

Management Response & Recommendations Action Plan

Evaluation Report Title: Good Governance Fund Midline Evaluation Report

Response to Evaluation Report

An evaluation of the Good Governance Fund (GGF) was carried out between October 2019 and March 2020. The evaluation aimed to assess whether the GGF is contributing to intended outcomes, to provide insight into factors contributing or hindering progress to date, and to generate learning that can inform ongoing and future programming. The primary purpose of the evaluation was to help strengthen the GGF's ability to deliver effective, evidence-based programming in support of countries' stated reform objectives, and to assist in strategic decision making.

We welcome this Midline Evaluation which has provided useful insights into the performance of the Good Governance Fund (GGF). The report provides a number of helpful conclusions and lessons on the delivery of responsive and flexible technical assistance, highlighting projects successes/failures and contributing factors. Specific recommendations are offered to strengthen integration of gender equality across the GGF portfolio. We recognise the challenges of evaluating performance across a broad suite of projects covering a wide range of governance and economic challenges and the limitations of such an approach in terms of attributing results.

The report notes that projects in the evaluation sample have been well targeted to the different challenges and opportunities in each GGF focus country, were aligned with key reform agendas and have responded to government demand. It highlights that the flexibility and adaptability of the GGF and use of different delivery mechanisms is a unique selling point compared to other donors and programmes. The evaluation concludes that most sampled GGF projects successfully delivered the majority of planned outputs and are making a contribution towards GGF outcomes. The report states that in many cases, it is too early to judge if longer-term outcomes will be fully achieved as some projects were still on-going, and given that governance and economic reforms are long-term in nature. There are several instances where support has been given to the development of new laws, policies and procedures, but these have not yet been implemented. The report offers insight into obstacles to implementation, often linked to a change in political commitment or weak institutional capacity. Sustainability is highlighted as an area that requires further attention.

Draft reports were shared with GGF teams and key implementing partners for review and feedback. The report was also reviewed by FCDO's external Evaluation Quality Assurance and Learning Services (EQUALS). There are a number of limitations with the methodology that need to be kept in mind when interpreting the findings reported. These are described in the report, and relate to – among others – variation in the strength of evidence from different sources, some risk of bias in the evidence being reported, inability to generalise findings in some cases, and an inability to fully disentangle the effects of other (non-project) factors to the delivery of outputs and outcomes. The process of finalisation took significantly longer than expected (March 2021 instead of April 2020), due to challenges in developing a robust and cohesive narrative. Given these delays and changes in the GGF, we no longer plan to carry out an endline evaluation.

Findings and recommendations have informed thinking on a potential new phase of the GGF, the inception of a new phase of the Management Fund during 2020, and various improvements across the portfolio. The below table offers further details on what has been done since data collection for the evaluation was completed (March 2020 to date), and lists any remaining planned actions.

Recommendations	Accepted or Rejected	If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection
1) Update the overarching GGF Theory of Change (ToC) drawing on the findings of this midline evaluation and provide guidance on how this can be cascaded down into improved development of assumptions and causal pathways within country level theories of change which in turn can be used to guide stronger project design.	Accepted	<p>As part of the thinking on a potential new phase of the GGF, the Fund-level ToC has been revised and improved. In response to midline findings, the GGF ToC now better mainstreams gender and social inclusion, makes explicit our assumptions around complementarities and building of synergies (between delivery mechanisms, policy and programmes, supply and demand for reform), and reflects the importance of institutional capacity strengthening as well as political access and influence.</p> <p>Guidance on GGF country-level ToCs has been revised, including on the above-mentioned points. This guidance will be rolled out during the first quarter of 2021/2022. The Georgia ToC refresh process (December 2020) integrated findings and lessons from the midline evaluation, including a strengthened focus on influencing and gender mainstreaming.</p>
2) Consider mutually supportive linkages to reform in priority thematic areas in countries, with more attention in particular given to strengthening links between supply side (delivery of reforms by government) and the demand side (meeting the needs of business and civil society).	Accepted	<p>As is noted in the evaluation report, there are already several examples within the GGF portfolio where projects have connected the supply and demand side of reform, and where synergies have been built between thematic areas. The evaluation has helped the GGF to showcase these examples and good practice around this. Several of these projects are continuing into 2021/22, for instance the <i>Transparency and Accountability in Public Administration and Services (TAPAS)</i> programme in Ukraine and <i>Modern Parliament for a Modern Armenia</i>.</p> <p>Opportunities for engaging civil society, enabling civil society to hold government to account and enabling greater engagement between government and civil society/private sector are further explored within ongoing and new projects with IFIs and other development partners.</p> <p>Building strong synergies with other FCDO and HMG programme and policy work remains key and an important driver for this will be the new delivery framework and country business planning process.</p>
3) Include clearly defined capacity building, communications and exit plans into the design of all projects so that technical outputs related to new guidelines, procedures, policies and laws have greater chance of being adopted and used, and thus	Accepted	<p>All project proposals are required to outline how sustainability of results will be achieved from the start of each project, and to include an exit plan. There is a greater focus on building institutional support for interventions at the beginning of projects, to support handover and sustainability. A communication and visibility plan is also requested from all projects. Monitoring of adherence to these requirements is being strengthened. For instance, the Portfolio Management Unit (PMU) of the new Managed Fund established in 2020 been made responsible for the design of Managed Fund projects, quality assuring proposals and monitoring their implementation. The PMU also ensures that the Technical Assistance Facilities (TAFs) have provided all project deliverables which are the basis for milestone payments. All projects have clearly defined communication and capacity building elements.</p>

