

RESULTS IN DEVELOPMENT CO-OPERATION

Provider Case Studies: New Zealand

*New Zealand Ministry of Foreign Affairs
and Trade*



Case studies of results-based management by providers: NEW ZEALAND

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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](#).

OECD DEVELOPMENT CO-OPERATION POLICY PAPERS

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Executive summary

- ❖ The New Zealand Aid Programme supports an agency-wide results approach which includes a corporate-level results framework; systems, processes and guidance to support results-based management at country, sector and project levels.
- ❖ At corporate level, the Strategic Results Framework includes goals and outcomes as well as standard indicators by sector. 'Direct results' are attributed to the New Zealand Aid Programme, but do not have corporate targets attached. A high number of outcomes and indicators across a broad range of sectors promote focus in specific geographic contexts, rather than seeking to achieve all goals everywhere.
- ❖ Though clearly structured and reflective of strategic intentions, the Strategic Results Framework is ambitious in its attempt to cover a programme that is small, but has extensive breadth. The extent to which it can generate quality results information that can be used principally for learning and decision making, while also meeting accountability and communication requirements will become apparent as the framework is more fully implemented alongside a new platform for aid management.
- ❖ Efforts are focused on building capacity and capability of staff and implementing partners to regularly assess results, risks and lessons to inform active management of projects. The goal is for staff to be motivated to use results for project-level management, whilst enabling them to meet corporate reporting requirements with minimum burden. A range of initiatives aim to build capability and enable purposeful use of results information internally.
- ❖ New Zealand's aid is mostly focused on the small island states of the Pacific. The New Zealand Aid Programme is working to embed results-based management at country level in a way which integrates foreign policy and development objectives, while building capacity of the governments it works with. However, there are some challenges to enabling use of partner country results systems and in turn building mutual accountability through results.

1. Overview of Results-Based Management

The [New Zealand Aid Programme](#) delivers sustainable economic development interventions, mostly within its own region, the Pacific,¹ but also globally. The Aid Programme sits within the New Zealand Ministry of Foreign Affairs and Trade (MFAT- hereafter referred to as the ministry). The New Zealand Aid Programme's [Strategic Plan](#) and [Investment Priorities](#) documents set out strategy, sectoral priorities and focus for the period 2015-2019. The New Zealand Aid Programme's mission is to:

Support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world (MFAT, 2015a: 2)

To give a sense of scale, in 2015 New Zealand provided USD 438 million in net ODA (OECD, 2016: 235). For the 2015-17 triennium New Zealand is forecast to provide USD 1.23 billion in net ODA.

1.1 Corporate level results

The New Zealand Aid Programme's results-based management approach is focused on utility and serves four purposes: learning and improvement; decision making; accountability; and communications. The intention is that learning and improvement, and decision making take precedence over accountability and communication requirements, as the ministry aims to collect information once and use it many times. As such, accountability information is viewed as a 'by-product' of results information that is used primarily for management purposes (MFAT, 2015b).

The ministry tracks development results at different levels (i.e. corporate, country, sector, project) through policy setting, planning, monitoring, reporting and evaluating. This system is underpinned by a [Strategic Results Framework](#). The current Strategic Results Framework is the second iteration of an agency-wide framework that has been developed to measure results against the strategic plan. The Framework aligns upward both to the ministry's overall [Strategic Intentions](#) (incorporating development co-operation, foreign policy, and trade) and has links to international frameworks such as Agenda 2030.

The Strategic Results Framework is structured around twelve sectoral investment priorities². Goals, long and medium term outcome statements, set out a results chain for *each* of the New Zealand Aid Programme's twelve sectoral investment priorities; and articulate the development outcomes to which it contributes. For example, the goal for the renewable energy investment priority is to "expand access to affordable, reliable and clean energy." A long term outcome is "a more reliable and resilient energy supply", and a medium term outcome is "improved energy sector planning"³ (MFAT, 2016a). The outcomes help to communicate what success will look like for each of the investment priorities and enable alignment of results across all levels of the system.

