

**DEVELOPMENT CO-OPERATION DIRECTORATE  
DEVELOPMENT ASSISTANCE COMMITTEE**

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**ACHIEVING, MEASURING AND COMMUNICATING RESULTS:  
DOMESTIC POLITICS AND DEVELOPMENT IMPACT**

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## **ACHIEVING, MEASURING AND COMMUNICATING RESULTS: DOMESTIC POLITICS AND DEVELOPMENT IMPACT**

1. The current strong political momentum in favour of results provides a window of opportunity to take the results agenda forward. This document identifies issues for consideration to improve the way donors approach results so that they meet the demands of their constituencies while simultaneously supporting the achievement of development results. The document also discusses how current debates on results should link to the broader global agenda in the context of the Millennium Development Goals (MDGs). This document draws upon a recent OECD discussion on results<sup>1</sup> and the on-going work undertaken by the International Dialogue on Peacebuilding and Statebuilding on risk management in aid. The outcomes of the discussion at the DAC Senior Level Meeting will inform preparations for the Busan High Level Forum on Aid Effectiveness at the end of 2011 -- and help shape future DAC work on results.

### **Whose success we should try to track?**

2. With the recent economic downturn, donors are required to show more than ever before that they are spending aid resources wisely and delivering the results their tax-payers demand and expect. Donors have made significant efforts to better measure the impact of aid -- but they continue to struggle to demonstrate clear links between aid and the achievement of development outcomes for poor people. The good news is that there has been significant development progress around the world (e.g. improvement in income per capita, access to clean water, reduced malnutrition and under-five mortality, increased primary school enrolment). The challenge is to have a better understanding of, and communication about, how development cooperation has contributed to such progress.

3. The focus on results is important for demonstrating value for money to tax payers in donor countries and thus maintaining broad-based public support for aid in times of fiscal contraction. It is equally important for promoting evidence-based decision-making in developing countries themselves, and for leaders in developing countries to show results to their citizens. Donors are facing the dilemma of dealing with increasing pressure to report on results to their own constituencies -- while trying to support countries to achieve their own results -- against the backdrop of being unable to rely on country systems as a basis for measuring results. In this context, it is tempting for donors to resort to uncoordinated, parallel data collection and reporting systems to meet their own data needs. This runs the risk of undermining partner country ownership and capacity for deciding on, managing and accounting for their own development efforts. It also creates confusion, giving rise to multiple -- and often competing -- sets of information per country. More generally, the pressure for results may have the perverse and unintended impact of encouraging donors to focus on interventions which are more likely to produce results that are easy to measure and communicate.

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1. In preparation of HLF4, the OECD was concerned to take stock of current practice on how development results are being assessed in different contexts, using what information, for whom, for what purposes and with what consequences. A remarkable cohesion of views emerged from an experts' meeting which was convened on 2-3 February 2011 in Paris, bringing together results specialists and end-users of results information in an informal and frank forum. The full summary of the meeting is available on the web portal of the Working Party on Aid Effectiveness.

### **Promoting more consistent approaches to managing, measuring and communicating results**

4. The Paris Declaration on Aid Effectiveness calls for managing for development results (MfDR) whereby aid is managed and implemented in a way that i) applies appropriate resources for desired results and ii) ensures that the information so-generated is used in decision-making processes. The Accra Agenda for Action reiterated the importance of MfDR, emphasising greater transparency and accountability for the use of all development resources. There is a clear commitment by the broader development community to the MfDR principles as demonstrated by significant efforts and resources that have been dedicated to promoting MfDR both at country level and within aid agencies. Significant progress has also been made through the DAC Evaluation Network in improving evaluation policy and delivery, supporting joint evaluation and strengthening country capacities.

5. Donors and international development agencies are responding to the increased focus on results by adopting corporate-level integrated results frameworks. The multilateral development banks have made some progress in harmonising their approaches, focusing on i) the underlying results framework and reporting, ii) the types of indicators used at different levels of the results chain, and iii) the way data is collected and used. Similar approaches are emerging and can be enhanced -- but full harmonisation around common standard indicators may not be desirable given differences in corporate needs and strategic priorities. Important experiences are being acquired and shared, but these efforts could be better co-ordinated and linked to improvements in partner countries' own results management capacity. A recent review of the results reporting practice of several donors<sup>2</sup> confirms there are disparate approaches to results reporting which, overall, i) continues to be driven by donors' own specific requirements and ii) draws on their own management information systems. Good practice principles for results reporting have been developed as a consequence of this review, which calls for: use of country-owned and defined results, alignment with country reporting systems, investment in country results systems, transparency and results-based decisions.