reform outcomes are strengthened.		The evaluation has highlighted cases where insufficient attention had been paid to building required capacities to ensure uptake and use of technical deliverables. Some of these findings relate to early projects from the start of the GGF. Over time, improvements have been made in terms of consideration of counterpart capacity and sustainability in project design and implementation. Ensuring capacity transfer, however, remains a continuous area of attention for the GGF, which has been more challenging particularly in contexts of high political instability. The evaluation has helpfully highlighted a number of pitfalls and good practices in this area, which we are considering moving forward. We will seek opportunities to build analysis of the effectiveness of different capacity building approaches in TA projects into MEL activities.
4) Strengthen Political Access and Influence analysis in design and monitoring of projects, with strong involvement of government counterparts, so that the political drivers of reform are addressed and associated risks are well managed.	Accepted	<p>A second case study on Political Access and Influence (PAI) was conducted in Georgia in November 2020. Findings from the PAI analyses in Serbia (as part of midline) and Georgia were synthesised in a short paper that formed the basis for a webinar with the GGF network to discuss potential entry points for integrating PAI in our work. Next steps to strengthen integration of PAI will be explored jointly with other programmes operating in Eastern Europe and Western Balkans, building on learning from across the FCDO. The Managed Fund has started tracking the perceived relationship value of projects during 2020/21, and lessons from this trial will help inform next steps.</p> <p>Political Economy Analysis continues to be a key step in GGF programme design. Political Economy analyses have been carried out in all GGF target countries during 2020/2021 to assess drivers and blockers of reform, identify entry points and potential risks – in most cases focussing on specific sectors. These analyses will continue to be updated regularly and will be used to inform project design.</p>
5) Focus on fewer thematic priorities per country and remain in those areas for the medium to long term, with strong systems of adaptive learning and use of 'break-points' to refine support in line with the changing context for reform.	Accepted	<p>As is captured in the evaluation report, the phasing and clustering of projects has often worked well, as projects have been planned to open up opportunities for further interventions. Building on relationships and trust established through subsequent projects has been important in strengthening stakeholder buy-in. We agree that a medium to long-term perspective and presence is needed, though note that this may be achieved in collaboration with other donors and multilaterals that can provide longer-term support (e.g. a short-term intervention unlocking greater support through a loan). Country-level ToC refresh processes and PEAs will continue to help ensure that GGF portfolios respond to changes in the context.</p> <p>The Managed Fund has in 2020 introduced regular strategy testing sessions at project level, and a process for managing change requests, to support the delivery of flexible and adaptive technical assistance. We will compile relevant guidance during the first quarter of 2021/22 on ways to support adaptive learning across projects. It is our assessment that formal break points will not always be appropriate due to the short duration of many GGF technical assistance projects.</p> <p>The evaluation report does not discuss the number of thematic priorities per country, or offer a specific recommendation in relation to this. Priorities will be determined in the context of country business planning</p>

