

Part 5. Findings and Lessons Learned

The MfDR Sourcebook cases reveal many important lessons that can be applied to programs and projects in a wide variety of settings – for example:

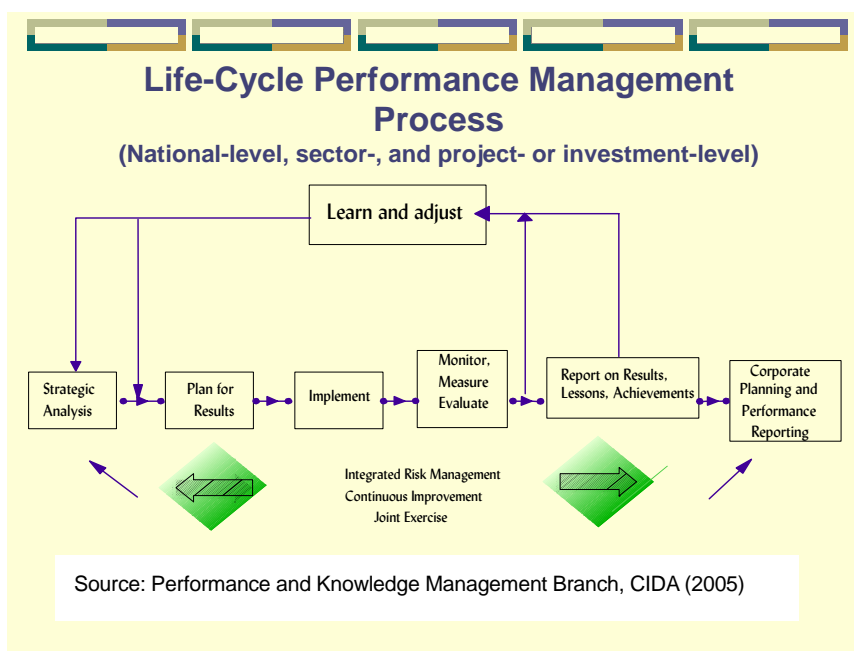
- The middle-income countries of Eastern Europe, Latin America, and East Asia
- High-growth countries such as Brazil, China, and India
- The low-income countries of Sub-Saharan Africa and elsewhere that are heavily dependent on concessional aid flows
- The fragile states of the Caribbean, which frequently have to contend with natural disasters requiring large amounts of emergency recovery assistance
- Newly independent states such as Timor-Leste, and postconflict countries such as Afghanistan, where the first result must be a stable nation, and only then can detailed program/project measurement follow
- Global programs

The examples in the Sourcebook fall mostly into two categories: (i) new programs that have applied MfDR principles in their framework, but may not have reached much beyond the output stage; and (ii) earlier initiatives or programs that have drawn lessons from a structure or approach that did not originally embody the MfDR principles but are now evolving to take a more outcome-focused approach. They yield lessons that can be useful for projects and programs in a wide variety of other settings. This part of the Sourcebook discusses the key findings and lessons learned in terms of the five Core Principles of MfDR. The findings are summarized in Tables 1, 2, and 3 at the end of this section.

Core Principle One: At all phases – from strategic planning through implementation to completion and beyond – focus the dialogue on results for partner countries, development agencies, and other stakeholders.

Demonstrating that results have been achieved requires moving from plan to action and converting conceptual ideas into practical implementation.

To achieve results on the ground, the progress of the project/program needs to be continuously and systematically assessed against the original development objective and against any significant midcourse adjustments that have been adopted. The first core principle requires an integrated approach to planning and implementation, as well as an integrated group of actors – partner countries, development agencies, and civil society. This is illustrated in the schematic below:



In this process, the emphasis is first on preparing the strategic analysis, then planning for the expected results, implementing the results framework, monitoring the progress, and finally preparing reports that focus on the results achieved and lessons learned. A key aspect is to keep adjusting as the program findings emerge. The lifecycle approach focuses on the downstream elements (performance assessment and continuous improvement) that will assist the learning stage – ultimately to maximize the achievements at the outcome and eventually the impact level of the particular program/project in question.

