

A Multi-Partner Evaluation of the Comprehensive Development Framework

**Comprehensive Development
Framework Evaluation Results
Orientation: An Early Look**

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Introduction

Purpose and Methodology of the Study

1.1 We were asked to assess the early progress being made in effectively implementing the fourth CDF principle: achieving a results orientation in assisted countries. A September 2001 paper prepared by the CDF Evaluation Secretariat identified the following three elements of a results orientation.

1. Design of programs in support of the national development framework with clear and evaluable objectives that contribute to framework goals.
2. Monitoring and regular reporting and sharing of progress, with a focus on accountability for results, including outcomes and goals, rather than only on inputs.
3. Creation and enabling of capacities to generate, monitor and utilize results to improve performance in achieving goals and accountability.

1.2 According to the Terms of Reference of the Result-Oriented Thematic Study¹ “the [overall CDF] evaluation is supposed to ascertain the extent to which CDF principles have been practiced and whether their implementation has been oriented to pursuing overarching development objectives, such as the Millennium Development Goals (MDGs). The evaluation will deal with the relevance, efficacy, and efficiency of the overall development assistance system in selected countries, both on the ground and at the policy level, including linkages to the MDGs.”

1.3 More precisely, the Objectives and the Scope of Work are to: “identify the factors that have facilitated implementation of CDF principles and those that have hindered it; assess the extent to which CDF implementation has affected intermediate outcomes, and to the extent possible, longer-term development outcomes, such as the Millennium Development Goals (MDGs); promote learning and capacity development in countries where CDF principles are being implemented; and create an ongoing mechanism for periodic assessment of CDF processes and feedback to decisionmakers.”

1.4 Our focus has been on donor effectiveness in supporting a results orientation, but this question cannot be adequately answered without an examination of what the assisted countries themselves are doing.

1.5 The resources for this work were highly limited. In this initial look, we only had resources for examining the literature, documents produced by donors and assisted countries, and the results of an e-mail survey of donors supporting CDF (but not entities within the assisted countries). We have not had the resources to meet onsite with donors or assisted countries, steps essential to any comprehensive evaluation. Nor did we have more than a small sampling of documents that described each donors’ policies and

practices relating to the encouraging of a results orientation. Thus, we have had to resort to indirect inferences.

1.6 We undertook the following activities:

- We reviewed a number of papers and reports discussing various aspects of CDF. The literature we reviewed is listed in Appendix A.
- We reviewed a sample of PRSP reports. We paid special attention to PRSPs for several reasons. One is that several are widely available and reasonably current. In addition, they are especially apt for examination in this report because the PRSPs are in many ways the first clear manifestation of the objectives of the CDF. According to a joint note by James Wolfensohn and Stanley Fischer issued in April 2000, “the PRSP is an operational vehicle—which can be a specific output of the CDF or of processes based on CDF principles—that is intended to translate a country’s poverty reduction strategy into a focused action plan.” And as appears to be the case from our review of written materials, some donors have focused much of their attention on these poverty reduction strategies.
- Of the six country case studies the World Bank has commissioned on CDF-supported countries, we reviewed two in depth: Uganda and Vietnam. Reports from the other four were received too late for a thorough examination; however, we were able to briefly review the information that related directly to results orientation. For Ghana, we have received only a 10-page draft “Preliminary Executive Summary” and only received the executive summary for Burkina Faso.
- The CDF Secretariat sponsored an e-mail survey of donors that have explicitly supported CDF principles. A section of the questionnaire was on results orientation. The questionnaire was sent to 13 donors. Responses were received from six of them. We have examined those results.
- We drew from our past experiences and from other relevant documents from a variety of sources, such as City Development Strategies and donor requests for proposals.
- We drew from the presentations made at the June 5-6 Roundtable “Better Measuring, Monitoring, and Managing for Development Results” (sponsored by the Multilateral Development banks and OECD). These two days focused to a considerable extent on the results orientation principle.

1.7 A basic limitation of this, or any evaluation on this topic, is the difficulty (if not impossibility) of attributing assisted country implementation efforts to CDF (or to specific donors). Many donor efforts have been underway in recent years to encourage assisted countries to undertake some form of performance measurement. Some of these efforts may have a link to CDF, but others do not. In any case, many other factors other than CDF and donor activities can affect countries’ progress. However, it seems more

important over the long run to look at the total picture to assess what has actually been implemented in assisted countries, without worrying about who or what has caused them. This does not mean that donors should not evaluate individual donor efforts. This is desirable and is needed to help determine what form of assistance is likely to be most effective.

The remaining sections of this report are as follows:

- Section 2 provides our summary assessment based on our findings to-date from all of the above sources.
- Section 3 presents our recommendations to donors. It contains recommendations both for donor activities aimed at encouraging a results orientation and recommendations for future evaluations of assisted countries' progress towards a results orientation. Together Sections 2 and 3 can be considered an executive summary for this report.
- Section 4 presents our findings from the literature.
- Section 5 presents our findings from the survey of donors.
- Section 6 presents our findings from our review of the country evaluation reports.
- Section 7 presents our findings from our review of the PRSPs.
- Section 8 discusses our findings relating to local governments in assisted countries.
- Appendix A is a list of the literature we reviewed.
- Appendix B contains a detailed summary of responses on results orientation from the survey of donors.

2. Summary of Findings and Observations

2.1 The following points summarize our findings and observations.

Overall Status of Results-Orientation in Assisted Countries

2.2 Many, if not most, donors appear at least in very recent years to be beginning to direct activities to results-oriented efforts. Donors appear supportive of the results-orientation principle, at least in giving considerable “lip-service” to the desirability of the concept. This now appears to be beginning to be translated into activity, thus far demonstrated in particular by support for measuring the MDG indicators and for including measurable indicators (especially those relating to poverty reduction) in PRSPs, which appear to have widespread donor support, and a variety of ad hoc activities, some of which have been described later in this report.

2.3 The literature reviewed contained many criticisms of the results-orientation principle and its implementation. The country evaluation reports also contained a number of concerns. These are reflected in the following findings and observations.

2.4 Overall, at present, real full introduction of a results orientation appears far away for the great majority of assisted countries. Most countries are only at the very beginning stages. Many appear to be into results orientation primarily because they want to satisfy donors. Few appear to have embedded the principle of results orientation in any active way into the operations of government. Assisted countries, as in most developed countries, have made little use of results information except to provide reports but with little use of the information to make resource allocation decisions. (A partial exception appears to be in health services where the collection and reporting of outcome-related data has been receiving considerable attention, though often the current available data are still old.)

Poverty Reduction Strategy Papers: Still Limited Despite Their Promise

2.5 Some consider the focus given to measurements in the emerging PRSPs is a major indication of progress, both by the donors who support the PRSPs and by the countries that produce them. More recent PRSPs have paid more attention to routinizing outcome measurement, but still are quite limited in presenting a comprehensive strategy to build an operational ongoing, results-tracking process useful to operating management.

2.6 The extensive focus on PRSPs in some countries, by focusing so much attention on a strategic plan (plans that cannot address all the many important problems facing the assisted countries), has the danger of taking away attention and resources from actual implementation of ongoing outcome measurement by government agencies – and, thus, the use of the results information to make current service improvements. There seems to be considerable possibility that assisted countries interpret the results orientation focus to be solely on the national development framework (usually implying the PRSP strategy) and not necessarily applicable to an ongoing way of doing government business. Indeed,

this may also be the view of donors. (See, for example, the statement in 3.83, page 38, of the July 4, 2002 Romania case study. Similarly, the Ghana case study “Preliminary Executive Summary” in paragraph #22 stated “..key donors made it abundantly clear to the government that the [PRSP] would be the... basis for their pledges.” The Ghana PRSP Progress Report of February 4, 2002 indicates in item #1.2.7 that monitoring and evaluation efforts will focus on the needs of the PRSP). If so, this is unfortunate. Long-term poverty reduction and other quality-of-life improvements will be most served if assisted countries focus on a results orientation in all phases of governance, not merely the indicators in PRSPs. (We believe, we hope, that this is what the donors intend for this fourth principle.)

2.7 It is by no means clear at this point that the countries are not undertaking many aspects of the PRSPs merely to satisfy donors.

Over-Emphasis on Centralized- and Macro-Indicators

2.8 The focus thus far in PRSPs, and to some extent in the various statistical building efforts sponsored by the donor community, appears to be to build a centralized, statistical capacity with a focus on a standard set of macro-indicators (such as the MDGs or a close variation). Some of these efforts include national household surveys that provide a variety of household condition-assessment information. Where the samples are large enough to provide reliable data for at least major individual geographical areas, and the surveys can be undertaken frequently enough (such as at least every other year) to provide actionable information and detect the results of recent efforts, this can be a big plus.

2.9 Encouraging countries to build capacity for regular monitoring of performance information that is tailored to the needs of specific countries and their communities appears to be neglected. However, we are somewhat encouraged by what appears to be a growing willingness by donors to at least accept, if not actively encourage such tailoring. It is clear that different countries have different “technical” capacities, sometimes considerably different.

Few Attempts to “Operationalize” Results Orientation Outside Donor Projects

2.10 Almost completely neglected, thus far, appears to be attention to the regular collection of performance information, and its use, to help public officials make operating decisions aimed at improving citizen welfare, outside the context of donor-funded projects. Decisions made by operating agencies (providing such services as health, education, water, solid waste, transportation, welfare, employment training, and environmental protection), and the quality of service implementation, play a major role in determining the economic and social condition, well-being, of the citizens. Good strategic planning is important but in the end plays only a partial role in both short-term and long-term conditions.

2.11 The past focus of donors on donor projects and donor desires (such as a primary focus on MDG indicators) threatens the purpose of results-orientation to strengthen accountability. Without full participation by national and local governments in developing indicators and carrying out every step of the performance management process, and without applying that process to the central activities of the country itself (i.e. not just to donor projects), accountability cannot be assumed.

2.12 The obvious gaps in resources and capacity of both central and local governments for regularly monitoring and evaluating performance were pointed out by many. One report made the recommendation that there should be less focus on building sophisticated statistical capability and more on building "second best" capability using less sophisticated procedures that assisted countries and cities can use without requiring much assistance from donors.

Many Key Types of Performance Data Missing

2.13 We detected increasing recognition that countrywide, aggregated performance information is not sufficient. Some literature and reports point to the need to provide micro-level data, such as providing regular data broken down by particular geographical parts of a country and sections of cities, and data grouped by other major demographic characteristics such as gender, ethnicity, and age. These additions can potentially make performance information considerably more useful to, more actionable by, both public-officials and civil society.

2.14 There is a need for realism in the setting of goals and targets, as well as managing expectations of stakeholders. Care should be taken not to place pressures on the formulation process that result in the inclusion of unrealistic targets, either in terms of numerical targets for output growth and poverty reduction, or more qualitative targets for institutional reform.

2.15 Although they are starting to appear in some instances, not enough attention has been given to nearer-term indicators. Intermediate outcome indicators can be included that can be very useful for tracking progress towards end outcomes. They enable progress to be tracked sooner and are easier to measure. Governments will likely find such indicators to be considerably more actionable and should be more willing to be accountable to such indicators. Examples of shorter term indicators include the installation of standpipes, getting water wells repaired, and measuring access to health and education.

2.16 Often the macro data used in PRSPs and other strategic plans (such as City Development Strategies—CDSs) were old, sometimes two or more years old. Data timeliness is vital if assisted countries are to be able to track their progress on a regular basis and to use the data for managing services.

2.17 We note, as did some of the literature, that many of the processes being pushed by donors are not even being done, at least not particularly well, by industrialized countries.

2.18 Much attention has been placed by many donors on bringing civil society into the dialogue. For PRSPs and CDSs, countries and cities are supposed to involve a wide segment of their citizens to help determine strategies. In some efforts, civil society is being called on to monitor government performance. However, we found few specifics as to the mechanisms needed, nor of the support available to build capacity of civil society organizations (CSOs) to monitor the results of government programs. In some cases, dissatisfaction with the indicators selected arose because they are too technically complex for monitoring by CSOs.

2.19 It appears that because CDF is focused on long-range strategic issues, the short-term management use of performance data has been neglected. However, long-range strategies in assisted countries need to address current, as well as future, needed actions. A balance of short and long planning is needed. It is at the agency, first-line level (whether government or NGO) that the needed work is implemented. CDF, as an integral

part of the results-orientation principle, would seem to need to provide support for local government capacity building in performance measurement and performance management — to improve services to the public, and for both short and long run needs.

2.20 The presence of all these donor-sponsored efforts appears bound to cause confusion among city and central governments as to the messages of what donors would like them to do. Potential sources of confusion include: (a) donors use somewhat different terminology; (b) they suggest different, while overlapping indicators; (c) the data are usually too highly aggregated to track where, and to what extent, problems in the city are most prevalent; (d) for many indicators, available data are two or more years old; and (e) little of the indicator data is likely to be very useful to managers of city agencies to help them improve services. Finally, none of the efforts appears to provide for building management capacity in the collection and use of performance information.

2.21 A major issue seldom addressed in the documents we reviewed, is the need for incentives for public officials and the public workforce to work continually to improve the quality of services and their outcomes. A DFID document we quote later in Section 4, noted the need for "performance management systems with improved incentives for public service managers to translate inputs into outputs and outcomes." However, the materials we reviewed had little to suggest on this key issue.

2.22 In the introduction to this report, we quoted the three elements of a results orientation from the Design Paper of the CDF Evaluation Secretariat (September 2001). These are:

- Design of programs in support of the national development framework with clear and evaluable objectives that contribute to framework goals.
- Monitoring and regular reporting and sharing of progress, with a focus on accountability for results, including outcomes and goals, rather than only on inputs.
- Creation and enabling of capacities to generate, monitor and utilize results to improve performance in achieving goals and accountability.

2.23 Based on the information, which we report in the following sections, it appears that some small progress is beginning to be made in assisted countries on each of these, but there is a very long way to go in the great majority of countries. The role of donors in encouraging these elements have contributed to this progress towards a results orientation. However, at present, while giving considerable verbal support to the results-orientation principle, donors do not appear to have as yet delivered very much assistance in this area. In the next section of this report, we provide some suggestions for donors to help them help assisted countries in the future.

2.24 Exhibit 1 identifies some of the basic needs for donors, as contrasted with what have often been the past focus of donor efforts.

Exhibit 1
Ten Current Donor Efforts Versus Country Needs

<u>Current Activities</u>	<u>Need</u>
1. Focus on fiscal issues	Focus on results as well as fiscal.
2. Focus on strategic, long term	Add focus on short term, early, results.
3. Focus on a highly limited set of indicators	Encourage agencies to be comprehensive.
4. Focus on “macro” statistics	Add focus on “micro,” more actionable, indicators.
5. Focus on central offices capacity	Build operating agency capabilities.
6. Focus on poverty reduction	Add focus on major quality-of-life indicators.
7. Focus on “Development”	Implies only capital investment; expand scope.
8. Focus on central government	More inclusion of local governments.
9. Focus on aggregate data	Add major focus on disaggregated information.
10. Focus on NGO capacity building	Add major focus to strengthen governments.

3. Results-Orientation Recommendations

3.1 Our recommendations are grouped into two categories:

- Recommendations for Donor activities; and
- Recommendations for future evaluations of the progress of assisted country in achieving a results orientation.

Recommendations for Donor Results-Orientation Efforts

3.2 Donors should better coordinate their results-orientation activities. This includes such actions as:

- Helping develop for each assisted country a common multi-year results-orientation strategic plan aimed at developing a results-orientation capacity. The assisted countries should be major partners (the leader) in developing the plans. Local government and civil society representatives preferably should participate in developing the plan.
- Making sure that the messages and timing among donors of results-orientation activities are at least roughly coordinated and reasonably compatible. Results-orientation projects should be required to undertake a reasonable amount of coordination amongst themselves. Efforts should be made to assure that different projects do not overburden particular agencies or pilot sites, so that multiple, overlapping, projects do not pull the country or local government in diverse directions. We realize that this is all easier said than done. Coordination takes time and effort, and personnel will often have different views as to what needs to be done.

3.3 Donors should sponsor periodic conferences on results orientation aimed at achieving donor understanding of what can be done and what assistance would be most productive.

3.4 Donors should sponsor regular, annual, conferences for assisted countries on results orientation, aimed at discussing the latest state-of-the-art and seeing what has been accomplished in other countries, and identifying what needs to be done and what assistance is needed. These might be regional conferences, with one of the donors being the prime funder.

