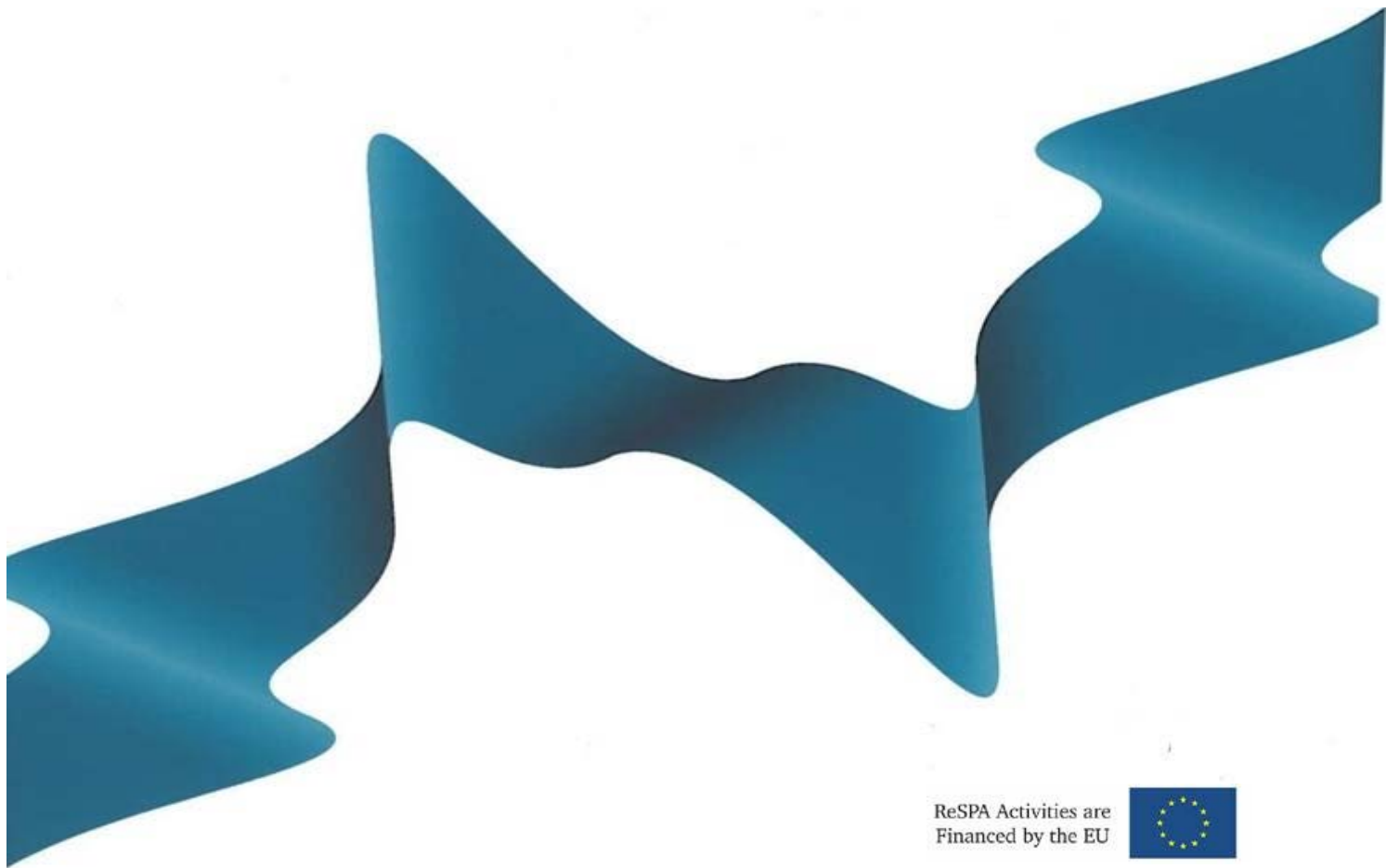


Working paper on Budget Support: Intervention Logic and Indicators



ReSPA Activities are
Financed by the EU



July 2017

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CIP - Каталогизација у публикацији Национална библиотека Црне Горе, Цетиње ISBN 978-9940-37-014-5 COBISS.CG-ID 33768208
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¹ * This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and ICJ Advisory Opinion on the Kosovo Declaration of independence

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GLOSSARY

Activities	In budget support programmes, activities include the transfer of funds, policy dialogue and performance assessment, provision of complementary assistance including capacity development measures. In the IL of a budget support programme, these are addressed under the 'Inputs' with respect to the description of their initial features and under the 'direct outputs' with respect to their actual mobilisation/functioning. There is no need to have a special section for the activities in the intervention logic.
Baseline	The value assumed by a given indicator at time against which progress will be assessed.
Complementary support	<p>The external support that is complementary to the main budget support operation. This will typically include one or more of the following:</p> <ul style="list-style-type: none"> i) capacity development measures (technical assistance and other forms of capacity building, including twinings, and, whenever appropriate, supplies and works) aimed at strengthening the capacity of the public institutions to coordinate, implement, monitor, evaluate and communicate the public policy supported through the budget support programme; ii) capacity development measures aimed at strengthening the capacity of civil society to contribute to the implementation and monitoring of public policies; and/or grants to civil society organisations to promote their involvement in oversight functions. iii) monitoring, evaluation and supervision TA of the EU-funded action; and iv) support for the design and implementation of a government-led visibility and communication strategy. <p>Capacity development support may be embedded in the budget support programme or provided through other arrangements (e.g. twinning, etc.).</p>
Context / <i>Contexte</i>	<p>The features of the country and sector including political, economic, social and environmental characteristics, as well as the EU and partner country priorities to be taken into account when designing a budget support programme.</p> <p>When considering the enabling and hindering factors that influence the implementation of the programme, it may be referred to as <i>opportunity framework</i>.</p>
Direct outputs / <i>Produits directs</i>	The country opportunities that are expected to improve as a direct consequence of the alignment of budget support and the deployment of its inputs, e.g.: the new fiscal space created by the transfer of funds; the operational structure of the dialogue and its functioning (on the contents of the reform, including cross cutting issues); monitoring, coordination and harmonisation of the supported reform; the products or services delivered by the complementary support measures.
Funds	Funds allocated to the programme to be then transferred to the Central Bank and ultimately to the National Treasury upon achievement of agreed disbursement conditions.
General conditions	Conditions that must be met for the disbursement of any and all tranches. These conditions are related to the eligibility criteria for

	receiving budget support, i.e. stable macro-economic framework, sound public financial management, transparency and oversight of the budget, and national/sector policies and reforms. In some exceptional cases, an additional criterion might be added for example to emphasise the importance of coordinating bodies for reform implementation.
Impact / <i>Impact</i>	The expected mid and long-term changes leading to the achievement of the country's strategic goals endorsed by the EU and coherent with its country / regional strategy. They include the sustainable development goals, and any intermediate step at sector level that clearly opens the way towards their achievement. The changes taking place at this level are the combined effects of political, economic, environmental and social factors both domestic and international, including policies and actions of the public institutions and civil society supported by the EU-funded action.
Indicator	A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of an actor (OECD). A variable relevant to assess the degree of achievement of a given objective.
Induced Outputs / <i>Produits induits</i>	Expected improvements in the partner's public policies, public sector spending and public sector delivery; i.e., reform steps expected to be achieved by the public institutions (and/or other stakeholders) supported by budget support, as a consequence of their appropriation and implementation of the new opportunities provided (the direct outputs), e.g.: improved legal and institutional frameworks, improved PFM and procurement systems, increased quantity and quality of goods and services (with a focus on institutional improvements and not their uptake or effects on the intended target groups, which are part of the outcomes). Only the achievements on which the budget support country partners (but not the external partner) have a certain level of control should be ranked among the induced outputs, while the policy and institutional changes that involve larger areas of stakeholders and beneficiaries (out of the direct reach of the programme) and imply changes in the political economy framework of the related institutions should be ranked among the outcomes (short-term or intermediate).
Inputs / <i>Intrants</i>	The political, technical, financial, human, and material resources put in place to generate the expected results. The standard package of Budget support inputs typically includes: funds, a set of mutually agreed conditions that must be met to trigger the disbursement of funds, policy dialogue and performance framework, complementary support.
Outcomes / <i>Outcomes</i> ²	The positive changes in the behaviour of the targeted beneficiaries – services users, economic actors and institutional beneficiaries– in response to the induced outputs (i.e. to various policy, institutional and service delivery improvements produced by the country partner, thanks to the opportunities created by budget support). The level of

² In French, the word 'résultat' is used for 'outcome'. Indeed, it could be opportune to change to 'outcome' or other equivalent term, because 'résultat' is used as a generic term (e.g.: chaîne des résultats, cadre des résultats, etc.) to designate the different levels of expected/unexpected effects.

the outcomes depends upon the reach and time frame of a budget support programme and the consequent control that a country partner has upon the expected changes.

If (as it often happened in the early 2000) a poverty reduction budget support programme injects in a country partner's budget an amount of funds equivalent to about 10% of the public expenditure and the recipient government is highly committed and reform-minded, the reach of the programme may be very ambitious and may easily include final beneficiaries. As a matter of fact, the size of the financial transfers and the high political commitment make the government in a position of substantial control on increasing pro-poor expenditure of several percentage units, thus ensuring quick quantitative improvements in service delivery and visible results on increased access of the poor to social services and improved living standards. In this case, increased budget and service delivery are 'induced outputs', while access to services and initial improvement in living standards of the poor are 'outcomes'. Any other consolidated/ extended poverty reduction achievement is an 'impact'.

In a different case, where a budget support programme for public administration reform provides some modest financial transfers, complemented by political, policy and technical backstopping, its reach must be realistically centred on improved performance of PA. The control of the Ministry of PA may be significant on drafting new legislative and operational frameworks, as well as on raising public awareness and support to reform ('induced outputs'). Improved performance, however, such as improved prosecution of corruption cases, transparency and strategic coherence of budget, improved quality of services as perceived by citizens are the result of complex changes, involving the response of many institutional actors and the overcoming of political economy and bureaucratic resistances. Therefore they are 'outcomes'. And any advantage for citizens' life is an 'impact'.

In the first example, improved service delivery was an induced output (as the country partner of budget support had some control on it), while in the second example it was rather an outcome (as the country partner had no direct control on it).

The outcomes represent the core of a programme and significant – although often initial – steps toward their achievement should already become visible at the end of the programme.

Performance framework	A Performance Framework defines a set of indicators and related standards and targets, to measure the performance of a system. In the EU practice of budget support, it is agreed that the Performance Framework is the one of the country partner strategy, supported by the programme, with its more or less developed results framework.
Policy dialogue	Dialogue between the partner country public institutions and the EU (as well as other external development partners where relevant) focusing on major policy and reform issues addressed by the budget support programme and covering both process and contents / substance. Sector stakeholders including civil society organisations should be associated to such dialogue. NB dialogue covers both the specific policy elements supported by the budget support operation as well as the wider sector context, including political economy factors; and includes both dialogue taking place in formal settings / structures as well as informal dialogue instances.

Results / Résultats	Generic term to indicate the different levels of the chain of effects: i.e. the outputs, outcomes and impact (intended or unintended, positive and/or negative) of an intervention (OECD). <i>N.B. The term 'results' should no longer be used as a synonym of 'outcomes' nor 'outputs' as done in the old logframe matrix - LFM templates)</i>
Specific conditions	Conditions that apply to the disbursement of individual tranches, whether fixed or variable. These conditions will normally be those related to performance criteria and indicators established in each of the area of focus of the budget support programme. In setting these performance criteria and indicators, attention will be given to ensure that they cover the three levels of results (direct output, induced output and outcome) with an emphasis on the higher levels.
Target	The specific level of improvement compared to the baseline that we want to achieve at a given time with regard to a specific indicator

1. THE SCOPE AND THE OBJECTIVE OF THE WORKING PAPER

This working paper has been developed to support the contribution by the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) to the review of the budget support guidelines, an exercise jointly undertaken by the Directorate-General for International Cooperation and Development and DG NEAR. It constituted an input to such review, which had a larger scope, while the scope of this exercise remained anchored to the Intervention Logic (IL).