		processes, responding to HMG priorities in country, and will be informed by the above-mentioned country-level ToC process.
6) Retain the same three funding channels for the next round of GGF but provide clearer guidance on how these can be used in a mutually reinforcing way to support wider strategies of demand-led reforms.	Partially accepted	This recommendation and associated findings are particularly relevant for the design of a potential new phase of the GGF. During the final year of the current phase of the GGF, programme delivery will be through projects with International Financial Institutions (IFIs), multilaterals and other donors; with some Strategic Support Fund projects. The Managed Fund will no longer fall under the GGF Business Case but will continue in Ukraine with funding through other programmes (and it is for this reason we accept this recommendation partially). Consideration of GGF lessons in country planning processes will therefore be important. The upcoming Review of the GGF (June-July 2021) will also consider how CSSF and GGF can be more coherent.
7) Perform and share regular assessments at the Fund level of the technical opportunities and funding sources for project scale-up within GGF countries and for replication across sectors and countries.	Partially accepted	<p>The evaluation captures examples of how learning from one country has been applied to other countries, such as energy reform in BiH and North Macedonia. GGF has expanded work in e-government in BiH, building on the experience in this area in Georgia, Ukraine and Serbia.</p> <p>The second phase of the Managed Fund (inception started in May 2020) has been set up in a way to support project- and portfolio-level adaptations during design and implementation. The Portfolio Management Unit conducts routine checks and context assessments to be able to plan programming adaptations and identify which projects are succeeding and are candidates for scaling and replication and which projects are failing and may be closed out and analysed so that weak links in project design are not repeated. It should be noted that the Managed Fund will only continue in Ukraine from April 2021 onwards.</p> <p>As noted, during the final year of the current phase of the GGF, programme delivery will be through projects with IFIs, multilaterals and other donors. The number of new projects starting in 2021/2022 is limited, including due to the fact that some projects have been extended following delays caused by the COVID-19 pandemic and political instability. We will therefore reconsider this recommendation at a later stage (it is for this reason we partially accept the recommendation). In the meantime, we will continue to invest in mechanisms to facilitate exchange around approaches and sectoral lessons, for instance through governance and economic network meetings.</p>
8) Invest in understanding and addressing Gender and Social Inclusion (GESI) within GGF, particularly with more analysis of barriers and opportunities at the design stage and better Monitoring, Evaluation &	Accepted	As outlined in the report, the midline evaluation focused on gender equality rather than gender equality and social inclusion. The deep dive report on gender that was produced as part of the midline evaluation offers a set of good practices to promoting gender equality in projects. These were shared and discussed with the GGF network. With the support of regional gender advisor(s), we intend to increase exchange of experiences and learning between teams. We will produce a note to summarize the key points from the mentioned deep dive report for partners, and will continue to look for opportunities to replicate some of the good practice identified across the GGF portfolio. HMG Gender Action Plans across the regions serve as

Learning (MEL) of GESI related outcomes.		<p>the key accountability tool for demonstrating progress in advancing gender equality through policy and programmes.</p> <p>Action taken since data collection for the midline has been completed including: commissioning of analysis on entry points for disability inclusion work and women's economic empowerment programming, production of a guidance note on how to overcome typical challenges related to influencing IFIs to better integrate gender into their project-level reform work.</p>
9) Conduct studies which assess the VfM of GGF approaches in a sample of thematic areas to understand better efficiency, effectiveness and equity at the portfolio level.	Accepted	<p>The GGF is a programme of technical assistance, with many projects, rather than traditional development interventions. As such, it is often intended to leverage greater value from the use of public sector resource, or improve or protect the deployment of public sector resources. The GGF has a VfM framework and will be reviewing this in the light of recent HMG Green Book additions. However, it is not always possible to make meaningful comparisons of VfM across the GGF programme, as the projects are not always comparable. Therefore alternative methods need to be explored.</p> <p>The GGF advisers will continue to enhance the rigour and challenge provided by our current VfM methodologies, and advocate for greater monitoring of portfolio-level costs and efficiency across the GGF. There will be a greater focus on cost effectiveness.</p> <p>The change in the UK's ODA priorities in late 2020, as well as the restrictions on use of ODA in middle income countries, will continue to be the primary determinants of where GGF technical advice is deployed. VfM will act to inform use of these funds, rather than solely drive the policy decision making.</p>
10) Develop country level results frameworks (with strong inclusion of VfM and gender), supported by generic guidance on outcomes and indicators related to thematic areas, and build up the integrated GGF project results database to allow better analysis of GGF performance against baselines and tracking of outcomes over time (at the level of the project, country and thematic area).	Partially accepted	<p>While we agree with this recommendation, the value of country level results frameworks for the GGF has reduced for 2021/22 now that the Managed Fund is no longer part of the GGF and the number of projects has reduced. This recommendation is, however, relevant for a potential new phase of the GGF. An initial outline for a revised results structure for the GGF that responds to issues raised in the midline has already been developed.</p> <p>During 2020, the Managed Fund has trialled the development and use of country monitoring frameworks to address some of the challenges around aggregate and cumulative reporting. The learning of this will be used to inform any future work.</p> <p>An integrated project results database across delivery strands has historically been challenging due to the fact that GGF operated across former FCO and DFID systems. Any decision regarding investment in an integrated database should be taken in the context of a potential new phase of the GGF. It is worth mentioning that the Managed Fund already has an extensive results and learning database in place.</p>