6. A key bottleneck remains the lack of incentives for change, or the existence of contradictory incentives in donor agencies. For instance, personnel performance in aid agencies continues to be assessed in most cases in terms of corporate results frameworks and relatively short-term time horizons (mainly delivery of inputs and outputs). Last but not least, there is growing recognition that, while a more strategic approach to engagement in fragile and conflict-affected countries is needed, "best practice" approaches to results definition and management have serious limitations in these contexts, not least because basic capacities and systems are not in place. Successful engagement in fragile environments calls for greater tolerance to risk and innovation. The necessary focus on governance and institutional development requires longer-term perspectives, context-specific prioritisation and sequencing -- and the challenging prospect of focusing on perhaps less tangible results.

7. There is a broad agreement among experts that an adjustment in current practice of results management, measurement and communication is needed. The new direction, driven by country ownership, should focus on institutional capacity development and domestic accountability and take into account the fact that countries are at widely differing stages on the development path. It can build on lessons learned to date and good practice along the following lines:

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2. Goss Gilroy Inc. Management Consultants/MDF Training and Consultancy BV (2011), Results Reporting by Donor Agencies, a Report, commissioned by the Global Partnership on MfDR (unpublished)

- All results frameworks should be partner country-owned and reflect the full in-country development effort -- not just aid investments. Donors should support such results frameworks. Effective results frameworks should reflect aligned and consolidated planning frameworks which are simple and achievable. Indicators should be established that will lead to changed practice and action, not simply exist as a stand-alone record. In other words, results frameworks need to be used not just for accountability purposes, but for collective and transparent decision-making.
- To ensure partner government results frameworks are rigorous and able to withstand international scrutiny, it is essential that countries and donors invest significantly in capacity for national statistics and information-gathering. Country systems need to be adequate and robust to produce quantitative and qualitative data and results information, which is then analysed and disseminated with full transparency. The Partnership in Statistics for Development in the 21<sup>st</sup> Century (PARIS 21) and other international initiatives to strengthen country statistical capacity should be significantly scaled up, focusing on data openness, improved dissemination and better use of improved statistics by decision makers. Efforts by donors to support capacity development appear piecemeal and often tied to specific needs in their areas of intervention. It would be important to pool some of these resources in support of a more comprehensive approach to strengthening country systems for statistics, planning, monitoring and evaluation.
- Acknowledging that donors need to be able to report to their taxpayers in real time, there is an urgent need to explore both how donors could work better together, including through the use of common indicators, and get the information they need in a way that contributes to strengthening country reporting capacity. More investment is also needed to improve ways of measuring progress in institutional development and accountability so as to reduce the risk of focusing too narrowly on areas where the achievement and measurement of results is easier. In countries where data systems are not sufficiently robust, an intermediate step could be to support “learning by doing” through joint efforts to define and collect key development data. Such initiatives should focus on promoting nationally-owned indicators and capacity development to collect and use evidence for national policy-making and programme implementation. While most of this should take place at country-level, the DAC could provide a meeting place for exchange of experience and development of best practices.
- Communication is critical to any successful MfDR system, both in partner and donor countries. It is important that the communities affected by development investments have a much greater say in assessing these investments’ effectiveness. This should be part of any partner government information gathering process on results and should also feed through to judgments made by donors on development effectiveness. Similarly, donors need to engage their societies in a much more frank and transparent manner over the use and effectiveness of aid spending. This means that communication needs to be more open about what can be achieved and the risks involved -- and report on both successes and failure.
- An effective MfDR system should also be approached from the perspective of mutual accountability. For donors to commit to country-owned results frameworks, partner countries need to commit both to establishing a highly transparent and accountable system and also adhering to it. Donors should commit to investing significantly in building partner government capacity -- or at the very least making considerable efforts to avoid undermining country systems in pursuing their own accountability needs. Only this will lead to a shared evidence base.

### Defining overall development results: what framework?

8. The Millennium Development Goals (MDGs) and their associated indicators provide the main internationally agreed framework for measuring development results. There is a good deal that can be learned from the MDGs story over the past 11 years when considering results measurement more generally. Nonetheless, some countries have started to question the usefulness of the MDGs as a relevant framework for defining overall development results. In fragile states, in particular, it is suggested that these goals need to be complemented by a set of objectives that specifically address the peacebuilding and statebuilding challenges these countries face (see Box 1).<sup>3</sup> This draws on an increasing amount of evidence indicating that not one of the world's fragile states has achieved any MDG, and that these countries are lagging 40-60% behind other low-income countries in achieving the MDGs.<sup>4</sup> There is also an emerging "Asian voice", claiming that the MDGs focus too much on social sectors and too little on economic growth, and do not sufficiently reflect the importance of global public goods.

