



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

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Working Party on Aid Effectiveness and Donor Practices

TARGET SETTING FOR THE JOINT VENTURE ON MANAGING FOR DEVELOPMENT RESULTS

This document contains the common elements in the responses from members on the three basic questions addressed to them on MfDR and attempts to for a basis for the formulation of a draft work plan [DCD/DAC/EFF(2004)1].

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**TARGET SETTING FOR THE JOINT VENTURE ON MANAGING FOR
DEVELOPMENT RESULTS**

Products	Key words
Set of clearly stated realistic objectives	Poverty reduction/elimination MDGs (have universal ownership) PRSP targets SWAP targets Project goals
Set of few, but realistic indicators, and allow for country differences at intermediate level	sub-set of MDG indicators, using national or international data, a combination of both or the donors own data
Common understanding of how to deal with attribution/fungibility	attribution: <ul style="list-style-type: none"> ▪ among donors (re: harmonisation) ▪ between donors and partner countries (re: alignment) ▪ impact of external circumstances
	recognise that not every donor has stretched his results chain to the same length
Common understanding of how to deal with aggregation	on country level
	across regions, while respecting country ownership
	to measure divisional performance
Common understanding on Managing <i>for</i> and not <i>by</i> results	basic rules for donors that want to use results for resource allocations (unless the core principle is sufficient)

General key words

Flexible, robust, not measure everything, demystify jargon

COMMON ISSUES

Target setting

- Setting of clearly stated realistic objectives and (few) indicators agreed upon between the partners (respecting country-ownership (DFID), at the right level and in measurable terms, and deciding what we measure output/outcomes/impact? (DANIDA, NORAD, Germany).
- Acknowledge the complexity of logic chains for mapping inputs to outputs to outcomes, how to assure quality (NORAD).
- Need to focus on high-level outcomes that remain constant over time – MDGs are good in that they have universal ownership. (DFID), PRSP targets, MDG targets (EU).
- Lots of talking about “results” and “MDGs” but little concrete change in practices on the ground (EU).
- Lack of support from other donors in the request for greater focus on results and deeper analysis of results in PRSs and Sector programmes (EU).
- Aligning with PRS targets which may be over-stated and too stretching (DFID).
- SWAP's - how to handle? (NORAD).
- The low quality of data in international databases and the difficulty to find cross-country comparable data even on key indicators (EU).

Attribution and aggregation issues

- Attribution problems when the scale of our aid is dwarfed by other factors (other donors, government's own programs) (AUSAID, France, Germany, EU, Belgium).
- Fungibility problems even when our aid is significant - never know what the "real" impact of our aid is. (AUSAID, France, EU, Japan, Germany).
- Aggregation issues (France).
- Determining the causal links between aid programs and development results requires lower level indicators – global aggregation requires some standardization and comparability. Mere attribution is not acceptable for long (USAID).

- The complexity of delivery of development outcomes and being able to rigorously define and assess the donors contribution (DFID, Netherlands, Belgium).
- Only those changes that permit clear attribution may be defined as project impacts.(Germany).
- A strategic objective (SO) is the highest-level result that a USAID operating unit and its partners can materially affect, given the time and resources available (USAID).
- Aggregation of country-level results to measure overall divisional performance; (DFID, Belgium).
- Respecting country-ownership with need to be able to aggregate results across regions and consistency in indicators (DFID).

Simplicity/complexity

- Harmonization versus simplification and country ownership (France), and ensuring harmonized approaches so that individual agency demands for information on results do not over-burden country systems (DFID).
- Fewer, high quality indicators are better than many indicators. Indicators need to be understandable and credible to the policy maker while meeting the test of rigor (USAID).
- Demanding to adopt performance management systems that are flexible and can handle changing government policies, thus avoid developing too complex systems and accept simple and robust ones (NORAD), – use proxy indicators – not trying to measure everything (DFID).
- The need for streamlined reporting, drastically cutting back the number of indicators and the length of results reporting documents (USAID).
- Development of an approach, which promotes a project/programme design in line with the MDG. (Belgium).
- Need to de-mystify the increasing jargon that surrounds what is often common sense (DFID).
- The development and adoption – internally and externally - of a common, simplified terminology (Belgium).
- The difficulty of measuring results, particularly those which are in some sense intangible or at least difficult to quantify, means that other, more easily measurable factors, become the criteria for success (AUSAID).
- The time gap between EC actions and visible impact of these actions (EU).

