement of the project purpose, and how Assumptions have affected project achievements.
Log frame / logical framework	A log frame (also known as a Project Framework) is a tool for planning and managing development projects. It looks like a table (or framework) and aims to present information about the key components of a project in a clear, concise, logical and systematic way. The log frame model was developed in the United States and has since been adopted and adapted for use by many other development partners, including the Department for International Development (DFID). A log frame summarises, in a standard format: • What the project is going to achieve?

Term	Explanation / definition
	• What activities will be carried out to achieve its outputs and their purpose? • What resources (inputs) are required? • What are the potential problems which could affect the success of the project? • How the progress and ultimate success of the project will be measured and verified?
Stakeholder analysis	Stakeholder analysis involves the identification of all stakeholder groups likely to be affected (either positively or negatively) by the proposed intervention, the identification and analysis of their interests, problems, potentials, etc. The conclusions of this analysis are then integrated into the project design.
Problem tree	A diagrammatic representation of a negative situation, showing a cause-effect relationship, based on a structured investigation of the negative aspects of a situation in order to establish causes and their effects.
Objective tree	A diagrammatic representation of the situation in the future once problems have been remedied, following a problem analysis, and showing a means to ends (causal) relationship. Also called hierarchy of objectives.
Impact chain	An Impact chain is a document showing the outcomes of previous interventions. It is a record of the cause and effect relationships that are the basis for the chosen interventions. The Impact chain emerges from the stakeholder analysis and the problem tree (the "hierarchy of problems") which establishes cause and effect of problems that are to be addressed by the interventions. An objective tree is developed to respond to the problem tree. The impact chain is then based on the objective tree, "translating the objectives in the effects noted if the objective is achieved."[15]
Planning	The process of analysing the requirements, and identifying the activities and means, required to achieve a desired goal. The organisational process of creating and maintaining a plan. Planning predicts what the future should look like.
Activity	The actual tasks required for producing the desired outputs Discrete and definable action that contributes to achieving the objective. Activities are expressed as processes.
Assumption	Factors external to the project which are likely to influence the work of the project over management has little control, and which need to exist to permit progress to the next level in the LFA. Assumptions are derived from the objectives tree and are worded as positive conditions.
Indicators	Also referred to as measurable objectively verifiable indicators (OVI) quantitative and qualitative ways of measuring progress and whether project outputs; purpose and goal have been achieved.
Super goal	The long-term results of continued achievement of the goal of the project.
Activity schedule	A Gantt chart, a graphic representation similar to a bar chart, setting out the timing, sequence and duration of project activities. It can also be used to identify milestones for monitoring progress, and to assign responsibility for achievement of milestones.
Analysis of objectives	Identification and verification of future desired benefits to which the beneficiaries attach priority. The output of an analysis of objectives is the objective tree / hierarchy of objectives.

15 Bond Network for International Development Network: Guidance Notes No. 4: Logical Framework Analysis (LFA)

Term	Explanation / definition
Bar chart	See “Gantt Chart”.
Gantt Chart	A method of presenting information graphically, often used for activity scheduling. Similar to a bar chart.
DAC	Development Assistance Committee of the OECD (Organisation for Economic Co-operation and Development).
Milestones	A type of OVI providing indications for short and medium-term objectives (usually activities) which facilitate measurement of achievements throughout a project rather than just at the end. They also indicate times when decisions should be made or action should be finished.
Stakeholder	Any individuals, groups of people, institutions or firms that may have a relationship with the project / programme are defined as stakeholders. They may – directly or indirectly, positively or negatively – affect or be affected by the process and the outcomes of projects or programmes. Usually, different subgroups have to be considered.
Sustainability	The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended.[16]

16 Volume 4: Evaluation Tools of the "Evaluation Methods for the European Union's External Assistance

Annexure B: Standard Documents and Methods

1. The EU has developed standardised documents, terminology and processes for evaluation of EU-funded programmes. These are provided on the EU website[17]. Programme managers, evaluation personnel and strategic planners should explore this website and familiarise themselves with the process, methodologies and tools, so that they can take ownership of the evaluation process and ensure that implementation is undertaken in such a way that evaluations are meaningful and well-informed

2. Within the EU system of evaluation guidelines have been developed on process and methodology, report contents, questions to be raised, etc. In addition, a number of evaluation tools have been developed. For more information refer to the EU website[18]

3. The site provides four categories of information, plus recommendations by a panel of evaluation experts, and quick links to a set of a shorter version (without examples) in the form of downloadable documents covering the evaluation methods of the EU[19]. The four categories of information are:

- Evaluation guides
- Methodological bases
- Tools and
- Impact diagrams/indicators.

