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Australia

Name of Agency: AusAID

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/system more focused on results

In 1998 AusAID agreed with the Minister for Foreign Affairs a definition of good quality aid as aid that has appropriate design and objectives; is managed professionally; achieves its objectives; and delivers a sustainable stream of benefits. This definition was operationalised into a Quality Frame. A Quality Assurance Group (QAG) was established on the World Bank model to undertake studies of aid quality against the standards in the quality frame. The QAG has completed a number of important studies, including examinations of Quality at Entry (second study under way), Quality in Implementation, Risk and Success projects, Sustainability, and NGO effectiveness. These studies – through their peer review based process and high profile within AusAID – and their findings and implementation of recommendations have substantially contributed to improving aid quality.

AusAID also developed a new procedures manual for activity management, AusGUIDE. AusGUIDE consolidates advice on various aspects of programming. It is a living electronic document and is a vital guide to incorporating quality standards in activity management into the procedures followed by AusAID, contractors and other players. It incorporates guidelines on the application of the quality standards. AusGUIDE has received very positive feedback from practitioners around the world, particularly for its explanation and application of the logical framework approach.

AusAID's review and evaluation function has been greatly strengthened. Following the Simons Review of the aid program in 1997, an Office of Program Review and Evaluation was established. Now renamed the Office of Review and Evaluation, it reports directly to the Director General. Since 1997, 29 publications in the *Evaluation* and *Quality Assurance* series have been publicly distributed, including on the AusAID web page.

In response to *Better Aid for a Better Future*, the Australian Government's response to the Simons Review, AusAID developed and released a new style of Corporate Plan, focusing organisational energy on the key result areas (KRAs) based upon the single aid objective and the priorities set by the Government in response to the Simons report (ie health, education, etc).

Since then, the new AusAID Strategic Plan (December 2001) "Improving Effectiveness in a Changing Environment" is focused on means to improve quality and effectiveness. Its three substantive steps are to increase emphasis on program quality, enhance policy and analytical capacity, and improve people management and corporate systems and controls. Many of the reforms in the new strategic plan – such as increased emphasis on peer review within AusAID – build on findings from the past five years of reviews, evaluations and QAG work. One part of the strategic plan includes a shift to more thematic and program level (rather than individual activity) effectiveness and impact evaluations.

From the 1999-2000 financial year, the Government has been operating on an Outcomes and Outputs based Accrual Budgeting framework, replacing the former program management cash budget. AusAID developed a performance information framework reporting on outcomes and outputs reporting to Parliament at its apex. Performance information is collected at the individual activity level by newly developed tools (the Activity Monitoring Brief, NGO Monitoring Brief, and Multilateral Assessment Framework) for aggregation at the whole of program level to a target of 75% of activities rated “satisfactory overall”.

In its 1999 review, the OECD Development Assistance Committee (DAC) noted AusAID’s “substantial changes to respond to the double challenge of improving the quality of the aid program while moving to a results-based management culture and switching from cash to accrual accounting system”. It found that “In their design, AusAID’s new systems and processes place Australia at the top end of management practices in DAC Member aid agencies”.

In 2001 the Government released its new poverty reduction framework - *Reducing poverty: the central integrating factor of Australia’s aid program*. It has been integrated into program development processes and guidance such as AusGUIDE.

The Minister’s Eleventh Statement to Parliament on Development Co-operation, Australian Aid: Investing in Growth, Stability and Prosperity (2002) emphasised the importance of improving aid effectiveness.

AusAID has greatly strengthened its process for developing program strategies, with further improvements a feature of the recently finalised AusAID strategic plan.

AusAID has utilised outside expertise to improve quality. A World Bank quality and design expert has been seconded to AusAID for several years to improve our processes and work directly on activity quality and as part of the QAG. A commercial contracts expert adviser has been recruited to assist with the improvement of our contracting policy and practices. The number of AusAID’s technical and sectoral advisers has been increased.

A new AusAID Knowledge Warehouse (AKWa) has been developed and made available on staff desktops to improve learning and knowledge management, replacing the old Lessons Learned Database.

A new contractor performance management system has been introduced to improve program quality. The new system is based on comprehensive, balanced and rigorous feedback to contractors on their strengths and weaknesses, with a strong link to the award of future work

Significant other steps have been taken to improve contract management.

- AusAID has greatly streamlined and simplified contracting documentation (such as requests for tenders).
- AusAID has developed of staff skills in contract management.
- AusAID has increased the participation of partner government representatives and AusAID staff from posts in the Technical Assessment Panels that make recommendations on award of tenders.

- AusAID interviews team leaders during the contractor selection process. Documentation is screened to eliminate the over-specification identified by Simons as an issue.
- AusAID has moved towards more use of flexible contracting processes such as “Design and Implement” contracts, particularly in the Pacific.
- An important set of contracting reforms included a significant shift in the balance between cost and quality in the tender assessment process, to increase the weighting given to quality.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background.

