

*Emerging Good Practice in
Managing for Development Results*

SourceBook

3rd Edition



A unique opportunity



to experience MfDR in action!



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Putting together the third edition of the Sourcebook has been an exciting process. We hope that this Sourcebook will contribute to the discussion on MfDR and be a valuable resource for people interested in achieving better development results!

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Preface

There's an old adage that if you want to know whether you are a leader, you should look behind you. If the only people standing behind you are there because they have no choice, then you are probably not leading. If they are there because you inspire and empower them, then you are leading.

Managing for development results (MfDR) requires leadership to set and achieve goals. More specifically, a serious MfDR process requires committed individuals willing to spend political capital to reform entrenched systems, shape a shared vision of the future, and improve government performance. These are not flashy causes, and they take time to accomplish. They require leaders with the integrity to persist in the face of challenges.

Experience suggests that there are at least six important MfDR leadership functions:

- 1) **Generating** solid commitment to enhance the ability of government agencies to manage for results;
- 2) **Building** broad support for national plans that include results and articulate outcomes and targets;
- 3) **Demonstrating** by deed as well as by declaration that evidence about results informs policy and budget priorities, and is used for learning to improve performance;
- 4) **Mobilizing** the human and financial resources needed to get the job done;
- 5) **Motivating** and empowering people to work together to achieve key results; and
- 6) **Creating** an organizational culture in which having information about performance and results is a priority, and performance information is reported candidly and used for improvement, not punishment.

The cases presented in this volume include instructive and inspiring examples of leaders carrying out these functions. Having worked on public management reform in many countries for more than three decades, I am pleased to bear personal witness to many such cases and to the somewhat remarkable – and to me, unexpected – interest in MfDR by senior officials in recent years. This leadership often comes from expected quarters – visionary heads of state, Ministers of Finance and Planning, and leaders of donor organizations. It is also seen in otherwise unsung professionals who serve in positions such as Budget Director, Director of Statistics, Governor, Mayor, head of a Parliamentary Committee, or leader of an NGO devoted to improving government performance. In some ways, these are MfDR's true heroes.

The 2004 Marrakesh Roundtable on MfDR noted the following principles as central: (1) focusing the dialogue on results at all phases of the development process; (2) aligning programming, monitoring, and evaluation with expected results; (3) keeping measurement and reporting simple; (4) managing for, not by, results; and (5) using results information for learning and decision-making, as well as for reporting and accountability. None of these principles is easily put into practice, and none can be realized without determined leadership.

In most countries, the process of institutionalizing MfDR spans numerous changes in political leadership, with much of that time taken up by important but relatively unglamorous efforts to change core systems or even build ones where they did not exist before and assemble a valid empirical basis for decisions. For this reason, it is critical that the change effort develop constituencies inside and outside of government by focusing on a clearly felt need within the country. It is equally important that the effort not be seen as partisan or donor-driven.

I encourage those who think of themselves as leaders and those who do not, but want to encourage leadership in MfDR, to read this Sourcebook and its predecessors with an eye to the roles individuals play in making change possible, lifting government's sights from money spent to outcomes achieved, and thereby improving people's lives.

Larry Cooley
President Management Systems International

I. Introduction

Managing for Development Results (MfDR) is about achieving the results of development initiatives and can have dramatic impacts on people's lives. MfDR, as a concept, centers on holding international agencies, governments and individuals accountable for delivering results to the citizens they seek to assist. Ultimately, managing for results should lead to a sustainable improvement in country development outcomes through country systems.

Since the International Roundtable on Results in Marrakech in 2004, two editions of the Sourcebook have been published. The first edition examined how countries and donor agencies are managing for results at national, sector and agency levels, and the second edition explored how MfDR works for political decision-makers, technical practitioners, the private sector, and non-governmental organizations (NGOs). Both of these editions can be accessed online at <http://www.mfdr.org/sourcebook/>.

The third edition of the Sourcebook documents MfDR leadership, surveying how leadership drives effective organizational change for results. By focusing on observable and replicable interventions, the cases in this edition of the Sourcebook aim to provide practitioners at many levels and in many contexts with solution-oriented examples of MfDR in action.

Several important elements emerge from all the cases as fundamental to the success of MfDR efforts:

- Strong support from both the top and lower levels is needed to ensure that MfDR implementation is sustainable;
- MfDR reforms must be prioritized by the state and must complement existing initiatives, strategies and national development plans;
- It is crucial to build the capacity of MfDR practitioners by providing training and access to sufficient operational capacity and suitable business systems, and by empowering leaders to test out new approaches that may enhance MfDR in their organization;
- The availability of reliable data and Monitoring and Evaluation (M&E) systems has proved to be a very important and consistently challenging aspect for many of the countries, agencies and individuals featured in these cases.

The importance of leadership to successfully institutionalize MfDR

Delivering results requires leadership to change values, attitudes, and organizational behavior. As many of our Sourcebook cases show, leadership means much more than being at the top of a hierarchy: it requires dedication, vision, and creativity. In fact, effective, results-based leadership “frees productivity from the constraints of hierarchy and the limitations of position.”¹ That's not to say that high-level support for MfDR is not important. Quite the contrary: almost every case in this Sourcebook mentions the importance of top-level support to ensure sustainable commitment and buy-in. Such support provides direction and coordination for those who are actually managing for results. Ideally, strong leadership in MfDR should foster efficiency and accountability that is unhindered by the traditional constraints of bureaucracy and hierarchy, empowering staff and subordinates to develop a vested interest in achieving development results. This usually requires major changes in management systems and practices throughout an organization.

MfDR requires not only the long-term commitments of leaders, but also their active support and visible participation in each stage of the results chain. The results chain clearly reflects the cause-and-effect relationship between development interventions and the intended impacts.

¹ Results-based Leadership: How Leaders Build the Business and Improve the Bottom Line. David Ulrich, John H. Zenger, Jack Zenger, W. Norman Smallwood. Harvard Business Press, 1999.

Results Chain

How should this be implemented?		What should be produced?	What outcomes do we expect from this investment? (How are outputs used?)		Why should we do this?
Inputs	Activities	Outputs	Short-term outcomes	Medium-term outcomes	Long-term impacts

Putting in place and sustaining change takes time and sustained leadership. Changes that challenge entrenched procedures are sure to encounter initial resistance and often require several approaches and attempts. Experience in reforming bureaucratic culture shows that it takes about five years of consistent effort to institutionalize results-based approaches.² In many countries, MfDR reforms span several political transitions, reinforcing the importance of commitment and support for MfDR at all levels, not just the top.

Case Selection and Distribution

The Sourcebook Review Panel judged cases according to strength and content, leadership, replicability, target audience, and problem solving. Of the 34 cases submitted in an open call for emerging good practices in results leadership, the Review Panel selected 17 cases for publication in the Third Edition of the Sourcebook. Bullet points are provided at the beginning of each case to highlight their most important leadership and MfDR elements. The cases are divided into three categories of leadership: country leadership, institutional leadership, and individual leadership.

	<i>Individuals</i>		<i>Institutions</i>		<i>Countries</i>
<i>Level</i>	<i>Political</i>	<i>Technical</i>	<i>International</i>	<i>NGOs or private</i>	<i>National, subnational, or local governments</i>
Definition	President or minister	Chief of agency or sector, employee, independent adviser	Agencies	National or international	Ministry and national or local agencies
Action	Initiate, champion, and support process to produce a change in MfDR that affects the nation or goes beyond a ministry/sector	Implement and enable process through which expert knowledge and research related to MfDR can be applied	Support process and reforms to produce a change in MfDR that affects the institution and its clients	Facilitate process to produce a change in MfDR that affects the institution and its stakeholders	Implement process to develop a results-based culture within or across organizations
Cases	Afghanistan, Colombia, Honduras, Kyrgyz Republic, Sri Lanka	Chile, Guinea Bissau/DRC, Kenya	AFD, IFAD	Brazil Ceará, Development Gateway	Cambodia, Morocco, Niger, Pakistan, Yemen

The Sourcebook as a living document

Like previous editions of the Sourcebook, this book is intended to be a living document. Though it cannot provide predetermined steps or formulas, it documents some examples of emerging good practices. As new examples emerge and more countries and agencies gain experience in MfDR, the members of the OECD DAC Joint Venture on Managing for Development Results hope to include new case studies in another edition of the Sourcebook. In the meantime, the Sourcebook website—<http://www.mfdr.org/sourcebook>—will provide some of the latest information on MfDR.

² Mayne, John (August 2005). *Challenges and Lessons in Results-Based Management*. <http://www.adb.org/Documents/MfDR/Community-of-Practice/Mayne-challenges.pdf>

II. MfDR in the Global Context

Stefan Schmitz, OECD

Governments are challenged to respond to the urgency of their citizens' needs and to be more accountable to them. All over the world, tight budgets and new scarcities are casting their shadows within a changing international environment. This, combined with an increasingly demanding public, is putting governments under growing pressure to show that they are providing good value for money. More and more, they are challenged to be transparent and to demonstrate results.

Have policies, programmes, and projects led to the desired results? Today what counts is not so much how many clinics have been built, but whether citizens' health has improved; not how many schools have been constructed, but how many girls and boys are better educated; not how many dollars were loaned to a country, but whether the country has less poverty.

Managing for development results (MfDR) means focusing on concrete effects at all phases of the national development process. A concrete structure and set of tools have been developed to enhance government performance and to boost accountability at all levels. The MfDR approach embodies generally accepted tenets of good governance – setting clear objectives, evidence-based decision-making, transparency, and continuous adaptation and improvement.

What is managing for development results?

The MfDR approach has emerged as a centerpiece of global efforts to improve the effectiveness of public management and is widely seen as representing best practice in this field. It is increasingly applied in developing countries and parallels a movement in many OECD countries known as results-based management.

MfDR centres on gearing all human, financial, technological, and natural resources – domestic and external – to achieve desired development results. It shifts the focus from inputs (“how much money will I get, how much money can I spend?”) to measurable results (“what can I achieve with the money?”) at all phases of the development process. At the same time, MfDR focuses on providing sound information to improve decision-making. This entails tracking progress and managing business on the basis of solid evidence and in a way that will maximise the achievement of results.

MfDR implies that goals are clear, measurable, limited in number, and concrete, with time-bound targets. At the same time, they must be expressed in human terms (i.e., as development outcomes). For this reason, MfDR is more than a methodology: it is a way of thinking and acting, built on a practical toolbox for improved public management.

The “MfDR cycle” involves five core components or stages:

- setting goals and agreeing on targets and strategies;
- allocating the available resources to activities that will contribute to the achievement of the desired results;
- monitoring and evaluating whether the resources allocated are making the intended difference;
- reporting on performance to the public;
- feeding back information into decision-making.

The development of a “performance culture” and the full implementation of MfDR are not easy. A lot of effort is required to create the internal preconditions for results management through targeted organisational and human resource development. But capacity development is not enough. Firm leadership and political

will - over a prolonged period of time - are also essential if these capacities are to be developed and used in the pursuit of MfDR. The role of leadership in setting the course and constantly clarifying the core functions and objectives of an organisation is fundamental, but more important, it is vital in providing the model for the behaviour and attitude that are needed to support a results orientation.

The push for results

In today's world, it is essential to provide evidence-based information about public sector performance to meet the public's need to know, create political transparency, and enable governments and politicians to guide their performance and learn ways to improve it. The provision of meaningful and timely information on performance also encourages greater emphasis on planning and offers good indications of what is working in government and what is not. In developed countries, this trend has mainly been driven by growing public demands for information, combined with increasing spending constraints. Developing countries, on the other hand, have been pushed mainly by the call for the efficient use of resources for poverty reduction and policy reform.

In the international arena, numerous initiatives have underpinned this push for results. The Millennium Development Goals (MDGs) are probably the best known and most ambitious global commitment to results-based poverty reduction. The agreed MDG goals, targets, and indicators provide the basis for measuring progress and the effectiveness of aid. The Monterrey Consensus, adopted in 2002, encompasses a commitment by developed countries to increase levels of aid in conjunction with better governance, policy reform, and a greater focus on development effectiveness on the part of the developing countries.

The emergence of several heavily indebted poor country (HIPC) initiatives and of a growing number of national poverty reduction strategies also testifies to a strong international commitment to provide more and better aid in parallel with improvements in policymaking in developing countries. Within this framework, all development partners are bound to mutual accountability, transparency, and achievement of measurable results.

The Paris Declaration on Aid Effectiveness, adopted in 2005, reflects a broad consensus on how best to reform aid to contribute to these commitments. The most distinguishing feature of the Declaration is the shared nature of the commitments, including an emphasis on the way in which improvements in donor practices go hand-in-hand with the strengthening of country systems and institutions.

MfDR in the context of aid effectiveness

The focus on results makes MfDR central to the entire aid effectiveness agenda. It means that stakeholders push partner country governments and donor agencies to demonstrate results – in other words, the effectiveness of aid. It means that donors and recipients oblige each other to demonstrate that they are meeting their commitments and promises. The accountability of partner country governments and donor agencies to their respective publics is complemented by mutual accountability between donors and recipients – and it is MfDR that serves as the crucial basis to make this mutual relationship real.

With relation to the aid management and effectiveness principles that form the basis for the Paris Declaration, MfDR is closely linked to ownership, alignment, and harmonisation. But MfDR reaches far beyond aid management. It addresses the entire development process in partner countries and guides the allocation of all development resources in the most effective way. Independent of aid relationships, MfDR comes to bear directly on domestic issues of leadership, governance, and accountability, making it a fundamental political axis instead of a simple “planning and management tool.”

There is growing agreement that MfDR should form the basis for country-owned systems that donors and partners are jointly committed to support. Country-based monitoring and evaluation, and the underlying statistical capacity, are essential to make these systems strong. Reliable performance monitoring frameworks not only permit greater accountability and more credible feedback on the effectiveness of aid; they also

encourage donors to refrain from imposing their own monitoring and reporting requirements, relying instead on sound country-defined criteria.

Only relatively recently has MfDR begun to be given intensive attention. To move forward, donors and recipients need to continue to increase their emphasis on performance, capacity building, and development of results-oriented frameworks. Over recent years, the focus on aid effectiveness has served as a catalyst for MfDR. In the coming years, it could continue doing so, provided that country ownership and the wider implications of public sector management are acknowledged. Aid management, although of crucial importance, is part of the process – but not the process itself.

The establishment of a stronger “performance culture” remains a challenge not only for developing country governments, but also for donor organisations. In responding to this challenge, donor agencies are increasingly pushed to establish consistent sets of internal procedures and incentives that will reward their employees for achieving sustainable and long-term return on investments, and not simply for accounting for the use of donor resources.

III. Case Studies

Case Studies at Individual Level

Afghanistan: *Minister Ehsan Zia and the National Solidarity Programme*

Colombia: *President Uribe's Role in Transforming Public Sector Management*

Honduras: *The Leadership of President Manuel Zelaya Rosales*

Kyrgyz Republic: *Minister Japarov's Role in Fostering Results for Development and Trade*

Sri Lanka: *Mrs. Dhara Wijayatilake's Role in Institutionalizing MfDR in Government*

Chile: *Mario Marcel's Commitment to Budgeting for Results*

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Kenya: *Sylvester Obong'o's Commitment to Results for Kenyans*

Afghanistan:

Minister Ehsan Zia and the National Solidarity Programme

Renata Pistone³

- Minister Zia's leadership has emphasized the importance of accountability and local participation throughout the National Solidarity Programme (NSP). The NSP has developed a complex chain of accountabilities in order to take into account different capacities, mandates, ownership levels, roles, and positions of all actors, from donors to beneficiaries
- In communities reached by NSP, there has been significant evidence of empowerment of Community Development Councils (CDCs), improved community relations, and increased public faith in the system of government.
- This case is evidence that the National Solidarity Program is a replicable model for community development in countries emerging from conflict.

1 Introduction

The National Solidarity Program was launched in 2003 by Afghanistan's Ministry of Rural Rehabilitation and Development (MRRD). NSP is widely recognized as the flagship programme for rural development and democratic governance, and still remains the country's most significant and transparent development program at the community level (www.nspafghanistan.org). For the first time in the history of Afghanistan, the NSP has established legitimate governance structures through a genuine process of empowerment, promoting the active participation of the people in the process of development. The process of democratically electing Community Development Councils has provided a great opportunity for people in rural Afghanistan to learn about the reality of democracy and how they can influence their own destiny. Through this bottom-up approach to democratisation, NSP is creating the social cohesion necessary for the consolidation of peace and future prosperity in Afghanistan.

The MRRD is led by H.E. Mohammed Ehsan Zia, a former refugee who lived in Pakistan for 16 years. Minister Zia joined MRRD as a Policy Advisor in 2002. He was appointed Deputy Minister for Programs in January 2004, and he assumed his duties as Minister of Rural Rehabilitation and Development in May 2006.

2 Leadership and MfDR

Personal Character

No program can be successful without strong, dedicated, and clear leadership, and Minister Zia has demonstrated each of these splendidly in his role as Minister. He maintains a hands-on style, engaging with every level of stakeholder to understand the full complexity of Afghanistan's development challenges and ensure that programming under his ministry is accountable and addresses the needs of Afghans. For example, during a two-day conference in Herat, he was approached by a chicken farmer who related the difficulties he had on his farm. Zia immediately asked to visit the farm, an hour's drive from the city, and spent a full hour with the farmer to fully understand the issue. It is such interaction with stakeholders at all levels that allows him to forge an informed path forward.

"Afghanistan is its villages" Minister Zia has said, meaning not only that the majority of Afghans live in villages, but also that the country's history, culture, and future are inextricably tied to the development of its rural areas, which have been hardest hit by Afghanistan's decades of dilapidation and destruction. Zia seeks to

³ For questions on the content of this case study, please contact Dave Metcalfe, Director of Results and Accountability – Afghanistan Task Force, Canadian International Development Agency (CIDA), Dave.Metcalfe@acdi-cida.gc.ca

find solutions to regenerate rural Afghanistan, and he continues to improve the country's accountability systems to ensure that this objective is being achieved.

In an environment of insecurity and instability, Minister Zia has frequently demonstrated his moral and personal courage. For example, unlike most Kabulis, he visits the provinces. In one instance, he insisted on visiting a bridge project 45 minutes north of Kandahar, despite the significant security concerns of his staff. In another trip to Uruzgan province, the fact that his residence came under fire did not deter him from completing his visit as scheduled. He has noted that he is willing to take manageable risks to reach out into rural areas to demonstrate his commitment to rural people.

Innovative Measures for National Coverage

NSP is a pooled funding initiative overseen by the World Bank and supported with funding from numerous donors, including Canada. As the organization that has nominated Minister Zia for recognition as a results leader, CIDA has been a major supporter of the NSP and is also collaborating closely with the Government of Afghanistan to accelerate the rollout of the program in the challenging context of Kandahar Province.

NSP is implemented by a consortium of 28 Facilitating Partners. With this ambitious program of local participation, NSP had to develop a complex chain of accountabilities in order to take into account different capacities, mandates, ownership levels, roles, and positions of all actors, from donors to beneficiaries. Minister Zia is personally committed to the accountability of NSP (and all MRRD programs) as denoted by his message on the MRRD website: "Our commitment is to demonstrate to our public and the international community that our Ministry is a competent and accountable institution, using public funds for the good of our nation." To ensure the accountability and transparency of the national program, every category of actor had to be held responsible according to a given set of criteria.

The NSP Monitoring and Evaluation (M&E) Department coordinates M&E tasks by liaising with NSP stakeholders in the collection and reporting of required data. For the Facilitating Partners, accountability was ensured through mandatory performance on the basis of outputs: number of communities mobilized, quantity of CDCs elected, subprojects completed, etc. The focus on outputs, although quantitative, is appropriate for such an early stage of community development that is occurring in a context of insurgency and following numerous decades of conflict. This is not to say that there is little qualitative evidence of progress: establishing CDCs has also facilitated sector networking to allow communities to access more resources and funding in the same sector.

Systems to Strengthen Results-based Management

Early on, MRRD's partners established some of the highest standards in the field (in terms of their framework and supporting materials), while still seeking to continue improvements. The NSP has an implementation framework that includes a methodology for providing direct financing to communities; a transparent election procedure for community institutions; and community management of reconstruction and development. This methodology focuses on developing and strengthening inclusive community institutions through participatory planning and resource management.

Materials and manuals aimed at training community-level facilitation teams have been prepared by several Facilitating Partners, including UN-Habitat, whose training manuals are widely used, or used in modified forms, by other Facilitating Partners, including Sanayee Development Organization and Aga Khan Development Network.

Minister Zia has demonstrated his commitment to results-based management (RBM) by seeking out ways to strengthen MRRD's own internal RBM resources, including training through a Canadian nongovernmental organization. As planned outcomes of this project, unit staff will be well versed in results-based planning, monitoring, and evaluation, and results-based frameworks will be developed for each of the MRRD programs. Minister Zia furthers the capacity of his ministry by holding professional development sessions for

senior and middle management staff. He also encourages wide sharing of information and lessons learned through weekly management meetings.

A revised Performance Evaluation format was adopted as a result of an end-of-cycle analysis in September 2007, and training on its use began with the NSP/MRRD senior headquarters managers. Follow-on training for regional and provincial managers, heads of units, and senior and junior officers followed in April 2008.⁴

3 Results Achieved

NSP Direct Results

Minister Zia's commitment to transparency, accountability, and delivery of results is made evident throughout the MRRD website. Monthly updated webpages, press releases, reports, and testimonials are posted on the website, providing ample information on program results. According to the World Bank's December 2007 quarterly report for the Afghanistan Reconstruction Trust Fund, "NSP has been so successful and is in such great demand by the population that the program has rolled out faster than available funding."⁵ As of May 15, 2008, NSP covered 32,455 villages in 351 of the 398 districts across all 34 of Afghanistan's provinces. As part of this coverage, a total of US\$460 million in block grants have been disbursed.

NSP Impact – Building Governance and Stability

The governance impacts of NSP were assessed during a midterm evaluation by the University of York in 2005-06. The evaluation concluded that, in communities reached by NSP, there was significant evidence of empowerment of CDCs, improved community relations, and increased public faith in the system of government. Case studies conducted as a part of the evaluation found that while the composition and functions of CDCs varied considerably between communities, they were emerging as legitimate local governance institutions.⁶

Similarly, a recent study by the Centre for Strategic and International Studies found that "the CDCs and tribal *shuras* are seen as more responsive to Afghan needs than provincial governments and provincial councils, and in many cases are the only sign of improvement villagers have seen in the past five years."⁷

In November 2007, the second national CDC Conference in Kabul brought together over 600 delegates from around the country, over one-third of whom were women. According to the World Bank, "The conference deliberations made it clear that CDCs constitute a vocal part of Afghan civil society, which is ready to make substantial contributions to local development."⁸

The strength of NSP that is highlighted above—the inclusion and participation of stakeholders at the community level—was identified early on as crucial by Minister Zia in one of his papers on peacebuilding: "When the local community is sufficiently involved, peacebuilding becomes a realizable dream."⁹

There are also indications that the presence of NSP correlates with stabilization in a locality. In an interview with Canadian magazine *Macleans* in 2007 during a visit to Canada, Minister Zia stated of NSP subprojects, "No projects themselves have been the subject of insurgent attacks." The education sector alone provides

⁴ Ministry of Rural Rehabilitation and Development (March 2008), *National Solidarity Program Quarterly Report 22, December 2007 to 19 March 2008*, page 17.

⁵ World Bank (December 2007), *Afghanistan Reconstruction Trust Fund: Third Quarter of the Afghan Fiscal Year 1386, September 23, 2007, to December 21, 2007*, page 29.

⁶ Barakat, Sultan (May 2006), *Mid-Term Evaluation Report of the National Solidarity Program*, University of York: Postwar Reconstruction and Development Unit, London.

⁷ Patel, Seema (March 2007), *Breaking Point: Measuring Progress in Afghanistan*, Centre for Strategic and International Studies, Washington D.C., page 43.

⁸ World Bank (December 2007), *Afghanistan Reconstruction Trust Fund: Third Quarter of the Afghan Fiscal Year 1386, September 23, 2007, to December 21, 2007*, page 29.

⁹ The Prospects of Peace in Afghanistan, Mohammed Ehsan Zia: <http://english.nca.no/filemanager/download/168/Afghanistan.pdf>

evidence of this claim: through the NSP, 196 schools have been constructed in 18 provinces to date, and only five attacks on NSP-built schools have been reported, half of which occurred in Kandahar, Helmand, Ghazni, Khost and Balkh.

Block Grant Window for District School Rehabilitation

In 2004, the Cabinet of the Government of Afghanistan endorsed a request by the Ministry of Education for a window for block grants for district school rehabilitation. The district school rehabilitation “window” created an institutional framework for joint planning between community representatives and local government officials at the district level, with potential block grant funding of up to \$US 525,000.

Transparency and Accountability

In February 2007, NSP won the MfDR Results Marketplace Mutual Accountability Award. Later that year, in December, the World Bank Report on Public Financial Management reform in Afghanistan urged donors to support the transparency agenda by encouraging participatory monitoring of project results through the proven model introduced by NSP:

The National Solidarity Program requires that CDCs, assisted by facilitating partners, monitor progress of project implementation based on a few selected key indicators; and the information be made available to communities by CDCs through regular briefings and information sharing. A community participatory monitoring system, being piloted, will monitor procurement, financial management, implementation and maintenance of the subprojects as well as facilitating partners’ performance.¹⁰

NSP also demonstrates its transparency through its website, providing quantitative and qualitative information on outputs, beneficiaries, and social changes attributable to their program. Regular newsletters in Dari, Pushto and English are also posted, with an effort to maximize public awareness of its efforts and results.

Catalyst for Change

NSP has served as a catalyst for change in other sectors. The NSP has had a considerable impact on the development and transparency of Afghanistan’s banking / financial sector. As a result of the NSP, Da Afghanistan Bank, the country’s central bank, was able to establish district and provincial branches across the country, gaining the trust of villagers who entered the banking system and generating greater demand for banking services. The process has also improved the visibility and legitimacy of Da Afghanistan Bank.

NSP has also demonstrated its impact on individual Afghans. MRRD’s website provides testimonials from Afghans across the country who relate the difference NSP investments have made to their lives. For example, Zabiullah, resident of Sansiz village in Jozjan province, is a Grade 12 student who benefits from a school project financed by NSP:

Before we had a school in the village, we had to go 3 Km on foot to study in a tented school under the hot and burning sun. We had great difficulties in our daily commuting. As we felt tired so we did not give enough attention to our studies. Fortunately, through NSP we constructed a school for ourselves. We really appreciate it that NSP is providing assistance for the people and we are so happy with its efforts.

¹⁰ Report No. 42166-AF (January 2008), *Afghanistan—Building an Effective State: Priorities for Public Sector Reform*, World Bank: Washington D.C., page 56.

Badruddin, who is the head of the Community Development Council of Hassan Abad village, talks about his community's drinking water shortage:

Lack of water was a major problem for our village. The women used to have to go 3-4 Km to bring drinking water. But then all the villagers got together and decided to give the priority to the drinking water project. Now, two water ponds have been constructed in the village, and we have access to clean and drinkable water.

The requirement of women's CDCs as a condition of funding has helped bring about greater gender equality in the development of Afghanistan's conservative rural environment. MRRD notes that, "Before NSP, women were not permitted to participate in rural institutions, thereby excluding half the population from any recognized voice in community affairs. With the introduction of CDCs, equal representation for women is actively promoted, and on average, 35 percent of the CDC representatives are female."¹¹

4 Lessons Learned and Challenges Overcome

Facilitating Partners have noted that the major strengths of the program design are (a) the transfer of funds directly to communities, enabling a strong sense of ownership of the program; and (b) democratic elections held through secret ballots, which ensure that poor and marginalized people are included in decision-making processes. Key lessons learned from the NSP, which have relevance to other conflict regions, include the following:

- Initially, many religious scholars rejected the NSP (and anything associated with the new central government or international organizations). It became important, from the beginning, for Facilitating Partners to engage in discussions with mullahs on the role of Islam in development, referring specifically to passages from the Quran on the individual's responsibility for improving his/her own life, as well as its inherent endorsement of women's participation in development activities. These dialogues led to the establishment of province-level Special Action Committees for Religious Affairs (SACRAs) to formally engage religious scholars in the NSP program.
- Incorporating traditional power holders (arbabs, 12 mullahs, commanders) into the CDC or gaining their support for the CDC is an important and often strategically valuable solution for project sustainability.
- Community ownership of NSP projects translates into responsible use of project funds. NSP projects are often more cost-effective because villagers contribute their own labour, do not require extensive security details, and are able to negotiate lower materials costs in local markets.
- NSP projects are less likely to be targeted by insurgents. Because NSP funds the construction or rehabilitation of assets selected and managed by the community themselves, the community tends to put greater effort into protecting their investments.
- MRRD took an innovative way to upgrade its engineers' capacity by establishing a link with the Kandahar Provincial Reconstruction Team (Canadian military) engineers. The military engineers now serve as mentors to MRRD engineers to help deepen their understanding of civil engineering principles and practices.

Sector Networking

The interaction and exchange of information between CDCs has improved coordination, and reduced overlap or duplication of development efforts. This has also facilitated access to additional resources and funding, so that coordination of efforts are bolstered and overlap/duplication of initiatives is minimized.

¹¹ MRRD website: <http://www.mrrd.gov.af/English/Archive/04-February-2008.htm>

¹² Source: National Electoral Council, Resolution 0913 of June 5, 2006.

5 Conclusion

A model for high-risk areas

Minister Zia demonstrates his dedication to and support for MfDR in Afghanistan's challenging environment through his investment in and focus on RBM training throughout the ministry.

As similar programs in other countries have preceded the National Solidarity Program in Afghanistan, this Afghan iteration is evidence that it is a replicable model for community development in countries emerging from conflict. Predecessors include the National Solidarity Fund in Tunisia and the Gemidiriya Community Development and Livelihood Improvement Project in Sri Lanka.

As of March 2008, the strategy for NSP implementation in high-risk areas was being finalized, showing much promise for extending the NSP into areas where government outreach has the greatest potential to assist marginalized populations. In April 2008, the World Bank and other interested donors undertook a midterm review of NSP.

All in all, Minister Zia's strong commitment to the reconstruction and development of his country, evidenced in various facets of his approach, is worthy of international recognition.

For more information, visit the MRRD website: <http://www.mrrd.gov.af/English>

Colombia

President Uribe's Role in Transforming Public Sector Management

Mrs. Carolina Rentería¹³

“It is the obligation of Government to inform civil society, through accountability, about what is being done in terms of management, to acknowledge weaknesses and commit to new challenges.”