4. Under the evaluation guides page[20], the relevant link for Budget Support programme evaluation is the "Project/programme" link. From this link the Guidelines for the manager provide an overview of the process that will be followed by the EU including their expectations

5. A Terms of Reference template is also available from this link. The checklists provided are also useful in providing insight into the processes and expected information inputs and outputs during the evaluation process

6. Checklists[21] are provided for document contents (inception, first phase and final reports), quality criteria to assist in assessing evaluation, and meeting agendas

7. The EU website provides a list of evaluation tools, as follows:

- Problem Diagram
- Objectives and effects diagram
- Decision diagram
- Questionnaire Survey
- Context indicators Interview
- Focus Group
- Expert Panel

17 http://ec.europa.eu/europeaid/how/evaluation/methodology/index_en.htm
18 http://ec.europa.eu/europeaid/how/evaluation/index_en.htm
19 http://ec.europa.eu/europeaid/evaluation/methodology/methods/mth_docs_en.htm
20 http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gui_en.htm
21 http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gca_en.htm

- Case Study
- SWOT (Strengths, Weakness, Opportunities, Threats)
- Multi-criteria analysis
- Cost/effectiveness analysis
- Socio-cultural analysis.

The guideline[22] "Evaluation tools" provides detail on each of these tools, as well as recommendations on which tools / mix of tools to use.

OTHER RESOURCES:

For a thorough grounding in evaluation, refer to the OECD DAC website[23]. The OECD DAC document "Guidelines for Programme Design, Monitoring and Evaluation"[24] is a useful introduction to evaluation and is included on the resource available with the Budget Support Supplements. A useful introduction to evaluation can also be found on the Finnish Aid website[25].

USEFUL READING:

1. Evaluation Methods for the European Union's External Assistance: Methodological Bases for Evaluation - Volume 1. Directorate General External Relations, Directorate General Development, Europe aid Co-Operation Office; Joint Evaluation Unit. http://ec.europa.eu/europeaid/evaluation/methodology/examples/guide1_en.pdf

2. Many useful documents and guidelines can be found on the OECD DAC documents web-site at http://www.oecd.org/development/evaluation/dcdndep/publicationsanddocuments.htm

3. Evaluating Development Co-Operation: Summary Of Key Norms And Standards; Second Edition; OECD DAC Network on Development Evaluation. http://ec.europa.eu/europeaid/evaluation/methodology/examples/guide1_en.pdf

4. Principles for Evaluation of Development, Assistance Development Assistance Committee; Paris, 1991. www.oecd.org/dac/**evaluation**/2755284.pdf

5. Sector Budget Support in Practice, Literature Review. November 2009; Geoff Handley; Overseas Development Institute and Mokoro. http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5575.pdf

22 http://ec.europa.eu/europeaid/evaluation/methodology/examples/guide4_en.pdf
23 http://www.oecd.org/document/12/0,3746,en_2649_34435_46582796_1_1_1_1,00.html
24 Summary of key norms and standards; 2nd Edition; OECD DAC and Criteria for Evaluating Development Assistance; factsheet; OECD DAC; June 2010 www.oecd.org/dataoecd/13/12/38141776.pdf
25 http://formin.finland.fi/public/default.aspx?contentid=69918

Annexure C: Evaluation Methodological Considerations

C1 Issues to be Addressed during an Evaluation

The methodological basis page[26] provides insight into the expected outcomes of an evaluation process, as it details key aspects to be considered in the evaluation. The table shows the evaluation aspect and the issues to be considered for that aspect. The EU guidelines "Methodological bases for evaluation" is the (shortened) downloadable document.

Issues to be addressed for various aspects of an evaluation

Evaluation aspect	Issue
What is evaluated?	Scope of the evaluation.
When to evaluate?	Timing of evaluation, informed by evaluation and intervention cycle.
Why to evaluate?	Utilisation: Users, Types of use that the evaluation will be applied to.
Who is part of the evaluation?	Roles of different stakeholders in the evaluation process. Examples of stakeholders are Evaluation manager, Reference group, External evaluation team, Stakeholders.
How to evaluate?	Method to be used for evaluation. Aspects to be addressed in the methodology are: • Analysis of the intervention strategy in which the evaluators consider intervention rationale, and logic. For this aspect the results / impact chain, the problem and solutions tree, the interventions strategy and the programme design are evaluated. • Evaluation questions. Here the evaluators should consider what information and perspectives they need, and what questions will ensure that answers provide the depth of insight required for quality evaluation. • Judgement references: here the evaluation team consider how they will assess the programme performance by use of Judgement criterion, targets, indicator. • Methodological design: The tools that will be used in the evaluation are selected or designed. Examples of tools are rapid rural appraisal, focus groups, etc. • Data collection: The available, reliable data sources inform the evaluation methodology. If data is not available, and cannot be collected in reasonable time and with reasonable cost, then the methodology will be largely qualitative. • Analysis: The evaluation team will develop an approach to analysis of the information gathered, using techniques such as counter factual analysis. • Judgement: The evaluation team draws conclusions from their analysis and provides an evaluation judgement. This can take the form of a scored grid. Lessons learned are identified and recommendations made. • Quality assurance: the evaluators must give consideration to assessing the quality of the information on which they are working, and what the response will be if they do not have confidence in the information quality.