Domestic push for improved public service accountability, efficiency and effectiveness – the Australian Government has moved the Australian Public Service (APS) to outcomes and outputs based budgeting. This has entailed ever increasing demands for the results of public expenditure to be documented and for APS agencies to demonstrate to Government and to Parliament that they are managing resources to achieve results.

There is also a push within AusAID and by the Minister and members of the Government close to the aid program to improve development effectiveness. This push is part of the international trend in this direction, based on research and evaluations that have identified strengths and weaknesses in donors' aid efforts over past decades.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

See answer to "Issue 1".

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Improving knowledge management and effective feedback (Primarily an internal institutional issue, but there are some benefits to co-operating with partners particularly in sharing lessons)
- Moving rigorous, structured monitoring and performance information collection up from the activity (e.g. project) to program (e.g. country program) level, probably based on some adaptation of the "results frame" approach (Best done in co-operation with partner governments, particularly during the development and review of program strategies)
- Reconciling a system built on monitoring and improving our own performance (effectiveness and quality) with the international trend to measure aid against high level indicators, particularly the Millennium Development Goals with their associated attribution problems. (Primarily an internal issue to be resolved, but co-operation with other bodies on how to present the MDGs, and allowing international bodies such as the UN to gather statistics on the MDGs are very important)
- Assessing the large-scale impact of the aid program (e.g. to Papua New Guinea) (Needs to be done in co-operation with partner government and other significant donors)

- Assess and evaluate at the program level in such a way as to meaningfully discriminate between the effectiveness of different forms of aid (i.e. not just projects) (Needs to be done in co-operation with partner governments; considerable benefit from using the evaluation and research results of other donors, both bilateral and multilateral)
- Evaluating and improving the performance of non-project forms of development co-operation including policy dialogue (needs to be done in co-operation with partners)

Finland

Name of Agency: Ministry for Foreign Affairs; Department for International Development Co-operation

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/ system more focused on results.

- At the Ministerial level there is an on-going work to review foreign policy strategies, incl. development co-operation, aiming at improving aid effectiveness among other goals. This will be done by integrating Finland's development vision to other foreign policy objectives to secure maximum coherence. This work is based on the balanced scorecard concept the Ministry has adopted.
- In addition to the above, the organisation of the Ministry for Foreign Affairs is being restructured. The major visible outcome of this work is the creation of the Division for Global Affairs.
- There are three complementary Decisions-in- Principle by the Government of Finland that are still in force. The goal of these Decisions (1996, 1998, 2001) is to operationalise development co-operation policies. The ultimate aim of this work is to enhance aid effectiveness by introducing concrete proposals for action. The work includes also the development of different management systems. Plans of action for operationalisation have been devised also for lowest administrative levels in the Department for International Development Co-operation. These plans will be up-dated every six months.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background.

- Result oriented management approach is widely implemented in Finland's Public Administration, also in the Ministry for Foreign Affairs.
- The operating environment of the Ministry has changed - membership in the EU; increased global awareness that result in new challenges.
- Increased political awareness to improve aid effectiveness for example as expressed in the Parliament of Finland.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

- State Auditors are in the process of reviewing the result based management experiences in Finland's bilateral co-operation.
- It is too early to conclude on any explicit lessons.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Finalising the major initiatives in the Ministry that aim at increasing aid effectiveness and quality of aid.
- Exchanging information/experience with other donors on best practices. This includes work on harmonisation of donor practices, introduction of new aid modalities, including financial instruments such as Direct Budgetary Support, monitoring/indicators of MDGs etc.

Germany

Name of Agency: Federal Ministry for Economic Co-operation and Development (BMZ)¹.

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/ system more focused on results.

The Poverty Reduction Program of Action 2015:

The Poverty Reduction Program of Action 2015 outlines the German government's contribution towards implementing the UN Millennium Declaration. It is the German government's response to the decision taken by the heads of state and government to create an environment at both national and international level that will foster development and poverty reduction. The Program of Action 2015 sets out in concrete terms what Germany is doing to achieve the internationally agreed goal of halving the proportion of people living in extreme poverty across the world by 2015. A decision was taken by the German cabinet to make global poverty reduction the overarching aim of all German government policy. The Program translates this new definition of development policy into a comprehensive and action-oriented programme with 10 priority areas for action and a diverse range of actions to be taken by all departments within the German government. It addresses three levels for action: the reform of international structures, the structures existing in the countries with which Germany has development co-operation, and the structures in Germany and Europe. Common to the efforts at each of these levels is the principle of forging development partnerships with all the relevant players. Following its adoption by the German cabinet, the Program of Action 2015 was presented to the DAC poverty networks and the World Bank, thus helping to advance international co-ordination on poverty reduction policies.