President Álvaro Uribe Vélez

- President Uribe has refocused the daily activities and practices of national government administration, under a management for results perspective. This approach has evolved from a system for programming and managing government goals –Sigob–, into an institutionalized working tool that tracks the main government objectives to their corresponding results, and feeds into the regular Management Control Agenda and other public accountability mechanisms.
- During his administration, the Medium-Term Expenditure Framework (MTEF) was established in order to link medium-term sector resource allocation to the objectives and priorities defined by the administration and approved by Congress, and to promote fiscal discipline, accountability and transparency of public expenditure.
- Under his leadership, mechanisms such as the Communitarian Councils, Management Control Meetings and Public Councils of Ministers, promote accountability and allow that public officials receive direct feedback from stakeholders, regarding progress and results towards achieving goals and objectives established in President's Uribe mandate, ensuring that the government is responsive to the society's needs and accountable to its people.

1 Introduction

President Álvaro Uribe Vélez has led one of the most successful governments in Colombia's recent history, in terms of democratic security as well as economic and social results. This helps to explain his unprecedented approval rate of 84% after six years in office. His success stems in a large extent, from his commitment to results, accountability and participatory democracy.

President Álvaro Uribe Vélez took office in 2002 in the midst of an unprecedented economic and security crisis. In 1999, Colombia's GDP dropped 4.2% and in 2002, the country's economic growth rate was hardly 2.5%. This economic downturn, resulted in an increase of the poverty level to 57.5% (June 1999) and a worsening of income inequality. In addition, Colombia had become one of the most dangerous countries in the world, with almost 30,000 murders and 3,000 kidnappings each year.

Colombia has come a long way since 2002: in 2007, the country experienced 7.7% growth, the highest since 1978; the average rate of growth for Uribe's first Presidential period was 4.8% and 6.8% for the first half of his second administration. Investment reached levels of 28% of GDP from 16.4% of GDP in 2002. Poverty went down from 56% in 2002 to 45.1% in 2006, and unemployment fell from 16% in June 2002 to around 10% in June 2008. In terms of security, the murders and kidnappings decreased by 40% and 83%, respectively, and highway travel across the country can now be undertaken under secure conditions. The government has achieved an unprecedented success as 47,000 persons have demobilized, 30,000 from paramilitaries and 17,000 from guerrilla groups.

Although Colombia has not yet resolved all its problems, people are optimistic about the country's present and future and most importantly, President Uribe's main objective of regaining and maintaining confidence in Colombia has been achieved. This optimism is reflected in President Uribe's popularity: he is the first

¹³ General Director, National Planning Department

Colombian leader to be reelected since 1942.¹⁴ During his six years in office, he has maintained an approval rating that surpasses 70%. Uribe's political support, which stems from his results-based management (RBM) approach and reforms, has allowed him to further institutionalize these reforms, successfully branding managing for development results (MfDR) as a participative and decentralized managerial system for the Government.

2 Pioneer in Management for Results

President Álvaro Uribe has always been committed to integrating RBM into the public sector; however, he is well aware of the difficulties that arise from introducing a new culture into traditional bureaucracies, which are often resistant to change. Therefore, he made it a top priority of his government to pursue reform as openly and transparently as possible, so that all actors could learn from and participate in MfDR. In 2002, Uribe issued Presidential Instruction No. 10, mandating new management practices to encourage results oversight through participatory democracy. The system rests on five pillars:

1. The Community State: President Uribe's administration and Colombia's National Development Plan for 2002-2006 and 2006-2010. The Community State is embedded in Colombia's strategic policymaking approach. It seeks to balance representative and participative democracy through the participation of civil society in public decision-making, execution, and supervision. It has three main areas of focus: democratic security, investment confidence and economic growth, and social cohesion.
2. The Community Councils of Government. These Councils, held every Saturday on a rotating basis in different municipalities, facilitate the communication between citizens and the President and other public officials. In Council meetings, the government listens and responds first-hand to the needs of the citizenry.
3. The System for Programming and Managing Government Goals (Sigob). Sigob connects official targets and objectives to actual results, monitoring the progress of Ministries and government programs in order to be able to identify successes as well as areas that are falling behind.
4. The Management Control Agenda. In individual meetings between President Uribe and a Minister or institution director, the officials discuss MfDR issues, such as priority sectors, administrative and financial management, and compliance and advances regarding the annual and multiyear goals established by Sigob.
5. Decree 4730 of 2005. This decree established a medium-term public expenditure framework (MTEF), which links medium-term sector resource allocation to the objectives and priorities defined by the administration and approved by Congress, promoting fiscal discipline and transparency of expenditure.

These five pillars are interrelated and exemplify President Uribe's commitment to ensuring transparency and accountability throughout his MfDR reforms. Uribe's actions show the importance he places on talking to and receiving feedback from all stakeholders, whose active participation in the reforms helps ensure ownership and accelerate progress toward a results-oriented management culture.

3 Results Achieved

President Uribe has reorganized the daily activities and practices of government administration to focus on specific sector goals. Sigob has evolved into an institutional working tool that tracks the main government objectives to their results; it contains more than 600 indicators and their targets, and links these targets with the real results achieved throughout 300 government programs.

¹⁴ Source: National Electoral Council, Resolution 0913 of June 5, 2006.

Using Sigob data, President Uribe's government has been able to increase accountability and transparency, and respond to complaints or lags in a timely way. Sigob's tracking of government activity can be accessed publicly on the Internet (www.presidencia.gov.co) and President Uribe reports the information available in Sigob to Congress at the beginning of each legislative session.

For example, data from Sigob revealed that in 2007, 90.2% of the goals established in the National Development Plan were met which involve strategies such as Special Development Dimensions (100%), High Sustainable Development (93%) and Defense and Security Democratic Policy (91%). This linkage of targets to results is crucial to Uribe's RBM model. In reference to the Democratic Security and Defense Policy targets of the National Development Plan, Sigob showed a 3.2% drop in the rate of homicides,¹⁵ from 37.4 in 2006 to 36.2 in 2007. Furthermore, the number of homicides dropped 1.6%, from 17,479 in 2006 to 17,198 in 2007. Similarly, between 2006 and 2007, the number of kidnappings decreased by 24% and the number of terrorists' threats dropped 40%, from 646 to 387 cases. The combination of sound macroeconomic and sector policies, and the renewed sense of security, enabled economic growth. The unemployment index decreased from 12.6% in March 2006 to 11.5% in March 2008, as the number of citizens employed increased from 18.04 million in March 2006 to 18.35 million in March 2008.

The National Development Plan has resulted in many social achievements. Sigob shows that the national government, together with local authorities (Departments and Municipalities) and territorial entities, incorporated an additional 1.5 million persons of levels I and II of *Sisbén*¹⁶ into public social programs, increasing health insurance coverage to 80% (from 20.1 million in 2006 to 21.6 million in 2007). "*Familias en Acción*", a conditional cash transfer program targeted to the lowest-income families, surpassed the established goal of 1.5 million families for 2007 (1.61 million, with goal reached of 108%), benefitting 3.2 million children—which represents an advancement of 91.2% towards the established goal (3.5 million children).

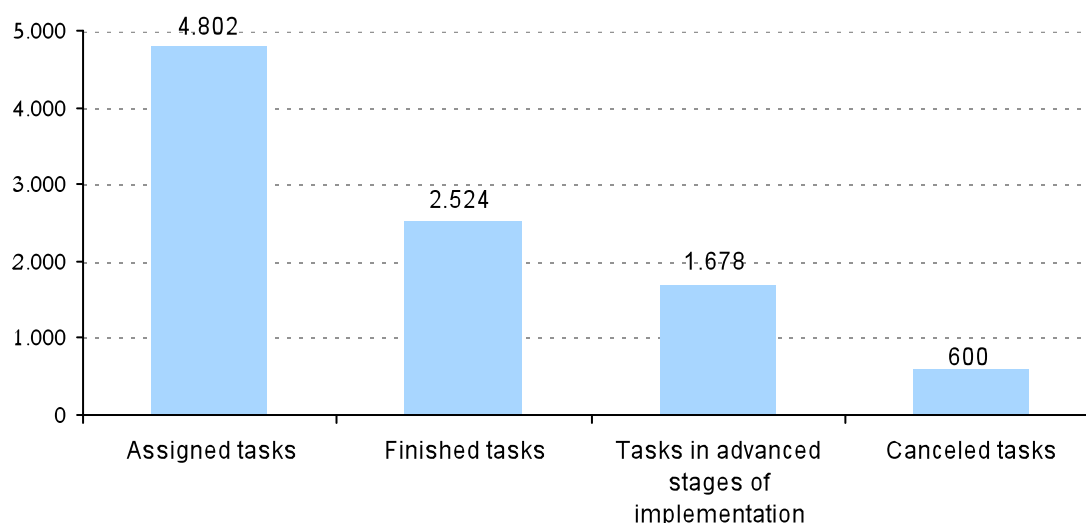
Other social programs also thrived under Uribe's Government and results-based management approach: a more comprehensive financial strategy aimed to increase financial inclusion of low-income people, the program "*Banca de las Oportunidades*" provided around 2.7 million loans to microenterprises between August 2006 and June 2008, exceeding expected goals. The program of low income housing provided more than 164 thousand housing solutions during 2007, with a cost superior to U\$ 780 million, increasing the number of people who benefited from the program by 34% compared to 2006.

The President also uses mechanisms like the Community Councils, Managements Controls, and Public Council of Ministers to elicit feedback from stakeholders about progress and results, ensuring that the government is responsive to the needs and accountable to its people, in a direct and personal way.

Every Saturday, a Community Council is organized in a different municipality where the President and his Cabinet, meet with the community for a full day. These Councils create spaces for interaction and dialogue among citizens, local authorities, and national government, allowing them to address the problems, needs, and concerns of civil society, while at the same time promoting public management transparency, participative democracy, and institutional reliability. As of September 2008, the President has held 213 Community Councils. The decisions and follow-up tasks determined at these Councils are continuously monitored, and the results are reported and open for public consultation at www.presidencia.gov.co.

¹⁵ Homicide rate = Number of homicides/population *100,000

¹⁶ *Sisbén* is a classification system used to identify potential beneficiaries of governmental social programs based on their standard of living. Levels I and II correspond to the poorest individuals whose socioeconomic conditions qualify them for governmental programs.

Figure 1. Management for Results: Comunitary Councils

Source: Presidency of the Republic (2008)

Figure 1 shows statistics related to the actions determined as a result of feedback from Communitary Council meetings. These tasks emerge from the comments and suggestions of civil society, local representatives, and the government team. Over 90% of all tasks have been followed through, showing the clear commitment of President Uribe's government to using MfDR to address the will and needs of the people.

President Uribe has undertaken several other initiatives to increase the transparency and accountability of his government. In Management Controls, conducted each week with government institutions, the President meets with the head of a specific ministry or agency and his team, to review the administrative and financial management of the institution, the achievement of Sigob-related goals and the Legislative Agenda. Even with his hectic schedule, Uribe maintains permanent contact with his cabinet Ministers through the Council of Ministers, convened every Monday afternoon. In each session, Ministers discuss subjects of special attention, and all commitments made during these meetings are monitored so that the relevant Ministers will remain accountable for their fulfillment.

In the annual Public Council of Ministers, ministries, presidential programs, and administrative departments present progress on results targets and the main challenges that remain. The Public Council of Accountability Ministers is broadcast live, which makes it a powerful tool of public accountability, and citizens, journalists, and analysts may participate and ask questions via telephone or e-mail. Finally, the MTEF enables civil society to understand how the National General Budget resources were allocated, creating checks and balances on the use of resources with a medium term framework that allows the measurement of fiscal impact of current decisions on the near future. The MTEF also connects government goals to the multiyear investment plan, establishing a direct link between public expenditure and the policy results necessary to fulfill the objectives of the National Development Plan.

Increasing public accountability and transparency to sustain and improve a culture of MfDR is no easy task, as the public sector is traditionally resistant to change: it is difficult to transform the management culture, and reforms are slow to filter down the bureaucratic chain. Therefore, President Uribe instituted mechanisms to increase communication and information sharing, involving actors at all levels. His extensive campaigns to ensure accountability and transparency have allowed civil servants and civilians alike to question, understand, and monitor management reforms, securing individual buy-in for all stakeholders.

4 Challenges and Lessons Learned

Among the lessons learned to develop a management for results culture, top management leadership, in this case by the President, is crucial. Only by the direct leadership and example of the leader, can such a transformation process be attained.

Colombia's public sector is making strong efforts to develop accountability and measurement. This kind of change takes time. It must be accompanied by incentives so that it is perceived as a system that provides opportunities and tools to improve the results of public policy implementation, rather than a system of sanctions.

It is also essential to strengthen the planning, budgeting, monitoring, and evaluation system, so that it enables feedback of the public policy cycle, generates input to support decision-making and promote social accountability, and ensures an ongoing process of adaptation and self-improvement and sustainability.

Furthermore, it is important to strengthen the quality of information registered by entities in Sigob in order to obtain a high level of credibility from inside government and from civil society. It is also important to build capacity in public administrations, to carry out MfDR concepts and methodologies.

5 Conclusions

President Uribe realized that to initiate and maintain MfDR reforms, it is essential to have strong leadership and to provide transparent and accountable management systems. The President secured stakeholder involvement through a five-pronged approach: (a) the Communitary State, which balances representative and participatory democracy; (b) the Communitary Councils of Government; (c) the Programming and Management System of Government Goals (Sigob), which monitors results with respect to targets and objectives; (d) regular Management Control meetings with each ministry or government institution head; and (e) the Medium-Term Expenditure Framework (MTEF), monitoring the quality and fiscal viability of medium-term expenditures.

President Álvaro Uribe Vélez has led the transformation of Colombia's public sector management towards a results oriented culture by promoting accountability and transparency at all levels. The movement toward MfDR will benefit the people of Colombia; and hopefully, with Uribe's lead and engagement of civil society, the results culture may transcend his Presidency and become an intrinsic feature of the Colombian public sector.

Honduras

The Leadership of President Manuel Zelaya Rosales

Marcio Sierra

- The case of Honduras highlights the need for strong leadership and demonstrates that decision-making often implies high political risk. Using a system to manage and monitor quantifiable development goals has fostered the trust of citizens and the commitment of officials to achieve these proposed goals.
- Development results are presented on a regular basis by the nation's leader, the President of the Republic, through directly televised speeches. This has allowed both citizens and officials to feel more involved in the process and has brought about a results-oriented culture in the Honduran public administration.

1 Introduction

Historically, the Honduran economy has been one of the weakest in Latin America. In 2005, 65 percent of the country's 7 million inhabitants were under the poverty line, with an income equivalent to less than two dollars per day. During the last 10 years, although the country had doubled its investments in poverty reduction programs, the poverty index dropped only from 66 percent to 65 percent. Under these circumstances, there did not seem to be a high probability of achieving the Millennium Development Goal (MDG) of reducing poverty by 50 percent.

In January 2006, Manuel Zelaya Rosales took office as Constitutional President of the Republic of Honduras, after a campaign based on the participation of civil society and efficiency of the state, with a commitment to manage and promote social development.¹⁷

2 Management for Development Results Leadership

Since January 2006, this small Central American country has experienced a change in public management style. President Zelaya instituted results-based management to strengthen institutions, with the goal of affecting economic and social development.

After a decade of efforts that produced only a 1 percent reduction in poverty levels, President Zelaya proposed to reduce poverty by 12 percent in four years. When Zelaya took office, the government still faced serious capacity gaps: it had no national planning framework, few medium-term goals and indicators, and no monitoring and evaluation culture to guide management activities. There was also a significant lack of transparency and accountability in government programs.

To address both capacity gaps and poor performance, Zelaya took a new approach to public management. The first step was to create a legal framework—under the Law on Transparency and Access to Information and the Law on Civil Society Participation—to promote public participation and oversight in government initiatives.

This new legal framework included the **Progress Report on Managing for Results**, which measures public sector results management in Honduras. This report, which the President presents each quarter in a national press conference, details the country's movement toward 10 main goals for 16 state ministries and 55 decentralized and autonomous institutions. The public dissemination of results statistics, both through traditional media sources and online, informs civil society and involves them in the new system, empowering

¹⁷ Between 1995 and 1999, Manuel Zelaya Rosales had served as Minister of the Honduras Social Investment Fund, where he first revealed his abilities as a leader in managing for development results. He was distinguished as one of the most efficient Ministers of Cabinet during two administrations; in 1995 he received formal recognition from the Honduras Mayor Association (which includes the mayors of all 298 municipalities of Honduras) as National Mayor Leader; and in 1994 and 1998 he was distinguished as the Best Minister by the national press.

them to keep the government accountable. The President's online presentation, delivered in real time, garners a lot of attention and helps raise awareness about the cause (www.gerencia.gob.hn).

In addition, Zelaya's administration developed a performance and evaluation system, shifting away from describing actions and expenditures to focus on institutional, sector, and national goals with results indicators, orienting public management toward development results. An international technical advisor and a new national manager conducted on-the-job training to orient technical staff in government institutions to a new role.

Even before formal documentation was ready, President Zelaya prioritized the managing for development results (MfDR) culture in the Cabinet before the end of his first year. Three principal statements were used: (a) institutional agreements set out preliminary goals and indicators, rather than waiting to choose the perfect indicator to measure the final result; (b) institutional results goals were stated before sector goals, with a wider scope and major impact, and the linkage between planning and budgeting was left for the end, once the consistency between sector and institutional goals was established; and (c) manuals were designed early in implementation, when lessons were still being learned.

Because of President Zelaya's dedication to accountability, transparency, and efficiency, these initiatives were prioritized within technical structures.¹⁸ Therefore, in a short time, goals and indicators were defined, information was gathered, and progress was measured to feed the system on a timely basis.

Given the rapid deployment of the MfDR system, a new training experience was needed. Thus concepts and methodologies were disseminated to the Planning and Evaluation Management Units using on-the-job training. This experience, supported by the President, produced a first document in which ministries committed to accomplish 10 goals of delivering specific public services to the citizens, rather than internal activities as in past years.

While lack of resources for systems development was initially a challenge, the system's successful performance has attracted many sources of multilateral and bilateral cooperation, who have offered their support to institutionalize the system as part of a Honduran public management model.

3 Results Achieved

President Zelaya established policy measures that increase institutional capacities to manage for results, building an environment that fosters growth and development:

- The goals of the Poverty Reduction Strategy and the MDGs, the framework of reference for the MfDR system, are thus the guidelines for government actions.
- There have been high-profile commitments to implementing the new frameworks to support institutional accountability, transparency, and evaluation.
- Government management moved toward transparency, accountability, and citizen control. Consistent civil society scrutiny of ministries and institutional authorities has been made possible by public access to information and results. Each three months the public receives information concerning the evolution of government management, presented by the President.

Institutional linkages related to management have enhanced the efficiency of planning and monitoring functions. Seventy-five public institutions from central government and decentralized institutions have adopted the Results-Based Management System (SGPR) and manage information to support the system with the commitment of making changes in the quality of life. External cooperation is also being aligned and harmonized with country goals, which means that donors are taking the SGPR as a reference to focus their cooperation strategies in the country.

¹⁸ In this, President Zelaya drew on his experience in management for results information systems when he was Minister-Director of the Social Investment Fund of Honduras. The development of an integral management system (with support from the Inter-American Development Bank and the World Bank) allowed detailed monitoring of every management cycle in more than 10,000 social investment projects. This information system was considered a model for Latin America.

Even if it is not possible to directly attribute the latest upturn of the Honduran economy to President Zelaya's strong commitment to MfDR, it is striking that the strengthening of institutional capacity in MfDR has come in tandem with positive trends in the socioeconomic indicators between 2005 and 2007. After a decade of stagnation, poverty has begun to decrease drastically, falling 5.3 percent in two years.¹⁹ At the same time, inequality in terms of low and high income per capita decreased from 37 to 20 times,²⁰ and the number of people living in extreme poverty fell by 9 percent. GNP growth, which in the past averaged 3.6 percent, rose to an average of 6.5 percent. In addition, Honduras moved up 13 places in the *World Economic Forum's* global competitiveness ranking.

4 Challenges Overcome

The new system faced several challenges:

- The lack of a culture of transparency and accountability in the institutional framework. This was successfully addressed by applying two fundamental laws: the law on transparency and access to information and the law on civil society participation.
- Publicizing information about progress on results provoked significant resistance and lack of understanding. On the other hand, receiving early input from the public allowed the system to fine-tune its operations.
- Lack of resources for systems development was initially a challenge, but the system's successful performance soon attracted other sources of cooperation.
- The lack of a national planning framework and, in the case of the Poverty Reduction Strategy, lack of medium-term goals and indicators to guide management activities, meant that institutional actions were scattered and isolated.

5 Lessons Learned

- Commitment to results from the highest level of leadership of the country or institution allows rapid movement in decisions based on results. However, decision-making implies risks that can be reduced if they are identified and considered early in the process. In Honduras, indicators of the monitoring system have been used by public institutions as mechanisms to identify risks.
- Strong political commitment is required at the highest level. Without the commitment and leadership of the President of the Republic and other government authorities, this initiative would not have been as successful.
- Vast system reforms require a gradual implementation process and strong coordination among institutions. Commitment must come not only from the President, but also from institutional authorities and technical units.
- Implementation of new systems and methodologies should begin with the simplest and then gradually proceed with more complex aspects. The most important issue is to generate reliable management information at the right moment to enable moving forward with institutional support.
- Periodic dissemination of results, media participation, and systematic consultations via internet, helped the people of Honduras identify with the new system, as well as see the political commitment and involvement of high-level actors.

¹⁹ On the basis of these figures, Honduras is rated as one of the Latin American countries that has been more successful cases in reducing poverty.

²⁰ This difference reflects the income of the wealthiest quintile as compared with that of the poorest one.

6 Conclusion

A study by the World Bank and *Centro Latinoamericano para la Administración del Desarrollo* (CLAD) finds that the MfDR approach in Honduras has achieved outstanding results in a short time.²¹ Though there are still challenges to be addressed (such as the harmonization of goals and indicators with the budget process, and the adjustment among sector and institutional goals), the results achieved have been remarkable. By supporting an MfDR approach, the leadership has helped shift public management in Honduras from a culture that rewards attempts to a culture that rewards results.

These achievements are based on the political commitment of President Manuel Zelaya Rosales to improve the country's economic and social conditions through a transparent and accountable results management style. The President of Honduras has not only shown leadership at the strategic level, but has also participated directly in the design and implementation of the new system. For this reason, government authorities, technical entities, and civil society have perceived the system as a national priority and have worked hard to implement the reforms. The President's direct and systematic participation in disseminating results through the media and online press conferences underlined his involvement, knowledge, and continued commitment to strengthening and improving results-based management.

Institutionalizing this new MfDR culture had several components: creation of a legal framework to promote civil society participation, commitment of high-level government authorities to the goals and indicators set out in the system, training methodology innovation, empowerment of technical staff, and gradual design and dissemination of results through the media. Taken together, these measures represent successful experiences and lessons learned to pave the road for other similar reforms.

Though MfDR is not yet fully institutionalized, the Honduran public sector is much closer to achieving its goal of establishing and implementing country objectives within a solid technical framework and in accordance with the long-term, collaborative vision of civil society and government. The next step will be to identify key medium-term sector goals for the national development plan with a vision toward 2030.

Honduras continues to make progress in establishing results-based management, thanks to the leadership and strong commitment President Zelaya voiced on his first day in office:

Today we are going to initiate ... a governance program in Honduras so that low-income people may have more options and we can fight social exclusion. As I have expressed in many instances, **we are going to be evaluated by the results achieved.** We should make efforts and fight, but what Honduras needs is to see results.

²¹ *Strengthening of Monitoring and Evaluation Systems in Latin America*. National Report: Honduras, World Bank and Latin American Management Center for Development, October 2007.

Kyrgyz Republic

Minister Japarov's Role in Fostering Results for Development and Trade

Sultan Akhmatov and Urbaeva Jyldyz

- Minister Japarov's leadership and commitment to results has helped the Kyrgyz government develop a strategy of several results-oriented reforms.
- The reforms aim to improve the country's business climate for both domestic and foreign investors as well as to improve citizens' quality of life.
- The strong monitoring and evaluation system helps officials and the public assess the progress of reforms and plan future actions.

1 Introduction

Just a few years ago, the Kyrgyz Republic was in a very difficult economic situation, with a critical level of external debt and a poverty level of over 60 percent. In recent years, however, strong fiscal policies and improved aid management have brought about a much improved economic situation. The Kyrgyz Republic is now striving to achieve greater accountability and effectiveness throughout its public administration.

In the Kyrgyz Republic, the planning and implementation of donor aid is divided between two government bodies: the Ministry of Economic Development and Trade is responsible for planning and coordination of development assistance overall, and the Ministry of Economy and Finance is responsible for monitoring and implementation of official development assistance. As Minister of Economy and Finance during 2005-2007, Akyzbek Japarov launched important initiatives at the national and ministerial levels.²² In 2005 he introduced the medium-term budget framework; and in 2006, he led the development of the national medium-term strategy, which later developed into the Country Development Strategy (CDS) for 2007-2010. Japarov's leadership helped ensure that the CDS was developed according to the essential elements of results-based management: adequate budget support, detailed plans of actions, and clearly formulated indicators and goals.

2 Leadership and MfDR

Developing the CDS

The Kyrgyz Republic's original national medium-term strategy was broad and lacked action plans and monitoring mechanisms. At the request of President Kurmanbek Bakiev, Minister Akyzbek Japarov led the preparation of a second-generation medium-term national development strategy. This document was prepared in a participatory process with line ministries and state agencies, representatives of regional administrations, civil society, and the donor community. Efforts were made to create a specific, time-bound strategy for this strategy, which eventually developed into the CDS.

The CDS aims to increase citizens' quality of life through sustainable economic growth, full employment, high income, and the availability of a broad range of social services. Unlike previous strategic documents, the CDS focuses on reaching specific results. The strategy outlines clear development priorities and discusses specific actions to achieve those goals, linking the strategy with the medium-term budget framework. For the first time, the CDS accounts for the opinions of interested stakeholders through the new partnerships with the private sector, the donor community, and civil society, and provides all partners mechanisms for feedback through systematic monitoring and evaluation. It includes measures to create and improve institutions and infrastructure to increase competitiveness both in the country and abroad; enhance the economic effectiveness

²² As Minister of Economy and Finance, Japarov also oversaw the preparation of the National Public Finance Management action plan, moved forward harmonization of the regulations for project implementation units (PIUs) funded by donor agencies, and supported the development of the health SWAP by allocating adequate budget for the Ministry of Health.

of state governance and public services; stimulate the development of human capital; and formalize public administration procedures and rules.

The National Council for Strategic Development, which is chaired by President Bakiev, endorsed the CDS and delegated responsibility for its implementation and monitoring to the Ministry of Economic Development. In January 2008 Japarov was appointed Minister of Economic Development and Trade to oversee the implementation of the strategy.

Monitoring and Evaluation

Under Japarov's leadership, the Ministry of Economic Development and Trade has developed a national monitoring and evaluation (M&E) system to support the CDS. A matrix of well-defined, short-term, measurable CDS indicators has been prepared and approved. Specific activities for reaching the Millennium Development Goals have been defined, and there are plans to include gender-disaggregated indicators in the matrix. The Ministry collects information about CDS implementation and consolidates it into an annual report, which Minister Japarov presents to the National Council for Strategic Development.

Many stakeholders take part in the process: all line ministries, agencies, and local governments provide quarterly reports about CDS implementation to the Ministry of Economic Development and Trade. The central database system has a simple interface, works in real time, and is open for public review via Internet. In 2008, for the first time ever, interim indicators were assessed and reported to the National Council for Strategic Development, and the President's Administration received analytic briefs on the results of the monitoring. The difference between targets and results demonstrates the success of CDS implementation: as of May 31, 2008, 64 percent of the 154 national level indicators in the CDS monitoring system have been fully filled in while the rest are still being developed.

Regional Participation

To ensure that regions actively participate in reaching CDS goals, the Minister led the crafting of regional development plans and a regional M&E system during 2007-2008. All seven regions of the country and two main cities now have approved development strategies for 2008-201—strategies that reflect the localized priorities of the regions and cities and that will feed into the national development strategy. “Strong regions – strong country” has become a slogan for national development. One of Minister Japarov's innovative initiatives in the development of regional strategies was the inclusion of specific investment projects that will serve as future growth points for the regions. In the next generation CDS, Japarov has pledged that even more attention will be given to regional development plans.

3 Results Achieved and Challenges Overcome

Significant progress was made in implementing the CDS during the first year. Of the 338 actions and measures foreseen for implementation during the course of the CDS, 108 activities were undertaken in 2007; and of those 108, 73 percent were implemented fully. Several reforms were implemented under the CDS action plan 2007:

- **Fight against corruption.** The National Agency for Prevention of Corruption developed a standardized methodology for investigating corruption cases in state agencies. Ministries, agencies, and local administrations are informed about the mechanisms of reporting corruption cases.
- **Access to information.** Ministries and state agencies developed individual websites with information about their functions and activities to inform citizens about state administration. The Ministry of Economic Development and Trade opened a public business center that provides consultative, legislative, training, and other support to entrepreneurs.
- **Strengthened public service.** In each ministry, the position of Permanent Secretary was established to be responsible for staffing, capacity building, and strengthening the development and cohesion of sector policies.

- **Increased effectiveness of public administration.** To improve the transparency of public administration, the Agency on Civil Service Affairs published on its website and in mass media information about the income and property of public servants who hold political posts or other positions of power in the country. Names of the persons who did not provide a declaration about their incomes and property were also published (Agency website: www.csa.gov.kg).
- **Legal reform.** The Kyrgyz Republic qualified for the Millennium Challenge Corporation Threshold program funding in 2007. This funding will be used in the areas of the judicial system, rule of law, and criminal prosecution.
- **Revision of the CDS.** On the basis of the M&E results for the CDS, President Bakiev assigned Akylbek Japarov and his Ministry to lead the revision of the strategy. The Ministry coordinates the process of the discussion and revision with all the stakeholders.

As Minister of Economic Development and Trade, apart from implementing the CDS, Japarov is also responsible for promoting economic growth through investment and trade. After the President publicly reproached the government for falling short in improving the business and investment climate in the Kyrgyz Republic, Minister Japarov and his staff undertook several initiatives to improve the business climate and develop the efficiency of the private sector:

- **The Investment Council.** Minister Japarov reports to the Council which was formed in 2007 to offer a way for the business community to communicate with the President of the country. The Council is chaired by the President and it is a joint initiative of high-level officials and donor organizations. It consists of business representatives, two foreign and two domestic investors, and government and donor representatives.
- **Doing Business Indicators.** To reform the business climate, Japarov turned to the World Bank's Doing Business Indicators as a standard for improvement. At the onset of reforms, Kyrgyz Republic was ranked 94th out of 178: for example, it took 130 days to receive official permission to start up a business. Japarov's reforms have made it easier to start a business, increased protections for minority shareholders, simplified the procedures for obtaining construction licenses, and increased credit information.²³ Minister Japarov has publicly stated his aim that Kyrgyzstan will rank 53rd in *Doing Business* in 2009; future national reforms will aim at improvements in the areas of taxation, property registration, hiring and dismissal of staff, closing of businesses, and contracting regulations.
- **Business forums.** In 2008 Minister Japarov organized and led business forums—both in-country and abroad—with Lithuania, Latvia, and Poland. Business professionals and legislators participated in the business forums, and the Ministry of Economic Development and Trade and various businessmen presented proposals for cooperation. The Ministry of the Economic Development and Trade prepared unified standards for the investment proposals. Several cooperation agreements were signed as the result of the business forums.