The Sourcebook examples that best embody the integrated approach are the Brazil Bolsa Familia Social Protection, the Chile Management Control and Results-based Budgeting System, the Thailand Rationalization of Specialized Financial Institutions, and the Madagascar Environmental Action Plan – all exercises in which both the partner countries and the development agencies clearly focused the dialogue on results.

Ownership is the key. In these cases, the government defined the program, enabling the officials who have the greatest stake in the outcome to exercise the responsibilities that come from strong ownership of the program. Of the various submissions that the Sourcebook team reviewed, the programs in which the greatest problems arose in the results aspects tended to be those with poor ownership – the donors had played too strong a role in defining the program for the partner countries. Implementing agencies in the countries felt that they were not sufficiently vested in the program and were not responsible for shaping the outcomes.

The Country Programming example in the Sourcebook describes how the MDBs and several bilateral aid agencies are developing their methodologies and approaches to mainstream their country-focused strategies. The time they have been spent on intensive design, adaptation, and implementation aspects should pay high dividends, allowing effective implementation and scaling-up of the whole effort. In the World Bank, the overall experience with results-based CASs has been very positive: officials can now point to clearer development outcomes that go well beyond measuring the individual project/program to draw on nationwide issues and solutions.

Core Principle Two: Align actual programming, monitoring, and evaluation activities with the agreed expected results.

To varying degrees, all of the Sourcebook illustrations embraced a results focus and integrated it into the original strategic plan. This allowed them to move forward from a blueprint idea to effective implementation, and in some cases onto completion. As regards agency exam-

ples, CIDA's approach to aid planning and programming shows good alignment with country-focused results. The sector examples that show good alignment are the Malawi HIV/AIDS Program and the Yemen Social Development Fund. Success comes from integrating the approach and framework into a comprehensive results focus throughout the programming cycle. Partial attempts to define a results focus, coupled with imprecise M&E arrangements, have generally led to poor results.

That said, however, the examples do illustrate that this principle is easier to announce than to implement. Setting up an M&E system can be a very labor-intensive exercise, and problems can easily arise if the conceptual methodology is not sufficiently advanced to be transferred from one project to another, or from one donor to another. Implementing agencies in partner countries frequently receive conflicting advice and inconsistent approaches. An uncoordinated approach brings little sustainability in terms of designing and implementing a mutually agreed results frameworks at both the country level and the specific project/investment level.

In Uganda, the Assistant Commissioner in charge of performance-based monitoring raises important points that apply to many sectors (in Uganda and elsewhere): specifically, do the physical outputs achieved in the water and sanitation sector really get to the heart of improving people's lives through better health conditions? And what is the cost/benefit quotient of these investments? Uganda's Performance Measurement Framework aims to measure the outcomes, and also to assess the efficiency of the water utility enterprises. The government has selected a set of golden indicators for the water and sanitation sector, drawing on consultations with affected stakeholders in the towns and villages where water services are being upgraded, and with the water utility enterprises.

Core Principle Three: Keep the results reporting system simple and user-friendly.

Generating and compiling the necessary data lies at the heart of being able to align programming with results through monitoring and evaluation. Those not measuring the results (e.g., because they do not have the data) soon find that they lack the basis to assess the outputs or the outcomes. A results-based focus requires compiling data that are administratively feasible to collect, simple to monitor, appropriately time-bound, and that can be used throughout the program.

The Sourcebook examples bring out an important fact: results reporting systems vary greatly from country to country and from one program to another, even within the same country. One might expect countries or implementing agencies with greater institutional capacity to



be better able to design detailed results frameworks and use monitoring systems than those with rudimentary capacity. But this is not always the case. Countries such as Burkina Faso, Mozambique, and Uganda – all with extensive experience in working with development agencies – may have greater capacity to design and implement results frameworks than some of the countries of Eastern Europe, for example. The Sourcebook examples bring out this aspect.

