



Effectiveness to Impact Initiatives



Global Partnership
for Effective Development Co-operation

EFFECTIVENESS TO IMPACT INITIATIVES: SECTOR NEEDS ASSESSMENT

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Acronyms and Abbreviations

| | |
|-----------------|--|
| AA | Action Area |
| DG INTPA | Directorate General for International Partnerships |
| DP | Development Partner |
| GPEDC | Global Partnership for Effective Development Cooperation |
| M&E | Monitoring and Evaluation |
| NGO | Non-Governmental Organisation |
| SDG | Sustainable Development Goal |
| TA | Technical Assistance |

Introduction

This document describes the framework for undertaking a needs assessment for the GPEDC Effectiveness to Impact Initiatives. It covers the objective, the methodology and the process for undertaking the assessment.

The Effectiveness to Impact Initiatives

The Effectiveness to Impact Initiatives were launched in 2020 by the GPEDC to support the practical application of the effectiveness principles at sector level in partner countries. The focus on effectiveness in a sector – as opposed to the national level – is because it is at the sector level that most development policy and resource allocation decisions are taken and implemented. The benefits of strengthening effectiveness are therefore more immediate and more clearly demonstrable when working in a sector. Within a sector, the multi-stakeholder nature of effectiveness is less challenging, as those active and involved in the sector are familiar with each other's activities and perspectives and, often, relationships are already established. Also, it is at sector level that the practical application of the effectiveness principles has mostly taken place and is evident in the programme aid instruments such as budget support, Sector Wide Approaches or basket funds and the associated sector dialogue and review processes. The approach of the initiatives will be to support, strengthen and build on what has already been established in the sector.

Functional sectoral development processes for policy-making and implementation, for strategic planning, stakeholder dialogue, financing, monitoring and review are all important elements for successful sector development. The purpose of the initiative is to strengthen the functioning of the structures and mechanisms that deliver these processes and managing sectoral development and development cooperation. By doing so, the initiative will assist the sector to achieve enhanced development impact on sector policy objectives and on SDG targets for the sector. The focus of the initiative will be on six building blocks that can be seen as the key elements of an effective sector development process:

- Inclusive dialogue.
- Joint analysis, drafting and review of policies.
- Agreed priorities and results frameworks.
- Joint planning and budgeting.
- Implementation modalities that strengthen the capacity of national systems.
- Real-time performance data, transparent evaluation and monitoring process.

An Initiative is essentially a long-term institutional support project focused on strengthening and better improving the functioning of targeted building blocks. Each initiative provides specialized technical assistance - internally or externally sourced and tailored to the specific requirements identified by the sector. The initiatives will be medium to long-term in nature involving interventions prioritized, sequenced and implemented over a realistic timeframe of at least 4 years. The initiatives will be facilitated by the GPEDC and resourced on a cost-sharing basis with in-country stakeholders, but will be designed and managed by the sector stakeholders, led by Government.

The objective of the Initiatives is to achieve improved impact as measured against sectoral targets, and to gain practical experience on establishing sectoral development management processes for replication in other sectors and possibly other countries. Ultimately, the goal is also to generate increased country level demand for effectiveness.

Objective of the Needs Assessment

The objective of the needs assessment is to inform the design of the Effectiveness to Impact Initiative in the targeted sector. It does so by assessing the gaps and shortcomings in the design and functioning of the existing sector development/coordination processes.

As the objective of the Initiatives is to deliver measurably accelerated development impact, the success of the initiative will not be measured by apparent improvements in sector processes or by better performance against effectiveness indicators, but by the extent to which these improvements deliver more and better impact. The key objective of the needs assessment is, therefore, to identify and prioritise the process gaps and shortcomings that are most critical to achieving sector results – and the resolution of which will deliver the most significant improvements in development impact.

More specifically, the tool will assess in what elements of the sector development processes weaknesses might be undermining the timely and successful implementation of the highest-priority, highest-impact interventions, with a view to addressing them and, thus, enhancing the efficiency and impact of collective development efforts in the sector.

The undertaking of such an assessment will also serve – in a first instance (through steps 1, 2 and 3) - to verify the case for launching an Initiative in the sector, bearing in mind that they are likely to include issues that are sensitive in nature and historically persistent and difficult to agree on and resolve.

This methodology is intended to support and provide a guiding framework and a structured approach to undertaking a needs assessment. It is, however, the sector stakeholders who will undertake the needs assessment and they may wish to adjust the methodology to better meet the specific characteristics and needs of their sector.

