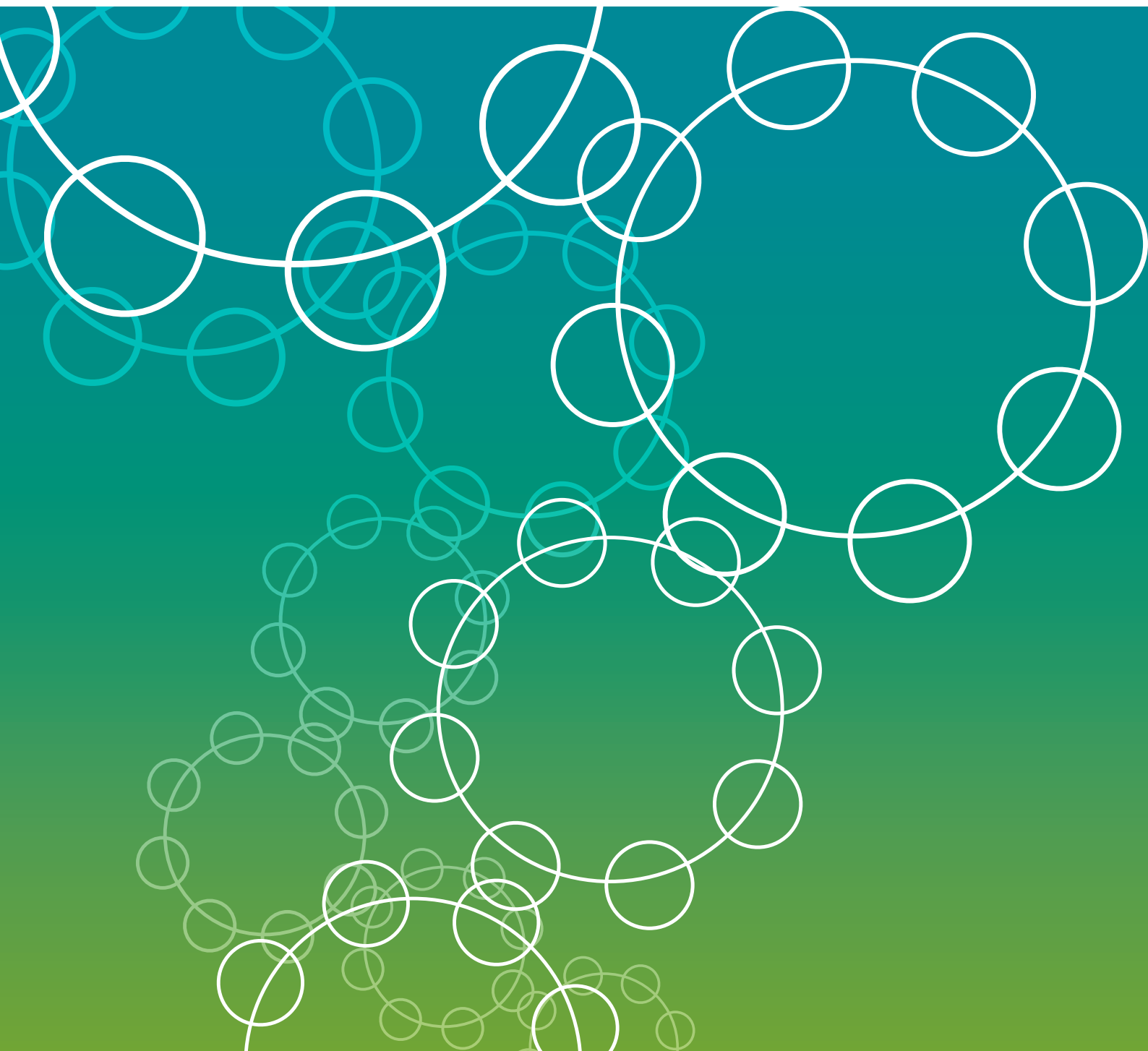


RESULTS IN DEVELOPMENT CO-OPERATION

Provider Case Studies: Netherlands

Ministry of Foreign Affairs



Case studies of results-based management by providers: THE NETHERLANDS

MAY 2017

This paper is one of a series of case studies that describe approaches to results-based management by development co-operation providers. The purpose of the case study project is to identify and document approaches, key themes, current challenges and good practice in results-based management. In particular, the case studies document how providers use results information for accountability, communication, direction and learning. The case studies and an accompanying discussion paper will be used as a platform for dialogue and to drive collective learning within the OECD Development Assistance Committee Results Community.

