Managing for Development Results
SECOND INTERNATIONAL ROUNDTABLE
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PROMOTING A HARMONIZED APPROACH TO MANAGING FOR DEVELOPMENT RESULTS: CORE PRINCIPLES

In line with the spirit and commitments of the Monterrey Conference on Financing for Development, managing for development results[1] aims at improving the performance of countries and development agencies to achieve sustainable improvements in country outcomes for long-term impact on poverty reduction and increased standards of living. It promotes a partnership approach and organizational change through organizational learning and accountability.

Managing for development results combines a coherent framework for development effectiveness with practical tools for strategic planning, risk management, progress monitoring, and outcome evaluation. For maximum effect, it requires objectives that are clearly stated in terms of expected outcomes and beneficiaries, as well as intermediate and higher-order outcome indicators and targets, systematic monitoring and reporting, demand for results by partner countries and development agencies alike, an effective and continuous dialogue on results, and strengthening of country capacity to manage for results.

Managing for development results builds on the principles set by the development community in the domains of country ownership, donor harmonization, and alignment. These principles, endorsed in the Rome Declaration on Harmonization in February 2003 and further developed in the DAC Good Practice Paper "Harmonizing Donor Practices for Effective Aid Delivery," provide that development agencies should:

- Rely on and support partner countries' own priorities, objectives, and results. This implies alignment with the national strategy (a sound poverty reduction strategy or equivalent, with national linkage to the Millennium Development Goals as applicable) and use of reliable national systems and procedures (including the government's budget, reporting cycle, and monitoring timetable).

- Coordinate with other development agencies under partner country leadership and promote joint action whenever possible (including through delegated cooperation—that is, one donor acting on behalf of another).

[1] The *Glossary of Key Terms in Evaluation and Results Based Management* (DAC Network on Development Evaluation, OECD, 2002) defines results-based management as "a management strategy focusing on performance and achievement of output, outcomes and impact." The DAC Network on Development Evaluation is an international forum of bilateral and multilateral evaluation experts from DAC member countries, the multilateral development banks, and other international agencies.

- Strengthen partner countries' own institutions, systems, and capabilities to plan and implement projects and programs, report on results, and evaluate their development processes and outcomes, avoiding parallel donor-driven mechanisms.

These principles recognize the importance of ownership by partner countries and support an approach by development agencies that strengthens partner countries' accountability to their citizens. Further, they recognize the partnership between partner countries, development agencies and other stakeholders and the critical importance of strengthening local capacity. They also recognize that development agencies should provide support for sound national management systems and for reforms and institutions to enhance the business environment and foster the development of the private sector as the main engine of growth.

In this context, although partner countries and development agencies have different roles and responsibilities in development, managing for development results means that they each have accountabilities—to their own constituencies and to each other—for achieving development results. It also means that leadership in both partner countries and development agencies is especially critical for strategic vision, honest assessment of progress, and institutional flexibility to adapt to new information.

Five core principles for managing for development results emerge from these understandings:

1. **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.** In managing for results, it is important to have a coherent approach: (a) ex ante, at the strategy and planning phase, when expected results are articulated and their likely costs and expected impact on poverty reduction and development are analyzed; (b) during program/project implementation, when monitoring is needed to assess progress and identify necessary midcourse corrections; (c) ex post, upon completion, when the results are assessed against objectives and other factors, and (d) also when sufficient time has passed to be able to assess sustainability.

2. **Align actual programming, monitoring, and evaluation activities with the agreed expected results.** When partner countries, development agencies and other stakeholders focus on expected results and associated results indicators, they can better align actual programming (including financial support), monitoring, and evaluation activities with agreed results objectives. Partner country priorities and constraints must remain the starting point for development agencies' support strategies, and the development agencies' planned operations, analytic support, and technical assistance must be consistent with the partner country's sound development strategy.

3. **Keep the results reporting system as simple, cost-effective, and user-friendly as possible.** The indicator framework for managing for results should, to the extent possible, (a) be simple; (b) rely on country systems, supporting capacity building to the maximum extent; (c) be geared to learning as well as accountability functions; and (d) be harmonized to minimize system transactions costs and facilitate comparative analysis. The partner country and development agencies should consult on a short list of key indicators, preferably from a standardized list, for monitoring progress and assessing achievement of results. It is important to take into consideration the chain of expected results. Managing for results aims at improved efficiency; therefore, it is essential to be selective (and not to try to measure everything) and realistic (in terms of feasibility and cost) in choosing indicators. The results reporting system should remain pragmatic; start

with whatever baseline data is available, including proxies; use meaningful qualitative indicators to complement quantitative indicators, or to compensate if quantitative indicators are not available; and include support for cost-efficient measures to improve data availability and country or project monitoring systems. The end goal should be a sound results-based management system that includes specific, quantifiable indicators connected to a timeline with baseline data and periodic assessments of project and program performance against defined targets.

4. **Manage *for*, not *by*, results**. Managing for results involves a change in mindset—*from* starting with the planned inputs and actions and then analyzing their likely outcomes and impacts, *to* focusing on the desired outcomes and impacts (for example on poverty reduction) and then identifying what inputs and actions are needed to get there. It also involves establishing baselines and identifying upfront performance targets and indicators for assessing progress during implementation and on program completion. Missing key targets should be a signal for partners to analyze together whether/why things have gone off track and how they could be brought back on track, if necessary. It should not be a trigger for the rigid application of penalty rules.

5. **Use results information for management learning and decisionmaking, as well as for reporting and accountability.** Information on results should be publicly available. While one of the goals of managing for results is to use results monitoring information for reporting and accountability (for both partner countries and development agencies), this may potentially prompt behaviors that are overly risk-averse. Two approaches can mitigate this possibility: (a) using reports on results in a positive way for management learning and decisionmaking, taking into account lessons for better future action; and (b) when using reports for accountability purposes, setting performance measures that reflect the level of responsibility of the actor (whether a country, development agency, ministry, institution, NGO, and other stakeholders) and results that the actor can reasonably achieve; this approach recognizes that even with good performance in managing for results, external factors may hinder the achievement of expected outcomes.