3.5 Donors should sponsor the development of how-to-do-it guides, such as on performance indicators, performance measurement, and performance management -- the use of performance measurement. Such guides preferably would have variations for each primary sector (such as health, education, economic development, water, solid waste management, and the environment). These would need translations into many languages.

The material should identify the role of civil society in the performance measurement process.

3.6 These guides should identify a range of measurement options. Countries differ significantly in their current levels of results-orientation achievement and can have considerably different levels of resources to apply to this activity.

3.7 Donors should avoid overemphasizing PSRPs, MDGs, and CDSs. Each of these tools is important but each inevitably will be quite limited in its coverage of the problems facing countries. While each of these is beneficial, considerable danger seems present. To satisfy donors and obtain donor funding, countries will overemphasize these benefits at the expense of other pressing issues.

3.8 Donors should avoid overemphasizing long-term strategies and macro-data collection and should give more support and encouragement to country attention and resources to immediate and near-future, often "micro-level" issues and problems. (We do note that the recent emphasis on long-term strategic thinking is a welcome development, but a balance is needed and the advent of longer term plans should not imply the neglect of nearer term objectives.) Effective immediate and near future activities are a key to both near future and long-run success. These, collectively, are major factors in long-run poverty reduction and citizen quality-of-life.

3.9 Donors should apply considerably more attention to helping countries develop incentives for public officials and their public workforces to continually seek to improve the quality and outcomes of public services, that is, to move from inputs to outputs and outcomes. The focus in incentives has usually been on monetary rewards. Most incentives will need to be internal to the country. Assisted countries will usually have highly limited funds for monetary incentives. We suggest that, at least initially, that the focus be on non-financial incentives. A number of options exist, but they are beyond the scope of this report.

3.10 Perhaps most importantly for results orientation, donors should give considerably more attention to capacity building on results orientation. As reported throughout this paper, this appears to have been badly neglected in PRSPs and CDSs as well as in other activities. Donors have been increasingly talking about capacity building as an important need and have been providing some help to countries. However, efforts towards capacity building in performance measurement, performance budgeting, and performance management ("performance governance") appear to have received only quite limited attention to date. Such activities include the following:

- Encourage and support results-orientation training, including not only training in performance measurement but also training aimed at encouraging citizen-focused government—for elected officials, public managers, front-line public employees, and NGOs providing public services.
- Support the development of results orientation training curricula (through use of the how-to-do-it manuals recommended above) that can be translated into

many languages – and whose electronic versions can be readily adapted to individual countries. An important part of results-orientation training should be on the uses of performance information, not merely the technical elements.

- Support the development in each assisted country of a cadre of results-orientation technical assistance providers. These might be university faculty members, consultants, and even public officials that are found to have technical assistance skills and can be “shared” with other governments. They might be new or existing institutions whose role is to assist governments.
- Support wide dissemination of materials, such as performance indicators, data collection procedures, and examples of use by government agencies that helped improve services. Use a variety of dissemination approaches, such as those that are Web based.

3.11 Exhibit 1, at the end of Section 2, presented a simplified summary of major current donor results orientation activities and our perspective on what is needed.

Recommendations for Future Evaluations of Assisted Country Results-Orientation

3.12 Donors, preferably in some collective manner, should track systematically the progress being made in the results orientation of individual countries. This progress assessment preferably would be done annually (to help determine training and technical assistance needs) but at least every other year. To do it right requires teams onsite reviews of activities. A set of rating criteria should be developed with guidelines for the ratings. Exhibit 2 presents a list of criteria that might be used as a starting point for rating progress – so as to systematize the assessments. (We must note that this is a very comprehensive list of objectives, and it will by no means be likely to encounter full compliance with most or all of them.)

3.13 For each criteria, a more specific rating guide needs to be developed, including a set of rating categories and guidance as to what evidence would apply to each rating category. We note that most of the criteria in Exhibit 2 can be assessed by reviewing documents produced by the government or other organizations. Because the source materials for the ratings should be available, most ratings can be readily checked for reliability.

Exhibit 2**Evaluation Criteria for Assessing Assisted Countries' Results-Oriented Progress**

This chart provides a first, early attempt to identify the items that donors (or countries and their local governments themselves) might use to assess the extent to which the public organization has implemented a results orientation. For each item, the evaluating organization would make an assessment of the extent to which the national, provincial, or local public organization being assessed had achieved each of the criteria.

Evidence for many of these criteria would come from an examination of documents, such as reports and instructions, produced by the organizations being evaluated.

1. Performance indicators, particularly outcome indicators, are identified in strategic, long range, plans (such as PRSPs and CDSs) with the intention to track the indicator in the future.
2. Baseline data are provided for the included performance indicators and out-year targets for them are included in the plans.
3. These long range plans identify specific steps towards assisting public agencies to implement regular data collection of these indicators.
4. Individual ministries and operating agencies have in place, are in the process of developing, or have near future plans to begin development of, procedures for the regular collection of (a) output and (b) outcome data on major aspects of their services.
5. There is movement away from line-item budgeting and some form of program budgets are used in which costs and performance are linked by program. Outcome, as well as outputs and unit-cost indicators, are included.
6. The performance indicators in annual central and agency operating/business plans and budgets are linked to the long-range plans, through more inclusion of more directed, more detailed, more "micro," performance indicators and targets.
7. A central agency (such as an Office of Management and Budget) calls for output and outcome information to be provided by operating agencies.
8. Operating agencies obtain and report outcome data broken out by key client groups, not only aggregate outcomes. For example, outcome data where appropriate are broken out by gender, age group, race/ethnicity, income, and geographical location within the jurisdiction (such as district, rural versus urban, city, etc.). For services that have managers/supervisors for separate offices or facilities, outcome and output data are provided for each office and facility. The latest outcome and efficiency data are compared to various appropriate benchmarks, such as prior time periods, other locations, and targets set at the beginning of the year.

Exhibit 2 (continued)
Assisted Countries

Evaluation Criteria for Assessing Their Results-Oriented

9. Central agencies, such as an Office of Management and Budget, Human Resources Office, and the Technology Office helps operating agencies with guidance, TA, and training opportunities in performance measurement and performance management.
10. The data on (a) outcomes and (b) outputs are used by the operating agencies to help guide their allocation of resources -- both personnel and funds (such as using road cleanliness and road condition information to help determine priorities for street improvements).
11. The data on (a) outcomes and (b) outputs are used by the operating agencies to help determine, and justify, their budget requests.
12. Managers and supervisors receive regular, timely reports on the outputs and outcomes of their programs.
13. The data on outcomes are reported to the (a) central government, (b) elected officials, and (c) the public through media available to most citizens.
14. Outcome and output targets are included in contracts with the private sector and are an important basis for contractor rewards and penalties.
15. The work of individual managers and supervisors is appraised at least once each year, with performance on achieving targeted outputs and outcomes included as a major element of the performance appraisal.
16. The government, at least periodically, has a process for reviewing the quality of the performance data, such as by periodic audits of samples of outcome indicators.
17. Nongovernmental organizations providing services to citizens also are implementing performance measurement and are provided assistance in this process.
18. Training in performance measurement and performance management is available and is provided to government personnel at all levels, to elected officials, and NPOs.
19. One or more nongovernmental organizations are acting as external “watch dogs” in reviewing public agency performance on a regular, e.g., at least annual, basis.
20. The above elements have been implemented at both the national and local levels of government.

4. Findings From Review of Literature

4.1 The application of the concept of Logical Framework and the Result-Oriented approach to low-income countries is challenged by some authors.

#1. Annette Binnendijk (consultant to the DAC Working Party on Aid Evaluation) in “Result Based Management in the Development Co-operation Agencies: A Review of Experience,” October 2000, reported on results-based management in donor agencies.

4.2 She said: “Stakeholders want and expect the donor agencies, like other domestic government agencies, to be accountable for and report on results accomplished with taxpayers’ money. In response, many donor agencies have been establishing performance measurement and management systems to complement their more traditional monitoring and evaluation systems.” She reported that donor agencies more experienced with result based management are: AusAID (Australia); CIDA (Canada); Danida (Denmark); DFID (United Kingdom); the UNDP; USAID (United States); and the World Bank.

4.3 During the 1990s, many OECD countries undertook extensive public sector reforms in response to economic, social and political pressures. These reforms were mainly designed to improve public management performance in order to achieve desired results. Hence, the name of results-based management, which can be defined as a broad management strategy aimed at achieving important changes in the way government agencies operate, with improving performance (achieving better results) as the central orientation.

4.4 A key component of results-based management is performance measurement, which is the process of objectively measuring how well an agency is meeting its stated goals or objectives. It typically involves several phases, including articulating and agreeing on objectives, selecting indicators and setting targets, monitoring performance (collecting data on results), and analyzing and reporting those results vis-à-vis the targets.

4.5 Results-based management and measurement processes take place at three key organizational levels within the donor agencies. The first level, which has been established the longest and for which there is most experience, is at the project level. More recently, efforts have been underway in a number of donor agencies to establish country level systems, usually implemented by their country offices or operating units. Moreover, establishing performance measurement and management systems at the third level – the corporate or agency-wide level -- is now taking on urgent importance in many donor agencies as they face increasing public pressures and government-wide mandates requiring annual reporting on agency-wide performance and results.

4.6 However, donor agencies face special challenges in developing effective performance measurement and management systems that are different from, and in some ways may be more difficult than, the challenges faced by most other domestic agencies. For example, donor agencies must work in many country settings and across many

sectors. Their products and services are often more diverse. Finding comparable indicators that can be aggregated across programs and countries is difficult. Moreover, donor agencies typically are not just doing simple service delivery, where results are relatively easy to measure, but instead do institution capacity-building and policy reform, which are less easily measured.

#2. Gerry Helleiner in “Towards Balance in Aid Relationship: Donor Performance Monitoring in Low-Income Developing Countries,” May 2000, (prepared for a forthcoming Festschrift in honor of Lance Taylor) stated that performance measurement approaches and tools are irrelevant for low-income countries. As the emphasis has changed, measurement of aid recipients’ “performance” has frequently become more difficult. Measures of “good governance” have been devised – incorporating such elements as the extent of the rule of law, assessments of governmental effectiveness, and the frequency of corrupt and illegitimate payments to officials. So have measures of local “ownership.” But how to weight and aggregate the disparate components of concepts like these remains subject to argument; in the end it is a matter of arbitrary judgment.

4.7 The same difficulties apply to the notion of poverty and to related concepts, including education, health, vulnerability, powerlessness and voicelessness.

4.8 The paper concludes that this continuing effort to measure policy change and “performance” in the low-income countries has been essentially driven by the “needs” of the donor community, rather than those of the developing countries themselves. Helleiner stresses that despite a strong aspiration towards a new form of aid partnership, nothing essential has changed in the degree of reporting, which is required of the aid-receiving countries, or the intensity of monitoring of their performance by multilateral and bilateral donors. He considers that nothing has been done to increase the (extremely limited) transparency or accountability of any of the bilateral aid donors or international institutions as they interact with the low-income countries.

#3. Elliot Berg in “Why Aren’t Aid Organizations Better Learners?,” December 1999, (paper prepared for a volume to be published by the Expert Group on Development Issues, Swedish Ministry of Foreign Affairs, edited by the Nordic Africa Institute, Uppsala) also has strong reservations about the concept of Result-Orientation.

4.9 The author underscores a number of weaknesses of the CDF in general. Among them, he believes the CDF concept to be misguided in its insistence on the long-term vision. For low-income countries in particular, the process of development will open options now unknown or beyond reach.

4.10 Further, the paper contends that the logical framework concept, which has been adopted by most donors in recent years, and donor “results orientation” (emphasized for example in the US Agency for International Development) have been made unsuitable by changes in the development environment. The use of the logical framework for project

cycles has been touted as the greatest innovation in evaluation in many years. And spokesmen for USAID have extolled the effectiveness of their “reengineered” agency, with its focus on performance indicators and results. But these innovations are being adopted at a time of great change in developing country needs and development assistance priorities.

4.11 Higher priority now is being given to institutional change, capacity building, and governance—areas of intervention for which the new aid approaches are least applicable. Blueprint approaches such as those incorporated in the logical framework concept are not right for these new activities. Their objectives are more diffuse and softer, the paths to change are less well understood than, say, infrastructure projects. Performance indicators are fewer and more debatable. Present needs, then, are for more flexible, experimental approaches, not for refined logical framework concepts.

4.12 Similarly, result orientation may result in neglect of high priority but poorly-quantifiable objectives, as in the USAID results reports, where you can find out how many classrooms were built and the number of outpatient visits, but practically nothing about institutional reinforcement. Capacity building is almost never mentioned in these voluminous reports.

#4. EURODAD, European Network on Debt and Development. “Many Dollars, Any Change? The Changing Nature of Development Co-operation: Building Ownership,” October 2001, expresses strong criticism against the aid relationship, including the concept of conditionality and the role of donors. It makes the following recommendations among other things:

4.13 The longer-term target should be to move away from ex-ante donor approval of strategies to results-based financing. This would boost ownership by removing the constraints that force countries to propose only the policies that they know donors will finance. This means that the role of conditionality should be reconsidered. The IFIs face the dilemma that conditionality has largely failed to achieve the policy results that were intended, yet they need at the same time to safeguard the use of their resources. The response so far has mostly been to reduce the numbers of conditions in programs. Yet there needs to be more fundamental reflection of the link between ownership and conditionality. There will need to be more thought put into the role of results-based ex-post financing where access to IFI funds would be on the basis of results in achieving a country’s poverty reduction goals. This would not strictly be conditionality in the traditional sense, but would both maintain country ownership of programs, and give as good an assurance as traditional conditionality that IFI resources were being used effectively. The focus on end-results achieved in reducing poverty is key. The means of achieving results would be less important, and there would thus be less pressure to follow standard adjustment prescriptions in full.

#5. Lionel Demery and Michael Walton in “Are Poverty and Social Targets for the 21st Century attainable?” (a paper prepared for the DAC/Development Center Seminar on Key Elements in Poverty Reduction Strategy, Paris, December 4-5, 1997) argues that reaching the target of cutting poverty in half by 2015,

depends on the initial poverty level, the initial distribution of income, and changes in distribution over time. The paper explores the growth requirements for future poverty reduction, and comes to the conclusion that “in general, the higher the poverty rate, and the greater the initial inequality, the higher the growth requires to cut poverty rate in half by 2015. As a result, the paper points out, in terms of regional averages, the situation in Sub-Saharan Africa is particularly difficult, because the required growth is relatively very high: actually, growth prospects of SSA will be insufficient to meet DAC goals.

#6. Paul Collier of the World Bank comes by and large to the same conclusion in his paper “Principles of Aid Effectiveness,” prepared for the Conference on African Development Aid in the New Millennium, organized by the African Economic Research Consortium (AERC) in cooperation with Economic and Social Research Foundation, the World Bank, and Norwegian Agency for Development Cooperation, Dar-es Salam, Tanzania, April 2001.

4.14 In this paper, Collier reviews the research on aid effectiveness since the publication in 1998 of World Bank’s study “Assessing Aid.” He argues that aid can have a large impact on poverty reduction, if it is targeted towards those poor countries with reasonably good policies and institutions.

4.15 In applying this “poverty-efficiency” framework to Africa, he argues that on current projections with “business as usual” the head-count rate of poverty on the continent will only fall from 72% as of 1996 to 64% by 2015, an outcome far short of International Development Goals!” However, “by reallocating aid towards low-income countries with good policies and institutions, the poverty rate could be reduced to 56%, and even to 45%, if, in addition, African governments implemented the required policy and institutional reform. For Africa to achieve the International Development Goal of reducing poverty rate to 36% from 72%, would require an expansion in the total volume of aid.”

4.16 The literature on the PRSP process underscores the weakness of poverty data collection and analysis. This undermines the ability of countries to set reliable and realistic poverty reduction targets, and to establish sound monitoring systems.

#7. David Booth, Henry Lucas Institute of Development Studies at University of Sussex, in “Desk Study of Good Practice in the Development of PRSP Indicators and Monitoring Systems, Initial Review of PRSP Documentation” (a report commissioned by DFID, UK, for the Strategic Partnership with Africa, 2 May 2001, revised 22 May 2001, Overseas Development Institute, London), indicates that the PRSP process does not take into account the well-known facts in SSA about the unreliability of the official reporting systems and administrative data on which implementation monitoring depends.

4.17 A closer look at the indicators actually selected suggests that they are the result of bringing together those already agreed for different projects, programs and concessional loans. They are not integrated by an overall rationale. This is not altogether surprising,

given: (a) a realistic view of the policy process, and (b) the highly constrained and rather instrumental context in which the documents are being drafted.