The case studies are based on a desk-based review of relevant material and telephone interviews with staff responsible for results.

The full set of case of studies (Canada, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the World Bank Group) and the discussion paper can be accessed on the [OECD results in development co-operation website](#).

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Executive summary

- ❖ In 2016, The Netherlands Ministry of Foreign Affairs (MFA: hereafter referred to as 'the ministry') introduced a new corporate results framework. The framework includes 15 indicators, the results of which will be attributed directly to Dutch aid. Annual targets, linked to the aid budget, have been set for each indicator, and aggregated results against the indicators will be published annually.
- ❖ New results systems place emphasis on transparency. The Netherlands is committed to publishing results as open data via the IATI standard, both by the ministry as well as by its implementation partners (including by making programme and project reporting through IATI a requirement for implementation partners) and to using new media to engage with the Dutch public on results. The ministry has also developed a 'Results Ambition Statement' which communicates how results will contribute to organisational steering and learning.
- ❖ The ministry prioritises thematic delivery over geographic focus, and only a small portion of aid is delivered via partner governments. This means that the use of results for government-to-government mutual accountability is challenging. However, new multi-annual country strategies, to be developed for the period 2018 onwards, may enable the Netherlands to link corporate goals and indicators to the results frameworks of partner countries, especially where both are aligned to the Sustainable Development Goals (SDGs).
- ❖ In summary, the Netherlands' results approach is focused on **accountability** and **communication** towards domestic audiences. However, there is a growing commitment to improve use of results information for internal **learning** and **decision making**. Building a culture *and* new systems which enable use of results for direction, decision making and learning at all levels, in support of development outcomes, will be challenging and will require a change management approach, flexibility as well as robust data systems.

1. Overview of Results-Based Management

This section provides a brief overview of Dutch Aid, and then describes approaches to results-based management at different levels.

The Ministry of Foreign Affairs (MFA) is responsible for delivering aid on behalf of the Netherlands. The government places emphasis on both using existing aid and increasing trade relationships (both in and among countries) to promote development. As such, the ministry has a combined [policy](#) for aid, trade and investment (MFA, 2013a). The policy articulates three high level goals:

- Eradicate extreme poverty
- Foster sustainable inclusive growth all over the world
- Achieve success for Dutch companies abroad.

The ministry's programming has a strong thematic focus with delivery structured around nine themes: four policy priorities (water, food security, sexual and reproductive health rights, and security and rule of law); three cross cutting issues (gender, climate change and private sector development); humanitarian support; and civil society. Most aid is programmed centrally from The Hague, with only 10% of total ODA programmed by embassies (OECD, 2016a, p. 231). To give a sense of current scale, in 2015 the Netherlands provided USD 5.8 billion in net ODA (OECD, 2016a, p. 231).

1.1 Corporate level results framework structure and reporting

The ministry introduced systematic results reporting more than ten years ago, and have been submitting an annual results report and letter to parliament since 2012 (MFA, 2016a). The government maintains a strong emphasis on results, and accountability for aid spending is first and foremost to the Dutch parliament.

Ensuring the results of Dutch Aid are **transparent and communicated** to the Dutch public is also paramount. Transparency and communication is based on the principle that in order to avoid loss of trust among the public, *everything* should be open and accessible; results are seen as central to this approach. More importantly, the ministry aims to “not only bring the figures out, but bring them to life by connecting them to people”. It intends to do this through “content analysis, storytelling and sharing information and experiences through social media” (MFA, 2016b).

In September 2016, as part of its effort to connect more with the public, the ministry launched the [Dutch Development Results](#) website, which reports 2015 results information (in English). This dynamic website replaces a more static annual results report. The aim of the website is to showcase to the Dutch public the contribution the Netherlands has made to eradicating poverty and promoting inclusive growth. The website presents results from sectors and countries using an interactive platform. There is a balance between aggregated quantitative results – with some indication of whether the results are on track, and results stories, including videos which have been produced to tangibly demonstrate change or impact on the ground.

By end of 2016 the results website had received around 3000 hits, 20% of which were from return visitors, mostly domestic and 70% of users were accessing the site via social media promotion. The ministry acknowledges that interest was high at the start, but is now declining. Therefore, ministry

staff are planning a study to further investigate communication strategies and how best to engage with the public (OECD, 2016b).