Establishment of Priorities in German Development Co-operation:

- a. Concentration on Countries: 75 Co-operation countries (40 Priority Partner Countries, 35 Partner Countries), 9 potential Co-operation countries.

1. The German system of Economic Co-operation with developing countries is because of its multiple actors very complex. Besides the Federal Ministry for Economic Co-operation and Development (BMZ), which is responsible inside the German Government for all questions related to development policy, there is a considerable number of Governmental and Non-Governmental Executing Agencies. This paper will focus on recent trends of Management for Development Results and Aid effectiveness inside BMZ and the major Governmental German Agencies for bilateral financial (Kreditanstalt für Wiederaufbau / "KfW") and technical Co-operation (Deutsche Gesellschaft für Technische Zusammenarbeit / "GTZ"). For more information about BMZ, KfW or GTZ please refer to www.bmz.de; www.kfw.de or www.gtz.de

- b. Concentration on Priority Areas (10 +1): e.g. democracy, drinking water and sanitation, education, health, transport, economic reform etc. + regional concentration
- c. Development of Priority Area Strategy Papers: aprox. 170 Strategy Papers

The policy of concentration on countries was introduced in the year 2000. The development of Priority Area Strategy Papers is regulated in a commented outline dated July, 2001. They are jointly developed, consulted and agreed with the partner countries (for Priority Partner countries three priority areas, for Partner Countries one priority area). A direct link of the strategy with a national / sub-national planning process (e.g. PRSP or other national or regional plans) is an essential precondition for partnership and ownership. If feasible, indicators of the national planning process will be applied to measure the outcomes of the activities to be implemented in the framework of the Priority Area Strategy.

Instruments of bilateral co-operation:

- a. Financial Co-operation (FC) with development countries:
 - The Results-Based-Management (RBM) concept of FC builds up on the logical framework approach and comprises a risk analysis of the projects and the portfolio. The regular progress reviews focus not only on the physical progress of the project but also on how the framework conditions of the project develop and whether the preconditions for sustainable operation are given. In FC all projects are subject to a final evaluation (ex-post evaluation) of their developmental effectiveness approximately 3 to 5 years after conclusion. For a few select projects KfW also carries out reviews of a project's long-term effectiveness between 10 and 15 years after completion. The final evaluation report sent to the German federal government follows a predetermined outline and is a comparison between the goals aspired to during initial project appraisal what was actually achieved at the time of the final evaluation. KfW has prepared evaluation guidelines (checklists for the evaluation) for all key sectors based on the sector concepts of the BMZ. For some sectors there are summaries of the main sectoral indicators (so-called indicator sheets).
 - In early 2000 the ex-post evaluation of FC projects was assigned to a new evaluation department set up for this purpose. In order to emphasise the fact that it works independently, the department "FC Evaluation" is situated outside of the existing organisational departmental structures and is directly subordinate to the member of KfW's Board of Managing Directors responsible for FC.
 - KfW faces a mayor organisational restructuring process for the area of FC. The new organisational structure, to be introduced in January 2003, is a response to the German policy of concentration in Priority areas. In this context it is also intended to increase the number of local representations of the KfW-group in development countries in order to improve co-operation with the partner countries and co-ordination with other donors.
- b. Technical Co-operation (TC) with development countries
 - GTZ carried out a decentralisation of the organisational structure in 1999. The initiative improved both co-operation with the partner countries and co-ordination with other donors and thus helps to steer projects to better results.

- An Internal Evaluation Unit was established in 2000 to serve a dual purpose: a) to improve the results orientation of the whole organisation and b) to conduct evaluations under the direction of the BMZ.
- A new, result-oriented commissioning framework between GTZ and BMZ, introduced in 2002 (“*AURA – entwicklungspolitischer Auftragsrahmen*”), focuses on “outputs” and “outcomes” of Projects and Programs of Technical Co-operation also reflected in a new reporting system.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background.

- UN Millennium Declaration;
- High commitment of the German Government to contribute to the Goal to half extreme poverty and hunger;
- Reform process within the BMZ (“focus on development goals”);
- International discussions on Results-based-Management (World Bank, OECD-DAC etc.);
- Recommendations of the DAC-Peer-Review-Process;
- Harmonisation work of OECD-DAC with respect to co-ordinate and harmonise rules and procedures;
- Support of the PRSP-process and other national strategies;
- Various recommendations from independent evaluators on RBM and reform of the development aid system.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

- By implementing the Program of Action 2015 it is noted a stronger coherence of many areas of German policy towards achieving the goal of halving poverty by 2015, thus improving aid effectiveness².
- The experiences so far with the new instrument of Priority Area Strategies are predominantly positive: German development co-operation is becoming more focused and transparent through preparing strategy papers with the partner for those priority areas it concentrates its contribution on. The new instrument allows an increased selectivity, an increased transparency about contribution and instruments both within German Development Co-operation and outside, a more open approach towards joining up donor work and program approaches as well as to combine the diversity of instruments by joining them under a common strategy. The papers also allow an easier qualitative

2. For more information about the achievements of the Program of Action 2015, please contact: www.aktionsprogramm2015.de

judgement on the appropriateness of the German contribution and its success. Lessons learnt: Changes will not come overnight. A period of transition, both, for the staff of BMZ, the executing agencies as well as on the country level is needed. Monitoring the implementation of the process of concentration on Priority areas is crucial to allow a systematic improvement and development of the instrument.