Theoretical Underpinnings

Development Effectiveness

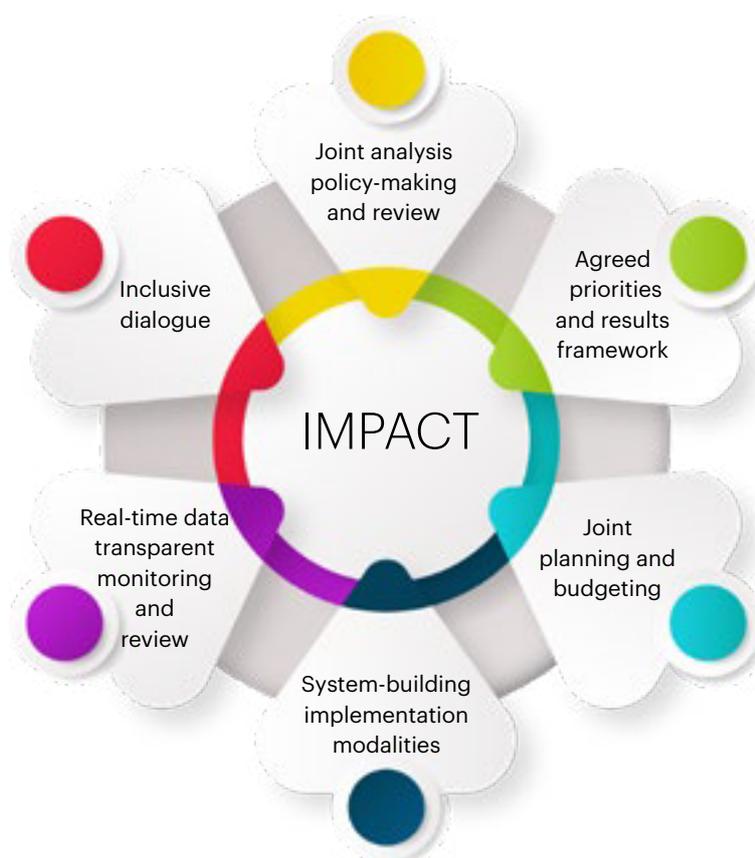
The needs assessment takes as its overall theoretical framework the basic concept that effective development cooperation is bringing diverse efforts together in a coordinated manner to achieve more development impact. By doing so we can achieve more with what we have – we can be more effective in delivering development. The basic hypothesis is that when development cooperation supports and pursues partner countries' own development priorities, when those priorities are agreed in an inclusive and equitable way and external support is combined with national efforts and delivered through national institutions and systems, then we will achieve greater, better and more sustainable development impact.

The consensus around this basic concept has formed the backbone of efforts to improve how development co-operation is delivered, from the Paris Declaration on Aid Effectiveness nearly 20 years ago, to the establishment of the GPEDC and the adoption of the four Busan Principles for Effective Development Co-operation that form the basis of the GPEDC's work:

- Ownership of development priorities by developing countries;
- Focus on results;
- Inclusive partnerships;
- Transparency and mutual accountability.

Hence, the intervention logic behind the GPEDC Effectiveness to Impact initiatives sees a successful and effective sector development process consisting of six key elements or “Building Blocks”, as shown in the figure below. The needs assessment will examine the extent to which these have been established, how well they function and the quality of the outputs and outcomes they produce.

Figure 1: GPEDC Building Blocks for Effectiveness



Source: GPEDC

In parallel, the methodology applied in the assessment also takes into account insights from political economy models and literature. Such literature recognises that the sector management systems like those that the Initiatives aim to strengthen often operate in contexts where non-developmental interests, either domestic or external, of a commercial, political, security or strategic nature, may be highly influential. Systems' strengthening may in such a situation alter the façade of systems/processes, but not their actual use/functionality, and therefore have limited impact. Public policies and their implementation involve hard choices over resources and opportunities, in which short-run political considerations may trump the need for important measures that are critical to improve capacity and performance in service delivery, but which will only deliver in the longer term. So systems strengthening has to be carefully designed so that it does no harm and actually leads to real change. For that purpose, a (light) political economy analysis will be carried out early in the process of conducting the needs assessment that will help reveal the power structures, formal and informal 'rules of the game' and potential drivers of change to inform the focus, scope and design of the Initiatives.

The Effectiveness Results Chain

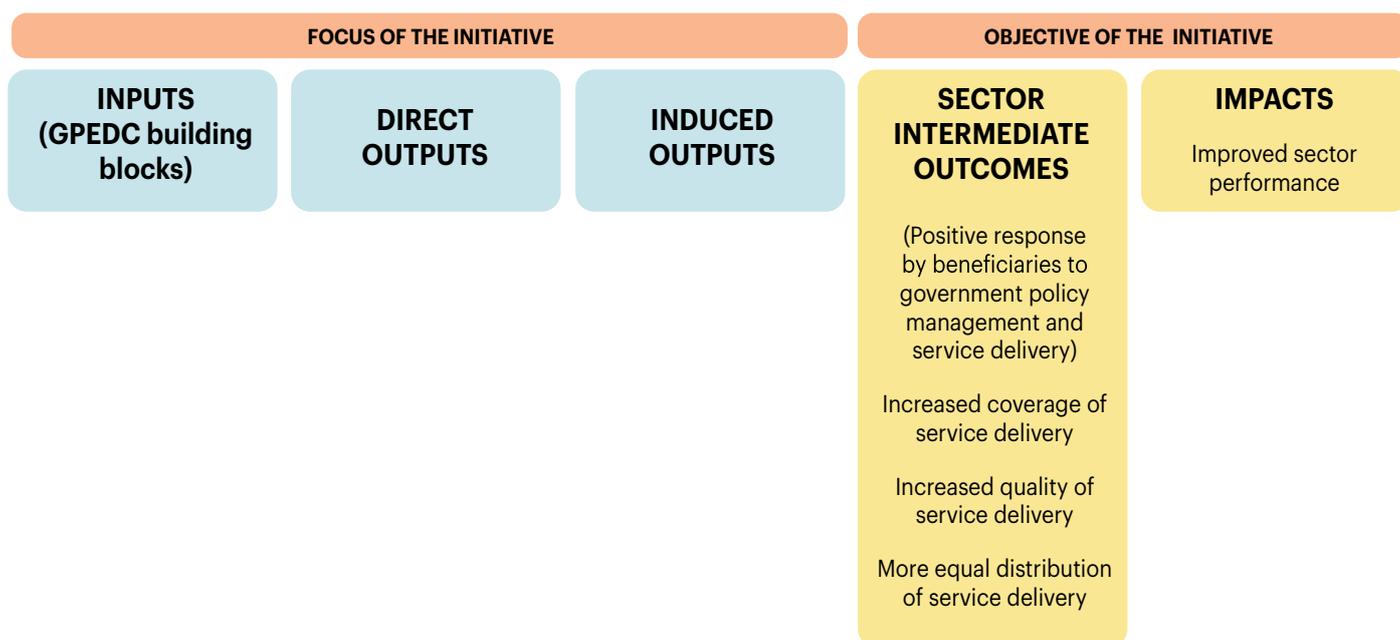
To develop the needs assessment methodology, a starting point has been policy frameworks that have been used for the design and assessment of Sector-wide approaches (SWAPs) developed since the early 2000s. In broad terms, such frameworks consist of a causal model establishing a chain of sequential links between effectiveness inputs, outputs, outcomes and impacts, in which the specific issues included in each category will depend on the nature and breadth of the sector development effectiveness focus and objectives.