4 Conclusions

Minister Japarov's leadership and commitment to results have fostered many impressive changes in a relatively short timeframe. The CDS is a sustainable platform for fostering further economic growth and overcoming external economic challenges. To decentralize the implementation and ownership of the national development process, the government is increasingly focusing on the development of regional development plans and

²³ Five draft bills were recently passed and enacted in Parliament: Law 110, "On Amendments to the Law of KR on Joint-Stock Companies"; Law 107, "On Amendments to the Civil Code of the Kyrgyz Republic"; Law 108, "On Amendments to the Law KR on Urban Planning and Architecture in the Kyrgyz Republic"; Presidential Decree 164 "On Measures to Optimize Procedures for Designing and Constructing in the Kyrgyz Republic"; and Government Resolution 252, "On Approval of the Regulation on Procedure for Issuance of Permits to Design, Construction and Otherwise Change Real Estate Objects and Procedure for Issuing Occupancy Permits for Completed Constructions in the Kyrgyz Republic."

sector strategies. To ensure that the commitment to results is sustained throughout the Kyrgyz government, the following steps will be undertaken:

- The national medium-term strategy will be revised to include the regional development plans and sector strategies.
- Implementation will be monitored and the reporting mechanisms strengthened.
- The government will examine the possibility of applying the health sector's experience with a program-based approach to other sectors.

Sri Lanka

Mrs. Dhara Wijayatilake's Role in Institutionalizing MfDR in Government

Velayuthan Sivagnanasothy

- Mrs. Dhara Wijayatilake, Secretary, Ministry of Plan Implementation, placed MfDR in the policy arena by initiating a Note to the Cabinet on MfDR, with the Support of the Minister of Plan Implementation Hon.P.Dayaratne, outlining the steps to institutionalize MfDR on a government-wide scale.
- Responsibilities for the process were assigned to the Ministry of Plan Implementation.
- An inter-ministerial think tank was established to provide guidance and strategic direction to integrate the results approach into government strategy.

1 Introduction

The government of Sri Lanka has prioritized institutionalizing Managing for Development Results (MfDR) across all of its sectors. Mrs. Dhara Wijayatilake, Secretary, Ministry of Plan Implementation (MPI), stands out as a key leader in this change process. Using her background in law and her significant experience in the public sector, she was responsible for ensuring MfDR's on the political and ministerial agenda.

The first step the Secretary of MPI took was submitting her Note to the Cabinet on MfDR. The note outlined the necessary steps to institutionalize MfDR on a government wide scale and assigned most of the responsibility for the process to the Ministry of Plan Implementation, with technical support from the UNDP and the Asian Development Bank. UNDP and ADB contributed to the process by helping the government foster national ownership and sustainability within the MfDR initiatives.

To structure the institutionalization process, Mrs. Wijayatilake established the Core Group on MfDR, an interdepartmental think tank that provides guidance and strategic direction to facilitate the integration of the Results Approach into government strategy. The Core Group's work aims to shift the bureaucratic focus from more traditional "disbursement imperatives" to a results-oriented culture, as well as to ensure that the MfDR roll out occurs in line with the Paris Declaration principle of ensuring national ownership. Mrs. Wijayatilake wanted to make sure that, while Sri Lanka's implementation of MfDR followed international best practices, the initiatives also adapted to the unique country context.

2 Government Efforts to Strengthen MfDR

In Sri Lanka, the MPI is a key independent ministry that translates the national development plan into action and monitors and evaluates the government development projects. More specifically, the MPI mandate includes the monitoring and evaluation of all government policies, programmes, projects, and institutions. In response to interest from all line ministries, the MPI released the first issue of the quarterly newsletter (www.mpi.gov.lk) "Results Focus" in May 2008.

From Strategy to Implementation

MfDR Strategy: The Core Group, headed by Mrs. Wijayatilake, has developed an MfDR strategy that provides guidance and direction to incorporate MfDR into the government bureaucracy. The MfDR strategy has been translated into a Plan of Action, which both implements MfDR initiatives and monitors their progress. The Core Group conducts periodic progress reviews to update and improve the MfDR Strategy and Plan of Action.

MfDR Sensitization and Advocacy: The Core Group has conducted Policymakers Sensitization Programmes for Parliamentarians and Cabinet Ministers, ensuring the full support and cooperation of policymakers. The programmes were facilitated by an international expert in MfDR and supported by UNDP.

Integration of MfDR into Line Ministries: Mrs. Wijayatilake's team identified five Ministries in which they would pilot the MfDR strategy. For each Ministry, the Core Group worked with senior Ministry officials to develop an Agency Results Framework (ARF), which captures the mission of the institution and its targets, goals, and Key Performance Indicators (KPIs). The ARF identifies the baseline status of the KPIs and sets targets for the medium term. The Core Group also developed the Agency Scorecard to report on the achievements of targeted KPIs, covering both “output” and “outcome” level indicators in line with the OECD definition of results.

To garner support from the Ministerial management, Mrs. Wijayatilake emphasized the importance of MfDR at each meeting. She personally attended all the introductory MfDR workshops, solidifying the commitment of senior officials. Thanks to her efforts, the Secretaries and senior officials of the Ministries actively participated in almost all introductory sessions. Their participation cultivated ownership of the initiative, accelerating the success of MfDR within line Ministries.

Development of Results Framework for Large-scale Development Projects: Under the guidance of Mrs. Wijayatilake, the Core Group has introduced monitorable results frameworks into Sri Lanka's electronic web-based project monitoring system to continuously track results for all large projects.

MfDR Web Platform: The Core Group established an MfDR web platform in the National Operations Room of the MPI, the electronic information arm that provides policymakers and development planners with on-line access to development information. The ARF and the Agency Scorecards of the pilot Ministries are placed on this web platform. The MPI websites (www.mpi.gov.lk and www.fabm.gov.lk) show this information, enhancing accountability, and transparency and improving the focus on results.

Readiness Assessment and Capacity Building on MfDR: Lack of staff capacity was the main constraint to implementing MfDR in line Ministries. As part of the efforts to strengthen capacity on MfDR, Mrs. Wijayatilake decided to use the Readiness Assessment tool developed by the Asian Development Bank. This tool enabled the Ministries to identify capacity gaps in areas such as enabling environment, resources, information systems, values and culture, and leadership. Using this assessment, the pilot Ministries formulated Capacity Development Plans. Furthermore, the Core Group supported the integration of MfDR into the curricula of training institutions and universities.

Overall, the Secretary, MPI, and the Core Group have pushed to strengthen thematic evaluation capacity at the project, programme, policy, and sector level. Moreover, the government's ongoing impact evaluation systems ensure wider dissemination of evaluation findings. Currently, Mrs. Wijayatilake is proposing a more effective Results Reporting System to the Cabinet of Ministers.

3 Results Achieved

- Ongoing evaluations, pre- and post- evaluations, and impact evaluations have been institutionalized.
- A current evaluation is assessing Sri Lanka's progress on the Paris Declaration and progress in aid effectiveness. This evaluation can be used as a learning opportunity for other countries.
- Annual country progress reports on MDGs track results achievements at the national and subnational levels.
- In the interest of harmonization, the government of Sri Lanka encourages donors to undertake joint evaluations. However, some donors are still not geared for such joint evaluation, despite their commitments to the Paris Declaration.
- A national, user-friendly, web-based, electronic Project Monitoring System (ePMS) was established. The system allows users to track the progress and results of all development projects and

programmes. It uses an early warning system (represented by traffic-light icons) that distinguishes “problematic projects” from “best-practice projects.” The early warning system also helps to identify bottlenecks, delays, issues, and constraints in project implementation. The system generates Flash Reports on “problematic projects,” notifying the appropriate authorities and aiding in the timely response to inefficiencies. These reports are submitted to the Cabinet of Ministers each quarter and are published on the MPI website for public access (www.mpi.gov.lk). The ePMS is constantly upgraded to incorporate feedback and comments from beneficiaries.

Sri Lanka’s MfDR and M&E systems and practices have been internationally recognized as best practice approaches worthy of scale-up: Yemen, India, donors, and Communities of Practice have visited Sri Lanka to study the MfDR initiatives.

4 Lessons Learned

Under an MfDR initiative, each ministry should develop a clear mission, priority targets, goals, and comprehensive performance measures. Sri Lanka’s Performance Measurement System (PMS), adapted from models used in the United States, is being piloted in four key line Ministries. Under the MfDR framework, the use of KPIs emphasizes monitoring actual results, rather than efforts made by Ministries. Following the successful pilot, 23 ministries are on the way to institutionalizing MfDR. In addition, it is necessary to link the performance of an agency to that of its employees. To this end, the MPI is examining the possibility of introducing Performance Contracts and Staff Performance Appraisal Systems.

Although MfDR helps improve performance accountability in the government, there was significant institutional resistance to change. Ministries were concerned with their “manageable interest” and tried to set output-level indicators, instead of results indicators. Civil servants and bureaucrats, initially unfamiliar with results frameworks, were hesitant to embrace the process. In the end, the support of external experts backed by local political leadership helped overcome opposition to the initiative. Gradually, the mindsets of bureaucrats at all levels are changing.

5 Follow-up and Ensuring Commitment

Mrs. Wijayatilake’s ambition in institutionalizing MfDR in Sri Lanka laid the foundation for the emergence of the thriving MfDR community in the Sri Lankan government. Her diligence in personally cementing high-level commitments to MfDR initiatives and consistently incorporating feedback from both formal and informal performance review mechanisms has secured ownership of the process and accountability to all stakeholders. Although there still is a long way to go before MfDR will be completely assimilated into the public sector culture, her initiatives achieved significant progress toward a government-wide shift to MfDR practices. The Core Group is now developing guidelines and training manuals for MfDR practitioners both in Sri Lanka and beyond.

Mrs. Wijayatilake’s insight, enthusiasm, and adaptability have classified her as one of the region’s foremost results leaders, creating a model and framework that can be adapted and rolled out in other countries across the region and globally.

Chile

Mario Marcel's Commitment to Budgeting for Results

Marcela Guzmán

- Budgeting for results (BfR) has become both a need and challenge for public finance and budget specialists. In Chile, under the leadership of Mario Marcel, methodologies, tools, institutional definitions, and processes for BfR have emerged, incorporating performance/results information into decision-making.
- BfR has enabled a clear technical and operational consolidation of the system. Institutional management and Congress have linked performance—including data on performance at each stage of the budget cycle—to budgeting. Mario Marcel's efforts have also garnered support from international organizations, especially regarding Chile's extensive evaluation program.

1 Introduction

With the increasing demand for more transparency and accountability in the management and allocation of public sector resources, budgeting for results (BfR) has become both a need and challenge for public finance and budget specialists in Chile. In the early 1990s, a few years after Chile regained democracy, Mario Marcel, then the Under-Secretary of Rationalization and Public Function, introduced what became known as the Management and Budgeting for Results Control System, Chile's first budgeting for results and management information system. The Management and Budgeting for Results Control system used performance indicators and objectives to assist in budget decision-making.

Mr. Marcel's leadership was vital to the successful design and implementation of this much-needed public financial reform.

2 Leadership and MfDR

The first MfDR initiatives in Chile came, not from the Presidency, Cabinet, or Congress, but from Mario Marcel in the Budget Office of the Ministry of Finance. Between 1990 and 1996, Marcel established a budgeting for results and management information system with a technical focus. As Budget Director in 1996, Marcel reached formal agreements with Congress on establishing obligations and responsibilities for evaluation and accountability. Congress approved the Budget Law, creating today's program evaluation and integral management instruments. The negotiations were complex. In 1995, budget negotiations had been especially difficult, and a heavy budget cut had been approved. Thus, when Mario Marcel began his reform efforts as Budget Director in 1997, budget negotiations took place in a tense and volatile environment. Nonetheless, Marcel successfully convinced both government and the opposition to support his 1997 budget proposal. Internally, within the Budget Office (DIPRES), Marcel advocated for the reforms by including DIPRES budget specialists in the debate so that they shared ownership of the process and hence provided solid support for the described changes.

In 2000, Mario Marcel was reappointed Budget Director after four years as the Executive Director for Chile at the Inter-American Development Bank. His second period as Budget Director started in a relatively unfavorable environment: after the 1999 crisis, both the Ministry of Finance and the Budget Office had lost authority with the Executive and Legislative. Therefore, Marcel's first measures as Director worked to reposition the Budget Office as an institution with technical and political responsibility. To meet pressures from other ministries and sectors, the Budget Office had to assume leadership. Table 1 describes the risks and challenges the Budget Office faced.

Table 1. Risks/Challenges for DIPRES in early 2000

<p>Political risks</p> <ul style="list-style-type: none"> • The budget system was institutionalized during a military regime and had not been tried in a democratic context • The comparative weakness of Congress put at risk budget institutionalization and development of informal institutionalization • Institutional line of authority did not ensure fiscal results; flexibility may be used for different purposes <p>Internal risks:</p> <ul style="list-style-type: none"> • Budget Office equipped and experienced in expenditure control, but new demands exceeded actual capacity • Macro fiscal discipline required efficiency in the allocation and use of resources <p>Challenges at the early stage of the Lagos administration</p> <ul style="list-style-type: none"> • Recover fiscal discipline • Increased yield of public resources necessary in context of more fiscal restriction and higher demands

Marcel concentrated on protecting government priorities in budget decisions, taking an active role in the reform process. Activities were therefore directed toward (a) strengthening fiscal governance, (b) developing a BfR system, (c) ensuring political support, and (d) looking for benchmarks and feedback.

Between 2000 and 2006, Marcel reenergized initiatives linking the budget with results and strengthened the institutional capacity of the Budget Office. He created the Management Control Division, which consists of permanent interministerial committees (formed by the Ministry of the Presidency, Ministry of Planning, and the Ministry of Finance) and institutional networks to oversee the operation and use of the new BfR instruments. The Budget Office began to hire evaluators through public auction, and for more complex evaluations, the Office worked with universities and consultancy firms. During these years, Mario Marcel continued consolidating and creating new processes and relationships between the Executive and the Legislative branches.

3 Results Achieved

Marcel's institutionalization of BfR in Chile has led to the development of methodologies, tools, institutional definitions, and processes oriented toward incorporating performance/results information into decision-making. This has motivated management in ministries and government institutions to manage for results, improving the quality of public expenditures. Figure 1 reflects this progress in terms of integration of management control into the budget process.

Currently, the Managing and Budgeting for Results Control System conducts an average of 22 program evaluations and 3 institutional evaluations a year—a total of more than 140 evaluations to date. Feedback from those evaluations has induced the programs and institutions evaluated to commit to changes. The system also establishes goals for 12 indicators for each institution included in the Budget Law. It uses a standard format for the presentation of budget initiatives as a way of organizing and improving diagnostic, financial, and performance information (both past and future) for an important number of programs. In addition, it has reinforced the improvement of management through monetary incentives linked to the improvement of institutional management systems. This produces yearly management evaluations of all central government institutions.

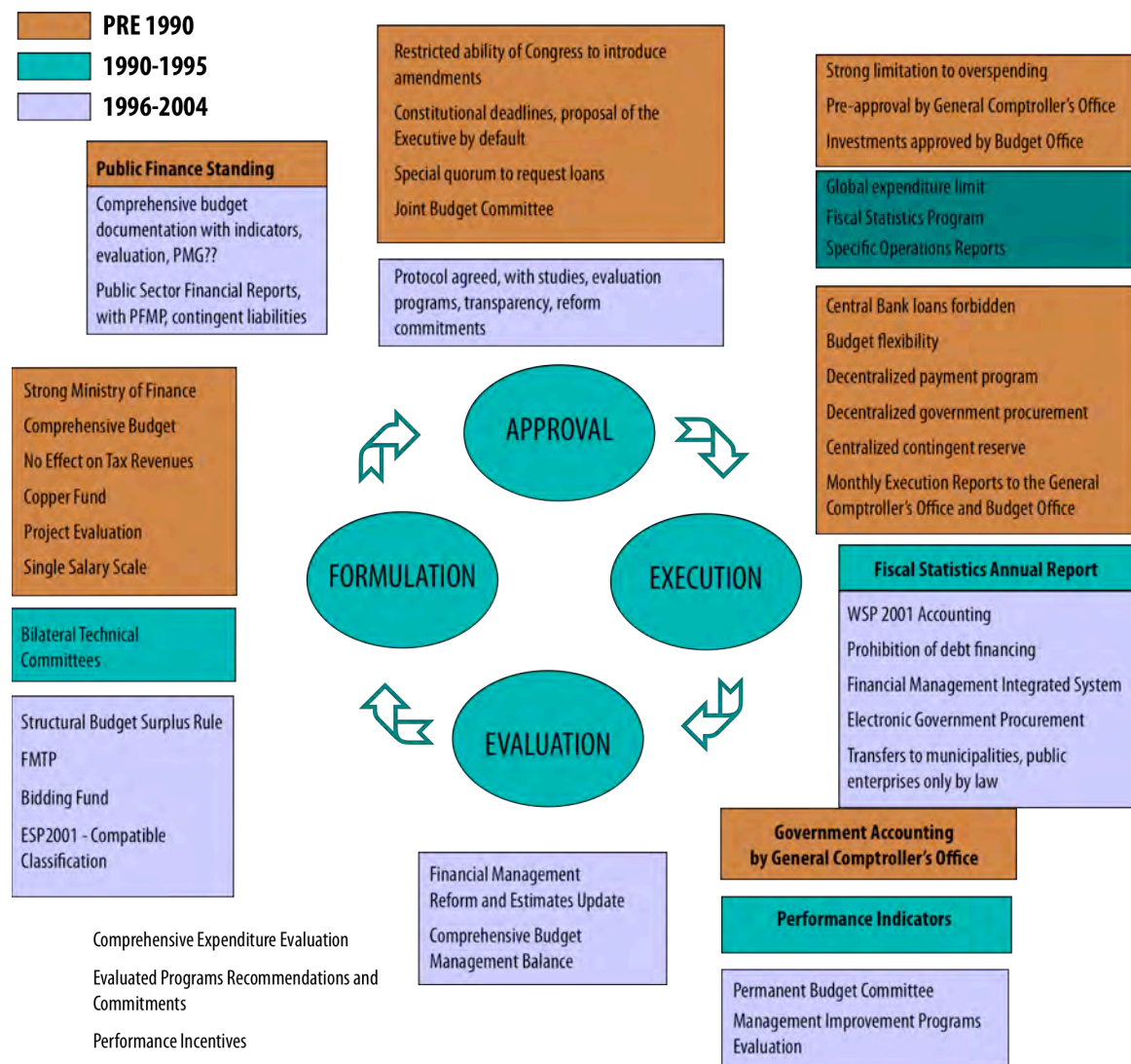
In 2000, understanding that generating and systematizing performance information is as important as using it, Mario Marcel established a process of information and awareness sharing. He accomplished this by creating

working spaces and processes that have gradually been creating changes in practices, thus representing a crucial factor for establishing a culture of managing and budgeting for results. This process has enabled a clear technical and operational consolidation of the BfR system. The Budget Office provides information on results-budget linkages and performance to Congress, giving them and the public the information necessary to make better decisions within the budgetary process and hold the Budgeting Office accountable for public spending. Marcel's extensive evaluation program has garnered the praise of international organizations.

“Mario Marcel was the driving force behind modernization of financial management in Chile. His innovations include a structural budget rule to stabilize the government's fiscal position, creative use of program evaluations to improve resource allocation, establishment of a bidding fund to finance national priorities, introduction of management improvement plans in the public sector, and prudent design of public-private partnerships that greatly increased investment in infrastructure while reducing the risk to government. As a consequence of his leadership, Chile is in the forefront of countries with results-focused management.”

Dr. Allen Schick, authority on budget theory and professor at the Maryland School of Public Administration, University of Maryland

Figure 1. Internal Consistency of System; Management Control Integrated with the Budget Cycle



4 Lessons learned and Challenges Overcome

The success of the DIPRES reforms was due to many factors. Gradual implementation allowed stakeholders to adapt to the changes, and the extensive involvement of DIPRES employees ensured ownership and therefore acceptance of the reforms. One of the first lessons learned was that with this type of reform, people learn by doing. Marcel therefore invested many resources in empowering and training workers, creating reliability and teamwork, and improving efficiency.

Another lesson learned was that implementing institutional changes requires allies who actively support the proposal. In Chile, BfR found political allies in both the government and Congress: the President and Ministries prioritized improving the public sector, and found that BfR was the best way to achieve this. There were also allies at more technical and bureaucratic levels, individuals who were involved in formulating and improving the BfR proposals. As is often the case, the greatest resistance to change came from the public arena. This challenge was addressed by giving the public access to information about evaluations, studies, etc. (www.dipres.cl), thus allowing them to see for themselves that the reforms delivered results.

The main lesson learned from this experience is that it is possible to develop a pragmatic and flexible results-based budget system through gradual change, and that government can use the budget system as the basis and motivation for reform. In effect, the experience highlights (a) the flexibility of budget management reform, mainly derived from its annual cycle with well-defined, recurring stages; (b) the significance of evaluation, performance control, and incentives instruments; (c) the strategic use of data in budget decisions to achieve political-programmatic priorities and medium-term financial projections; (d) the importance of considering system information as public information; and (e) the inclusion of technocrats and bureaucrats in the drafting and development of the reforms.

5 Conclusion

It is not easy to make changes in organizations, structures, or processes: stakeholders must collectively decide on solutions. Leading such reform requires constant attention to all those involved in the process. Marcel's commitment to including all stakeholders was one of the key reasons for the success of the Chilean reform.

However, it is important to mention that there are always additional challenges that need to be addressed in BfR. DIPRES may need further decentralization. To progress toward better management control through a results-based budget, Ministries will need to formulate political plans and objectives more clearly, as they are best suited to identify where the real problems in MfDR are at the sector level.

Guinea Bissau and D.R. Congo

Mr. Claude Kakule Mukanda's MfDR Leadership in the World Food Program

José Pita-Grós²⁴

- Claude Kakule coordinated the design and implementation of an improved RBM system for the World Food Program offices in Guinea Bissau and DR Congo.
- Mr. Kakule identified the main bottlenecks in the M&E process in these countries, and with stakeholders, he created a simplified and decentralized model for M&E.
- Local staff have sustained the systems put in place by Mr. Kakule. However, scaling-up these systems into country management systems remains a challenge due to resource and capacity restraints.

1 Introduction

Beginning in 2000, the World Food Program (WFP) sought to encourage the use of results based management (RBM) agendas even in poor countries with complex humanitarian and development situations. To that end, WFP recruited Mr. Kakule Mukanda as the first Monitoring and Evaluation (M&E) Officer to design and lead the implementation of the RBM system, together with NGOs in the Democratic Republic of Congo (2002) and later with the government in Guinea Bissau (2006). As humanitarian and development partners have experienced throughout the years, countries' weak operational capacity can complicate the implementation of results programs on the ground. This is a story of how one individual's leadership and vision overcame such challenges.

2 Leadership in Managing for Development Results

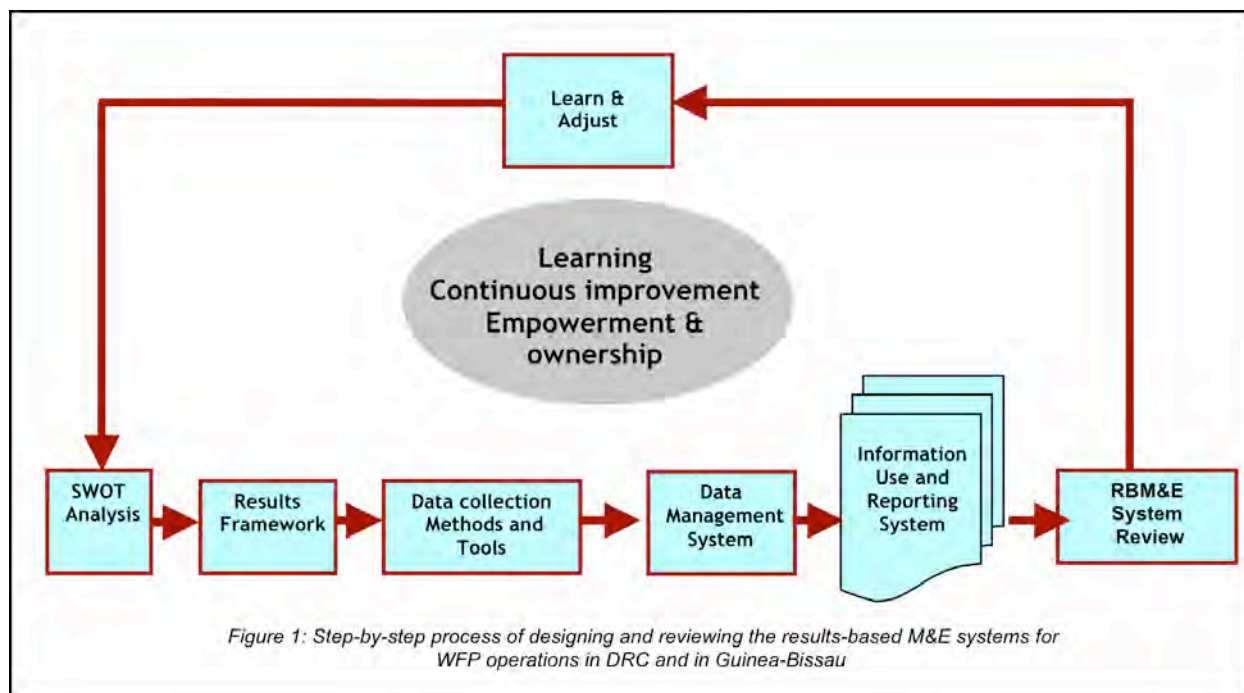
To enhance a results-oriented culture at WFP in Democratic Republic of Congo (DRC) and Guinea Bissau, Mukanda began by conducting a SWOT (strengths, weaknesses, opportunities, threats) analysis of the current program management system at the country level, with the support from WFP Regional Bureaus in Dakar and Kampala. Mukanda took care to involve key partners from all levels of operation, from WFP country office staff to government employees, in the process. In doing so, he kept all stakeholders informed about both progress and setbacks to RBM implementation.

The SWOT analysis in the DRC exposed two key issues: First, that country programme staff spent more time compiling reports from different WFP suboffices in the country²⁵ than they spent actually using the information disclosed in the reports; and second, that without a dedicated unit and staff at the country office, it was difficult to execute a well-functioning results-oriented M&E programme. The analysis in Guinea-Bissau found that a majority of implementing partners did not report results to WFP Office, both because the WFP's report format was lengthy and complex, and because the WFP has no feedback mechanisms, and the implementing partners did not know how the WFP Office intended to use the data that they provided.

As one of the outputs of the process, Mukanda and his country team prepared a Results-Based M&E Toolkit, within the framework of the WFP corporate and Common Monitoring and Evaluation Approach Initiative (CMEA), to guide the two WFP Country Offices in managing and sustaining an efficient results-oriented M&E system to support the decision-making processes. Toolkit products included a Programme Results Chain, Logical Framework, Performance Measurement Framework, M&E Process Mapping, Data collection Tool, Data Processing Guidelines, Reporting Flow Chart and Report Formats (see Figure 1).

²⁴ José Pita-Grós, Emergency Coordinator/Deputy Country Director, World Food Programme (UN/WFP), Bangui, Central African Republic, Jose.Pita-Gros@wfp.org. For more details and exchange of experiences, Mr. Claude Kakule Mukanda can also be contacted directly at claudekakule@yahoo.com.

²⁵ During the period 2004 -2006, WFP in DRC had about 15 suboffices across the country working with more than 500 cooperating partners (international and national NGOs, government institutions).



WFP management recognized Mukanda's success. The previous Head of the WFP Unit in Guinea Bissau, Mr. H. Guyen, said in June 2006: "What we have tried to put in place during more than two years, Mr. Mukanda did in almost two months!"

To solidify the implementation of the results-based M&E system in DRC and Guinea Bissau, Mukanda coordinated the annual work planning, and the preparation of new project and program documents, and of the budget. In addition, he established a capacity-building strategy for staff at the WFP, UN agencies, and implementing partner organizations, training more than 300 staff members.

Despite this success and with the support from the Management, Mr. Mukanda continues to look for ways to improve the programmes. He considered all the toolkits malleable, and he encouraged stakeholders to use training sessions as venues for voicing comments or criticisms of the tools. "The value of the... approach," he says, "is not in filling the blanks in a table....but in reviewing and revising the interventions, until they are likely to achieve the intended results."

Besides holding training sessions, Mukanda helped implementing partners secure more financial support for RBM initiatives. As a result, he was able to conduct joint field visits, coaching sessions, and on-the job training in the field. Together with the WFP Regional Office in Dakar, he also supported the development of a results-based M&E database for WFP Guinea Bissau.

In Guinea-Bissau, the Ministry of Education is still using the simplified M&E system that Kakule helped them develop. The UNICEF office in the country has also aligned its Education programme's M&E system to Kakule's model. Mukanda's successors regularly review and update data collection tools and approaches. Mr. Mukanda documented all his work, and his notes served to clarify key steps and recommendations for each country office to sustain the results-oriented M&E.

Mukanda's leadership was noticed at higher levels of the WFP. WFP HQ in Rome asked him to implement a comparable results-based M&E system at the WFP country office in Rwanda.

3 Key Results Achieved

Mr. Kakule Mukanda's strong vision and leadership allowed the change process in both WFP DRC and Guinea-Bissau to reach a number of specific achievements. This would not have been possible without Mr. Mukanda's ability to marshal strong commitment from the country government, and national and international staff of the WFP, both at national and regional level.