- KfW has gained broad experiences in Results Based Management and measuring aid effectiveness on the Project level. In the framework of final evaluations KfW systematically examines how lessons learnt can be applied to concept design and implementation of similar projects. This also includes experience with co-operation with other donors and experience that is useful for the further development of sectoral, regional or thematic concepts for promotion. As the organisational restructuring process will be implemented in 2003, it is too early to draw any conclusions or lessons learnt. It is expected, that the new structure, including the expanded local representation, will lead to a more efficient organisation with increased sectoral competence, allowing also an increased pro-active participation in the international dialog of development aid issues.
- The new commissioning framework between BMZ and GTZ has been introduced recently; a period of transition can be expected. The implementation of this important innovation will be closely monitored by BMZ and GTZ management. Changing the former focus on delivery of services of Technical Co-operation (“input orientation”) towards a stronger “results”-orientation will require a committed leadership and openness of staff.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

An important challenge for the concentration on Priority Areas is the integration of the different singular Projects into larger Programs, which are conceptually in line with the agreed Priority Area Strategy (and other national strategies, like PRSP) as well as joint financing. PRS and programmatic approaches provide the opportunity to increasingly move from individual agency contribution assessment towards assessing country outcomes as a group product. However, different agencies have also particular comparative advantages in approach and content so that assessing individual agency performance remains a valid point both for the partner government and the donor country. It will be essential that each agency is able to make its comparative advantage in contributing national strategies transparent. In this context, the reforms and organisational changes currently carried out in BMZ, KfW and GTZ are promising steps towards a stronger focus on results and aid effectiveness.

Greece

Name of Agency: Agency for International Development Co-operation (YDAS), Ministry of Foreign Affairs

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/ system more focused on results.

- a. Ex ante evaluation of the program.
- b. Application of more strict standards for financing Development N.G.O.s
- c. Submission of a monthly report regarding the program's progress.
- d. Submission of mid – term and final report concerning the implementation of the program.
- e. Mid – term and final financial statement of the program.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background

Increase the experience and the professionalism of development N.G.O.s regarding the implementation of the program.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

- a. Better – studied and scheduled development programs.
- b. Increase the specialisation of the NGO's in vital sectors of activities.
- c. Avoidance of inconsistencies and better implementation in the field.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- a. On site monitoring of the effectiveness of the actions based on qualitative and quantitative objectives, according to a given schedule with standards defined a priori.
- b. Converging the efforts and funds in some priority countries and vital sectors of activity.
- c. Better bilateral and international coordination.

Japan

Issue 1: List major initiatives in recent years aimed at making your development co-operation agency/system more focused on results.

Case 1: Setting targets on Women in Development (WID)

- Closing the gender gap in school education for 6-11-year-old children by 2005
- Providing universal education for all 6-11-year-old girls, as well as boys, by 2010
- Reducing maternal mortality to below 200 per 100,000 childbirths by 2010 in all countries and regions
- Reducing infant mortality to below 35 per 1,000 by 2015 in all countries and regions

Case 2: Setting targets on Environmental Conservation Initiative for Sustainable Development (EcoISD)

- Providing support for human resources development totaling 5000 persons in this fields over a five-year period from FY2002

Case 3: JBIC's Experience

- Publication of ex-ante project evaluation, including performance monitoring indicators and lessons learned from similar previous projects
- Preparation of sectoral performance monitoring indicators handbook for JBIC project task managers

Case 4: JICA's Experience

- In order to improve the efficiency and the effectiveness of ODA performance, JICA is advancing operating reform. One of the main targets is introducing the measures of results based management widely.
- Publication of ex-ante project evaluation, including performance monitoring indicators

Issue 2: Outline the driving forces behind these initiatives. Summarize the background.

Background for Case 1

- Women in Development (WID), which is based on the significance of women's role and status in development assistance, came to gain recognition during the 1960s and 1970s. The UN World Conference on women had been held several times since 1975. At the UN World Summit for Social Development in March 1995, WID has become one of the co-operation sectors of Japan-US Common Agenda. Under this current, Japan announced an Initiative on WID at the UN Fourth World Conference on Women in order to demonstrate its future efforts on WID.

Background for Case 2

- Since the ISD was announced five years ago, the international environmental movement has continued to be active. In addition, the situation surrounding Japan's ODA has been drastically changing due to Japan's current harsh economic and financial climate. Under this situation, Japan issued its Environmental Conservation Initiative for Sustainable Development (EcoISD), replacing the current ISD, so as to carry out more effective and efficient environmental co-operation.