From 2016, the ministry has introduced a **new corporate results framework**. The main driver for development of the framework was a perception by Parliament that while current reporting gave a sense of the *scale* of what was being delivered, it did not articulate the extent to which this was on track or delivering value for money (OECD, 2016b). The new corporate results framework will aggregate data from across the aid programme against concrete baselines and targets. The framework is currently structured around 15 core indicators, which are organised by theme and ‘result area’ (MFA, 2016c). The majority of indicators can be classified as ‘reach indicators’ inasmuch as they focus on volume and count the number of beneficiaries who are reached by a service or intervention. The framework is viewed as providing ‘a missing middle’ between policy objectives and budget/delivery (MFA, 2016b). The ministry plans to extend the framework to up to 25-30 indicators and potentially include indicators with more of an outcome focus.

The new framework sits separately and above existing thematic and country results reporting requirements (described below). Staff with thematic expertise provided input into the development of the indicators and detailed [methodological notes](#) for each. The framework aligns to the Sustainable Development Goals at goal and target level wherever possible. The table below outlines the structure of the framework and provides examples for two of the 15 indicators.

Table 1. Structure of the Netherlands Corporate Results Framework¹

Framework structure	Example One	Example Two
Theme	Water	Private Sector Development
Result area	Drinking water sanitation and hygiene	Business development
Indicator	Number of people with access to better water sources	Number of Companies (Dutch and local businesses) with a supported plan to invest, trade or provide services.
Result 2015	13.9 million (cumulative 2011-2015)	2105
Target 2017	1 million (annual)	2250 (annual)
Target 2020	8 million cumulative (2016-2020)	2500 (annual)
SDG goal-level alignment	SDG 6. Clean water and sanitation	SDG 8. Decent work and economic growth
SDG target-level alignment	Target 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Source: MFA, 2016c

¹ The full list of indicators can be accessed at <https://www.rijksoverheid.nl/documenten/kamerstukken/2017/03/16/bijlage-kamerbrief-inzake-aanbiedingmethodologische-notities>

Budget holders are required to specify how much they will contribute to each of the indicators as allocation of funds will be based on this. They then need to build these targets into their programmes. For example, in 2017, the Netherlands Embassy in Bangladesh will deliver 40 000 toward the total target of 1 000 000 people for the water indicator presented as example one in table 1 above (MFA, 2016d, Appendix 1). As such, the indicators and their related targets are directly linked to annual budgets from 2017. However, it is important to note that the fifteen indicators do not, and are not intended to, cover the results or the funding of *all* Dutch aid.

Alongside the corporate results framework, a separate results framework for Dutch humanitarian assistance was developed in the second quarter of 2016. The framework focuses on three results areas: 1) the number of crises-affected people assisted by Dutch humanitarian aid and the quality of the aid; 2) the contribution of Dutch humanitarian aid to increasing the self-reliance of people and organisations; and 3) the contributions and results of the Netherlands in relation to coordination within the humanitarian system (MFA, 2016a).

1.2 Thematic and country level results reporting and frameworks

To guide thematic delivery and supplement the corporate level results framework, theories of change and results frameworks are articulated for the four thematic priorities and two of the cross-cutting issues. Budget holders are responsible for producing annual thematic and thematic-by-country results reports to parliament. Reports are in English (and from 2017 will also be in Dutch) and include quantitative data and commentary against analytic questions.²

Programming at country level is guided by Multi-Annual Strategic Plans (MASPs, current cycle 2014-2017), produced every four years. Embassy Annual Plans report results for the previous year and plan for the year ahead. A new round of multi-annual country strategies are planned for development in 2017 for the years 2018 and beyond. The new generation of strategies will take total country aid flow into account (i.e. they will include thematic as well as embassy delivery at country level), will be comprehensive and cover the wider bilateral relationship with the country (diplomacy/political, defence, economic and development). The strategies will also be aligned to the corporate results-framework. Using Bangladesh as a case study, the box below outlines how the current country-level planning and results reporting system functions.

² The latest annual reports are available on:

<https://www.rijksoverheid.nl/onderwerpen/ontwikkelingssamenwerking/documenten/kamerstukken/2016/09/15/kamerbrief-inzake-ontwikkelingsresultaten-in-beeld-editie-2016>

Box 1. Country level planning and reporting in Bangladesh

In Bangladesh, the Netherlands invest in three thematic areas: water, food security, and sexual and reproductive health. It also works with the private sector on improving conditions in the garment industry.