Source: modified from Methodological Basis page of EU evaluation website

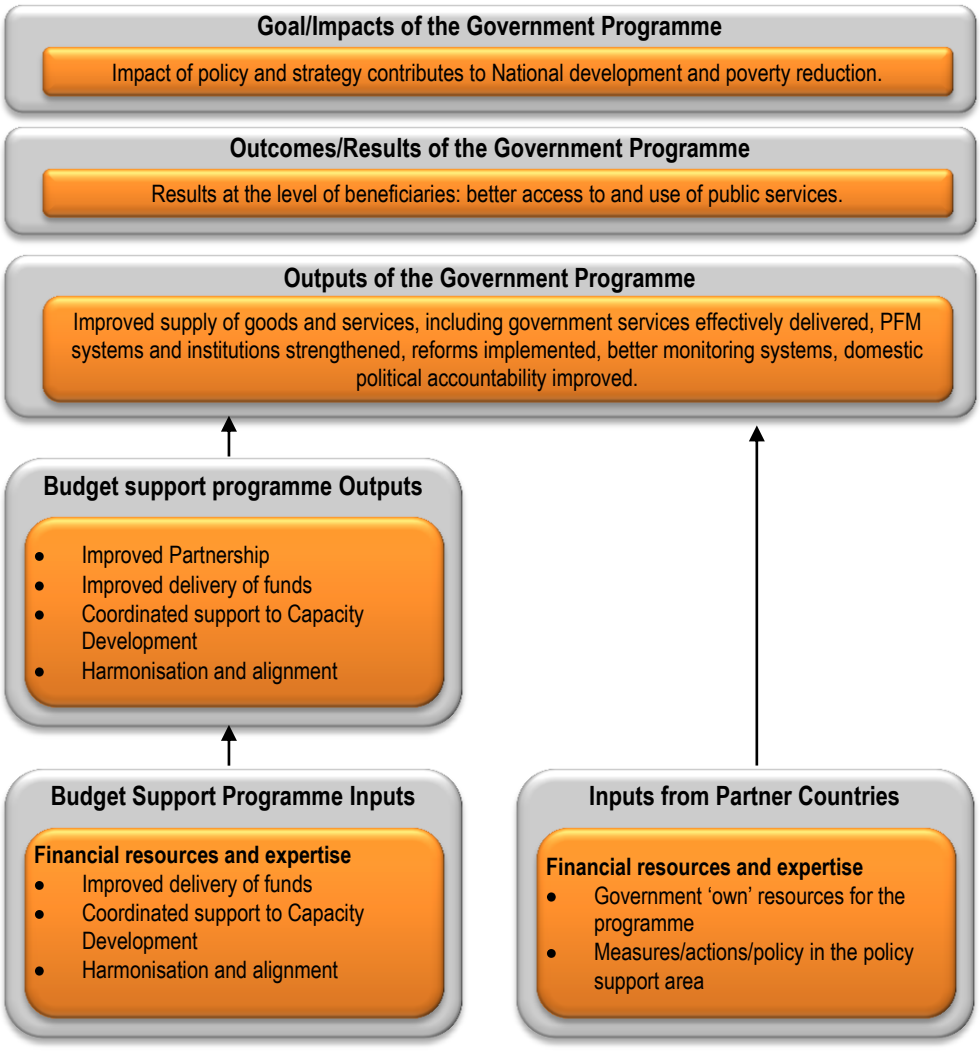
26 The Comprehensive Evaluation Framework. http://ec.europa.eu/europeaid/evaluation/methodology/examples/guide1_en.pdf

C2 Defining the Intervention Logic

It is not possible to undertake an evaluation without understanding the initial intervention logic, which sets out the reason for the programme, what was to be achieved and the assumed causality (i.e.: the "theory of change").

For Budget Support programmes the intervention logic may not be explicitly stated at the design stage. This can lead, in the evaluation stage, to the (incorrect) assumption that the Budget Support programme intervention logic is the same as that of the underlying government programme.

The updated Budget Support manual of the EU[27] and the OECD DAC methodology for evaluation of Budget Support programmes clearly define a Budget Support intervention logic that differs from the underlying policy programme intervention logic. The simplified intervention logic of Budget Support is shown in the diagram.



Adapted from EC (2007; p.48.)

Simplified intervention logic for Budget Support

27 PCM handbook. The European Commission Europe Aid Co-operation Office General Affairs; Evaluation; March 2001. http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/documents/publications/pcm_handbook_en.pdf

This approach to evaluating Budget Support programmes may be complicated by the design or the implementation method of the Budget Support programme, where the results to be achieved are often stated as the results of the underlying programme, or where the Budget Support funds are used directly in support of those government programme results.

This is especially true of programmes where:

- the Budget Support programme is defined as supporting a portion only of the government programme
- funds are ring-fenced due to a strong innovation, experimental or piloting element or
- the programme supports a new government programme not yet fully integrated into departmental planning and management systems.