Background for Case 3

- Government Administrative Reform, including reform of government-affiliated corporations/institutions
- Enforcement of Government Policy Evaluation System
- Trends of Results Based Management and introduction of Performance Measurement in global development community
- Needs for more accountability and efficient resource allocation in response to ODA budget cut due to depression of Japanese economy

Background for Case 4

- JICA is scheduled to shift to an independent administrative agency in October, 2003. The performance of the new organisation will come to be checked by the Government and Japanese public severely.

ISSUE 3: List the major experiences emerging from these initiatives, and if possible, any lessons.

Lessons from Case 1

- As an evaluation study on Women in Development (WID) initiative is now being taken place, no major experience and lesson is available to be listed. The evaluation report will be edited by the end of March 2003.

Experiences and lessons from Case 3

- Trade off between involvement of stakeholders and importance of management leadership for more focused strategies

- Participation of stakeholders has been institutionalised at various levels and in various areas.
- Participation of various stakeholders with various interests is necessary to secure their ownership for the strategies. At the same time, management leadership is important to prevent the strategies unfocused and wider coverage despite limited resources.
- Making use of input/output indicators in addition to outcome/impact indicators
- Balancing between aggregation and attribution
- Necessity of practical indicators for promoting ownership

Experiences and lessons from Case 4

- It came to examine more severely the qualification of the people engaged in JICA's technical co-operation.
- The index for measuring the result and result for which each project is asked was shown more concretely in the project design paper.

Issue 4: Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Holding clear objectives, monitoring and evaluation in a coherent management system
- Importance of partner countries' capacity building on statistics and evaluation
- Co-operation of partner countries in performance measurement and evaluation

Sweden

Issue 1: List major initiatives in recent years aimed at making your development co-operation agency/system more focused on results

One of the three most important instruments steering Swedish bilateral development cooperation is the **analysis of results** of the previous three to five years of development cooperation with a particular country. The analysis constitutes one of the documents supporting a new strategy for development cooperation with the country and a new development cooperation agreement covering the coming three to five years.

The movement to **program support**, including sector program support and general budget support, has increased donors interest in seeing the results achieved with donor support.

At the level of managing Sida-supported projects, the introduction of **Logical Framework Analysis**, with its focus on well-specified and measurable results, has supported a focus on results.

Sida must also demonstrate to the Swedish Ministry for Foreign Affairs, the Ministry of Finance, the government and the general public the results obtained with Sida support in its **annual report**.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background

The driving forces include

- the general trend in the West towards **result orientation in management**, including public administration,
- continuing difficulties demonstrating **concrete results from development cooperation** and
- the **Comprehensive Development Framework**, with its results orientation.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

It continues to be **difficult to demonstrate concrete results**. It tends to be easier at lower levels of aggregation, i.e., easiest at the project level, somewhat harder at the sector program level, and least satisfactory at the level of comprehensive national programs.

Issue 4: Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

With its new approach to poverty, *Perspectives on Poverty* (October 2002), Sida hopes to work more consistently with a **multidimensional approach to poverty**, which in turn requires indicators for all relevant dimensions on a short and longer-term basis.

The development and implementation of the **Poverty Reduction Strategies and sector programs** requires result indicators. The continued move towards **general budget support and sector program support** will require continued work with result indicators, basically following up the PRSs and the sector programs respectively. There is a large on-going international effort to identify such indicators. It is important that donors support partner countries while giving the countries the freedom to flesh out their own strategies and programs and identify the targets by which governments will be held responsible.

Switzerland: SDC

Swiss Agency for Development and Co-operation, SDC

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency system more focused on results.

- A Strategy 2010 has been issued in 2000, highlighting results orientation; its implementation is to be regularly monitored
- Country Strategies are supplemented by monitoring systems, focusing on targets, results and indicators. Context monitoring and early warning systems (FAST) designed and carried out.
- Programme/Project Cycle Management (PCM) tools, developed and in use since many years, have been tuned to better accommodate project and programme implementation under joint responsibility, in partnership; Logical Frameworks are similarly reshaped for partnership. An endeavour to arrive at a common language with reference to RBM was triggered . (Glossary)
- Annual detailed planning programmes, focusing on measurable outputs and clear responsibilities are issued by each unit, in particular by resident missions abroad (Coofs)
- An Evaluation Programme over two years span is endorsed by Management and focus on policy issues, strategic questions, development effectiveness

Issue 2. Outline the driving forces behind these initiatives. Summarise the background

- New Public Management is becoming more important within Federal Administration, with an increased focus on services delivered, outputs and outcomes.
- Results Based Management as discussed and worked out within DAC Aid Evaluation Working Party and then echoed by individual members; in particular the three levels of results and results monitoring.
- DAC Peer Review 2000, has drawn SDC attention on shortcomings with respect to evaluation: lack of independence, weak dissemination of lessons and unsystematic follow-up.
- Staff is increasingly more interested to follow outcomes than just activities.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

