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Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

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DEVELOPMENT CO-OPERATION DIRECTORATE

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**SECOND INTERNATIONAL ROUNDTABLE ON "MANAGING FOR DEVELOPMENT RESULTS"
4-5 FEBRUARY 2004, MARAKECH, MOROCCO:
DOCUMENTS ENDORSED**

Unclassified

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

DIRECTION DE LA COOPERATION POUR LE DEVELOPPEMENT
DEVELOPMENT CO-OPERATION DIRECTORATELe Directeur
The Director

DCD/DIR(2004)4

6 February 2004

To: DAC Permanent Representatives and Observers
Directors and Heads of Services

**Second International Roundtable on "Managing for Development Results"
in Marrakech on 4-5 February 2002**

Madame, Sir,

Following my advance information about the Marrakech Roundtable [DCD/DIR(2004)18 of 27 January 2002], I am now sending you the documents endorsed at Marrakech on 5 February 2004 by the Presidents of the Multilateral Development Banks and the DAC Chair:

- Joint Marrakech Memorandum
- Promoting a Harmonized Approach to Managing for Development Results: Core Principles
- Action Plan on Managing for Development Results

At the closing session it was suggested by the President of the African Development Bank, who hosted the Roundtable, that bilateral donors could join this endorsement and left this to be considered within the DAC.

The Chair will report on the Marrakech Roundtable at the meeting of the DAC on 17 February.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Michael Roeskau'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Roeskau

Joint Marrakech Memorandum

We the heads of the African Development Bank, Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, and World Bank, and the chairman of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, affirm our commitment to fostering a global partnership on managing for development results. We would like to thank the Government of Morocco for hosting this Second International Roundtable on Managing for Development Results in Marrakech. We also wish to thank participants from around the globe who have contributed to this Roundtable. Clearly, awareness is growing that getting better development results requires management systems and capacities that put results at the center of planning, implementation, and evaluation.

We accord the highest importance to supporting countries in strengthening their capacity to better manage for development results. Since the *International Conference on Financing for Development* in Monterrey, Mexico, in 2002, the development community has embraced a new partnership—one that calls for developing and transition countries to strengthen their commitment to policies and actions that reduce poverty and stimulate economic growth, and for developed countries to provide increased and more effective aid coupled with more coherent trade and other relevant policies. Within this global partnership, countries must take the lead in managing their development and transition processes. To steer the development process toward the goals they have defined, countries need stronger capacity for strategic planning, accountable management, statistics, monitoring, and evaluation.

We recognize that our development agencies, within their different mandates and modalities for providing country support, need to enhance their organizational focus on results. This means that we need to align cooperation programs with desired country results, define the expected contribution of our support to country outcomes, and rely on—and strengthen—countries' monitoring and evaluation systems to track progress and assess outcomes. As agencies with regional or global reach, we pledge to better distill the lessons of countries' experiences and disseminate knowledge about what gets results in different country contexts.

We are committed to fostering the global partnership that has emerged since the first *Roundtable on Managing for Results* in 2002. We acknowledge that it is only through such partnership that some of the greatest challenges in managing for results can be addressed. A global effort is needed to support countries in generating reliable and timely data to assess progress toward the Millennium Development Goals and other country goals, and to strengthen international reporting mechanisms. A global partnership is also essential to reduce the burden on countries of multiple, agency-driven reporting requirements and monitoring and evaluation systems. We encourage all agencies to join in this partnership to harmonize results reporting through country-led processes.

We are encouraged by the work that agencies and countries have undertaken, individually and collectively, to better manage for development results. Through the extensive discussions and preparations that have led to today's Roundtable, a consensus is emerging on the content and priorities for this far-reaching agenda, and on the critical next steps. It will be essential to widen the circle of this consensus, in part through regional workshops to be held in the months to come. We believe that the attached core principles and action plan can serve as an initial foundation for building a broader consensus and taking effective action in the years to come. They will be refined through further consultations, including through the Joint Venture on Managing for Development Results, and emerging experiences. We endorse these principles and action plan on this basis, and encourage all bilateral and multilateral development agencies and developing countries to embrace them as well.