In such cases care must be exercised to retain focus, during the Budget Support evaluation, on the Budget Support programme logic.

C3 The Comprehensive Evaluation Framework

The CEF is detailed in an OECD report: "Evaluating Budget Support: Methodological Approach" (DAC Network on Development Evaluation). It is one of two elements of the approach to evaluating Budget Support programme, *namely*:

- The Three Step Approach and
- Comprehensive Evaluation Framework (CEF).

THREE STEP APPROACH

Step One focuses on the inputs, direct outputs and induced outputs of Budget Support and the causal relations between these.

Step Two focuses on the outcomes and impact and factors that determined these.

Step Three assesses the contribution of Budget Support to the government's policies, strategies and spending actions (combines Step 1 and 2).

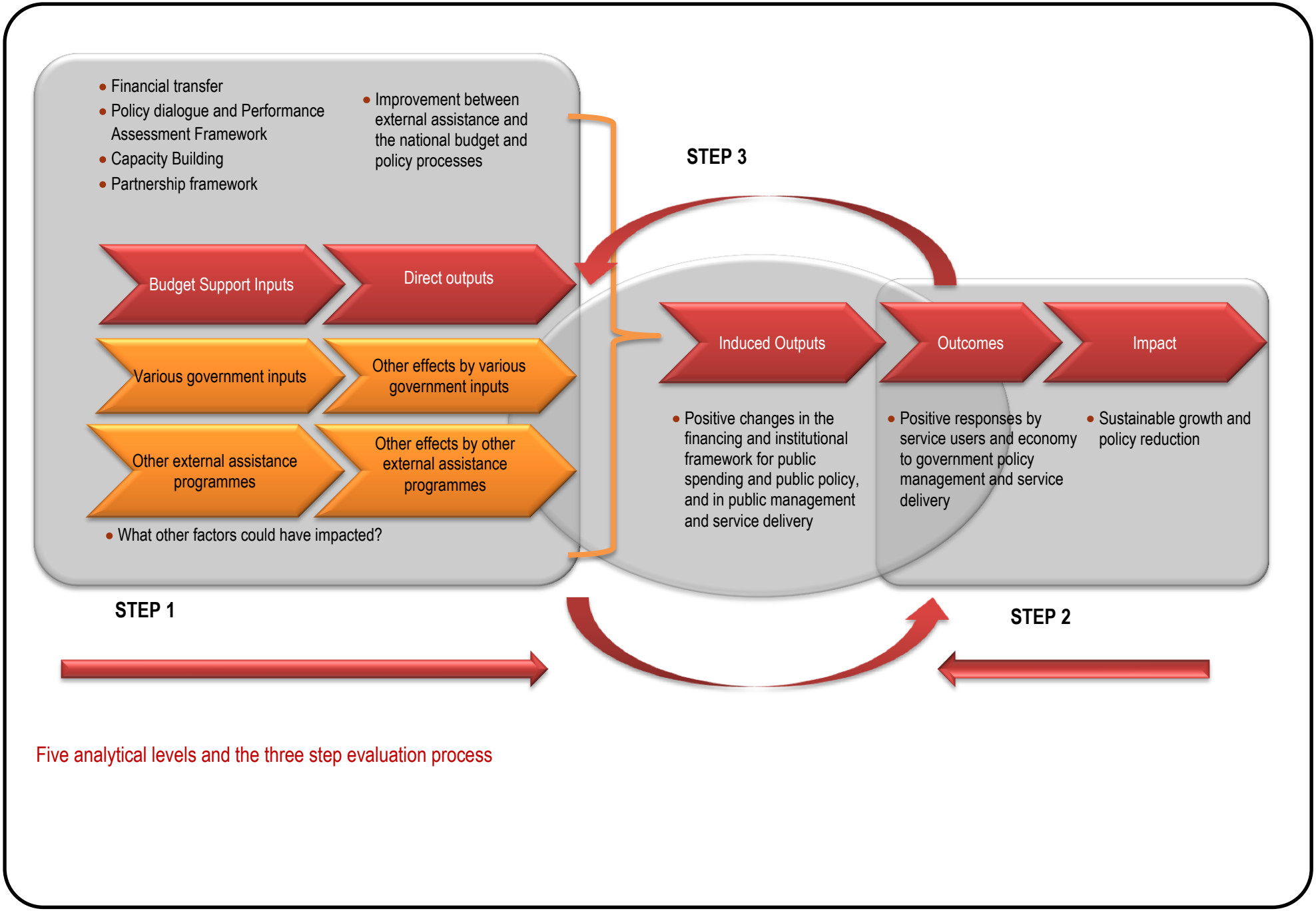
COMPREHENSIVE EVALUATION FRAMEWORK

The five levels of the CEF are denoted levels 1 to 5, where Level 1 relates to inputs, and level 5 to impact. The five levels are shown in overleaf, with the relationship of the three steps to these layers. The CEF is shown overleaf (Source: Evaluating Budget Support: Methodological Approach" DAC Network on Development Evaluation.

