

## Managing for Development Results

**What is Managing for Development Results?**

**How are shared goals and strategies achieved?**

**How are political priorities translated into budget realities?**

**What is evidence-based decision making?**

**How is public accountability promoted?**

**What is required to launch and manage this approach?**

**For further information**

**For further reading**

**Where to contact us?**

### Introduction

In a time of global economic downturn, governments are increasingly looking for ways to ensure that their resources are used effectively. Managing for Development Results (MfDR) has emerged as a centrepiece of global efforts to improve the effectiveness of public resources and achieve the Millennium Development Goals (MDGs). MfDR provides governments with a management philosophy, approach and set of tools for enhancing government performance and expanding accountability.

In most developing countries, the public sector is still operating without any strategic orientation towards development results. Results-focused activities, if they exist at all, usually remain singular, discrete and unlinked. Some countries, however, such as Chile, Uganda and Vietnam, have undertaken serious efforts to implement results-based approaches to their development policies. Anecdotal evidence and published case studies suggest that these efforts are producing tangible benefits. Examples such as these give hope for a broader move towards a new culture of public policy making – towards political leadership that is able to initiate a turnaround in its policies, to trigger a reform process, and to manage change.

This *Policy Brief* aims to highlight the most important aspects and implications of the public policy strategy known as Managing for Development Results. ■

*This Policy Brief was produced by the Task Team on Conceptual and Technical Guidance of the OECD-DAC Joint Venture on Managing for Development Results with a financial contribution from the United States. Members of the Task Team are: Germany (chair), Austria, Ireland, Switzerland, the United States and the DAC Secretariat.*

### What is Managing for Development Results?

Managing for Development Results is a management strategy that focuses on development performance and on sustainable improvements in country outcomes. It provides a framework for development effectiveness in which performance information is used to improve decision making. It also includes practical tools for strategic planning, risk management, progress monitoring, and outcome evaluation.

This approach has major implications for national leaders, public sector officials, donors and citizens. At its most fundamental level, it calls for an emphasis on results in all aspects of the development process. As such, it embodies generally accepted tenets of good government: clear objectives, evidence-based decision making, transparency and continuous improvement. In the current context, MfDR also addresses a range of policy issues, including international goals and standards, country ownership, harmonisation and alignment of donor efforts, accountability for development results, and the participation of civil society.

Advocates of good governance see this approach as a way for governments to be accountable to their own citizens and to donors. Those who support increased levels of aid regard MfDR as a focal point around which they can galvanise national and international commitment to the effective use of development aid.

There are four features that distinguish this approach from traditional public administration (see Box 1): shared goals and strategies; performance-based budgets; evidence-based decision making; and public accountability. Each of these features has important policy implications, raises difficult issues, and requires determined leadership. ■

### How are shared goals and strategies achieved?

As currently understood, MfDR implies that goals are not only clear and measurable, but that they are expressed as development outcomes, such as reduced child mortality or increased school attendance. It is generally accepted that these goals should be limited in number and concrete, with agreed indicators and time-bound targets. One of the central tenets of the approach is that goals should be broadly endorsed within the country and that donors should align their efforts with these national goals wherever possible. In an effort to improve planning, link interventions to results, and make performance monitoring more systematic, practitioners of the approach regularly use results chains. These are logic diagrams showing the strategies and assumptions linking inputs, outputs, outcomes and the impact to which they contribute.

Reaching an agreed and prioritised set of goals and strategies is a complex political and technical undertaking. Typically, it means transforming plans into strategies, wish lists into priorities, and long lists of potential indicators into a limited set of key metrics. Among the

most important and sensitive policy issues associated with shared goals are the means by which such goals are established, legitimised and measured. From a practical point of view, primary emphasis within MfDR has been on Millennium Development Goals and on goals established through poverty-reduction strategies and other collaborative national or sectoral planning exercises. Ensuring national consensus on these goals and metrics, and ensuring donor alignment with them, often requires significant changes in planning processes. Developing and implementing robust consultative mechanisms and prioritising goals are particularly challenging, given the number and range of potential stakeholders and the many demands placed on governments. These consultative exercises are most meaningful when they are linked directly to budget formulation and review. ■