1. The reporting systems and products of WFP and its partners (NGOs and the Ministry of Education) have dramatically improved in both countries: WFP DRC has become one of the reference cases in RBM, despite the country's complex humanitarian and development situation and the increasing number of implementing partners. In Guinea-Bissau, for the first time, the WFP country office helped the Ministry of Education provide accurate and reliable information on Key Performance Indicators (KPIs) for Guinea Bissau—information that WFP considers to be “baseline” data for the country.
2. The two WFP country offices have available a briefing document on managing for development results (MfDR) activities in the country. This allows for transparency between the staff and partners on how the WFP is managing for results.
3. In both countries, the RBM systems were designed and implemented according to and in line with WFP Corporate Results-Based Management System and approach.
4. Toolkits with clear guidance on managing for development results, with a focus on results-based M&E, are available for WFP and implementing partners' staff in DRC (Results-based M&E Toolkit, version 1, June 2004) and in Guinea-Bissau (Results-based M&E Toolkit, Version 1, June 2006). These toolkits reflect up-to-date MfDR concepts, principles, and good practices, and draw on results-based M&E toolkits of other international organizations, including within WFP. The toolkit produced for WFP Guinea-Bissau is also available on the WFP website (www.wfp.org) as one of the few reference documents for other WFP offices worldwide. A copy of these toolkits is available upon request.
5. It is common practice for international staff to take the lead on new initiatives; however Mr. Mukanda ensured that local staff were equipped to take over his MfDR programmes. After he had left the country offices, local staff managed and updated the toolkits.
6. Using the results generated by the improved RBM systems has allowed both the WFP and its partners in the two countries to improve timeliness and targeting of its food assistance. For example, findings from the M&E system in Guinea-Bissau showed that the ratio of girls to boys in the WFP school feeding programme in a Muslim province stood at 1.38 in 2006, identifying a need for revising the government of Guinea Bissau and the WFP country office's school feeding strategy.
7. Accountability to beneficiaries and donors has increased through a regular and systematic beneficiary contact monitoring using the more accurate and reliable information generated by a more transparent RBM system.
8. Involvement of target beneficiaries, implementing partners, and government officials in WFP programme activities (programming, food delivery, and monitoring and evaluation) has increased both in DRC and in Guinea Bissau.

4 Challenges Overcome and Lessons learned

Key challenges overcome

1. Time management: Participatory processes such as those Mr. Mukanda used take time. Continuous revisions and improvements also complicate the process. Thus, to remain focused, it is necessary to have a clear road map from the beginning.

2. **Internal Resistance:** Many people needed to be convinced to accept the new system and to remain involved throughout the process.
3. Adapting an existing RBM system can sometimes be more difficult than designing a completely new system from scratch. It was more difficult, for example, to convince some WFP and implementing partners' staff in Guinea Bissau to adopt a new data collection tool to replace the one they have used for many years.

Key lessons learned

1. Integrating successful RBM systems like Kakule's into country management systems remains a key challenge. There often is a lack of resources and capacity to implement and align the system: For example, in Guinea Bissau, one of the main reasons why the decentralized M&E system has not been adopted by more ministries than the Ministry of Education is because no funding is available to buy fuel for the motorcycle that must drive around to collect the reports from each of the reporting districts.

Building or improving an institution's MfDR culture requires a committed leader to coordinate the process. The leader needs a clear vision of what to do and how to do it. Sustaining an RBM culture requires a small, but dedicated M&E team to keep the institution accountable.

2. An RBM system should be flexible and adapted to specific contexts. It must be able to incorporate feedback: everyone, including the leader, must be open to criticism and change.
3. Top management must be publically on board and enthusiastic from day one.
4. Introducing the process as an integrated approach that complements rather than replaces existing initiatives fosters staff commitment.
5. Data collected should be relevant to operational management at both low and high levels of administration.
6. Integrating staff performance management systems into the RBM system encourages staff to keep the momentum and focus on results.

Results in the Ministry of Education

In Guinea-Bissau, each WFP-supported school had to provide a standardized six-page report to the country office each month. As WFP was supporting around 500 schools, the M&E assistant at the country office was expected to manually process around 3,000 pages of reports each month—and this was only one of the four WFP project types in the country. The situation was simply impossible: many schools did not have the operational capacity to write a six-page monthly report, and the WFP Country Office could not compile or use the school reports it did receive because it lacked the human capacity. Following Mr. Kakule Mukanda's review, a one-page monthly report format was created, and a decentralized reporting approach was established: Ministry of Education staff now review and compile school reports at the district level before sending them to the WFP. Hence, the Ministry of Education is more involved in school feeding programmes, and the WFP country office now receives 15 monthly reports instead of 500, and is able to report results rather than estimates.

5 Conclusion

Mr. Kakule Mukanda exemplifies leadership in results based management. In a short time, he worked with local partners to design and administer a RBM system in two countries, tailoring the framework to specific country contexts and situations. His success hinged on his openness to new ideas and improvements, his emphasis on mutual ownership and inclusion, and his organizational capacity.

Mukanda did not lead from the top down; instead, he led from behind, ensuring that the programs he constructed thrived even after he had left.

Kakule's achievements have not gone unnoticed. The M&E Toolkit from Guinea-Bissau is published on the WFP website, and the organization asked him to initiate a similar program for the WFP office in Rwanda. Mr. Mukanda's dedication, adaptability, and managerial capacities make him one of the most successful results leaders in the World Food Program.

Kenya

Sylvester Obong'o's Commitment to Results for Kenyans

- Sylvester Obong'o contributed to the institutionalization of Results Based Management (RBM) in the Kenyan government by spearheading the adaptation and implementation of the Rapid Results Approach (RRA), a private sector tool, to the Kenyan public sector context.
- Rapid Results Initiatives has now been implemented in over 63 public sector institutions to date; these include Central Government Ministries, Local Authorities, State Corporations, and State Universities.
- Obong'o's innovative approach to RRA teamwork orientation has succeeded in motivating staff commitment and buy-in at all levels, moving the workplace culture towards a results orientation.

1 Introduction

In 2005, the Government of Kenya appointed Mr. Sylvester Obong'o to coordinate the roll-out of the Rapid Results Approach (RRA)²⁶ as a tool for institutionalizing results-based management (RBM) in the public sector. This case describes Mr. Obong'o's flexibility and innovative thinking in integrating the (RRA) with the Government of Kenya's RBM reform program.

To date, Mr. Obong'o has spearheaded the launch of Rapid Results Initiatives (RRIs) in over 63 public sector institutions, including the central Government Ministries, state corporations, local authorities, and public universities. His hands-on style and adaptive/problem-solving execution motivated the Head of the Kenyan Public Service to require that every public sector institution implement the RRA.

2 Efforts to Strengthen RBM

Obong'o, who had worked with public sector reforms since 2001, and who had professional experience in both the public and private sectors, was convinced that what the public service reforms needed were results that could be achieved within a short period of time. To enhance the reforms, he reconceptualized the RRA as an RBM tool, selling it as an instrument for accelerating the public service reform agenda. Consequently, the RRA was piloted as part of the RBM reforms in six ministries.

During the pilots, RRIs focused on select projects within institutions, rather than on the institution as a whole. Obong'o's task was to scale up the RRIs, both internally within the pilot institutions and externally across the entire public sector, neither of which had ever been done before. Like any reform program, the RRIs faced internal resistance: some saw the methodology as alien to public sector practices; others viewed it as merely more work for the same pay; and several critics predicted the RRI would soon fade away, just as all previous reform initiatives had done. Hence, Mr. Obong'o had to tread carefully to preserve the integrity of the methodology while ensuring that Kenyan civil servants felt ownership of the reforms. On top of the internal skepticism towards the RRA, none of the external consultants on Mr. Obong'o's team were experts in RBM, so the responsibility to adapt the approach to the Kenyan results reform agenda rested mainly on his shoulders.

Mr. Obong'o rose to the challenge. He began by restructuring the RRA's elements to reflect the Kenyan public sector context: all team members were to be centrally appointed by the Sponsor (CEO) of the institution, to account for the hierarchical structure of bureaucracy. The head of the institution going through the reform received the title of Political Leader, and the head of the RRI structure, who originally held the

²⁶ The RRA is a results-focused learning methodology aimed at jump-starting major organizational change efforts and enhancing implementation capacity. The methodology, introduced by Robert Schaffer Management Consultants, is implemented through a 100-day initiative commonly referred to as a Rapid Results Initiative (RRI).

title of Political Leader, was renamed the Results Leader. In this way, the governance structure of the RRA was modified to preserve the authority structures of the host institution, facilitating managerial acceptance of the initiative.

To ensure a smooth transition into an RRI, Mr. Obong'o designed a two-day, introductory workshop, covering such topics as change management, emotional intelligence, and transformative leadership, to prepare the institution's leadership for the launch of an RRI. The plenary sessions in these workshops greatly helped rally the leadership team around the methodology, allowing them to share challenges and together commit to support the RRI. To further adapt the tool to the setting, Mr. Obong'o revised the original RRA terminology to include a heavy dose of RBM concepts, so the language would be familiar to those working with RBM in public sector institutions. These changes lessened the uncertainty that accompanies implementing new reform agendas, and allowed the institutional leadership to take ownership of the initiative.

To convince civil servants that adopting an RRA would be beneficial for employees as well, Obong'o presented the RRA not as a new reform project, which would imply additional work, but instead as a *tool* that assists in the tasks that those in RBM are already required to perform. Obong'o's ability to adapt the RRA to the Kenyan reform environment was critical to institutional buy-in and thus to the reform's ultimate success. Obong'o himself has been involved in presenting the RRA and conducting the leadership orientation before consultants are brought in to launch the actual 100-day process.

The RRA hinges on working as a team and ensuring that everyone feels they are a part of achieving the results. As the Kenyan public sector is highly bureaucratic, the main barrier to building this camaraderie was institutional hierarchy. To address this issue, Obong'o made everyone communicate on a first-name basis during RRA orientation. The environment notably shifted when participants dropped their titles and called each other by their first names. The effect was tangible: on the last day of an orientation at the Ministry of Health, a Ministry driver told Obong'o that he no longer saw himself as a driver, but a facilitator of the transport that was necessary to help the achieve the RRI's goal of saving 1000 lives. Empowering public servants with such a sense of purpose is one of the key features to RRA success, as implementers are motivated to continue when they feel and see the results of their efforts

To date, Obong'o has launched Rapid Results Initiatives in 25 Government Ministries, 10 local authorities, 20 state corporations, half of the country's public universities, and 6 Regional Authorities. His level of achievement has surpassed all expectations. The overwhelming success and impact of Obong'o's initiatives prompted the Kenyan Permanent Secretary, Secretary to Cabinet, and Head of Public Service to issue a directive that all public sector institutions must implement RRIs. The entire Kenyan reform programme has now been planned around the RRA.

3 Results Achieved

-Health Sector – October 2005

1. Management of HIV/AIDS

The National Aids Control Council (NASCOP) had as its mandate to increase the number of patients receiving anti-retroviral therapy (ART) from 54,000 to 95,000 by the end of 2005. The RRI was adopted in October 2005 to accelerate the scale of ART in the Western Province, chosen because of the slow ART uptake (only 2, 580 patients were on ART).

For the RRI, the NASCOP team took as their goal to increase the number of patients receiving ART in Western Province by 50 percent, to 3870, in 100 days. By the end of the RRI, the number of patients receiving ART in Western Province was 5,835—an increase of 150 percent. At the end-term celebration, the Director of Medical Services announced that the most exciting aspect of the RRI pilot was not the tripling of the intended percentage scale-up, but the realization that they could use this same team to put an equal number of patients on ART in all of the remaining provinces in Kenya during the same period of time. Thus

they could actually add approximately 20,000 patients every 100 days from a previous average of 5,000 per year. Subsequent studies done on morbidity and mortality due to HIV-related complications have shown a reduction from 4.1 percent in 2004/2005 to 3.6 percent in 2005/2006, thanks in part to the intensive scale-up of the NASCOP RRI.

2. Immunization of Children

The City Council of Nairobi undertook an RRI with the goal of increasing the percentage of fully immunized children from 75 percent to 85 percent (of an eligible population of 102,992). The RRI helped the City Council achieve an immunization rate of 88 percent—that is, 6,915 additional children were immunized above the original target.

City Transport

The problems facing the public transport system in Nairobi—failed signage, constrained pedestrian space, and poor pavement conditions around major bus stops—led to major blockages on the main roads during peak hours. The goal for the RRI was to reduce travel time on Argwings Kodhek, Kenyatta Avenue, Mfangano Street, and Ronald Ngala Street by 30 percent within 100 days, by improving the conditions of the main Nairobi bus stop. The photos below show the results.

The photos below show reconstruction of the main bus stop at the General Post Office in the city centre.



Water Sector

Nkando Irrigation Project in the semi-arid Laikipia District had as its RRI goal to increase the number of irrigating farmers from 117 to 203 within 100 days. At the end of the 100 days, 186 farmers were connected to irrigation water and 171 farmers had crops

The photo to the right shows the Chairman of the Nkando Irrigation Scheme (2nd from right) inspecting progress with the team members during the RRI period



Business Process Reengineering (BPR)

1. Processing of Passports

The Nairobi Passport Issuance Office launched an RRI and reduced the time to issue a passport from more than three months to 20 days. The Nairobi office is now working to bring the number of days down to 10. After the success in Nairobi, the two other Passport Issuance Offices in Kenya—in Mombasa and Kisumu—applied the RRA to reduce their issuance time to 20 days as well.

2. Registration of Business Names

The State Law Office undertook an RRI to help reduce the time it takes to register a business from over one month to two working days. This entailed reconfiguring the registration hall where clients used to queue up for receipts and do manual name searches. During the RRI, the Office installed a management information system and filed over 500,000 cases that had been pending. Lack of resources was not the issue here: in the past both UNDP and the World Bank had contributed significant funds to reform the State Law Office. The critical point was targeting the resources available and motivating staff to see the results of their actions.

(a) Disorganised hall before the beginning of RRI



(b) Modern finished Banking Hall at the end of the 100-day Rapid Results Initiative



Challenges

Obong'o dealt with a good amount of staff skepticism, and his first challenge was presenting the RRA as an integrated element of the Government's more general RBM reform policy. If the RRA appeared to be a separate reform initiative, the RRI would be viewed as an additional responsibility and rejected.

The challenge that faced the scale-up of the RRA across the public sector was the fact that there was little continuity between the pilot phase and the scale-up. In addition, the initial implementation isolated RRIs from the rest of the public service reforms, since they were implemented on a "project basis."

Another major challenge during the initial stages was competition with other reform initiatives. Unlike other reform initiatives (such as Transformative Leadership and Change Management, which were also all aspects of RBM), the RRA was not known and did not get as much attention and support as it required. Resources were not readily allocated to RRIs, and those in the leadership ranks needed a good deal of convincing before taking what they saw as a risk. Intellectually, Obong'o faced the issue of how much he could modify the RRA without forging a completely different tool. Modifying the original RRA concepts, such as governing structure, team formation, and goal adaptability need to be done carefully so as not to lose the core principals behind the approach.

4 Lessons Learned

- i. Successful implementation depends on the support of the Chief Executive Officer, and this support must be given directly, not through appointed representatives. When giving presentations, Obong'o himself insists on presenting the RRA Concept Overview only when the Permanent Secretary in the ministry or the CEO in the State Corporation and his/her heads of department are available to attend. Anything short of that, experience showed, does not yield the desired institutional commitment for RRA, which must be extremely high for successful implementation.
- ii. The RRA must be introduced as part of ongoing statewide reforms, governmental desire to improve service delivery, or individual institutional reforms, and hence it must be carefully integrated with the

general reform agenda. Spearheading it in the public sector in Kenya required a thorough knowledge of the then-state of the reforms, the public sector culture, and the workings of the Government. Bringing in consultants whose only interest is promoting the RRA itself may not be well received. In the Kenyan case, part of the ease of acceptance of the RRA was due to the fact that Obong'o was seen as a public servant, an insider who understood the context and culture.

- iii. Achievement of results is the greatest motivating factor in implementation. When members of a team come together and achieve results that had previously been difficult to reach, not only are they motivated, but they also gain confidence to do even more.
- iv. Lack of resources is not the issue; experiences in Kenya have shown that even in places where the budget is low, the RRI can succeed with enough motivation. For example, there were several instances when the RRI team took public transportation to get around during the 100 days, because government funds were lacking.
- v. Teamwork orientation and the breaking of the bureaucratic hierarchy during the implementation of the RRI in many institutions have unleashed potential in staff members who were until then considered too far down in the hierarchy to contribute constructively in implementation of programmes.
- vi. It takes time and patience to get buy-in during the implementation of RRI: the initial excitement associated with launching (Kenya launches an RRI publicly in the full glare of the public and stakeholders, and media are invited) may die off if it is not well managed during the initial stages.
- vii. Celebrating and publicly recognizing results encourages individuals to continue with reforms. Most of the time, public sector employees do not see the products of their efforts. Seeing the results of the service delivery can often motivate effort more than a salary increase
- viii. Although the primary objective remains the achievement of tangible results, the RRA can serve several purposes:
 - a. As a diagnostic tool highlighting areas that need improvement.
 - b. As an impetus for fostering teamwork within an organization.
 - c. As a way of breaking red tape that delays service delivery.

5 Conclusion

Sylvester Obong'o's adaptive implementation of the RRA within the public sector in Kenya was revolutionary in terms of its quick acceptance and scale-up. Obong'o's work with RRIs enhanced and bridged the gap between aspiration and the ability to successfully achieve results. Obong'o tweaked the RRA methodology to suit the context of government, effectively involving stakeholders who also brought their expertise on board during their participation in teams. Within a period of two years, over 580 Rapid Results teams have been constituted to deliver results to Kenyans. In the process, team members have enhanced their management, team-building, and sustainability skills.

A number of lessons that can be drawn from the experience of implementing the RRA in Kenya's public service: enhancing achievement of performance targets, changing the business-as-usual attitude towards results, and orienting teamwork to the implementation of plans and strategies. In addition, emerging good practices from RRIs are feeding into the scale-up phases.

For sustainability, the Government has already committed to train a core pool of up to 350 public servants as RRA coaches during fiscal year 2007-2008. The vision is to make RRA self-sustaining within all public sector institutions.

"Whatever you can do or dream you can do, begin it. Boldness has genius, power, and magic in it."
Goethe

Case Studies at Institutional Level

AFD: *The Challenge of Accountability for a Bilateral Donor*

IFAD: *Mainstreaming MfDR at Corporate, Country, and Project Levels*

Brazil Ceará: *Implementing Results Based Management at the Subnational Level*

Development Gateway: *Using the Aid Management Platform to Strengthen Country Systems*

Agence Française de Développement (AFD)

The Challenge of Accountability for a Bilateral Donor

Marie Bjornson-Langen

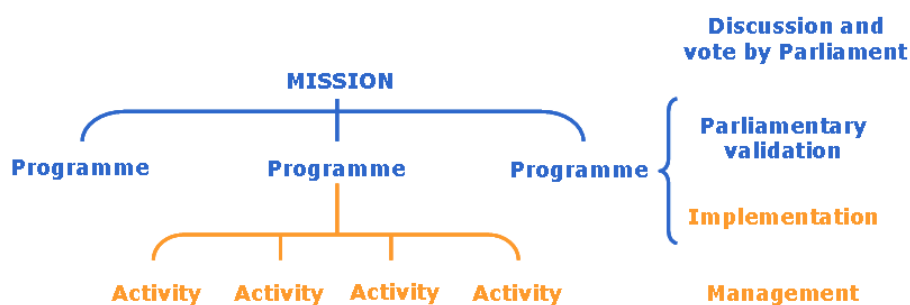
- Since 2001, under the leadership of the Director General of the Agence Française de Développement (AFD), a complete agenda on results and accountability has been set up and put at the core of AFD's strategies. Managing for development results (MfDR) is now a key component at the global, strategy, and project levels, and results are reported annually to AFD's management board comprised of the Agency's Directors and those of its line Ministries (Finance and Foreign Affairs).
- The results framework, implemented since 2001, responds to the need for a different type of management of public funds. It allows for better communication on the expected results of French bilateral interventions.
- Three internal AFD work streams that are under way should enable the Agency to improve its accountability and impact assessment framework: (a) strengthening the strategic planning cycle, (b) making a clearer connection between project results and consequent development impacts, and (c) working on a set of shared indicators, in order to be accountable not only for financial engagements but also for results obtained.

1 Introduction

In 2006, France's budgetary system was revised with the adoption of the "*Loi Organique Relative aux Lois de Finances (LOLF)*," which modified the budgetary framework to focus more on results and accountability. The state budget is now drawn up and discussed by Parliament by sector, programme, and activity. Annual performance reports set out performance indicators and financing by sector and programme (such as aid policy). Those in charge of each policy programme are responsible for defining objectives, strategies, and performance indicators, and eventually for explaining any differences between expected and actual results.

The following diagram summarises the LOLF framework.

A new national budgetary framework



The LOLF came about as a result of a high-level political consensus on the need for greater transparency in the use of public funds and in the planning and implementation of the budget. Parliament wanted to have better information on and more control over the use of public finances.

The Agence Française de Développement (AFD) is France's key government body for official development assistance (ODA). Under the French budgetary framework, ODA policy is made up of three public policy programmes all contributing to the overarching ODA mission under the coordination of the Minister for International Development and Francophonie. The three programmes are: "Partnerships with Developing Countries", headed by the Ministry of Foreign Affairs, "Economic and Financial Development Assistance", headed by the Ministry of Finance, and "Co-development", headed by the Ministry for Immigration and

Intégration. Each of these programmes contains a series of performance indicators some of which concern AFD's activities and the Agency commits to report to its line ministries on progress against these indicators on an annual basis. Performance results are in turn published annually in France's budgetary documents and communicated to Parliament. Examples of indicators include: number of AFD projects judged as satisfactory in terms of meeting their objectives and percentage of harmonised budget support.

Two recent polls have shown that while French citizens view contributing to development policy as justified, they want development actors to be more accountable and to justify spending on the basis of expected and actual results.²⁷ AFD tries to meet this demand by implementing a policy of managing for development results. Acting within the framework of the new budgetary law, in line with the Paris Declaration on aid effectiveness, and within a limited budgetary framework (AFD's financial commitments amounted to 3.5 billion euros in 2007), AFD aims to demonstrate to taxpayers and their representatives in Parliament (a) the relevance of France's ODA policy, and (b) the impact of public spending on development.

2 Leadership, MfDR, and Results Achieved

Since 2001, under the leadership of the Agency's Director General, a complete agenda on results and accountability has been set up and put at the core of AFD's strategies. MfDR is now a key component at the global, strategy, and project levels, and results are reported annually to AFD's management board (which comprises the Agency's Directors and those of its line Ministries).

At the global level: performance agreements with line Ministries

The two performance agreements (*contrats d'objectifs*) signed between AFD and its line Ministries for the period 2006-2008 define several strategic objectives and related performance indicators that stem from the performance indicators set out in France's budgetary documents.

In this framework AFD established its strategic plan (*plan d'orientation stratégique*, or POS 2, covering the period 2007-2011). The POS 2 and its accompanying road map, to which all of AFD's staff was invited to contribute, put the emphasis on accountability, transparency, and communication. It consists of a series of commitments by overarching sector, each incorporating performance indicators.²⁸

Specific units in AFD are responsible for compiling the data on AFD's fulfilment of these overarching performance indicators as set out in the budgetary documents and AFD's contracts with its line Ministries. A strategic information system also compiles and tracks the data related to AFD's progress on these indicators and on others that are linked to the Agency's more internal objectives.

At the strategic level: geographic and sector strategies

The Framework Partnership Documents (*documents cadres de partenariat*, or DCP), produced by the Foreign Affairs Ministry with AFD's input, are the reference documents for mutual accountability with partner countries.

AFD's own country strategies (*cadre d'intervention pays*, or CIP) are based on the priorities identified in these global partnership documents; they set out how the Agency intends to meet the priorities through projects, and what the added value of AFD will be in terms of expected results. In drawing up country strategies, AFD uses a specific methodology:

- Identification of a country's sustainable development needs, summarised in an analytic grid (*grille d'analyse des enjeux de développement durable*).

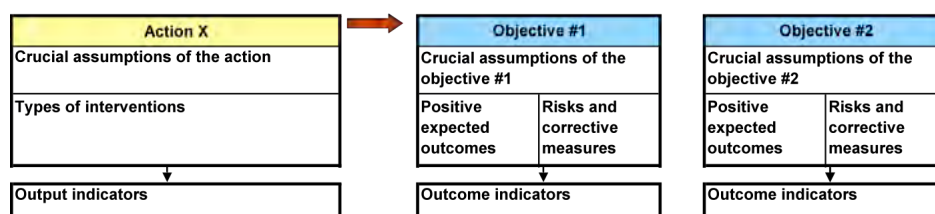
²⁷Further information is available at the following website :

<http://www.afd.fr/jahia/webdav/site/myjahiasite/users/administrateur/public/pdf/IFOP-AFD.pdf>

²⁸ Further information is available at the following website : <http://www.afd.fr/jahia/jahia/lang/en/home/Qui-Sommes-Nous>

- Definition of AFD's prior objectives in the country, mainly based on (a) the previous grid, (b) discussions with country partners, donors, and civil society, and (c) lessons learned from previous interventions. AFD's strategy is summarised in a logical framework that includes a projection of financial engagements, types of financial instruments (loans, grants, advisory services) and other donors' strategies, to underline AFD's comparative advantages (division of labour).

Grid of expected results and indicators



- Selection of a limited number of relevant indicators to follow up expected outcomes, taking into account types of activities, risks, and assumptions. The CIP's monitoring system is then based on this analytic grid of expected outcomes (*grille d'analyse des effets*).
- Finalisation of the strategy and validation by AFD's sector units.

This methodology ensures that AFD's objectives are in line with partner countries' national priorities. CIPs are also a management tool used to define AFD's business plan.

At the project level

At the project level the Agency measures expected results with a replicable and flexible approach:

- Fifty-eight standardized indicators (*indicateurs agréables*), covering 11 sectors that track, for example, access to water, access to education, or reduction in child mortality.
- These indicators are defined in a handbook for Agency-wide use.
- At the design stage, each project cofinanced by AFD should include at least three or four of these indicators and should define targets for the end of the project.
- Quality control is ensured by AFD's Strategy Department, which annually reviews the figures and sums up the expected results of projects for which funds were committed during the year.

The methodology for monitoring results through aggregate indicators aims to quantify project outcomes. This helps AFD to communicate results to a range of stakeholders (line ministries, Parliament, public; see an extract of AFD's annual report 2007 below). This approach tries to fill the gap between communication demands and project impacts.

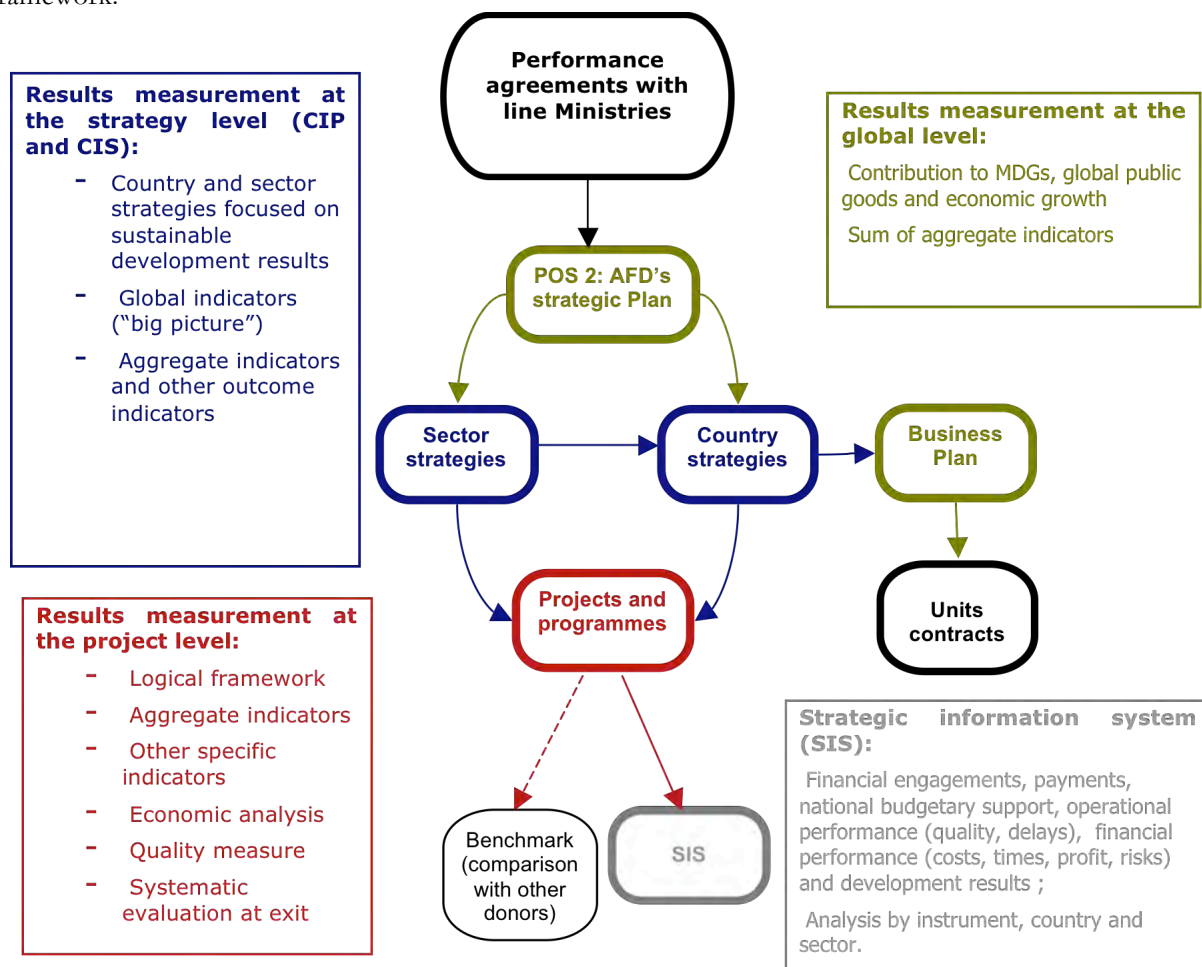
2007 Summary of Achievements AFD Financing (extract from the Annual Report 2007)	
In developing countries <ul style="list-style-type: none"> ▪ Drinking water supply for 4 million people ▪ Primary school education for 4.7 million children ▪ Energy efficiency by saving 2.7 million tons of CO₂, equivalent to the emissions produced by 1 million cars each year ▪ Medical care for 889,000 births ▪ Projects to support agriculture benefiting 6.5 million people ▪ Improved housing for 715,000 people ▪ Medical treatment for 2.2 million people suffering from AIDS, malaria, and tuberculosis ▪ Saving 114 million M³ of drinking water every day ▪ Connecting 22.5 million people to telecommunication services 	In overseas France <ul style="list-style-type: none"> ▪ Access to health facilities for 307,000 users ▪ Construction of 886 low-cost housing units benefiting 2,550 people ▪ Improved drinking water services for 229,000 people ▪ Subsidized investment loans that have benefited 670 businesses and generated 4,300 jobs

At the project level AFD also measures its financial contribution to the MDGs in terms of resources contributed and results achieved through the following cost-effective approach:

- an allocation matrix based on OECD-DAC sectors,
- a given program/project may not contribute to any MDG,
- one committed euro is attributed only once to a MDG target,
- project funding may contribute to different MDG targets.