The current multi-annual country strategy includes a country analysis, which then sets the high level goal and results to be achieved. Results for each sector comprise a set of outcome statements. For example, for food security the objective is: “increase food security for the most food insecure households by enabling them to get access to sufficient and balanced food throughout the year on the basis of strengthened livelihoods”. An example result in support of this is: “increased availability of foods at local and national markets.” Interventions that will be undertaken to achieve these results are described, with an analysis of associated risks.

The Annual plan and report sets out what was achieved in the previous year and what is planned for the coming year. The results achieved in each sector are reported and then rated using a traffic light system (+, - or =). Some quantitative results are provided at output level. For example, in the latest annual plan 155 504 small farmers were reached and this is rated as + (i.e. above target). The plan for the coming year includes process tasks as well as specific quantitative targets for the year (mostly reach targets). The plan also includes an annex with specific targets against the new corporate indicators.

Similar planning and reporting processes exist at thematic level (theories of change, results frameworks and annual reports) and country level reporting is also expected to feed into this. (MFA, 2013b, MFA, 2016d)

1.3 Embedding transparency and results-based management at project level

In an effort to increase transparency at **project** level, the ministry now requires implementing partners to use the IATI standard³ for all programme and project level results reporting (in addition to other aspects of the standard IATI reporting). In place since January 2016, this gradually-introduced process will apply to all projects over EUR 250 000. The goal is to have 50% of all results reporting available on IATI by 2018, while continuing to increase this proportion over time.

The Netherlands are the first Development Assistance Committee (DAC) provider to introduce mandatory IATI results reporting, and this system is seen as having potential to enable open access to ‘real-time’ data on projects. The data on IATI will also become the basis for aggregation against indicators in the new corporate level results framework with the ministry developing reporting and visualisation tools in support. This approach is part of a dedicated focus on strengthening the transparency in the chain of intervention from the initial financing by donors to the eventual final implementation at beneficiary level. The ministry also considers this as a way of making better use of IATI data, which it believes will also increase the quality of these data.

³ The International Aid Transparency Initiative standard <http://www.aidtransparency.net/>

The ministry is also committed to building a results culture from project level up. In a recently developed 'Results Ambition' working document, four areas of organisational change are identified as necessary to embed 'results-oriented aid': behaviour, knowledge, structure and resource (MFA, 2016b). The document goes on to state that the ambition can only be achieved if the following are in place:

- Buy-in from leadership and management
- Focus on results 'up-front'
- Inclusion of results in all cycles (budget, (multi-)annual planning and activities)
- Availability, accessibility and utility of data
- A communication strategy that is focused on putting information in the public domain (MFA, 2016b).

As such, changes to staff behaviour and knowledge are recognised as equally important to introduction of systems and processes. The ministry is developing new training tools to build the capacity of staff for results-based management and undertaking outreach with staff at embassies.

2. Challenges to Results-Based Management

As outlined above, the Netherlands has a structured approach to results-based management at different levels. The following section provides a brief analysis of current challenges with respect to measuring and managing for results at these different levels.

2.1 Implementing the new results framework

As the process of implementing the corporate results framework commences, the ministry acknowledges that while it may be straightforward to incorporate the indicators into new projects, there is a challenge in retrofitting the indicators into existing programmes and ensuring implementing partners have the systems and capacity to collect data and report (OECD, 2016b). The ministry is building new IT systems (called results modules) to enable aggregation of the results against indicators from project, to country, to thematic and up to corporate level. Ministry staff are also travelling to and working closely with embassy staff to ensure they understand what is required of them in relation to the results-based management approach including the new framework, IATI requirements and implications for policy making.

To meet parliament's accountability requirements, the ministry aims to claim full attribution against each of the indicators. In reality, this may prove technically difficult particularly in areas where a number of stakeholders are working – together or separately – to deliver interventions. For example, the number of women and girls with access to modern contraception (one of the framework indicators) is usually measured at national and international levels and attributing results to Dutch support will be a complex process. For multilateral contributions the ministry plans to use a calculated proportional approach. Guidance on attribution and contribution; quantitative and qualitative indicators; baselines and targets; and aggregation will be further worked out in technical notes.