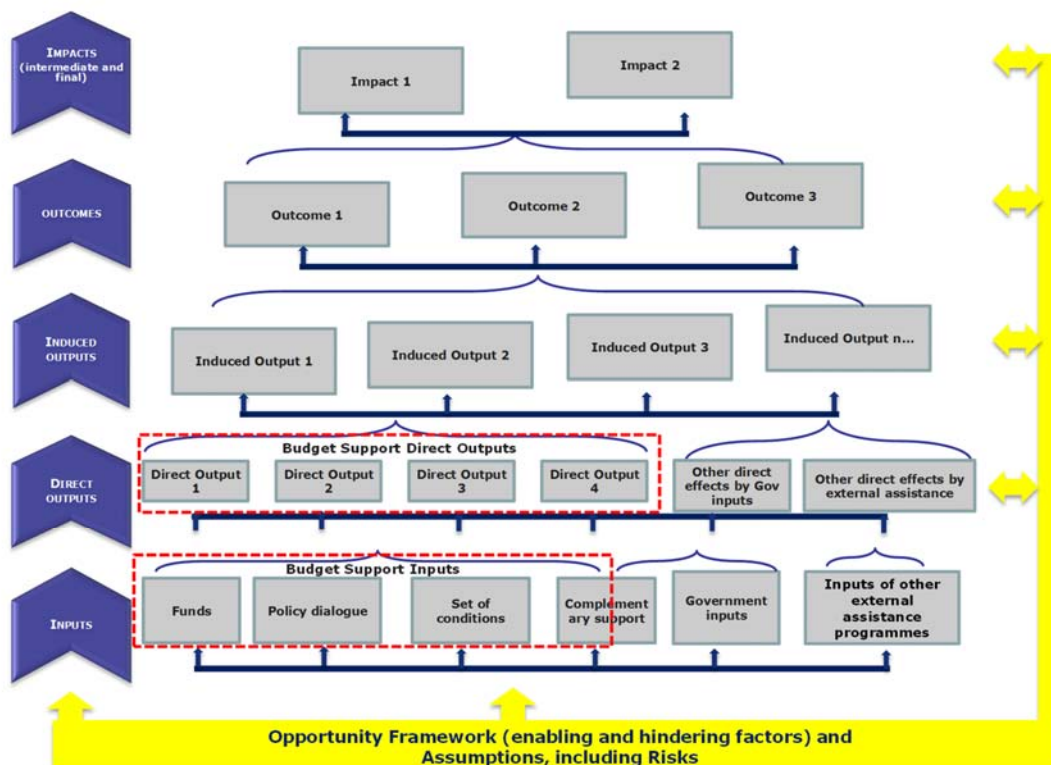
It is expected to contribute to a better and more understandable presentation of the results' chain³ of budget support programmes and its underlining mechanisms, thus contributing to improve their planning and programming, management and communication.

The IL is used to both make explicit and summarise the budget support logic - i.e. the logical structure and sequence of the results expected, over the implementation period and in a longer perspective - and the theory of change⁴ that supports it. The IL tells the story of a budget support programme and is a fundamental tool, not only for monitoring and evaluation, but also for political and policy dialogue and communication to a large number of stakeholders. It may be composed of three elements: two summary tools (a diagram and a table of results) and a narrative.

³ In the present note the term 'result' will only be used when referring to the result chain. It will not be used as a synonym of a specific level of effects of the intervention logic.

⁴ Compared to a logical model represented through either a diagram or a table matrix, the theory of change presents a wider and more complex understanding of the process that -from the inputs- should lead to the outcomes and impacts, including the assumptions, the context and the non-programme factors (both policy and non-policy related factors) that are expected to interact with - and contribute to - the process. With the term Intervention Logic (IL), we refer to a reviewed logical model of the intervention (graphic and narrative presentation), supported by a specific theory of change of budget support, which includes also a review of the logical steps and their content, as detailed in the following pages.

Figure 1: Graphic presentation (Diagram) of a budget support intervention logic



2. THE INTERVENTION LOGIC OF BUDGET SUPPORT PROGRAMMES

2.1 Levels and link with government broad development goals and/or sector specific objectives of the governments' policies

The IL of a budget support programme maps out what the partners want to contribute achieving through the programme (starting from the overall objectives or impacts) and how they need to get there by articulating the pathway to change having regard to the needs and the context.

Based on the expected long-term and intermediate impacts (or 'overall objectives') foreseen by the institutional partner(s) in their respective sectorial and/or overall strategies and corresponding to the EU strategy for regional cooperation, the IL identifies the necessary steps to which budget support intends to contribute, in view of their achievement. These steps include:

- i) the outcomes (or 'specific objectives'), i.e. a number of positive changes in the behaviour of the targeted beneficiaries (population, economic actors, institutional beneficiaries) which should occur as a consequence of the programme's outputs together with other factors;

- ii) the induced outputs, i.e. a number of policy and institutional changes - under the control of the country partner - that should facilitate the achievement of such outcomes;
- iii) the direct outputs, i.e. some key improved opportunities⁵ - at financial, partnership and capacity level - to enhance the reform action of the institutional partner; and
- iv) the inputs and the implementation modalities necessary to create such opportunities.

Through its summary and narrative tools, the IL highlights the results chain but also the assumptions and the expected interaction with other institutional processes, including context and external factors. By doing so, the intervention logic represents a fundamental tool to support both the formulation and the evaluation phases, and during the implementation phase, it supports political and policy dialogue and serves as a communication tool to reach a large number of stakeholders.

The design of the intervention logic of a budget support intervention has a number of specific features which allow to fully reflect the fact that budget support is not a programme or policy in itself, but a means -interacting with others- to enhance the implementation of a policy and public spending actions to be put in place by a partner country in order to achieve its national and sector long-term development objectives.

This has a number of conceptual and practical implications in terms of⁶:

- i) the introduction of an additional layer of results obtained by splitting the level of outputs into direct outputs and induced outputs in order to distinguish between (a) the direct outputs of the budget support programmes, and (b) the induced effects of these direct outputs on government's policies and spending actions.

This distinction emphasises the fact that there are two key categories of actors (external partner(s) and country partner(s)) each of which exercises a linked but different degree of control and influence over each level of results.

- ii) the strategic relevance of the budget support results' chain which must be aligned with that of the partner country (and coherent with the objectives of the EU strategy in the region/country), in particular at the higher levels.

This means that the overall and specific objectives (impacts and outcomes) of the programme must reflect the broad development goals and/or sector specific objectives of the governments' policies which are supported by the EU, as they are coherent with the EU regional/country strategy and are adapted to the context. In practical terms, the intervention logic of each budget support intervention will reflect a broader or narrower selection of the partner government's policy objectives depending on whether the intervention is geared to support a specific sub-sector policy or a broader national development policy.

⁵ The idea that the 'direct outputs' in a budget support programme represent 'improved opportunities' has been developed in the methodological work that has accompanied the relevant evaluations over the last few years. The 'direct outputs' (unlike what happens in traditional projects/programmes) enhance the capacity of the partner country and could be used to improve the production of the induced outputs, but could be used also for other purposes, which might not coincide with the intended effects of the budget support programme, as the decision process in budget support programmes is owned by the country partner.

⁶ See also Figure 2, where the features described below find a schematic graphic representation.

- iii) the overarching importance of the analysis of the context and of the various stakeholders involved, including inputs and activities carried out by the government, by sector stakeholders and other external assistance programmes, as these will not only influence the design of the budget support programme but will also affect and be affected-by the whole sequence of effects across the results' chain.
- iv) the importance of the assumptions, i.e. the basic conditions that are supposed to exist and remain in place (or be put in place) during the implementation of the budget support programme for the IL to materialise according to its original design. When designing budget support programmes the general conditions are made explicit and are the subject of systematic monitoring and reporting. Other assumptions may be added according to the specific operations, although their number should be limited, so as to avoid redundancies in monitoring and dialogue.
- v) The different levels of the IL are linked by causal and time relationships. More specifically there are:
 - i) cause-effect links between one level and the next (e.g. from direct to induced outputs). Very often these links can be established between groups of results at one level and groups of results at the next level although in some cases a direct link can be identified between a given result at one level and a given result at the following level⁷;
 - ii) links of interaction and (in some cases) of cause-effects exist in the same level.⁸
 - iii) there is also a time dimension and relationship, since the links within / between the different levels need some time to materialise⁹.

The IL of budget support programmes is therefore articulated in a set of five levels:

- a Inputs: the political, technical, financial, human and material resources put in place to generate the expected results.

The standard package of Budget support inputs typically includes:

- i) Funds allocated to the programme to be then transferred to the Central Bank and ultimately to the National Treasury upon achievement of agreed disbursement conditions;
- ii) A set of mutually agreed conditions that must be met in order to trigger the disbursement of funds. Such conditions are classified among the inputs as they are part

⁷ For instance, in an education sector support programmes, there are cause-effect and time links between the induced outputs related to improved primary school management and the outcomes related to primary school access and improved performance of the pupils. But there may be also a specific one-to-one cause-effect link between increased government investment in teachers training and incentives (induced output) and the improved performance of the pupils (outcome).

⁸ At the induced output level, for instance, there are *interactions* between improved budgeting and improved policy design, and/or stakeholders' association in the consultation process. But there are also *cause-effect* links, for instance to increase sectoral financial allocation, limiting imbalances and other distortions, one should first improve the budgeting process.

⁹ In any case, it is suggested to avoid to represent these connections in the summary presentation of an overall IL (either the diagram, or the results matrix), through the introduction of multi-direction arrows, which normally generate confusion and need explanations (for which there is no space, unless one makes the presentation unreadable). It is suggested to use a standard representation of the supposed links (see the Figure 1) and to explain the complexity of the connections in the narrative of the IL, including additional figures (if needed) to highlight specific sub-sections.

of the dialogue framework, and define the financial incentive mechanism of a programme.

- iii) Policy dialogue between the partner country institutions and the EU (as well as other external partners where relevant) focusing on major policy and reform issues addressed by the budget support programme and covering the process and contents / substance. Sector stakeholders including civil society organisations should be associated to such dialogue.
 - iv) Complementary support. The external support that is complementary to the main budget support operation. This will typically include one or more of the following: i) capacity development measures (technical assistance and other forms of capacity building, including twinning, and, whenever appropriate, supplies and works) aimed at strengthening the capacity of the public institutions to coordinate, implement, monitor, evaluate and communicate the public policy in question; ii) capacity development measures aimed at strengthening the capacity of civil society to contribute to the implementation and monitoring of public policies and/or grants to civil society organisations to promote their involvement in oversight functions; iii) monitoring, evaluation and supervision TA of the EU-funded action; and iv) support for the design and implementation of a government-led visibility and communication strategy.
- b) Direct outputs: The country opportunities that are expected to improve as a direct consequence of the deployment of budget support inputs, e.g.: the new fiscal space created by the transfer of funds; the operational structure of the dialogue and its functioning (on the contents of the reform, including cross cutting issues); monitoring, coordination and harmonisation of the supported reform; the products or services delivered by the complementary support measures.
- c) Induced outputs: Expected improvements in the partner's legal and regulatory framework, public policies, public sector spending and public sector delivery (in the latter case, with a focus on institutional improvements and not on their use by the final beneficiaries, which is part of the outcomes); i.e., reform steps expected to be achieved by the public institutions (and/or other stakeholders) supported by budget support, as a consequence of their appropriation and implementation of the new opportunities provided (the direct outputs). The improvements expected at this level must be under a certain control of the country partner, although they are out of the control of the external partner (the donor). Their specification will depend upon the context and the level of the opportunities created. The following examples reflect some average cases in different sectors:
- Improvements in Public Financial Management system. For example, improved quality of budgeting and planning (matching resources and priorities); improved budget credibility (allocations and outturns; reduction in supplementary budgets).
 - Improved procurement system, i.e. well-defined and transparent legal framework that clearly establishes appropriate policy, procedures, accountability, and controls. For example, level of public access to complete, reliable and timely procurement information; establishment and correct functioning of an independent, administrative complaint resolution mechanism.
 - Increased quantity and quality of goods and services (if under the control of the partner institution) provided by the public sector. For example: education - pupil /classroom ratios, or pupil/text book ratios; health - number and distribution of health facilities per 10,000 population or average availability of essential medicines in public health facilities / percentage of primary health care facilities providing family planning services.