- The Strategy 2010 is regularly monitored through a results based tool, inspired from Balanced Scorecard, named MOSTRA
- Similarly to Projects Documents Country Strategies do increasingly specify expected changes (of behaviour; rules; of capacities) that are planned to happen in partners and target groups. Subsequently Country Strategy' reviews focus increasingly on achieved outcomes
- Evaluations are moving to higher plane (policies) and better linked to strategic issues. They attempt to better crystallise lessons learned, and to involve partners and stakeholders.
- A consensus on concepts, terms and words has been achieved. Common language is producing clarity and improves dialogue with partners, and between agencies.
- SDC evaluation culture is deeply rooted and widespread because Management is strongly committed to keep it alive. Tradition of participative monitoring and evaluation is maintained and gives a boost to partnership and ownership.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Project effectiveness is still easier to measure than programmes' one. Tools so far used cannot just be transferred from project to programme and policy levels. An important adaptation work is needed and specific programme' indicators need to be worked out and tested
- Public opinion and parliamentarians may be tempted to draw shortcuts between inputs and impact. The long and complex way through processes, outputs and outcomes is not easy to explain and demonstrate. Although attribution (to a single actor) is still called for, it can be but misleading. A balance between complexity and effectiveness evidence has to be struck.
- Joint programming (with other Donors), and joint evaluating is still facing resistances and no incentive system is yet working to foster joint ventures. Keeping monitoring systems as lean as possible (keep it simple and practicable) and containing present indicators' inflation are on the agenda. Simplicity and straightforwardness are considered an asset to move towards more collaborative endeavours.
- Local monitoring capacities strengthening remains high on the agenda, and needs to be furthered continuously. A clear focus on measuring outcomes rather than activities is key. Capacities to build up simple statistical systems and avail of robust data (reliable baselines..) as well. Co-ordination and joint implementation badly needed.

How to deal with LICUS (poor performers) requires a sound mix of patience and challenging. Governmental agencies should refrain from a philosophy of quick and mechanistic linking between performance and financial allocation:

Switzerland: SECO

State Secretariat for Economic Affairs (SECO), Berne

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/ system more focused on results.

Seco's results-based management (RBM) system has evolved over the last couple of years and is composed of the following major elements:

- Performance measurement at the project and programme level: Implementation of a new evaluation policy which took effect in June 1999.
- Internal quality assurance: Set-up and implementation of an ISO-9001:2000 certified quality management system which is fully operational since June 2000.
- Strategic planning and management: Approval in late 2001 of the Strategy 2006 which aims at strengthening the effectiveness, efficiency and impact of seco's activities on behalf of Swiss development co-operation and of partner countries.

Work has just been completed to integrate these elements into a comprehensive monitoring tool entitled STAR: Strategy Assessment and Review. Designed as a balanced scorecard, STAR is a RBM-system based on a number of key indicators covering the three above dimensions.

The yearly STAR-Report serves above all as a basis for formulating and continuously improving the annual operations programming of seco's divisions.

Staff performance is measured against an annual work program derived from these operations programs and against the post description.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background.

The motivation to move towards RBM are manifold. Major reasons are:

- Responding to an increased demand from both parliament and the larger public for accountability.
- Taking action in line with a general trend towards performance measurement, notably in the development field but also in the public administration domain more generally, and not last in conjunction with the introduction of performance-based compensation systems.
- Staff which takes pride in striving for excellence.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons

- Considerable (and easily underestimated) up-front investments to introduce RBM-initiatives as well as the resources needed to implement them → keep it as light and simple as possible.
- Gradual introduction of RBM-elements which allows to digest the required changes (and in some cases additional workload) is preferable to a once-and-all-approach.
- Strong commitment by management is key to succeed in introducing RBM.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Once introduced and established, the difficulty is to keep the system alive and continuously improve it.

United Kingdom

Name of Agency: DfID

Issue 1: List Major initiatives in recent years at making your development co-operation agency/system more focused on results

- International agreement of the Millennium Development Goals (MDGs)
- 2 UK Government White Papers on Development in 1997 and 2000 which centred on the MDGs
- UK public sector focus on delivery: Public Service Agreement, Service Delivery Agreement and Service Level Agreements
- The Public Service Agreement (which have been implemented across central government departments) is DFID's statement to the UK Government about its key objectives and performance targets. The PSA sets interim three year outcome targets if the MDGs are to be met overall
- The targets have been cascaded down DFID's organisation with Directors' Delivery Plans, Departmental Delivery Plans, Country Assistance Plans, Individual work plans
- The organisation has been aligned behind the PSA objectives and targets. Responsibility for the overall achievement of the PSA is held by the Management Board. Responsibility for individual PSA targets has been assigned to Individual Directors
- A Management Information System has been set up to record the performance of the bilateral programme/project broken down by risk category

Issue 2: Outline the driving forces behind the initiatives. Summarise the background.