4.18 The report underscores that most interim PRSPs (iPRSPs) and PRSPs in the set include only very general and aggregated economic indicators, along with a range of typical social indicators.

4.19 The report made a number of recommendations, including the following:

- Much greater recognition is needed of the problematic quality of the administrative data on which the selected indicators rely, and this should be more strongly reflected in the available guidance material. The definition of what is a “good” indicator ought to include reliability, and steps should be taken to improve data quality where it matters.
- There is a case for exploring alternatives, possibly in parallel to the gradual improvement of existing systems, and using shortcut methods where these fit for their purpose. At the moment, the documents contain some references to “client satisfaction” instruments, but a wider range of methods for tapping the views of beneficiaries and stakeholders would be relevant. Together with the selection of intermediate indicators, this is an area on which further work to illustrate good practices would pay dividends.
- Sectoral priorities must be disaggregated. Sectoral prioritizing will need to become more explicitly based on: (i) justification of priorities, including the assessment of the results of participatory consultations on these issues; (ii) explicit and detailed costing of sectoral proposals; and (iii) an acknowledgment of trade-offs and of sectors and activities that will be given lower priority.
- More tightly defined sub-categories are essential for prioritizing pro-poor activities and investments. The concept of a so-called ‘social sector’ should logically include shared resources and processes such as transport, management of common natural resources and environments, information, conflict management institutions, and legal aid.
- The GDP growth rate should be replaced by the growth rate of the agricultural sector or specific crop estimates, and that data on price movements, including interest rates, that particularly affect poor people, should be used instead of the general inflation rate.
- Input monitoring is heading in the right direction, but unevenly across the region. Monitoring of implementation processes and intermediate outputs and outcomes, on the other hand, has a long way to go. Well-known data problems are apparently not being addressed. What PRSP monitoring most

needs to deliver, is quick feedback on results that can be easily attributed to specific actions.

- Poverty outcome/impact monitoring is making big advances on the data collection side. This reflects both a justified renewal of interest and donor funding, and also, perhaps, a conception of what PRSP monitoring should ideally consist of that is unduly skewed towards final results.
- However, plans for making information available to PRSP stakeholders on an ongoing basis are, relatively speaking, poorly developed. The analytical use of poverty-related data is also still a weak area. This needs to change, although realistically it cannot be expected to change very much until current reforms affecting institutional incentives in the public sector get closer to completion.

#8. Another DFID Report by Neil Thin, Mary Underwood, and Jim Gilling, “Sub-Saharan Africa’s Poverty Reduction Strategy Papers from Social, Policy and Sustainable Livelihoods Perspectives,” a report for the Department for International Development, Oxford Policy Management, UK,” also expresses strong criticism about the design of priorities in the PRSPs of many SSA countries.

4.20 The paper contends that sectoral priorities are expressed in terms that are broad and standardized, and potentially evasive, including, ‘social,’ ‘rural,’ and ‘informal’ sectors. It is unlikely that such definitions will help to guide the allocation of resources or gauge their pro-poor impact. The concept of a so-called ‘social sector’ is not useful in identifying pro-poor strategies and resource allocations. It is commonly restricted to education, health, and some aspects of communal infrastructure such as sanitation, but is not confined to the pro-poor dimensions of these.

4.21 The paper also considers that livelihood analysis is either rudimentary or (more often) non-existent in the documents. The term ‘livelihood’ is not in general use (it occurs in just six documents) and is generally applied to agriculture. Urban livelihoods are barely addressed at all, despite the fact that most countries exhibit rising levels of urban poverty and project steep increases in urban populations.

4.22 PRS documents do not exhibit an appreciation of the multidimensionality of livelihood strategies, and they are also weak in their analysis of the sustainability of anticipated improvements in livelihoods.

#9. “PRSP Institutionalization Study, Report on Progress and Preliminary Findings” prepared for the Strategic Partnership with Africa November 2000, Overseas Development Institute, UK, considers the issue of monitoring under various angles, including data supply, demand for data, availability of data, and the suitability and credibility of indicators.

4.23 The report points out that there are ambitious data collection initiatives underway in several countries (Malawi, Mali, Mozambique, Rwanda, Tanzania). These efforts are, however, at an early stage, and in most cases, cleaned and analyzed data on poverty profiles will not be available in time to influence the design of PRSPs, even in the monitoring area. Further, reliable trend data from full household surveys will not be available in most cases for many years. As a result, several countries are going to undertake “light” monitoring surveys.

4.24 The demand for, and use of, data is a far more problematic issue in most countries. The background in most countries is that in the past, survey data collection has been a largely donor-driven, as well as donor-funded, affair, heavily underwritten in most cases with expatriate TA. The same was true until the last few years of participatory poverty assessments. Clear notions about what data production is for have not developed within national policy arenas. Monitoring and evaluation have tended to be regarded as technical exercises enabling the checking of IFI conditionalities, rather than as living instruments for assessing and improving performance and developing policies.

4.25 The report considers that the weakness and narrowness of the demand for information seems to be related to the pattern of incentive structures facing civil servants in the study countries. The report contends that until performance is encouraged and rewarded in a results-oriented way, demand for data within the official system seems likely to remain weak.

4.26 The availability of data is largely related to institutional problems. Weak institutional capacity reduces the chances of data being made available in attractive and accessible forms to the media, researchers and other stakeholders.

4.27 Early thinking on PRSP monitoring has resulted, in most of the study countries, in the compiling of very long and indiscriminate lists of indicators on which data are, or could be, collected. There is an urgent need to establish some criteria for selecting a much shorter set of indicators which are agreed to be valid indicators of progress towards poverty reduction and on which reliable data can be easily collected. There is some danger that the incentive of HIPC disbursement will lead to a focus on easy measurement at the expense of filling the crucial gaps in knowledge.

#10. NGOs also express concern about the “standardized” targets of PRSP in the report from Catholic Relief Services, “Contribution to the PRSP Comprehensive Review, Based on the Experiences and Comments of CRS Partners in Bolivia, Honduras, Zambia and Cameroon,” December 2001. The report contends that PRSPs do not have relevant targets and indicators for poverty reduction and appropriate proposals for monitoring and evaluation. The report says “Our partners in Pastoral Social Caritas Bolivia have suggested that the indicators are both too general, failing to take particularities of Bolivian context into account, and too technically complex for civil society groups to monitor easily.”

#11. Most of the issues raised in the foregoing literature are, by and large, confirmed by the recent review of PRSP process by Joint IMF/World Bank staffs

in “Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings,” paper prepared by the staffs of the IMF and the World Bank, March 15, 2002.

4.28 The main messages regarding the result-orientation aspect are the following:

- The development of PRSP is a major challenge for low-income countries, both in terms of analysis and organization. These countries have to put together an integrated medium-term economic and poverty reduction strategy, complete with short- and long-term goals, and monitoring systems. The paper argues that few industrial countries could systematically perform well these tasks.
- The challenges facing many of the PRSP countries are difficult and complex, and the link between actions and outcomes are sometimes imprecise. Encouraging progress is being made with respect to improving poverty data and diagnosis, clarifying targets and indicators for poverty reduction, and increasing attention to monitoring and evaluation. Actually, poverty data collection and analysis is far from reliable. Poverty and Social Impact Analysis (PSIA) has not been undertaken in the PRSP process, because of the weak national capacity. There is a need for development partners to assist countries in undertaking analysis of poverty and social impact of policy choices.
- On the other hand, long-term poverty reduction targets look rather ambitious, and PRSPs do not have good intermediate indicators.
- The review raises the issue of MDGs. Is it realistic to uniformly include these goals in PRSPs as national goals? In this regard, one could also ask the question about the realism of the MDGs themselves. Actually, many authors consider that the MDGs are not realistic, and that they cannot be met in SSA.
- Most PRSP have included plans to improve monitoring and evaluation capacities, although these plans are not very detailed. Overall, there has been substantial effort on the data collection front and the measurement of final poverty outcomes/impacts. However, PRSPs often lack good intermediate indicators to help track the implementation of programs. On the other hand, the infrastructure for monitoring has not been defined early. It is however, encouraging to note that many countries plan to associate civil society with the monitoring process of PRSP.

4.29 The report suggests a need for realism in the setting of goals and targets, as well as managing expectations, both within countries and among their development partners. It is also necessary to put in place monitoring systems that can help stakeholders follow-up the unfolding of the programme. Realism includes developing alternative macro-

economic scenarios in PRSPs, including contingency spending plan, and policies to reduce the risks from external shocks.

4.30 The report also suggests the need to:

- Develop the institutions required for improving monitoring and evaluation.
- Develop appropriate intermediate indicators to enable timely monitoring of performance and feedback to complement measurement of poverty outcomes.
- Provide sufficient resources for technical assistance in support of capacity building for PRSP design and monitoring.

#12. Germany. BMZ Contribution to the World Bank/IMF PRSP/PRGF Review, January 2002. (Work in Progress — This memo is based on the feedback received, in particular, from German embassies, KfW, GTZ, NGOs and other donors).

4.31 It is one of the merits of the PRSP approach that it has given fresh impetus to closer and continuous monitoring of the impacts of poverty strategies and of donors' assistance. By emphasizing the need for involving non-governmental players in the PRSP process, more scope was also created for independent monitoring of government policies. Positive examples, such as Uganda, show that the participation of civil society organizations in collecting and interpreting data and the publication of results improve the transparency of public decisionmaking (this process can currently be observed in other countries as well, for instance Ethiopia). Ideological frictions between the state, civil society, and the media are reduced somewhat. Through a joint national PRSP review process, a foundation can be laid for implementing existing plans more effectively. Target-oriented medium-term expenditure frameworks and public expenditure reviews can contribute towards continuous monitoring.

4.32 Monitoring within the framework of PRSP processes also offers great opportunities to parliament for keeping better track of, and assessing, government plans and activities. Experience gained to date indicates that donors too, often overtax the structures existing in these countries with their assistance by proposing too many, and too complex, indicators and monitoring systems. This risk is also involved in the World Bank's Poverty and Social Impact Analysis (PSIA), even if this instrument was designed not so much for ongoing and ex-post monitoring but rather for ex-ante reviews.

4.33 The development of monitoring systems which might replace donors' own monitoring and evaluation systems in the future, has only just started. Accordingly, harmonization efforts among donors are only beginning but are being pursued through joint program approaches and—in Germany's development cooperation—through systematic stock-taking of partners' own systems and indicators, for the drafting of Germany's bilateral Priority Area Strategies. The Poverty and Social Impact Analysis used by the World Bank also constitutes important progress. It would, however, be desirable to link PSIA to the monitoring system. Many measures of indirect poverty

reduction are not yet suited for systematic impact monitoring and their impact could hardly be assessed convincingly with the methods existing to date and without excessive effort.

4.34 However, this will only be possible if a limited set of clearly defined indicators is developed, which are kept simple, given the context existing in PRSP countries, which is marked by lack of resources and capacity.

4.35 Second-best solutions that work are often more useful in practice than ambitious concepts that can only be implemented with enormous external assistance. The inclusion of civil society may also help to complement purely quantity-based methods with quality-based and participatory methods of monitoring. The link between goals and indicators at the level of the PRSP and of sector strategies can also be strengthened further. However, if the goals have been formulated too vaguely in the PRSP, it will be difficult to make up for that at the level of monitoring.

#13. The United Nations General Assembly report “Road map towards the implementation of the United Nations Millennium Declaration: Report of the Secretary-General,” 6 September 2001 lays out 48 Millennium Development Goals (MDGs), establishes targets for each, and lays out some basic, general strategies for meeting those goals.

4.36 These MDGs have become a starting point for many donor country efforts, such as for establishing indicators (and targets) for PRSPs. The annex in which the MDGs are listed indicates that “where relevant, indicators should be calculated for sub-national levels—i.e., by urban and rural area, by region, by socio-economic group, and by age and gender. The indicators and targets should be limited in number, be stable over time and communicate clearly to a broad audience. The Annex goes on to “underscore the need to assist in building national capacity while engaging in further discussion with national statistical efforts.”

4.37 The report does not directly address the need for tailoring the indicators to individual countries, as recommended in some of the above reports.

#14. France’s Contribution to the PRSP Review organized by the IMF and the World Bank in Washington, January 2002. Memorandum to the World Bank/IMF PRSP Review.

4.38 The main messages emerging from the memorandum are the following:

- It is appropriate to be more demanding as to the quality of the final papers, while remaining aware of the countries’ administrative constraints. It is also appropriate to ensure that this quality requirement not be used to postpone the date of the countries’ HIPC completion points. Almost all the interim PRSPs produced today are of mediocre quality (the NGOs themselves acknowledge it), and more and better efforts must be made to help the countries during the drafting process.

- By their very nature, the PRSPs reflect the difficulties of all institutional mechanisms in developing countries. The number-one priority is to strengthen their institutional capabilities. These weaknesses were emphasized in the cases of Bolivia, Honduras, Mauritania and Mozambique. Donors should join their efforts in the setting up of appropriate technical assistance and in the training—particularly adapted to the PRSPs—of civil servants, mainly within these countries' ministries of finance, which are often responsible for this essential work. In view of its institutional capabilities, the internal organization of the country also plays a major role, and it is crucial that the departments responsible for the drafting of these documents be the same as the departments responsible for implementing them. It is important that the countries set up a mechanism for tracking the progress made (in most countries, the initial papers have been drafted without taking into account the inability to measure the impact of the recommended policies).

4.39 There is a need to introduce indicators for measuring the non-financial dimensions of poverty, as was recommended by the European Commission to the OECD's CAD at an informal meeting on the subject in December 2001. However, if the assistance is accompanied by additional conditions (such as for the PRSC awarded to Uganda), it is important that the criteria be developed in concert with all the other lenders (a fault in the WB's drafting of conditions for its PRSCs, but also in other HIPC procedures).

4.40 The concrete implementation of PRSPs should promote the use of programmatic sector and budget assistance systems, to the extent that this type of assistance seems better adapted to the general philosophy of these strategy papers, to which the beneficiaries have adhered. However, this should not be done to the detriment of investment lending.

4.41 Strengthening the monitoring-evaluation systems is stipulated in the PRSP processes. To grant their assistance, the paper suggests, donors should definitely ensure that the countries have the means to implement this monitoring. In this context, they must direct country monitoring system evaluations, while refraining from taking over this monitoring (or doing it only temporarily if the country lacks the capabilities). It is crucial to set up technical support to supplement the beneficiary governments in this supervisory task, and to do so far enough upstream. At the same time, we consider it is central that donors come to an agreement with recipient governments on common framework to assess the results of the policies implemented under PRSPs. This includes common evaluation mechanisms in order to avoid overlapping evaluation processes and delaying disbursements. It is indeed key, that commitments to beneficiary countries are fulfilled.

#15. "Development Co-operation Review: United Kingdom," DAC Journal 2001, Volume 2, NO.4, OECD, and two recent DFID papers (see below).

- 4.42 The DAC review is a quite comprehensive review of the development co-operation policies of the United Kingdom, undertaken by a peer review team of the Development Assistance Committee.
- 4.43 The report states that "The United Kingdom has ...geared its aid programme around achieving the results-oriented international development targets and millennium development goals..." It indicates that the Department for International Development (DFID) has particularly focused on PRSPs as it means to support poverty reduction.
- 4.44 The report notes that in the longer-term, achievement of the international development targets in each developing country will provide a basis for assessing DFID's performance. Developing countries themselves will measure achievement of the international development targets, but many lack timely, comparable and comprehensive data. The UK has been a leader in helping countries improve their statistical capacity. The authors go on to note that establishing the linkages between a donor's contribution and the results is "a complex and difficult issue." [We suspect firm linkages is probably in most cases, impossible, even with the best evaluation techniques.]
- 4.45 The report expressed some concerns. Some targets relate to inputs rather than outcomes (e.g., the percent of DFID's funds going to poor countries). The education and health targets are achieved if average performance across countries are achieved rather than the achievement in individual countries. DFID staff generally have little ownership of the objectives and targets, and the targets have little "strategic impact."
- 4.46 The responsibility for monitoring DFID's bilateral projects and programs was primarily devolved to staff in the field. They prepared project reports primarily on activity and outputs. Performance at the "purpose" level by DFID advisors and contractors. DFID's evaluation department has shifted from in-house evaluation to the use of external consultants.
- 4.47 A recent DFID paper, "DFID Country Assistance Plan Guidance" (undated) indicates that achievement of MDGs is the "over-arching aim" of its public service agreements. Objectives of each PSA will be identified with targets "detailing the outcome DFID aims to contribute to." DFID also expects to assess annually its performance in implementing the plan for each assisted country. The monitoring portion of the Country Assistance Plan is to be updated annually. That section is to set out measurable indicators, with the indicators starting from the outcome indicators in the country's PRSP.
- 4.48 The recent DFID paper, "How Should DFID Respond to PRSPs?" (undated), makes the point effectively that a danger is that donors will, whether intentionally or unintentionally, overly influence assisted countries in ways that do not actually represent the desires and buy-in by the countries. Thus, the assistance should emphasize improving the process by which the PRSP was developed so that defects will be removed in the future. The paper further recognizes the importance of strategy implementation and not merely writing a strategy. Thus, countries need "continued capacity building and technical assistance from donors, including "performance management systems with

improved incentives for public service managers to translate inputs into outputs and outcomes."