Poor local systems, availability of data

- Focus on contributing to (development of) capacity in partners' systems collecting performance information (AUSAID, Japan, Germany) and to manage for results (CIDA), and active use of recipient's available data (NORAD, DFID, DANIDA), join hands with other development partners, accept country differences and avoid overburdening a country's systems (NORAD, SIDA).
- Adequate planning, monitoring and evaluation capacity in partner countries (Netherlands, Germany).
- It may prove difficult to evaluate a country's development results, in particular if the evaluation is to be conducted together with the partner. Problems arise at the monitoring level (data problems), in the interpretation and weighting of individual impacts as measured by indicators, in the question of responsibility where actual results deviate from the objectives set, and in attributing changes to the measures undertaken (attribution gap i.e. non-existent or insufficiently established causal relationship between the measures and the observed changes). (Germany).
- The lack of coordination at country level to support the strengthening of partner countries' PRS monitoring and statistical system (EU).
- Lack of reliable timely data (France, Japan, DANIDA, DFID) and how to handle changes to source data in international databases which affect baseline calculations in establishing targets (DFID).
- Recognition of the fact that the results generated by our partners are the only valid and sustainable results that could serve both our partners and ourselves (SIDA).
- Recognition by our partners of the domestic and internal needs of the donors for verifiable results and effects, that link up to our contributions to their development efforts (SIDA).
- The low quality of international data bases (EU).
- The time gap between the year when data were collected and data availability in international databases (EU).

Country specific issues, more than one agency/ministry

- One challenge is the coherence of the various systems of RBM in place throughout the ministry (DANIDA).
- RBM system should be appropriate for Foreign Ministry of the Netherlands.
- Consistency between relevant French ministries.
- Coherence is also an issue vertically – how can we link individual staff work plans to MFA overall goals? (DANIDA).
- Joint-targets with other Government Departments useful in promoting coherence and buy-in to the development agenda – but agreeing the shared target is the start – need more work on how to really join up on delivery (DFID).

- How to set targets for measuring policy coherence (DFID).
- Many different actors have to be ‘mobilised/convinced’, as implementing agencies (coordinating bodies of universities, technical assistance providers and NGO’s) have relatively great autonomy in deciding the monitoring, evaluation and reporting systems it employs. (Belgium).

Budget issues

- Application of RBM to resource allocation (French and DFID’s positions on this evolving), keeping in mind the political privilege to define priorities (NORAD).
- Dangers of managing by results – penalizing poor performance without adequate analysis of under-lying factors. (DFID).
- Time lag in reflecting the results of monitoring and evaluation into budget allocation process, (Japan).
- It is both difficult and risky to link performance reporting directly to budget allocation processes. Yet resource allocation needs to take into account performance (USAID).

Management commitment/culture

- Institutional history and the need for cultural change (AUSAID, DANIDA, Netherlands, NORAD, SIDA), and hence change-management challenges (DANIDA).
- Strong championship from Top Management, and motivated and informed staff essential for embedding RBM culture (DFID, NORAD).
- MfR is initially very staff intensive and takes a cycle of at least 3 years to design Results Frameworks, define targets, get baseline data, put in place a data collection system, and reform operating systems (USAID).
- Strong management commitment to PPR data quality and the promotion of the PPR as a management tool is critical to success (CIDA, USAID).
- More use of data in dialogue with partners at macro-, sector- and project level creating a demand for results (NORAD).
- To ensure that all concerned Swedish authorities - and not in the least the Swedish public – understand the necessary and positive shift from bilateral hands-on control and monitoring of the Swedish contributions and its possible results, to a far more important focus on results and effects emanating from nationally driven development efforts to alleviate poverty– while avoiding a myopic focus on the Swedish contributions to poverty reduction (SIDA).
- Entrenched donor focus on process conditionality, and process-based assessment of country performance (“good policies”) (EU).
- (Entrenched) input oriented performance indicators for the organisation (EU).

Joint training/sharing of knowledge

- There may be scope for more joint efforts in training staff in principles and tools for RBM. (DANIDA, CIDA), and sharing knowledge with other partners (CIDA).
- Train staff to operate both at the strategic/policy level and the operational level. Increased training on RBM (NORAD).
- Training in indicator selection, data compilation and teamwork are essential (USAID).