The transparency goals are ambitious and there will also be challenges for the ministry to create systems to verify and ensure the quality of the data that are entered by partners. In addition, the extent to which data will be disaggregated is not yet specified in the corporate framework and there may be challenges in disaggregating data by gender.

2.2 Making use of results information for steering and learning

The ministry sees the ‘results-oriented aid’ approach as contributing to: steering, accountability, transparency, communication and learning (MFA, 2016a). The ministry is therefore working to ensure that an increased focus on results not only enhances transparency, accountability and communication, but also enables steering and learning.

The ambition is for results to inform different planning and budget cycles, and enable decision making through the different reporting tools. Staff members acknowledge that this requires both monitoring and evaluation, and hope that over time decisions on resources and deployment will be better aimed at achieving results (OECD, 2016b).

In theory, the move towards use of hard targets and results linked to budget via the new results framework will enhance the use of results for steering, as the ministry will be able to monitor progress towards targets and gain a clearer understanding of whether it is getting where it needs to be on time, and if not for what reason (assessment of success and failure factors). The intention is to lift the debate, from being just about accountability towards allocation decisions, to more towards the effect of its interventions related to development. Ministry staff also hope that insights gained from these results will enable enhanced learning and informed discussion. To ensure this level of nuanced analysis is possible, the ministry is in the process of ensuring they can disaggregate the data by gender, age and poverty, and also by country.

However, as other providers have learned, building a results framework with a focus on achievement of targets can lead to unintended consequences in relation to direction and decision making⁴. It will be important to ensure some flexibility is built into the new framework and that a top-down approach does not become too compliance driven, or start to influence programming choices toward meeting targets (for example by aiming for the ‘low-hanging fruit’) over achieving positive long-term development impact.

An independent evaluation department with some 25-30 staff members helps to build a learning focus and the results team works closely with their evaluation colleagues. The evaluation team has provided advice on development of the results framework and representatives from the evaluation department sit on the internal results group. Evaluation colleagues are supportive of the new framework as it will contribute to a stronger evidence base for evaluations – and ultimately to more effective organisational learning (OECD, 2016b).

⁴ For example in ICAI’s 2015 review of DFID’s approach to delivering impact: <http://icai.independent.gov.uk/wp-content/uploads/ICAI-report-DFIDs-approach-to-Delivering-Impact.pdf>

2.3 Taking a country-led approach to results-based management

At the fifteen embassies where the Netherlands delivers aid, only around 3% of allocations are delivered via partner governments. Rather, the majority is delivered via multilateral, civil society and private sector implementers (OECD, 2016b). This style of delivery can make taking a country-led approach to accountability and results-based management challenging.

Overall, ensuring the corporate results framework is integrated into country-level systems and structures in a way that is useful for country level planning, reporting and management will not be easy. Balancing corporate results requirements with the need for results information that acknowledges country goals and context, and is useful for steering and decision making at country level is a struggle for many providers. It will be important to ensure that the framework does not simply become an additional reporting burden. Using the new generation of multi-annual country strategies in the context of the SDGs alongside a dedicated focus on open and accessible data represent an opportunity to take a more country-led approach.

3. Summary: How the Netherlands Ministry of Foreign Affairs Uses Results Information for Accountability, Communication, Direction and Learning

The current push for more and better results information in the Netherlands is driven chiefly by purposes of domestic **accountability and communication**. A new top-down results framework which measures aggregated outputs against budgeted targets creates greater accountability and aims to ensure the Dutch parliament can track progress at a macro level. Accountability is not currently directed to partner governments. However, this could be strengthened via the new multi-annual strategic plans.

Transparent **communication** to the public is also an area of increased emphasis. Web and social media products communicate the ministry's development activities to the Dutch public through both stories and numbers. The ministry also has commitment to open access to project level results via the IATI standard.

The ministry has an ambition to enable use of results information for steering and **direction** at different levels. However, there will be a challenge to ensure some flexibility in a framework that is structured around hard targets and also to enable disaggregation to local level.

Collaboration with evaluation colleagues, building capacity of staff to use results information (both at headquarters and at Post), and enabling open access to project-level data are strengthening the ministry's ability to use results for **learning**. However, embedding the new corporate framework, systems and tools is clearly a priority and there will be challenges to ensure the learning aspects of results-based management are given equal weight to accountability requirements.

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