### How are political priorities translated into budget realities?

The budget is a central tool through which development results and priorities are realised. MfDR goals and strategies are also prominently reflected in a host of substantive policies and regulations, such as pricing, distribution and social sector policies that reinforce and elaborate budget allocations and priorities. The approach requires establishing clear mechanisms and procedures for translating political priorities into budget realities by linking planning and budgeting processes at national and sectoral levels. This usually includes some form of programme budgeting where resources are clearly associated with the outcomes and outputs to which they are expected to contribute. Since few development

#### Box 1.

#### PUTTING MFDR INTO PRACTICE

##### Feature 1: Shared Goals and Strategies

- Focus on development outcomes with agreed indicators and time-bound targets
- Broad agreement on goals and alignment of resources
- Use of results chains

##### Feature 2: Performance-Based Budgets

- Linked plans and budgets
- Programme budgeting
- Predictable donor pledges and medium-term expenditure frameworks

##### Feature 3: Evidence-Based Decision Making

- Results-based statistics, performance monitoring systems and evaluation protocols
- Budgetary and operational flexibility
- Annual multi-stakeholder performance reviews

##### Feature 4: Public Accountability

- Domestic and mutual accountability
- Transparent and open information-sharing
- Performance-based incentives

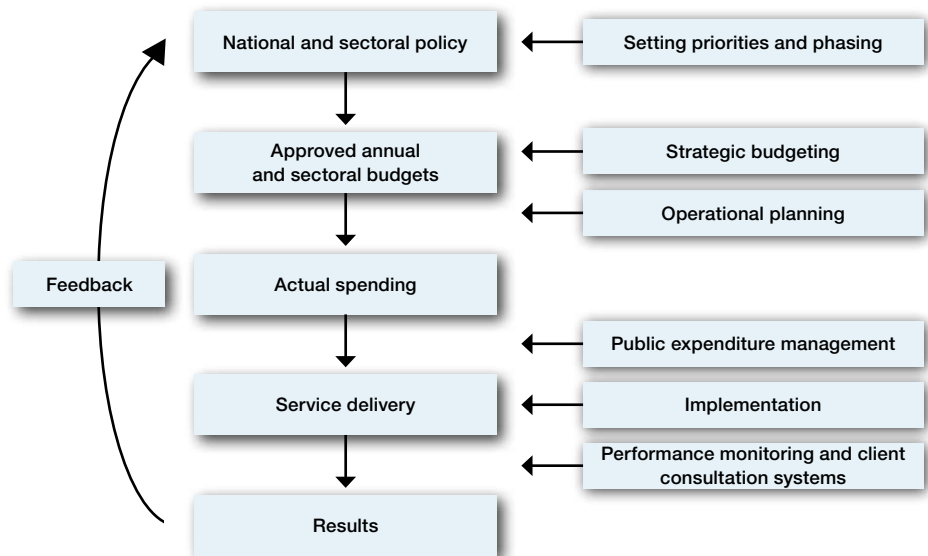
outcomes can be achieved in a single year, MfDR benefits greatly when governments use medium-term expenditure frameworks and when donors offer predictable, multi-year pledges.

Few, if any, governments have fully implemented performance-based budgeting, but many have taken constructive steps to enhance the role of performance information in their budgeting processes. These are not easy changes to make, as governments are often stymied by existing systems, established interests, and constitutional hurdles. In most countries, planning and budgeting are distinct processes with different bureaucracies and interests. Most countries have difficulty making binding commitments that go beyond their current budget cycle. There is also a danger of defeating the broader intent of performance-based budgeting by applying it too mechanically. ■

**What is evidence-based decision making?**

While policy objectives and political realities significantly influence funding priorities, MfDR implies that performance information will have a significant impact on those priorities. The approach requires credible data and procedures for forecasting expected results, and robust statistics, performance-monitoring systems and evaluation protocols for assessing actual performance and feeding it back into the planning and budgeting cycles. To be useful, this performance information needs to be demand-driven and tailored to reflect decision-makers' needs and timetables, such as budget cycles. It is also essential that decision making about budgets and operations allows for sufficient budgetary

**Figure 1.**  
**THE POLICY-RESULT CHAIN**



Source: Management Systems International (2008).

and operational flexibility to adjust budgets and programmes based on this information and to support organisational learning. Annual multi-stakeholder performance reviews and joint government-donor evaluations have proven to be effective in these efforts.