- Improved governance and accountability framework. For example approval of a new legal and institutional framework to ensure a strengthened democratic control in the medium-long-term; institutional strengthening of the audit institutions.
 - Improved legal and regulatory framework related to the business environment. For example: reduction in the number of procedures and bureaucratic steps needed to open a medium-sized company.
- d Outcomes (or 'specific objectives'): the positive responses by the intended final beneficiaries – services users, economic and institutional actors – to the changes in policies, organisational management and service delivery. Such expected changes are not under the control of the country partner, which may only directly influence them, as they depend upon the action of other institutional and/or social actors. Their specification will depend upon the context and the level of the induced outputs put in place. The following examples reflect some average cases in different sectors:
- increased use by final beneficiaries of quality goods and services provided by the public sector in the areas targeted by the government policies supported by budget support. For example: education - increase in enrolment / completion / pass rates; health – number (or %) of deliveries in health facilities; contraceptive prevalence rate; DPT 3 immunization coverage rate.
 - a positive response from economic actors to improvements in the business environment in terms of increased business confidence.
 - more efficient procurement system. For example: increase in overall number and total value of contracts awarded through competitive methods; increase in the number of bidders.
 - improved performance in the implementation of anticorruption policies, e.g. increased number of corruption cases prosecuted and resolved in public administration.

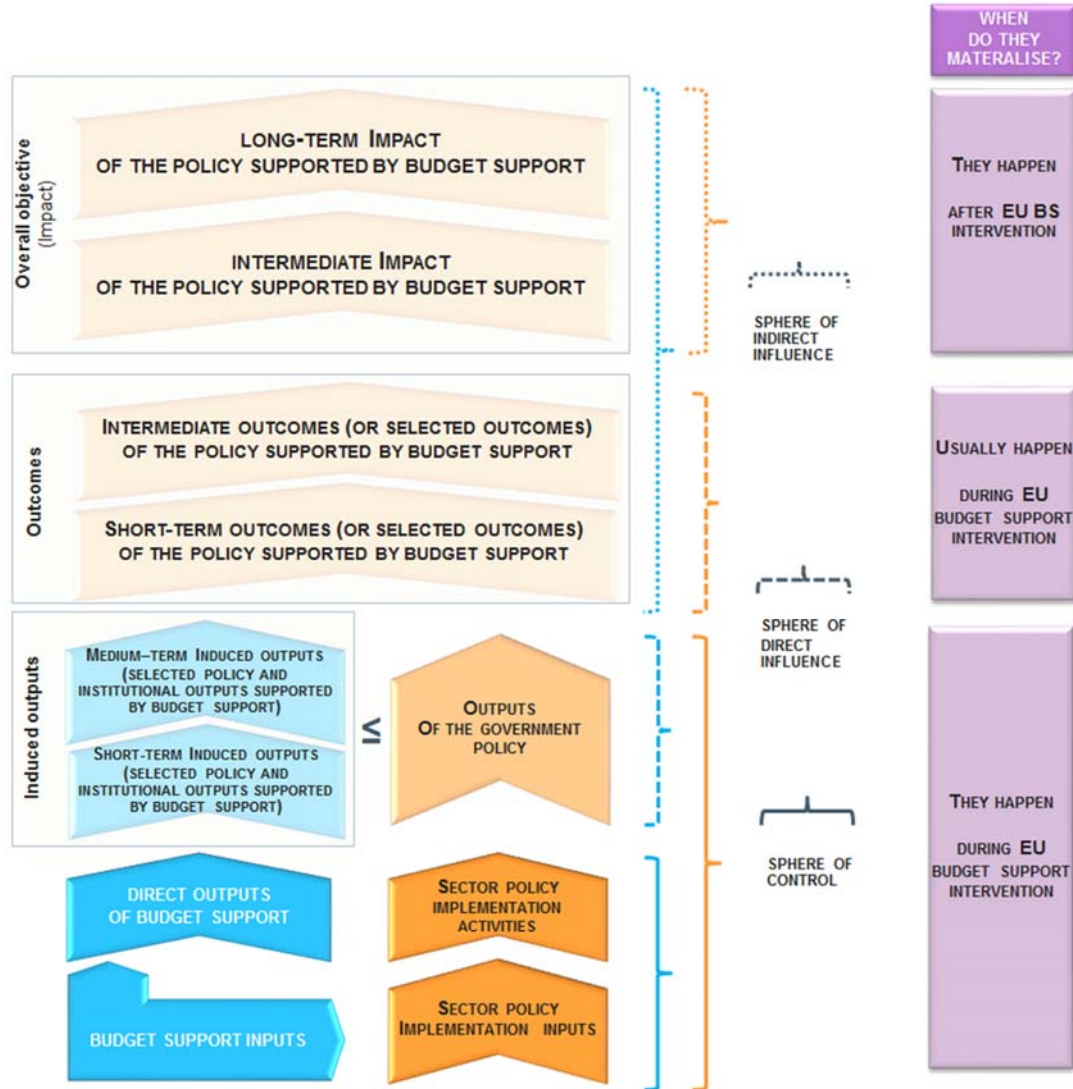
The outcomes are the core of a programme and significant – although often initial – steps toward their achievement should become visible at the end of the programme.

- e Impacts (or 'overall objectives'): the expected long-term and intermediate changes leading to the achievement of the country's strategic goals endorsed by the EU and coherent with its country / regional strategy. They include the sustainable development goals (SDCs), and any intermediate step at sector level that clearly opens the way towards their achievement. The changes taking place at this level are the combined effects of political, economic, environmental and social factors both domestic and international, including policies and actions of the public institutions and civil society supported by the EU-funded action. Country partners have only an indirect influence on them.

2.2 Budget support partners' (external and country partners) spheres of control and influence

As mentioned above, a budget support programme should be completely aligned with the strategy of the partner country's institution(s), of which it shares the outcomes and impacts, and with which it coordinates the inputs and the different levels of outputs, so as to ensure the maximum synergy of action (see Figure 2). The budget support partners (external and country partners) have different levels of control and influence over the results' levels described above. They completely control the level of inputs, and have a certain control of the direct outputs, but they have different levels of control/influence on the induced outputs.

Figure 2: Spheres of control and of influence in a typical sector budget support programme



Legenda: The brackets in blue refer to control and influence of budget support external partner on the budget support results chain (the left one). The brackets in orange refer to control and influence of budget support country partner on the sector policy results chain, including budget support.

Indeed, the external partners may directly influence the implementation of the induced outputs, through the dialogue and the incentive mechanism. The partner country's institutions, instead, have a certain control of the process that leads to the implementation of the induced outputs, although this may depend upon a larger number of stakeholders, of which many may be not directly involved in the programme management.

At the outcome level, both partners have a given level of influence but no control (indirect influence in the case of the external partner, direct influence in the case of the country partner).

Both, instead, will have an indirect influence on the impacts¹⁰.

Finally, it should be noted that, in the framework of the criteria discussed above, the levels of an IL must be set and calibrated in a flexible manner, so as to respond to the country and sector context and key features of each individual budget support programme.

3. THE FLEXIBILITY IN SETTING THE LEVELS OF THE INTERVENTION LOGIC

When establishing an Intervention Logic, one of the most difficult parts is the calibration of the different levels, including their adequate formulation and the choice of the right indicators and targets. Such difficulty is particularly evident at the level of the induced outputs and outcomes.

The two key factors that should be taken into account to calibrate and adjust the different levels of the IL are:

- (i) the reach of the programme, i.e. the stakeholders involved (the level of stakeholders that the programme is able to address), which depend upon the priorities dictated by the supported strategy and its context, and the resources made available; and
- (ii) the timeframe, which is defined by the duration of the programme.

These factors modify the levels of control and influence of the different partners¹¹.

The wider the reach and the longer the timeframe of the budget support programme, the more ambitious the indicators and targets identified and vice versa.¹²

¹⁰ The existing literature on control and influence at the different levels of a logical model doesn't take into account the specificity of budget support. Control and influence are referred to the 'master' of the action, which in the case of budget support includes two key actors: on the one hand, the master is the external partner, which provides the external resources and offers its partnership; on the other hand, it is the country partner (government and/or civil society), which uses the inputs provided by the donor as opportunities to enhance its systems and the implementation of its strategy. At the end of the day, it is difficult to establish who controls and who influences what. In a normal project the 'master' is a well identified project management: there are steps of the process it controls and others it may influence at different degrees. To represent the peculiar situation of budget support, control and influence should be intended in a rather dynamic way (Fig. 2), especially with respect to 'induced output'. The joint management may emphasise one dimension or the other according to the cases. The use of the control and influence theory associated with the logical model helps explain the theory of change of budget support, but should not introduce any rigidity in the IL.

¹¹ If a budget support programme injects in government budget an amount equivalent to 10 or 15% of the public expenditure (as it may happen in poor countries), this allows to extend the reach of the programme toward the final beneficiary population. As a matter of fact, the government acquires a strong control over the possibility of increasing significantly the social expenditure and may directly influence the improvement of the access to social services by the poor and their living standards. In this case, one would put the increase in social expenditure as an induced output and the improved access of the poor as an outcome.

In a different case, where the amount of funds injected in the budget is much less (say 0,5%), the reach of the programme is limited to public institutions' stakeholders. In this case, the increase by some percentage units of social expenditures might require the need to overcome severe political economy resistances. Indeed in this scenario, gradual changes of the priorities in budget allocation could be considered as an outcome, and the improved welfare as an impact. Induced outputs may regard improved procedures to match allocations and priorities.

¹² The reach and time frame may clarify the extent to which the expected results (particularly their indicators and targets), at the different levels (and especially for induced outputs and outcomes), may be pushed forward to enlarge the number of stakeholders involved and beneficiaries and deepen the level of change, without becoming unrealistic.

This flexibility may also be reflected by splitting the outcomes¹³ in two sub-levels: short-term and intermediate outcomes. Short-term outcomes identify what can be reasonably achieved by the end of the programme while the intermediate outcomes identify the way forward. The latter (intermediate outcomes) may also be moved up as the lowest range of the impacts.¹⁴

Along such considerations on flexibility, it must be noted that, whereas policy and institutional changes -which are under a relative control by the budget support country partners- should be classified under the 'induced outputs' level, there are also policy and institutional changes that need the intervention of a multitude of stakeholders extending beyond government institutions who are signatories to specific budget support programme. These need the involvement of stakeholders who are out of the direct *reach* of the programme and require the building of political consensus and the convergent response of different institutions. Such achievements rather fit the level of short-term or even intermediate outcomes. Many recent ILs included in budget support agreements - in NEAR countries, but not only - reflect this concern and include under the outcomes such kind of results.

Figure 3: Tabular presentation (Matrix of results) of a budget support intervention logic

Structure of the results	Description	Indicators	Baselines (value & year)	Targets (value & year)	Sources & means verification
Overall objectives / Impacts					
Specific objective(s) / Outcome(s)					
Induced outputs					
Direct outputs					
Inputs Assumptions Key context factors					

4. PRESENTATION OF THE INTERVENTION LOGIC

The IL is conceived and described through different tools:

- a diagram showing the sequence of the different levels, the links between them and with the context (Fig. 1);
- a matrix of results, including the detailed list of indicators for each result (Fig. 3).

¹³ Normally, also direct and induced outputs show a graduation in time of the different items they include, but all such items should be achieved during the programme implementation. In the case of outcomes, instead, splitting short-term and intermediate items could help distinguish the part of outcomes which can realistically be achieved by the end of the programme from those that cannot and which just represent the future steps to be achieved. The same effect may be obtained moving up to the impact level such future steps, or through similar arrangements (see also the next footnote).

¹⁴ The logical models are practical tools and should not be approached dogmatically. It is important that they reflect the right sequence (the levels to be considered), the complexity of the reality (for instance the role of the context) and the key different levels of control (for instance the distinction between direct and induced outputs), but other features may be customised, as in the case of outcome and impact. Many agencies use a model with three levels of outcomes and no mention of impacts, other multiply the sub-levels at impact level, while keeping only one level of outcomes.

Each tool has its advantages and justification and they should be seen as complementing each other rather than as mutually exclusive, and should be accompanied by a narrative¹⁵.