The robustness of this methodology has been tested against empirical measurement.

The following chart summarises the architecture of AFD's strategic approach and performance measurement framework:²⁹



AFD has also been strengthening its evaluation strategy to accompany improvements in its monitoring and accountability. AFD now conducts a wide range of evaluations to monitor the impact of its interventions, including ex post evaluations and external evaluations carried out systematically at beneficiary level.

²⁹ For further information please consult the following website <http://www.afd.fr/jahia/jahia/lang/en/home/Efficacite/pid/3648>

3 Lessons Learned and Challenges Overcome

The results framework, implemented since 2001, responds to the need for a different type of management of public funds. It allows for better communication of the expected results of French bilateral interventions.

At the national level, this approach adds value both internally and externally:

- Internally within AFD, because MfDR is implemented and managed at the operational level, all the links in the results chain are covered.
- Externally (nationwide), results are used for communication to the public at large.

4 Conclusion

The recent national review of French public policy identified a need to strengthen France's aid indicators and link them more closely to France's strategic objectives for ODA, differentiating more clearly between (a) quantitative indicators such as the amount of budgetary, programmable resources (i.e., excluding debt relief) destined for priority zones, and (b) qualitative indicators linked to the results of France's own interventions as well as to the wider impacts on development resulting from the combined actions of the donor community.

In addition, three internal AFD work streams that are under way should enable the Agency to improve its accountability and impact assessment framework:

- The strategic planning cycle will be strengthened by ensuring a greater linkage between strategies and interventions (i.e., ensure that they draw from each other), and by improving the accuracy of development results indicators (both ex ante and final) and their linkage with impacts.
- The measurement of development impacts on the ground will be improved by making a clearer connection between project results and consequent development impacts.
- There is also a need for more coherence with regard to the development results framework within the international donor community. This could be achieved by working on a set of shared indicators, in order to be accountable not only for financial engagements but also for results obtained. Such efforts would contribute to greater transparency on results within the donor community.

International Fund for Agricultural Development (IFAD)

Mainstreaming MfDR at Corporate, Country, and Project Levels

Brian Baldwin, Hisham Zehni, Ron Hartman, and Benoit Thierry

- Under strong support from senior staff, IFAD has mainstreamed MfDR in both the programmes it supports and in IFAD itself at corporate, country, and project levels.
- Risk management processes have proven to be of far higher value to planning and performance management than was expected and they have helped to solicit decision making.
- Result Management Systems should be simple, pragmatic, easy to use for staff, and should provide information senior managers can use for knowledge-based decision making.

1 Introduction: Action Plan for Improving IFAD's Development Effectiveness

Stronger organizational effectiveness is key to raising the quality of the field-level operations of the International Fund for Agricultural Development (IFAD) and ultimately improving its development effectiveness. For this reason, IFAD has mainstreamed Management for Development Results (MfDR) not only in the programmes it supports, but also within IFAD itself.

The Executive Board approved the “Action Plan for Improving IFAD's Development Effectiveness” in December 2005, supporting the implementation of an MfDR strategy consistent with the Paris Declaration. The Action Plan addresses such issues as the ownership of country programme design by partner countries, the harmonisation with other national and international partners at the country level, and the establishment of a broader planning and reporting framework.

2 MfDR Leadership: at Corporate, Country, and Project levels

In comparison to other UN organizations, IFAD is small and concentrated in one location. According to the UNDG Evaluation,³⁰ this gives IFAD “the advantage of management and staff being able to absorb, under strong leadership from the top, the directions emanating from the Paris Declaration with greater ease than large and decentralised UN organisations. IFAD has shown less of a need for the panoply of formal guidelines and for training.” The changes in IFAD will be analyzed at the corporate, country, and project levels.

Corporate level

To strengthen the monitoring and management of IFAD's internal performance, with the strong support of a change-oriented Senior Management Team, a new Corporate Planning and Performance Management System (CPPMS) was put in place in September 2006. The CPPMS provides a house-wide framework, encompassing new and existing processes, designed to (a) focus and manage IFAD's work and align it with IFAD's corporate strategic objectives, (b) ensure coherence between IFAD's country-level activities and the management of its budget, human resources, internal processes, and policies. At the core of the CPPMS is a set of Corporate Management Results (CMRs) that are derived from IFAD's Strategic Framework 2007-2010, and are applied across the organization, according to their relevance to each division's programme of work. As an example, Operational CMRs include Better Country Programme Management; Better Project Design (loans and grants); Better Implementation Support; and, More Strategic International Engagement and Partnership. Institutional support CMRs include Improved Resource Mobilisation and Management; Improved Human Resource Management; Improved Risk Management; and Improved Administrative Efficiency.

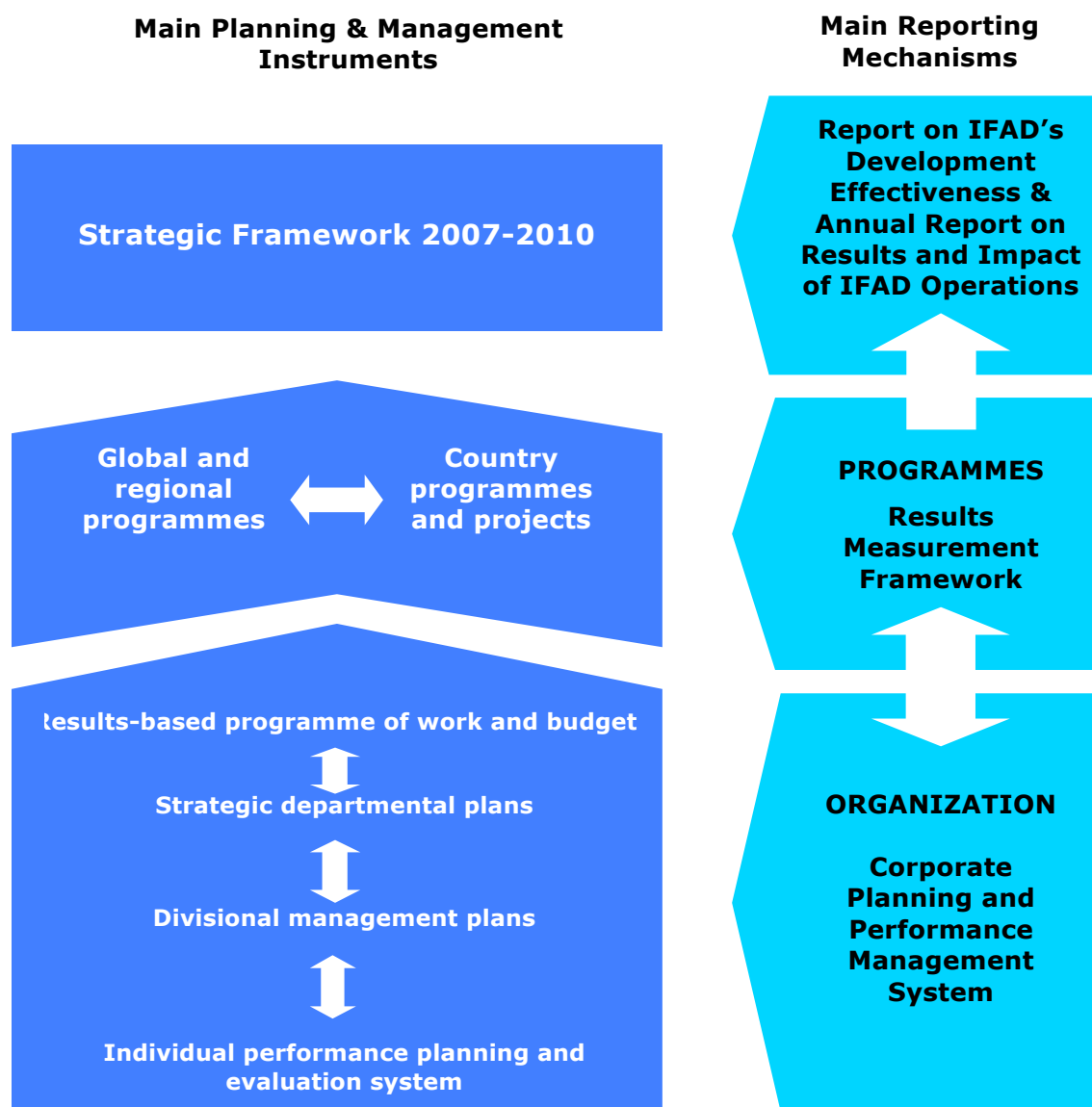
³⁰ “Evaluation of the UNDG Contribution to the Implementation of the Paris Declaration on Aid Effectiveness.” UNDG Joint Evaluation, February 2008.

The CPPMS also comprises:

- Key performance indicators for tracking progress towards the CMRs;³¹
- Management plans to track departmental and divisional contribution to CMRs and lower-level management results; and
- Processes for managing risks to the achievement of the CMRs.

The system, outlined in Figure 1, includes quarterly reviews (“performance conversations”)—at the senior management, departmental and divisional levels—of progress toward CMRs and of risks. The system has links to the budget through the Results-Based Programme of Work and Budget, and to the personal performance plans and assessments of all staff members.

Figure 1: Overview of IFAD’s MfDR system



³¹ Some of the key performance indicators are drawn from the Common Performance Assessment System (COMPAS) implemented by the five main multilateral development banks (African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank).

Country level

IFAD has recently introduced a country strategy methodology, the results-based country strategic opportunities programme (RB-COSOP), to improve the alignment of its strategic objectives with country-owned poverty reduction priorities and harmonisation with partners. The methodology also emphasizes joint ownership and involvement by in-country stakeholders and the adoption of a results framework to align strategic objectives with national poverty reduction strategies and define the policy dialogue agenda. The results-oriented country strategy approach consists of an annual review process to assess performance against defined country programmes and targets. The assessment process also includes annual client surveys.

The provision of effective tools and support processes is a critical element in promoting more effective results management practices at decentralized country levels. For example, for project planning and implementation, IFAD uses a **logframe approach** with a standard template and operational guidelines. Logframes represent the foundation of efficient and comprehensive monitoring and evaluation (M&E) systems that provide constant support to country programmes. An important lesson learned is that M&E systems and associated information requirements must remain realistic and must be focussed at higher levels of the results chain.

To foster links between M&E and project planning, promote M&E as a management tool, and mainstream sound results-based management practices at the project level, a **Result-Oriented Annual Work Plan and Budget (RO-AWPB)** has recently been introduced to all IFAD projects in the Asia and Pacific region. This process helps enhance the integration of M&E information into annual budgeting processes so that decisions regarding the next year's planning are based upon the previous year's results and performance. Based on the pilot testing, the learning from this pilot experience and consultation with IFAD's country partners the template and approach was refined and further disseminated to other countries across the region. Initial feedback indicates that the template has facilitated changing the focus of the annual planning process from disbursement/activity to results. In countries such as Cambodia, India, Philippines, and Vietnam, the RO-AWPB template and methodology aligns closely to the country's move toward more results-based budgeting processes. In the future, this initiative is expected to allow IFAD to better understand the link between results and resources.

Programme/project level

At the programme/project level, IFAD has established the Result and Impact Management System (RIMS) with a three-tier framework for measuring and reporting the achievement of results. RIMS looks at the immediate results associated with project activities and outputs (first level = Outputs), changes in the functionality or the behaviour of beneficiaries (second level = Outcomes), and the long-term effects on poverty and malnutrition (third level = Impact). RIMS enables IFAD to assess the extent to which operations contribute to the Millennium Development Goals for eradicating extreme poverty and malnutrition.

The RIMS supports and encourages result-based management by mainstreaming its methods and approaches: planning for targets and objectives, ongoing monitoring and reporting of key performance indicators, comparison of target figures with actual achievements, and application of findings for decision-making and learning. RIMS provides IFAD with a consistent set of data that documents the results achieved through its operations—the changes occurring in the livelihoods of beneficiaries. Here, RIMS is a source of accountability as it shows how financial resources have been used in partner countries and what results have been achieved.

RIMS provides an incentive for enlarging the scope of the project M&E system from activities and outputs to the assessment of effectiveness and sustainability of project initiatives. Project M&E systems can start introducing considerations on "what happened" to beneficiaries, communities, and institutions after the implementation of project initiatives. RIMS promotes a vision of M&E as an instrument whose final aim is to manage for impact.

3 Results Achieved: the base established for progress from 2008 onwards

Corporate level

As 2007 was the first year of implementation of the CPPMS, it is difficult to quantify the results achieved. However, substantive progress has been made on qualitative results:

- Quarterly reviews were conducted on schedule at all levels.
- Focus on results is increasing at all levels and across all units of the organisation, confirming the saying that “what gets measured gets managed.”
- More proactive and better informed decision-making is observed, even at the senior management level, helped by the fact that senior managers regularly receive a consolidated “performance package,” including an assessment by CMR and budget usage, accompanied by a risk register.
- A results-oriented culture is beginning to unfold, in which enquiry, evidence, and learning are valued as essential to good management.
- The system is serving as a tool to share knowledge and information within IFAD.
- There is increased clarity on mutual obligations and better rationalisation of resource allocation among departments, with a growing share of resources going to operations.

Country level

Nepal was the first country in the Asia and the Pacific region to adopt a result-focussed country strategy. A first review process, undertaken in December 2007, indicated positive progress in enhancing stakeholder involvement and alignment with country-owned priorities. Assistance focussing on strengthening monitoring and evaluation capacity has provided crucial assistance to countries such as **China, Cambodia, India, Laos, Philippines,** and **Vietnam**. Moreover, a large regional initiative, the Asian Project Management Strengthening Programme (APMAS), aims at improving the effectiveness of rural development programmes in the Asia and the Pacific region by improving national institutional capacities to manage rural development projects and programmes for results. An initiative has also recently been launched to strengthen the monitoring and evaluation capacity of the Office of Agricultural Economics within **Thailand’s** Ministry of Agriculture and Cooperatives and to facilitate closer linkages and sharing of experiences on operational results based management throughout the region. In **Madagascar**, IFAD’s result-based country strategy (2007-2012) is aligned on the Madagascar Action Plan (MAP); the strategic objectives of the IFAD projects are risk management for vulnerable rural populations; improved revenues for rural families; and capacity development of farmer organisations.

Programme/project level

A supporting template was designed in consultation with stakeholders during two sub-regional workshops in **Nepal** and **Vietnam**. Guidelines were also prepared and shared. A series of training sessions related to the RO-AWPB preparation was held in seven countries in the Asia and the Pacific region. Positive feedback has been received with respect to assisting projects in forging crucial links between resources allocations and results. In **Madagascar**, through a manual of procedures and an electronic forum among project stakeholders in the country, each project M&E system has been improved to provide IFAD with progress on indicators of results and impacts (RIMS System) and to allow all government and donor activities to be aligned along the MAP framework. A first report, in the end of 2007, reported that in line with MDG 1, rural poverty decreased from 77.2% in 2001 to 73.5% in 2005. With this as an overall benchmark, the MAP also reported on a series of sectoral results—e.g., 8.5% of Malagasy families have benefited from access to microfinance institutions (MFIs) compared to 6% in 2005. The MAP has also set a target of 75% by 2012 for rural “operators” holding land title; while there have been increases over the past three years, the 2007 figure is still at 10.4%, signifying the extra capacity and effort needed to attain the targets. It is important that, by establishing these targets and

monitoring progress, the MAP has set in motion the process to manage the attainment of policy-driven results. In another area, the intended diversification of rural household income sources has been measured by the increases in dairy production and breeding, the initiation of new activities such as bee-keeping, and the coverage rate of the Rural Development Support Project, which has now reached 71% of rural communities.

4 Lessons Learned and Current and Future Challenges

Learning from other agencies:

- Unlike in some other areas, work on MfDR has generated a terrific spirit of collaboration, cooperation and mutual support between agencies. Learning from the experience of other agencies (through numerous visits and meetings with counterparts) was of incalculable benefit for IFAD to set up and operate the CPPMS.

Simplicity, pragmatism, and integration:

- Any system that is neither simple nor pragmatic has a high risk of failure. Managers and staff are extremely busy, and results management should be perceived as a tool to help them to better manage their own performance issues, with upstream linkages to senior management decision-making processes. If a system is perceived as a burden, or is limited interest to senior managers, commitment to it will lose momentum at middle-manager level, either reducing it to a futile paper exercise or bringing the whole system to a standstill. Two aspects are relevant here. First, it is important to establish corporate-level results (with KPIs that are amenable to aggregation) to which all operational and nonoperational areas of the organisation can contribute. If there is a clear line of accountability for each senior manager for one or more of the CMRs, engagement of the whole team is more likely, and as a consequence accountability for the CMRs will cascade throughout the rest of the organization. The vertical linkage will be further reinforced since senior management will have a real demand for results information, as they will need to report on their performance to the president. Second, plans at all levels should be kept simple, focussing on vital results and indicators. The more complex the plans, the longer it will take to report on them. Proliferation of KPIs is a major pitfall; where possible, common KPIs should be adopted. Last, but not least, the principle of simplicity needs to be applied to results concepts and terminology so that these can be easily understood by staff at different levels and in all functions of the organisation.

Support of senior management

- Following on from the previous lesson, senior management's recognition of the system as a management tool, rather than a mere reporting mechanism, is vital to success. The CPPMS has permitted senior managers to gain a clearer appreciation of the issues affecting IFAD's performance, and the actions or decisions needed to address them.

Nurturing managers and staff ownership of and commitment to the system:

- A pilot initiative was conducted with a representative group of divisions to experiment with different approaches and develop a template for divisional-level management plans. This pilot helped to evolve a standard planning template that enjoyed ownership by division directors and could be rolled out across all divisions in the organisation, facilitating alignment and contribution of all divisions to the CMRs.
- A network of focal points from each division was created, and regular interactions allowed them to exchange experiences. This helped to mobilise active and broad-based participation of staff for this initiative and to build their commitment to results management.
- The first year of implementation of the CPPMS was approached as a "mock" or trial year, with strong emphasis on *learning by doing*. Two stock-taking exercises were carried out - first in December 2006, to learn from experience as soon as the process for developing Divisional Management Plans was completed. Then in April 2007, to learn from experience with the first quarterly performance

conversation. These exercises gave managers assurance that there was a genuine interest in mobilising broad “user” participation in refining the system.

Leveraging IT support:

- IT has enabled efficient performance tracking and reporting (on KPIs, via traffic lights, accompanied by qualitative assessments). This has permitted speedy analysis, summarisation, and escalation of issues or risks for attention and decision by senior managers.

Performance reporting, accountability, and the notion of “managing for results”:

- Care needs to be taken when introducing a transparent and visible system for measuring performance (traffic lights were used in IFAD’s case), as managers may feel threatened, and be motivated to misreport performance. Emphasis should be placed on the idea that managers are, in the first instance at least, accountable for “managing for results”—that is, actively monitoring performance, and actively identifying solutions to improve it. Hence, red lights *per se* should not be perceived as a negative reflection on managers’ performance. The emphasis should rather be on assessing how proactive managers were in identifying problems, and addressing them. Tensions can be diffused if “performance conversations” are viewed as opportunities to review performance with an accent on learning and information sharing, reinforcing successes and remedying problems.

Risk management:

- Embedding risk management within the system helped to strengthen the quality of planning, and to effectively raise managerial attention to and solicit decision-making on risks affecting performance.

Country level:

Several of the initiatives are still in their infancy and will require constant monitoring and support to promote further learning and knowledge sharing. The implementation of RIMS remains a challenge for IFAD, as the experiences in Asia illustrate. In many ways this reflects the normal challenges associated with M&E activities (e.g., data reliability, cost-effectiveness of data collection, quantities of information collected and used for management decision making). Nevertheless, the system has proven extremely useful in many ways: for example, highlighting the importance of M&E and providing countries and IFAD with performance data against a standard set of indicators that are comparable across countries and regions. Efforts to strengthen the capacities of field level staff will be continued.

Next steps to address challenges

Notwithstanding an encouraging start, several areas of the system require refinement and adaptation. Increased attention needs to be given to the quality of the plans, particularly to ensure that results are formulated in a clear manner and that KPIs meet the SMART criteria. With respect to the latter, two things are clear: (a) KPIs introduce a risk of “goal displacement” (i.e., focus on “making the numbers” rather than achieving the results); and (b) it is quite challenging to identify SMART results KPIs for certain functions (e.g., policy work, knowledge management, communications), and for these areas, the use of more qualitative types of assessment, including surveys, will be explored.

At the country and programme/project levels, systems will continue to evolve, and IFAD will continue to support several of the approaches that are under way. At the same time, IFAD will continue to draw lessons from each project for knowledge management and communication. This work will be supported by the M&E systems and information on project success and failures, which can then be turned into case studies and communication tools (e.g., Community of Practice) about the country programme experience. A further challenge will be for IFAD to scale-up the experience to other countries and other IFAD programmes.

Risk management has proved to be of far higher value to planning and performance management than originally anticipated. Guidance to managers and staff needs to be tightened to strengthen skills for risk analysis (with emphasis on how risks affect development performance), assessment and escalation, to ensure

that relevant risks are escalated to the appropriate managerial level and given the necessary attention. Procedures for monitoring and follow-up on agreed actions to mitigate risks, especially ones that need to be actively managed, have to be better defined.

5 Conclusions

Over the past two years, IFAD has made significant progress in developing MfDR frameworks in its operations at the corporate, country, and programme levels that support the partnership commitments of the Paris Declaration and lead to greater aid effectiveness. Clear lessons have been learnt and challenges identified. Nevertheless, to conclude on a sobering note of realism, it is important to recognise that decision-making and resource allocation processes in the development aid milieu are seldom based *exclusively* on development results considerations, since other variables—which at times may be counterintuitive to a results logic—inevitably come into the equation. The biggest challenge with MfDR is therefore in finding ways to raise the relative weight of results considerations in these processes. Taken together, the initiatives described above should help to sharpen the focus on development results. However, one area that appears to be critical but has not yet been understood properly is the link between resources and results, more specifically the cost-benefit relationship between the two: that is, what results did we achieve, and how much did it cost us to achieve them? The complexities here include, on one hand, the difficulties of measuring (i.e., of quantifying) and monitoring development results, and on the other, that their manifestation is generally out of sync with organisations' and governments' budget cycles. IFAD's sense is that the development community needs to give greater attention to understanding this relationship if MfDR is to be institutionalised within development organisations and at the country level.

Brazil Ceará

Implementing Results-Based Management at the Subnational Level

*Marcos Costa Holanda, Cláudio André Gondim Nogueira, Ana Cristina Medeiros,
and Antônio Lisboa Teles da Rosa³²*

- Under the supervision of Dr. Marcos Holanda at the Economic Research Institute of Ceará, a new MfDR policy linking outcome indicators within the government has been designed and implemented.
- A series of laws and decrees that stimulate RBM by allocating funds according to results indicators has been introduced.
- State priority programs are now selected using an application card, systematically addressing problems and the strategies that need to be followed to deliver results.

1 Introduction

The State of Ceará is the fifth poorest state of Brazil, with around 45 percent of the population living below the poverty line. In 2003, a new administration proposed a challenging government objective: *growth with social inclusion*. The idea was to tackle the severe economic and social problems that the State faces—poverty, unequal income distribution, high illiteracy rates, low water and sewage coverage, environmental problems—by improving all the services to the population. Two important questions were how, in a time of severe budget constraints, to finance the new investments needed, and how to make services more efficient and effective.

State officials recognized that, to improve the well-being of the population, the State urgently needed to move beyond financing just projects and outputs to take a results-based approach to its resource allocation policy. The new policy came with a simple but powerful idea: Money for Results, not just for Outputs!

Dr. Marcos Holanda at the Economic Research Institute of Ceará (IPECE) led a team (the Technical Group) in designing and implementing the new policy and in preparing the State's civil servants to shift to the very different style of results-based management (RBM). They organized a series of workshops to spread the message that everyone's contribution and commitment to results are essential to the achieving the objectives of the Government's plan and to transforming society.

2 Innovative Measures and Approaches

During the initial phase of the shift to an RBM approach, State officials introduced a series of innovations in Ceará's public administration. They emphasized that Government is not an end in itself—that what matters is the results the Government achieves, and not which programs and works are implemented. These innovations are described in the book *Ceará: The Practice of Results-Based Management*, which is being used to train Government employees.³³

Sometimes the new is just the obvious: put people first, focus on outcomes, start as simple as possible, mix top-down with bottom-up measures, and believe that people and institutions respond to incentives. In fact, the State's administrative structure has not been substantially changed.

A committee, COGERF (*Comitê de Gestão por Resultados e Gestão Fiscal*), composed of the Secretariats of Planning, Management, Finance, and Comptrollership, was created to coordinate and consolidate RBM in Ceará. The committee's work with the other secretariats was based on a mixed strategy. It combined a top-down approach, in which the Government's main priorities and results were presented, with a bottom-up one in which the secretaries were asked to present their role and contributions to the achievement of the

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³³ The book is available (in Portuguese) at: http://www.ipece.ce.gov.br/publicacoes/Ceara_GPR.pdf.

Government's main goals. This strategy was very important to bring the secretariats into the game and not just to communicate to them that a new game had started—that is, the idea was to motivate dialogue with and the engagement of line Secretariats in working to achieve the objectives and priorities of the Government's plan.

In a time of budget constraints, the Secretariats had to do more with less—that is, they had to adapt their available resources to implement the new approach. Some Secretariats, such as Infrastructure, Education, and Health, already had a somewhat developed planning structure in place, but others did not. Several workshops and training sessions helped increase Secretariat staffs' understanding of the RBM framework and prepare them to implement the new model.

Later, in a series of meetings between the Secretariat of Planning/IPECE and the other Secretariats, the sectoral strategic outcomes were negotiated, along with outputs/programs, to define the role of each Secretariat in achieving the Government's objectives. Each Secretariat committed to specific outputs/outcomes for the areas in which they could contribute the most. At the same time, indicators were defined for monitoring the outputs and outcomes achieved. These outcomes and indicators were to be monitored by the Governor and senior State officials through the Government Situation Room³⁴ and by the Secretariat of Planning/IPECE through the RBM matrices (presented below). These monitoring activities were essential to mitigate moral hazard problems, and they would be the basis for evaluating the performance of the Secretariats.

In addition, in collaboration with the World Bank the State of Ceará negotiated a new approach for subnational lending called a sectorwide approach (SWAp).³⁵ This loan, whose design is based on the RBM logic, bases its disbursements not on project implementation, but rather on targets for social and economic indicators. The selected indicators and goals are monitored in a table such as the one presented in Figure 1.

The State of Ceará had large amounts of debt amortization due on the period 2004-2009, and this operation allowed it to spread its debt amortizations over time and helped restore its investment capability.

At the institutional level, the top administrators in Ceará introduced a series of laws and decrees that stimulate RBM by allocating funds according to results indicators. Some examples:




- **The “Ceara Vida Melhor” Award:** This award encourages the poorest municipalities in the State of Ceara to focus their policies on improving social indicators in three areas: education, health, and income. The municipalities with the best yearly performances receive monetary grants for their local social projects.
- **The “Escola de Destaque” Award:** This award recognizes the best teachers and principals of state public schools in terms of maintaining existing education levels improving the quality of the education provided. These pecuniary benefits generate a healthy competition among public schools, with the ultimate goal of improving the quality of teaching and students' achievement in state schools.
- **“ICMS Municipal”:** This system links resources to results: It proposed, for example, to distribute 25% of the revenues from the State Tax on Goods and Services amongst Ceara's municipalities according to their results performance in education, health, and environment. By using these indicators, the government no longer depends solely on traditional output criteria, such as population.

³⁴ For further details see http://www.ipece.ce.gov.br/publicacoes/Ceara_GPR.pdf, p. 98-113.

³⁵ Ceará Multi – Sector Development Adaptable Program Loan (SWAp – Ceará).

Figure 1: SWAp - An Example of the Practice of Money for Results

INDICATORS		2006		RISK ASSESSMENT											
		GOALS	RESULTS	J	F	M	A	M	J	J	A	S	O	N	D
SEFAZ	1.Primary surplus	147.0 million	219.0 million												
	2.Tax revenues / GDP	8.50% or greater	10.57%												
SRH	3.Raw water for industrial use charged	80%	100%												
	4.Raw water used for irrigation charged	5.00%	11.98%												
	5.Raw water used in aquaculture charged	40.00%	40.16% (ICAUC)												
SEINFRA	6.New water connections	34,158	70,812												
	7.New sewage connections	18,543	19,562												
	8.CAGECE Exploration Margin	< 70.60%	62.87%												
SESA	9.Percentage of pregnant women with 4 or more prenatal consultations	90.0%	90.8%												
	10.Percentage of children under 5 years- old admitted with diarrhea	20.0%	25.3%												
	11.Percentage of the population covered by the <i>Family Health Program</i>	60.0%	64.9%												
SOMA	12.Environmental protected areas	1 with 5,000 ha	10,005 ha												
	13. Ecological and Economical Zoning (EEZ): <i>Litoral, Caatinga, and Serras Úmidas.</i>	<i>Caatinga EEZ finalized and Serras Úmidas EEZ under contract.</i>	<i>Litoral EEZ finalized and Serras Úmidas and Caatinga EEZs under contract.</i>												
SEDUC	14. Learning improvement through standardized tests (SPAECE and SAEB).	a) SPAECE b) SAEB	Concluded												
	15. Improvement in the efficiency of educational expenditures.	a) implement recommendations b) impact evaluation	Finalized												
	16. Reduction in the number of illiterate people (15 years of age or older).	Number of certificates: 100,000	Number of certificates: 312,669												

Note:  High probability that the goal will be achieved  Intermediate probability that the goal will be achieved  Low probability that the goal will be achieved

Source: IPECE – Program Unit Group of SWAp – Ceará

Under the RBM program, the Government also designed a new approach for selecting the State priority programs. The selection process was based on an “application card” that includes several aspects of each program/project, such as the ones presented in Figure 2. This kind of mechanism is needed because, despite the budget relief from the SWAp operation, the resources to fully implement all projects and programs are still greater than the resources available; thus the Governor and senior State officials needed specific criteria for prioritizing among projects and programs.

Figure 2: Application Card

1. The problem it aims to solve.
2. Focus, i.e., the governmental strategic outcome targeted.
3. Sectoral strategic outcomes targeted.
4. Outputs it intends to deliver.
5. Monitoring and evaluation indicators.
6. Target population.
7. Time frame.
8. Financing sources.
9. Cost-benefit indication.
10. Integration with other programs/projects.

Source: IPECE

3 Results Achieved

The State of Ceara's decision to adopt an RBM approach continues to change the development, implementation, and management of State policies and programs. Every Secretariat of the State Government has developed an RBM Matrix (see Figure 3) linking their strategic outcomes and outputs to the Government's strategic outcomes. This represents a considerable change in terms of planning governmental activities and actions: more than ever, each Secretariat is now seen as part of a big engine where all the parts contribute to the achievement of governmental goals.