Most countries do not provide adequate resources for monitoring and evaluation and lack systematic procedures for introducing data on performance into budget debates and decisions. There are few incentives for bureaucrats, ministers or legislators to encourage learning or to base their decisions on performance data. Reporting on performance indicators often lacks the necessary rigour, timeliness and credibility, and audit agencies, parliaments and civil society often lack the capacity to analyse information on government performance. ■

### How is public accountability promoted?

Managing for Development Results is based on governments' accountability to their citizens and on accountability between donors and recipient countries. Mutual accountability is the process by which two or more parties hold each other accountable for the commitments they have voluntarily made. Both forms of accountability, domestic and mutual, assume a high level of transparency and openness in the way information about results and expenditures is collected and shared.

While some countries have implemented innovative ways of soliciting their citizens' engagement, getting their feedback on government performance, and disseminating information about plans and performance, many governments are still reluctant to work with their citizens in this way. The international community has not yet developed agreed and practical measures for turning the concept of mutual accountability into a reality. There is a growing body of information that suggests that when data on results are used only to reward achievement and penalise failure, the honesty of the reporting suffers. Best practice now emphasises the use of positive incentives for candid reporting about programmes that fail to achieve their intended results and for learning from those experiences. ■

### What is required to launch and manage this approach?

Adopting this approach is not an all-or-nothing affair; it's a matter of degree. While in theory MfDR is a set of principles and practices, in reality it is made up of a large number of individual but linked systems, procedures and decisions. Partner countries highlight six factors as crucial for implementing this approach: political will; strong country capacity; alignment with national systems; country-led joint evaluations; a results culture; and support for South-South peer exchange.

No two countries implement MfDR in exactly the same way. While changes in planning and budgeting processes are the most common

and logical entry points for improving the approach, some countries have begun with changes in monitoring and evaluation of programmes, changes in civil service procedures, or changes in project planning and selection. Each of these actions, properly conceived and executed, can yield tangible results and support a cycle of performance improvement.

Launching a serious MfDR process usually requires committed leaders with extensive credibility and a willingness to spend political capital to reform entrenched systems and improve government performance. The 2008 Survey on Monitoring the Paris Declaration, which examines progress on aid effectiveness, found that the proportion of countries

**Table 1.**  
**DO COUNTRIES HAVE MONITORABLE RESULTS FRAMEWORKS?**  
**Indicator 11 of the Paris Declaration on Aid Effectiveness**

Country	Rating		Country	Rating	
	2005	2007		2005	2007
Afghanistan	n.a.	D	Liberia	D	D
Albania	D	D	Madagascar	C	C
Bangladesh	D	C	Malawi	C	D
Benin	C	C	Mali	D	D
Bolivia	C	C	Mauritania	C	C
Burkina Faso	C	C	Moldova	D	C
Burundi	D	D	Mongolia	C	C
Cambodia	C	C	Morocco	n.a.	n.a.
Cameroon	D	D	Mozambique	C	B
Cape Verde	D	C	Nepal	C	C
Central African Republic	D	D	Nicaragua	C	C
Chad	D	D	Niger	D	D
Colombia	n.a.	n.a.	Nigeria	n.a.	C
Congo, Democratic Republic	D	D	Papua New Guinea	n.a.	n.a.
Cote d'Ivoire	D	E	Peru	n.a.	n.a.
Dominican Republic	n.a.	n.a.	Philippines	n.a.	n.a.
Egypt	n.a.	n.a.	Rwanda	C	C
Ethiopia	C	C	Senegal	C	C
Gabon	n.a.	n.a.	Sierra Leone	D	D
Ghana	C	C	Sudan	D	D
Haiti	D	D	Tanzania	B	B
Honduras	C	C	Togo	n.a.	n.a.
Indonesia	n.a.	n.a.	Tonga	n.a.	n.a.
Jordan	n.a.	n.a.	Ukraine	n.a.	n.a.
Kenya	C	C	Uganda	B	B
PISG Kosovo	n.a.	n.a.	Vietnam	C	C
Kyrgyz Republic	C	C	Yemen	D	C
Laos	D	C	Zambia	D	D

- A. Sustainable.
- B. Developed.
- C. Action taken.
- D. Elements exist.
- E. Little action.

Source: World Bank, *Results-Based National Development Strategies: Assessment and Challenges Ahead*, Washington, DC: World Bank, December 2007.

with “largely developed results-oriented frameworks” was a modest 5%. However, 56% of countries reported having taken some action since 2005. Experience suggests that fully institutionalising the approach takes a minimum of seven years. In most countries, this means that the process spans at least one political transition, and much of that time is taken up with important but relatively unglamorous efforts to change core systems and assemble a valid empirical basis for decisions. For this reason, it is essential to develop constituencies inside and outside of government and to ensure that the process is not seen as partisan or donor driven. ■

### **For further information**

For more information on this *Policy Brief* and OECD work on Managing for Development Results, please contact:

Stefan Schmitz, e-mail: [stefan.schmitz@oecd.org](mailto:stefan.schmitz@oecd.org), tel.: +33 1 45 24 87 67.