Standard indicators have been selected at three levels to help measure progress towards the outcomes (but note that they are not mapped directly to each outcome). Strategic Results Framework outcomes and indicators can and are being used to develop project, country and sector level results frameworks. This approach encourages alignment and coherence between different

¹ 60% of New Zealand's Aid investment goes to the Pacific (MFAT, 2015a).

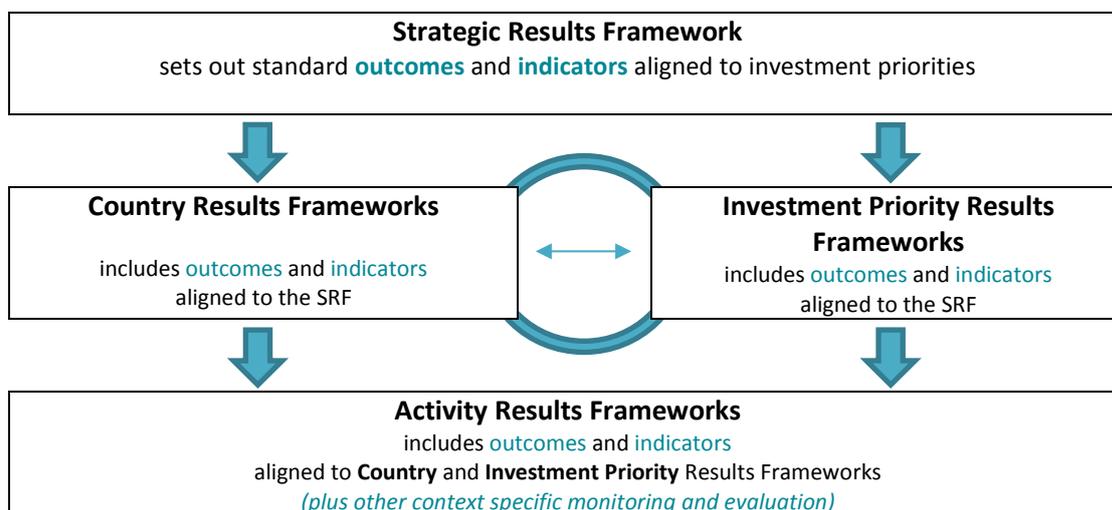
² Renewable energy, agriculture, ICT, fisheries, tourism, trade and labour mobility, economic governance, law and justice, health, education, resilience, humanitarian response (MFAT, 2015c).

³ The full set of goals, outcomes and indicators are listed [here](#).

country and sector portfolios, while seeking to embed a results-based approach to management at all levels.

The figure below sets out the aspirational model of the New Zealand Aid Programme’s results architecture, illustrating how the Strategic Results Framework outcomes and indicators will ideally interact and align with results frameworks at sectoral, country and individual project level.