The diagram format places the emphasis on the chain of the results, including the linkages between results within the same level and/or between levels and allows to better frame the programme within the broader context through a clear graphic reference to the main factors of the context / opportunity framework (enabling and hindering factors), risks and assumptions. It is a particularly appropriate tool to highlight – through a comprehensive readable chart – the theory of change underpinning a budget support programme thus facilitating an informed discussion and reinforced appropriation (and communication) of results among all stakeholders. Once developed (see examples in the annex) each box will contain a very brief description of the inputs, direct and induced outputs, outcomes and impacts (no specific references to indicators).

The results' matrix (or Indicative chain and list of results indicators), to be included, for instance, in an appendix of budget support agreements, allows to provide a detailed description of the results at the different levels, together with their corresponding indicators (and respective baselines and targets) and the sources and means of verification. It is a very useful tool, particularly in the design phase, as it provides crucial information on the detailed results expected and the indicators to be used for their measurement.

At the same time, by providing a clear and concise summary of the programme, including indicators, it supports monitoring/reporting on results, as well as management and evaluations thereby fulfilling obligations vis-à-vis the EU institutions (implementing regulations) and commitments at corporate level. To note that in the evaluation phase, it is normally replaced by the Evaluation Matrix (with its set of evaluation questions and related indicators which is also likely to expand on the existing set of indicators depending on the specific needs). An example of a fully developed table of results is provided in the Annex.

The narrative: Beyond their summary representation (diagram and/or matrix), all ILs should be accompanied by a narrative which explains the content of budget support strategy¹⁶ thus allowing to clarify all the aspects which would remain relatively difficult to understand if illustrated only through the graphics.

The narrative must be short to avoid redundancies. It should include the following issues:

- i) A short reference to – overview of - the context (including the government strategy and EU partnership, civil society dynamics, actions of other international partners, etc.).
- ii) A description of the main features (inputs) of the budget support design, with an explanation of how these respond to the context and to the associated enabling and hindering factors, including risks.

¹⁵ The narrative and the results' matrix (completed with the assumptions, including risk assessment (although the Risk Management Framework remains an EU internal document), and the notes on the context / opportunity framework) should be required in all cases. The table - given its level of detail - is important for various communication and management purposes. The narrative is fundamental for communication and understanding of the theory of change. The diagram in turn - if simple and readable - is a powerful synoptic tool to grasp at a glance the different features and interactions of a budget support programme. The latter is a good tool for those who can use it easily, but might be difficult to design for many.

¹⁶ Actually, the sector policy support strategy enhanced by budget support

- iii) The new opportunities (direct outputs) that the deployment of the budget support inputs are expected to create both at the level of financial means and at the level of capacity and partnership prospects, via the reinforcement of the partner's systems.
- iv) The key policy, institutional and service delivery improvements (induced outputs) that the partners are expected to produce, as a consequence of their appropriation of the budget support opportunities (direct outputs) and in interaction with the other policy processes, the political-economy framework and other internal / external factors.
- v) The positive responses of the final beneficiaries (outcomes), including citizens, economic and institutional actors, to changes in policies and institutional systems. And
- vi) The consolidation and expansion of the outcomes in the medium term, and their capacity to generate comprehensive positive and stable changes (impacts) in society at large and in particular for the target groups.

The narrative should also highlight the effects / mechanisms which allow moving from one level to the next in the results chain, including the main difficulties and the possible unintended effects. It should also identify the key assumptions on which the IL relies, including the general conditions of budget support (quality of the sector strategy, macroeconomic stability, sound and transparent public financial management), the persistence of the mutual political commitment and the flexibility to respond to changes in the external context.

5. MONITORING FRAMEWORKS

A budget support programme contains different sets of indicators and targets, namely: (i) those that are included in the IL, in particular in the matrix of results; and (ii) those that are included in the list of the Variable Tranche Indicators.

Such indicators and targets should be absolutely coherent with the monitoring and evaluation (M&E) system of the partner country, being intended as stimuli to achieve the established strategic objectives.

Establishing such a strong relationship between the monitoring of the budget support operations and the M&E system of the country partner, has a number of implications.

First, budget support programmes should encourage and support improving the monitoring systems of the partner country¹⁷, as they are the basis for assessing the results of the country reforms and budget support contracts alike.

Second, the dialogue on results should not be limited to the achievements related to the variable tranches only, but should also cover the overall performance of the supported strategy.

¹⁷ This can be done for example by including one or more conditions related to the set-up and functioning of government-led sector monitoring systems in the variable tranches and/or by providing complementary support in the form of capacity development measures in this area.

ANNEX I – INTERVENTION LOGIC TABLE - INDICATORS

Levels of the intervention logic & definitions	Examples of indicators at the different levels (actual choices depend upon the specific features of the programme and the data availability) <i>It should be noted that, according to the flexible definition of outputs, induced outputs and outcomes, the definitions and examples of indicators in this table reflect rather average cases. The same indicators, in some cases, might be referred either to induced outputs or outcomes, according to the specific context. Indeed, in the specific context, they might be considered either under the control of the budget support country partner (induced outputs), or under just its direct influence (outcomes).</i>	Key actors and degrees of control / influence across the results' chain
<div data-bbox="107 760 153 829" data-label="Text">Inputs</div> <p>Budget support package including: i) Funds allocated to the programme to be then transferred to the National Treasury upon achievement of agreed disbursement conditions; ii) a set of mutually agreed conditions to be met in order to trigger the disbursement of funds; iii) policy dialogue between the partner country public institutions and other stakeholders, and the EU (as well as other external partners where relevant); and iv) Complementary support; i.e. the external support (technical, institutional or financial ...) that is complementary to the main budget support operation, which may be included in the budget support package, or provided in parallel with it.</p>	<p>No indicators here, apart from the need to justify the design of the programme against a sound analytical framework, to enable the establishment of a suitable IL. Further clarifications regarding the inputs:</p> <ul style="list-style-type: none"> • Policy dialogue between the partner country public institutions and other stakeholders, and the EU (as well as other external partners where relevant) as regards major policy and reform issues and performance indicators, focussed on either the formulation and implementation of a national development strategy (in case of GGDC / SDGC or SBC) or on a sector development programme (in case of SRC); • Complementary support measures will include one or more of the following: <ul style="list-style-type: none"> i) capacity development measures (technical assistance and other forms of capacity building, including twinnings, and, whenever appropriate, supplies and works) aimed at strengthening the capacity of the public institutions to coordinate, implement, monitor, evaluate and communicate the public policy in question; ii) capacity development measures aimed at strengthening the capabilities of civil society to contribute to the implementation and monitoring of public policies and/or grants to civil society organisations to promote their involvement in oversight functions; iii) monitoring, evaluation and supervision TA of the EU-funded action; and iv) support for the design and implementation of a government-led visibility and communication strategy. <p>Support for the implementation of a Public Finance Management Reform Programme is often an important component of these capacity building activities. In some cases, capacity building programmes are part of the budget support programme, in other cases they are provided under separate financing agreements, this could be the case of Support for the implementation of a Public Finance Management Reform Programme.</p> <p>Irrespective of the source and modalities of financing, capacity development programmes should be taken into account especially for policy dialogue as they are clearly linked to the budget support programme.</p>	<p>Inputs are under the complete control of budget support external partners (EU and other external partners where relevant), though these need to be discussed and agreed with the budget support country partners.</p>

	Levels of the intervention logic & definitions	<p>Examples of indicators at the different levels (actual choices depend upon the specific features of the programme and the data availability)</p> <p><i>It should be noted that, according to the flexible definition of outputs, induced outputs and outcomes, the definitions and examples of indicators in this table reflect rather average cases. The same indicators, in some cases, might be referred either to induced outputs or outcomes, according to the specific context. Indeed, in the specific context, they might be considered either under the control of the budget support country partner (induced outputs), or under just its direct influence (outcomes).</i></p>	Key actors and degrees of control / influence across the results' chain
Direct outputs	<p>The country opportunities that are expected to improve as a direct consequence of the deployment of budget support inputs, e.g.: the new fiscal space created by the transfer of funds; the operational structure of the dialogue and its functioning (on the contents of the reform, including cross cutting issues); monitoring, coordination and harmonisation of the supported reform; the products or services delivered by the complementary support measures.</p>	<p>Direct outputs of the budget support component:</p> <ul style="list-style-type: none"> • Number of tranches disbursed in time and as per amount agreed → Predictability of the disbursements of external funds; • Size and share of external funding made available through the government budget; • Size and share of the government budget available for discretionary spending; • Size and share of budget support vis a vis total or sectorial public expenditure; • Status and quality of policy dialogue: number of high-level Coordination Committees and level of the discussion; number of ministries and different stakeholders represented, focus of dialogue (inclusion of cross-cutting issues),; level of informal exchanges on performance; link between policy dialogue and high level political dialogue; • Degree of consistency (alignment) of (disbursement) conditions with the government priorities; • Degree of coordination of capacity building support provided in the context of the budget support programme(s) (evidence of: i) complementarities between complementary actions and budget support actions, ii) absence of overlaps among different complementary measures); • Degree of consistency (alignment) of capacity building support with government priorities/needs; • Degree of harmonisation and alignment of external assistance as a whole / donor coordination mechanisms in place and operational; • Degree of transaction cost of providing and receiving aid at the level of both the partner government and the donors; • Status and quality of monitoring performance frameworks at general and sectorial level. • Level and regularity of government reporting on results <p>Direct outputs of the complementary support such as TA:</p> <ul style="list-style-type: none"> • Perception by recipients of TA as a relevant and useful tool (peer to peer exchanges, effective opportunities provided); • Quality, quantity and relevance of policy options presented by studies launched with support of the programme (needs assessments, analytical studies, reports) that are endorsed; • N. and quality of training modules and training plans developed • N. of staff trained; • Quality, quantity and relevance of laws drafted with support of complementary TA; • Number and quality of research & knowledge products launched with support of the programme used in policy decision making; • Number, quality and type of outputs (e.g. plans, proposals, reports, relevant strategies and follow-up plans etc.) produced with the support of TA; • N. and quality of forms, templates and instructions drafted for example in connection with PFM. These could be linked to the statement of reconciliation between treasury and bank records or to functional public expenditure reviews or tax arrears management . 	<p>Direct Outputs are under a significant degree of control by the budget support external partners, but need the participation of partner country institutions and other key stakeholders to fully materialise</p>

Levels of the intervention logic & definitions	<p>Examples of indicators at the different levels (actual choices depend upon the specific features of the programme and the data availability)</p> <p><i>It should be noted that, according to the flexible definition of outputs, induced outputs and outcomes, the definitions and examples of indicators in this table reflect rather average cases. The same indicators, in some cases, might be referred either to induced outputs or outcomes, according to the specific context. Indeed, in the specific context, they might be considered either under the control of the budget support country partner (induced outputs), or under just its direct influence (outcomes).</i></p>	Key actors and degrees of control / influence across the results' chain
<p>Induced outputs</p> <p>Expected improvements in the partner's public policies and related legal and regulatory framework, public sector spending and public sector delivery; i.e. reform steps expected to be achieved by the public institutions (and/or other stakeholders) supported by budget support, as a consequence of their appropriation and implementation of the new opportunities provided (the direct outputs); e.g. improved legal and institutional framework, improved PFM and procurement systems, increased quantity and quality of goods and services (with a focus on institutional improvements and not on their uptake or effects on the final beneficiaries, which are part of the outcomes).</p> <p>Only the achievements on which the budget support country partners have a certain level of control should be ranked among the induced outputs, while the policy and institutional changes that involve larger areas of stakeholders and beneficiaries (out of the direct reach of the programme) and imply changes in the political economy framework of the related institutions should be ranked among the outcomes (short-term or intermediate).</p>	<ul style="list-style-type: none"> Indicators and trends of aggregate revenues (total budgeted revenues and actual deviations), and trends in values of revenues broken down by main groups of revenue instruments; e.g.: VAT and other tax revenues; Local government (LG) revenues; LG own-revenue sources. Indicators and trends of the aggregate public expenditures by main, large categories of expenditures (economic classification); budgeted, actual, deviations; current and capital expenditures; wage bill; indicators or estimates of quasi-fiscal expenditures and arrears; MTEF Indicators related to the quality of Public Financial Management and procurement systems (PFM); e.g. quality of budgeting and planning (matching resources and priorities); budget credibility (allocations and outturns, number of supplementary budgets); indicators related to efficiency, accountability and transparency of the PFM framework and systems as recorded in PEFA assessments, e.g. pillar 2 indicators on transparency of public finances, pillar 6 accounting and reporting,) and other studies; Indicators related to improved public policy formulation and execution processes; select indicators focusing on expected changes as per partner country strategy in the sector(s) supported by budget support. Indicators looking at institutional / human capacity of public sector institutions focusing on technical capacities and changes introduced at institutional level within line ministries / institutions (central and LG level) in sectors supported by budget support; e.g. Existence of a government training strategy and plan based on needs assessment to improve quality of service delivery; number of trainees by type of personnel and topic of training. Cross-cutting themes to be included as relevant (e.g. degree of establishment of gender units at line ministry level, proportion of line ministries'/degree of LGs staff knowledgeable about sector-specific gender issues; Extent to which the government and oversight bodies collaborate in terms of policy formulation and approval, financial and non-financial accountability and budget scrutiny; Indicators looking at M&E capacities and systems, e.g. Degree of availability and reliability of data on selected indicators; Degree of access, use and dissemination of data collected; degree of inclusion of gender-sensitive / specific indicators. Number/importance of Laws approved by the Parliament and approved in the official journal in line with plan¹ <p><i>Cont.d in the following page</i></p>	<p>Induced outputs are outputs which are not directly produced by the budget support direct outputs, but require another actor - in this case partner country institution(s) - to produce them. The induced budget support outputs are therefore not the result of budget support alone, but rather the result of a variety of the partner country institutions actions which may be influenced by budget support but also by other factors, including the outputs of other external assistance programmes and/or other external factors.</p> <p>Budget support external partners may therefore directly influence the delivery of the induced outputs, through the dialogue and the 'incentive' mechanism generated by the fact that certain reforms trigger the disbursement of tranches.</p> <p>The partner country's institutions, instead, exercise a certain degree of control of the process that leads to the delivery of the induced outputs, although this may depend upon a larger number of stakeholders, of which many may be not directly involved in the programme management.</p> <p><i>Cont.d in the following page</i></p>