Figure 3: RBM Matrix

RBM MATRIX								
GOVERNMENT	SECRETARIAT							
Strategic Outcomes	Sectoral Strategic Outcomes	Outcome Indicators	Base Line	Priority Programs	Resources (R\$)	Ouputs	Output Indicators	Output Goals

Source: Holanda et al. (2006)³⁶

According to this matrix, while planning or executing current activities a Secretariat has to keep in mind the output goals that it has committed to as well as its expected outcomes. This matrix was also incorporated in all Government planning and budget systems so that the outputs could be monitored. Additionally, outputs and outcomes are periodically monitored and validated by the Secretariat of Planning/IPECE.

Figure 4 is a visual representation of Ceara's RBM structure, showing that RBM acts as an umbrella under which all governmental actions and programs are organized and aligned.

Figure 4: RBM in the State of Ceará– A Synthesis



Source: Holanda et al. (2006)

The system has 39 Government strategic outcome indicators; 143 sectoral strategic outcome indicators; 82 sectoral programs; 291 sectoral output indicators; and the SWAp indicators.

In 2007, the new RBM-focused approach to selecting State priority programs for the 2007-2009 budget chose among a total of 1,383 projects. In addition, the first phase of the SWAp operation was concluded, having invested a total of US\$149.75 million in programs in such areas as education, health, infrastructure, and

³⁶ Available at: http://www.ipece.ce.gov.br/publicacoes/Ceara_GPR.pdf.

environmental preservation during the period 2005-2007. On the basis of the SWAp's good performance (as the indicators in Figure 1 illustrated), a second SWAp, for US\$240 million, was approved; and this type of loan was replicated in other Brazilian States.

4 Challenges Overcome and Lessons Learned

The greatest challenge the RBM system faces is resistance to change on the part of some public servants and officials, who see the new RBM policies as threatening. Dr. Holanda summarized the most important lesson learned thus far when he said that "RBM is, in its essence, a culture that must be built, such that the process requires three P's: Patience, Persistence, and Passion."

5 Conclusion

The introduction of RBM—from the development phase to actual implementation—in the State of Ceará is still in process, and many steps are still needed to fully consolidate the system. Perhaps the biggest challenge remaining is to spread the RBM culture beyond the Government and into Brazilian society. This would allow the general public to provide oversight, demanding that the Government maintain its results-oriented reforms. In such an environment, the pursuit of RBM would become an endogenous and permanent process, part of the interactions between Government and civil society. Additionally, the Government's results-based incentive mechanisms and policies need more formal and systematic monitoring and evaluation programs in order to verify their efficacy and effectiveness, constantly update and improve the State's statistical capacity, and motivate public servants to speak the "language" of results.

The future looks promising. The State of Ceará's innovative position in introducing and implementing RBM is already recognized within the Brazilian Government and elsewhere as the right way forward.

Development Gateway

Using the Aid Management Platform to Strengthen Country Systems

Emily Kallaur

- To support the global aid effectiveness agenda, an innovative partnership led to the creation of the Aid Management Platform, an e-government tool for managing and tracking development assistance.
- The system, designed by the Development Gateway in close collaboration with the government of Ethiopia, which piloted the system, the OECD Development Assistance Committee, the World Bank, UNDP, and the government of India, is now operational in eight countries.
- The platform supports government policymakers and their development partners by providing a comprehensive view of aid resources alongside development outcomes, enabling evidence-based decision-making that ultimately generates stronger development impact.

1 Introduction

In February 2003, at the Rome High Level Forum on Aid Effectiveness, the Government of Ethiopia voiced a concern shared by many developing countries that some donor aid management practices were hindering progress toward development objectives. Compounding the challenge was the fact that Ethiopia had no comprehensive system to track and report on official development assistance. To address this gap, the Development Gateway—a nonprofit foundation specializing in information and communications technologies (ICT) for development—began working closely with Ethiopia’s Ministry of Finance and Economic Development (MoFED). Together, they designed and piloted a Web-based solution with the specific objectives of the global aid effectiveness agenda in mind.

The Aid Management Platform (AMP), which is now operational in eight countries around the world, provides a virtual workspace for managing and reporting on externally financed projects and programs. It builds on each government’s existing workflow and facilitates reporting by aid management desk officers to their managers, especially on donor disbursements and activity implementation. Thus the system enables more informed decisions on resource management, and helps governments respond more efficiently to aid coordination challenges.

The rollout of the Aid Management Platform has aimed to strengthen country systems. Following an intensive period of research and development, the Development Gateway and Ethiopia demonstrated AMP at the 2005 Paris High-Level Forum on Aid Effectiveness, and proceeded to install AMP in country. From the beginning, MoFED drove the process of AMP implementation. As a result the system has remained relevant and useful. In other countries that followed, the decision to adopt the system also came from the government, because it was identified as a tool that could help solve concrete problems. Although AMP has broader benefits in terms of aid harmonization and coordination with donors, it is fundamentally a tool to help governments better manage resources, in keeping with the spirit of the Paris Declaration.

2 MfDR leadership

AMP represents a close collaboration between the Development Gateway and the Government of Ethiopia, which helped design and pilot the system. Defining the scope of the project was the first step. It was clear that technology could address many of the issues Ethiopia had described. One challenge was making sense of the various data formats and conflicting terminology used by different organizations. For example, differences in the Ethiopian calendar and donor fiscal years made it difficult to reconcile reports. Working together, Development Gateway staff and Ethiopian officials discussed what measures the system should track, how it could be flexible enough to evolve over time, and how to strike the balance between user-friendliness and robust functionality. The government demonstrated its commitment to the concept by

dedicating significant staff time to the development process, while the Government of India provided in-kind software development resources through the Centre for Development of Advanced Computing in Bangalore.



AMP tracks donor commitments and disbursements and activity expenditures, enabling M&E at the project, program, and national strategy levels.

However, technology was only part of the solution; the effort involved a broader collaboration with local and international stakeholders. This partnership-based approach helped answer questions such as who would host and manage the system, where the data would come from, and how AMP would fit into the broader aid coordination dialogue. The OECD Development Assistance Committee (DAC), UNDP, the World Bank, and the local Development Assistance Group in Ethiopia were instrumental both in designing AMP and in financing its development. For example, the OECD/DAC provided guidance on international standards (such as sector classifications and monitoring and evaluation methodology), while UNDP advised on the implementation approach and requirements.

3 Results achieved

A 2006 survey of AMP users in Ethiopia indicated significant efficiency gains in reporting and aid portfolio management, highlighting an immediate decrease in transaction costs. While these gains are difficult to measure, the desk officers reported that data entry time was reduced by about half, reports could be created more than three times as quickly, and information on ongoing projects could be located about seven times faster than by prior methods. According to the survey, about 40 government staff used the system on a regular basis, and average users created 3-4 reports per month.

More broadly, AMP has helped transform aid management practices in Ethiopia. By replacing manual tracking systems with a secure, virtual workspace, AMP enables the government to take a comprehensive view of aid activities, allowing for more informed decision-making and planning. MOFED has declared AMP the official government system for capturing and reporting on aid activities. In particular, the system has improved the reporting of progress and implementation issues within the Ministry, and its capacity to respond to coordination challenges. AMP is also embedded in Ethiopia's aid effectiveness action plan.



Knowledge sharing workshop in Ethiopia

Following implementation of AMP, Ethiopia began sharing its experience with others. The system is now being used in seven additional countries. For example, in Tanzania, the 2006 Survey on Monitoring the Paris Declaration pointed to the need to consolidate national ownership by strengthening capacity for development management. In this context, managing data on the large volumes of aid to the country posed a big challenge. Responsibility for managing this information rests with the Ministry of Finance's External Finance Department, which relied on an increasingly unwieldy spreadsheet to keep track of donor funding. Because of the spreadsheet's limitations, the department had been unable to produce an annual report on official

development assistance.

Through the Development Gateway's local partner organization, which operates the Tanzania Development Gateway, the Ministry of Finance's External Finance Department learned of AMP. To see the benefits of the system at first hand, the department requested a study tour to Ethiopia in late 2007. The Ethiopian government agreed to organize a workshop, including two other countries—Burkina Faso and Malawi—that

had been looking for a suitable tool to strengthen management of development assistance data (in Malawi, discussions on the topic had begun as early as 2005).

Topics covered during the workshop ranged from use of AMP specifically to broader issues regarding coordination mechanisms and financing instruments. After the workshop, all three visiting delegations decided to adopt the system, with funding provided by the Swiss Development Cooperation and UNDP.



AMP workshop in Tanzania

This networking among AMP countries continued when the administrator of AMP Ethiopia joined the Development Gateway team in Tanzania for user training. Several months later, the Tanzanian AMP coordinator helped to train his Malawian counterparts. By engaging with other countries, AMP users are helping to share lessons learned—for example, regarding the importance of high-level political commitment to AMP use. In Burkina Faso, this was evident when, during a New Year's speech, the Director General of Cooperation of the Ministry of Economics and Finance described AMP implementation as one of the two main objectives of his department in 2008.

In Tanzania, AMP is an important part of the government's strategy to attain the global aid effectiveness objectives. The system was installed in early 2008, and 30 government staff—including officials in Zanzibar as well as in mainland Tanzania—were trained. The next challenge was populating the database with aid information. To ensure dedicated time for this exercise, the government, with support from the Development Gateway, organized several data management workshops. The workshop format enabled staff to discuss practical data-related questions as they arose, and to share ideas on ensuring data quality. AMP Tanzania now contains over 300 activities representing more than \$6.5 billion in donor commitments. Activities are also linked with specific portions of Tanzania's national development strategy, so that it is possible to see a snapshot of external funding by overarching objective. Once the information is comprehensive and cross-checked, access will be extended to several line ministries and donor agencies. Tanzania's AMP data workshop model was replicated in Burkina Faso and Malawi, both of which now track their country's entire aid portfolio using the system.

The original concept for building AMP included using only open source software components. This means that the underlying software code is given (that is, without license fees) to any country implementing AMP, so that it can be shared with any other agency within the government. It also means that AMP countries are entitled to receive any future releases of the software. As a result, partners benefit from new features requested by others. For example, the Government of Bolivia requested AMP's National Planning Dashboard, which allows users to track progress toward national development objectives. Tanzania requested the ability for donors to enter three-year funding projections directly into the system, to support the government's preparation of its Medium Term Expenditure Framework. These features are now available to all other partner countries.

4 Lessons learned and challenges overcome

The approach to AMP implementation has evolved in response to the issues and lessons learned in Ethiopia and other countries. In general, the biggest challenges have been nontechnical, which suggests that the process of implementation, rather than the system itself, is the most critical determinant of success.

Capacity issues

Capacity-related challenges are common in ICT system implementations, in terms of both technical and human resources. Weaknesses in capacity need to be identified and factored into the implementation plan. In some AMP implementations, such as in Burkina Faso, Burundi, and Democratic Republic of Congo, the Development Gateway has worked closely with the government on the installation of the necessary physical

infrastructure to host the system. These issues also suggest the need for an incremental approach. Starting with a relatively small group of users and focusing on core features of the system creates a firm basis from which to expand. Over time, less external support is required as the system becomes fully embedded in the government's workflow, as in Ethiopia.

Data management

A system is only as useful as the information it contains, so data management has to be part of the plan from the beginning. Following the initial data entry phase, government ownership is crucial to the system's sustainability. The process of AMP implementation in Tanzania was a in itself capacity-building exercise, catalyzing useful discussions around terminology and data management practices. During the AMP technical training sessions, desk officers from the External Finance Department met to agree on standardized definitions for financial flows and methods for reflecting data on complex projects in the system. This process helped to ensure that the data in AMP are comparable and accurate.



New user training in Malawi

Successful Implementation of the system is less a question of technology than of institutions and communication. Convening government and donor stakeholders to discuss information sharing on a regular basis, in the context of internationally recognized definitions and classifications promoted by the OECD, can be a useful way to improve data quality and comprehensiveness. Data availability challenges are particularly acute when it comes to monitoring and evaluation: data on outcome indicators can be sparse; indicators may be missing baseline data or targets; and project and national plan monitoring mechanisms may not exist. The AMP experience again suggests that a phased approach works best, with an initial focus on financial and key qualitative information, and movement toward use of monitoring and evaluation tools.

Donor coordination

As a tool to strengthen donor coordination, AMP can either build on mechanisms that already exist, facilitating information exchange, or it can act as a catalyst to create them. Tanzania and Ethiopia both had coordination processes in place, which AMP aims to strengthen. Nevertheless, challenges remain, particularly in terms of collecting comprehensive information from donors and sharing information among government institutions. Ideally, donors and line ministries, in addition to central government ministries, are engaged in the process of data validation and reporting. Experience has shown that a partnership-based approach that brings all stakeholders into the discussion is effective. The Development Gateway's organizational makeup plays a useful role in this respect. The organization receives broad support from a number of bilateral and multilateral donors, and its Board includes both donor and developing countries. By playing a convening role, the Development Gateway fosters productive dialogue on practical issues. Its Aid Effectiveness Steering Committee, composed of representatives from the OECD/DAC, the World Bank, and UNDP, provides guidance for the AMP program as a whole. This anchors the program in the global aid effectiveness dialogue and is helping to build consensus around best practices in aid management systems.

5 Conclusion

The result of this innovative partnership between the Development Gateway, government partners, and global development institutions, is an aid management system that can be used around the world. AMP is now operational in Bolivia, Burkina Faso, Burundi, Democratic Republic of Congo, Ethiopia, Malawi, Montenegro, and Tanzania. Working with such a diverse group of countries has helped ensure that the system is relevant in a wide range of contexts, and the product and process continue to be honed with each implementation.

Next steps for the AMP program include closer integration with the overall budgeting and public financial management process, for which Tanzania is leading the way. By linking AMP to Tanzania's Integrated Financial Management System, it will be possible to display actual expenditure data alongside commitments, disbursements, and qualitative activity information. This will give policymakers summary details on the entire lifecycle of a project or program. AMP's impact on planning and decision-making should also broaden as Tanzania and several other AMP countries expand access to line ministries and donor agencies.

Enhancements to the monitoring and evaluation tools are also under way. These will include a results dashboard with development outcomes and funding information shown in an interactive map, as well as progress toward the MDGs. This will give governments and development partners a clearer picture of how funds are used and to what effect. Existing AMP countries and new partners will be able to use these tools for evidence-based decisions on resource allocation, ultimately leading to greater development impact.

Case Studies at Country Level

Cambodia: *Fostering a Culture of Results in the Phnom Penh Water Supply Authority*

Morocco: *Strengthening Basic Health Care Services through Regional Empowerment*

Niger: *Developing a Results Chain for the Country's Poverty Reduction Strategy*

Pakistan: *Delivering Results through the National Highways and Motorway Police*

Yemen: *Achieving Results in the Ministry of Health and Population*

Cambodia

Phnom Penh Water Supply Authority (PPWSA)

Submitted by PPWSA with the support of the Agence Française de Développement

- A culture of change combined with donor support led to the significant turnaround of the Phnom Penh Water Supply Authority (PPWSA).
- PPWSA, which served 40% of Phnom Penh in 1993, has increased its distribution network and now provides clean, affordable water to 85% of the city.
- Factors contributing to the water utility's success include investing in staff and creating incentives, promoting transparency, involving civil society, and investing in modern procedures.

1 Introduction

Following 20 years of civil war and Khmer Rouge rule, the Phnom Penh Water Supply Authority (PPWSA) was on the verge of collapse; today it is one of the most successful in the region, supplying 85% of the population of Phnom Penh with clean drinkable water, up from only 40% in 1993. Both internal and external factors contributed to PPWSA's turnaround. Internal factors relate to the "culture of change" initiated by PPWSA's Director General, Mr. Ek Sonn Chan, and the results-oriented management approach the company has taken since 1993. External factors include political stability and government backing as well as support from the donor community (France, Japan, World Bank, UNDP, and Asian Development Bank).³⁷

2 Leadership and MfDR

The restoration of Phnom Penh's water infrastructure began in 1993 when Mr. Ek Sonn Chan was appointed as PPWSA's Director General and led the utility in a series of internal reforms. These reforms not only led to tangible improvements in water supply but also fostered government and international donor confidence in the utility in support of PPWSA's own efforts.

The following measures, adopted within the utility, combined to generate results:

Investing in people

- Staff are considered to be the utility's best resource, and PPWSA emphasises recruiting, retaining and promoting qualified staff and fostering teamwork.
- PPWSA is equipped with a training centre, and top-performing employees are sent on training courses abroad (Australia, Thailand, Japan). Each employee receives an average of 12 days of training per year.
- The utility pays particular attention to staff welfare and has created a retirement system for employees (the first of its kind in Cambodia). A solidarity fund financed by staff allows for the provision of interest-free loans to the poorest workers.
- Performance evaluations ensure that employees are motivated by results. Every three months, staff evaluations review individual performance indicators such as ability to work in a team and absences. Resulting grades determine bonuses and promotions. Teams responsible for tackling network leakages and illegal connections are on duty 24 hours a day and receive special incentives; their salary is at least US\$100, compared to the average of US\$60 they would receive in the private sector.

³⁷ Since 1993, total investment in PPWSA amounts to 130 million USD, of which 45 million USD (35% of total financing) has been provided by Cambodia. Donor investment is split between loans (approximately 66% of donor financing) and grants (approximately 34% of donor financing).

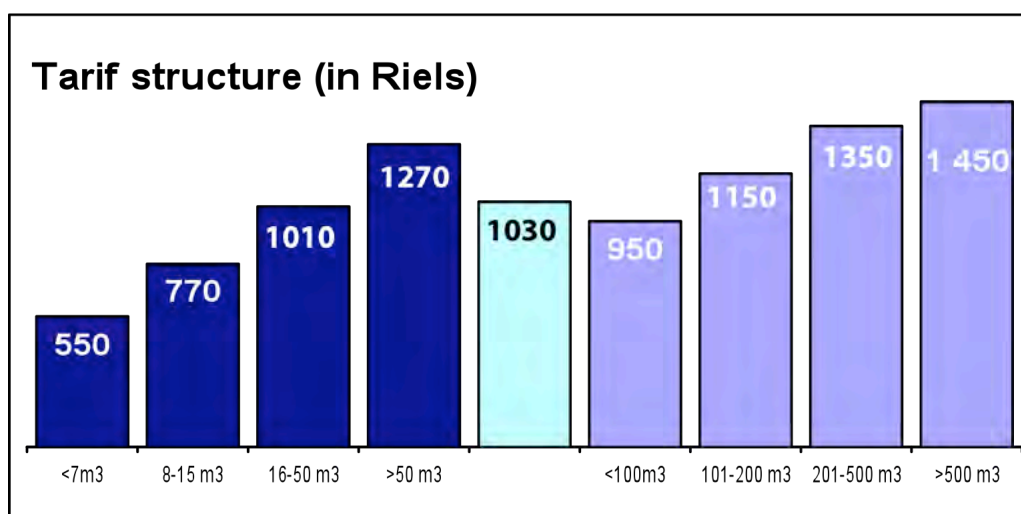
Promoting transparency

- Under a policy of transparency, the utility produces and distributes progress reports and performance indicators on a regular basis. Every three months PPWSA's administrative council reviews results and priorities. Results are then transmitted to the Director General who comments on them to all staff members. Every year the authority's accounts and procedures are subject to an audit carried out by an independent international auditor. Transparent procedures in turn foster confidence in the utility on the part of government, civil society, and donors.

Involving all key stakeholders, including civil society

- PPWSA's administrative council comprises of the Director General, representatives from the local authority, and line ministries. The council, which meets every three months to discuss progress, is responsible for approving the programme budgets and investment programmes; it leaves organisational decisions to the Director General.
- Effective awareness campaigns targeting civil society enabled PPWSA to increase consumer buy-in, reducing illegal connections and allowing for a gradual increase in tariffs to cover production and supply costs. The utility gave incentives to anyone who could provide information on illegal connections and imposed penalties on those connected illegally. PPWSA's campaign to educate customers, to help them understand that the utility could not cover its maintenance and operating costs if customers did not pay their bills, helped to increase the billing ratio significantly. In addition, the utility did not hesitate to treat all customers equally, including cutting off the water supply of high-ranking people who refused to settle their bill.

The graph below illustrates how PPWSA has structured its tariffs so that those who consume less water are subsidised by those who consume more, and domestic customers are subsidised by commercial consumers. The average tariff is about US \$0.24 per cubic meter, which is well within the average family's purchasing power. A poor family's average monthly water bill is about US \$1 for 7 cubic meters of water and accounts for around 4% of such a family's monthly income of around US\$ 25 on average.



Source: Mr. Ek Sonn Chan, Director General of PPWSA, 2006

Investing in modern facilities and procedures

PPWSA understands that investing in the right materials and putting in place modern operating procedures is also key to success. Therefore, the utility has

- metered all its connections and upgraded to more accurate water meters;
- renewed old pipes;

- eliminated underground tanks;
- divided the distribution network into zones, each equipped with a pressure and flow rate data transmitter that provides online data for analysing big leaks in the system;
- computerised the billing system; and
- updated and revised its customer files.

However, PPWSA would not have been able to fulfil its potential without government and donor support. The Government's policy for the water sector has also provided a clear framework for the utility to operate in.

Granting PPWSA independent financial status

PPWSA was granted independent financial status in 1997. Independence allowed the authority freedom to innovate and distanced it from political pressures. In addition, the government, including the Prime Minister, has fully backed the utility's public awareness campaigns to encourage customers to pay for a service they benefit from.

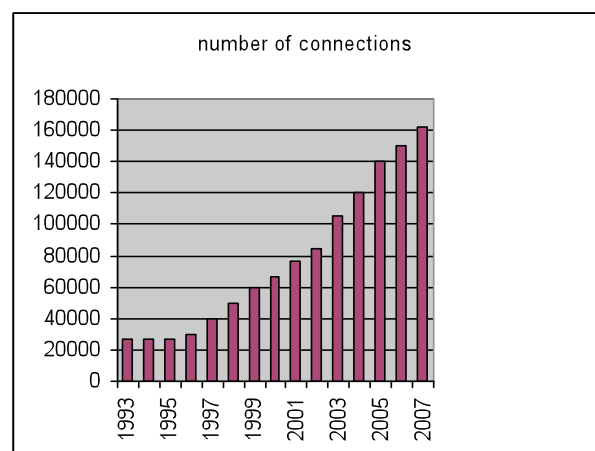
A national plan for the development of the water sector

- In 2003, the government published a National Water Policy for Cambodia, which details the principles for efficient and sustainable access to water. A National Water Law is due to be finalised and should clarify the institutional framework for the sector.
- Cambodia's Poverty Reduction Strategy also refers to improving poor people's access to clean water. This provides PPWSA with a framework in which to implement its strategy of "clean water for the poor."

3 Results Achieved

Marked improvements in Phnom Penh's water network

- PPWSA, which served 40% of Phnom Penh in 1993, has increased its distribution network and now provides clean, drinkable water to over 85% of the city.
- The total number of connections has increased from 26,881 in 1993 to 162,000 in 2007 (see graph below).
- Since 2003, production capacity has increased from 65,000 m³/day to 235,000 m³/day.
- Service is now assured 24 hours a day, as opposed to 10 hours a day in 1998.
- All of the utility's supply coverage is now metered, as opposed to only 13% in 1998.
- According to the World Bank's PPI38 database, the average operator staff to water connection ratio for the top quartile of water operators in developing countries is six agents for every 1000 connections; PPWSA is among this group.



³⁸ Private Participation in Infrastructure Project Database (World Bank Group)

	2000		2001		2002		2003		2004		2005		2006		2007	
Indicators	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result
N° of additional registered connections	10 000	10 913	10 000	10 792	12 000	14 886	15 000	17 142	15 000	16 621	15 000	18 097	10 000	14 430	7 000	10 944
% of non revenue water	34%	35.47%	31%	22.85%	22%	21.85%	20%	17.01%	16%	14.13%	12%	8.53%	10%	7.13%	10%	6.15%
% of bills paid	95%	95.23%	95%	97.82%	95%	97.20%	97%	99.32%	97%	99.10%	97%	99.45%	97%	99.38%	97%	99.89%

Improved access to clean water by poor people

- The authority now serves 16,000 families in 125 urban poor communities, giving poor people extra privileges such as subsidized tariffs or connection fees.

A significant reduction in nonrevenue water

- Inspection teams and improvements to the network have minimised illegal connections and unaccounted-for water. As a result, the percentage of nonrevenue water has dropped from 72% in 1993 to 6% in 2007.
- The public awareness campaigns and incentives to get customers to pay for their water have worked, with the billing collection ratio at 99.9% today compared to 48% in 1993.
- PPWSA now operates on a full cost recovery basis and no longer has to rely on heavy subsidies from the State.

The table below compares yearly performance targets, set by PPWSA, with actual results for three key indicators: number of additional registered connections per year, percentage of nonrevenue water, and percentage of bills paid.

4 Lessons Learned and Challenges Overcome

One of the biggest challenges the utility faced in 1993 was nonrevenue water, resulting from illegal connections or customers refusing to pay their bills. PPWSA tackled this problem by not only investing in physical improvements to the network but by treating staff as the utility's most important asset, investing in employees and creating incentives. PPWSA also realised that civil society's buy-in was key and worked to secure their support. As a result, nonrevenue water has dropped significantly, enabling the utility to cover its costs and invest in water infrastructure.

Allowing for the appropriate level of stakeholder engagement/consultation is an important balance to get right. PPWSA's administrative council allows for employees, line ministries, and local authorities to contribute to budgetary and investment decisions, creating a shared feeling of accountability, but leaves organisational decisions to the Director General.

Finally, the utility's willingness to learn from counterparts via twinning projects (Australia and Japan) and study tours is a further factor which contributed to its success.

5 Conclusion

This case illustrates that a public sector utility can implement a management approach that is similar to that of a private sector company, based on results and incentives. The success of PPWSA is a result of several factors: a director with sufficient vision and leadership to push through a culture of change, a desire for change at the local political level, sufficient autonomy to be able to implement reforms, and donor backing and objectives shared among line ministries, employees, and donors.

The culture of change implemented by PPWSA focused first and foremost on employees: on education, motivation, and when necessary, sanctions. Clear and transparent operating procedures mean that employees know where they stand. The utility's regular publication of performance indicators and activity reports is a part of this transparent approach and demonstrates the importance given to accountability and results.

The utility has not only generated change within the company but also among civil society by demonstrating the merits of paying for a public service: Phnom Penh citizens understand that they are better off paying for safe, piped water than buying water from private vendors who might not place as much emphasis on water quality. In addition, PPWSA's implementation of the programme "Water for the Poor" aims to ensure that even those who cannot afford to pay still get access to clean water.

In terms of next steps, the implementation of the National Water Law aims to strengthen the institutional and regulatory framework for PPWSA to operate in. The Law will set out the key principles to ensure efficient and sustainable access to drinkable water, including:

- a demand based approach that takes into account customers' ability to pay;
- encouraging the involvement of the private sector ;
- ensuring that tariffs are set to cover costs;
- further decentralisation and transfer of financial and administrative autonomy to other water utility companies (following the approach adopted for PPWSA); and
- establishing an independent regulatory authority responsible for providing licenses and fixing tariffs.

The government intends to create a national training centre focused on the water sector, staffed initially by PPWSA employees, and to introduce technical assistance and twinning programmes between PPSWA and partner authorities to facilitate knowledge transfer.

An extension of PPWSA's production capacity and supply network is also envisaged, with the aim of providing clean, drinkable water to an additional 300,000 people by 2020.

Morocco

Strengthening Basic Health Care Services through Regional Empowerment

Dr. Abdelali Belghiti Alaoui

Submitted with the support of the Agence Française de Développement

- Since 2005, Morocco's Ministry of Health has been implementing a program to improve basic health care services in three rural regions where health indicators are below the national average.
- Decentralisation and regional empowerment for health care policy and financing are the program's main objectives.
- Factors instrumental to the program's success and illustrative of managing for development results include a coherent approach to health policy and financing, a long-term strategy for the sector, institutional and budgetary reform, predictable financing, and a focus on results.

1 Introduction

Morocco's health indicators, particularly in rural areas, used to be among the worst in the region; however this situation is now changing thanks to the implementation of a five-year health care strategy (REDRESS³⁹) launched in 2005 by the Ministry of Health and targeted at improving health indicators in three regions: Doukkala-Abda, Taza-Al Hoceima-Taounate, and Tadra-Azilal. The strategy aims to:

- give greater autonomy to regional and local authorities for the provision of health care and strengthen health care management at the regional and local levels;
- improve the quality of health care professionals;
- strengthen partnerships with local and private stakeholders; and
- put the emphasis on results through performance-based financing.

This strategy is in line with Morocco's international commitments to meet the Millennium Development Goals with respect to health, in particular, maternal healthcare, reducing infant mortality, and combating the prevalence of major diseases. The strategy is also aligned with Morocco's more global health programme, "Santé Vision 2020," introduced by the Ministry of Health in 2006, which sets out the Ministry's objectives and work plan up to 2020. Donors supporting the strategy include France, Germany, Spain, the EU, World Bank, and African Development Bank.

2 Leadership and MfDR

The Ministry of Health, with the backing of government as a whole, has taken several steps to ensure that health care services are of sufficient quality and all Moroccan citizens have access to health care at the point of demand, irrespective of their ability to pay. REDRESS is one of several programmes and strategies introduced by the Ministry of Health since 1997 to strengthen and decentralise Morocco's health care system. Several actions taken at government and local level are instrumental to the programme's overall impact and success.

- **Applying a coherent approach to health care policy formulation and financing.** In 2003, the government decided to apply a whole-of-government approach to its health sector strategy. A triple contract "budget programme" was put in place between the Finance Ministry and the Health Ministry, between the Health Ministry and the regions, and between the regions and the provinces. This contract aimed to introduce a budgetary framework based on results and accountability. The

³⁹ Programme d'appui à la régionalisation, à la déconcentration et au renforcement des soins de santé de base.

key principles of the programme are regionalisation, setting strategic objectives, putting in place a common procedural framework at the central and regional level, and maximising resources. The budget programme is a reference document for each government partner for the health sector. The document sets out how all the different health programmes relate to each other and the delivery role of each actor involved. In particular, the budget programme includes information on the budgetary resources by programme/activity over a three-year period, allowing the government to plan financing for the health sector over the medium term. Performance evaluation is carried out in relation to predefined indicators.