Figure 2. New Zealand Aid Programme results architecture



Source: MFAT, 2016b

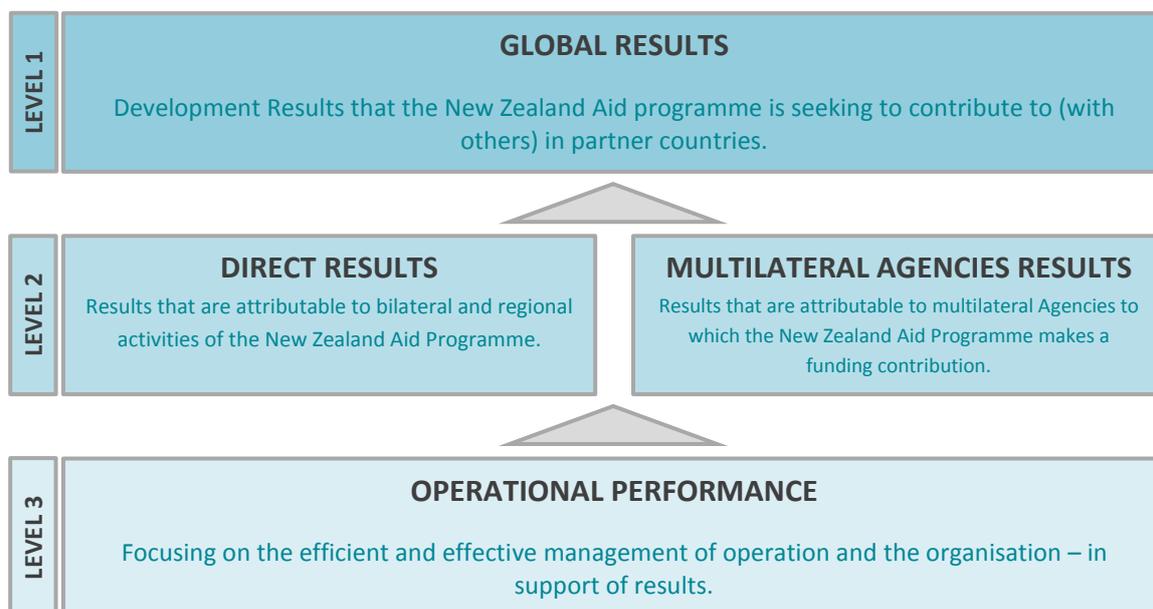
The ministry uses results information to meet domestic accountability (and communication) needs. Selected level one, two and three results are reported annually to the New Zealand Parliament and public in the [MFAT annual report](#)⁴. In addition, an external [results report](#) presents results at the end of each strategic plan period. Figure three below sets out the three levels of indicators (and their results) and whether they have an attribution or a contribution focus.

Level one or global results (40 indicators) have an outcome focus and have been selected for alignment to the goals and outcomes of each of the twelve investment priorities, where data are readily available for relevant countries. Around half of these indicators are a direct match with the Sustainable Development Goals indicator set. These indicators demonstrate results to which New Zealand contributes. For example, a level one renewable energy indicator is: “Energy supplied through main grids produced from renewable energy sources” (MFAT, 2016a).

Level two indicators or direct results (47 indicators) are expected to be included in project results frameworks and at least one must be used in all projects. The majority of indicators are output level results; because of ease of aggregation. These indicators demonstrate results that can be directly *attributed* to New Zealand funding. For example, a level two renewable energy indicator is as follows: “installed renewable energy capacity of new or upgraded infrastructure” (MFAT, 2016a). While targets are not aggregated, projects are encouraged to set realistic annual targets against individual indicators. Data are collected and collated annually and aggregated for use in the ministry’s annual report. Where indicators count the number of beneficiaries, data are disaggregated by sex.

⁴ See Annex, p. 103 for reporting against the Strategic Results Framework

Figure 3. New Zealand Aid Programme Strategic Results Framework indicator structure



Source: MFAT, 2016c

The Strategic Results Framework also includes 29 multilateral indicators. These indicators are drawn from the respective results framework of each agency, to which the Aid Programme contributes. They are reported in terms of total results delivered, rather than the proportion of New Zealand funding. The ministry sees its relatively small multilateral contributions as being more about reach and influence than about having any tangible influence on results.

In addition, there are 26 operational performance indicators at level three. These are not aligned to investment priorities; rather they help the ministry to measure and track performance of projects and programmes in support of results at levels one and two. Data generated from this indicator set are primarily used for accountability and management purposes. The ministry is working on developing tools for organisational performance to enhance use of the data for management decisions and direction (MFAT, 2016c).

The ministry has also produced ‘supplementary indicator lists’⁵ by investment priority. These indicators are not part of the Strategic Results Framework and are an *optional* resource to help with design of monitoring frameworks for projects. The indicators have a focus on cross-cutting issues and also measuring the outcome of capacity building. Measuring progress against cross-cutting issues includes reporting on data based on gender, human rights and environment including climate change, disaggregating as appropriate.

The ministry is currently rolling out a new aid management platform. The system will include a significant results capture and reporting element, which is still under design (to be launched at end 2017). It will enable staff to track and monitor progress through standardised results reports in a

⁵ The supplementary indicator lists are available in the [Indicator Lists by Investment Priority](#)

dashboard form at programme, country and sector levels, making it possible to measure and report against both aggregated, and project level non-aggregated results.