Internal management

- CIDA project staff do not yet see RBM as part of a lifecycle management approach - especially annual reporting is seen as a compliance mechanism which does not adequately feed into corporate performance reporting and learning.
- JICA finds it difficult to operationalise the log-frame as a learning tool. Raising incentives for application of RBM is crucial to begin with. In addition, while recognizing the importance of project monitoring on the ground by its overseas offices, JICA recognizes the necessity for capacity building of its own staff in order to establish such monitoring system.
- RBM needs to be integrated within a wider performance management system that includes strong Risk management for delivery and takes account of organizational effectiveness (DFID).
- Moving results management up to the program impact level. (AUSAID).
- Adapted reporting systems must be developed and processes introduced to disseminate the relevant lessons learnt beyond the confines of the projects/programmes and institutions. (Germany).
- Lack of clearly stated targets in relation to the global objectives of our development policy, and a weak link between strategic planning (overall policy and objectives) and operational programming, complicate the measurement - and hence management - of the “overall” performance of our development cooperation. (Belgium).
- Cascading from high-level outcomes down to individual performance plans assists in increasing staff understanding of and ownership of system. (DFID).
- More streamlined agency with stronger internal agency focus on results instead of on processes (NORAD).
- Introduction of new concepts/approach while there is still much debate in relation to the earlier introduced concepts, is a serious challenge (Belgium).
- Given the current internal capacity (in terms of HR, attitude, knowledge and skills) it will be a challenge to (i) follow the international developments and trends in the area of RBM; (ii) develop an approach/system that fits the Belgian context, follows the international standards as well as takes into account the systems and needs of the partner countries; and to (iii) support the implementation of it internally and externally. (Belgium).
- Using today’s results to predict future performance (DFID).

- The difficulty to shift staff's focus towards the analysis of country results particularly in key sectors of EC support such as transports and rural development. (EU).
- Ongoing communication to staff so they know what is happening (DFID).
- Greater decentralization to field missions for program implementation with greater field accountability for results. Washington now focuses on policy setting and strategy approval (USAID).
- Mission management and staff to focus squarely on development impact and less on inputs (USAID).
- Results reporting must be timely and policy relevant; therefore, thus relatively frequent reporting (every 2 years or less) on intermediate indicators is necessary to satisfy policy makers (USAID).
- Internal staff support (CIDA), and improvement of staff capacity in statistics, both to develop policies, to design support to statistical systems, and to select and analyse indicators (EU).

General

- For multi-donor initiatives (e.g. program-based approaches) there must be clearer guidance on how to apply RBM principles that takes best practices into account (CIDA).

The main obstacles however remain on the *international arena*. Key elements on the road ahead are, according to SIDA:

- Further refinement of the basic philosophy, principles and roles relating to results and effects in development cooperation. This would include the distinction between and interpretation of concepts such as:
 - “external contribution” and “attribution of results-and effects”;
 - “the donor minimum needs for control of the use of external funds” , “the donors responsibility to react”; and
 - “Responsibility for results” and “accountability for results”.
- Coordinated and harmonized efforts among donors to build national systems and capacity for results based management.

On the *more immediate agenda*, the following should be given priority:

- Agreement that the objective of the Joint Venture, with focus on the interface between donors and development partners, is to develop and promote shared values, methodological approaches and cooperation procedures related to Results Based Management in line with the principles of poverty reduction, ownership, alignment and harmonisation of cooperation practices, and complying with the needs of donor partners in terms of accountability and assessment of the effectiveness and efficiency of resources and support provided.
- The adoption of joint principles for RBM between major donors and development partners.

- Elaboration and adoption of a joint terminology and basic concepts on RBM and related reporting, analysis and dialogue.
- Sharing of good examples both from “practice” and current, ongoing method development with special focus on programme support, budget support, PRS-processes.
- Special focus given to practical “translation” of the MDG:s at national level and as part of national PRS-processes – with related development indicators on effects and impacts at sector and national levels.
- Elaboration of a synthesis of such examples into a set of Good Practices and a source book for common use and inspiration.
- Elaboration of key approaches and key ingredients in efforts to build national capacity for monitoring and result based management at all relevant levels in partner countries.