Extraordinary efforts are required on the part of developing and developed countries to accelerate progress on economic growth and poverty reduction. Commitment and accountability by all partners are essential if we are to work together to achieve better development results. The challenge is enormous, but so are the potential rewards: healthy and educated children, productive youth, empowered communities, and a safer and more equitable world.

Marrakech, Morocco

February 5, 2004

**PROMOTING A HARMONIZED APPROACH TO MANAGING FOR
DEVELOPMENT RESULTS:
CORE PRINCIPLES**

In line with the spirit and commitments of the Monterrey Conference on Financing for Development, managing for development results¹ aims at improving the performance of countries and development agencies to achieve sustainable improvements in country outcomes for long-term impact on poverty reduction and increased standards of living. It promotes a partnership approach and organizational change through organizational learning and accountability.

Managing for development results combines a coherent framework for development effectiveness with practical tools for strategic planning, risk management, progress monitoring, and outcome evaluation. For maximum effect, it requires objectives that are clearly stated in terms of expected outcomes and beneficiaries, as well as intermediate and higher-order outcome indicators and targets, systematic monitoring and reporting, demand for results by partner countries and development agencies alike, an effective and continuous dialogue on results, and strengthening of country capacity to manage for results.

Managing for development results builds on the principles set by the development community in the domains of country ownership, donor harmonization, and alignment. These principles, endorsed in the Rome Declaration on Harmonization in February 2003 and further developed in the DAC Good Practice Paper “Harmonizing Donor Practices for Effective Aid Delivery,” provide that development agencies should:

- Rely on and support partner countries’ own priorities, objectives, and results. This implies alignment with the national strategy (a sound poverty reduction strategy or equivalent, with national linkage to the Millennium Development Goals as applicable) and use of reliable national systems and procedures (including the government’s budget, reporting cycle, and monitoring timetable).
- Coordinate with other development agencies under partner country leadership and promote joint action whenever possible (including through delegated cooperation—that is, one donor acting on behalf of another).
- Strengthen partner countries’ own institutions, systems, and capabilities to plan and implement projects and programs, report on results, and evaluate their development processes and outcomes, avoiding parallel donor-driven mechanisms.

These principles recognize the importance of ownership by partner countries and support an approach by development agencies that strengthens partner countries’ accountability to their

¹ The *Glossary of Key Terms in Evaluation and Results Based Management* (DAC Network on Development Evaluation, OECD, 2002) defines results-based management as “a management strategy focusing on performance and achievement of output, outcomes and impact.” The DAC Network on Development Evaluation is an international forum of bilateral and multilateral evaluation experts from DAC member countries, the multilateral development banks, and other international agencies.

citizens. Further, they recognize the partnership between partner countries, development agencies and other stakeholders and the critical importance of strengthening local capacity. They also recognize that development agencies should provide support for sound national management systems and for reforms and institutions to enhance the business environment and foster the development of the private sector as the main engine of growth.

In this context, although partner countries and development agencies have different roles and responsibilities in development, managing for development results means that they each have accountabilities—to their own constituencies and to each other—for achieving development results. It also means that leadership in both partner countries and development agencies is especially critical for strategic vision, honest assessment of progress, and institutional flexibility to adapt to new information.

Five core principles for managing for development results emerge from these understandings:

1. **At all phases—from strategic planning through implementation to completion and beyond—focus the dialogue on results for partner countries, development agencies, and other stakeholders.** In managing for results, it is important to have a coherent approach: (a) *ex ante*, at the strategy and planning phase, when expected results are articulated and their likely costs and expected impact on poverty reduction and development are analyzed; (b) during program/project implementation, when monitoring is needed to assess progress and identify necessary midcourse corrections; (c) *ex post*, upon completion, when the results are assessed against objectives and other factors, and (d) also when sufficient time has passed to be able to assess sustainability.
2. **Align actual programming, monitoring, and evaluation activities with the agreed expected results.** When partner countries, development agencies and other stakeholders focus on expected results and associated results indicators, they can better align actual programming (including financial support), monitoring, and evaluation activities with agreed results objectives. Partner country priorities and constraints must remain the starting point for development agencies' support strategies, and the development agencies' planned operations, analytic support, and technical assistance must be consistent with the partner country's sound development strategy.
3. **Keep the results reporting system as simple, cost-effective, and user-friendly as possible.** The indicator framework for managing for results should, to the extent possible, (a) be simple; (b) rely on country systems, supporting capacity building to the maximum extent; (c) be geared to learning as well as accountability functions; and (d) be harmonized to minimize system transactions costs and facilitate comparative analysis. The partner country and development agencies should consult on a short list of key indicators, preferably from a standardized list, for monitoring progress and assessing achievement of results. It is important to take into consideration the chain of expected results. Managing for results aims at improved efficiency; therefore, it is essential to be selective (and not to try to measure everything) and realistic (in terms of feasibility and cost) in choosing indicators. The results reporting system should

remain pragmatic; start with whatever baseline data is available, including proxies; use meaningful qualitative indicators to complement quantitative indicators, or to compensate if quantitative indicators are not available; and include support for cost-efficient measures to improve data availability and country or project monitoring systems. The end goal should be a sound results-based management system that includes specific, quantifiable indicators connected to a timeline with baseline data and periodic assessments of project and program performance against defined targets.

4. **Manage *for*, not *by*, results.** Managing for results involves a change in mindset—*from* starting with the planned inputs and actions and then analyzing their likely outcomes and impacts, *to* focusing on the desired outcomes and impacts (for example on poverty reduction) and then identifying what inputs and actions are needed to get there. It also involves establishing baselines and identifying upfront performance targets and indicators for assessing progress during implementation and on program completion. Missing key targets should be a signal for partners to analyze together whether/why things have gone off track and how they could be brought back on track, if necessary.

It should not be a trigger for the rigid application of penalty rules.

5. **Use results information for management learning and decisionmaking, as well as for reporting and accountability.** Information on results should be publicly available. While one of the goals of managing for results is to use results monitoring information for reporting and accountability (for both partner countries and development agencies), this may potentially prompt behaviors that are overly risk-averse. Two approaches can mitigate this possibility: (a) using reports on results in a positive way for management learning and decisionmaking, taking into account lessons for better future action; and (b) when using reports for accountability purposes, setting performance measures that reflect the level of responsibility of the actor (whether a country, development agency, ministry, institution, NGO, and other stakeholders) and results that the actor can reasonably achieve; this approach recognizes that even with good performance in managing for results, external factors may hinder the achievement of expected outcomes.

Action Plan on Managing for Development Results

**SECOND INTERNATIONAL ROUNDTABLE ON MANAGING FOR DEVELOPMENT RESULTS
Marrakech, Morocco—February 5, 2004**

1. The past two years have seen the emergence of a community of practice on managing for development results. Through discussion and exchange of views, this community has defined *results* as “sustainable improvements in country outcomes,” and *managing for results* as “a management strategy focusing on performance and the achievement of outputs, outcomes, and impact.” Managing for results involves using information to improve decision-making and steer country-led development processes toward clearly defined goals. Formal bodies have been established to advance work in this area: the multilateral development bank (MDB) Working Group on Managing for Results and, most recently, the Joint Venture on Managing for Development Results sponsored by the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD-DAC). These bodies, in collaboration with long-standing communities of practice of statisticians and evaluators, have begun to define the global actions needed to support developing countries in their efforts to better manage for results. This action plan identifies seven areas for global action in the coming year as part of a medium-term agenda on managing for development results. Roundtable participants are encouraged to seek their agency’s and government’s support for the action plan in the coming year.

2. ***Endorse Core Principles.*** Since 2002, the post-Monterrey partnership has called upon developing countries to maintain their Monterrey commitment to adopting policies that will achieve results, and upon development agencies to contribute more effectively to these results. The focus has turned to practical results-based approaches, but adapting such approaches from the private sector and developed countries’ governments has required conceptualization of the objectives and principles that underlie managing for development results. The document “Promoting a Harmonized Approach to Managing for Results: Core Principles for Development Agencies” spells out a set of core principles that the presidents of the MDBs and the Chairman of the DAC are expected to endorse at the Marrakech Roundtable. Other development agencies are encouraged to endorse these core principles, and partner countries are encouraged to consider the need for a similar set of principles to underpin their efforts to manage for development results.