5. Findings From Survey of Donors

5.1 As part of our investigation of donor experience with results-orientation, we took part in a larger survey sent out to donors on the CDF Evaluation Steering Committee, generally the heads or senior officials of the evaluation units of these organizations. This section describes our findings in the results-orientation section of that survey. A tally and summary of actual responses can be found in Appendix B.

The Survey and its Limitations

5.2 The complete survey was 18 pages long, divided into three sections. The Results-Orientation section was the last part, and consisted of five questions (several with multiple parts).

5.3 Some inherent limitations to this methodology need to be acknowledged right away. An important one is the small number of respondents—the survey was sent only to the donor organizations that have already subscribed to the CDF principles. We requested that a slightly different version be sent to other (non-subscribing) donors, but this did not occur. The number of responses was limited both by the number of organizations involved, and the independent decision of each agency regarding the number of individuals that it asked to respond. A related issue is the difficulty of selecting the appropriate person within each agency in order to find someone who might be most knowledgeable on the whole range of questions (this issue is revisited later in this section).

5.4 We cannot construe any specific answer as necessarily representing the agency's official stance. Another difficulty is that anonymity was not guaranteed—neither by the survey administrators (ourselves) nor (perhaps more importantly) within each agency (for example, the survey was returned via a third party rather than directly by the respondent to the survey administrators, although it is not of course known whether there was any vetting process).

5.5 The survey's format, as an e-mail attachment, was in a sense a double-edged sword—while this format permitted wide and rapid distribution, it may also have affected responses. Some respondents seemed comfortable with the format, but others seemed to have difficulties in knowing how to mark the survey, and might have been more forthcoming with a conventional “hard-copy” questionnaire.

5.6 An additional difficulty, of course, is that many of the issues associated with CDF are very new; this is especially true of results-orientation, and many respondents did in fact provide fewer or more limited responses in this area.

5.7 Finally, many of these questions are highly subjective—one person's experience with results-orientation might have been experienced quite differently by another individual – and therefore, responses have to be viewed in that light.

Responses Received

5.8 The survey was sent to thirteen donor organizations; the following table lists the organizations to whom the survey was sent and the number of responses received.

Recipients and Specific Countries Responding (where relevant)	Total Number of Responses Received	Number of Responses with Answers in Results- Orientation Section
DFID – Vietnam	2	1
European Commission	1	1
Danish International Development Assistance (DANIDA) – Bolivia, Ghana, Burkina Faso, Uganda	4	4
USAID	1	1
Norway Ministry of Foreign Affairs	0	0
Swiss Agency for Development and Cooperation	0	0
Netherlands Ministry of Foreign Affairs – Burkina Faso/Ivory Coast	6	3
African Development Bank	0	0
Swedish International Development Agency (SIDA)	0	0
Canadian International Development Agency (CIDA) – Bolivia	1	1
United Nations Economic Commission for Africa	0	0
United Nations Development Programme (UNDP)	0	0
Japan Bank for International Cooperation (JBIC)	0	0

5.9 Altogether, six agencies responded, some with multiple questionnaires, coming to a total of 15 responses. Seven agencies did not send any response. Of the 15 responses, four had no answers at all in the results-orientation section.

5.10 The lack of response may be due to several different reasons—we believe a combination of the following to be responsible:

- It may have been difficult to find the appropriate person to respond knowledgeable to these questions – in some cases it might be best answered by someone in the field, in others, by someone at headquarters charged with agency policy or evaluation. Also, because many of the questions are very subjective and because even within one agency experience can vary considerably, one would expect different individuals to respond quite differently. It seems to be no accident that some of the most informative responses were from those agencies who sent the questionnaire to multiple respondents.
- Results-orientation is among the least familiar concepts even within the four principles of the relatively new Comprehensive Development Framework. In some cases respondents who felt relatively comfortable discussing country ownership or country-led partnership may have been unfamiliar with results-orientation or felt they had less to report.

- The placement of the results-orientation section at the end of an 18-page survey may have contributed to non-response due to questionnaire-fatigue.

Survey Findings

1. The first question sought to examine the quantity and nature of each donor agency’s active encouragement of recipient countries to adopt a “results orientation.”

5.11 Of those who responded to the survey, almost all (nine out of 11) reported some activity in this area, mostly in the form of required monitoring for specific assistance projects. Two responses mentioned developing indicators in cooperation with the recipient country. Nine respondents also provided technical assistance to countries, but the assistance was principally related to PRSPs or national level statistics rather than for developing and using performance indicators more generally. Slightly fewer (seven respondents representing five agencies) provided funds or other resources to aid recipients for training in performance management, with again one mention that the assistance was specifically in the context of PRSPs and SWAPs, and with statistical capacity generally.

5.12 One instance—the European Commission—mentions specifically linking the volume of budget support to the achievement of targets for performance indicators.

2. The second question asked about “results orientation” results, asking for specific instances.

5.13 Seven respondents gave affirmative answers. Examples were overwhelmingly related to aid projects—ranging from agency country programs and annual reports (USAID, CIDA) to monitoring systems in sector programs or PRSPs. Only one example, cited by the EC and relating to health clinics in Burkina Faso, suggests that results orientation might have been used in that case outside the scope of a direct development project.

5.14 The uses were primarily for project monitoring, but three agencies (USAID, CIDA, DFID) mentioned a broader application within agency-wide programming, including linkage with country plans.

5.15 One answer specifically mentioned the MDGs as having “a prolific impact on the donor community in making us assess our systems for measuring performance and effectiveness and for measuring progress towards the MDGs.”

3. The third question concerned whether problems have arisen due to conflicting messages to recipient countries from donors about “results-orientation,” and what those problems are.

5.16 Five respondents gave affirmative answers, mentioning the following problems:

- Donors are themselves not clear and apply different concepts, that this is a continuous problem.
- Results orientation can be confusing when it is not clarified that the partner country must be directly accountable.
- Problems arise more because of a set of different messages about what results to aim for and failure to agree on common indicators and target values.
- Problems are created by requiring development country governments to adopt performance assessment systems or improve those systems, even when developed country governments are struggling with this concept.

4. The fourth question asked about specific problems in aid agencies' efforts to deliver RO messages to aid recipients.

Did these Problems Occur?	Number of mentions and Comments
Lack of clear definitions of the key RO terms	6
Allocating too few resources to advance RO	3
Not providing consistent aid for a sufficient amount of time	0 On the contrary, aid is often provided too long without accountability for results
Not giving assisted countries enough time to implement the principles adequately; expecting too much too quickly	3
Conflicting objectives of donors	4
Lack of coordination among donors	4
Lack of interest/support by the assisted countries	3
Lack of assisted-country expertise to adequately implement the needed activities	6
Units within your organization not providing consistent messages	2 Yes, despite consistent policies and extensive training
Lack of understanding within your own organization as to what "results orientation" is and how it should be promoted	5
Not adequately evaluating the progress your organization is achieving in a "results orientation" by countries you are assisting.	2
Other: Not enough space for Agency staff training or time to think about M&E by results	1
Other: All the above in different countries. All donors have only recently started to work in this area.	1

5.17 The responses in this section are quite telling. Although six responses (the highest number for any one problem encountered) indicate the lack of expertise in the recipient country, only half that number believe that there are insufficient resources allocated to helping recipient countries. This suggests that donors are not yet paying attention to the fact that recipient countries may really need extensive capacity building in order to take on this new set of skills.

5.18 Another issue that emerges clearly both in this section and throughout the questionnaire is the difficulty within agencies with understanding results orientation, including clear definitions of the key terminology. Another recurring theme is lack of coordination among donors, although there is some evidence that coordination is addressed explicitly on occasion, especially around large highly visible exercises such as the PRSPs.

5. The final question asked donors to assess the extent to which they believe that the Millennium Development Goals / International Development Goals will help assisted countries to improve.

5.19 Responses to this question were evenly divided; of the ten responses to this question, three each said “to a considerable extent” or “little, if any, effect”, and four said “to some extent” regarding the positive impact. One donor (DFID)—who was at the positive end of the spectrum—added the comment that the goals need to be made country-specific, and that other improvements are also required (backing PRSPs, and harmonizing procedures, for example). Other comments in this section added that commitment from developing countries is still lacking and that donors should consider withholding aid in the case of non-performance in some cases (USAID); and that MDGs are only a statement of desired results and do not give insights to donors or recipient countries on how to achieve them (CIDA).

Summary of Key Findings/Trends

5.20 It seems that donors are increasingly using results-orientation,² but it still seems limited primarily to the monitoring of specific aid projects, and not as an approach whose adoption is encouraged in recipient countries for more general purposes. Further, the most frequently mentioned examples are the profile country-wide projects most frequently associated with CDF, that is, the Poverty Reduction Strategy Papers. This suggests that while there is an increase in awareness about and use of a results-orientation, it may not be general within assistance efforts on the whole.

5.21 On the other hand there is evidence of an increase in efforts to connect donor project indicators with country planning indicators (the Netherlands, USAID, CIDA, and DFID all mentioned this explicitly), and of an awareness of the need to increase coordination amongst donors with regard to choosing indicators.

5.22 The findings illuminate some of the thorny problems associated with the introduction of a results-orientation.

- One of the purposes of adopting a results orientation is to promote accountability, but accountability requires ownership of the results process. Survey responses suggest that this objective is still quite far off. One donor writes about the

² We need to be a little cautious about this generalization, as the affirmative answers only represented six agencies out of the thirteen donors who have subscribed to CDF – and we cannot necessarily conclude anything about the donors who did not respond.

confusion that ensues when it is not clear that the “partner country must be directly accountable.” There is also substantial evidence that the partner countries are not yet full partners in choosing the indicators and establishing the systems. (The very fact that several responses mention efforts to link donor project indicators to country planning indicators implies that they were developed through entirely separate processes.) The EC also reports that it is often difficult to agree on common indicators and what results to aim for. In addition, there are almost no examples given of results-orientation applied to objectives outside direct-donor projects.

- Adopting a results-orientation is likely to require time and help. While this is acknowledged by almost all the donors with respect to their own policies and procedures, it is perhaps not fully enough realized with respect to the recipient countries themselves. One donor takes issue with the requirements for adopting performance assessment systems when even developed countries struggle with this process. This issue is also echoed in the listing of problems encountered where there seems to be limited recognition of the insufficiency of resources dedicated to advance results-orientation.

5.23 We recommend in the future pursuing this avenue of feedback a little further by encouraging a wider distribution of the survey (including non-subscribing donors), explicitly asking for many more specific examples, but augmenting the exercise with follow-up telephone interviews.

6. Reviews of the Country Evaluation Reports

6.1 We have reviewed the materials we received as of late July. We reviewed two of the six country evaluation reports in-depth, Uganda and Vietnam. We received reports on the other four countries quite late in the project and have not had the opportunity, or resources, to examine them as thoroughly as we would have liked. (For Ghana we have received only a “Preliminary Executive Summary,” undated.) Below we discuss the findings of the case study reports as they relate to the results orientation principle.

6.2 We note that none of the country case study reports contained much information about the progress of the countries in establishing a results orientation, perhaps because there was not much to say at this stage. However, in future donor evaluations, we recommend that country results-orientation evaluators be given a set of results-orientation progress criteria to use as a starting point for their assessments. An example of such a set of criteria is presented in Exhibit 2 in Section 3 (Recommendations). Country evaluations of progress in results orientation will require extensive examination of a wide variety of activities at both the national and local levels of government as well as a look at the results-orientation activities of civil society.

Uganda

6.3 We reviewed both the summary report of the December 2001 “CDF Evaluation: Uganda Case Study,” as well as the revised draft of February 2002, “CDF Evaluation: Uganda Case Study.” The results-orientation section of the case study states current initiatives, concerns, and lessons learned that are very similar to our reading and evaluation of the Uganda PRSP and other documents (see section 5). Uganda has taken several steps that make it a forerunner in results-orientation. However, refinements are needed in defining and using performance information, as well as institutionalizing the process and making it more participatory.

- The summary report (page 5 and 6) lists the various monitoring and evaluation initiatives of the government: the poverty eradication action plan (PEAP), the poverty monitoring and evaluation strategy (PMES), the poverty action fund (PAF), and the role of civil society in monitoring results information. However, it does not state or evaluate the achievements of these initiatives.
- The challenges identified in the executive summary of the February 2002 report for results orientation in Uganda are: (1) significant corruption, (2) adoption of processes to monitor effective service delivery is yet to be institutionalized, and (3) two major instruments for using results information to improve performance, Output-Oriented Budgeting (OOB)—which feeds results information into the budget process, and Results-Oriented Management (ROM)—which feeds results information into institutional and individual performance appraisal processes, are not yet fully operational (page xiii).

- The full report on the Uganda case study identifies the key entities involved in coordinating the monitoring of poverty eradication (page 30). It also states that within the Poverty Monitoring and Evaluation Strategy (PMES) there are several institutions involved in the process of data gathering and reporting—not only on inputs but also on outputs, outcomes and impact of Uganda’s development programs. Information is collected from line ministries on input-output data, while that on outcomes and impact is derived from periodic surveys and studies (e.g. the Demographic and Health Survey, taken every five years).
- “The production of needed indicators is limited owing to lack of a coherent monitoring system to integrate data collected from different sources. There are also differences in concepts and definitions used by the different institutions. Some pillars and sectors of the PEAP still lack short and medium-term targets. For others such as, increasing incomes for the poor, there are as yet many undefined indicators as well as targets (e.g. “accessibility to markets”).” (page 33)
- Civil society and private sector are less positive about concluding that Uganda has increased its capacity to collect, analyze, and disseminate results-oriented performance information.
- “The main analytical capability in terms of accessing and further analysis of household surveys undertaken by UBOS has been attributed to the Economic Policy and Research Center (EPRC) at Makerere University and to expatriate consultants hired by donors such as the World Bank. In the past, these consultants provided on-the-job training in data collection to their counterparts, but tended to complete the analytical work back at their institutions of origin. Such modes of operation for capacity development deprive national counterparts of the opportunity to absorb the necessary analytical skills after their data collection initiatives. This is one reason given to explain limited analytical capability at UBOS.” (page 35)
- “The concept of a results orientation is not fully appreciated by the majority of data producers and users. There is limited training in monitoring and evaluation. Data collection in most institutions or line ministries focuses on the output level and at most on the management-oriented (ROM) level. There is need for further training on linking outputs to intermediate outcomes and higher level results.” (page 35)
- “Most if not all data collection efforts in Uganda have been donor funded. The concern therefore is how data collection will be institutionalized given that there is need to go beyond what is currently being collected at the household level. Currently there is no other institution other than UBOS that collects national level data; others provide subject specific data or case studies. Institutionalizing the poverty monitoring strategy is a step in the right direction because of the likelihood that the strategy will be rolled into the budget process for funding.” (page 36)

- “Strengthening capacity for monitoring and evaluation must go beyond government if the principle of results-orientation is to be rooted firmly in Uganda. Civil society in particular does not have sufficient capacity to participate effectively in the complex budget process. Yet, civil society has an important role to play by demanding greater transparency and accountability from government.” (page 36)

Vietnam

6.4 We reviewed the March 23, 2002 draft final report “Viet Nam Country Study,” both the summary and the full report. The report does not provide much information on the Country’s status regarding institutionalizing a results orientation. However, it provides a number of important observations and findings:

- In the three provinces visited by the evaluation team, provincial authorities indicated: “There was a strong emphasis on the need to focus on outcomes, particularly those results directly contributing to people’s livelihoods.... Mobilizing local resources depended heavily on convincing stakeholders of the potential benefits...those contributing resources had very strong incentives to hold local authorities accountable for effective use of those resources.” (page 18) These statements appear to provide a very important element of a results orientation anywhere.
- Vietnam has prepared 10-year strategies for a number of sectors: health care, rural water supply and sanitation, reproductive health, nutrition, children, and public administration reform. However, the report does not indicate the extent to which these plans include performance indicators or address the need to develop improved performance indicators, or the use of them in the future. (page 11) (A potential task for us in the final phase of our evaluation is to attempt to examine the content of at least some of these plans to obtain a more informative perspective on the extent of Vietnam’s current results orientation.)
- Its public administration reform plan includes intended efforts to “eventually... calculate budget requirements on the basis of outputs and quality of operations...” (page 22)
- One initiative is to establish a new set of indicators, drawing upon the Millennium Development Goals (MDGs). The set is intended to be in line with the government’s strategic goals and with a somewhat shorter timeline than the MDGs to fit the timing of the current national strategy. (page 33)
- Several donors have been supporting capacity development for national statistics, through the central government’s statistic office and research institutes. The central statistics office is preparing a household survey to help monitor “changes in livelihood.”