Levels of the intervention logic & definitions		Examples of indicators at the different levels (actual choices depend upon the specific features of the programme and the data availability)	Key actors and degrees of control / influence across the results' chain
Induced outputs		<p><i>It should be noted that, according to the flexible definition of outputs, induced outputs and outcomes, the definitions and examples of indicators in this table reflect rather average cases. The same indicators, in some cases, might be referred either to induced outputs or outcomes, according to the specific context. Indeed, in the specific context, they might be considered either under the control of the budget support country partner (induced outputs), or under just its direct influence (outcomes).</i></p> <ul style="list-style-type: none"> Indicators related to the quantity and quality of goods and services provided by the public sector; e.g. <ul style="list-style-type: none"> <u>Education sector</u>: i) pupil/teacher ratios; ii) pupil /classroom ratios at the primary level; iii) pupil-text book ratios; iv) number and/or % of teachers participating in institutional training schemes to implement learning outcome oriented curricula and develop students' competences; v) level of delivery of services in a gender-sensitive way: availability of facilities (e.g. separate toilets, dormitories etc.) needed to improve girls' access to schools; presence of female teachers, involvement of women in school management. <u>Water & sanitation sector</u>. Trends in: i) % of people within benchmark distance of an improved water source; ii) % of improved rural water sources that are functional at time of spot check; iii) degree of functioning Water and Sanitation Committees/Water Boards;; and iv) status of Implementation of Water Service Provider tariff policy and consumer friendly billing; and vi) degree of gender sensitivity in the provision of water and sanitation facilities and in the composition of Water User Committees. <u>Health sector</u>: i) number of vacancy rates for health workers; ii) number of established posts held by qualified staff;; iii) % of Hospital directors on performance agreements; iv) number of health facilities with drug stock-outs for tracer drugs; v) degree of provision of gender sensitive health care / specific measures aimed at increasing access to care for women and girls (e.g. % of approved posts filled by trained women health workers, inclusion of gender-based violence in the minimum health package,); <u>Private sector / business environment</u>: i) number of services provided through one stop shops; ii) average number of days needed to set up a business; Changes in other key areas identified in the budget support agreement, <i>e.g. enhanced democratic governance, human rights, environmental protection</i> 	In other words one could say that the external partner influences (through policy dialogue, political suasion and the conditions to be met for the disbursement of tranches), while the partner country institutions (direct counterparts of budget support) control the delivery of the induced outputs as they take the decisions. This is why, the induced outputs define an area where the influence of external partners and the control of the country partners, operate and interact together in a dynamic process.

¹ Depending on the context it could be an outcome indicator.

Outcomes	<p>The positive changes in the behaviour of the targeted beneficiaries – service users, economic actors and institutional beneficiaries – in response to the changes in policies, organisational management and service delivery, such as: <i>more efficient public administration services, increased use by final beneficiaries of quality goods and services, improved confidence of economic and social actors, and also overcoming of long lasting resistance and/or political economy opposition to policy and institutional change, by key institutional actors.</i></p> <p>The outcomes are the core of a programme and significant – although often initial – steps toward their achievement should already become visible at the end of the programme.</p>	<ul style="list-style-type: none"> Increased use of goods and services provided by the public sector in the areas targeted by the partner country's policies supported by budget support programmes, and enhanced benefits thanks to increased quality and quantity of public goods; e.g. <ul style="list-style-type: none"> Education sector: learning achievements as measured by: i) net primary / secondary school enrolment rates; ii) completion rates at primary / secondary; iii) primary / secondary level pass rates (boys and girls); iv) degree of availability of a qualified labour force responding to market demand; v) PISA scores. As well as indicators measuring response of teachers to changes in working conditions such as degree of absenteeism for teachers at primary and secondary level. Water & sanitation sector. Actual/expected² trends in: i) number of people accessing urban / rural water services; ii) number of households with access to safe and effective sanitation; iii) mean sub-county deviation of the above-mentioned indicators from the National average. Health sector. Actual/expected trends³ in: i) number (or %) of births in health facilities / births attended by skilled health personnel; ii) contraceptive prevalence rate; iii) DPT 3 immunization coverage rate; iv) number (or %) of out-patient utilisation. As well as indicators measuring response of public servants to changes in working conditions such as degree of health worker absenteeism in government health facilities. <p>Where relevant and applicable indicators should be sex-disaggregated and where relevant (and feasible) disaggregation should allow to distinguish between ethnic or socio-economic groups, across regions (poorest, hard to reach areas) or specific indicators should be included to this end such as (in the case of education) gap between results of minority pupils and the national average in final exams (elementary / secondary school, all subjects).</p> <ul style="list-style-type: none"> Indicators measuring the positive response from economic actors to changes in the business environment in terms of increased business confidence and potential growth of private sector investment and production; Indicators measuring the improved confidence of the population in the performance of the government, for example in response to an increased prosecution of cases of corruption in the PA. Other outcome indicators may regard significant changes in the orientation and behaviour of key institutional actors and stakeholders that make possible the implementation of important reform steps, overcoming long lasting bureaucratic resistances and political economy opposition to change. Such outcomes must be identified case by case. In some countries some of the envisaged changes may be the result of the appropriate commitment of the budget support country partner, so as to be classified among the induced outputs. In other countries and contexts, the same changes are the result of a complex political process and their achievement implies the modification of the behaviour of a large number of stakeholders out of the direct reach of budget support. In the latter case, the changes should be considered among the outcomes. Among these we could find for example indicators related to improvements in actions of oversight institutions (which are independent from government)...; e.g. : % or number of Inspector General corruption cases successfully concluded; PEFA assessment / scores on quality of legislative scrutiny; specific country indicators and testimony of civil society budget advocacy groups, as well as comparative indicators on governance and accountability (CPIA, SIGMA, Transparency International, Open Budget Index); overall improvement in the effectiveness and transparency of the oversight system (including timely availability of reports from Supreme Audit Institutions and of reviews from Parliamentary Accounts Committees, number of cases discussed involving irregular expenditure, etc.). 	<p>The outcomes represent the reactions/responses of the relevant stakeholders to changes in the set of policies, strategies and spending actions of the government supported by budget support, and to other external factors. Outcomes are thus only partly influenced by the budget support provided. The causal relationship between the provided budget support and the outcomes will therefore be significantly diluted by other factors.</p> <p>At the outcome level, both partners have a given level of influence but no control (indirect influence in the case of the external partner, direct influence in the case of the country partner).</p> <p>To reach the outcomes, budget support programmes should be able to interact with and adapt to the multiplicity of intervening factors, so as to enhance the influence of the positive ones and limit that of the negative ones.</p>
Impact	<p>Impact(s): the expected mid and long-term changes leading to the achievement of the country's strategic goals endorsed by the EU and coherent with its country / regional strategy.</p>	<ul style="list-style-type: none"> In general, final impact indicators should reflect the goals from government sectorial and/or overall strategies, (that are to be coherent with the goals of EU country/regional strategies). <ul style="list-style-type: none"> Inclusive growth and poverty reduction: i) Proportion of population living below \$1.25 (PPP) per day; ii) Income share held by the lowest 40% of income distribution (% income, period averages); iii) Real GDP growth, (i) latest year and (ii) average over last 5 years 	<p>Impact may be expected to materialise in the medium and long term, provided the expected outcomes are produced and key assumptions as regards external factors and growth and</p>

Levels of the intervention logic & definitions	Examples of indicators at the different levels (actual choices depend upon the specific features of the programme and the data availability) <i>It should be noted that, according to the flexible definition of outputs, induced outputs and outcomes, the definitions and examples of indicators in this table reflect rather average cases. The same indicators, in some cases, might be referred either to induced outputs or outcomes, according to the specific context. Indeed, in the specific context, they might be considered either under the control of the budget support country partner (induced outputs), or under just its direct influence (outcomes).</i>	Key actors and degrees of control / influence across the results' chain
<p>They include the sustainable development goals, and any intermediate step at sector level that clearly opens the way towards their achievement.</p> <p>The changes taking place at this level are the combined effects of political, economic, environmental and social factors both domestic and international, including policies and actions of the public institutions and civil society supported by the EU-funded action.</p> <p>Examples include:</p> <ul style="list-style-type: none"> - sustainable and inclusive economic growth; - eradication of income poverty and non-income poverty; - consolidation of democracies - sustainable development of the beneficiaries by promoting European values and standards in line with the EU Enlargement policy. 	<ul style="list-style-type: none"> - Good Governance: i) Average Rule of Law score (as measured by the Worldwide Governance Index); ii) Average Control of Corruption score (as measured by the Worldwide Governance Index); iii) Average Voice and Accountability score (as measured by the Worldwide Governance Index) - Employment and Social Protection: i) Youth unemployment rate; ii) trends in formal and informal employment and their breakdown by target group; iii) average duration of unemployment; - Education: Literacy rate of 15-24 year olds. - Water and sanitation: i) Proportion of population using an improved drinking water source; ii) Proportion of population using an improved sanitation facility. - Health: i) Under-five mortality rate; ii) Maternal mortality ratio; iii) HIV prevalence among population aged 15-24 years. - Trade and Private sector development: i) Average Global Competitiveness score; ii) Exports of goods and services as percentage of GDP. <ul style="list-style-type: none"> • Intermediate impacts may be considered to indicate the trajectory of the medium and long term change. <p><i>According to the flexible definition of induced outputs and outcomes, various indicators mentioned under these categories could be moved here. This is the case, for instance, of many outcomes which are considered achievable in a longer term, making it difficult to see any sign of their possible achievement at the end of an intervention, but also, in some cases, of induced outputs which are not really under the control of the country partner and could be considered outcomes or even intermediate impacts.</i></p>	<p>development processes materialise.</p> <p>The changes taking place at this level are the combined effects of policies and actions of the government influenced by the budget support programme(s), underlying processes of change and trends in the domestic economy and society at large, external factors, etc.</p> <p>For this reason, at the impact level both the external partner and the country partner will only exercise a degree of indirect influence.</p>

² Outcome indicators may also refer to signs that allow reasonable expectations on the improvement of a trend, although proper data are not available. For instance data on increased coverage of basic services may be considered as indicators of potential increased access. Of course, the use of such proxy must be done with caution. To remain on the same example, extended coverage must be effective (say not just announced), relevant (in the key areas, to improve social inclusion), etc.