<i>MEDIUM-TERM OBJECTIVE</i>	<i>CONTRIBUTING ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>Partner countries</i>	<i>Dev. Agencies</i>
Development agencies use core principles to adopt a consistent approach to measuring, monitoring, and managing for development results.	Seek development agencies' broad endorsement of "Promoting a Harmonized Approach to Managing for Results: Core Principles for Development Agencies."	Number of development agencies endorsing core principles by end-2004.		✓
Partner countries are better supported by development agencies and make better progress in managing for results.	Partner countries endorse the use of core principles by development agencies and consider the applicability of the principles to their own development processes.	Number of developing countries endorsing the use of core principles by development agencies.	✓	

3. Focus National Strategies and Systems on Country Results. To get better development results, countries need well-articulated strategies that are based on analysis of appropriate data, are fully costed, and have clear monitoring and evaluation systems that allow adaptation as necessary to achieve objectives. Developing such a strategy requires a country to have strong strategic planning capability, access to useful data, analytic capacity and institutional flexibility to respond to changing circumstances, and political will and sufficient public sector incentives to manage for results.

<i>MEDIUM-TERM OBJECTIVE</i>	<i>CONTRIBUTING ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
National development strategies, including poverty reduction strategies, have stronger results focus.	Improve results frameworks for national strategies to include clearer articulation of outcomes and intermediate outcomes, definition of realistic and measurable progress and outcome indicators, and transparent monitoring and evaluation systems.	Annual <i>PRSP Progress Report</i> provides more favorable assessment of results focus in recent poverty reduction strategies .	✓	
	Increase civil society involvement in design, monitoring and evaluation of national development strategies, including poverty reduction strategies.	Number of M&E reports prepared by civil society watch groups.	✓	
Increase the results orientation of public sector management by applying results-based approaches to planning, budgeting and implementing.	Assess the institutional setting for managing for results and strengthen results-based monitoring and evaluation systems for public sector activities, linked to medium-term expenditure frameworks.	Number of countries with an integrated assessment of capacity for results-based approaches. Number of annual budget reports	✓	

<i>MEDIUM-TERM OBJECTIVE</i>	<i>CONTRIBUTING ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
		incorporating results-based monitoring and evaluation data.		

4. *Align Cooperation Programs with Country Results.* Development agencies are increasingly aligning their cooperation programs with country priorities articulated through a poverty reduction strategy or other national strategy. However, broad alignment needs to be strengthened through a framework for contributing to results that clearly links agency support to expected country outcomes.

<i>MEDIUM-TERM OBJECTIVE</i>	<i>CONTRIBUTING ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
Cooperation programs are underpinned by an explicit results framework with well-articulated causal links to country priorities and planned results.	<ul style="list-style-type: none"> Introduce a results-based approach to planning and implementing cooperation programs, with <ul style="list-style-type: none"> ▪ well-defined outcomes and measurable indicators that are directly related to program support; ▪ clear linkage to higher-order country outcomes; and ▪ greater support for strengthening national planning, statistical, and M&E capacity and systems. 	Number of agencies introducing a results-based approach to cooperation programs.		✓
		Share of country cooperation programs with explicit results framework by agency		✓
		Increased aid to strengthen country capacity to manage for results.		✓
Better understand divergent views on the role of results reporting in budget and aid allocation decisions.	Explore theory and emerging trends in the use of results reporting for resource allocation in development.	Report published	✓	✓

5. *Harmonize Results Reporting.* Developing countries have made significant progress on country ownership, strategic vision, and donor alignment through the poverty reduction strategy process, but many continue to struggle with monitoring progress and evaluating results. While working to strengthen country capacity in this area, the international community also needs to reduce individual agency requirements for results reporting and avoid fragmented, donor-driven monitoring and evaluation systems.