The distinction is made in the framework between 'direct outputs' (generated by the interaction between national processes and external assistance) and 'induced outputs' (which constitute changes in the institutional framework in response). The links in the results chain are not linear, as sectors are not closed systems and are embedded in a wider social, political and institutional context. This is why, as discussed above, the methodology also incorporates a political economy analysis which will help untangle those links, including those between direct outputs – which are the direct results of the Initiative – and induced outputs, which are also the results of other factors.

It is also noted that such frameworks can at times be too much focussed on the relationships between external official development assistance providers and national government actors – the focus of the Aid Effectiveness agenda. For the purposes of the Effectiveness to Impact initiatives, the frameworks have been adapted to be aligned with the broader concepts and greater inclusiveness of Effective Development Cooperation – extending them to cover relationships among and between the full range of in-country development actors, including civil society, parliamentarians, private sector, sub-national government and the research and academic community.

The figure below provides a graphical representation of such a results framework, with the logical chain to be read as an indication of the development path of a sector development process and not as a blueprint. In that results chain, the GPEDC “building blocks” constitute the ‘effectiveness’ inputs. The objective of the Initiative will be to achieve progress in ‘sector intermediate outcomes’ and it will do so by focusing its efforts on strengthening the ability of the inputs to deliver the ‘direct outputs’ and ‘induced outputs’¹.

Figure 2: The Effectiveness Results Chain



Source: GPEDC

The nature of the outputs included in the results chain is fairly broad. The drop down menu in figure 2 outlines for each input and output examples of indicators that can be used to measure progress. Those indicators provide a more detailed picture of the focus of the Initiative and are also included as Annex 1.

¹ Induced outputs are influenced by direct outputs as well as other factors, which are not related to the strengthening of sector coordination processes

Overall Approach/Methodology

Building on the theoretical background and in particular the results chain presented above, the methodology proposed to undertake the needs assessment is multi-step, consisting of the following stages:

Table 1: The four steps in the methodology

| Step | Focus | Questions to be asked | Objective | Approach |
|---------------|---|---|---|--|
| Step 1 | Reviewing sector intermediate outcomes | Are the priority sector objectives being achieved? Which areas/SDGs are doing well/less well? | The aim of this step is to assess sector performance/under performance, with a view of confirming relevance of the Initiative in the sector and already identify priority areas/SDGs of intervention. | Mostly desk-based, based on available reports |
| Step 2 | Step 2 consists of two main/parallel tasks: (i) Reviewing performance of induced outputs and (ii) Political economy analysis of key drivers of sector performance/under performance and potential barriers to change. | How have the induced outputs performed overall? What are the main technical and non-technical drivers of sector performance/under performance in the sectors? What are the main bottlenecks/factors that affect the ability to achieve sector outcomes? How is sector performance constrained by governance, political economy and capacity constraints? | The aim of this step is to assess the drivers of performance/poor sector performance, including non-technical factors (accountability, capacity, governance), with the view of informing areas of intervention or non-intervention, and later on shaping the design of the interventions to potentially address some of the institutional framework/governance constraints identified. | Desk analysis, complemented by interviews. Will also include light political economy analysis. |

| Step | Focus | Questions to be asked | Objective | Approach |
|---------------|---|--|--|-----------------------------|
| Step 3 | Analysing the extent to which the current sector approach is delivering improved effectiveness (direct) outputs: the achievement of the capacity and efficiency gains anticipated (in terms of improved sector coordination, better harmonization and alignment of development assistance, and enhanced sector stewardship). | To what extent are the development effectiveness benefits delivered? Are the anticipated benefits of putting in place and strengthening the sector development management processes being realized? I.e. Is sector dialogue more strategic? Is coordination strengthened? | This assessment will be critical in determining the scope and focus of the Initiative. Depending on which effectiveness outputs are achieved/not achieved, the need for particular components of the sector coordination processes to be strengthened will be identified. | Desk-based, and interviews. |
| Step 4 | Analysing the extent to which the key components (Building Blocks) that constitute an effective process for managing sectoral development (inputs) are in place/in use | An inventory and analysis of (i) all the inputs planned and actually provided/used. This will be done by structuring the analysis in three areas (sector strategic framework, use and quality of planning/budgeting and monitoring systems, quality and functionality of the partnership/dialogue), which encompass the different components that constitute an effective process for managing sectoral development. | This step constitutes the core and the bulk of the needs assessment. It assesses the shortcomings in the use of the different components (building blocks) of effective sector development processes. To the extent possible, the focus of the analysis will be the sector as a whole, but for each element the assessment will zoom in into the specific areas of intervention prioritised (in step 1). | Desk-based, and interviews. |

The first three steps can in principle be undertaken fairly rapidly. Step 4, which requires more analysis, will take place on the basis that the findings from Steps 1, 2 and 3 confirm that launching an Effectiveness to Impact Initiative will be relevant for the sector, and that there is a clear willingness by sector stakeholders to do so.