- The new Labour administration and the appointment of our Secretary of State in 1997 increased DFID's focus on poverty elimination and achievement of the MDGs. A change of approach from measuring our spend and outputs to outcomes was also introduced.
- Move to focus on MDGS (IDTs) in the 1997 and 2000 White Papers
- The need to fill the "Missing middle" – link between outputs and MDGs- was identified. DFID needed to ensure that all our work was focused upon achievement of the MDGs.

- Drive in UK, as in other OECD countries to improve public sector performance.
- Wider “modernising government approach” with the Labour administration. Increased resources allocated to the public sector against commitment to focus on delivery and increasing accountability to the public – through setting of targets and public reporting against these. The Public Service Agreements (see above) were a key step in implementation of this approach.
- The new Permanent Secretary who took up post in early 2002 placed a strong emphasis on performance management and the need for strengthened internal management systems.

Issue 3: List the major experiences emerging from these initiatives and if possible any lessons

- The implementation of a results-based management system is a challenging task – this should not be underestimated:
 - It involves a change in mindset – focus on what achieving rather than what delivered or how much money spent. The need to strengthen staff capacity in the results-based approach through provision of support/training.
 - Need for a communication strategy so that everyone in the organisation is aware of what the key targets are.
 - Importance of establishing a line of sight between individual’s job objectives and the overall targets of the organisation. Only then will the efforts of the organisation be harnessed behind a single set of targets
- The results-based system has been useful in helping to prioritise interventions/ approaches.
- The monitoring and follow-up system should not be too onerous. There should be a focus on a limited number of targets (which then act as proxy targets for wider overall performance). Information already gathered should be used where possible with a major focus on information generated for monitoring of Poverty Reduction Strategies.
- With global sign up to the MDGs and establishment of the Monterrey consensus there is an even stronger incentive for all donors to line up behind the poverty reduction plans of partner countries.

Issue 4: Identify the key challenges ahead for your agency /system. Highlight those that may be best tackled in co-operation with other partners

Internal challenges

- Improving the corporate governance systems within DFID
- Embedding new results-based system

- Design and roll-out of performance management training

External challenges best tackled in co-operation with others

- The MDGS themselves are a huge challenge. Need to make the most of limited resource and implement commitments in Monterrey consensus on aid effectiveness
 - Donors need to line support up behind country's poverty reduction plans and aligning their monitoring systems with the Poverty reduction plan monitoring system where possible
- Consideration of the attribution question with partners, who will have similar domestic accountability issues.

African Development Bank (AfDB)

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency/ system more focused on results.

1994 - Knox Report - led to focus on portfolio management and quality control

1995 - 2002 : Revision and update of major policy and sector policy documents

1997 - Revision of internal review & processing of Project-related documents

1999 - Business process reengineering - part of \$15 million investment in IT, including SAP Enterprise Resource Planning (ERP) software applied to all Bank complexes, including a projects management module

2000 - Development of Bank's Vision Statement, focusing on poverty reduction and economic growth

- Initiation of Performance-based country allocation for ADF resources

- Opening of offices in regional member countries (8 locations; 2000-present)

2001 - Workshop held to introduce RBM to Operations Complex and Board

- Re-organisation of the Bank Group prepared

- Staff skill competency study & inventory undertaken

2002 - Preparation of 2003-07 Strategic Plan; to focus on selectivity & development results

- Initiated Bank-wide study to integrate RBM through SAP or another platform

- Introduction of Balanced scorecard was started

- Other initiatives: OPEV's study on status of M&E systems for Bank-financed operations & Revision of Country Strategy Papers (CSPs) format to include, *inter alia*, a results-oriented monitoring.

Issue 2. Outline the driving forces behind these initiatives. Summarise the background.

- World Bank Wappenhans report - led to the development of the Knox Report
- Internal drive to enhance quality of Operations initiated by Management and directives of Board's Committee on Development Effectiveness

- Harmonisation of evaluation procedures among MDBs, including increased responsiveness to clients and partners; and shifted away from input/output results to outcomes and development effectiveness; and away from individual projects to sector and country levels.
- Renewed expectations of MDBs / Millennium Challenge Account
- Monterrey Conference on Development Financing March 2002
- ADB President's initiative to enhance development effectiveness (2002 Annual Meetings)
- June 5-6 Joint MDB Roundtable
- Sept. 27 meeting of Development Committee
- MDB Shareholders; and ADF Deputies' directives

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

The current most important component of our efforts, the ADB RBM study, is still in its initial stages, so the identification of experiences / lessons learned is pre-mature. However, it is observed that:

- Based on the experience already acquired by other organisations, it will take several years to put a comprehensive and sound system into place. There is general recognition of need to move away from output to outcomes; and a shift from project evaluation to sector and country levels
- There is a need for RBM to be seated in and owned by the Operations Departments, and not just the Policy, Planning, and/or Evaluation units. On the other hand, Development Effectiveness must be owned by the clients (regional member countries).
- Two overlapping but complementary approaches are emerging, similar to the UNDP experience: one track involves focusing on internal procedures, e.g. the Balanced Scorecard. The second track focuses on development effectiveness at the operations / country level. Both have the same end-goal in mind: improving the well-being of client populations.
- The measurement of development effectiveness will yield disappointing findings unless the building blocks of institutional capacity building, (including effective statistical collection services), quality-at-entry and other quality-enhancing measures are put into place.
- There is also a need to improve the linking of different planning tools with retrospective performance monitoring and reporting tools
- There is great opportunity now to share experience and built capacity to enhance skills
- There is a need for close collaboration between MDBs in the development of indicators

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

- Aligning Strategic Plan and Budgeting
- Linking Performance measurement and Strategic Planning
- Selectivity of Operation activities
- Bringing the Benefits of Globalisation to RMCs
- Develop and apply quantified performance indicators/benchmarks
- Country ownership of development programme and results
- Achieving the right skills mix of staff;
- Convergence on a common set of indicators for all donors and client countries
- Addressing trade issues that affect RMC economic growth rates
- Develop an evaluation system within the Bank that is in line with the new role of evaluation (sector, country levels) and self-evaluation

Asian Development Bank (ASDB)

Issue 1. List major initiatives in recent years aimed at making your development co-operation agency system more focused on results.

Major initiatives of the AsDB include:

- i) Poverty partnership agreements (PPA) with borrowing countries
- ii) Introduction of the formal loan classification system on both poverty and thematic dimensions
- iii) New country focused strategic planning business processes for operations
- iv) Establishment of the Development Effectiveness Committee of the Board of Directors
- v) The reorganisation of AsDB
- vi) Incorporation of the Millennium Development Goals into strategic planning for country operations;
- vii) Long-term Strategic Framework (LTSF) and the first Medium-term Strategy (MTS) under the LTSF
- viii) Performance-based allocation (PBA) of AsDB's concessional lending resources.

Issue 2. Outline the driving forces behind these initiatives. Summarize the background.

The principal driving force behind these initiatives is the desire of all AsDB members, Management and staff to transform the organisation from being basically a project-financier to a broad based development finance institution that contributes to poverty reduction across the economy and society.

The associated broadening of the international development agenda and the priority interest of the international community for close partnerships that build upon the comparative advantage of each institution, together provide a strong incentive to AsDB to plan and regularly assess the effectiveness of its operations.

The understanding reached among members of AsDB who contribute to AsDB's Asian Development Fund (ADF), and the understanding among the G7 on MDB reform have also provided encouragement and support to AsDB for strengthening its development effectiveness.

Issue 3. List the major experiences emerging from these initiatives, and if possible, any lessons.

These various initiatives are not mutually exclusive in terms of their objectives or their implementation, and they are intended to reinforce each other in positive ways. In this context, it is not easy to distinguish or attribute improvement in operations and results from any single initiative.

The PPA, country-focused business operations, and more country-focused reorganisation of the institution is enabling AsDB and individual DMCs to take a more coherent, comprehensive and longer-term planning approach, whereby individual projects can be assessed in terms of their own benefit as well as their contributions as part of larger portfolio, to achieve measurable results.

The loan classification system is allowing AsDB to understand better the nature of the various interventions it is supporting in the DMCs and how those interventions can contribute directly and indirectly to poverty reduction for specific groups of beneficiaries. This system is enabling AsDB to understand, very early on the operations' planning system, what results we hope to achieve and for whom.

PBA provides AsDB and DMCs with a better understanding of the potential for future results and performance in an economy, as well as where future assistance should be targeted to achieve stronger results across the full range of AsDB's portfolio.

Issue 4. Identify the key challenges ahead for your agency/system. Highlight those that may be best tackled in co-operation with other partners.

The challenges for achieving better results and greater effectiveness are challenges AsDB's shares with its DMCs and other development partners. We need to ensure that AsDB is selective and focused in terms of operations in DMCs, and that our operations are based on AsDB's real comparative advantages. Furthermore, our operations and comparative advantages should be clearly complementary to those of other development partners so that the Government, AsDB and development partners get the maximum impact from any given level of resource allocation.

A second challenge is to strengthen our ability to evaluate operations during implementation, and not just ex post evaluation. In this regard, we need to plan for better benchmarking and performance targets for individual projects and for our overall portfolio in the DMCs.

A third challenge will be to identify, overtime, AsDB's unique contributions to a country's development within a stronger framework of partnership and joint co-operation on operations.