#### Box 1. Defining results in fragile states and contexts - complementary perspectives

The International Dialogue on Peacebuilding and Statebuilding<sup>1</sup> is working on a set of global peacebuilding and statebuilding objectives. As part of this process, specific attention is paid regarding how to translate a political vision into the planning of programmes and actions. This has the following implications for the definition of results:

- Country-level results frameworks will need to better address the specific challenges of peacebuilding and statebuilding. They should be based on a nationally-defined vision and recognise that both short- and long-term results are needed simultaneously to support peaceful and resilient states.
- Results need to be based on realistic assumptions about the time it will take to deliver transformational change. Evidence shows that real transformation can take 15–30 years e.g. for a country's institutional performance to improve from the level of a fragile state like Haiti to the level of a functioning state like Ghana.<sup>2</sup>
- Strategic focus and strict prioritization are critical to positive outcomes. Successful transitions are those that have focused on two or three strategic objectives at any given time. National and international actors need to recognise that transition support requires strict prioritization, which cannot necessarily be achieved through broader needs-based approaches.

1. OECD(2011) - International Support to Statebuilding in Situations of Fragility and Conflict – Policy Guidance from the International Dialogue on Peacebuilding and Statebuilding
2. World Bank (2011), World Development Report 2011 on Conflict, Security and Development (forthcoming)

9. Initial discussions on what framework, if any, should follow the current set of MDGs after 2015 are beginning to emerge in academia and in some countries. In approaching this, it is important for the international community to strike a balance between keeping the necessary focus on achieving further progress on the MDGs in the run-up to 2015 and anticipating any preparatory work for the post-2015 agenda. While the United Nations will lead this process, they will rely on intelligence from around the world to inform their thinking. The HLF4 provides a timely opportunity to take stock of what development actually means for different countries under different circumstances based on the views of these countries themselves. In addition, there is a need to rethink the interface between the targets themselves, the

3. See Dili Declaration – A new vision for peacebuilding and statebuilding, April 2010

4. World Bank (2011), World Development Report 2011 on Conflict, Security and Development (forthcoming)

statistical capacity required to measure them and the political objectives that guide international support. Such discussions could also be informed by the more general global discourse about appropriate ways of “measuring progress”.

### **Issues for discussion**

10. The DAC SLM offers an opportunity to discuss how the DAC can help to promote an improved global results agenda which builds on country-owned results frameworks while meeting the information needs of multiple parties – and ultimately contributing to better development outcomes. DAC senior officials are invited to reflect on the following questions:

#### ***Convincing taxpayers that aid is a worthy investment***

- Acceptance of greater reliance on results i) as defined by partner countries themselves and ii) based on local systems that collect and analyse data inevitably means less ability to track the impact of individual donor assistance. Yet donors need to be able to provide regular feedback to their constituencies that aid is on track to achieving its intended longer-term purposes.
  1. Would it be easier to communicate results to domestic constituencies if all donors were using common indicators? What kind of intermediate results could donors agree to collectively use to report on what aid is achieving? What is the emerging good practice that could be drawn upon? What are the obstacles to achieving this and how could the DAC help take such work forward?
  2. In order to address critical issues around communication, would DAC members agree to take some necessary upstream actions such as: strengthening internal systems for risk management; changing internal incentives to accommodate greater tolerance for risk; and buying into common results reporting principles for a more coherent approach?

#### ***Defining the post-2015 framework to demonstrate overall development progress***

- An organisation like the OECD would appear well-placed to contribute to a global conversation on post-2015 international development goals. It could play a key role in promoting a coherent approach, building on lessons learned from implementing the aid effectiveness agenda and engagement in fragile countries and contexts. It can also bring in useful perspectives drawing on the Global Project on Measuring the Progress of Societies.
  1. What are the current views among DAC members regarding the need for a set of post-2015 development goals? When, and in what context, should the post-MDG conversation take place? How might the DAC contribute to this process?
  2. Are we measuring the right results? How can we ensure that global goals and targets better reflect countries’ own priorities and capacities to measure progress and also take into account factors which may facilitate or hinder the achievement of progress?