³ Same as above

ANNEX II: EXAMPLE - SECTOR REFORM CONTRACT - PUBLIC ADMINISTRATION REFORM

	Intervention logic	Indicators	Baselines - 2016 unless otherwise indicated	Targets - 2020 unless otherwise indicated	Sources and means of verification
Overall objective: Impact	<ul style="list-style-type: none"> - To contribute to economic stability and increased living standards (long-term impact) through the enhanced provision of high quality services to citizens and businesses (medium to long-term impact). - Public sector responsiveness to societal and economic needs is achieved 	<ul style="list-style-type: none"> - Composite indicator - average of Government Effectiveness and Regulatory Quality (P-Rank) - Corruption Perception Index - Public opinion about the quality of services delivered by public administration (Sigma indicator) / Percentage of users satisfied with public services. 	<ul style="list-style-type: none"> - 50.24 - 40 - Baseline to be set in 2016 	<ul style="list-style-type: none"> - 52 - 55 (2020) / 50.24 – 52 (2018 milestone) - 42 - Upward trend from 2016 (2018 milestone) / Upward trend from 2018 (2020) 	<ul style="list-style-type: none"> World Bank Transparency International Sigma annual reports and data, other ad hoc surveys
Specific objective(s): Outcome(s)	<u>Positive response from economic actors to changes</u> <ul style="list-style-type: none"> - increased business confidence 	<ul style="list-style-type: none"> - Gross fixed capital formation, private sector (% of GDP) - Gross fixed capital formation (% of GDP) - Foreign direct investment, net inflows (% of GDP) - Domestic credit to the private sector (% of GDP), - Business confidence index or selected qualitative studies (different indicators available in different countries) 	To be set according to the actual indicators selected	To be defined according to the actual indicators selected	http://data.worldbank.org Various
	<u>Public service delivery</u> <ul style="list-style-type: none"> - Citizen oriented policy for service delivery is in place and applied - Administrative burden for citizens and businesses is reduced - Citizens and businesses use E-government services for their transactions with the State 	<ul style="list-style-type: none"> - Extent to which citizen oriented policy for service delivery is in place and applied - Share of institutions where customer satisfaction surveys are conducted on a regular basis (at least every two years) - CPIA public sector management and institutions cluster average - Average number of days needed to acquire a personal identification document (passport or ID card) after submitting the application. - Average number of days needed to set up a business - Average number of procedures (number) needed to set up a business - Number of services provided through one stop shops - Average number of days needed to enforce a contract - Number of internet-based services available to citizens (e.g. complete and lodge personal income tax return, renew international passport / drivers licence, obtain copy of birth / marriage certificate) and degree to which the services are entirely available as e-services (1. Obtain info from public websites, 2. Download necessary forms, 3. Fill in online forms, 4. Undertake the whole process online) - Average number of e-services provided per year 	<ul style="list-style-type: none"> - 1 - 16% - 3.5 - 21 (passport) / 15 (ID card) - 12 - 8 - 4 - 505 - To be set according to the actual indicators selected 	<ul style="list-style-type: none"> - 3 (2020) / 2 (2018 milestone) - 22% (2018 milestone) / 40% (2020) - 3.8 - 10 (2020) / 14 (2018) – passport & 5 (2020) / 10 (2018) – ID card - 8 (2020) / 8 (2018) - 6 (2020) / 7 (2018) - 7 (2020) / 5 (2018) - 480 (2020) - To be defined according to the actual indicators selected 	<ul style="list-style-type: none"> SIGMA assessments CPIA public sector management and institutions cluster average Government reports and statistics or other external reports WB Doing business report
In du	<u>Central Government Restructuring</u>		- 2 out of 5 (Sigma indicator)		SIGMA assessment at annual level / In countries

	<ul style="list-style-type: none"> - The organization and functions of the Central Public Administration are improved. - Integrated system for public policy management (planning, analysis, formulation, adoption, coordination, monitoring, evaluation, reporting and coordination) is used by the central government level 	<ul style="list-style-type: none"> - The extent to which the structure of the ministries and other central government bodies is rational and coherent (Sigma indicator) - Extent to which the policy and legal framework for professional and coherent public service is established and implemented (Sigma indicator) - Percentage of structures that have adequate institutional set-up and processes - % of the measures in each of the adopted action plans based on Functional reviews of selected public administration bodies that is implemented by the government. - For IPA countries: Extent to which European integrations functions are fulfilled by the public administration institutions. - Extent of the use of the integrated system for public policy management by the Line Ministries. - Number of policy documents (strategies, laws and Concept documents) that meet requirements set in the Government's Rules of Procedure (including internal and external consultation, fiscal impact assessments). - Degree of availability and reliability of data on selected indicators; - # of monitored indicators which are sex-disaggregated 	<ul style="list-style-type: none"> - 4 out of 5 (Sigma indicator) - Baseline to be set in 2016 - 0% - Baseline to be set in 2016 - System is not developed yet - 30% - Significant discrepancies between data released by line ministries and the National Statistical office (2016) - XX 	<ul style="list-style-type: none"> - 3 out of 5 (2018) then 4 out of 5 (2020) - 5 out of 5 - Upward trend from 2016 (2018 milestone) / Upward trend from 2018 (2020) - More than 25% (year 1), more than 50% (year 2) and then up to 90% - To be established in 2016 - +80% of strategic documents adopted by the Government on an annual basis are harmonised with the public policy management methodologies & - At least 50% of ministries uses the integrated management information system that links planning and budget processes and enables monitoring and reporting on the basis of plans and execution of the budget. 40% (2018) & 60% (2020) - 40% (2018) & 60% (2020) - Good alignment and correspondence of data between the two key sources (2020) - +10% of indicators informed through sex-disaggregated data (2018) then 20% (2019) 	<p>not covered BY SIGMA indicators to be adjusted</p> <p>Government /Line ministry reports</p> <p>Government's evaluation reports, reports on implementation of Integrated management information system (IMIS)</p>
—	Human Resources Management				

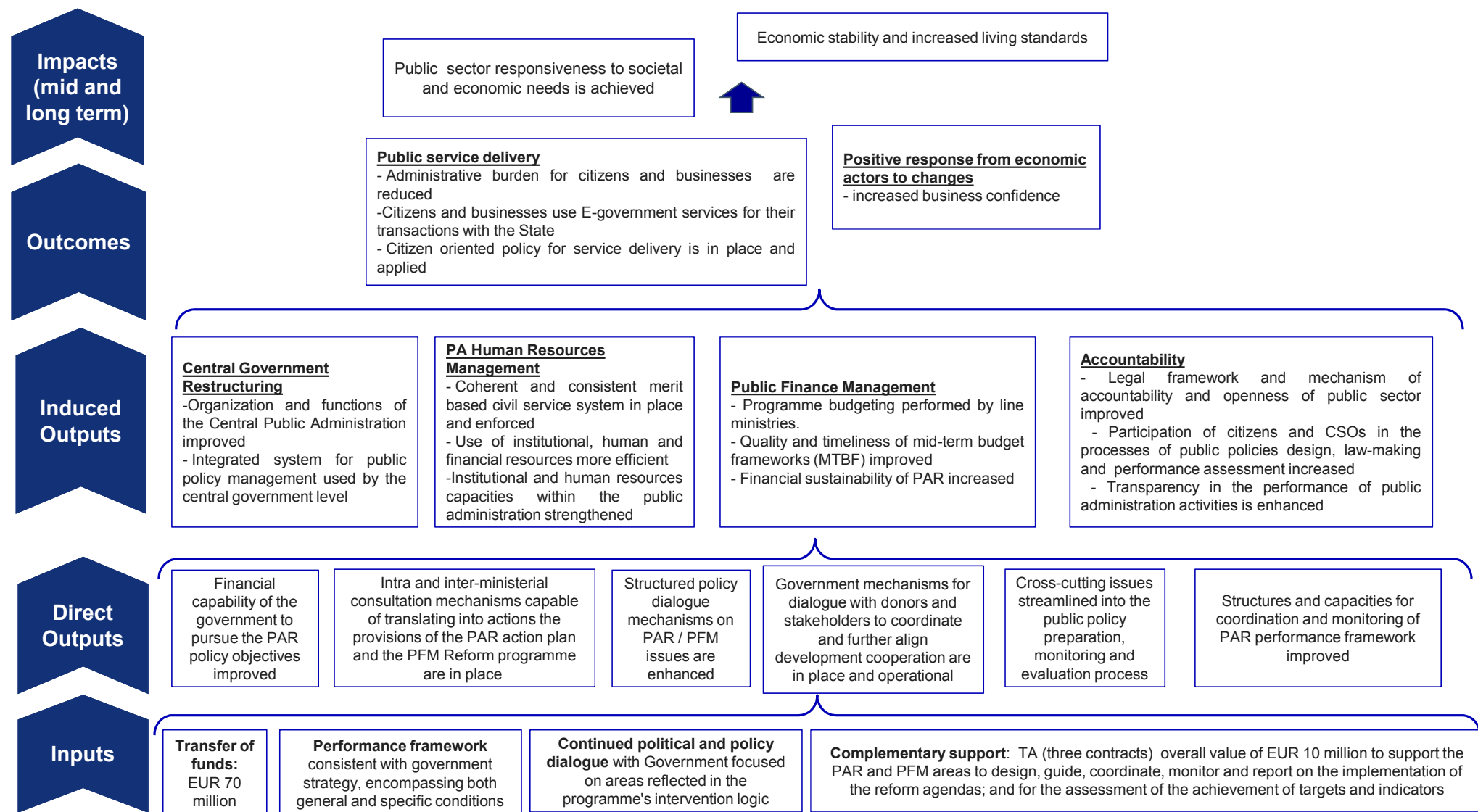
	<ul style="list-style-type: none"> - Coherent and consistent merit based civil service framework in place - Use of institutional, human and financial resources more efficient - Institutional and human resources capacities within the public administration strengthened 	<ul style="list-style-type: none"> - Law on Salaries, Law on Civil Service and Law on Organisation of Public Administration developed/revised according to inclusive and evidence based approach and in line with the Principles of Public Administration AND/OR - Degree of completeness of the legal and policy framework of the HRM system - Extent to which the institutional set-up enables consistent HRM practices across the public service (Sigma indicator) - Extent to which the remuneration system of public servants is fair and transparent and applied in practice (Sigma indicator) - Extent to which political influence on the recruitment and dismissals of senior managerial positions in the public service is prevented - % of yearly recruitment based on merit - % of civil servants participating to (or graduating from) institutional training schemes in relevant areas (to be further detailed as relevant) 	<ul style="list-style-type: none"> - Concept papers and Laws not yet developed - Amendments to the Law on civil servants not adopted, by-laws not adopted. - 2 out of 5 (Sigma indicator) - 3 out of 5 (Sigma indicator) - 2 out of 5 (Sigma indicator) - No data available - XX% of civil servants 	<ul style="list-style-type: none"> - Package of Laws adopted by the Assembly (2018) - Adopted Amendments of the Law on Civil Servants include the detailed basic and functional competences required for civil servants (2017) & Programmes for career development of civil servants are adopted in accordance with the amended Law (2018) - 4 out of 5 - 4 out of 5 - 4 out of 5 - At least 60 % of yearly recruitment based on merit (2019&2020) - +25% (2018) & +50% (2019) 	<p>Government /Line ministry reports</p> <p>SIGMA assessments</p> <p>Reports from government / line ministries</p> <p>SIGMA assessments</p> <p>Reports from government / line ministries</p>
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Induced outputs	<p>3. Improved Public Finance Management</p> <ul style="list-style-type: none"> - Selected Line Ministries are capable of preparing and implementing programme-based budgets - Quality and timeliness of mid-term budget frameworks (MTBF) improved - Financial sustainability of PAR increased 	<ul style="list-style-type: none"> - Number of line ministries performing programme budgeting - Extent to which programme budgeting is being improved (qualitative assessment: quality features include for example establishing, measuring and reporting performance indicators) - % of the indicators included in the previous year's annual budget that is reported as achieved by the Line ministries - Ratio between total funds estimated in the sectoral strategies and funding identified for corresponding sections within medium-term budgetary framework (MTBF) - MTBF strength index (Sigma indicator) - Annual costs for implementation of PAR reform planned and allocated in state budget for respective years - Recurrent budget execution rate for PAR reform allocations 	<ul style="list-style-type: none"> - One sector (PAR/PFM) in 2016 - No assessment currently prepared by the MoF nor included in the PEFA report - No assessment currently prepared by MoF on compliance of line ministries with indicators included in programme based budget - 20% - 2 out of 5 (Sigma indicator) - XX% of annual costs budgeted are actually allocated (2016) - Less than 75% of allocated budget is executed (2016) 	<ul style="list-style-type: none"> - 3 (2018) then 5 (2020) - Assessment carried out by MoF which reports improvements (also PEFA repeat reports) - Line ministries meet 30% (2018) and 50% (2020) of the indicators included in the previous year's annual budget - 50% (2018) / 70% (2020) / - 2.5 (2018) then 3 (2020) out of 5 - 90% of annual costs budgeted are actually allocated (period 2017-2020) - 85% of allocated budget is executed (2017) then up to 95% (2018-2019) 	<p>SIGMA assessments PEFA assessments MoF reports</p>
Induced outputs	<p>4. Improved accountability</p> <ul style="list-style-type: none"> - Legal framework and mechanism of accountability and openness of public sector improved - Participation of citizens and CSOs in the processes of public policies design, law-making and performance assessment increased - Transparency in the performance of public administration activities is enhanced 	<ul style="list-style-type: none"> - Extent to which the legal framework enables the participation of public and CSOs in the processes of law-making and creation of public policies. - Extent to which public consultation is used in developing policies and legislation - Extent to which the right to access public information is enacted in legislation and applied in practice. - Transparency of Government policy making index - Number of processed requests to access public documents - Degree of access and dissemination of data collected; 	<ul style="list-style-type: none"> - Baseline to be established based on qualitative assessment (Sigma or others) - Strategy for the development of an enabling environment for participation of public and CSOs is being developed, but the legal framework has not been completed. - 3 out of 5 (Sigma indicator) - Baseline value is 3,6 - 70% - Access to official statistics is restricted or difficult (2016) 	<ul style="list-style-type: none"> - Targets to be set in line with qualitative assessments (Sigma or others) - Legal framework enabling enhanced participation of public and CSOs underway (2018), adopted (2020) - 4 out of 5 (Sigma indicator) - 3.7 (2018), 3.8 (2020) - 80% (2018) – 90% (2020) - Annual reports published regularly and available on the internet (2019) 	<p>Reports from government / line ministries</p> <p>SIGMA assessments</p> <p>World Economic Forum Competitiveness Index</p> <p>Official statistics, annual reports of line ministries</p>
D	SRC Direct outputs:				