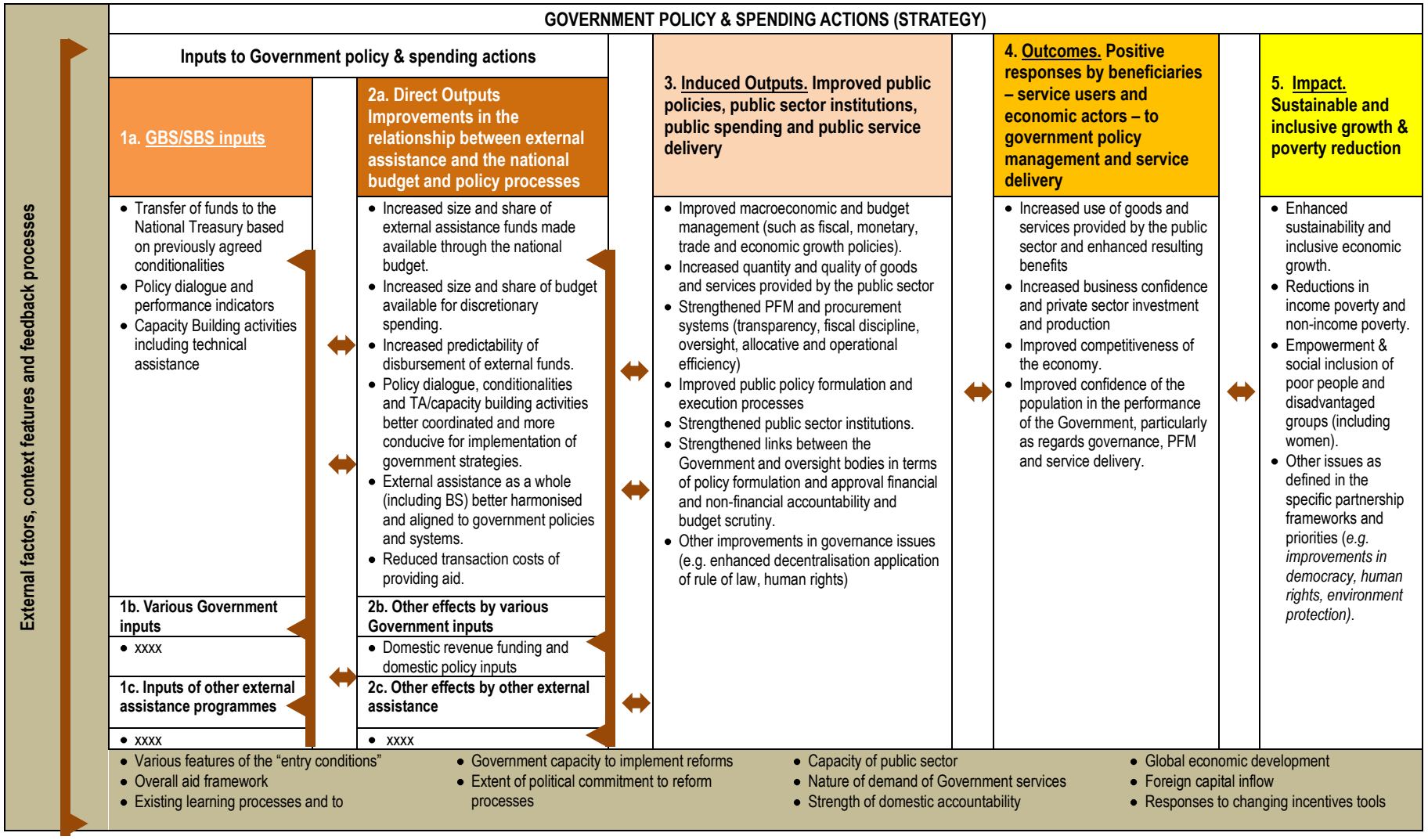
COMPREHENSIVE EVALUATION FRAMEWORK (CEF)

The CEF sets out the hypothesised sequence of effects of Budget Support programmes across five analytical levels included in – and interacting with – the overall National context within which Budget Support is provided. The levels are

BUDGET SUPPORT INPUTS
↓
DIRECT OUTPUTS
↓
INDUCED OUTPUTS
↓
OUTCOMES
↓
IMPACT



Five analytical levels and the three step evaluation process



Comprehensive Evaluation Framework for Budget Support Programmes

C4 OECD DAC Evaluation Criteria applied to Budget Support Evaluation

Monitoring and evaluation is a well-developed science with a large body of knowledge, standard terminology and recognised methodologies. Alignment between development partner agencies is achieved through the Organisation of Economic Co-operation and Development, Development Assistance Committee (OECD DAC)[28]. Additionally, agencies such as the European Commission produce their own targeted guidelines and methodologies, refined to suit their systems. Some reading and references are included in Annexure B.