- Six bilateral donors made a number of joint commitments in 2001 to pursue (among other activities) “a clearly defined and jointly funded capacity building programme...” and “better understanding of sector-wide approaches and tools such as the logical framework approach. (page 36) However, no more details were provided. It is not clear to what extent this will include efforts to help building a results orientation.
- The plans include some performance indicators, but the report does not provide detail on them, except in rare instances. A set of Vietnamese development targets, reflecting the MDGs is being incorporated into its Comprehensive Poverty Reduction and Growth Strategy. However, the report notes that “...reformulating the MDFs to the Vietnamese context so far has largely been donor driven...” (page 55)
- The few specific indicators were macro indicators such as amount of export revenues and of industrial production. The evaluation team expressed concern that the targets on these indicators are overly ambitious. (page 55)
- Several donors are supporting statistical capacity building through the central statistics office and various research institutes. The central statistics office is preparing a multi-purpose household survey, which the government tentatively plans to be an important tool for monitoring changes in citizen livelihood in future years. (page 57)
- Non-governmental stakeholders raised the concern that donors have a critical role in ensuring quality control, since government capacity is still weak. (page 63)
- The evaluation report raised the issue of donors’ rewarding or penalizing countries based on success in meeting targets (“World Bank states its intention to go from conditionally lending to performance-based disbursement...”), noting that it would be difficult to use performance for decisions on funding. However, the evaluation team reported that it believed there is a need to link targets “to concrete reform outputs—e.g. the coverage of pre-payment schemes in health, not only human development indicators; and the need to relate targets to geographical areas, not only national averages.” (page 63)
- The evaluation team believes that the media and National Assembly are the most important institutions for holding the government accountable for development objectives and aid effectiveness. (page 57)
- While there is a strong resistance “when donors push on policy reform... long-term investment in capacity building and training is welcomed and has been effective.” The report does not indicate whether this welcome applies to an investment in capacity building in performance management or other aspects of a results-orientation. It is not clear from the report’s findings whether Vietnam is

making progress in spreading a results-orientation beyond the inclusion of macro performance indicators in strategic plans and monitoring future values of those indicators (page 60).

Romania

6.5 We reviewed ‘Implementation of CDF Principles in a Transition Economy: A Case Study of Romanian Experience,’ July 4, 2002, draft. On the whole, this report does not indicate that much progress has, thus far, been made, that concerns with results have been input-focused with little articulation of overall quality of life aspirations (item #3.107, among others). Below is a summary of the findings on results orientation.

- “Unfortunately, the notion of a country-led development process oriented to results is a distant goal in Romania today.” This is ascribed to lacks on both the supply and demand sides (item # 3.84). The authors expressed considerable concern that, because democracy is quite young, few citizens press for results information, or, presumably (though not explicitly mentioned in the report), complain about service quality.
- The health sector has been moving forward (item #3.85).
- MDGs are not commonly referenced, the Romanian plan includes poverty reduction goals (item #3.87).
- The report presents a table containing a number of general, though these are primarily expressed as needed actions, not the end results sought by these actions. “Only in rare instances are quantified results included (item # 3.92). Another recent (March 2002) Romanian document does provide general outcome-oriented goals, sometimes using MDG language but contains few quantitative indicators or targets (item 3.95/3.96). the quantitative targets include “Providing access to drinking water supply for 90% of the population by 2004 (but this does not define “access” nor indicate the current access percent). The country has plans to establish a system for monitoring the goals using quantitative indicators (item # 3.102).
- Most monitoring reports, thus far, are reporting passage of laws and compliance with loan conditions (item # 3.97).
- On the plus side, Romania has instituted a form of program budgeting covering all ministries. Several ministries had introduced program budgeting several years ago, pioneered by the Ministry of Health and the Family (item 3.98), “including identification of results indicators.” There should be a link between an agency’s program budgets and the country’s national goals. However, few Ministries have bought into program budgeting and have no performance indicators (item # 3.100).

- The authors included in their recommendations about public service reforms that rewards/penalties be linked to the performance of public servants in terms of their contribution to objectives and outputs (item # 3.106).
- The authors note that Romania needs assistance in results monitoring. It references a World Bank study that recommended assigning primary responsibility “for the performance management approach” to the Ministry of Public Finance, making this management approach a real priority, strengthening the program budgeting effort, and “developing a strategy to move performance management to the local government level in a meaningful way but only over time,” and refining national statistics capacity to capture and analyze performance data (item #3.105). We note that the World Bank reports was one of the very few donor, or donor-sponsored, reports we examined or found quoted (including country case studies and PRSPs) that recommended performance management and for local governments.

Bolivia

6.6 We reviewed “Evaluation of the Comprehensive Development Framework (CDF): Bolivia Case Study,” May 2002.

6.7 The report indicates that considerable attention has been given to establishing organizations assigned to undertake monitoring of results. The actual implementation of such activities does not appear to have progressed very far. Few details are provided as to actual implementation. The report, however, does provide examples of poverty indicators, with data from the 2001 census, and health and education outcome indicators (for education: illiteracy rates, percent of students completing 8th grade, promotion rates, and drop-out rates; for health: immunizations percentages for children under 1 year of age, prevalence of malnutrition in children under 5, and infant mortality rates). The report notes that “Some sectors, such as health, have been performance-oriented for years... This approach is now being applied at all levels in the health services sector through management commitments... which also include performance monitoring and evaluation systems.”

- We note, however, that the Bolivia March 2001 PRSP (see Section 7) indicates that a number of intermediate outcome indicators have been identified. The PRSP provides some details on plans for future data collection, including the intent to develop a municipal system of indicators to monitor progress in reducing poverty in each municipality.
- The CDF Country evaluation report notes that the BPRS has four goals “with impact indicators in line with the Millennium Development Goals.”
- Bolivia has established an Inter-Institutional BPRS Monitoring and Evaluation Council composed of central planning, analysis, and statistical offices.

- As part of the country's Institutional Reform Program, government institutions sign agreements specifying goals and expected outcomes. The one example of "results" given is that the ministry of Agriculture and Livestock stipulated that the institution had to lay off surplus personnel and this was achieved. (While this particular indicator can be a legitimate process goal, we hope that the agreements also contain outcome goals.)
- Finally, the report notes that "though capacity is usually much stronger at the central level than the sub-national level, there is a tendency to make monitoring and evaluation systems too large and complex. Skills in these areas at the central level are not matched by similar local capabilities to ensure reliable and timely information. This is also true of sectors such as health and education."
"...strengthening the results orientation approach presupposes a comprehensive re-examination of the incentives offered to encourage it by both the government and international cooperation agencies."

Burkina Faso

6.8 We reviewed the June 2002 "Burkina Faso Case Study: Executive Summary." We have received and reviewed only this portion of the report. Burkina Faso was not a CDF pilot country. (The version of the draft we reviewed did not contain page numbers or numbered paragraphs so we were not able to provide such information when citing material from the report.)

- A stated objective of the case study was to help the government "enhance the chances of achieving the MDGs." The report started out by stating that a specific objective of the case study is to "identify ways and means to strengthen the local capacity to implement the PRSP in order to enhance the chances of achieving the Millenium Development Goals." (We note that while building local capacity is fine, the sole focus on the MDGs and PRSPs seems a narrow view of CDF. The draft report appears to focus primarily on CDF principles as they relate to the PRSP.)
- The report notes, in the section on country ownership, that "operationalizing monitoring and impact evaluation mechanisms would be a powerful way of building up ownership." The study team surveyed various stakeholder groups. It found that both central and regional offices of technical ministries indicated that the PRSP would likely have a strong impact as a management and monitoring tool on 10-year plans for education, health, and rural water.
- The team indicated that the primary attention for monitoring had been on macroeconomic and fiscal elements with few performance indicators for other components of the PRSP. Attempts are being made to involve the operating agencies, but it has been "difficult to get the technical ministries to participate in the monitoring committees which are not directly related to their primary function."

- Results orientation has been recognized as one of the "weak pillars" of the Burkina PRSP process. The PRSP, however, has stimulated "government thinking on national-level indicators towards achieving development goals."
- On the brighter side, Burkina has baseline information from 1994 and 1998 poverty survey plus a 1998 qualitative study of perceptions of the poor regarding the causes of poverty. The country also has "solid sector information, in particular health and education" (though the report does not indicate the type of data included in this information). The report briefly summarizes some, limited, information on progress in four sectors: health, education, agriculture and rural development, and energy. It again notes that the PRSPs focus has been on health, education, and macroeconomic management but excludes other sectors, such as natural resources, water, housing, and tourism. However, only for the health sector does this report identify specific quantifiable objectives, such as "reducing incidence of morbidity and mortality," with intermediate objectives ("coverage and quality of health service, fight against disease, HIV, increased efficiency of service delivery" and some process objectives). We note that this is the only case study report, or PRSP, that we have examined that explicitly attempted to assess progress in the individual sectors.
- As appears to be usual in PRSP countries, a national statistics office is the principal agency responsible for poverty monitoring. That agency, however, lacks adequate resources.
- The Medium-Term Expenditure Framework (MTEF) is identified as an instrument for monitoring priority programs. However, it is not made clear how the MTEF might generate progress towards a results orientation.
- The PRSP does not identify participatory approaches for monitoring progress in poverty level at the decentralized level, such as targets for indicators.
- The report authors identify the need for both intermediate indicators and impact ("end") indicators, using the example of vaccination coverage as a useful intermediate outcome indicator for the short term and incidence of the diseases targeted by the vaccination campaign as the impact indicator. The report notes the need to identify the cost needed to collect the information.
- The authors also make the solid point that analytical tools are needed to help understand (i.e., explain) why the measured outcomes levels have occurred.
- The national monitoring program being designed does not appear to have made much effort "to learn from experience in monitoring NGO supported programs." It would be informative to know what efforts government agencies have made in Burkina to monitor NGO programs the agencies have helped fund—to help assess the state of results orientation.

- Overall, the report authors indicate they believe Burkina is making progress and has medium probability for future PRSP implementation of a results orientation. The authors rate Burkina "3" on a scale of 1-5 for both PRSP implementation to date and future PRSP implementation.

Ghana

6.9 We have received only the undated 10-page "Preliminary Executive Summary." Following are the items reported by the study team relating to results orientation. On the whole, this paper does not indicate that much progress has, thus far, been made, nor does it indicate much optimism for the near future.

- The PRSP contains specific poverty reduction targets for the coming three years (item # 28). Presenting near-future targets is quite unusual for the PRSPs we have seen. Having near-in targets seems highly desirable.
- The study team recommended that neither donors nor the country "should focus exclusively or excessively on the GRSP and make unreasonable demands as to its inclusiveness and resilience" (item # 33). The team recognized that such a focus would run the risk of distorting other policy processes. (We believe this same issue is important in relation to all PRSP countries.)
- "Despite efforts, there is not much progress here, with a generally weak monitoring situation. But some efforts are being made" (item # 56). "The basic machinery required to foster results orientation is still quite weak" (item # 59).
- "There are active plans to strengthen (previously near-zero) monitoring capabilities of NPDC, especially in connection with GPRS (but staffing and budget of NPDC remains quite inadequate...)" (item # 57).
- The health area was cited as being strong on the development of performance monitoring, "but there remain large data problems and considerable inertia" (item# 58).
- Finally, the report notes that "Incentives fostering political accountability, which in the end is the key to results orientation, are still weak...[with] serious challenges to advance in this area" (item# 60).

7. Examination of Poverty Reduction Strategic Plans

7.1 These documents were available to us on the IMF Web site. They represent one of the few types of reasonably current documents available that can provide an indication of progress in country results orientation. Of course, we do not know to what extent these documents truly represent country thinking, rather than merely responding to the wishes of donors nor to what extent they will be implemented. However, they do represent considerable effort by the countries and do provide indications of at least stated intentions.

7.2 On April 19, 46 countries had interim or final PRSPs listed on the Web site. We examined seven of these. We examined only reports with a 2001 or 2002 date and, with the exception of Azerbaijan, only final PRSPs. Here are our findings, first, on the individual plans and then our summary observations.

Burkina Faso

7.3 This section draws both on our review of the September 2001 PRSP itself and on several reports about the PRSP process.

7.4 The report on the PRSP process in Burkina that was commissioned by the Ministry of Foreign Affairs of Denmark, Danida (Review of PRSP process in Burkina Faso, January 2002) points out that the PRSP is concentrated on ongoing programs and projects, particularly in the areas of health, education, and macro-economic management. As a result, important economic sectors are excluded from the process, including natural resources, water, housing, agriculture and other related sectors.

7.5 Given the dominant role of agriculture in the overall economy (accounting for about 40 percent of GDP and 78 percent of employment) and the concentration of nearly 95 percent of the poor in rural areas, the Joint IMF/World Bank Staff Assessment (JSA) of the PRSP in Burkina Faso (October 2001) noted that the action plan for rural development lacked a broader strategy for rural growth and poverty reduction. The JSA urges the authorities to promptly address this weakness through the formulation of a comprehensive rural development strategy with measurable indicators and targets.

7.6 On the other hand, the JSA contends that in the context of providing support to productive sectors, there is little indication of current developments concerning access to agricultural inputs (notably in the cotton sector), for measures to diversify rural incomes and increase the competitiveness of agricultural exports (such as access to market information, financial services, and appropriate technologies). The staffs recommend that the government, with the assistance of the World Bank, develop an integrated and comprehensive strategy for rural growth, incorporating the various sub-sectors action plans, with outcome indicators that encompass the views of all relevant stakeholders.

7.7 In the same vein, the JSA welcomed the actions taken to promote good governance and fighting corruption in Burkina Faso, including the publication of tenders on government contracts, the initiation of the revision of the general regulation of

procurement, the monitoring of compliance with tax legislation by enterprises in the formal sector, the creation of an Ethics Committee, and the emergence of a civil society led national anti-corruption network. The PRSP-PR, however, is silent on indicators and targets to monitor the implementation of these initiatives.

7.8 According to the Progress Report of PRSP in Burkina Faso for the period July 2000-June 2001, the government has set up good institutional arrangements (although it was eight months after the drafting of PRSP), involving decisionmakers at the highest levels, to monitor the PRSP process. It decided on March 2001 to set up a three-level monitoring mechanism, consisting of the following agencies: the Ministerial PRSP Oversight Committee (CMS/CSLP); the Interministerial PRSP Technical Monitoring Committee (CTS/CSLP); and the PRSP Sectoral Monitoring Groups (GS/CSLP).

7.9 The Ministerial PRSP Oversight Committee (CMS/CSLP) is the decisionmaking body. It is chaired by the Prime Minister and has three main tasks: (i) to evaluate the progress reports on the action plans established for the implementation of the poverty reduction strategy; (ii) to approve any changes in the strategy paper arising from the evaluation of sectoral action plans; and (iii) to find appropriate solutions to problems in implementing the PRSP.

7.10 The Inter-ministerial PRSP Technical Monitoring Committee (CTS/CSLP) consists of the secretaries-general (Permanent Secretary) of the ministerial departments and senior staff of the agencies involved in the implementation of the PRSP. Chaired by the Secretary-General of the Ministry of Economy and Finance, the task of the CTS/CSLP is to coordinate the implementation of the sectoral action plans. The coordinators or lead donors are allowed to take part in the work of the Technical Committee, the Chairman of which has been authorized by the coordinator of the Ministerial Oversight Committee to keep civil society informed on a regular basis, in consultation with the secretaries-general of the other ministerial departments.

7.11 The PRSP Sectoral Monitoring Groups (GS/CSLP) are operational bodies created within ministerial departments and bodies involved in the implementation of the PRSP. Headed by the secretaries-general or senior staff of the bodies concerned, they are in charge of monitoring the action undertaken in the field and reporting on them to the Interministerial Technical Committee.