<i>MEDIUM-TERM OBJECTIVES</i>	<i>CONTRIBUTING ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
Countries monitor progress and evaluate outcomes at the national and	Undertake a country-led process of harmonizing results reporting in at least four partner countries.	Initial diagnosis of monitoring and evaluation systems and reporting requirements by June 30,	✓	✓

sectoral levels on the basis of a manageable number of indicators that they assess and report on within frameworks agreed by all partners.	2004.			
	Establish common results reporting mechanisms and increase support for national and sectoral monitoring and evaluation systems.	Number of countries that adopt harmonized results reporting mechanisms based on national M&E systems by Dec. 31, 2004.	✓	✓

6. *Improve Statistical Systems.* Managing for results requires timely and reliable statistics at the country and global level. However, serious problems beset measurement of many key indicators, including the MDG indicators. Many countries need greater capacity to produce reliable statistics and make use of them for effective decision-making. To help improve the availability and quality of basic data, since the first Roundtable on Results in 2002, the statistical community has been working to improve national and international statistical systems. A number of initiatives are showing progress, but much more needs to be done if better data for evidence-based planning and global monitoring are to be available for the 2005 and 2010 reviews of the MDGs and the 2015 target year.

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			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
National statistical systems can meet the monitoring and evaluation requirements of PRSPs, MDGs and other national development plans.	Improve data for the MDG 2005 monitoring report.	Improved MDG data set (timeliness and coverage).	✓	✓
	Develop a proposal for global preparations for the 2010 census round.	Proposal adopted.	✓	✓
Improved international cooperation to better support countries' needs and pool data resources for MDG monitoring.	Increase agencies' commitment to coordinate statistical activities at the global level and harmonize technical and financial	Joint declaration of best practices to improve international accountability.		✓

<i>MEDIUM-TERM OBJECTIVES</i>	<i>ACTIONS IN 2004</i>	<i>PROGRESS INDICATORS</i>	<i>LEAD RESPONSIBILITY</i>	
			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
	support to strengthen countries' statistical capacity.			
Countries are able to prepare and implement an integrated statistical plan covering all data sectors and users.	Reposition PARIS21 and the Global Trust Fund for Statistical Capacity Building to focus on supporting countries' strategic planning.	Number of countries with a fully costed, integrated statistical action plan.	✓	✓

7. Assess Development Agency Performance. Within a country-led development model, agencies increasingly support national and sectoral programs in which outcomes are achieved collectively through the actions of governments, donors, and other stakeholders. Shareholders and taxpayers who support development agencies want to ensure that these agencies make a positive contribution to these collective outcomes. They also want to assess agency performance—that is, whether the agency has met its own standards and norms for good behavior. The international community has no common definition of agency performance (although behaviors related to the quality of interventions, timeliness of response, partnership, and country ownership are often considered). Agencies need to use clearly-defined criteria to assess their performance, the results of which should be available in the public domain.

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			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
Encourage agencies to assess their own performances and make the results publicly available.	Define clear assessment criteria for individual agency performance.	.Number of agency performance assessment reports published.		✓
	Consult with partner countries on assessment criteria and agency performance.	Number of consultations conducted by each agency.	✓	✓

8. Disseminate Good Practice. Countries and agencies want to draw on the methods and tools that have helped others to better manage for development results. Many of these methods and tools have been highlighted during the Marrakech Roundtable. Although there are many positive examples, knowledge sharing across agencies and countries is limited.

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			<i>PARTNER COUNTRIES</i>	<i>DEVT. AGENCIES</i>
Increase awareness in public administrations and development agencies of the importance of managing for development results.	Organize regional seminars as follow-up to the Marrakech Roundtable, to highlight case studies and discuss principles and action plan.	Number of regional seminars held.	✓	✓
	Prepare an international "Sourcebook on Emerging Good Practice in Managing for Development Results," highlighting both agency and country examples.	Outline prepared and case studies under way by June 30, 2004. First draft available for discussion by December 31, 2004.	✓	✓
	Launch a searchable global website to serve as an information warehouse on managing for development results.	Website available and updated regularly.	✓	✓