- **Putting in place a clear medium- to long-term strategy for the health sector.** The Ministry of Health's recently adopted 2008-2012 national strategy for the health sector⁴⁰ and "Santé Vision 2020,"⁴¹ both available on the Ministry's website, provide a clear framework for REDRESS. The programme's objectives are aligned with these long-term national priorities. Clearly linked to the MDG health targets, these strategies put the emphasis on reducing maternal and infant mortality, improving access to health care for the most vulnerable, and creating a health care system that benefits citizens more equally.
- **Institutional reform.** To strengthen the governance of the health sector, the Health Ministry decided to implement a policy of decentralisation and regional empowerment as the key component of REDRESS. The regions now have greater autonomy and control over health care policy formulation and financing. The Ministry of Health has indeed set the trend for regionalization, and other departments are following suit, particularly Education, Public Works, and Tourism. The Ministry of Health, however, remains the only government department to have "contractualised" the process through the "budget programme" document.
 - Regional authorities now have to draw up their own medium-term strategy for the health sector, incorporating performance indicators.
 - The national health budget is then drawn up following negotiations with the regions on their bids.
- **Introducing predictable financing for the sector to facilitate medium- to long-term planning and ensure sustained development.** The Ministry of Health has signed six three-year budgeted plans ("Contrat programme") with the three regions covered by the REDRESS programme as well as the regions of Grand Casablanca, Région de l'Oriental, and Marrakesh Tensift El Haouz. Predictable financing has also had the effect of encouraging donors to provide pooled sectoral budget support.
- **Focusing on results.**
 - The government's strategy documents for the health sector put the emphasis on results-based management. Regional health authorities are committed to drawing up three-year strategic plans setting out priority actions along with indicators to track progress. Central administration is committed to financing the action plans and mobilising expertise if necessary to help the regions meet their objectives.
 - Health care management (hospital directors, heads of administrative and economic services, etc.) are trained to understand the importance of the results-based approach. Since 1995, the Ministry of Health has introduced specific training in this area aimed at central, regional, and local actors. In 2007, the Ministry introduced a series of new training courses focusing on strategic planning.
 - Regional health sector plans need to incorporate performance indicators to secure financial support.
 - The Health Ministry has put in place a health information system to track progress. Statistical reports, which provide an overview of performance indicators by region and province, are published each year on the Ministry's website:
http://www.sante.gov.ma/Departements/DPRF/SEIS/annuaire_statistique.htm

⁴⁰ <http://www.sante.gov.ma/Leministre/Communique/communique2008/bulletin%202008-2012%20Fr.pdf>

⁴¹ <http://www.sante.gov.ma/Vision/Sante-Vision%202020.pdf>

Among the factors that motivate the Ministry to make positive changes were the results of various studies identifying the need to improve Morocco's health care indicators. In addition, motivated and competent staff who understood the need to engage in financial reform and adopt a policy of regionalisation played an important role in ensuring that change came about.

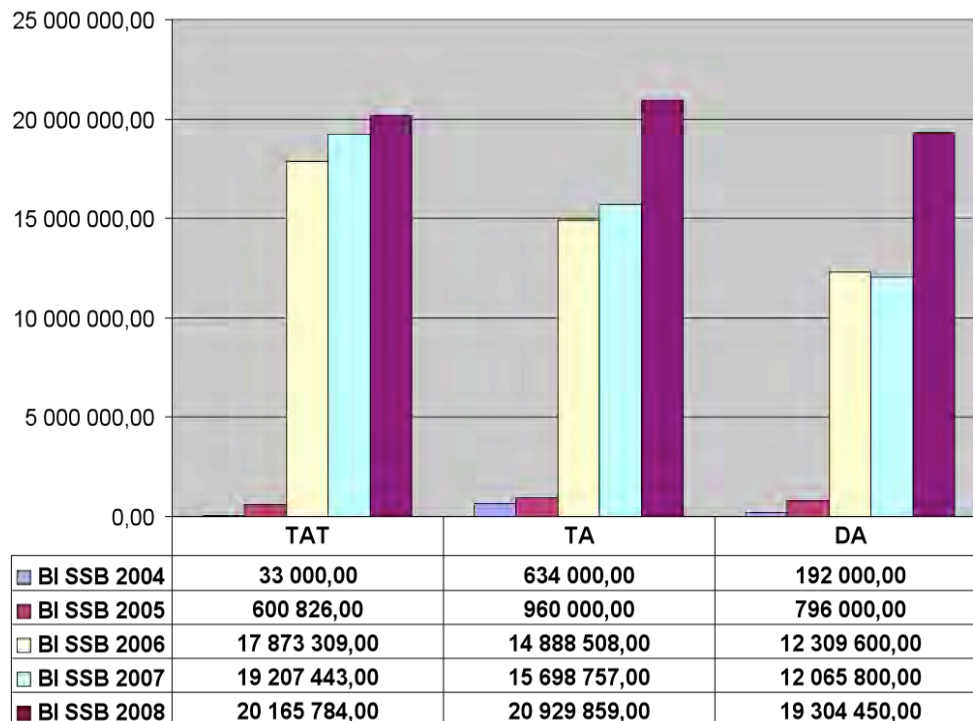
Examples of leadership at different levels and in different areas of health policy

Leadership was demonstrated not only limited in the Ministry of Health but also at the regional level, in various associations and in different areas of health policy. The region of Taza-Al Hoceima-Taounate, for example, is a showcase for the REDRESS programme and has demonstrated a particular capacity to organise and regulate health care at the regional level. Tanger Tétouan is renowned for the quality of its health care services, and the region of Fes Boulemane has developed an efficient mutuality service. The Association Lalla Salma has driven the fight against cancer, particularly through information campaigns and efforts to improve the quality of life of those affected by cancer. From April 25 to May 25, 2008, the Association led a major information campaign on the prevention and treatment of breast cancer. The Association's mission and work streams are clearly set out on its website.⁴² In the area of health insurance, the trade unions and think tanks paved the way for the design and implementation of a more inclusive health insurance system.

3 Results Achieved

The graph below illustrates the steady rise in public investment in basic health care services in the three regions covered by REDRESS since the program was launched in 2005.

Ministry of Health budget allocation for basic health care services in the regions covered by REDRESS 2004-2008 (Dhs)

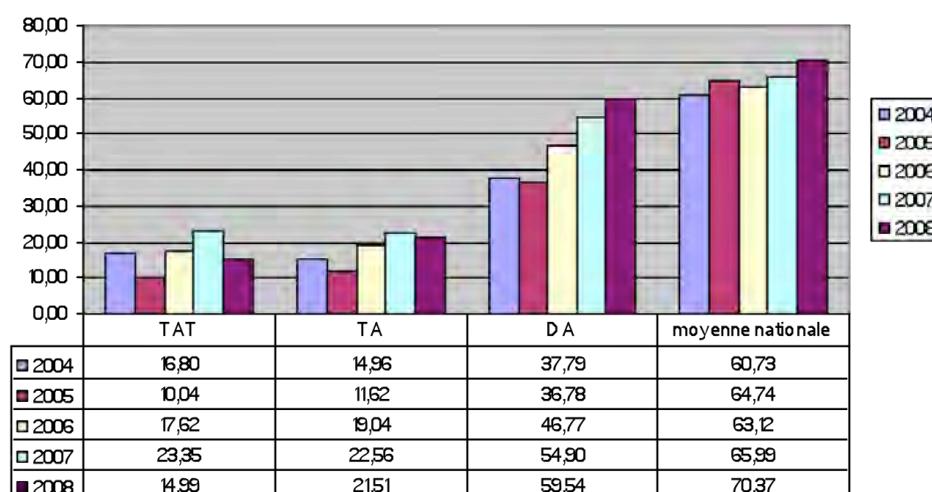


BI SSB = budget allocation for basic health care services

⁴² <http://www.contrelecancer.ma/fr/lassociation>

As the graph below shows, the Ministry of Health's total per capita budget allocation to the region of Doukkala-Abda has increased steadily to near the national average. However, in the regions of Taza-Al Hoceima-Taounate and Tadla-Azilal, the Ministry's total per capita budget allocation is still below the national average.

Ministry of Health's total budget allocation in the three regions covered by REDRESS 2004-2008
funds available per person (Dhs)



Source: 2004-2008 Budget: Ministry of Health Morocco

As REDRESS still has another two years before completion, it is not possible at this stage to gauge its full impact in terms of improvements to health. However, early indicators show that the programme is having a positive impact, as the table below shows.

Region	Prenatal consultations (%)		Supervised birth rates (%)		Vaccination rates (%)	
	2004	2007	2004	2007	2004	2007
TAT	44	50,5	44	50,5	87	90,6
TA	59,5	62,9	49,9	52,8	88,2	88,3
DA	50,8	52	51,6	60	94	95

Other successes include the following:

- REDRESS has enabled local actors to take greater responsibility for health policy formulation and to strengthen local budgetary planning for the sector. Taza-Al Hoceima-Taounate, in particular, is developing an effective regional health care structure that could act as a showcase. The region has concluded health programme contracts, setting out objectives and resources with central administration and with the provinces and communes it is responsible for. Al Hoceima-Taounate is also putting in place a programme/strategy to improve financial management in the sector.
- Doukkala-Abda, Taza-Al Hoceima-Taounate, and Tadla-Azilal have all put in place three-year strategic and budgeted health plans for the 2007-2009 period.

4 Lessons Learned and Challenges Overcome

The Ministry of Health understood that it could not single-handedly define and implement a national health strategy tailored to meet the individual health priorities of the 16 regions and 69 provinces of Morocco. Therefore, it embarked on a decentralisation strategy, consulting with regional actors and taking on board their priorities. The result was the emergence of a policy process supported from below and from above, that strengthened the planning and budgetary frameworks of local actors as well as the formulation of policy more adapted to local needs.

Another challenge related to the financing of the health sector was the lack of predictable financing. To address this problem the Finance Ministry now plays a key role in helping the Health Ministry to improve financial planning and to ensure long-term predictable financing for the sector through three-year budgeted programmes.

In addition, the quality of medical staff was enhanced via a national training strategy developed by the Ministry of Health's human resources department. This strategy is implemented at the regional level through regional training plans. For the REDRESS programme, an evaluation of training needs was carried out in the area of health care services management at the central and local levels, and a training programme will be developed to reflect the conclusions of this evaluation. In addition to training, a key priority going forward will be to ensure sufficient human resources in the three regions by putting in place incentives for relocation and providing adequate housing for health workers.

In terms of key lessons learnt, the case illustrates that the following measures are important for public policy formulation:

- a coherent long-term strategic vision for the sector ;
- predictable financing;
- appropriate involvement of all relevant government actors at the central and regional levels;
- training to strengthen capacity and ensure certain standards are met;
- putting the emphasis on accountability via regular monitoring against performance indicators and ensuring that results are made available not only to policymakers but also to the public.

5 Conclusion

This case illustrates how, by adopting a long-term strategic vision and entrusting power to local actors, Morocco's Ministry of Health has managed to boost health indicators in three key regions. Giving the regions capacity to draw up their own health strategies and negotiate their own budget settlements creates mutual accountability as well as strategies tailored to meet local needs.

A national workshop aimed at identifying strategies to respond to primary health care sector priorities took place on 12-14 May 2008 in the province of El Jadida. Among the key conclusions were the needs to ensure that health policy remains focused on patients' needs and to increase access, particularly in rural areas. The main findings of the workshop will feed into the work of the National Commission on improving health coverage in rural areas. Following a further workshop on this issue in September, a national strategy for rural health care provision will be launched. This strategy will in turn be implemented throughout Morocco, starting with the three regions covered by REDRESS.

Case submitted by the Ministry of Health of Morocco with the support of the Agence Française de Développement.

Niger

Developing a Results Chain for the Country's Poverty Reduction Strategy

Yayé Seydou, Assadeck Mohamed, and Mamadou Abdou Gaoh Sani⁴³

- The formulation of public policies in Niger, and their information and monitoring and evaluation systems will be based on the principles of results-based management (RBM).
- The flexibility of the RBM tools has facilitated innovation in the development of the results chain of a multidimensional strategy incorporating all sector strategies.
- Building the capacities of development stakeholders is necessary to ensure proper implementation of the results-based management approach, particularly regarding the use of these tools and principles.
- The results chain of a joint multidimensional strategy produces several indicators whose monitoring plan can prove burdensome.

1 Introduction

The adoption and implementation of Niger's first poverty reduction strategy (PRS) (2002-2004) provided the opportunity to hold discussions on most of the country's sector policies and strategies and on the strategy's implementation tools and monitoring and evaluation (M&E) mechanism. These discussions helped to identify the causes and consequences of poverty, the major obstacles to its reduction, Niger's main economic and social assets, new expectations and concerns, and the weaknesses in the strategy's implementation and its information and M&E system. It became clear that in spite of some progress, Niger is still far short of achieving the Millennium Development Goals (MDGs).

To take into account changes, new concerns, and the major deficiencies noted during implementation, at the recommendation of the Coordinator of the PRS Permanent Secretariat, the Government of Niger launched a revision of the strategy on December 1, 2005, during a Steering Committee meeting chaired by the Prime Minister and Head of Government. This revision was intended to produce a proactive growth and poverty reduction strategy—the Accelerated Development and Poverty Reduction Strategy (SDRP), a new reference framework for economic, financial, and social policy for the next five years (2008-2012).

2 Leadership in MfDR

Background

The 2002-2004 PRS was developed using a highly participatory process that helped bring together all sectors of the society, including the State and its decentralized departments, small farmer organizations, civil society organizations (NGOs, trade unions, small farmer associations, faith-based groups, traditional chiefdoms), the private sector, development partners, and training centers (universities, etc.). The strategy was endorsed by the main development partners, including the Bretton Woods Institutions.

The strategy paper was developed in 2001 using statistical data from the 1989/90 and 1992/93 household budget and consumption surveys, the November 1994 poverty profile, and sector analyses. The PRS pursued the objective of poverty-reducing sustainable growth through commitments and provisions in four strategic areas: accelerated economic growth and a stabilized the macroeconomic framework; the development of productive sectors; the development of basic social services; and the promotion of good governance, capacity

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building, and decentralization. The strategy included a costed action plan with priority interventions. A logical framework was developed during implementation of the strategy.

The development of the logical framework and the strategy implementation reports highlighted the obsolescence of the statistical data and shortcomings in the analysis of the problems and objectives, which led to (a) poor linkage between the PRS and sector programs; (b) insufficient attention to such poverty dimensions as employment, culture, population, and gender; (c) a lack of coherence among the various levels of the objectives hierarchy and among objectives within the same level; (d) unspecified results with respect to change; (e) indicators that had no baseline or targets; (f) the formulation of several untested hypotheses that were not consistent with their level of attribution; and (g) the failure to define risks that logically accompany important assumptions.

The revision of the PRS was therefore an opportunity to update the assessment using statistical data recently produced by the National Statistical Institute (INS);⁴⁴ take into account the problems related to the multisectoral dimensions of poverty; and develop a results-based logical framework with indicators and annual targets. The Permanent Secretariat of the PRS formed 15 thematic groups, including one called “Information, Monitoring and Evaluation,” to contribute effectively and in a participatory manner to the revision process, which would involve stakeholders in all stages.

The General Directorate of Development Program Assessment (DGE PD) in the Ministry of Economy and the subgroup on methodology assumed leadership of the process. Having developed an M&E mechanism for results-based development programs three years before, the DGE PD used its position as group chair to disseminate the RBM concept and ensure that it was considered in discussions on the formulation and monitoring and evaluation of public policies. The subgroup on methodology, which comprises RBM practitioners, proposed and submitted for discussion tools that have been adapted to the RBM approach and in the context of a joint strategy.

Initiatives

The Information and Monitoring and Evaluation Thematic Group is composed primarily of M&E specialists working with the central government, projects, and cooperation institutions. For efficiency, the group was organized into three subgroups: Statistics, Tools and Methodologies, and Support and Advisory Services to Thematic Groups. The thematic group’s mandate was to help the other 14 thematic groups to develop sector strategies, including identifying objectives and outcomes. The group was also expected to be responsible for the overall coherence of the strategy and for ensuring that the intervention approach adhered to RBM principles. To carry out its mandate, the Information and Monitoring and Evaluation had to promote the concepts, principles, and tools of RBM and make RBM a reality under the new SDRP.

The group took the initiative to design methodological tools and to train and provide support to sector groups during their discussions in the following areas: (a) identify and measure the outcomes of projects, programs, and policies; (b) derive lessons from experiences; (c) strengthen responsibility and accountability; (d) make rational decisions; and (e) strengthen technical and institutional capacities.

Developing the SDRP Results Chain

It took nearly a year to revise and finalize the SDRP paper. The M&E group worked for six months, including two to three months on the development of methodological tools such as the design of a results-based logical framework, indicator data cards, and the results chain. The group’s main achievements were providing support, advisory services, and training to sector groups. Development of the SDRP results chain, which was entrusted to a subgroup, was carried out in several stages, with the main ones being the organization of a knowledge exchange workshop and workshops to design the “results chain” tool.

⁴⁴ The main statistical operations whose results were used to analyze the assessment are the General Population and Habitat Census (2001); the Survey of the Level of Satisfaction of Basic Needs (2004); the “Core Welfare Indicator Questionnaire” survey (CWIQ, 2005); the Population and Health and Multiple Indicators Survey (2006); and the Participatory Poverty Survey (2005).

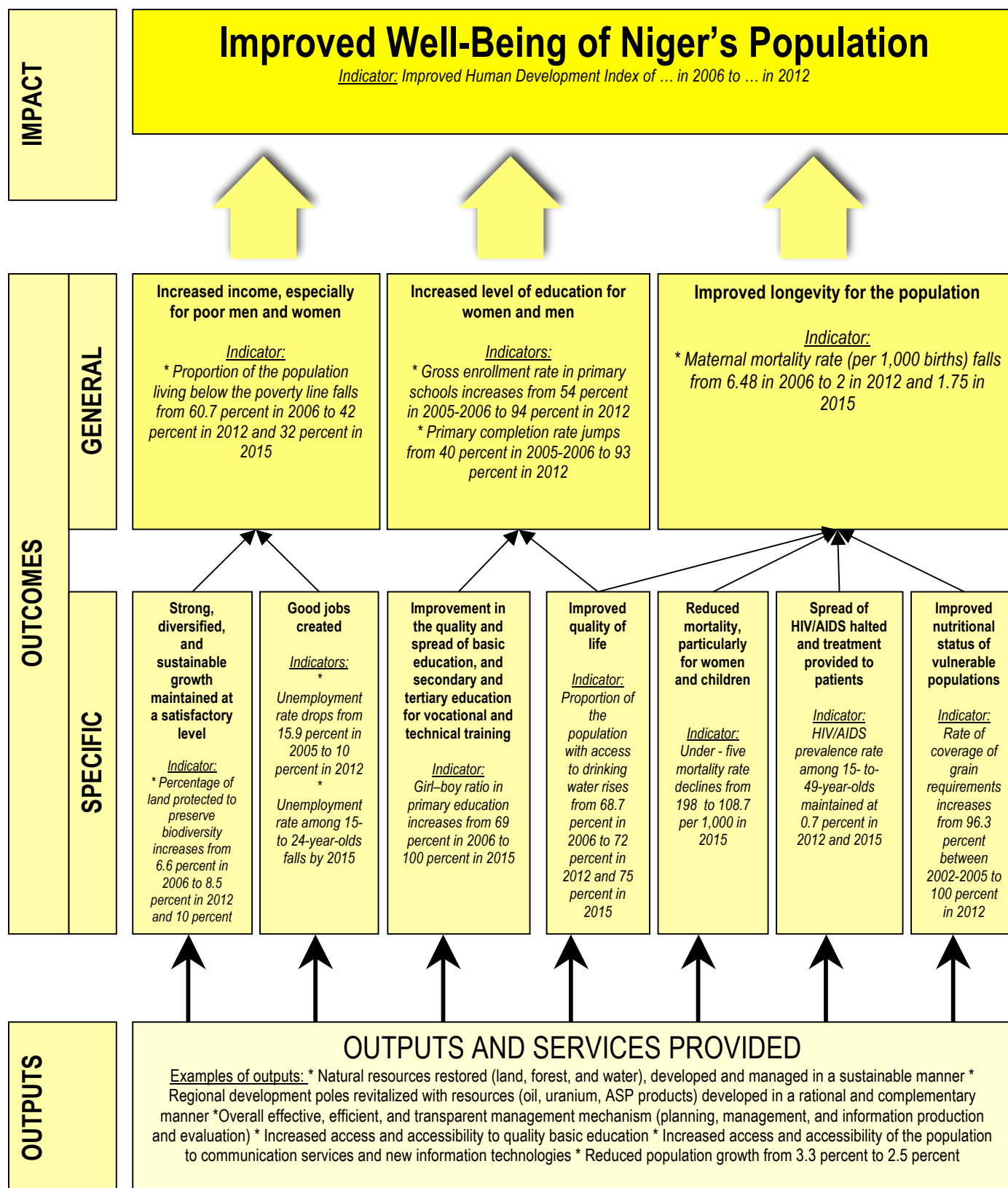
The knowledge exchange workshop covered the RBM concepts management and capitalized on the experiences of several of Niger's cooperation agencies: CIDA, GTZ, the World Bank, and the institutions of the United Nations system.

The workshops to design the “results chain” tool provided a unique opportunity for in-depth discussions on the causal links of intervention areas and the level of results expected from implementation of the strategy. Discussions and positions focused on existing sector strategies and their contribution to PRS results (outcome and impact), and the coherence and alignment of results of the same level. Because of the multisectoral dimensions of poverty, it was noted, certain strategy outcomes were very general in nature. The subgroup was therefore asked to disaggregate the outcomes to bring them in line with the proposed logical framework. The subgroup's discussions led to the proposal to split the “outcomes” level in two: a “specific outcomes” and “general outcomes.”

General outcomes pertain to the three components of the human development index. The specific outcomes are linked to one or more sector strategies. The “outputs” level relates to the lines of intervention of sector policies or themes that have been grouped together to obtain specific outcomes. It was decided that the “activity” level should be dropped, as it could make the diagram too complex (and is not important enough to be included in a level as high as the SDRP). This level was to be included in sector policies and used to develop the SDRP priority action plan.

Work on designing the results chain went through several stages: fine-tuning the conceptual framework, developing the final format for the logical framework, determining the level of results (from outputs to impacts), establishing linkages between the various levels of results, and defining indicators.

Condensed Version of the SDRP Results Chain



The complexity of a joint strategy can be a major impediment to having in-depth knowledge about the implementation of RBM and using its tools if they are poorly understood. In Niger, support and advisory services provided by the M&E group helped to highlight fundamental issues related to the development of the multisectoral strategy results chain. The principles of flexibility and trial and error with respect to RBM helped the group to produce a result. The primary aim was to pool viewpoints and provide a coherent output that all stakeholders could agree on and accept. Splitting outcomes into two levels did not alter the concept but facilitated the use of RBM to show more clearly the causal approach under Niger's DSRP.

The M&E group's methodological approach made the results chain a key stage for analysis of the vertical coherence of the intervention approach and contributed to developing the results framework. However, designing the results chain proved challenging for the group because of the novelty of the approach in Niger, a poor knowledge of the concepts, and the sector groups' lack of a clear understanding of RBM principles and tools (results chain, logical framework). In addition, the paucity of basic statistical data in certain sectors prevented the establishment of baselines and annual targets. Enhancing the groups' knowledge of planning, M&E, and the RBM approach helped ensure that the results provided by all sectors would be of acceptable quality. To do this, the M&E group first presented group training sessions on the various concepts and then organized meetings to help each individual group put into practice the knowledge acquired while playing the role of resource person. After the preliminary results were presented, the M&E group assessed the documents provided and initiated meetings with the heads of the thematic groups to discuss certain results and improve general harmonization among sectors for the overall coherence of the SDRP.

3 Results Obtained

After approximately one year's work, the new SDRP document was validated by the Government in September 2007. Its intervention rationale is set out, first, through a hierarchy of objectives comprising a general objective, a specific objective, and seven areas of intervention; and, second, through the results hierarchy, which includes 44 outputs, 7 specific outcomes, 3 general outcomes, and one impact.

For the different links of the results chain, the methodological approach helped identify 8 assumptions/risks, including 5 for outputs and specific outcomes and 2 for specific outcomes and general outcomes; and 126 indicators, including 103⁴⁵ for the "outcome" level, 15 for the "specific outcomes" level, 7 for the "general outcome" level, and one for the "impact" level. In view of the high cost of the monitoring plan—over CFAF 12 billion—and low capacities, a set of 14 relevant indicators was agreed on with the technical and financial partners to monitor implementation of the SDRP.

In 2007, the work of the M&E Thematic Group was rewarded when the following significant results were attained:

- 1) Training in strategic RBM for 60 staff involved in the revision of the PRS.
- 2) Development of the SDRP results chain, defined as a set of results attained within a time period and linked to each other in a cause-and-effect relationship ("outputs," "outcomes," and "impact"). The specificity of this results chain lies in the breakdown of outcomes into specific outcomes and general outcomes.
- 3) Development of the logical framework of the SDRP based on a matrix integrating the RBM approach, which is achieved by taking into account four different levels of results: outputs, specific outcomes (sector), general outcomes, and long-term impact.
- 4) Development of performance indicator data cards in the form of proof indicating that the desired results were attained at all levels of the chain. The data card for each indicator presents the results in question, the indicative goals targeted, the time limit envisaged for attaining the result, the source of the data, and the entity responsible.

⁴⁵ Information for the indicators for the "outputs" level is provided by the information and M&E systems of the sector ministries. Some of these indicators do not require any specific investment for data collection.

- 5) A proposed reporting framework for the regional and national levels, which would reflect an RBM approach.

In the same vein, the M&E methodology group conducted several training sessions for national institutions (public administration, development projects) in the country's capital and regions to promote RBM concepts, principles, and tools. After a year and a half of work, more than 500 staff have acquired information, knowledge, and even skills in RBM.

This process therefore helped to enhance working group members' understanding of and abilities in planning, M&E, and the principles and tools for results-based management. The notion of "results" was more evident, and all members of the 15 thematic groups had a better understanding of its implications in terms of planning and implementation methods for policies and programs.

4 Challenges Faced and Lessons Learned

Generally, the initiatives taken by the M&E Thematic Group helped to

- 1) Give meaning to Niger's commitment, and that of the international community, to institutionalize RBM as a part of the country's development policies. Formerly the approach was being applied only by a handful of cooperation institutions; now, even at the level of political authorities, there is a certain commitment to RBM.
- 2) Incorporate RBM into the planning phase of policies and programs, as all sector thematic groups engage in activities that are aimed to ensuring the coherence of public operations with general objectives set by Niger.
- 3) Ensure that the information and M&E mechanism of the SDRP corrects the weaknesses of the prior system and draws on the principles of the Paris Declaration with regard to the search for and dissemination of useful information to assess progress.

In particular, the input of the committee with responsibility for developing the results chain made it possible to apply RBM to the SDRP by consolidating all desired results identified by the 14 thematic groups and organizing them into a comprehensive and coherent results chain.

The design of the results chain for a joint strategy must take into account a host of concerns if it is to ensure overall coherency. The alignment of sector specificities at the "outputs" level has made the chain more coherent, in that it focuses the assessment of the strategy's outcomes on the specific outcomes level, which contribute to three broad general outcomes, which converge on the achievement of well-being.

5 Conclusion

The M&E Thematic Group intends to continue and expand activities in three priority areas (a) assistance to the Permanent Secretariat of the PRS for the design of methodological tools and the analysis of quality data (reliability, consistency, and usefulness); (b) capacity building of human resources in the areas of results-based planning and M&E; and (c) assistance to the entities responsible for designing and implementing programs and projects dealing with the development of results chains and results frameworks, performance indicator definitions, and the preparation of results-based M&E plans.

In providing assistance with the SDRP development and M&E process, the M&E Group has carried out activities relating to the training of all stakeholders, the establishment of a core of experts in RBM, the development of sector strategies in accordance with the RBM method, the establishment of baselines for all sector strategies, the development of sector statistics, and the provision of incentives for stakeholders

Pakistan

Delivering Results through the National Highways and Motorway Police

Mahe Nau Haider, Sabina Qureshi, Anne Sweetser, Claudia Buentjen, and David Watson⁴⁶

The material for this case study was developed as part of the Economic Affairs Division and Asian Development Bank study on Capacity Development for Aid Effectiveness. It involved (a) introductory interviews by the lead consultant as he identified successful examples of capacity development; (b) interviews, document review, and drafting by the domestic consultant; (c) review by members of the force, ADB, and consultants; and (d) comparative discussion in a “write-shop” at which drafts of several contrasting cases were read aloud and discussed to enable participants from several case studies to draw cross-cutting conclusions about capacity development in Pakistan. The information shared here thus reflects how the National Highways and Motorway Police (NH&MP) perceive their own efforts and the results they have achieved.

- Good working conditions – including (a) remuneration, uniforms, and equipment; (b) clear delineation of roles and responsibilities, reporting structures, and transparent monitoring systems; and (c) performance-based evaluation and rewards – foster pride and commitment in the public service.
- Leadership by example creates an effective model of values and behavior for the entire force.
- Where a competent executive is given the sustained political and material support to lead, latent capacity flourishes and strong performance is achieved. A question always remains about the sustainability of organizational development in a country where patron-client relations are deeply embedded in culture and social relations.

1 Introduction

In 1997, Pakistan commissioned its first six-lane motorway (M-2) built to international standards. Costing about Rs. 60 billion, the 366-km road connects Lahore and Islamabad. In conjunction with the construction of the motorway, the National Highway Safety Ordinance (NHSO) established the National Highways and Motorway Police (NH&MP) to manage traffic, control violations, launch road safety awareness campaigns, and ensure the safety of and provide assistance to road users.

The NH&MP started operating in an environment of rent-seeking, lack of road sense, and poor road infrastructure. Hardly 10 percent of licensed drivers pass all their driver’s test requirements. Road safety is the exception rather than the rule. Under-age driving and law-breaking are fashionable, and vehicle fitness certification is just a paper formality. With inadequate pay, harsh working conditions, and long hours, the district police forces were often corrupt. Despite these circumstances, the NH&MP has managed to deliver results, setting an example for MfDR both in Pakistan and beyond.

2 Leadership and MfDR

The NH&MP’s first leader, DIG Abdul Hafeez Bangash, was instrumental in navigating the challenging environment within which the NH&MP operates. He was known for leading by example, even personally changing a few tires for stranded drivers on the new M-2. He prioritized public safety and held the entire service accountable for the protection of road users. Bangash also underlined the importance of reporting systems by checking with members of the public to ensure that they had benefitted from officers’ help, and by eventually installing a system of monitoring and reporting. He also successfully secured extra financial resources to achieve the force’s mission and address its human resource needs. Yet perhaps most importantly, Bangash kept the NH&MP free from interference and impervious to pressures from political figures.

⁴⁶ Mahe Nau Haider, Domestic Consultant; Sabina Qureshi, Deputy Secretary, Economic Affairs Division; Anne Sweetser, Social Development Specialist, manager of the effort from ADB’s Pakistan Resident Mission; Claudia Buentjen, Senior Capacity Development Specialist, ADB / Manila; and David Watson, International Consultant.

