



# Third International Roundtable

Managing for Development Results

5-8 February 2007, Melia Hotel Hanoi, Vietnam



WEDNESDAY • 7 FEBRUARY 2007

## Results Roundtable Opens

On the auspicious eve of the Lunar New Year, Vietnam's Deputy Prime Minister Pham Gia Khiem welcomed more than 450 representatives from developing countries, donor partners, and civil society and the private sector who gathered in Hanoi for the Third International Roundtable on Managing for Development Results. In opening the Roundtable, Mr. Khiem noted that Vietnam has adopted best practice principles in MfDR, by "involving the whole society as well as the donor community" in formulating the country's 2006-10 development plan, balancing economic growth with poverty reduction and protection of the environment, and using evaluation and feedback to strengthen implementation and the quality of decisionmaking. Going forward, said Mr. Khiem, the key task will be to ensure "strong political commitments and agreed actions among partner nations and donor organizations in a joint effort to enhance aid effectiveness by managing for development results." In concurring, Lawrence Greenwood, Vice President of the Asian Development Bank, added that successful policy formulation and implementation "will take lots and lots of communication, which is why we are here in Hanoi today."

Mr. Xu Lin, Director General of the Department of Fiscal and Financial Affairs at China's National Development and Reform Commission, delivered the Roundtable's keynote address, "Toward a Results-Based and Responsive Planning System." He traced China's "shift from a traditional central command system to a more decentralized and liberal system," guided in part by the market mechanism, in which "public acceptance of China's development plan has emerged as a critical factor in the

plan's effectiveness." During this transition, "ordinary citizens and representatives of the people's national congress began to seek better performance from the government ... and to demand greater participation in public policy discussions and influence in public policymaking." As a result, he said, "the political leadership and planning officials have become more responsive," realizing that it was "imperative to introduce participation, transparency, and accountability into government work to ensure the successful implementation of public policies."



H.E. Mr. Khiem



Mr. Xu Lin

In addition, Mr. Xu continued, China introduced a monitoring and evaluation (M&E) system to guide decisionmaking and fine-tune planning and implementation. When the indicators highlighted an imbalance between urban and rural development, for example, the political leadership used that information to refine its approach.

Mr. Xu identified lessons to guide future endeavors: support by the political and government leaderships; public participation; an M&E system with clearly defined, measurable indicators; and technical assistance closely attuned to country conditions.

Saying that "as a member of the global society," China is happy to "work with others to promote development for the people," Mr. Xu concluded by looking forward to the exchanges at the Roundtable and "later down the road."

## Current Trends in Building Country Capacity

Inter-American Development Bank President Luis Alberto Moreno and World Bank President Paul Wolfowitz opened the Current Trends session via videotape. They described their organizations' support to countries in managing for development results and wished the Roundtable productive deliberations and exchanges of experience.

Session Chair Susan Stout (World Bank) provided context for the discussion, highlighting donors' recognition that "donors can't manage for results if countries can't," and adding that the task is to learn what it takes for countries to be able to use results information in their decisionmaking.

Mario Marcel (former Finance Advisor to the President of Chile) gave the country perspective. He described the development challenges of Latin American countries, using country examples to illustrate. Chile's system of managing for results, he said, is viewed as a success

because it is a multitool, balanced system, introduced gradually, and strongly linked to the country's budget.

World Bank Vice President Danny Leipziger highlighted the tensions in the results agenda that, he said, "we will have to deal with to make more rapid progress." He cited such tensions as those between vertical funds and country alignment, between the donor time frame and the recipient time frame, and between additional funding and absorptive capacity.

KPMG's Tim Stiles described the impressive scale of private sector funding on the international stage, and the particular advantages private sector donors have—including focusing on impact, not process, and applying private sector standards of measuring and monitoring. If the private and public sectors work together, he said, they can provide "much better results for the progress we all support."



Mr. Marcel, Mr. Naidoo, and Mr. Stiles listening to Mr. Leipziger

Kumi Naidoo of CIVICUS cited Albert Einstein: "Not everything that counts can be measured, and not everything that can be measured counts." He said that civil society agrees with the urgency to have a more accountable way of looking at performance, and pointed out that civil society has long been in the lead in attempting to hold government accountable. He emphasized that governments should not view civil society as a service provider only, but rather consider them a valuable source of policy advice.

### AGENDA: Wednesday, 7 February 2007

9:00 - 11:00	11:00 - 11:30	11:30 - 13:30	13:30 - 14:30	14:30 - 17:30	18:30	19:00 - 21:00
Breakout Sessions	Break	Breakout Sessions	Lunch	Action Planning Working Sessions	Buses depart hotels	Reception and Dinner
			Melia Restaurants			Vietnam Museum of Ethnology

# The Big Picture: Roundtable Themes

## Leadership and Accountability

Gabriel Lessard, Canada’s ambassador to Vietnam, opened the “Creating a Culture of Results” session by asking participants to move the discussion of MfDR beyond techniques to focus on such challenges as incentives and risks.

Richard Ssewakiryanga of Uganda’s Ministry of Finance noted that, to achieve “citizen satisfaction,” leaders must address what citizens value: outcomes, better services, and a trustworthy, accountable government. He emphasized that citizen satisfaction can be produced as a joint effort between citizens and government.

Cao Viet Sinh, Vice Minister, MPI, Vietnam, noted that with the increasing transparency of Vietnam’s budgeting process had come increased accountability. Grassroots democracy, he said, has strengthened dialogue and created a foundation for consensus building, while participatory processes have improved public accountability.