Step 1: Reviewing Sector Intermediate Outcomes

The first step in the needs assessment process is to review the sector intermediate outcomes and assess, based on existing documentation (reviews, monitoring reports), whether they are likely to be achieved.

As presented in figure 2, sector intermediate outcomes are linked to improvements in the coverage, quality and equal distribution of service delivery (e.g. educational access and outcomes, x number of schools built or capacity of renewable energy supply or maternal mortality levels).

The purpose of that review is to identify specific sector intermediate outcomes, as listed in the sector strategic plan, which will be the focus of the Initiative. **It is expected that the Initiative will focus on intermediate outcomes for which performance is weak and for which there is clear room/scope for improvement.**

If after that first assessment, the list of intermediate outcomes remains particularly large (i.e. more than 8-10), other criteria may be used to narrow down the list:

- Intermediate outcomes that are seen as high priority, including in terms of their links with SDGs, and leaving no-one behind should be selected as priority
- Intermediate outcomes for which there is strong willingness/commitment among sector stakeholders to achieve progress should also receive priority.

The undertaking of this first step should lead to a preliminary assessment of the sector intermediate outcomes for which the Initiative would be most beneficial. The two text boxes below illustrate that process in the case of the primary education sector in Mozambique and the agricultural sector in Tanzania.

Step 1 in primary education sector in Mozambique.²

While there has been a significant increase in access to education - related to the free education system and the distribution of textbooks free of charge throughout all cycles of primary education, among other measures - the primary education sector continues to face a number of challenges with regard to quality in Mozambique. Poor teacher preparation, classroom overcrowding, limited amount of teaching and learning materials, lack of desks and adequate school infrastructure, lateness and/or absence of teachers and school principals (absenteeism) and scant community involvement in school management are some of the factors behind low quality teaching.

These would all be potential sector intermediate outcomes/areas to address as part of the Initiative. Among those areas, school construction would appear to be a particularly relevant intermediate outcome to pick because of the weak performance observed. It is estimated that Mozambique needs to build close to 40,000 classrooms in order to ensure access to education for all school-age children. With the country committed to achieving universal schooling by 2015, the Government introduced, in 2006, the fast-track classroom construction project, which envisaged the building of 45,000 classrooms in ten years (between 2006 and 2016). This entailed a construction goal of 4,100 classrooms per year, a goal later reduced to 1,400.

After five years, only 4,635 classrooms had been built, and the reduced target of 1,400 classrooms per year was not achieved.

² Source: *The added value that the 'Effectiveness to Impact' Initiative may bring to the Education Sector in Mozambique, The Case of School Construction and School Councils, Celso Monjane, February 2021.*

Step 1 in agriculture sector in Tanzania

The Government of Tanzania's major agricultural policy of the 20th century is the Agricultural Sector Development Programme, which has occurred in two phases (ASDP I, from 2006 to 2013, and ASDP II, from 2018 to 2025). The main pillars of these policies are sustainable water & land use management; enhanced agricultural productivity, and rural commercialization and value addition. Performance around these policies has been mixed. Agriculture has remained small scale, undercapitalized and labour intensive. At the same time, there has been a continued tension between reliance on the market system and in the state. Linked to this, the sector has been marked by policy inconsistency and weak regulatory frameworks leading to inconsistent outcomes and undermining overall policy. Against that background, a slow pace of productivity increase has been observed, the result of multiple factors, including limited use of fertilisers. For example, the proportion of households using chemical fertilizer has remained low, at 12% in recent years. In parallel, weak rural infrastructure including rural road, electrification, market facilities and others have discouraged investments in agricultural production and agro-industries by the private sector. Notably, the proportion of agricultural land area under irrigation has remained below 1.5%. On that basis, it would appear that the use of fertilisers and rural infrastructure, including irrigation, would be some of the areas/sector intermediate outcomes the Initiative would want to focus on, noting that rural infrastructure is cross-sector and will thus require the Initiative to have a focus that goes beyond the agriculture sector.

Step 2: Analysis of the induced outputs: What are the main drivers of sector performance and under-performance? What are political economy factors to take into account?

How have the induced outputs performed overall? What are the main technical and non-technical drivers of sector performance/under performance in the sectors? What are the main bottlenecks/factors that affect the ability to achieve sector outcomes? How is sector performance constrained by governance, political economy and capacity constraints?