The NH&MP was designed to play a proactive and people-friendly role. Building on an informal assessment of the existing police force's shortcomings and lack of capacity, the design of the new police force incorporates several elements to enhance the performance and quality of each officer:

- Limiting the area patrolled to a manageable span of the highway
- Providing better pay and emoluments
- Implementing an 8-hour shift system
- Offering free bachelor accommodation
- Allowing officers to choose postings near their homes
- Supplying uniforms, modern vehicles, and state-of-the-art equipment
- Promoting local and foreign training programs for officers' personal and professional development
- Providing merit-based recruitment and an annual performance-based award system to encourage and reward higher performance and quality, generating healthy competition within the force

To achieve enforcement consistency, Standard Operating Procedures (SOPs) were introduced, which highlight, among other things, the importance of "soft policing" and a more service-oriented approach (e.g., checking only moving violations rather than performing random driver documentation searches). Patrol officers have reporting procedures for all ticketing, patrolling, and accident-related events, and supervisory officers conduct random checks to ensure the integrity of reports. To extend the feedback system, Mobile Education Units survey the public for comments and suggestions, and the NH&MP also runs a website where comments can be submitted.

To manage and analyze the accident databank, the NH&MP has a Road Safety Wing that identifies the root causes of accidents, suggests preventive measures, and provides guidelines for future enforcement strategies. The Wing also monitors the Mobile Education Units that travel all over Pakistan to make the public more aware of road use issues. In keeping with the force's mission, 25 percent of revenue from fines revenue is used for road safety measures and awareness.

The NH&MP has received high-level support since its inception, facilitating the force's key principles of upholding equal application of the law for all motorists and the integrity of the chain of command. Prime Ministers and Presidents have been known to defend NH&MP when high-profile individuals complain about the issuance of tickets and repercussions for violations. This unwavering support is often identified as critical to maintaining the image and morale of the force as it strives to change the prevailing culture of corruption and privilege.

3 Results Achieved

Policing arrangements made on the M-2 became a model for establishing NH&MP operations on the older and still heavily used N-5 roadway. The scale-up has been tremendous: NH&MP is currently operational on over 3400 km of motorways and highways, and the initial staff of about 500 has now grown to over 5,000. Despite operating in a politically challenging environment, the NH&MP has won the public's confidence for its customer-friendly attitude and for its reputation as a corruption-free department. The autonomy, strong human resource practices, pride among staff, and consequent lack of corruption have made the force an "island of excellence" and even a model across the subcontinent, but its sustainability may still depend on continued high level support.

4 Lessons Learned and Challenges Overcome

The establishment of new practices and a culture of results in the NH&MP is expected to spread and contribute to the implementation of similar initiatives throughout Pakistan's police forces. Though there are already signs that this is occurring in the Lahore and Islamabad traffic police forces, sustainable reforms will require higher-level coordination. For example, to provide quality service on safety issues, the Ministry of Communications is supposed to work through the National Highway Safety Council (NHSC) and the National Transport Research Centre. Unfortunately, both of these organisations have remained relatively inactive. Transport, route permits, driver licensing, vehicle fitness certification, and local road maintenance are provincial government responsibilities. Progress can be made only if NHSC—which has representation in all provinces—is functional and if provinces support its mobilization.

For any policing system to function, adequate resources must be provided, using internationally accepted norms on resource and delivery ratios as rough guides. In Pakistan, previous police forces have not performed up to the mark, in part because they were underfunded and therefore they succumbed to “patronage politics.” The NH&MP has been successfully funded through domestic financing and resources, and without soliciting foreign aid.⁴⁷ Thus, continued government support is vital to the future success of the NH&MP.

The NH&MP was formed only shortly before the opening of the M-2, and therefore had to be populated by drawing on police personnel from existing traffic forces in the country. Unwilling to give up their highest-ranked officers, provinces initially put forward lower-ranking officers. Thus it was necessary for the NH&MP to provide new recruits with extensive training, not only on professional traffic management but also on dealing with the public.

Any reform program or innovation should begin with a clear and attainable objective. In Pakistan, the NH&MP established a very clear objective early on: to provide and protect public safety. Achieving this objective solidifies the NH&MP's reputation, and allows for the model to be scaled up and varied. However, the NH&MP can only be scaled up where the institutional provides similar enabling features, such as high-level political support and adequate funding. Furthermore, while establishing the framework for a successful police force is simple, sustaining the good practices is much more difficult. Abdul Hafeez Bangash's commitment and tenacity were vital to the continued success of the NH&MP. The consistency and uniformity that are so important to a successful police force are achieved through the Standard Operating Procedures, which are based on field experience fed through the chain of command to top management.

5 Conclusions and Next Steps

The highly successful experience of establishing the NH&MP in Pakistan is all the more remarkable because it was accomplished without foreign funding and with limited foreign technical assistance. This case shows that Pakistan is not merely dependent on donor resources and technical assistance. While many cases only highlight the need for greater funding, this case documents the importance of focusing. It demonstrates that it is more important to focus on the institutional and organizational dimensions of reform than on just increased funding, and that service-oriented and results-based approaches to policing can be much more effective than the punitive approaches that are traditionally used in traffic policing in Pakistan. This initiative has also proved that, with well-directed efforts, proper training, fair salary packages, and political will, Pakistan's public servants can deliver.

The NH&MP model is unique in Pakistan and the subcontinent in delivering such strong results in such a difficult sector. However, while the NH&MP case represents a good example, the force will require ongoing nurturing if the program is to be sustained and expanded across Pakistan. Replicating this approach in all of Pakistan's cities would improve safety and law enforcement across the whole country. Road safety is based on five “Es”: Enforcement, Education, Engineering, Environment, and Evaluation. NH&MP works to enforce,

⁴⁷ Some technical assistance was provided by foreign countries on a demand-led and cost-repayment basis, but never as aid.

evaluate, and educate, but the elements of engineering and environment are beyond the force's mandate and should be addressed by some other initiative.

Though the NH&MP has benefitted from excellent support from high levels of the government, consistency within the traffic-policing system as a whole is still lacking. Most traffic that the NH&MP deals with originates in major cities, where traffic rules and regulations are neither followed nor enforced. Urban motorists drive cautiously only as long as they are on the highway or motorway, reverting to risky behavior as soon as they leave NH&MP jurisdiction. To address this problem and ensure road safety throughout Pakistan, the country will need to introduce enforcement standards similar to those of NH&MP across the country. Whole-hearted efforts are needed to sustain this experiment and replicate it in other areas. This scale-up will undoubtedly be cost-effective, as, apart from generating income through fines, it offers huge savings in operating costs from fewer accidents, reduced property damage, and, most importantly, the saving of human lives.

Yemen:

Achieving Results in the Ministry of Health and Population

Stephan Pahls and Dr. Fowzia Jaffer

- As Yemen's new Minister of Health, Dr. Rasea gave strong support to the implementation of the Rapid Results Approach (RRA) methodology, helping it to succeed by fostering a commitment to results from stakeholders at all levels.
- The development of results and benchmarking for each project through the RRA methodology paved the road for good implementation and valid monitoring.
- The success of the RRA in Yemen has led to the suggestion of scaling up and institutionalizing the RRA in other projects and in the planning and execution of other donor programs, many of which suffer from similar implementation problems.

1 Introduction

Yemen's Health Reform Support Project (HRSP) was launched in 2002 to (a) increase access for women and children to a package of integrated maternal and child health services, provided in district hospitals and health centers in selected districts; and (b) improve the effectiveness of national public health programs and resource allocation within the public health sector in Yemen. Project development objectives were clear, but the project indicators, inputs, and implementation mechanisms were vague, with few key performance indicators. During the early stages of implementation, this lack of detail, combined with low capacity in the Ministry of Health and Population (MOPHP), created major obstacles to implementation.

The project's Midterm Review in May/June 2005 concluded that little progress had been achieved on the objectives because of the slow pace of implementation, which led to discussions about canceling the project. During 2005, the slow implementation of the HRSP and another large Bank project became serious liabilities for the government of Yemen, culminating in an announcement by the World Bank in December 2005 that it would cut funding to the government by 34 percent because of unsatisfactory progress in the national reform agenda, governance issues, and lack of progress in a few "problem projects." Other donors also expressed their dissatisfaction. In addition, the United States dropped Yemen as a candidate for its highly publicized Millennium Challenge Account for similar reasons.

In response to the situation, the Government of Yemen formulated the National Agenda for Reform, a six-month action plan adopted by the Cabinet in January 2006; and on February 11, 2006, the Government announced a major reshuffling of the Cabinet, replacing 15 of the existing 35 ministers, including the MOPHP. A sense of urgency ran high as the President sought to turn things around. New leadership within the MOPHP introduced the Rapid Results Approach (RRA),⁴⁸ putting the HRSP back on track, proving that MOPHP could deliver, and building capacity and new confidence for managing change throughout the MOPHP.

2 Leadership and Efforts to Strengthen Results-Based Management

The RRA was introduced at a five-day workshop in February 2006 attended by all relevant stakeholders—ministers, deputy ministers, component managers, and representatives of the Ministries of Planning and International Cooperation (MOPIC) and Finance (MOF). The RRA takes the approach of setting short-term goals as a step toward achieving the overall objectives, and the workshop prioritized nine targets to be achieved within the next 100 days. The new Minister of MOPHP, Dr. Abdoul Kareem Yehia Rasea, took up

⁴⁸ RRA is a methodology that empowers teams to achieve results quickly – in 100 days. It is also a way of thinking about making large-scale change happen incrementally.

his post on the first day of the workshop. Conscious that adopting the RRA was vital to save HRSP project funds and ensure the success of the project, Dr. Rasea not only immediately supported the process, but also led it. He attended the entire workshop, which was an unprecedented assertion of leadership and high-level support, sending a message to the deputy ministerial level and throughout the MOPHP that the success of the HRSP was a priority. Four RRA workshops took place between February 2006 and May 2007.

The RRA improved access to information, enabling the Ministry and donors to better see the problems and their underlying causes, instead of simply reacting to and then treating the symptoms. By opening a dialogue with MOPIC and MOF, Dr. Rasea promoted practical problem solving and the removal of bureaucratic hurdles. A few weeks after taking office, he also changed the head of the Credit Administration Unit (CAU), bringing in someone with a track record as an effective manager and communicator. The Minister also offered the necessary support to CAU to keep the project moving in the right direction.

During the Midterm Review the project had been restructured, and subsequent RRA workshops were used to operationalize the changes. While the restructuring faced considerable resistance at the beginning (with managers of underperforming subcomponents refusing to scale back their activities), the introduction of targets and participatory processes with the RRA made the whole process more transparent and logical, winning over the opposition. The application of the RRA had an effect on the roles and expectation of leadership, and on the emergence of teamwork, leading to changes in the way traditional hierarchies engaged in the decision-making process with other stakeholders in project implementation. A growing sense of ownership and accountability for results was described by Dr. Majad Alijunaid, Deputy Minister of the Health Care Sector, as follows:

In implementation, leaders find themselves accountable to implementers at higher and lower levels, and they are accountable at the community level. The leader becomes more results-oriented, as the process is taken on by the team, holding the leader accountable in terms that are defined by indicators at the outcome level. Teams, not leaders, decide what the targets will be, so the leaders have to delegate some of the decisions about how the work gets done. RRA team members report to the team, and they are all on a first-name basis. The RRA has brought an approach to teamwork that is less hierarchical, with improved working relationships.⁴⁹

3 Results Achieved

After the first two RRA workshops, results were already emerging. The project implementation rating improved from unsatisfactory to moderately satisfactory. This improvement gave the project new life and brought about an agreement to restructure it by modifying goals to be more consistent with the timeframe. A one-year extension of the program was also granted.

By May 2008, disbursements of the project credit had increased by nearly 87 percent.⁵⁰ After four rounds of applying the RRA, the teams achieved almost all planned activities and developed a two-year results framework to cover the remaining life of the project. From June 2006 onward, project implementation improved and significant progress was made on achieving project objectives.

A New Results Culture. In addition to increased disbursements and improved implementation, there were learning gains from capacity building. By helping MOPHP staff meet and exceed their targets, the RRA strengthened their confidence, motivation, and leadership skills. After some initial success increasing disbursements, the RRA teams shifted their focus to contributing to the emergence of a results-based culture in the MOPHP. During the December 2006 workshop, when the action plan (and monitoring plan) for the remainder of the project were developed, the development objectives were put at the center of the planning exercise and the component targets were aligned with the project indicators. This exercise helped the RRA

⁴⁹ Neuron Global 2007, p. 33.

⁵⁰ CPPR document, May 2008.

teams develop new skills and capacities in results management. The fact that RRA activities were assessed and monitored by Minister Rasea and other stakeholders at the end of each 100 days in a workshop also fostered a healthy sense of competition and responsibility to achieve targets at the project component level.

Increased Accountability. Another positive achievement was improved cooperation between the MOPHP and outside stakeholders, especially MOPIC and MOF. Long-standing tensions with the MOF were set aside in favor of a better working relationship. For example, the MOF used to take weeks to release funds for implementation because activities were unclear and there were no implementation plans. Once the RRA initiative was put in place the MOF became actively involved, processing CAU requests in a matter of hours instead of weeks. Mentioning “100-day goals” when submitting a request to the MOF is said to open doors and ensure prompt staff attention to the project! There is a very similar relationship with MOPIC, whose staff are responsible for approving activities and targets and ensuring that credit funds are used properly, and who now feel personally committed to the success of the project.

Improvements in M&E. At the time the RRA was introduced, the HRSP did not have a systematic approach to monitoring and evaluation (M&E). In the absence of an active project coordination committee, the three rounds of RRA workshops begun in 2006 provided the opportunity for some coordination at the facility level, and allowed for the exchange of information on the status of each component. It was proposed that RRA workshops continue to be used as mechanisms to review and monitor the implementation plans, in lieu of the coordination committee meetings.

Each component team developed a two-year (2007-2008) target with quarterly benchmarks and draft corresponding budgets, finalized and approved in March 2007, which was used to assess progress and expenditures over the two-year period. The fourth- and fifth-round RRA workshops (December 2007 and May 2008, respectively) were held to review the two-year performance and make necessary programmatic or financial adjustments for the last year of the program.

4 Lessons Learned and Challenges Overcome

1. **Strong senior-level leadership is vital to the success of results-oriented reforms.** Dr. Rasea’s leadership as the new Minister of Health was instrumental to the success of the RRA. His dedication to improving the impact and accountability of health projects fostered a new results culture across ministries.
2. **The RRA is a way of making large-scale change happen incrementally.** The approach was introduced gradually, with gradual expansion of number of targets; only during the third round was full emphasis put on the fact that all activities must directly support the project’s development objectives. The approach was simple, with clear guidelines, and introduced by competent facilitators.
3. **Linking leadership with results clarifies roles, fosters transparency, and builds ownership.** Because clear responsibilities were assigned to component managers, accountability was greater, progress was measurable, and the sense of ownership was increased. The methodology helped component managers to know what was expected, partners to know where the issues/bottlenecks were, and the ministry leadership to monitor effectively and follow up/intervene where necessary.
4. **RRA led to a reorientation away from inputs towards results.** Competition increased pressure on component teams to perform, but also allowed for recognition of people who were doing well.
5. **With crisis comes opportunity.** The crisis played an important role in mobilizing support for the RRA within the MOPHP leadership and among the deputy ministers. This resulted in strong ownership of the RRA from the top and from the beginning. Since donor dissatisfaction and threats of funding cuts put the performance of the HRSP high on the agenda for the whole government, all three new ministers (MOPHP, MOF, and MOPIC) had strong incentives to turn it around.

6. **The RRA contributed to the successful restructuring of the project** by moving it from a narrow focus on an overambitious package of integrated services at the district level to more tangible and realistic evidence-based interventions supporting the development objectives.
7. **There is no one-size-fits-all approach.** What matters most is that the results achieved are in line with the country's objectives and mechanisms that make sense in the country context. Leadership, ownership, and partnership, the application of the RRA as an appropriate methodology, and the enabling environment (timing) were all important factors for achieving rapid results.

5 Conclusion

The success of the RRA in Yemen has led to the suggestion of scaling up and institutionalizing the RRA in other projects and in the planning and execution of other donor programs, many of which suffer from similar implementation problems.

There are two entry points for scaling up: (a) MOPIC, with its mandate for donor harmonization and alignment, is the natural entry point for broadening the approach into other sectors; and (b) the ongoing Health Sector Review (HSRev) could be an entry point for scaling up in the MOPHP and among the MOPHP's partners. The HSRev could evaluate the potential for scaling up the RRA while at the same time applying it to some of the HSRev components, particularly where there are multiple stakeholders. However, there are challenges to scalability; at present there is no sectorwide approach under which Yemen can pool donor resources, and government funds constitute the majority of resources in the public health sector.

Beyond bringing a single project back on track, it seems that the RRA has strengthened leadership and confidence in the MOPHP on different levels, including (a) the position of the Minister of Health and Population in the Cabinet, (b) the implementation capacity and confidence of component managers, and (c) the confidence of deputy ministers to manage change more successfully. The Minister of Health would like to expand this approach to other projects and programs throughout the ministry, and has also said that there is a need to eventually expand it to encompass the entire institution. MOPIC is another promising entry point for moving forward. There is still a need for training and raising awareness, and for support and planning for institutionalizing the RRA.

The availability of coaches is critically important for scaling up. A team of senior ministry staff was selected for RRA training. The training should be delivered soon, should be intensive, and should be followed by immediate application of the methodology—for example, in the context of the HSRev. Delays in the process would likely result in a loss of momentum. Building the capacity of a team of MOPHP staff (potentially to be complemented by local consultants) is very important for reducing dependence on the staff of international donor organizations. This will increase sustainability and lower the threshold for other partners to buy in and make use of the process.

Sources

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IV. Conclusions

Managing for development results (MfDR) is neither a science nor a theory: it is a management strategy in which data on performance guide implementation and ultimately, determine resource allocations. MfDR means focusing on results at all phases of the development process: it requires clear objectives, evidence-based decision-making, transparency, and continuous improvement. There is no set equation or absolute truth on how to manage for development results, but there is a considerable effort from countries, organizations, and individuals to reform their development practices so that they do achieve outcomes. The cases in this edition of the Sourcebook provide compelling examples of such efforts in MfDR, demonstrating strong leadership at individual, institutional, and country levels. Though the leadership reflected in these cases takes place in many different contexts, there are several important common lessons.

All of the cases illustrate the necessity for **strong support from the top** for results-oriented reforms to be fully adopted. In Kenya, a deliberate choice was made to present and implement the Rapid Results Approach (RRA) in ministries and the success of this approach depends on the heads of these organizations attending and directly participating. In Sri Lanka, Mrs. Wijayatilake personally attends all introductory MfDR workshops, inspiring the commitment of senior officials and thus cultivating ownership of MfDR initiatives within line ministries. In Pakistan, the unwavering support of both the prime minister and the president have been critical to maintaining the image and morale of the police force as it strives to bring about a results-oriented culture. In Yemen, Dr. Rasea, the new Minister of Health, has given strong support to the implementation of the RRA and allowed it to succeed by fostering a commitment to results from stakeholders at all levels and across ministries.

While top-level support is essential, many of these cases also illustrate that sustainability of MfDR reforms requires **a mix of top-down and bottom-up approaches**. In Brazil, for example, the government communicates and passes down its main priorities and targets, but secretariats are also asked to demonstrate their role and contributions to the achievement of these main goals. In Chile, having allies at more technical and bureaucratic levels has been instrumental to formulating and improving budgeting for results proposals. In Morocco, a decentralization strategy results in a policy process adapted to local priorities and supported from both above and below.

As several cases in this edition of the Sourcebook show, MfDR reforms must be **prioritized by the state** and must **complement existing initiatives, strategies, and national development plans**. In Kenya, for example, it is clear that RRA must be carefully integrated with the general reform agenda and that promoting such a process without tying it in to ongoing efforts would not be effective. In many other cases, the explicit state prioritization of MfDR reforms is cited as instrumental to successful institutionalization.

To build up capacity and institutionalize MfDR, it is vital to provide **training and capacity building** to MfDR practitioners and empower leaders to test out new approaches that may enhance MfDR in their organizations. In the Democratic Republic of Congo and in Guinea Bissau, more than 300 staff members were trained in implementing and using the monitoring and evaluation (M&E) system. In Morocco, where the Ministry of Health has implemented regional training plans, health care managers are trained to understand the importance of strategic planning and a results-based approach.

The importance of **incentives** is also a common element in many of these cases. Both positive and negative incentives can be effective, but even the simple acknowledgment and recognition of commendable efforts can be an important motivating factor. In Brazil, Ceará rewards Results-Based Management (RBM) by basing resource allocations on results indicators. In Cambodia, top-performing employees are sent on training courses abroad, and evaluation results determine bonuses and promotions. In Pakistan, the National Highways and Motorway Police engages in merit-based recruitment and an annual performance-based award system to encourage and reward higher performance and quality, generating healthy competition within the force.

Furthermore, if MfDR is to be successfully adopted, it is necessary to have sufficient **operational capacity and resources**—a long-term goal. Access to **reliable monitoring and evaluation systems** and **timely data** has proved to be challenging in many of these cases. It is also important to have enough human capacity to effectively manage for results. In the case from Guinea Bissau, the decentralized M&E system has not been adopted by more ministries because there was no funding available to buy fuel for the motorcycles that were collecting the reports from each of the reporting districts.

The cases from organizations such as AFD, Development Gateway, and IFAD show that suitable **business systems and processes** are necessary to mainstream MfDR in the programs these organizations support and in the strategy of the organizations themselves. Because such systems are costly to build and maintain, they should be simple and manageable, preferably aligned with existing budget and other systems. Logic charts and frameworks could be used to align performance measures with accountability and decision-making authority. It should be remembered that ultimately these systems are a means to an end.

It has been the aim of these cases to inspire MfDR leaders and provide useful ideas for bringing about results-oriented change. While best practices and “islands of excellence” are inspiring and commendable, it must be noted that it is often difficult to link these successes to broader country systems. The challenge that many of these cases are still dealing with is to make sure that these efforts lead to country systems and full country ownership.

The institutionalization of MfDR and the ultimate achievement of long-term impacts is a challenging process. It is undoubtedly quite difficult to shift from focusing on the amount of inputs, outputs, or products of an intervention to examining how the use of outputs has changed peoples’ lives and how it has contributed to results on the ground. However, the overarching message that can be distilled from the cases presented in this Sourcebook is that measuring, monitoring, and achieving results can be a practical and pragmatic process. As many of these cases show, this requires strong and sustained leadership.

V. Overview of MfDR Concepts: Glossary⁵¹

Activity

Activities are actions taken or work performed through which inputs—such as funds, technical assistance, and other types of resources—are mobilized to produce specific outputs.

Evaluation

Evaluation is the systematic and objective assessment of an ongoing or completed project, program, or policy, and of its design, implementation, and results, to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact, and sustainability. An evaluation should provide information that is credible and useful, so that lessons learned can be incorporated into the decision-making process of both recipients and donors.

Impacts

Impacts are the positive and negative primary and secondary long-term effects—both intended and unintended—produced directly or indirectly by a development intervention.

Indicator

An indicator is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

Input

Inputs are the financial, human, and material resources used for the development intervention.

Institutional development impact

The institutional development impact is the extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources—for example, through (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements, or (b) better alignment of the organization’s mission and capacity with its mandate, which derives from these institutional arrangements. Such impacts can include the intended and unintended effects of an action.

Logical framework (logframe)

A logframe is a management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution, and evaluation of a development intervention.

Logic model

A logic model is a technical tool for summarizing all relevant information related to development assistance or a program or project. Logic models are usually presented in a matrix covering such categories as objectives/results, inputs, indicators (or objectively verifiable indicators), means of verification, and assumptions/risks. Various types of logic models have been designed for different purposes; there is no “correct” format.

⁵¹ Terms from the OECD/DAC Glossary of Key Terms in Evaluation and Results-Based Management and the First Edition of the *Sourcebook on Emerging Practices in MfDR*.

Managing for development results

Managing for development results (MfDR) is a management strategy focused on development performance and on sustainable improvements in country outcomes. It provides a coherent framework for development effectiveness in which performance information is used for improved decision-making, and it includes practical tools for strategic planning, risk management, progress monitoring, and outcome evaluation.

MfDR principles

1. Focusing the dialogue on results at all phases of the development process
2. Aligning programming, monitoring, and evaluation with results
3. Keeping measurement and reporting simple
4. Managing for, not by results
5. Using results information for learning and decision-making

Millennium Development Goals

In 2000, in a key effort to promote more effective development, 189 UN member countries agreed to work toward reduction of global poverty and improved sustainable development. These global aims are reflected in the eight Millennium Development Goals (MDGs), with their 18 targets and 48 performance indicators. The MDGs provide specific, measurable targets that are gradually being adapted at the country level as the basis for country outcomes and then monitored over time to help gauge progress.

Outcomes

Outcomes are the likely or achieved short-term and medium-term effects of an intervention's outputs. Outcomes are the observable behavioral, institutional, and societal changes that take place over 3 to 10 years, usually as the result of coordinated short-term investments in individual and organizational capacity building for key development stakeholders (such as national governments, civil society, and the private sector).

Outputs

Outputs are the products, capital goods, and services that result from a development intervention; they may also include changes resulting from the intervention that are relevant to the achievement of outcomes.

Partnership

Partnership can be defined as a collaborative relationship between entities to work toward shared objectives through a mutually agreed division of labor. At the country level, this means engaging under government leadership with national stakeholders and external partners (including international development agencies) in developing, implementing, and monitoring a country's own development strategy.

Performance indicator

A performance indicator is a variable that allows the verification of changes in the development intervention or shows results relative to what was planned.

Process evaluation

A process evaluation evaluates the internal dynamics of implementing organizations, their policy instruments, their service delivery mechanisms, their management practices, and the linkages among these.

Development objectives

Development objectives describe the intended impact contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community, or group of people through one or more development interventions.

Results

Results are the output, outcome, or impact (intended or unintended, positive and negative) of a development intervention.

Results-based management

Results-based management is an approach aimed at achieving important changes in the way that organizations operate, with improving performance in terms of results as the central orientation. It provides the management frameworks and tools for strategic planning, risk management, performance monitoring, and evaluation. Its main purposes are to improve organizational learning and to fulfill accountability obligations through performance reporting.

Results Chain

A results chain shows the causal sequence for a development intervention to achieve desired objectives, beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts, and feedback.

HOW should this be implemented?		WHAT should be produced?	WHAT outcomes do we expect from this investment? (HOW are outputs used?)		WHY should we do this?
Inputs	Activities	Outputs	Short-term outcomes	Medium-term outcomes	Long-term impacts

Results framework

A results framework is the program logic that explains how the development objective is to be achieved, including causal relationships and underlying assumptions.

Risk analysis

A risk analysis assesses factors (called assumptions in the logframe) that affect or are likely to affect the successful achievement of an intervention's objectives. It is a detailed examination of the potential unwanted and negative consequences to human life, health, property, or the environment posed by development interventions. Risk analysis also involves quantifying the probabilities and expected impacts for identified risks.

Monterrey Consensus (2002)

The Monterrey Consensus emphasized the need to

- Harmonize development approaches among donors;
- Reduce transaction costs for recipient countries by aligning donor resources;
- Increase country-level absorptive capacity and improve financial management systems through capacity building;
- Increase local ownership in the design and implementation of poverty frameworks at the country level.

Rome Declaration (2003)

Participants committed to specific activities to enhance aid harmonization:

- Deliver assistance in accordance with partner country priorities;
- Amend policies, procedures, and practices to facilitate harmonization;
- Implement good practice standards or principles in delivering and managing development assistance;
- Intensify donor efforts to cooperate at the country level;
- Promote the benefits of harmonization among staff;
- Provide support to strengthen partner country governments' leadership and ownership of development results;

- Streamline donor procedures and practices;
- Promote harmonized approaches in global and regional programs.

Washington: First Roundtable on Development Results (2002)

The Roundtable took stock of ongoing efforts in countries and agencies to manage for results, with a focus on the actions needed to build demand for and increase capacity to adopt results-based approaches in developing countries. It stressed the need for development agencies to offer coordinated support for capacity-building and to harmonize approaches to results measurement, monitoring, and reporting. Moreover, it discussed ways for development agencies, including the multilateral development banks, to develop results-focused corporate cultures and incentives.

Marrakech: Second Roundtable on Development Results (2004)

The Roundtable brought together representatives from developing countries and development agencies to discuss the challenges of managing for development results at the country level and the ways in which countries and development agencies are addressing these issues on the ground. Participants assessed progress since the First Roundtable and talked about how they could continue to strengthen country and agency commitments to harmonize monitoring and evaluation around national strategies and systems, in order to provide useful reporting on results. They also reflected on how donors could better coordinate support to strengthen the planning, statistical systems, and monitoring and evaluation capacity that countries need to manage their development process. As a final outcome of the Roundtable, the heads of the multilateral development banks and the Chairman of the OECD's Development Assistance Committee endorsed common principles on managing for development results, including a commitment to specific actions for 2004.

Paris Declaration (2005)

The Paris Declaration, the product of the 2005 Paris High-Level Forum on Aid Effectiveness, is an international agreement that over 100 ministers, heads of agencies, and other senior officials endorsed. This high-level commitment to increase efforts in harmonization, alignment, and managing for results is designed to help developing countries achieve the Millennium Development Goals and includes a set of monitorable actions and indicators.

Hanoi: Third Roundtable on Managing for Development Results (2007)

The Hanoi Roundtable reaffirmed the importance of the ambitious agenda of the Paris Declaration on Aid Effectiveness. Central to this agenda is the idea that all countries and donors should improve their management of resources to achieve better, verifiable development results, guided by a commitment to mutual accountability. The renewed urgency to improve development results that emerged during the Hanoi Roundtable formed the basis for further progress in the run-up to the Third High-Level Forum on Aid Effectiveness, held in September 2008 in Accra, Ghana.

Accra: Third High Level Forum on Aid Effectiveness (2008)

The purpose of the Third High Level Forum was to take stock of progress to date in implementing the Paris Declaration commitments, identify the remaining bottlenecks and challenges and determine the key actions donors and partner countries need to take to accelerate progress in making aid more effective. After three days of intense negotiations, the Accra Agenda for Action was endorsed on September 4, 2008. The Accra Agenda for Action is the product of an unprecedented alliance of development partners – developing and donor countries, emerging economies, UN and multilateral institutions, global funds and civil society organisations. Key points agreed in the Accra Agenda for Action include (a) predictability - donors will provide 3-5 year forward information on their planned aid to partner countries; (b) country systems - partner country systems will be used to deliver aid as the first option, rather than donor systems; (c) conditionality - donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the developing country's own development objectives; and (d) untying - donors will relax restrictions that prevent developing countries from buying the goods and services they need from whomever and wherever they can get the best quality at the lowest price.