7.12 The three committees are working well and are starting to produce reports. However, the PRSP-PR does not discuss progress in improving the adequacy of data collection and analysis, which are inherent parts of a sound monitoring and evaluation system. Social statistics are still incomplete, scattered among various ministries, and untimely. There is an urgent need to activate the centralized unit to monitor social spending and outcomes, to update and implement the statistical master plan, prepared with the assistance of the World Bank and AFRISTAT. The authorities propose to elaborate a set of indicators for monitoring and evaluation of the PRSP within the “reformulated conditionality test initiative,” although the timing and use of the results from this initiative is not specified in the PRSP-PR.

7.13 An additional aspect that needs to be addressed concerns the inclusion of key stakeholders in the selection of indicators and in the monitoring process. This issue could be addressed in the Participatory Poverty Assessment (PPA), which is being prepared with the support of the

7.14 It has also been decided to create an Observatoire de la Pauvrete (Poverty Monitoring Observatory), that will be responsible for the follow-up of resource allocation to priority areas for poverty reduction. On the other hand it is planned to establish decentralized monitoring agencies. In this respect, 74 indicators on inputs and outputs are selected. However, much needs to be done to operationalize the system, and to strengthen the national capacity with respect to data collection and analysis.

Tanzania

7.15 This section also draws on both the August 2001 Tanzania PRSP itself and a report reviewing the PRSP process.

7.16 In another report commissioned by Denmark DANIDA on the PRSP process in Tanzania, (“Review of the PRS Processes in Tanzania: A Contribution to the International Review of the PRSP Process,” December 2001), the PRSP process is seen to be more satisfactory. This conclusion is based on the following positive points:

7.17 The formulation of the PRSP provided an opportunity for the government of Tanzania, at the highest levels, to pull together a number of strands in its various reform processes into a comprehensive framework, setting out key policy requirements for the achievement of poverty reduction, and committing the government to the implementation of the required policies.

7.18 The substantive contents of the PRSP included clear policy commitments in a number of areas, particularly the maintenance of a stable macroeconomic framework, the expansion of basic education and health care, the reform of the public service and decentralization through the enhancement of local government capacity.

7.19 Formulation of the PRSP has resulted in significant steps to put into place a data gathering and monitoring framework to track the success or failure of government policy in impacting on poverty.

7.20 The feasibility of implementing the PRSP is reasonably high. Actually, the PRSP contains important programs on roads, education, social well-being, and macro-stability that are:

- Concrete in content (quantified);
- Defined in terms of short-term targets;
- In principle, relatively straightforward to implement; and
- Not difficult to monitor.

7.21 The report points out the usual lags between policy decisions and commitment of resources, and between commitment of resources and implementation of programs, not to speak of the normal lags between implementation and the expected outcomes. Thus, it seems optimistic to assume that so much could be achieved by 2003. In a number of cases, the 2003 target is presented as a transitional target towards a longer-term goal in 2010. It might well be that a decade is a realistic timeframe for expecting new initiatives to have a profound impact on the chosen intermediate indicators.

7.22 Another interesting aspect of the PRSP is the large number of actions that involve commitments to reforms in administrative systems or to the formulation of new policies to fill gaps in the national policy framework. Some of the key areas in which commitments were made to reform processes included; agriculture, education, health, governance, and administrative reform. These sorts of action are no less important than the programs with quantifiable targets.

7.23 In some cases, it was possible to identify a quantitative target (e.g. the average time to settle commercial disputes), but many reform areas involve qualitative changes not readily translated into quantifiable outcomes. This means that progress is not verifiable; it will require judgment rather than arithmetic. Also, in some cases achievement of desired outcomes may take a generation. Local government reform and local level capacity building will not be achieved in two or three years.

7.24 In this respect, the report says the Tanzanian PRSP struck a good balance between quantitative targets and qualitative policy commitments, and future evaluation will have to strike a similar balance between quantitative and qualitative evaluation.

7.25 A poverty monitoring master plan was completed in November 2001. The Vice President's Office was given the overall responsibility for monitoring the implementation and impact of the poverty reduction strategy. Specific institutional mandates are laid out in the PRSP and to fulfill these, the government has strengthened capacity in the VPO and other concerned institutions. During 2000/2001 a strong institutional framework was developed for poverty monitoring, under the oversight of the Vice President's office and overseen technically by a National Poverty Monitoring Committee. A key organization mobilized to support the monitoring effort is the National Bureau of Statistics, currently completing the latest Household Budget Survey and Labor Force Survey, and committed to a planned multi-year program of surveys to provide basic data requirements for poverty monitoring. An interdepartmental group has been formed to enhance the availability and use of administrative data.

7.26 Numerous initiatives are currently being planned and implemented by civil society organizations in order to monitor implementation of the PRSP, especially within areas where NGO involvement and competence is considerable. These include education, health, gender, water, children's rights and rural development. Clearly one of the main roles of especially advocacy based NGOs will be to hold the government accountable for achieving the ambitious target set out in the PRSP, especially considering the relatively weak description of the proposed implementation mechanisms.

7.27 The government, realizing the substantial monitoring capacity of civil society, has agreed to formally involve CSOs in the monitoring. Actually, CSOs have demonstrated a comparative advantage in undertaking Participatory Poverty Assessments, which can improve the qualitative aspects of the information available on poverty, by highlighting the nature and some of the causal relationships of poverty, aspects that are not easily captured in large-scale surveys. The government intends to encourage and support NGOs to continue and possibly expand these efforts and integrate the findings activities into the overall monitoring framework.

7.28 However, the PRSP of Tanzania has many shortcomings related to the weak institutional and human capacity. The report made some recommendations, in view to addressing these weaknesses:

7.29 The substantive parts of the PRSP relating to the links between policies/interventions and targeted increases in income needs strengthening, particularly in terms of the formulation and implementation of programs likely to achieve the target growth in agriculture of 5%.

7.30 The preparation of the PRSP was hampered by severe weaknesses in the database, particularly the need to use household budget data from 1991 as a basic data set.

7.31 The report recommended that, given that the PRSP is only one of a number of government policy initiatives and externally funded programs and the time of key officials is a valuable, scarce resource, the transactions costs of negotiation should be an explicit consideration in designing aid modalities. Care is required not to overburden officials by demands placed on them to manage the process. In particular, where possible closely related initiatives should be fully integrated (e.g. the PRSP process and the bilaterally funded Poverty Reduction Budget Support program). It is not helpful to maintain parallel initiatives, increasing demands on limited policy capacity, merely to meet the needs of donors.

7.32 Care should be taken, the report said, not to place pressures on the formulation process that result in the inclusion of unrealistic targets, either in terms of numerical targets for output growth and poverty reduction, or more qualitative targets for institutional reform.

Azerbaijan (Interim report)

7.33 The May 2001 interim PRSP report identifies a number of results-oriented good intentions. The State Statistics Committee, in cooperation with the World Bank, is already implementing a quarterly household income and expenditure survey. The state expects to publish the findings regularly and use the regular surveys as a basis for monitoring the success of the poverty reduction. No mention is made of the need for geographically-based poverty information, which may be quite limited by survey sample sizes.

7.34 The report goes further in also indicating the country's intention to improve its health-care monitoring system and to undertake "public opinion polls on satisfaction with government and municipal services and self-assessment of poverty." The report expresses the intention to establish with the assistance of the World Bank and Asian Development Bank, "a center that will publish regularly updated data on progress with respect to basic indicators" such as access to clean water, adequate sanitation, maternal and infant mortality, immunization rates, and a percentage who have completed secondary school.

7.35 The country intends to involve major service agencies (such as those responsible for health care, education, social protection, agriculture, and environmental protection) in development of its final PRSP.

Honduras

7.36 The August 2001 Honduras PRSP provides a lengthy table of objectives and indicators, and identifies the entities responsible for obtaining the data. However, no data are provided for the indicators, indicating that data collection procedures have yet to be developed for many, if not most, of the indicators.

7.37 The plan places considerable emphasis on civil society participation in monitoring and evaluation of the poverty reduction strategy, though without much detail as to how this will be done.

7.38 The plan seemed to be one of those we examined that places most emphasis on the need to "differentiate target groups, such as groups of poor people among men, women, undernourished children, and ethnic groups...to show differences in living conditions within each of these groups...what target groups changed their poverty situation, in what way and to what degree?"

7.39 As with most of the PRSPs we examined, no explicit attention appears to have been given to building capacity within central or local governments on producing and using results information.

Bolivia

7.40 The March 2001 Bolivia Poverty Reduction Strategy Paper was developed in the wake of Bolivia's remarkably ambitious National Dialogue carried out over several years. Building on that work, the PRSP stresses the importance of monitoring and social control mechanisms throughout, emphasizing a broad role for civil society in program oversight. The authors of the PRSP believe participation in HIPC 1 also helped prioritize actions in the social sector, incorporating monitoring and evaluation/indicators and targets. This meant Bolivia has had experience of setting and meeting goals using indicators measuring improved quality and coverage of health services, education, rural development and other poverty alleviation policies, and eventually achieving 100 percent compliance in 1999.

7.41 The PRSP commits to focus on strengthening control institutions that already exist, such as the vigilance committees and departmental councils. The paper repeatedly stresses the need for feasible verifiable objectives and targets, clear, easy to interpret indicators that must be observed by the political system and society.

7.42 The paper also reiterates the importance of participatory monitoring of performance. “Social control must be understood as the exercise of a citizen’s right... to obtain access to information on public administration and the ability to seek satisfaction of citizens’ legitimate demands and basic needs. Social control must focus attention on verifying the results of public management and must have expeditious and institutional channels for filing complaints or claims whenever necessary.”

7.43 It appears that as yet the mechanisms are not yet fully effective. There is little detail on how exactly monitoring is to include civil society – except via wide dissemination of monitoring results. Further, as mentioned earlier in this report, one comment from civil society contends that “the indicators are both too general, failing to take particularities of the Bolivian context into account, and too technically complex for civil society groups to monitor easily.”

7.44 As the primary responsibility for the priority actions of the plan are to reside with municipalities, the paper also wisely plans to fully incorporate municipalities in the monitoring process. Indeed, the paper foresees the need for extensive institutional reform to construct a broad and effective system of accountability, and they cite the need for fundamental restructuring in many of the institutions at every level – national, departmental, and municipal – to be involved in monitoring. The plan proposes “institutional reform of public agencies through installation of reporting and accountability systems that direct the development of public management toward results and create greater confidence among the population.” For instance, the PRSP cites the importance of institutional reform at the National Statistical Institute to gain broad credibility and recognized independence. In addition, its management “will be delegated to a board of directors made up of recognized figures in civil society.” The paper also mentions the importance of capacity building (though with no details) and installing systems of accountability to promote greater effective participation of marginal groups, especially Indian communes and poor indigenous peoples. There was unfortunately not very many details about the mechanics or the details of this planned restructuring.

7.45 Despite the emphasis on participation and the role of the subnational governments, the production of the monitoring reports is left to a national agency. The Social and Economic Policy Analysis Unit (UDAPE) will be responsible for preparing the monitoring reports which are then submitted to National Economic and Social Policy Councils. At the departmental level, the Results Oriented Monitoring and Evaluation System will be strengthened, based on commitments between nine prefects and the Office of the President. Monitoring at departmental level will validate achievements recorded at the national level while identifying possible bottlenecks in coordination with municipal governments. Advances made in the Municipal Development Plans will be used as an instrument for monitoring actions at the local level.

7.46 A municipal system of indicators is to be developed to monitor and measure progress in reducing poverty in each municipality. The intention is to develop “a municipal system for monitoring the Strategy ... gradually, on the basis of improved administrative records in education as well as the production of income data and infrastructure for which the municipal governments themselves will be responsible. This information will be supplemented with surveys representative of groups of municipalities that will allow for result and impact indicators in the medium term.” In addition, “sectoral information systems will be strengthened to ensure a timely flow of high quality information that will make it possible to report on the process or intermediate indicators defined for each strategic objective.” The paper specifies that “in this context it will be important to improve information systems substantially, particularly at the departmental and municipal levels...”

7.47 The PRSP identifies three types of indicators – impact, outcome and intermediate indicators. It sets goals at five year intervals, starting from baseline figures for 1999. Impact indicators include per capita rate of GDP growth; headcount index of poverty; life expectancy; percent of population with eight or more years of schooling; headcount index of poverty. Outcome indicators include per capita family income; infant mortality; maternal mortality; Chagas disease; and academic delay.

7.48 There is a relatively extensive array of intermediate indicators that are grouped by strategic component. They also include cross-cutting themes (such as gender, ethnicity, and environment). There are useful indicators listed in these categories, with yearly targets given for each year from 2000 – 2006. The PRSP also lists for each indicator information on what will determine goal attainment in each case. Examples of intermediate indicators include:

- percentage coverage of rural electrification
- number of weighting stations
- percentage of municipalities with access to financial services
- percent of pregnant women with adequate prenatal checkups
- rate of growth in index of volume of non-industrial agricultural products
- percentage of kilometers in the primary network awarded under concession arrangements
- number of educational centers with complete primary schools
- percentage of indigenous population covered by health, education, and other basic services (although at present there is no data now available broken down by ethnicity).

7.49 Sources will include household surveys that measure living conditions (MECOVI), developed on a random sample, to provide indicators on education, health, housing, and incomes. They will also use census data for some indicators and to update social information. Administrative records will make it possible to build indicators relating to the supply of public services, particularly in health and education.

7.50 The evaluation is to be carried out by the Social and Economic Policy Analysis Unit in coordination with the National Statistics Institute. These results will be disseminated within the public sectors and to interested institutions in civil society. An advisory group on the implementation of the BPRS will include research centers and universities, in an effort to broaden participation and dissemination. Additional measures planned to strengthen the monitoring capacity include:

- Carry out national level quality of life surveys, specific surveys to monitor poverty and its causes
- Strengthen regional information system at departmental and municipal levels
- Strengthen existing education and health information systems
- Implement information systems in housing, basic sanitation, agriculture and rural development
- Strengthen information from budgets, social spending and social indicators provided by departments and municipalities
- Strengthen the national budget, social spending, and public investment information system.

7.51 Despite the need for further detail, this PRSP seems to go further than most in recognizing the need for restructuring and strengthening of monitoring capacity at many levels and in many institutions.

Mozambique

7.52 The Mozambique final plan contains a chapter on its proposed monitoring and evaluation strategy. ("Action Plan for the Reduction of Absolute Poverty [2001-2005]," Republic of Mozambique, April 2001, Chapter VI.) The chapter lays out what appears to be an unusually good, coverage of potential results-oriented information at least on paper.

7.53 Its annex lays out, in easy to read table form, a set of results (outcome) indicators resembling the MDI Macro set of results indicators. It also provides a parallel set of intermediate, and practical, outcome indicators that address more specific outcome concerns for the country (such as the "percentage of households with mosquito nets in priority areas," "percentage of poor quality roads linking districts to the capital and linking localities to district headquarters," and "number of producers in family sector adopting improved techniques)."

7.54 The table also presents, when available, the latest data for each end and intermediate outcome indicator, a target for each indicator for 2005, and identifies the ministry, or other organization, that is the source for the data.

7.55 The country is planning an annual survey ("Questionnaire of Indicators of Well-Being") that will sample 14,000 households in "practically all districts of the country." It will provide data for a number of the indicators, especially the end outcome indicators. It will provide certain basic data annually, and cleverly, will add a thematic module each

year to provide more detailed information on that theme, such as on employment, health, etc.

7.56 The chapter also indicates the country's intention to analyze the data for distinct subgroups of the population, though it does not provide details. Finally, the plan indicates that the operating departments are being involved in the M&E effort, and, as noted above, the more detailed intermediate outcome indicators appear likely to be quite relevant to individual operating departments and be more actionable by them.

7.57 On the negative side, the chapter on budgetary implications presents a plan for a medium-term budgetary programming effort, but nowhere in that chapter does it directly discuss the link between budgetary decisions and the data expected to be obtained on results. (We conjecture that this probably originates from the World Bank's focus, which has emphasized expenditure concerns for medium-term planning and budgeting without incorporating outcomes/results into its suggested procedures.)

7.58 Similarly, as with all the PRSPs we examined, there is no substantive plan for enhancing local government M&E, nor capacity building for managers and other public officials at either the central or local government levels.

Uganda

7.59 This section is based on three reports: (1) the PRSP progress report of March 2001; (2) draft volume 3 of the poverty reduction action plan (PEAP), February 2001; and (3) the poverty monitoring and evaluation strategy (PMES), October 2001. We have provided considerable detail in this section, because compared to other documents reviewed, the Uganda documents had substantial information on performance monitoring and results orientation.