	<p>1. Improved financial capability of the government to achieve the PAR policy objectives;</p> <p>2. Intra and inter-ministerial consultation mechanisms are capable to translate into actions the provisions of the PAR action plan and the PFM Reform programme</p> <p>3. The formalized policy dialogue mechanisms on PAR / PFM issues are enhanced and linked to sector budget support</p> <p>4. Increased use of Government mechanisms for dialogue with donors and stakeholders to coordinate and further align development cooperation with a view to avoiding duplication of activities and relieving the Government from multiple reporting duties.</p>	<ul style="list-style-type: none"> - Number of tranches disbursed on time and in accordance with amount agreed under the SRC - Extent to which the intra and inter-ministerial consultations support implementation of PAR AP and the PFM Reform - Number of regular technical and high level meetings to discuss and review implementation of the PAR strategic package focusing on continued overall relevance/credibility of the reforms; / Number of ministries and different stakeholders represented / Focus of dialogue (inclusion of cross-cutting issues) / Level of informal exchanges on performance - Extent to which government-led coordination mechanisms enhances alignment of donor-support measures 	<ul style="list-style-type: none"> - The Government has currently no budget support from the EU - The consultation mechanisms are under development - The dialogue mechanisms are under development (2016) - Coordination mechanism established but not fully functional (no regular meetings taking place, not all actors / donors invited, focused on isolated actions) (2016) 	<ul style="list-style-type: none"> - Up to 70% of the disbursement plan completed (2018), up to 100% (2020) - Regular (at least four times per year) inter-ministerial meetings are held and are effectively supporting the implementation of the PAR AP and the PFM Reform programme (revision of PAR action plan, discussions and decision on measures, discussion of delays and corrective measures) - Dialogue instances have been established and are operational: are effectively supporting the implementation of the PAR (at least two high level meetings per year and four technical meetings per year), dialogue covers both process and contents of PAR reform, sector-stakeholders and CSOs are associated to dialogue instances (period 2017-2020) - Coordination mechanism is operational and ensures full coordination and alignment of donor support: i) regular meetings, ii) extensive government and donor participation, iii) measures in support of PAR are discussed, no overlaps of support provided; iv) Technical assistance, twinning and grants address strategic weaknesses in the PA reforms and increasing civil society participation to PAR (progressive improvements from 2017 to 2020). 	<ul style="list-style-type: none"> - Budget support disbursement files; MoF and line ministries financial reports - Government (PAR council) reports and minutes of meetings (if available) - Annual PAR reports, minutes of meetings (donor and government), Donor matrix, reports on donor coordination meetings, consultation meetings with CSO - Minutes of meetings (donor and government), Donor matrix, reports on donor coordination meetings, consultation meetings with CSO
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	<p>Complementary support:</p> <p>1. Capacity of the mandated ministry / institution to coordinate and monitor the implementation of the PAR Action plan improved</p> <p>2. Cross-cutting issues streamlined into the PAR related public policy preparation, monitoring and evaluation process;</p> <p>3. Capacity of the MoF to coordinate the implementation of the PFM reform programme improved</p>	<ul style="list-style-type: none"> - Extent to which PAR Action Plan coordination and reporting institutional structures are in place and operational - Number of reports which include explicit and in-depth assessment of the cross-cutting issues (gender equality, rights-based approach / minorities rights, climate change / environment - Extent to which PFM reform programme institutional structures, including coordination, monitoring and reporting are in place and operational 	<ul style="list-style-type: none"> - Structures for monitoring PAR are in place with limited capacities. - Cross-cutting issues are only partially considered in reporting and monitoring - Structures for coordination and monitoring of PFM reform are in place with limited capacities 	<ul style="list-style-type: none"> - Structures in place and staffed (mandates and responsibilities assigned); reporting lines established; operational procedures defined and applied; reports produced (progressive improvements from 2017 to 2020). - 75% (2018) and 100% (2020) of reports to the SPP include assessment of cross-cutting issues - Structures in place and staffed (mandates and responsibilities assigned); reporting lines established; operational procedures defined and applied; reports produced (progressive improvements from 2017 to 2020). 	<p>Progress and final reports of the complementary support TA contracts</p> <p>PAR coordination structures (e.g. PAR Council) meeting minutes and reports.</p> <p>MoF reports</p>
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EXAMPLE OF INTERVENTION LOGIC DIAGRAM: PUBLIC ADMINISTRATION REFORM (PAR)



Opportunity framework / Context (enabling and hindering factors)

Country XX – EU partnership: (Stabilisation and) Association Agreement ; Indicative Strategy Paper for Country XX; National Plan for Public Administration Reform and PFM reform 2014-2018 ;

Context features and feedback processes: PAR strategy adopted in 2014 and the related action plan for the period 2015-17 adopted in 2015 address a number of problems outlined in assessment reports (OECD-SIGMA, World Bank and EC annual progress reports)

Assumptions and risks: 1. Persistent and effective Government commitment toward the implementation of the PAR and the consolidation of the country's democratic framework, including the independence of judiciary, the fight against political interference and corruption and the full exercise of freedom of expression. 2. Effective Government policies for macro-economic stabilization to limit the risks connected with high levels of public debt and problematic gross financing needs; 3. Moderate developmental risks: firm commitment to EU accession but criticisms of accuracy of the MTFF, lack of progress in the areas of environment and climate change and little movement with regard to social policy and employment issues. There are also risks concerning the PAR strategy/action plan implementation such as delays with implementation, lack of capacity, problems with coordination. 4. Low to moderate Public Financial Management risk. 5. Moderate risk regarding corruption and fraud.

Cooperation with other donors: World Bank operations on rightsizing and competitiveness and growth;

Target groups / involved partners: i) Ministry for Public Administration and Local Government; ii) Ministry of Finance; iii) European Integration Office or similar; v) State audit institutions; vi) CSOs and other stakeholders such as trade unions, chambers of commerce, media in public policy and legislation making.

Final beneficiaries: citizens at large. **Time Frame:** XX years

ANNEX III - INDICATIVE LIST OF RESULT INDICATORS (FOR BUDGET SUPPORT) – THIS IS A FAIRLY COMPREHENSIVE THOUGH NOT EXHAUSTIVE LIST OF POSSIBLE RESULTS AND INDICATORS. IT SHOULD SERVE AS AN EXAMPLE WHICH WILL NEED TO BE ADJUSTED ON THE BASIS OF THE PRIORITIES SUPPORTED THROUGH THE SPECIFIC BUDGET SUPPORT PROGRAMME

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators. Note also that indicators should be disaggregated by sex whenever relevant.

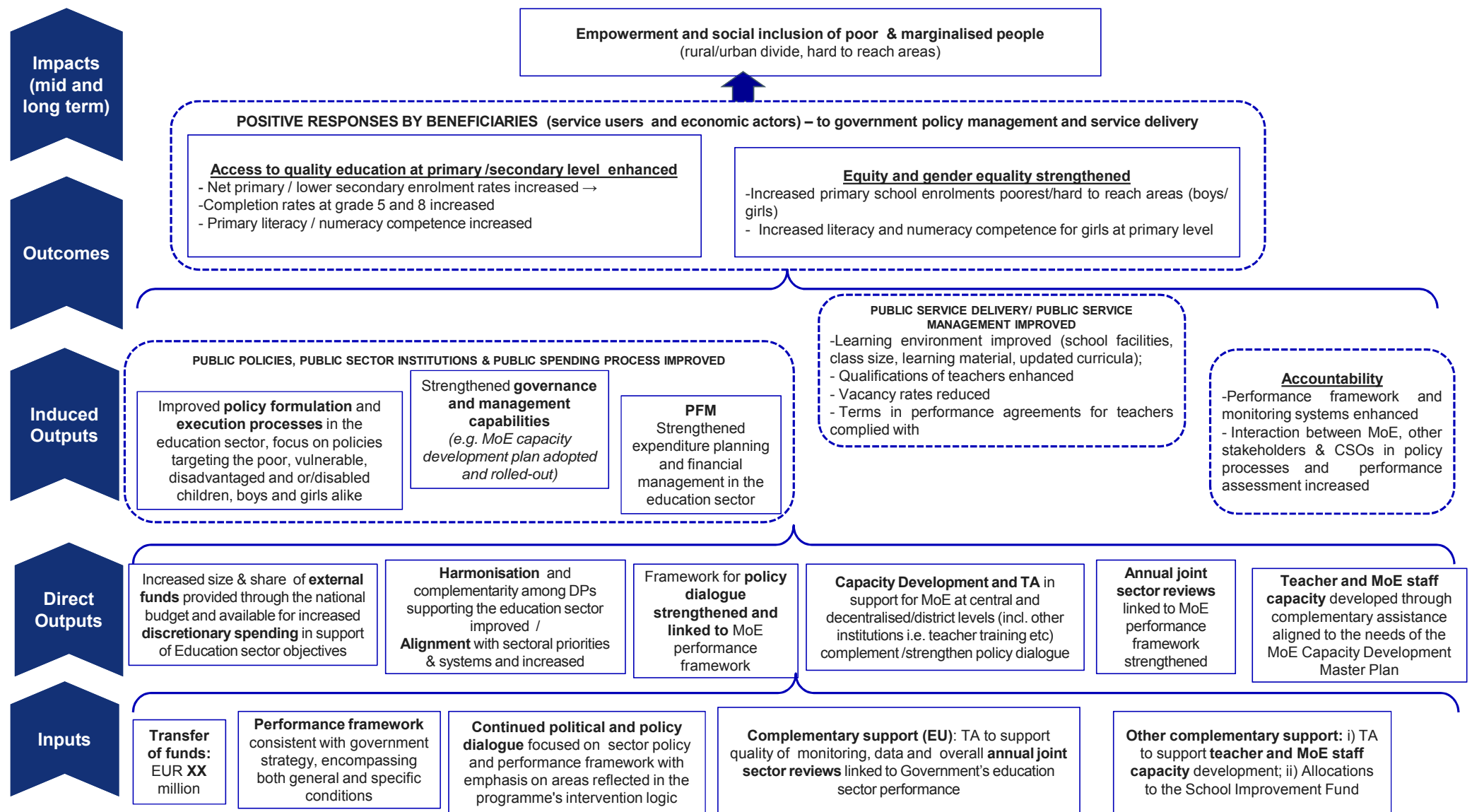
	Results chain	Indicators	Baselines (2015/16)	Targets (2020/21)	Sources and means of verification
Overall Impact	Empowerment and social inclusion of poor people & marginalised people (rural/urban divide, hard to reach areas)	<ul style="list-style-type: none"> Adult literacy rate 15-above 	78.1% (2014)	+5% (2019/20)	<p>MoE annual Education Reports</p> <p>MoE annual education indicators and statistics (EMIS)</p>
Specific objective(s): Outcome(s)	<p>Country xxyy achieves its targets as set in the successive Education Strategic plans (ESP) in terms of equitable access to, and completion of, quality education.</p> <p>SO1: Access to quality education at primary / secondary level enhanced</p> <p>SO 2: Enhanced inclusiveness and equity and quality of primary and lower secondary education</p>	<ul style="list-style-type: none"> Primary education completion rate Lower secondary completion rate Net enrolment rate primary education Net enrolment rate secondary education Student learning achievement scores in grades 5 Student learning achievement scores in grades 8 PISA scores <p>Similar indicators to those above but focusing on gender / minority gaps and poorest / lower performing districts. For example</p> <ul style="list-style-type: none"> Gap between results of minority pupils and the national average in final exams (elementary school, all subjects) 	<ul style="list-style-type: none"> xx % (2016/17) xx% (2016/17) xx % (2016/17) xx % (2016/17) Maths xx% & English xx% (2016/17) Maths xx% & English xx% (2016/17) Xxx (2016/17) xx% (2016/17) 	<ul style="list-style-type: none"> +4% (2019/20) +3% (2019/20) +6% (2019/20) +4% (2019/20) Maths +10%, English +8% (2019/20) Maths +8%, English +6% (2019/20) +5/10 points Reduced by 5% (2019/20) 	<p>MoE annual Education Reports</p> <p>MoE annual education indicators and statistics (EMIS)</p> <p>Annual Report of National Minority Council</p>