Information and knowledge on what constitutes clear and user-friendly reporting systems need to be well disseminated. In many instances, cross-fertilization of knowledge has been poor. Thus, the Sourcebook has the potential to become a major avenue of knowledge dissemination about best practice cases. The Sourcebook examples that best exemplify a simple and user-friendly approach are the Malawi HIV/AIDS program and the Uganda Water and Sanitation program.

Although as a general rule it is best to begin with simple systems, some programs have installed quite complex reporting systems in order to capture specific kinds of data – for example, to disaggregate state/provincial differences in a country, or to correct for urban versus rural bias, as well as gender bias.

Core Principle Four: Manage for, not by, results.

A focus on results requires a fundamental change in mindset – from focusing on programming inputs to focusing on the desired outcomes and then identifying what inputs and outputs are needed to achieve them. As the Sourcebook illustrations show, many policymakers and practitioners have made this change. All of the examples have a clear project or program objective, deriving from an outcome-based focus, against which it is indeed possible to monitor the broader impact of the development initiative.

Managing by results could imply using results information to reward or penalize countries – for example, by altering funding allocations. While such an approach may be appropriate in a commercial setting, it is not in a development setting. Indeed, if a country misses key targets, development partners should respond by analyzing together whether and why things have gone off track, and how they can be brought back on track.

Core Principle Five: Use results information for learning and decision making, as well as for accountability.

Both partner country policymakers and donor agencies seem to be using results frameworks more for information than as a decision-making tool or learning tool. Managing for results is only partially achieved unless results information is fed back into ongoing efforts (for midcourse corrections) and new efforts (for improved

design from the start). Governments face many constraints in using results information in this way: for example, lateness in generating data and compiling progress reports; unwieldy presentations of findings, combined with excessive detail; the failure to systematically track the outcome indicators against the original program or project development objectives; and lack of agreement on a common set of indicators, when several development agencies are involved (SWApS are one way to encourage such agreement). The Malawi M&E system is a good blueprint, but it remains to be seen whether policymakers involved in the country's HIV/AIDS program will use the system to its potential. Further work in this area is needed.

Going Forward: Focus on Country Capacity

As the Sourcebook shows, both partner countries and donor institutions have made considerable progress in managing for results. Many staff have made the necessary change in mindset, and have begun implementing the principles of managing for results in their work. However, there is still a long way to go before the approach is truly mainstreamed as the “standard operating procedure” in the development community. The key issue that urgently needs to be addressed is that of country capacity.

For a country to be truly engaged in managing for results requires national-level M&E frameworks and country systems – which depend on the country's public sector capacity, and therefore on the depth of training or sophistication of the country's civil service, and its experience. Although in general middle-income countries have more capacity to develop solid M&E systems than poor countries, donors and all partner countries will need to continue working closely together on a broad front to build and strengthen these capacities.

One area that will require particular attention is developing countries' statistical capacity. It is obvious that managing for results and working toward them requires an ability to measure before, during, and after – a capacity that many countries lack. Some capacity-building exercises are under way – for example, the STATCAP program in Ukraine and Burkina Faso – but more funding and much more attention to the issue will be needed.

Just as donor institutions have learned – and continue to profit from – each other's experiences in managing for results, so partner countries can benefit greatly from sharing their experiences. This Sourcebook is one effort to gather and disseminate useful information about such experiences, and the plan is to maintain and continually update an online version. Various regional and international conferences and workshops have served as venues for networking and sharing experiences, and more such meetings are planned. In addition, late 2005 will see the



launching of a special effort, the Mutual Learning Initiative, under which bilateral and multilateral donors will work intensively with selected partner countries to en-

hance their managing for results efforts, and generate and document good practices that other countries and agencies can draw upon.