To answer those questions, two main activities will be undertaken:

- Review of performance of induced outputs. The review is expected to be mostly desk-based, and be sector-wide, although it may zoom in into areas prioritised in step 1.
- The review of the performance of induced outputs will be complemented by a political economy analysis. Sector performance is not only the result of the availability of resources but also of institutional and political factors: the wider political economy; the wider context for sector performance in terms of country-wide institutional and political factors; public sector incentives; relevant stakeholder (including donors) incentives or disincentives for performance and change. These can all be derived from a political economy analysis. The political economy analysis will be structured as followed, based on standard approaches applied for such type of analysis:
 - **Analysis of structural factors:** long-lasting or deep-seated features of the country, the state or the society must be noted in order to understand the way institutions work and people behave in the context or field of problems under consideration? For example: the extent of the state's territorial control and revenue base, colonial legacies, the social class structure.
 - **Rules of the game/institutions:** What are the formal and informal rules which govern behaviour (political, economic and social) in the sector under consideration? More specifically: What is the relationship among the different types of rules, and which ones are enforced? Is the functioning of the sector institutions influenced by any underlying bargains among powerful elites or communities?

- **Actors and agents:** Who are the relevant actors and interest groups, and how does their behaviour affect the sectoral context under consideration? More specifically: How are these agents located on a standard map of stakeholder interest/influence map? What scope is there for particular agents to move to a different position in terms of interest, perception or influence and thereby change the balance of forces? What triggers might cause this to happen?
- **Conclusions/recommendations:** Recommendations on political economy factors to take into account to ensure success of programmes in the sector. What type of interventions in the sector related to the strengthening of sector coordination processes would be most suitable given the political economy of the sector. Are there interventions to support such processes that may help influence the political economy of the sector towards more pro-poor and stabilising outcomes?

Step 3: Analysis of the performance of sector development processes ('effectiveness outputs')

A broad assessment will then be made of the achievements of the "effectiveness direct outputs" i.e. Is the sector approach delivering as planned? Is there better alignment? Is sector dialogue more inclusive? Is coordination strengthened? This analysis can draw upon a range of sources including previous GPEDC Monitoring Reviews where available.

The challenge in that exercise is that the 'effectiveness' inputs and direct outputs are not systematically or explicitly stated, making it potentially unclear what the effectiveness efforts are trying to achieve and how to define and measure success. The first part of the exercise will be to reconstruct them based on existing documentation and interviews, and using the inputs and direct outputs in the results chain above for direction.

The conclusion coming out of the Steps 1, 2 and 3 analysis should consist of a broad assessment of sector performance, including identification of areas of weak and strong performance, assessment of induced outputs and other factors, technical and non-technical affecting sector performance, and lastly assessment of the development effectiveness outputs themselves. This assessment will help to verify the case for an Initiative to be launched, and to help identify areas of intervention. i.e. attention will need to be paid to sector management processes that help address weak effectiveness outputs, whose strengthening is assessed as being relevant and impactful in the sub-sectors/areas to be prioritised.

The two text boxes below provide examples of how this decision-making process may apply in the same cases used as examples for step 1 (Mozambique primary education and Tanzania agriculture).

Combining findings from steps 1, 2 and 3 for Mozambique education sector³

Over the last 20 years, the Government of Mozambique and its cooperation partners have been working to accelerate the development of the sector through coordinated actions and procedures, such as the funding mechanisms of the Education Sector Support Fund (Fundo de Apoio ao Sector de Educação - FASE). Although relatively well-established coordination procedures do exist, including a comprehensive dialogue structure, their level of performance still faces some challenges. While there seems to be a common understanding of the objectives to be achieved, for several years there has been no consensus among the various actors in the education system on the strategies for achieving them. This has resulted in duplication of effort, contradictory actions and critical gaps, resulting in limited impact and low levels of sustainability in the implementation of sector policies. This finding points to the existence of a wide area of interventions to strengthen coordination actions in order to make them more effective. Taking this into account, and with conclusions from step 1 pointing to weaknesses in sector performance, the Mozambique primary education sector would appear to be a good case for launching an Initiative, with a focus on strengthening the functionality of existing coordination mechanisms, and attempting to strengthen the consensus between stakeholders on the key strategies going forward.

³ Source: *The added value that the 'Effectiveness to Impact' Initiative may bring to the Education Sector in Mozambique, The Case of School Construction and School Councils, Celso Monjane, February 2021.*

Combining findings from steps 1, 2 and 3 for the Tanzanian agriculture sector

Although the Government of Tanzania has been making efforts to enhance coordination in the agricultural sector and many sector coordination building blocks are in place, coordination still remains a challenge. There is inadequate clarity on linkages between various agricultural interventions, as well as inadequate collaboration among institutions responsible for implementing different interventions. The overall 'partnership' has suffered from a heavy handed approach by donors coupled with a continued tension between faith in the market system and in the state and an array of vested interests opposed to reform. To embrace the mutual accountability agenda of delivering on commitments within the agricultural sector, an effective system is needed to monitor and evaluate how various agricultural stakeholders are performing on their commitments. Joint sector reviews (JSRs) have been established to assess the effectiveness of policies and institutions and the extent to which the intended results are being realized. However, enhancing synergies and collaboration among various stakeholders involved in the existing reviews would enrich dialogue for the overall development of the sector. For example, the potential contribution of non-state actors in these processes is yet to be fully exploited. Overall, this points to some similarities to the situation observed in the Mozambique primary education sector: many of the sector coordination building blocks are in place, but their inclusiveness and functionality could be strengthened. In parallel, the level of consensus on key sector strategies going forward between sector stakeholders remains mixed. Combined with the assessment in step 1 of continued sector underperformance, this suggests that the Tanzanian agriculture sector may be a good case to introduce an Initiative.