Huguet Akplogan Dossa, Social Watch Bénin, said that all citizens are leaders in the making, and stressed the importance of building citizens’ capacity to monitor politicians and hold them accountable. KPMG’s Timothy Stiles introduced the subject of corruption and leadership, and the link between diminished corruption and improved standards of living. Corruption, responded Maarten Brouwer, of the Netherlands Ministry of Foreign Affairs, is delineated by values; the question of whose or what values must be debated so that we are clear on whether or not the values are shared.

## Evaluation and Monitoring

In opening the session on “The Roles and Function of E&M,” the World Bank’s Vinod Thomas noted that evaluation helps track the results chain that links inputs and government policy interventions to national development outcomes. Larry Cooley of MSI outlined important issues in M&E: “Who needs the information, what question are they trying to answer, what evidence do they require, and how accurate is accurate enough?”

Uganda’s Peter Ssentongo stressed that attribution is not important: what is important is mutual accountability for achieving national-level outcomes that benefit the people. Malaysia’s Koshy Thomas added that in his country the key factor in MfDR has been a single integrated performance framework that includes budgeting and personnel performance, with incentives to reward efficiency.

In Jamaica, Dwight Uylett noted, a sound M&E framework consists of five key factors: knowledge of where we are, structures that facilitate leadership and require changes, keeping citizens at the center, awareness of threats to targets and risk management, and measurements of management.

Session participants made several points: it is important to integrate gender equality into all aspects of MfDR; countries with centrally planned economies or societies that are used to strong direction can more easily adopt results-based management systems; one way to address data gaps is to assess data availability and quality during system design; having planners design, monitor, and evaluate their own projects can contribute to better learning; and finally, having accurate information is not as important as having useful information.

## Mutual Accountability and Partnerships

Addressing the “Mutual Accountability and Results” breakout session, Mary Chinnery Hesse, Chief Advisor to the President of Ghana, drew participants’ attention to a central conundrum: while everyone “knows” that mutual accountability matters in making aid effective, it is not entirely clear how to achieve it. While there is broad consensus on the need for dialogue, agreement on definitions, and trust, participants were conscious of an imbalance of power and differing needs between donors and recipients. For example, developing countries may find difficulties in linking donor financial commitments to their budget cycles; and donors need reliable data to justify disbursements so as to both meet their core fiduciary requirements and be accountable to taxpayers.

The intrinsic challenge in this area is that both partners—developing countries and donors—have their own accountabilities. Participants thought the challenge could be addressed through ratcheted-up donor support for helping countries build statistical capacity: since strengthened capacity would diminish one aspect of donor accountability concerns, it would help ensure more reliable aid flows. A vigorous debate ensued on the other direction of accountability (of donors to developing countries): is a “beauty contest” (ranking of donors as regards support) a useful exercise?

OECD-DAC’s Richard Manning helped draw the session’s observations together, noting that what should emerge from the Hanoi discussions is a clear idea on how to build a results culture. Addressing both sides of the partnership, and both sides of the accountability equation, he said “will help lead us in the right direction.”

## Planning and Budgeting

In the session on “Linking Policy, Planning, and Budgeting,” chaired by the World Bank’s Danny Leipziger, the discussion covered the importance of prioritization and sequencing; the use of integrated processes to ensure effective resource use across sectors; the role of performance monitoring and its use to generate information; and incentives that lead to improved decisionmaking processes. Also important was the issue of resource predictability, in particular in highly aid dependent countries such as Tanzania, where unpredictability can be a constraint on managing for results.



Out of this discussion, the panelists agreed that the required organizational change takes time, and that donor and partner governments must not become impatient with the process. The panelists also agreed that there is no blueprint for success in MfDR: programs have to be customized to the individual country context, and attention must be given to building motivation, capacity, and a management culture. However, if there is no blueprint, there are ingredients that doom countries to failure in managing the planning and budget process for results—for instance, starting with cutting-edge programs when the basics are missing, or using information technology when simple business processes don’t work. As panelist Peter Brooke (DAI Europe) said, “We may need to do things that can be quite boring.”

## Statistics

In the “Data for Results” session on improving the supply and quality of statistics, Nigeria’s Ngozi Okonjo-Iweala began by saying that statistics are needed to manage for results; the quality of statistics is vital for the credibility of the results they measure; and statistics can stimulate debate and point to policy solutions.

Jean Baptiste Compaoré of Burkina Faso observed that because policymakers often lack an appreciation of the usefulness of statistics, they are unwilling to pay the costs. Kenya’s Anthony K. M. Kilele said that his country’s use of statistics to determine funding at the constituency level has stimulated demand for data.

He added that while donor support has been important for improving Kenya’s statistical system, policymakers who want data should provide reliable funding and not wait for donors to determine priorities.

Mexico’s Antonio Millán explained that the executive may need different kinds of information than legislators or the general public, and may need to be educated on the use of statistics. Pierre Jacquet of the French Development Agency observed that data by themselves don’t tell us much: they need to be analyzed. Developing capacity in generating and analyzing data requires long-term commitment and funding.

Chris Scott of PARIS21 explained that when users are unsure of the quality of a good, they are unwilling to pay the full costs. Thus we need better educated users: citizens need to see how statistics improve the quality of their lives. The best way to increase the quality of data is through boosting demand.