Table 1: MfDR Lessons/Findings at the National Level

MfDR Lessons/Findings at the National Level		
MfDR Core Principle	Illustrations	Findings
1. Focus the dialogue on results at all phases of the development process – from strategic planning through implementation to completion and beyond	<ul style="list-style-type: none"> • Poverty Reduction Strategies: PRSPs (e.g., Vietnam CPRGS) • Sector development plans or frameworks that form part of National Development Plan: Health and education sector examples (Malawi Health, Nepal Education) • Medium-term expenditure frameworks: Chile Management Control and Results-based Budgeting System • Thailand Rationalization of Specialized Financial Institutions involves support to a broad range of industrial and commercial activities • Stakeholder consultations: Madagascar Environmental Action Plan involving biodiversity and conservation programs 	<ul style="list-style-type: none"> • At the national level, government-wide assessment tools enable measurement and monitoring of national development outcomes. • In large countries that have embarked on fiscal decentralization, this should be supplemented with state-level and local government level planning and budgeting tools, as well as M&E capacity and decision making. • Ownership is key. In all of the illustrations, there is ownership by the government: the government, not the development agencies, defined the program and is implementing it. • Comprehensive PRSPs, as in Vietnam, are a clear embodiment of strong country focus and ownership. Some 50 countries today have PRSPs under way, many with a results focus, including performance measurement frameworks (Paris indicators).
2. Align actual programming, monitoring and evaluation activities with the agreed expected results	<ul style="list-style-type: none"> • Comprehensive policy reform strategies • Governmentwide public sector reform strategies: Chile, Vietnam illustrations • Organizational change strategies (ministries or departments) • National public expenditure management plans, budgetary systems, and sector policy: Chile, El Salvador, Vietnam, Nepal illustrations • Sector/ministry annual operational strategies and budgets: Chile, Vietnam are examples of annual public expenditure reviews 	<ul style="list-style-type: none"> • To be fully effective, the plans and systems need to be consistent, transparent, and open to modification where necessary. • Excessive ministerial changes involving organizational restructuring can disrupt the ability to implement a clear, consistent results focus. The Malawi HIV/AIDS program, which embodies a national approach to solve a major social problem, points to the costs of having diffuse government responsibilities and a multitude of government departments trying to combat a national health issue. • Few countries have been able to align programming and M&E with a capacity to assess outcome-based results and make subsequent decisions as a result of the findings, as well as learning from the findings. Chile has such capacity/experience and can advise others.



MfDR Lessons/Findings at the National Level		
MfDR Core Principle	Illustrations	Findings
3. Keep results measurement and reporting as simple, cost-effective, and user-friendly as possible	<ul style="list-style-type: none"> Performance measurement plans and guides, with specific indicators defined according to national outcomes Governmentwide MIS: Vietnam, Chile, El Salvador, Nepal Functional management reviews for sectors/ministries Policy/program performance reviews: Chile, El Salvador Organizational assessments (departments and ministries) Performance and financial audits: Uganda Water Stakeholder surveys and quality of service reviews: Uganda Water, Yemen Social Fund, done at sector level but have evolved into national level; El Salvador 	<ul style="list-style-type: none"> User-friendly measurement systems can be simple if they rely, whenever possible, on existing data. It is necessary to assess progress at the state or provincial level or in the outlying regions of large countries. The data need to come from local regions and districts and be fed upwards into national data. The Brazil Bolsa Familia Program presents lessons on how to design a large countrywide system. The Malawi M& E design is a good illustration of a smaller, well-targeted setting at the national level.
4. Manage for, not by, results, by arranging resources to achieve outcomes	<ul style="list-style-type: none"> Semiannual and annual progress reports to ministry/sector leaders Annual performance reports to legislative bodies and/or elected officials and/or external donors: Chile Public Expenditure, Uganda Water, Brazil Bolsa Familia illustrations Annual public report cards to civil society 	<ul style="list-style-type: none"> Defining the appropriate outcomes and building systems to measure them is not always straightforward. Issues of terminology (outputs vs. outcomes) and of substance (are the goals measurable?) need to be tackled. The M & E reporting needs to show how inputs and outputs have contributed to the attainment of outcomes. Performance information assessments should be used to adjust operational plans and strategies, if need be.
5. Use results information for learning and decision making as well as reporting and accountability	<ul style="list-style-type: none"> Stakeholder and public consultation at the national level: extensive in Timor-Leste and Nepal cases; Vietnam could have more consultations. Program, sector, and/or institutional performance reviews and evaluations: extensive in Chile illustration (93 indicators are followed) Internal knowledge management systems (governmentwide or for specific sectors/ ministries). The Doing Business Report provides examples of how knowledge and information do help to influence policy change. 	<ul style="list-style-type: none"> While learning seems to be occurring, the instances of results reporting actually influencing national-level decision making are relatively few, or are not documented. Thus, there is little accountability. This is exacerbated by people changing jobs (or being moved around) too frequently, so that continuity becomes difficult to build up. Stability of organizations and of people is key.