7.60 Even though there continues to be an emphasis on process and inputs, overall Uganda seems to understand the concept of performance monitoring and evaluation and results-oriented governance. However, references are made to the fact that overemphasis on government rules and regulation regarding monitoring and its process, has led to a plethora of reports and a lack of systematic attention and information on outcomes and results. The government also takes the stand that outcome indicators should only be used for monitoring purposes and not as performance indicators. The reason given is that outcomes are sometimes beyond the control of individual sectors and therefore should not be used as a basis to judge performance.

7.61 Relationship with other CDF Principles. Some attempts have been made to include citizens and civil society in service delivery with the objective of improving bottom-up accountability. However, examples quoted in the PSRP (2001) state that these partnerships have not been effective. Page 19 "To promote accountability, government has created mechanisms for user participation in public service delivery. For example, each primary school is expected to have a Parent-Teacher Association (PTA) and School Management Committee where parents are represented. Each government health unit is also expected to have a Health Unit Management Committee with civil society

representation. Further, local population is to participate in the development of local development plans. In some cases, however, these structures are of limited efficacy. For example, the 2000 tracking study found that PTAs are ineffective and that headmasters have control over resources within the school. Further, district and sector plans do not adequately reflect community priorities. In 2000/2001, in order to improve the situation, government has started to promote a harmonized framework for civil society participation in public service delivery and mainstream the activities of NGOs and faith-based organizations. To this end, it has recently established computerized databases on NGOs and faith-based organizations which will inter alia, increase transparency and improve accountability.”

7.62 The government’s strategy to eradicate poverty is based on two government initiatives, (1) vision 2025, which describes long-term national aspirations, and (2) the 1997 poverty eradication action plan (PEAP), which guides medium-term sector plans, district plans, and the budget process. This was revised in early 2000. Page 35 of the PMEP states that most of the activities in the medium- to long-term, shall be clearer once the M&E functions are clearly defined and strengthened. However, monitoring systems below the district level have not been elaborated. “The Development Research and Training (DRT), NGO is planning to pilot the local level M&E system in three districts of Jinja, Mukono, and Kalangala. One of the outputs shall be the “Processes” document that will narrate the step-by-step procedures followed, challenges faced and lessons learnt to enable replication (where possible) to other districts. Another very important activity that should be undertaken in the medium-term, is the setting up of a National Evaluation Institution that is independent of the implementing arms of governments. In the long-term, this institution should have the capacity to undertake ex-ante, during implementation, and post-evaluations.”

7.63 Elements of results-orientation. Uganda has established a Poverty Action Fund (PAF) in recognition of the fact that public services are under-funded. PAF contains a set of expenditure areas that directly reduce poverty, and protects them from budgetary cuts within the year. The share of the expenditures that are now included in PAF in total budgetary expenditure, excluding donor projects, has risen from 17% in 1997/98 to 24% in 1998/99 and 1999/2000, and to 31% in 2000/01. It is projected to rise further in subsequent years. New items that enter the PAF have to be justified in terms of their effects on poverty-reduction. It is hoped that this gives sectoral ministries a strong incentive to focus on the impact of their services on the poor. The following criteria are used to determine which areas should be included under the PAF:

- A high proportion of the direct beneficiaries of the proposed public expenditure should be poor. This can be measured by using evidence from household surveys.
- The service should deliver well-defined and measurable outputs.
- The service should provide a service that the poor express a need for, based on participatory analysis.
- Quantitative analysis should, if possible, demonstrate that delivery.

7.64 The government has also adopted a sectoral approach in developing poverty reduction strategies, and improving its planning and budgeting. Page 36 of the PEAP

states that “indicators of outputs at the sectoral level should be defined by the sector working groups. These outputs should be monitorable. Below the sectoral level, the Results-Oriented Management system has defined outputs for all ministerial departments.”

7.65 Development of indicators. Even though all three documents reviewed have a significant amount of data in the form of tables and indicators, most of the information is somewhat old—some going back to 1997. Page 11 of the PMEP shows the typical methods of data collection for poverty monitoring. Inputs and outputs are obtained quarterly and annually via field visits, administrative records, public expenditure tracking studies, and sectoral management information systems. Intermediate outcomes and process indicators are collected biannually via several surveys, or independent studies. Final outcomes or impact indicators are collected only every five years via demographic and health survey and impact studies.

7.66 Thus the focus and frequency of collection is on input indicators. The government seems to be aware of this. Page 12 of the PRSP states: “Sector plans and expenditure programs are currently focusing on inputs rather than outcomes. To ensure that managers focus on real progress towards PEAP/PRSP objectives, Government has continued efforts to establish output and outcome goals and targets at the sectoral and district levels with the MTEF in the past year. This will build upon existing efforts to align the Output-Oriented Budgeting and Results-Oriented Management initiatives. The measures [are stated] in the 2000/01 Budget Framework Papers (BFPs). These will become more focused and streamlined in the BFPs for subsequent years during which the justice, law and order sector will also introduce output and outcome measures.”

7.67 It is important to note, however, that there are tables that show both output and outcome indicators. For example, Annex 1 of the PMES gives a list of output and outcome indicators that are considered ideal for poverty monitoring. Some of the outcome indicators are crime rate, public perception of quality of services (policy, judiciary, etc.), public perception of corruption in public service, proportion of women PWD’s in strategic decisionmaking roles, proportion of population living in poverty, and perception of public on quality of health service. Also, reporting formats for performance indicators show trend analysis as well as differences between targeted and actual performance.

7.68 Page 21 of the PMES also has a list of poverty monitoring priority indicators. These indicators have benefited from discussions by various stakeholders at the center and 43 local governments (excluding Bundibugyo and Nebbi district administrations). However, the paper states that “there remain some challenges in these indicators. (1) Short and medium-term targets have not been determined, in many sectors. Planning is not sufficiently advanced that it is possible to make well-grounded judgments about the appropriateness of the indicators. For the moment it has the effect that it is difficult to assess the performance of some sectors, even when indicators show some improvements. (2) Associating particular final outcomes in a vigorous fashion with intermediate outcomes and outputs is also a problem. The fact that various outputs as well as factors

which are largely external to policy may affect the outcomes, makes it extremely difficult to map individual contributions of outputs onto particular outcomes.”

7.69 Using the indicators. In some cases, the failure to achieve results/performance targets has not lead to an evaluation of the program, service delivery or transparency in service provision. The government has responded by setting new and “more realistic targets.” For example, page 49 of the PRSP states: “In the current year, some of the performance targets were missed....The government is responding to the failures on performance targets in a number of ways....In each sector, more realistic targets have been developed during this year to reflect the intensive analytical work performed under the sector reviews.”

7.70 According to the PEAP, a failure to achieve performance targets should be considered as a signal that the sector needs appraisal. Page 53 of the PEAP also states that monitoring should be tied to incentives. This will ensure that people file timely and accurate reports. Second, the results of monitoring should feed into the appraisal of performance. For this purpose, a limited set of performance indicators needs to be defined for each agency. However, it does not clarify how the monitoring indicators will actually be used to judge performance.

7.71 Page 67 of the PEAP discusses the use of Performance Indicators for Budget Support. “There needs to be a clear understanding between Government and donors about the consequences of missed indicators. Unlike macroeconomic indicators, the appropriate measures of Government services are often not well established by international convention or best practice, and the appropriate measures of use may change frequently as understanding of the sector develops. Slippage needs to be explained, but it should not usually lead to an interruption in the flow of support if progress in the relevant sectors is generally assessed to be positive. If the relevant sectoral groups are happy that the slippage has been explained and that corrective action is being taken or that the indicators are being justifiably revised, then the overall assessment of budgetary support should be positive even where the high-profile targets have been missed. Performance targets should therefore be used as initial diagnostic tools; if they are missed, this is a signal that the status of the relevant sector as a whole needs appraisal, rather than that the whole programme is off track. On the Government side, more attention is needed to ensure that targets are realistic and monitorable at the time they are set. This applies particularly to the high-profile targets which are included in the PRSP and which are monitored in the PRSP progress report. Failure to meet the targets given in the PRSP somewhat undermines the country’s credibility even if there are good explanations for it.”

7.72 Page 4 of the PMES states that: “In some areas of public action, it is clear enough what needs to be done, but less clear how it is going to be achieved. In others areas, no one has a clear idea of how to improve on current performance, and there is an urgent need for greater understanding of the processes that are at work and how to improve them. This is why arrangements for poverty monitoring and analysis are a vital part of the PEAP. Monitoring is important for both learning and increased accountability. The first purpose of PEAP monitoring is to enable a two-way flow of information between beneficiaries, service providers and policy makers to enable policy design and

implementation to build on what works and avoid repeating mistakes. A second purpose is to build accountability, by revealing the degree to which declared objectives and agreed performance standards have been met. By responding in a timely way to these two kinds of need for information on the poverty-reduction process, the poverty monitoring and analysis system has a great potential to contribute to improving the PEAP and its effectiveness.”

7.73 Monitoring and Evaluation. According to page 19 of the PRSP (2001) “M&E [of public sector performance] currently remains overly centered on compliance with government rules and regulations and tracking inputs and processes, rather than the end of results of policy, program and project efforts. The collecting, organizing and using of M&E data are compartmentalized and fragmented between multiple government and donor planning and progress reporting requirements. Government is burdened with reports, but have little systematic information about the performance and effectiveness of actual public service delivery.”

7.74 Monitoring of outputs of public services is also discussed in the PEAP (page 57). It states that there are three dimensions of outputs that need to be monitored in all sectors.

- The first is quantity. This can be measured by the output of public facilities and also by household surveys. A bottleneck in this area is the inadequate reporting by facilities under Management Information Systems in some sectors, and the lack of regular and comparable data on some important outputs such as child immunization. In order to address this, incentives have to be created to report honestly and on a timely basis, and the reporting formats must be kept adequately simple. For instance, if the data is readily comprehensible to the management of the facility and they are trained in how to use it, they are much more likely to report it conscientiously.
- The second dimension that needs to be monitored is quality. This can be monitored by surveys of user satisfaction. The Service Delivery Survey currently being undertaken will allow user perceptions to guide the design of standards for public services in future.
- Thirdly, the incidence of the direct benefits of public services needs to be monitored. For public policy to contribute to the reduction of poverty, the beneficiaries of public services should be poor. While the indirect benefits of public policy are difficult to monitor, the direct benefits can be monitored accurately using household surveys.

7.75 The PEAP also recognizes that “In the implementation of the PEAP so far, the achievement and monitoring of performance targets have been problematic.” Lessons from experience so far include:

- Performance indicators need to be consistent with the MTEF.
- Performance indicators need to be small in number.
- Since LC3s are getting more intersectoral flexibility over development funds, it may make more sense to use recurrent indicators as performance targets.

- There is some danger that the use of capital items (e.g. boreholes) as indicators will cause service deliverers to focus on capital constructed rather than maintenance, which is less easy to monitor precisely because it requires inspection of all facilities, not merely new ones. This could be seriously distorting for policy.
- Where a ratio is used, such as the pupil-teacher ratio, projections for the absolute numbers should also be given, so that it is clear whether deviation is due to a change in the numerator (too few teachers) or the denominator (more pupils than expected).
- Performance targets should only be set for indicators where there is a monitoring mechanism already in place giving accurate and comparable data.

7.76 Finally, page 35 of the PMES states that “Monitoring and Evaluation should not be an academic exercise. Information generated must be for influencing decision-making. Many institutions are either not generating M&E information or generating it but not using it. One of the reasons for poor use of information, is the lack of incentives to put data to proper utilization. A mechanism under the Results Oriented Management must be found to include use of M&E data as a performance indicator for public officials at different levels.”

Zambia

7.77 The Zambia PRSP (2002-2004, March 2002) indicates that the country already has some monitoring and evaluation capabilities and has used some of these data to formulate its PRSP. Of the poverty data included in the PRSP, some are disaggregated by region, gender, or socioeconomic strata. For example, Table 2.7 of the PRSP lists the five lowest-ranking districts on each of seven outcome indicators.

7.78 The PRSP’s Chapter 17, on poverty monitoring and evaluation, indicates a good early step forward. The chapter identifies selected performance indicators for each of 15 sectors, identifying what organization is responsible for providing the data. Appendix 3 lists the PRSP’s full set of performance indicators. It presents in table listing “objectively verifiable indicators” for each of the 15 sectors. Sectors include: macroeconomics; agriculture; industry; tourism; mining; education; health; nutrition; water; energy; transport, communications, and roads; HIV/AIDS; gender; environment; and governance. The plan identifies for each indicator whether it measures “final” results or “intermediate” ones. This is one of the few plans we have seen that distinguishes indicators in this way. The intermediate indicators are to be measured yearly, if not more often. The final indicators are to be measured less frequently. The table also lists, where available, the probable data sources for each of the indicators.

7.79 The detailed indicators also include baseline values, if available, with the year of the latest data, and target values, usually for 2004. The baseline values come from different years (health data from 1996, and other data from 1999, 2000, and 2001).

7.80 The plan states that future surveys will try to capture the state of people impacted by the PRSP, as well as those not affected, in order to establish a baseline for comparison.

7.81 As for the indicators themselves, they contain many outcome indicators, but in some cases, output and internal process indicators are listed. For example, an objective for Industry is “[t]o improve industrial skills and craftsmanship.” The only indicator listed is an output: whether “reintroduction of two apprenticeship schemes” is done by 2004. (This provides very limited information on whether industrial skills have actually improved or how much they have improved, let alone how much that improvement has affected poverty levels.)

7.82 The lists contain many of the “standard” outcomes. For example, for healthcare, the indicators include maternal mortality rates, and uniquely, stunting rates in children. Like the MDGs, the outcome indicators are quite selective. For example, the list does not include the rate of defective births and incidences of various diseases. HIV/AIDS is the only disease specifically monitored for the PRSP.

7.83 Indicators were selected at the National Summit for Poverty Reduction, and then streamlined. Then, fieldwork was done “to ascertain what indicators were actually collected and monitored by various institutions[,] and this process produced the list of indicators that will be used to track PRSP progress.” The report notes that more work is required to “ensure that the desired indicators are actually collected and monitored.”

7.84 Data sources are expected to include the national census, household surveys, administrative records, management information systems, special surveys and participatory assessments. Also, Geographical Information Systems data will be used to measure geographical variations in indicators.

7.85 The Planning and Economic Management Department in the Ministry of Finance and National Planning (MFNP) will be the focal point for PRSP monitoring and evaluation. The government created a Poverty Reduction and Analysis Unit to coordinate the monitoring and evaluation of the PRSP. Former PRSP planners have been absorbed into a new monitoring and evaluation department to maintain continuity within the project.

7.86 “The MFNP in collaboration with sector ministries, NGOs, and the civil society will work out and implement a comprehensive monitoring system on the basis of performance, and intermediate and final indicators.” At the local level, various district planning and development groups will be involved. Like most PRSPs, however, this plan does not go into detail on what will be done with the ministries, their departments, and local governments to build capacity to produce and use results information. However, the plan does recognize that building capacity at all levels of government will be necessary for success.

7.87 The plan also outlines an evaluation strategy to guide the PRSP. It has three parts. First, evaluation of the implementation process — is the program implemented as

designed, is it working? Second, evaluation of outcomes — are the situations of individuals and households changed as to access to social services, utilization of social services, and well-being? Third, understanding the extent to which particular outcomes are the result of the interventions under the PRSP — is the PRSP causing the changes? The plan identifies the problem of having a baseline comparison as being the key issue facing evaluation.

8. Section 8: Findings on Local Governments

8.1 With the major new thrust of donors to encourage country decentralization, local governments have a major role in both short- and long-term actions needed to improve the quality of life of citizens of low-income areas, including poverty reduction. Thus, donor support for a results-orientation needs to cover activities at the local, as well as national, level. Indeed, many donors have begun efforts that have a results-orientation. The thrust of these efforts, however, does not appear to be well coordinated among donors, nor always aimed effectively. More recently, however, the efforts appear to have begun to address these weaknesses.

8.2 Here we address three major developments: decentralization legislation, Cities Alliance, and urban indicators.

Decentralization Legislation

8.3 Many countries have passed legislation calling for decentralization, giving responsibilities for many services to local governments (though not necessarily the funding or fund-raising authority). Donors have provided funding and technical assistance to help develop the decentralization legislation and early stages of implementation. The focus has been allocating responsibilities for services and revenue raising among the levels of government.

8.4 The decentralization legislation and implementation efforts we have reviewed appears to neglect inclusion of such local government responsibilities as providing information on the results/quality with which, the delegated services have been delivered to elected officials and the public.