	Results chain	Indicators	Baselines (2015/16)	Targets (2020/21)	Sources and means of verification
Induced outputs	IO1: Enhanced public service delivery and Education Sector Plan implementation	<ul style="list-style-type: none"> MoE's capacity development plan (CDP) adopted and rolled out % of teachers participating in institutional training schemes to implement learning outcome oriented curricula and develop students' competences # of qualified and trained subject teachers in English, Science and Maths in primary and lower secondary schools 	<ul style="list-style-type: none"> CDP in the process of being finalised (2016) X% of primary and secondary education teachers are trained to implement learning outcome oriented curricula and develop students' competences (2016) EMIS data collects info on schools and on teachers but not yet possible to identify through EMIS how many schools have full complement of subject teachers (2016) 	<ul style="list-style-type: none"> CDP adopted (first quarter of 2017) & CDP rolled out as per plan (mid 2017) +25% of primary and secondary education teachers receive regular training (2018) & +50% (2019) 50% of upper basic and 30% of secondary schools have full complement of trained Maths, Science and English subject teachers 	<p>MoEYS annual Education Reports</p> <p>MoE annual education indicators and statistics (EMIS)</p>
	IO2: Improved targeting and implementation of policies addressing the poor, vulnerable, disadvantaged and or/disabled children, boys and girls alike	<ul style="list-style-type: none"> pupil /classroom ratios at the primary level # of classrooms (re)constructed as per revised technical standards No. of primary education scholarship recipients 	<ul style="list-style-type: none"> XX:1 (2016) XXXX (2016) XXXX (2016) Low and unequal SMCs in some geographic/population groups. Poor quality of financial record-keeping at school level (2016) XX% (2016) 	<ul style="list-style-type: none"> (XX-5):1 (2016) + 5000 (2019) & +10000 (2020) + 10000 (2019) & +15000 (2020) 	
	IO3: Strengthened governance and management capabilities	<ul style="list-style-type: none"> Level of school management capacity (SMC) and accounting system Percentage of primary and junior secondary school principals and supervisors enrolled in Continuing professional Development Degree of teacher satisfaction with teaching conditions 	<ul style="list-style-type: none"> Low and unequal SMCs in some geographic/population groups. Poor quality of financial record-keeping at school level (2016) XX% (2016) XX% of teachers satisfied with conditions for giving classes (2016) XX% of annual costs budgeted are actually allocated (2016) 	<ul style="list-style-type: none"> All schools have had SMC and Head teacher capacity strengthened (2019) +25% (2018) +25% of teachers satisfied with conditions for giving classes (2019) 	<p>MoF annual reports</p>
	IO4: Improved overall public financial management in the education sector	<ul style="list-style-type: none"> Annual cost for implementation of ESP planned and allocated in state budget for respective years MoE recurrent budget execution rate School improvement Fund (SIF) execution rate 	<ul style="list-style-type: none"> Less than 75% of allocated budget is executed (2016) SIF is being set up (2016) 	<ul style="list-style-type: none"> 100% of annual costs budgeted are actually allocated (period 2017-2020) 85% of allocated budget is executed (2017) then up to 95% (2018-2019) As above 	<p>MoE Department of Finance Reports</p>
					Official statistics

	Results chain	Indicators	Baselines (2015/16)	Targets (2020/21)	Sources and means of verification
	IO5: Strengthened accountability processes and mechanisms	<ul style="list-style-type: none"> Degree of availability and reliability of data on selected indicators; Degree of access, use and dissemination of data collected; # of monitored indicators which are sex-disaggregated # of monitored gender-sensitive / specific indicators 	<ul style="list-style-type: none"> Significant discrepancies between data released by the National Statistical office and the MoE (2016) Access to official statistics is restricted or difficult (2016) XX of indicators are sex-disaggregated As above 	<ul style="list-style-type: none"> Good alignment and correspondence of data between the two key sources (2020) Annual reports published regularly and available on the internet (2019) +10% of indicators informed through sex-disaggregated data (2018) then 20% (2019) As above 	
Direct outputs Direct Outputs	<p>Direct outputs of the budget support component:</p> <p>DO1: Improved financial capability of the government to achieve ESP objectives</p> <p>DO2: Increased use of Government mechanisms for dialogue with donors and stakeholders to coordinate and further align development cooperation with a view to avoiding duplication of activities and relieving the Government from multiple reporting duties</p> <p>DO3: The formalized sector policy dialogue mechanisms are enhanced and linked to sector budget support</p> <p>DO4: Annual joint sector reviews linked to MoE performance framework strengthened</p> <p>DO5: Support to government-led capacity development is delivered through harmonised</p>	<ul style="list-style-type: none"> Number of tranches disbursed in time and as per amount agreed Extent to which MoE-led coordination mechanisms enhances alignment of donor-support measures Number of high-level Coordination Committees (CC) and level of the discussion; / Number of ministries and different stakeholders represented, focus of dialogue (inclusion of cross-cutting issues) / Level of informal exchanges on performance Annual review of progress - in timely manner - to inform decision making / Level and regularity of government-led reporting on results Support to government-led teacher and MoE staff capacity development is provided in 	<ul style="list-style-type: none"> The Government has currently no budget support from the EU (2016) The Coordination mechanism is established but does not fully function (no regular meetings taking place, not all actors / donors invited, focused on isolated actions) (2016) The dialogue mechanisms are under development (2016) Comprehensive performance assessment framework based on the Education strategy approved but structures for monitoring of ESP have limited capacities (2016) 	<ul style="list-style-type: none"> Up to 70% of the disbursement plan completed (2018), up to 100% (2020) The Coordination mechanism is operational and ensures full coordination and alignment of donor support: regular meetings, extensive government and donor participation, measures in support of ESP are discussed, no overlaps of support provided (progressive improvements from 2017 to 2020). The dialogue instances are effectively supporting the implementation of the ESP (at least two high level meetings of the CC per year; dialogue covers both process and contents of ESP, sector-stakeholders and CSOs are associated to dialogue instances (period 2017-2020) Annual reporting in line with the comprehensive performance assessment framework (as of 2017) 	<p>Budget support disbursement files MoF and MoE Department of Finance Reports</p> <p>Minutes of meetings, Donor matrix, reports on donor coordination meetings</p> <p>Education strategy / ESP monitoring report</p>

	Results chain	Indicators	Baselines (2015/16)	Targets (2020/21)	Sources and means of verification
	<p>multi-donor arrangements to support the implementation of the Education Sector Plan</p> <p>Direct Output of Complementary support such as TA: Capacity of MoE at central and decentralised/ district levels (incl. other institutions i.e. teacher training etc) to implement the MoE Capacity Development Master Plan strengthened</p>	<p>alignment to the needs of the MoE Capacity Development Master Plan (CDMP).</p> <ul style="list-style-type: none"> Perception by recipients of TA as a relevant and useful tool (peer to peer exchanges, effective opportunities provided); Number and quality of studies produced (needs assessments, analytical studies, reports) Number of training modules and training plans developed in line with MoE Capacity Development Master Plan N. of forms, templates and instructions drafted to facilitate implementation of MoE Capacity Development Master Plan strengthened Extent to which institutional structures to oversee, coordinate, monitor and report on the MoE Capacity Development Master Plan are in place and operational 	<ul style="list-style-type: none"> MoE CDMP finalized, including a clear distribution of roles among donors active in the education sector (2016) No TA / other TA Zero No quality assessment Zero No quality assessment Zero Structures for oversight, coordination and monitoring of Capacity Development Master Plan are in place with limited capacities 	<ul style="list-style-type: none"> At least 80% of measures envisaged for year 1 by the CDMP implemented with donor support (2017), year 2 (2018),.... Positive / improved perception XX studies produced by 2017 YY studies produced by 2018 (details to be included as per ToRs of complementary TA, e.g. capacity needs assessment conducted at decentralised level - 2017) Acceptable/improving quality XX training modules / training plans produced by 2017 YY training modules / training plans by 2018 (details to be included as per ToRs of complementary TA) Acceptable/improving quality XX forms, templates and instructions drafted produced by 2017 forms, templates and instructions developed by 2018 (details to be included as per ToRs of complementary TA) Structures in place and staffed (mandates and responsibilities assigned); reporting lines established; operational procedures defined and applied; reports produced (progressive improvements from 2017 to 2020). 	<p>Education strategy / ESP monitoring report</p> <p>Interviews, MoE reports, dialogue minutes</p> <p>Progress and final reports of the complementary support TA contracts</p> <p>MoE Capacity Development Master Plan oversight and coordination structures meeting minutes and reports. MoE reports</p>

EXAMPLE OF INTERVENTION LOGIC DIAGRAM: EDUCATION SECTOR



Opportunity framework / Context (enabling and hindering factors)

Country XX – EU partnership: (Stabilisation and) Association Agreement / Indicative Strategy Paper for Country XX; existing policy framework in the education sector (both primary and secondary) and related implementation / action plan;

Context features and feedback processes: existing supporting framework and past experiences.

Assumptions and risks: 1. Persistent and effective Government commitment toward the implementation of the education strategy and the consolidation of the country democratic framework, moderate risk of social / regional inequities. 2. Effective Government policies for macro-economic stabilization to limit the risks connected with high levels of public debt and problematic gross financing needs; 3. Developmental risks: firm commitment to the implementation of the education policy which might be hampered by the absence of a high level strategic leadership and lack of capacity. 4. Moderate Public Financial Management risk with improving but still limited parliamentary scrutiny. 5. Moderate to high risk of corruption and fraud; petty corruption remains an area of concern.

Cooperation with other donors: Primary education (Netherlands, UNICEF, WB); Secondary Education (Belgium, Nether., GIZ). Cross-cutting issues (DFID)

Target groups / involved partners: i) Ministry of Education; ii) Ministry of Finance; iii) CSOs and other stakeholders. **Final beneficiaries:** citizens at large, focus on children from poor, vulnerable, disadvantaged areas, boys and girls alike. **Time Frame:** XX years