Objective of a Budget Support evaluation

Drawing on the OECD DAC's 2006 definition of Budget Support, the objective of a Budget Support evaluation, reads as follows: *to assess to what extent and under which circumstances the Budget Support has enhanced the policies, strategies and spending actions of the partner government so as to achieve sustainable national and/or sector level development outcomes and have a positive impact on poverty reduction and sustainable and inclusive economic growth. In this context it is not excluded that the assessment will identify unintended, possibly negative, effects of Budget Support operations.*

(Evaluating Budget Support Methodological Approach, DAC Network on Development Evaluation)

While the purpose of this guideline is not to reproduce monitoring and evaluations science, some basic concepts are explained here. A glossary of monitoring and evaluation terms is included in Annexure A.

OECD DAC identifies the main purposes of evaluation to be:

- to improve future aid policy, programmes and projects through feedback of lessons learned
- to provide a basis for accountability, including the provision of information to the public.[29]

It further defines five agreed criteria[30] for evaluating interventions, as detailed in the table overleaf.

To enable evaluation against the DAC criteria, evaluation questions must be developed during the inception phase of the evaluation. These questions are informed by the intervention logic and will, therefore, also be informed by the CEF.

The relationship between the DAC criteria and the hierarchy of objectives for project intervention logic (from logical framework analysis) is demonstrated in the diagram overleaf, while the table overleaf shows the how hierarchy of objectives used in logical framework analysis relate to the CEF.

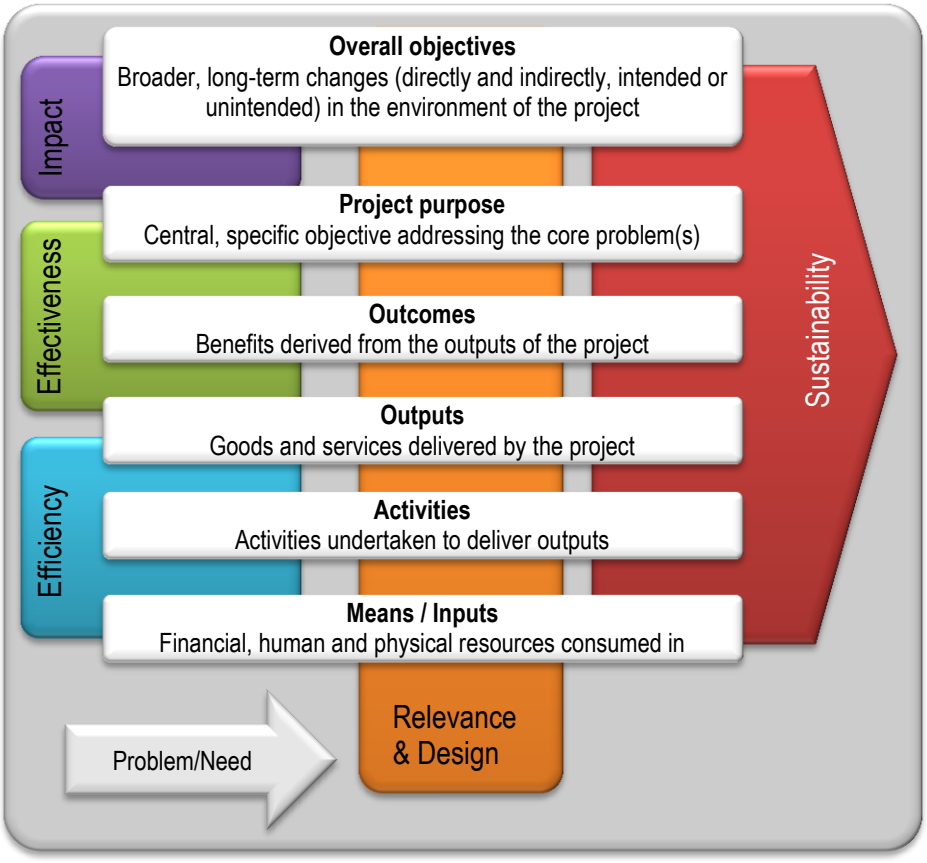
28 www.oecd.org/dac/

29 Evaluating Development Co-Operation: Summary Of Key Norms And Standards; Second Edition; OECD DAC Network on Development Evaluation

30 The DAC Principles for the Evaluation of Development Assistance; OECD DAC; 1991
Glossary of Terms Used in Evaluation from Methods and Procedures in Aid Evaluation. OECD DAC; 1986, and
Glossary of Evaluation and Results Based Management (RBM) Terms; OECD DAC; 2000

DAC evaluation criteria

Criteria	Description
Relevance	The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and development partner.
Effectiveness	A measure of the extent to which an aid activity attains its objectives.
Efficiency	Efficiency measures the outputs – qualitative and quantitative – in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.
Impact	The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impact and effects resulting from the activity on the local social, economic, environmental and other development indicators. The examination should be concerned with both intended and unintended results and must also include the positive and negative impact of external factors, such as changes in terms of trade and financial conditions.
Sustainability	Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after development partner funding has been withdrawn. Projects need to be environmentally as well as financially sustainable.