Step 4: Determining the extent to which key components of sector coordination processes are in place

Assuming the assessment is made at the end of step 3 that an Initiative can bring added value, step 4 of the needs assessment can then be launched. Step 4 constitutes the core of the needs assessment: it identifies gaps or shortcomings in sector management/coordination processes, whether in their design or their implementation and functioning, which are most in need of resolution in order for progress in effectiveness outputs to be achieved. Step 4 will focus on three dimensions of sector performance, each encompassing one or more 'building blocks':

- The sector strategic framework
- The use and quality of planning/ budgeting and monitoring systems
- The quality and functionality of the partnership/ dialogue

Table 2: Dimensions of step 4 and associated 'building blocks.'

| Sector strategy framework | Use and quality of planning/budgeting and monitoring systems | Quality and functionality of the partnership / dialogue |
|--|--|--|
| <ul style="list-style-type: none">• Agreed priorities and result framework | <ul style="list-style-type: none">• Joint planning and budgeting• Real-time data transparent monitoring and review• System- building implementation modalities | <ul style="list-style-type: none">• Inclusive dialogue• Joint analysis, policy-making and review• Sharing lessons learned/ international knowledge across agencies |

Step 4 thus consists of making an assessment of these three dimensions in the sector. The focus of the analysis will be the sector as a whole, but for each factor the assessment will zoom into the specific sector intermediate outcomes selected (in step 1).

The Strategic Framework:

There are a number of issues related to the quality and relevance of the sector strategic frameworks that may undermine the efficiency and success with which governments are able to articulate and carry out their work programmes and achieve their sector objectives. The needs assessment will need to answer three critical questions in respect to the first building block: 'Agreed priorities and results framework':

AGREED PRIORITIES AND RESULTS FRAMEWORK

- Has the sector process for reviewing and making policy (the development of the sector strategic plan) produced a clear, credible and agreed strategy (expressed in the strategic objectives and priority actions of the sector strategic plan) for addressing and removing the drivers and bottlenecks causing poor performance on the sector's intermediate outcomes (ex. if performance on school construction is weak, does the plan discuss the causes of this, such as weaknesses in procurement, etc)?
- Does the operational plan and the theory of change and/or results frameworks in that plan and the sector strategic plan chart a causal pathway to better performance and impact identifying the key steps and milestones to be achieved on the way and providing a sound basis for results based management of implementation?
- Have sector plans been costed? Has an assessment been made of any financing gap and how this can be addressed?

Use and Quality of Planning/budgeting and Monitoring Systems:

The use of government systems is critical in order for effective sector development processes to translate into improved sector results, especially in relation to strategic resource allocation (planning, programming, budgeting) and M&E. The following 'building blocks' are covered here:

JOINT PLANNING AND BUDGETING:

- Has a prioritized medium term plan and budget been formulated setting out the specific actions (in the sector plan) to be implemented, the resources required and the responsibilities for delivery?
- Is there a single, integrated budget and plan that captures all sector resources and actions?
- Does the sector disbursement plan include all resources and match the operational plan?

REAL-TIME DATA TRANSPARENT MONITORING AND REVIEW

- Are annual monitoring review processes in place that ensure a balance between physical and financial performance, improve real time data availability and use results based management to adjust actions on the basis of performance?
- Are sector systems provide full data on implementation and results.
- Are the strategy, results framework and plans annually adjusted?

SYSTEM-BUILDING IMPLEMENTATION MODALITIES

- To what extent are joint Gov-DP implementation and funding modalities in use?
- Have the implementation modalities in place negatively affected planning/budgeting/M&E capacity (for example by putting excessive burden on key financial management staff through high transaction costs or excessive M&E requirements)? This also relates to the type of interaction in place (strategic versus micro-management by DPs).
- Have implementation modalities incorporated TA to build capacity in those areas and whether that TA has been effectively used and managed.

Quality and functionality of the partnership/dialogue.

As observed in many countries, having well-established dialogue structures in place as well as coordination mechanisms does not automatically translate into improved coordination and more inclusive dialogue. A number of issues need to be looked at in relation to the nature of the partnership to assess why the quality and functionality of the partnership may suffer. These are both linked to the 'Inclusive Dialogue' and 'Joint analysis, policy-making and review' building blocks.

JOINT DIALOGUE

- Who participates? Does it only involve DPs providing pooled support? Or also those providing project funding? Besides DPs, does it involve other actors (local actors such as NGOs, private sector)?
- How do the partners interact? What are the coordinating structures in place between Government and DPs? Between DPs? Are there regular reviews? Are reviews based on timely information and data on implementation and performance?
- Do the DPs have the technical capacity/expertise to adequately accompany governments in supporting the sector?

JOINT ANALYSIS, POLICY-MAKING AND REVIEW

- What is the partnership about? Is it focused on "core issues"? Is the dialogue focused more on the details of project inputs and implementation than on more strategic, sector wide issues, evidence and policies. If the dialogue is more strategic, are the following elements in place?
 - a. Common analysis/research of what are the critical bottlenecks and drivers of slow progress on the priority action areas and accelerating progress. Use of joint analysis as a basis for sector strategic plans.
 - b. Common/harmonised views of the the drivers and bottlenecks causing poor performance on the priority action areas and accelerating progress.
 - c. Common/harmonised views on the way forward to address those bottlenecks.
 - d. Policy-making and strategic planning consultative of all relevant sector stakeholders.
 - e. Organisation of joint annual reviews and use of those reviews for policy-making and strategic planning.

The assessment under this step is expected to lead to the identification of the sector development processes that should be the focus of the Initiative and of specific actions to address shortcomings in these processes. The following text illustrates what these areas of focus may be, looking again at the case of the Mozambique primary education sector.