Table 2: MfDR Lessons/Findings at Sector, Program, and Project levels

MfDR Lessons/Findings at Sector, Program, and Project Levels		
MfDR Core Principle	Illustrations	Findings
1. Focus the dialogue on results at all phases of the development process – from strategic planning through implementation to completion and beyond	<ul style="list-style-type: none"> Sector development or policy reform frameworks: Brazil Bolsa Familia Social Protection, Uganda Water and Sanitation, Malawi HIV/AIDS Project results framework Multistakeholder planning workshops were held in all the program and project illustrations. Madagascar Environmental Action Plan involving biodiversity and conservation programs. Interagency coordination mechanisms are crucial. 	<ul style="list-style-type: none"> Sector frameworks need to align with the national strategies, goals, targets, and indicators. Sector frameworks can enable results measurement and monitoring if appropriate indicators are selected. Sectoral plans are updated annually, but the framework and indicators need to be set in place for several years. They should be monitored and used for decision making. Goals and targets should not be changed unnecessarily. MfDR needs close dialogue in partner countries between sectoral ministries and central government departments (e.g., between the Ministries of Education and Ministries of Finance). Communications should be both vertical and horizontal. Coordination among donors is especially critical to obtaining harmonized results. SWAPs represent an important instrument. Importance of joint assessments such as mid-term reviews, internal audits, and evaluations (e.g., Burkina Faso Education).
2. Align actual programming, monitoring and evaluation activities with the agreed expected results	<ul style="list-style-type: none"> MTEFs with annual work plans and budgets Financial management systems: Brazil Bolsa Familia, Uganda Water value-for-money studies 	<ul style="list-style-type: none"> The conversion of “results blueprints” into practical implementation steps requires advance planning and clear formulation. Annual reviews of a particular program’s or project’s status need clear reporting systems and feedback loops. The Brazil Bolsa Familia program reaches down to state-level programs, including the poorer regions. Includes social targeting, means testing, and outcome indicators aimed at poverty reduction. Countries with weak institutional capacities at the sector level face more difficulty in aligning their programming with M&E and in achieving results. Thus, capacity needs to be built up and learning shared among countries.
3. Keep results measurement and reporting as simple, cost-effective, and user-friendly as possible	<ul style="list-style-type: none"> Sectorwide and/or project M&E systems, including MIS: Uganda Water and Malawi HIV/AIDS Sectorwide and/or project M&E operational plans and guides: Malawi HIV/AIDS Performance measurement frameworks: El Salvador: Evaluating Public Policy, Yemen Social Fund Sectorwide performance monitoring strategy Annual quality control reviews for service delivery to clients/ beneficiaries Data source assessment/review 	<ul style="list-style-type: none"> Substantial strengthening of statistical data collection capacity is needed, especially sector-wide. The Uganda Water ‘golden indicators’ should make the results measurement system more cost-effective and transparent. Sectoral indicators should link back to national goals and indicators, e.g., the health HIV/AIDS indicators that are part of the M&E system. The implementation of user-friendly systems requires having documentation in the local language, and the methodologies should be accompanied by thorough training. Program and project budgeting should include adequate provision for training.