Hierarchy of objectives and the relationship to DAC criteria

Applying the above relationship between the DAC criteria and the intervention logic to the intervention logic of the CEF provides the relationship in the table.

CEF levels and their relationship to DAC criteria

CEF level	DAC criteria
Level 1: Budget Support inputs	Efficiency
Level 2: Direct outputs of Budget Support	Efficiency / Effectiveness
Level 3: Induced outputs	Efficiency / Effectiveness
Level 4: Outcomes	Effectiveness / Impact
Level 5: Impact	Impact

Annexure D: Designing Evaluation Questions

The questions designed for the evaluation process are at the heart of the evaluation process. If the questions are not properly formulated, then the information gathered will not provide the appropriate information to make an evaluation judgement.

The questions proposed for the evaluation must be targeted to ensure that the focus of the evaluation is on the Budget Support programme and not on the underlying government programme.

In Budget Support the question formulation is even more critical than for classical project modality as they must reflect the distinction between the Budget Support programme and the underlying government programme.

The central question in a BS evaluation is:

Did the Budget Support Programme support government strategies and contribute to achievement of government policy objectives?

It is answered by using the underlying intervention logic of EU Budget Support operations as set out in the CEF. Therefore, although Budget Support programmes in South Africa have not necessarily been designed in line with the CEF framework, going forward the questions to be used to evaluate the Budget Support programme will increasingly should align with the CEF framework.

The table overleaf provides some examples of evaluation questions for each DAC criteria, showing the difference in the questions when the focus is the government programme and when the focus is the Budget Support programme. For effectiveness and impact typical examples of the answers expected are given since the questions may be very similar at this level of the intervention logic. This is because the Budget Support programme supports the achievement of same results as the government programme. The table demonstrates the difference in emphasis between programme evaluation, which focuses on programme implementation and Budget Support, which more commonly looks at strengthening of systems and procedures and building capacity of government to deliver and implement.

Further examples of questions that can be used in evaluation of Budget Support programmes are given in Annexure E for each of the DAC evaluation criteria.

Typical questions for evaluations

DAC Criteria	Question for evaluation of programme	Question for evaluation of Budget Support programme
Relevance	To what extent are the interventions still required by the beneficiaries? *Example of indicator: Percentage of children with at least 10 years of schooling is below target* *Does a programme log-frame exist?*	To what extent is the support still required to assist in strengthening delivery of the government programme? *Example of indicator: Systems to monitor the rate of school drop-outs are improved* *Does the Budget Support programme logic intervention align with the CEF?*
Efficiency	To what extent are the means and inputs converted into outputs required by the beneficiaries? *Example of indicator: Cost of schooling per child is within bench-mark zone*	To what extent is the support improving the conversion of means and inputs of the government programme into the outputs? *Example of indicator: Systems put in place to reduce wastage in procurement of education materials*
Effectiveness	Have the planned results of the government programme to date been achieved? *Example of indicator: Matric pass rate 70%*	Did the programme support the strengthening of systems and processes of the government programme to improve the achievement of the government programme results? *Example of indicator: Theory of change exists and in-year monitoring for grades 8 to 12 established*
Impact	Are there indications of what the likely impact of the policy will be? *Example of indicator: More people with tertiary education in the workforce*	Are there indications of what the likely impact of the policy will be? *Example of indicator: Education system strengthened and capacity to implement education policy strengthened which leads to more people with tertiary education in the workforce*

Annexure E: Examples of Questions for Budget Support Evaluation according to Development Assistance Committee Criteria

DAC CRITERIA	BUDGET SUPPORT EVALUATION
RELEVANCE **Policy aspect and status that should be described** • The policy and strategy, • The problem analysis and solution tree • Government programme composition, structure, roles and responsibilities • Beneficiary's view on theoretical and philosophical linkages between government policy area action plan, strategy and policy intent • Design of government programme	***Purpose:*** *Assess the relevance and quality of the budget Support Programme and the contribution that it made to the relevance and quality of the government programme.* **Assessment of relevance and quality from:** • The government programme policy, strategy and legislative framework soundness and relevance to the needs of the poor, congruence with international good practice and applicability to the local situation • The budget Support Programme design relevance and quality to support the government programme policy, strategy and legislative framework and to support the on-going evolution of the policy, strategy and legislative framework through dialogue, research, capacity building, NSO and beneficiary consultation • The reasonableness of the assumptions of both the government programme , policy and the budget Support Programme • budget Support Programme and risk management • Whether dialogue supports the further development of policy, strategy and legislative framework. <u>Monitoring and evaluation framework:</u> Whether: • The government programme monitoring and evaluation system addresses the feedback between evaluation and improved programming and policy • The budget Support Programme monitoring and evaluation system addresses the feedback between evaluation and improved relevance and quality of government programme and budget Support Programme design and • Performance against relevance and quality indicators identified for the government programme and selected in the FA.
EFFICIENCY Government programme **operational level aspect that should be described** Brief system description and identification of **changes** which have taken place over the period of the budget Support Programme in: • Public financial management: • Medium term budgeting (and other financial management tools) • Programme co-ordination • Institutional capacity • Performance monitoring As this relates to efficiency, the focus is at	***Purpose:*** *Assess the contribution of the budget Support Programme and the use of BS to efficiency of the* government programme*, and assess the efficiency of budget Support Programme and BS as a modality.* **Assessment of efficiency from:** <u>Public financial management:</u> • contribution of the budget Support Programme to changes in the quality of the spending and financial control • contribution that the use of Budget support as a modality made to efficiency of the government programme. <u>Medium term budgeting (and other financial management tools):</u> • contribution of the budget Support Programme to changes in the quality of the medium term budgeting and expenditure (systems, timing and release of funds) • contribution of timing, transparency and predictability of BS fund releases to medium-term planning and budgeting. <u>Programme co-ordination:</u> • Alignment of development partner supported interventions with beneficiary programme • Removal or lack of duplication • Complementarity of interventions • Gap-filling support that expedited interventions • Harmonisation of identification, allocation and disbursement • Expediting of implementation and cost-saving based on sharing of knowledge, standards • Improvement of the lead department's ability to co-ordinate programme interventions and policy