Examples of areas where the Initiative could intervene in the Mozambique primary education sector (per GPEDC building block)⁴

INCLUSIVE DIALOGUE. The education sector has well-established dialogue mechanisms. In this field, the initiative could facilitate the active participation of local stakeholders and operators in the construction sector. This may, for example, include support in strengthening coordination mechanisms between the Government and partners on the definition of places where school building is urgent or a priority. Moreover, functional improvements in existing dialogue mechanisms may also be considered to improve the availability of information on implementation and performance data.

JOINT ANALYSIS, DRAFTING AND REVIEW OF POLICIES. A joint analysis aimed at identifying the key factors or constraints that contribute to the failure to meet targets related to the construction of schools and/or classrooms. Based on this, the initiative could support the development of a strategic and consensual approach aimed at improving performance, including the development of a clearer theory of change and taking into account risk analysis.

AGREED PRIORITIES AND RESULTS TABLE. Development of a results matrix that expresses the theory of change in terms of measurable outcomes, the scope of which would improve the sector's performance in classroom building, which, in turn, would serve as a basis for monitoring, progress evaluation and results-based management.

JOINT PLANNING AND BUDGETING. Drafting of a medium-term plan, including its budgeting (as an integral part of the Operational Plan), establishing the specific actions to be implemented, the necessary resources, the responsibilities and those in charge of their fulfilment. This may include, for example, supporting the development of mechanisms to align classroom building plans with the financial capacity of the State to bear the running costs of schools.

IMPLEMENTATION MODALITIES THAT EMPOWER NATIONAL SYSTEMS. Review of implementation modalities with a view to reducing delays in financial availability through, for example, changes in the financial contribution system. Development of modalities that facilitate the implementation of the agreed strategic approach, modalities that, for example, support and facilitate classroom building at the local level by local actors.

REAL-TIME PERFORMANCE DATA, TRANSPARENT EVALUATION AND MONITORING PROCESS. Strengthening the annual monitoring and review process to better balance physical (in terms of school building and building capacity) and financial performance. Priority could also be given to improving the availability of data and the use of results-based management, which would facilitate the adjustment of planned actions to the constraints faced and the results achieved in implementation.

⁴ Source: *The added value that the 'Effectiveness to Impact' Initiative may bring to the Education Sector in Mozambique, The Case of School Construction and School Councils, Celso Monjane, February 2021.*

Process of conducting the assessment

This section presents the proposed outline of the assessment as well as the process of conducting the analysis.

Outline of the assessment

The assessment is expected to be about 60 pages long, divided in the following sections:

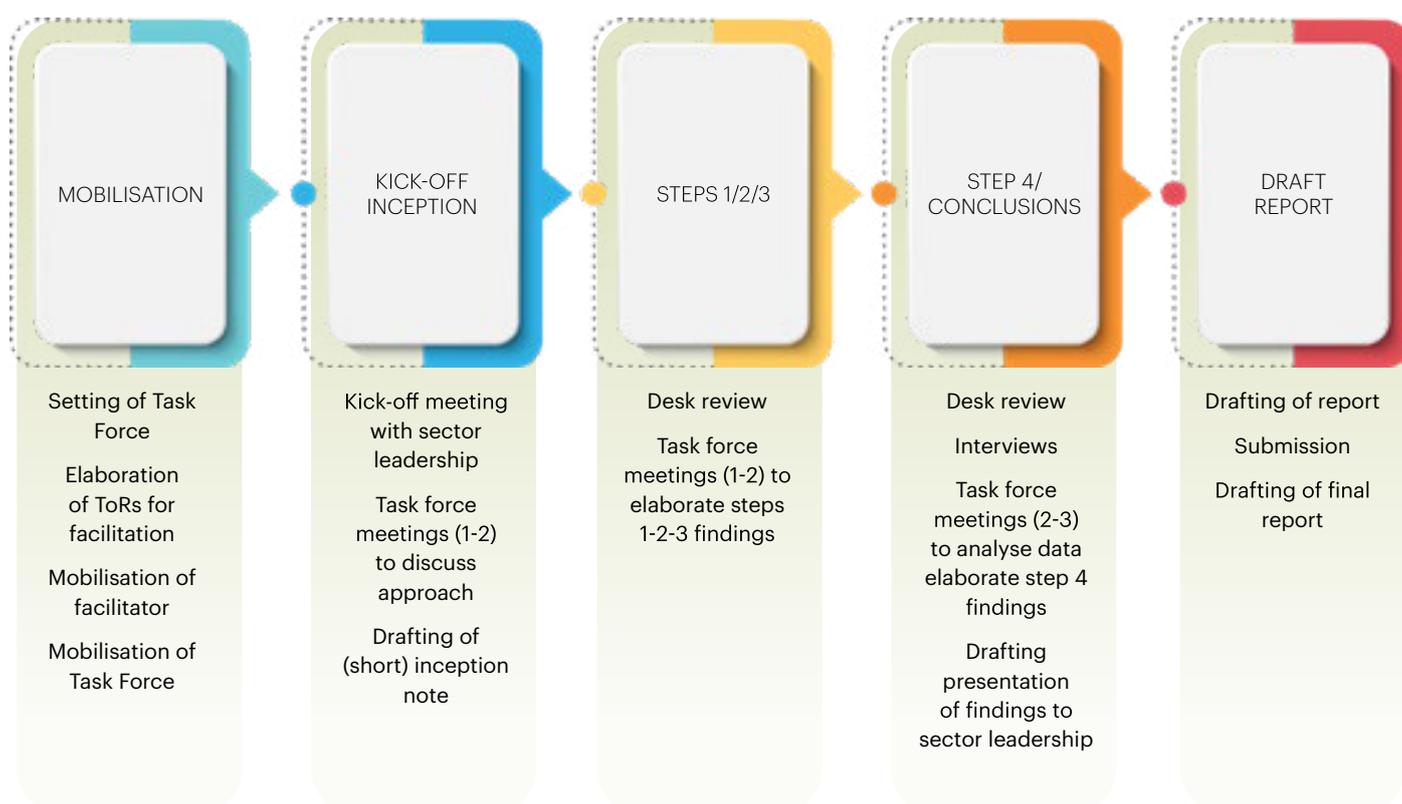
1. Introduction
2. Review of sector development outcomes (5-7 pages)
3. Analysis of the induced outputs/political economy analysis (8-10 pages)
4. Analysis of effectiveness outputs (8-10 pages)
5. Analysis of the effectiveness inputs. (25-30 pages)
6. Conclusions (3-5 pages)