1.2 Country level results

A *Joint Commitment for Development* is set out between New Zealand and each of its bilateral partners. These political level agreements document mutual commitments between the two countries. In theory, these documents also include country level results frameworks, which are aligned to the country's National Development Plan as well as the New Zealand Aid Programme's Strategic Results Framework. The frameworks are updated, and then reviewed during annual consultations with partner governments.

In the context of a newly configured Pacific and Development Group⁶ with a more coordinated approach to foreign policy and development, New Zealand is now developing more comprehensive country strategies to cover total aid flow as well as foreign policy objectives. Country strategies will include a theory of change and a results framework against a four year operational plan.

1.3 Project level results

The ministry introduced detailed results-based management templates and tools at project level in 2011, including self-evaluation tools which are applied annually and at project completion. The ministry promotes use of self-evaluation reports for active management of projects and real-time learning. It encourages the use of "performance discussions"⁷ for drafting the reports and as a collective learning tool.

The results team within the New Zealand Aid Programme works closely with the evaluation team, sharing a joint 'Knowledge and Results' strategy. Independent evaluations are required for all projects worth NZD 10 million and above. Staff members note that the quality and utility of evaluations and its results-based management approach can be limited when projects or programmes do not have a sound results framework in place. The ministry is encouraging staff to make more use of formative evaluation approaches as a way to manage adaptively, to ensure results frameworks and monitoring systems are fit for purpose.

Results achieved and lessons learned from external and self-evaluations are synthesised into sector level reports on an annual basis. Now in its third year, the aim of this initiative is to 'close the internal feedback loop,' and better communicate results information. To align with the new Strategic Results Framework, results from individual projects are now reported as contributions against the goal, long and medium term outcomes for each investment priority. The reports also include effectiveness ratings (from self-evaluations), results against level two standard indicators and data on expenditure for that sector.

The ministry places an emphasis on building staff capability to assess and use results information for multiple purposes. Training has less of a technical emphasis; it focuses more on using results at all stages and levels of the project cycle for better design and management. Training helps staff

⁶ Pacific foreign policy, trade and development were combined into one operational group in 2016. Prior to this there were separate teams within the ministry.

⁷ Key internal stakeholders meet to discuss results and lessons learned, and reach a consensus on key messages to be drafted in the self-evaluation report.

understand what success looks like and empowers them to support partners to apply results-based approaches. Notably, the ministry encourages staff to apply critical thinking, understand and apply results chains, be able to link inputs and outputs to development outcomes, and identify assumptions and risks at all levels (MFAT, 2015b).

Training and capability building advice are delivered internally to staff both at headquarters and at embassies/high commissions (Post). Of note, New Zealand has introduced six-month packages of in-depth results support and training to country programme teams both at headquarters and at Post. Partners and contractors are included as appropriate and wherever possible.

Box 1. A joint framework to learn from and improve humanitarian responses

To better understand the results and impact of humanitarian efforts, the ministry and the Australian Department of Foreign Affairs and Trade (DFAT) have jointly developed a monitoring and evaluation framework for humanitarian responses in the Pacific. The framework has five purposes: 1) applying monitoring and evaluation for real-time decision making; 2) identifying lessons to inform future responses; 3) improving New Zealand/Australia coordination; 4) improving the evidence base on the impact of humanitarian efforts; and 5) supporting both agencies to better communicate the difference that humanitarian responses make to those affected. The framework is structured around six 'strategic results':

1. Our humanitarian response is appropriate & relevant.
2. Our humanitarian response is timely & effective.
3. Our humanitarian response is efficient & well managed.
4. Our humanitarian response engages affected communities & vulnerable people.
5. Our humanitarian response reinforces national & local leadership & capacity.
6. Our humanitarian response is coordinated & complementary.