DAC CRITERIA	BUDGET SUPPORT EVALUATION
the level of what was done and the means applied. This relates to the programme level, and not specific projects.	implementation Institutional efficiency increase: contribution of the budget Support Programme to improvement in • Institutional efficiency (mesa level – cost and time per unit decline. This aspect implies some bench-marking exists) • systemic efficiency in the programme (cost and time of compliance and achieving impact improvement) • individual efficiency (average time and cost of personnel undertaking actions improvement) Performance monitoring • contribution of the Budget Support programme to monitoring efficiency • development partner/BS evaluation requirements support efficient monitoring and do not add time and costs • Contribution of budget Support Programme to improved efficiency of monitoring and evaluation systems • performance against efficiency indicators identified for the government programme and selected in the FA.
EFFECTIVENESS Government programme operational level aspect that should be described Brief description of outputs and identification of **changes** in outputs (quantity, quality and nature) which have taken place over the period of the budget Support Programme. As this relates to outputs relative to inputs, some attempt should be made to look at the change in the ration of output to input (even if only at a qualitative level). This relates to the government programme level, and not specific projects.	***Purpose:*** *Assess the contribution of the Budget Support programme and the use of Budget Support to effectiveness of the government programme, and assess the effectiveness of the budget Support Programme and Budget Support as a modality.* **Assessment of effectiveness from:** Medium term budgeting (and other financial management tools): Contribution of Budget Support programme in improving the linkage between inputs and outputs and the value for money achieved with inputs. Programme co-ordination: Contribution of Budget Support programme in ensuring more outputs were achieved with the funds available from all stakeholders. Performance monitoring • contribution of the Budget Support programme to monitoring effectiveness • development partner/Budget Support evaluation requirements support effective monitoring, supporting focus on outputs • Contribution of Budget Support programme to improved effectiveness of monitoring and evaluation systems (measuring the right thing) • performance against effectiveness indicators identified for the government programme and selected in the FA. Institutional efficiency increase: contribution of the Budget Support programme to improvement in • institutional capacity for achieving outputs (structure, systems, job descriptions, stability – meso level) contribute to: • systemic capacity for achieving outputs in the policy area (conceptual framework, legislation - macro and meta level) • individual capacity for achieving outputs (micro level: skills of individuals and operating units)
IMPACT Government programme aspect to be described • Impacts achieved • System	***Purpose:*** *Assess the contribution of the budget Support Programme to impact on the* government programme Programme policy: • Quality of the linkage of the proposed programme intervention to the impact through the impact chain • Contribution of the budget Support Programme to the impact of the government programme.

DAC CRITERIA	BUDGET SUPPORT EVALUATION
	Monitoring and evaluation: • Performance against impact indicators identified for the government programme and selected in the FA.
SUSTAINABILITY Government programme aspect to be described • The elements of the government programme which contribute to sustainability of the interventions • The institutional, policy, legislative and financial framework that ensure sustainability of the government programme	***Purpose:*** *Assess the contribution of the budget Support Programme to sustainable development and to sustainability of the* government programme. **Assessment of sustainability from:** Macro level: • Contribution of the budget Support Programme to philosophical, cultural, legislative and policy change which improves developmental sustainability. Cross-cutting issues: • Contribution of the budget Support Programme to cross-cutting issues which improve sustainability (peace and security, violence, gender, health, capacity, environment, democracy, etc.) Monitoring and evaluation: • Contribution of the budget Support Programme to monitoring and evaluation of sustainability issues and incorporation of findings in policy and programme design.

Source: adapted from table of questions in a SBS evaluation terms of reference, originally adapted from ROM Score Card (2009 ROM manual)

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