8.5 The efforts of USAID to assist in countries' decentralization efforts illustrates some of the gaps, and opportunities. Its statements of work for its contractors seldom explicitly require contractors to assist or encourage the national and local governments being assisted to introduce a results orientation into local government. Unless the option of help in introducing a results orientation is explicitly presented to local governments, they may not address it in the face of the other more explicitly presented contractor activity options (such as defining revenue sources and identifying which services level of government is to provide). Contractors for some countries have suggested, and received AID concurrence to include, tasks to assist local governments in performance measurement, such as Hungary, Albania, and Georgia (though these have been primarily small and not high-priority efforts).

8.6 This may be changing. For example, a planned 2003 World Bank Urban Local Reform Project in Indonesia explicitly includes as a major item a city "performance rating system."

Cities Alliance

8.7 A major example of donor cooperation has been the formation of the Cities Alliance. This partnership, launched by the World Bank and UNCDs (Habitat) in 1999, currently also includes 10 bilaterals, and a number of major international associations of local authorities. (The Asian Development Bank has just joined the Alliance.)³

8.8 One of the Alliances' major priorities has been to assist cities to develop City Development Strategies (CDS). Currently, this process is being piloted globally in 70 cities.

8.9 The CDS process is a major opportunity for encouraging a results focus. Unfortunately, thus far, this appears to be lacking. Neither the basic process characteristics formulated for the CDS process⁴ nor the city strategies developed to-date appear to have taken advantage of this opportunity. These reports seldom include results-focused management (e.g., performance management) capacity development. Nor have most strategies themselves included much results-data or out-year goals, other than some basic aggregate (and usually somewhat old) poverty and economic statistics.

8.10 A July 2001 report to the World Bank noted in its major-findings section: "The incidence of outcome (and efficiency) indicators was disappointingly quite low in most of the CDSs we examined" and "Notably missing were substantive discussions of strategies or plans for developing long-term city capacity relating to performance measurement and performance indicators. Some CDSs briefly indicated that this was an important area, but seldom did they provide specific recommendations."⁵

8.11 Alliance staff have more recently begun describing their efforts in broader terms, such as "performance management." Effort is planned to provide guidance materials, and perhaps a central clearinghouse, for city performance measurement and performance management efforts.

Urban Indicators

8.12 A third development has been donor efforts focusing on developing data information systems, especially for strategic development planning. A major example of this is UNCHS Habitat's "Urban Indicators Program." Its intent is to help develop a decentralized network and capacity-building program that provides selected city level data. It has identified 23 core quantitative indicators that it suggests for collection. This is

³ "Technical Assistance for Promoting Urban Poverty Reduction Through Participation in the Cities Alliance," Asian Development Bank, TAR: OTH 35001, March 2002.

⁴ See Appendix 1 of the citation in the previous footnote (ADB document).

⁵ "Final Report to World Bank: City Development Strategies — Performance Indicators & Governing-For-Results," Harry Hatry, The Urban Institute, Washington DC, July 9, 2001.

⁶ "Final Report to World Bank: City Development Strategies — Performance Indicators & Governing-For-Results," Harry Hatry, The Urban Institute, Washington DC, July 9, 2001.

a basic set of aggregate indicators but appears to stop short of encouraging the regular collection of more detailed results-oriented information for managing local government services (and, thus, does not help much in building capacity of local government agencies to track and manage the quality of their services).

8.13 The “City Karte” movement has gone even further in identifying a considerably larger number of indicators, though many of these are city descriptors rather than representing performance indicators.⁷

8.14 The Asian Development Bank has also sponsored a major urban indicator effort, one that has included data gathered on more than 100 indicators from 18 cities in the Asian and Pacific Region.⁸ One of its major intents, unlike most other efforts, is to provide comparative data across cities. As with most of the above efforts, the focus has not been on local capacity building.

8.15 An initiative in Bangalore (India) was a study commissioned by the Bangalore Metropolitan Region Development Authority through the Society for Development Studies (SDS) to develop a set of key indicators for specific city-based activities. The ‘urban indicators’ are tools that capture the quality of city life and governance in Bangalore. The objective of the Bangalore city indicators program was to regularly use the indicators in policymaking, monitoring and planning.

8.16 In 2000, the World Bank program, Tamil Nadu Urban Development Project, developed indicators for use by the urban local bodies (ULBs) in Tamil Nadu. The objective of the program was to promote the formulation of indicator-based city development plans and a monitoring and evaluation system. TNUDP was also to use the indicators to make a comparative assessment of the performance of ULBs and rank them. Reasons for successes and causes of low performance were also to be shared between ULBs. Currently we are unable to assess if the program objectives have been realized. Unfortunately, most of the indicators are output and efficiency, not outcome, indicators. However, the report is one of the few that we reviewed that begins to get into the “nitty gritty” of specific operational data and data sources.

Miscellaneous Efforts

8.17 Two South American examples illustrate early progress in encouraging results-orientation. Neither occurred in World Bank's CDF case study countries, but much of the work has occurred after CDF principles began to be promulgated. Whether or not the work has been influenced by the CDF effort is not known.

8.18 The first example is the strategic plan process in Rosario, Argentina, assisted by World Bank and the UNCHS Urban Indicators Program. The city selected 53 numerical

⁷ For example, see “Urban Development Strategy and City Assistance Program in East Asia,” draft final report, Pacific Consultants International, September 2000.

⁸ “City Data Book: Urban Indicators for Managing Cities,” edited by Mathew S. Westfall and Victoria A. de Villa, Asian Development Bank, August 2001.

indicators, based on the UNCHS urban indicators for regular monitoring. The effort will be housed in an independent "local observatory," not in the city government. A special feature of this effort is Rosario's plan to use procedures, such as GIS, to provide data on the indicators disaggregated to city districts and neighborhoods.⁹

8.19 The Rosario report also pointed out that "The application of indicators in urban management is recent." It noted that a few city agencies were already using indicators as a tool to monitor their activities, such as public health. The set of 53 indicators were for the strategic planning effort and do not appear to be linked to agency implementation efforts, nor have donors appeared to have made attempts to encourage such a connection.

8.20 The second South American example is from Ecuador. With World Bank funding assistance, the University of Cuenca helped at least two Cantonments to undertake indicator projects.¹⁰ In Cuenca the focus was on health but included a large scale household survey to obtain information on a wide variety of conditions, of which health was only one. The data collection included data disaggregated to 21 small political divisions and has helped to identify the need for health subsidies to the poorest households and identifying households that can pay for service. In Gualaceo Cantonment, community meetings were held to identify needs in various geographic areas. From this information, baseline data were collected on socioeconomic and environmental conditions for 1999.

8.21 In both these examples, the efforts were undertaken to generate strategic development plans. However, the reports on these efforts suggest that the municipalities are trying to use the data obtained to help with operational problems.

8.22 Three additional examples are from India. In "Holding the State to Account: Citizen Monitoring in Action," Samuel Paul describes the experience of the Public Affairs Center (PAC)—a non-profit society in Bangalore, India—using citizen report cards to motivate greater accountability from the government for its performance. The principal methodology was the use of customer surveys to obtain ratings of specific services. The ratings were then translated into quantitative measures of citizen satisfaction and presented in various media in the form of report cards. PAC has conducted two surveys thus far—in 1994 and 1999. The 1994 report card resulted in some substantial efforts at review and improvement in about half the agencies reviewed. This report card was also used as a benchmark against which the results of the second report card were assessed. After the second round of ratings in 1999, PAC presented mini report cards to the major public service providers (such as the telephone, water, and electricity service providers and the municipality) before the publication of results, and then organized workshops with senior officials from the agencies and the public after the

⁹ "Urban Indicators Rosario: Information System for Strategic Decision-Taking," Municipality of Rosario, Argentina, May 2001.

¹⁰ "Information Systems for Local Development," University of Cuenca, Ecuador Population and Local Sustainable Development Program (PYDLOS), working paper, June 14, 2001

publication of results. They hoped this process would increase the likelihood that the report cards would spur the public agencies to improve services.

Summary on Local Governments

8.23 While none of the above local government efforts are identified as being CDF projects, they each overlap with CDF and all are donor-sponsored. Cities are certainly major players with their central governments. These efforts are all well intended. Each has good points. Each in theory is intended to encourage a results-orientation. They all should be considered in the CDF strategy for encouraging a results-orientation. Nevertheless, they individually and collectively have substantial limitations and problems in producing a results-orientation.

Appendix A: List Of Literature Reviewed

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Appendix B: Summary of Responses; Questionnaire for Donors; Results Orientation

A total of 15 responses were received of which four contained no answers at all in the Results-Orientation section. Therefore for purposes of our tally, we consider the base number of responses to be 11.

1. Has your organization done any of the following things to encourage aid recipients to adopt a “results orientation”? Please check all that apply.

Comment:

When planning and implementing projects and programming the Logical Framework Approach is normally used. Thus indicators are formulated on several levels including output and to lesser extent outcome level in cooperation with the recipient country.

a. Required aid recipients to identify and track performance indicators;

9 out of 11

Comments:

- Since about 1995-96 USAID has been primarily using performance indicators to track the impacts of its own programs. However, program objectives, indicators and monitoring are developed in collaboration with the recipient government, and much of the data comes from recipient government sources. On a country by country basis, USAID works with recipient countries to establish broader performance management systems. Bilateral agreements and other assistance documents used with recipient governments emphasize the results to be achieved for each major program objective.

USAID requires all direct recipients—i.e. NGOs, PVOs, contractors, etc.—to establish and report on performance indicators measuring progress towards results achievement.

- Only recently in the context of PRSPs; tend to be country-specific.

b. Called for plans that include performance indicators;

9 out of 11

Comments:

- All Agency Strategic plans are required to include performance indicators to track progress on both an annual and longer term—e.g., five year—basis. These primarily refer to Agency programs, and not country plans, although where possible we try to help recipient country officials learn and use the programming techniques we use. USAID develops programs (and objectives) in support of the partner country plans.
- We may have recently done this in the context of SWAPs particularly in health and education, though DFID and other donors are only getting to grips with performance terminology themselves.

c. Provided technical assistance to help a country and/or its local governments to develop a performance indicators process;

9 out of 11

Comments:

- Done on a case by case basis, depending on country interest and capacity, only recently in context of PRSPs, e.g. Uganda, and perhaps in relation to SWAPs, e.g. Ghana Health. We have a history of supporting statistics departments throughout Africa but that is unlikely to have focused on performance indicators, more macroeconomic statistics and national household surveys.

d. Provided funds or other resources to the aid recipients for training in performance measurement and/or performance management;

7 out of 11

Comments:

- This is done on a case by case basis
- For example, done for the Human Rights ombudsman's office
- Starting to happen in the context of PRSPs and SWAPs. Some support for building statistical capacity.

e. Other. (Please describe.)

Comment:

- Link the volume of budget support to achievement of targets for performance indicators.

f. Have not attempted to encourage a results orientation.

1 out of 11

Comment:

- This is a very recent objective

2. What “results orientation” results do you believe have occurred? Please be as specific as possible. Please describe both results within specific projects and those in country development more generally.

7 out of 11

Responses:

- USAID is convinced of the importance and efficacy of using a results orientation, and has made it part of the Agency official policies and procedures. Every country program is required to report annually on the results achieved on its assistance programs in recipient countries. For the most part, the USAID country programs support the partner country plans. USAID prepares an annual report on program performance to fulfill the U.S. Results Act requirement. These are available on the USAID website: usaid.gov.
- Bolivia PRSP monitoring system and in education
Uganda, PRSP monitoring system
Tanzania, PRSP monitoring system
Bangladesh, health sector monitoring system
- In 2002, the CIDA Bolivia Country Program created Country Performance Measurement Framework pitched at programmatic level. Includes pgm outcomes and impacts, and links with Bolivia’s PRSP, MDG, CIDA’s Social Development Priorities and Key Agency Results.
- Monitoring systems just initiated in sector programs

- Some processes have directed DFID and countries to be more goal oriented, particularly through the introduction of project cycle management and the use of the logical framework in linking activities to outputs, outcomes and impacts.

More recently the MDGs have had a prolific impact on the donor community in making us assess our systems for measuring performance and effectiveness and for measuring progress towards the MDGs.

The extent to which MDG goals are adopted and adapted as country specific goals in PRSPs would be the main “results orientation” to have occurred.

Otherwise it is very difficult to relate this question to specific projects.

- Ghana – Output indicators have become more specific.
- E.g., Burkina Faso, using attendance at clinics as an indicator for budget support drew attention to the fact that, despite increased sector resources and more clinics being built, attendance was declining. As a result health sector policies were revised.

3. Do you believe any problems have arisen because of different messages provided to aid recipients by donors as to what should be done to achieve a “results orientation”? Yes ___ No ___

3a. If yes, please describe those problems.

Comments:

- Issues are case by case specific. Usually other donors are following USAID’s lead in results performance management.
- This is a continuous problem because donors themselves are often not clear about it and they apply different concepts. These concepts are continuously subject to debate.
- Results orientation can sometimes be confusing to partners when development agencies don’t clarify that the partner needs to be directly or individually attributable for broader impact level results
- The process of setting up a result-oriented monitoring system in Danida has just started. This system should be related to the indicator system set up to monitor the implementation of the PRSP in Bolivia.
- Requiring that development country government adopt performance assessment systems or improve systems for measuring performance, causes even developed country governments to struggle with this concept. There is little experience in

developing countries to take on this agenda. There is particular pressure in SWAPs where donors are wanting to be able to see what budget support delivers in terms of improved services particularly to the poor and in terms of progress towards MDG goals.

- More because of a set of different messages about what results to aim for, and failure to agree on common indicators and target values.

4. Do you believe that any of the following problems have occurred in your organization’s attempt to deliver “results orientation” messages to aid recipients? Please check all that apply.

a. Lack of clear definitions of the key “results orientation” terms.

6 out of 11

Comment:

- It took a very long time to inculcate the message throughout the Agency. Communicating the message with partner countries is likewise challenging, especially when their own systems do not have this orientation.

b. Allocating too few resources to advance “results orientation.”

3 out of 11

Comments:

- Country missions are urged to ensure that adequate funding and other resources are made available.

c. Not providing consistent aid for a sufficient amount of time.

0 out of 11

Comment:

- No. If anything, aid is provided for too long without accountability for results.

d. Not giving assisted countries enough time to implement the principles adequately; expecting too much to quickly.

3 out of 11

e. Conflicting objectives of donors

5 out of 11

f. Lack of coordination among donors

4 out of 11

g. Lack of interest/support by the assisted countries.

3 out of 11

h. Lack of assisted-country expertise to adequately implement the needed activities.

6 out of 11

i. Units within your organization not providing consistent messages.

2 out of 11

Comment:

- Yes, to some extent, despite having consistent policies that are widely made available and training programs that have reached more than a thousand Agency staff.

j. Lack of understanding within your own organization as to what “results orientation” is and how it should be promoted.

5 out of 11

k. Not adequately evaluating the progress your organization is achieving in a “results orientation” by countries you are assisting.

2 out of 11

l. Other. (Please describe.)

- Not enough space for Agency staff training or time to think about M&E by results.
- All the above apply to varying degrees in different country settings. We (and donors collectively) have only recently started work in this area.

5. To what extent do you believe that the Millenium Development Goals/International Development Goals (MDG/IDG) will help assisted countries to improve:

- **To a considerable extent**

3 out of 11

Comment:

- But they need to be made country-specific. Donors then need to get behind PRSPs, simplify processes, harmonize procedures and reduce the number of projects, shifting to reliable forms of resource transfer, probably through budget support.
- **To some extent**

4 out of 11

Comment:

- The United States supported the establishment of the OECD/DAC development goals and subsequently the Millennium Development Goals in 2000. Recently, President Bush announced the U.S. Millennium Challenge Account initiative, with proposed increase of \$5 billion in future funding over the next three years for countries that demonstrate good policy performance and strong commitment to

good governance, improved health and education, and sound economic management. However, what remains more important is the will and means to achieve the goals; these remain challenging. Appropriate donor support will be needed – including investment funds, the willingness to withhold aid from countries unwilling to set their economic/governance/policy houses in order and sufficient resources devoted to capacity building and implementation of good management/governance. Additionally, the developing countries themselves must demonstrate commitment and take needed actions.

- **Little, if any, effect**

3 out of 11

Comment:

- The MDGs are only a statement of desired results. They do not give insights to donors or recipient countries on how to achieve them.
- **Will have a negative effect**
- **Am not familiar with the MDG/IDG**