The results are aligned to both New Zealand and Australian aid strategies, OECD DAC evaluation criteria as well as core humanitarian standards, and international commitments made by both countries. On the New Zealand side, the framework is also directly aligned to, and will generate information which feeds into, the Strategic Results Framework (via the humanitarian investment priority), thus providing more nuanced results information for communication to the public (ASI, 2016).

2. Challenges to Results-Based Management

As outlined above, the ministry has a structured and well-documented approach to results-based management at different levels. The following section presents a brief analysis of challenges to the approach at different levels and how these challenges are being addressed.

2.1 Corporate level: Implementing a results approach which allows focus but reflects breadth

The New Zealand Aid Programme is a small investment that is spread sparingly across twelve sectors and 20 partner countries. The Strategic Results Framework reflects this breadth, with multiple goals and outcomes; and numerous indicators at different levels. As such, the framework appears

technically ambitious given the size of the investment. In addition, there is a challenge to ensure that the relative breadth of the framework does not lead to fragmentation and dilution – or to the different sectors operating in “silos”.

However, the intention is that the range of outcomes and indicators will enable geographic and sectoral focus, while acknowledging the small size of the aid programme. This approach allows the ministry to be targeted in its investments by being specific in determining in which sectors it invests, in which countries, what results will be delivered, and aligning these results to the ministry’s overall goals. Whether and how the Strategic Results Framework can cohesively and efficiently capture and report results information which reflects this targeted approach, will become more apparent over time.

The ministry is also careful to point out that the data collected and reported against level two standard indicators do not reflect all the results of New Zealand’s aid investment. Instead the standard indicators are limited to those most easily collected and aggregated across the New Zealand Aid Programme. More in-depth and context-specific results information (not limited to quantitative indicators) is captured through monitoring and evaluation specific to particular projects. These can demonstrate how New Zealand is contributing to Strategic Results Framework goals and outcomes (MFAT, 2015c).

Broadening the Strategic Results Framework from aggregation of standard indicators, to a more qualitative focus or evaluative perspective, makes more nuanced information available to decision makers; for example on the extent to which New Zealand contributes or does not contribute towards identified goals and outcomes. What remains is to ensure that quality information is available for use in the right contexts with the right narratives. For example, according to the ministry’s latest annual report New Zealand has acted as a catalyst to attract over USD900 million worth of renewable energy investments by other donors in the Pacific 2013-16 (MFAT, 2016d: 104). In time, the outcomes of these investments will contribute to tangible country level results. In the short term, they form part of the narrative on how New Zealand has contributed to the goals and outcomes for this sector.

2.2 Country level: Mutual accountability

Like other providers, the ministry does not claim attribution to country level results. However, the extent to which New Zealand can contribute to impact at country level varies significantly depending on the size of the country. For example, New Zealand investment has enabled the small state of Tokelau to move from 100% diesel energy to 100% solar generated renewable energy (MFAT, 2016d: 104). Conversely, country-level results in countries such as Indonesia for example, have less relevance to New Zealand’s smaller, more targeted investments. The result focus and benefits realised are often more at district level, for example through a localised geothermal energy exploration project.

Using results for accountability to partners is a challenge and a work in progress. The 2015 OECD Peer Review noted that at the time the majority of joint commitments did not have results frameworks accompanying them and recommended results be better articulated at country level (OECD, 2015: 20).

Similarly, a recent synthesis of the evaluations of three country programmes found that while the ministry's documentation provides guidance on strategic direction, there is little guidance on operationalisation at country level. They stressed that analysis and then articulation of a theory of change at country level; i.e. how New Zealand, with all the human and financial resources at its disposal will support each country to address these challenges is missing (ASI, 2015: 10).

The ministry faces a challenge in setting out results that reflect partner priorities and systems while also recognising and acknowledging New Zealand's strategic focus, comparative advantage and whole-of-government policy objectives in each country. New country level strategies and results frameworks described above are an attempt to address these challenges. Of note, many of the small island developing states where the ministry works, have limited statistical capacity, and the ministry is supporting partners to improve quality and availability of national data.