Process of conducting the assessment

Overall

The assessment is expected to be carried out by a task force consisting of a small group of sector stakeholders (staff from the planning department, members of the sector coordination group, including the lead donor), and one locally-based facilitator. DG INTPA Unit D1, as Lead of GPEDC AA 1.1, may also be a (remote) member of the task force. The facilitator will work closely with the task force during the different stages of the process. The overall process of conducting the assessment is summarised in the figure below:

Figure 3: Stages in the process of conducting the assessment



Annex 1: Indicators related to the Effectiveness Results Chain

(See Figure 2 in main report)

Indicators associated to inputs and outputs

| Inputs | Direct outputs | Induced outputs |
|---|---|--|
| <p>Inclusive dialogue</p> <ul style="list-style-type: none"> Existence of structured dialogue processes with regular meetings and defined agendas Joint dialogue involving the full range of relevant actors All relevant stakeholders participate in sector dialogue <p>Joint analysis, policy-making and review</p> <ul style="list-style-type: none"> Sector analysis and research is undertaken jointly Joint analysis is used as basis for DP and sector strategic plans Policy-making and strategic planning is consultative of all relevant sectoral stakeholders <p>Agreed priorities and result framework</p> <ul style="list-style-type: none"> Sector strategy chooses priority objectives and target groups. Sector theory of change expressed in quantified and timebound results framework <p>Joint planning and budgeting</p> <ul style="list-style-type: none"> Single budget and plan captures all sector resources and actions Sector disbursement plan includes all resources and matches operational plan | <p>Strengthened sector leadership and ownership</p> <ul style="list-style-type: none"> Larger proportion of financial resources subject to direct scrutiny of sector ministry Increased discretionary power over resource allocation through increased resource predictability, budget coverage and integrated planning Involvement of broader sector stakeholders (private sector, NGOs, local government) in policy making Increased willingness by donors to engage constructively in policy <p>More strategic/problem-solving policy dialogue</p> <ul style="list-style-type: none"> Attention to strategic rather than purely procedural questions in these dialogue fora Use of evidence to monitor and evaluate implementation and revise/refine policies Stakeholder inputs influence policy and decision-making | <p>Better quality of policies</p> <ul style="list-style-type: none"> Implementation of a clear, credible and agreed policy, strategy. Extent to which policy priorities have remained broadly stable, despite changes in government etc. <p>More inclusive and transparent policy-making</p> <ul style="list-style-type: none"> Inclusiveness in the process of designing sector policies (not only the policy documents but the actual policies being implemented) Transparency in the process of designing and implementing policy <p>Strengthened financial management systems</p> <ul style="list-style-type: none"> Improved level of financial compliance for sector resources More strategic resource allocation at sector level Improved efficiency in the use of sector resources |

| Inputs | Direct outputs | Induced outputs |
|---|--|---|
| <p>System-building implementation modalities</p> <ul style="list-style-type: none"> • Joint Gov-DP implementation and funding modalities in use. • Funding modalities incorporate TA to build capacities <p>Real-time data transparent monitoring and review</p> <ul style="list-style-type: none"> • Sector systems provide full data on implementation and results. • Annually adjusted strategy, results framework and plans | <p>Improved sector coordination and policy coherence</p> <ul style="list-style-type: none"> • Increased inter-sectoral coordination • Increased intra-sectoral coordination • Improved coordination with non-government players <p>Improved donor harmonisation and division of labour</p> <ul style="list-style-type: none"> • Extent to which harmonisation processes (for example through the use of common fund mechanisms) have contributed to better division of labour • Use of parallel aid management structures • Use of joint dialogue processes versus maintenance of bilateral dialogue processes <p>Better predictability of funding and coverage of sector expenditure framework</p> <ul style="list-style-type: none"> • Timely financial commitments by donors, aligned with budget preparation process • Disbursements in line with budget calendar | <p>Improved accountability</p> <ul style="list-style-type: none"> • Use of the M&E system by Government (and not only as an instrument for reporting to donors) • Attention paid to efficiency, quality and effectiveness in M&E, and not only financial performance and other process issues • Extent of downward accountability through level of involvement of non-state actors in policy dialogue and monitoring • Extent of downward accountability through resources being on budget and scrutinised by Parliament |



Effectiveness to Impact Initiatives



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