MfDR Lessons/Findings at Sector, Program, and Project Levels		
MfDR Core Principle	Illustrations	Findings
4. Manage for, not by, results, by arranging resources to achieve outcomes	<ul style="list-style-type: none"> • Special studies and policy review: Uganda Water value-for-money study • Sector program reviews • External and internal monitoring reports • Technical milestones linked to financial disbursement schedules: Brazil Bolsa Familia • Performance or financial audits • Scorecards and periodic activity reports • Midterm social impact assessments and/or sector/thematic outcome evaluations 	<ul style="list-style-type: none"> • Spelling out the correct outcome indicators at the sectorwide or program/project level is not straight forward. Other cases should be consulted for examples of good practice. Issues of substance and of terminology.
5. Use results information for learning and decision making as well as reporting and accountability	<ul style="list-style-type: none"> • Annual sectorwide or project performance reports: Chile, El Salvador, Vietnam • Stakeholder consultations: Uganda Water, Madagascar Environment • Analysis of evaluations: Yemen Social Fund 	<ul style="list-style-type: none"> • Policymakers do not appear to be using the results information systems for decision making. • Problems include lateness in generating data, unwieldy presentations of progress reports and findings, and the failure to systematically track the outcome indicators against the original program or project development objectives.



Table 3: MfDR Lessons/Findings at the Development Agency Level

MfDR Lessons/Findings at the Development Agency Level		
MfDR Core Principle	Illustrations	Findings
1. Focus the dialogue on results at all phases of the development process – from strategic planning through implementation to completion and beyond	<ul style="list-style-type: none"> Agency policy/priority frameworks Country programming strategies: AsDB, IDB, WB, AfDB, CIDA Thematic/sector strategies: WB, AsDB, IDB; more recently, CIDA, DFID, USAID Project results frameworks: WB, AsDB, IDB, CIDA, DFID, Sida, DANIDA Stakeholder/partner planning and consultation mechanisms: CIDA, DFID, Sida, DANIDA, Netherlands, GTZ 	<ul style="list-style-type: none"> Measuring results at the country level is the crucial step in scaling up result measurement. However, it requires national-level M&E frameworks and use of country systems. Different tools show how policy, country program, and thematic and/or project results contribute to country, regional, or global outcomes.
2. Align programming, monitoring and evaluation with results process	<ul style="list-style-type: none"> Agencywide multiyear strategic plans or rolling workplans: all of the institutions cited above do this Annual program/project management plans, workplans, and budgets: all of the institutions cited above do this Training and guidelines for project/ program planning and management: all of the institutions cited above do this Performance management plans 	<ul style="list-style-type: none"> Results-based tools – which are critical to evaluating country, regional, or global outcomes, as well as to evaluating how agencies can better support results achievement – have been gaining prominence. Having a good reading on the depth of the country's public sector capacity is critical. This depends on the depth of training of the country's civil service, and the experience. The M&E system needs to reflect the specific country's capacity, whether it is a middle- or low-income country.
3. Keep results measurement and reporting as simple, cost-effective, and user-friendly as possible	<ul style="list-style-type: none"> M&E systems, plans and guidelines (incorporating MIS) Frameworks for audit and risk management, performance measurement Guidelines and tools for audit, risk analysis Training and guidelines for indicator design and data collection Program/project monitoring frameworks 	<ul style="list-style-type: none"> MDB systems have been too complex, WB is simplifying where possible. Harmonization of results reporting (Tanzania case) is a useful approach to follow in other countries/contexts.
4. Manage for, not by, results, by arranging resources to achieve outcomes	<ul style="list-style-type: none"> Performance reviews and evaluations Internal/external performance monitoring reviews Performance and management audits Thematic and sector studies 	<ul style="list-style-type: none"> Although the agencies have focused more on outputs and activities, and have not developed their outcome-based methodologies, the culture is changing. Link the agency results to its budget (e.g. CIDA)
5. Use results information for learning and decision making as well as reporting and accountability	<ul style="list-style-type: none"> Annual agency performance reports to advisory boards/committees and elected officials Annual country program performance reports to agency decision-makers and external stakeholders Stakeholder/beneficiary consultation mechanisms Training and guidelines for management decision making based on results information Analysis of evaluations Accountability frameworks 	<ul style="list-style-type: none"> MDBs and bilateral development agencies have been sharpening their focus on results in strategies and instruments.