2.3 Project level: use of New Zealand Aid Programme self-evaluation ratings

As described above, the ministry makes use of its self-evaluation for project level management and learning. In this context, the ministry would like to make more use of aggregated effectiveness ratings from self-evaluation as a measure of achievement of development results (specifically immediate outcomes which can be achieved within the life of a project). These results would complement those already reported via levels one, two and three of the Strategic Results Frameworks. However, there are challenges in ensuring the ratings captured are robust and accurate.

To address this concern, the ministry has introduced an independent quality-assurance mechanism to measure the 'robustness' of ratings, as well as the overall quality of reports. The second and latest report concluded that effectiveness ratings during implementation are not yet as accurate as they need to be, but that end-of-project ratings are adequately robust (IOD Parc, 2016).

2.4 Efforts to move beyond a compliance culture

To address the challenge of building the quality and utility of results, the ministry is working on building a results and learning culture. As noted, an internal 'Knowledge and Results Strategy' guides results-based management efforts by setting out an overall vision, and goals and milestones. Essentially, this document sets out an overall purpose for the results system and details key steps for developing an evidence-based culture (MFAT, 2013).

The ministry has found their staff members are more motivated by an approach which favours use of results for learning and decision making over accountability and communication, and this prioritising can steer staff away from a compliance mentality. It has also noted that commitment by leadership to demand and use evidence for decision making is essential, it also guides the way that the rest of staff view results (MFAT, 2015b). However, it acknowledged that incentives for both staff and partners, as with many other providers, can be weighted toward financial and political imperatives. Further, while concrete progress in the use of results for direction and decision making is evident at project level, the ability and the extent to which results information is used to influence direction among decision makers is still developing.

Internally, there is a focus on presenting result information in a way that can be used and interrogated by staff. This allows staff to apply data in their own context (for example, the Level One results outlined above). However, the ministry acknowledges that there is more work to be done to increase staff awareness and confidence to use this data (MFAT, 2015b).

Sector reports (as outlined in section 1) are disseminated internally via seminars and through the intranet. The reports serve a dual purpose: firstly to share lessons horizontally across the organisation and thus contribute to evidence based planning and project design; secondly, the reports have potential to motivate staff to improve the coverage and quality of project level reporting. While these reports have potential to communicate rich, contextualised development results to both partners and the public, the ministry currently considers them internal management reports rather than for external publication. Despite the potential benefits of sharing the information externally, the ministry prioritises building a strong internal results culture among staff. In the ministry's view, publishing the reports externally could potentially erode the level of trust and the use of results information for critical analysis or 'evaluative thinking' that is developing among programme staff. However, the ministry also recognises the challenge of moving towards more transparently and openly communicating results to their partners and taxpayers.

3. Summary: How New Zealand Uses Results Information for Accountability, Communication, Direction and Learning

The New Zealand Aid Programme has a comprehensive and structured results approach. At corporate level, the Strategic Results Framework reflects the breadth of New Zealand's aid investments and includes goals, outcomes and indicators for each sectoral priority. Results frameworks at project and ideally country level, are designed align to the corporate framework.

Use of results for learning and direction at all levels is a priority. The ministry is working to build tools and systems, as well as buy-in for use of results at all levels of the organisation. Use of results for direction at project level is actively promoted. Results-based management practice is seen as an essential aspect of project cycle management from design through to project completion and evaluation. However, use of results for direction at corporate or country level is more challenging.

Tools such as sector level syntheses of results and evaluation information are aimed at promoting learning across projects – as well promoting increased quality of results data and information. Country level capacity building efforts are crucial for building the quality and use of results information.

The corporate framework aims to meet accountability and communication needs by producing results information at three levels (country results, direct results, and performance information), which is in turn used for reporting to New Zealand's parliament. Further efforts to communicate results are internally focused and New Zealand acknowledges that data quality needs to be developed ahead of more comprehensive external communication.

In summary, New Zealand has a structured and well-documented results system in place. It is now focused on building results-based management at country level, as well as working to enhance the quality and use of results information from project level up.

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