Visit [www.oecd.org/dac/effectiveness/results](http://www.oecd.org/dac/effectiveness/results) for more information on Aid Effectiveness and Managing for Development Results.



### For further reading

OECD (2008), **Managing for Development Results: Information Sheet**, available at [www.oecd.org/dac/effectiveness/results](http://www.oecd.org/dac/effectiveness/results).

OECD, The World Bank (2006), **Sourcebook: Emerging Good Practices in Managing for Development Results, First Edition**, [www.mfdr.org/sourcebook](http://www.mfdr.org/sourcebook).

OECD, The World Bank (2007), **Sourcebook: Emerging Good Practices in Managing for Development Results, Second Edition**, [www.mfdr.org/sourcebook](http://www.mfdr.org/sourcebook).

OECD, The World Bank (2008), **Sourcebook: Emerging Good Practices in Managing for Development Results, Third Edition**, [www.mfdr.org/sourcebook](http://www.mfdr.org/sourcebook).

The World Bank (2008), **MfDR Capacity Scan: A Toolkit for the Assessment of Country Capacity in MfDR**, [www.mfdr.org/cap-scan.html](http://www.mfdr.org/cap-scan.html).

OECD (2008), **Incentives for Aid Effectiveness in Donor Agencies: Good Practice and Self-Assessment Tool**, available at [www.oecd.org/dac/effectiveness/results](http://www.oecd.org/dac/effectiveness/results).

OECD (2008), **Mutual Accountability at the International Level: Review of Existing Mechanisms**, available at [www.oecd.org/dac/effectiveness/results](http://www.oecd.org/dac/effectiveness/results).

OECD (2008), **Mutual Accountability at the Country Level: Concept and Emerging Good Practice** (forthcoming).

OECD/DAC (2002), **Glossary of Key Terms in Evaluation and Results-Based Management**.

---

OECD publications can be purchased from our online bookshop:

[www.oecd.org/bookshop](http://www.oecd.org/bookshop)

OECD publications and statistical databases are also available via our online library:

[www.SourceOECD.org](http://www.SourceOECD.org)

---

### Where to contact us?

#### OECD HEADQUARTERS

2, rue André-Pascal  
75775 PARIS Cedex 16  
Tel.: (33) 01 45 24 81 67  
Fax: (33) 01 45 24 19 50  
E-mail: [sales@oecd.org](mailto:sales@oecd.org)  
Internet: [www.oecd.org](http://www.oecd.org)

#### GERMANY

**OECD Berlin Centre**  
Schumannstrasse 10  
D-10117 BERLIN  
Tel.: (49-30) 288 8353  
Fax: (49-30) 288 83545  
E-mail:  
[berlin.centre@oecd.org](mailto:berlin.centre@oecd.org)  
Internet:  
[www.oecd.org/berlin](http://www.oecd.org/berlin)

#### JAPAN

**OECD Tokyo Centre**  
Nippon Press Center Bldg  
2-2-1 Uchisaiwaicho,  
Chiyoda-ku  
TOKYO 100-0011  
Tel.: (81-3) 5532 0021  
Fax: (81-3) 5532 0035  
E-mail: [center@oecdtokyo.org](mailto:center@oecdtokyo.org)  
Internet: [www.oecdtokyo.org](http://www.oecdtokyo.org)

#### MEXICO

**OECD Mexico Centre**  
Av. Presidente Mazaryk 526  
Colonia: Polanco  
C.P. 11560 MEXICO, D.F.  
Tel.: (00.52.55) 9138 6233  
Fax: (00.52.55) 5280 0480  
E-mail:  
[mexico.contact@oecd.org](mailto:mexico.contact@oecd.org)  
Internet:  
[www.oecd.org/centrodemexico](http://www.oecd.org/centrodemexico)

#### UNITED STATES

**OECD Washington Center**  
2001 L Street N.W., Suite 650  
WASHINGTON DC. 20036-4922  
Tel.: (1-202) 785 6323  
Fax: (1-202) 785 0350  
E-mail:  
[washington.contact@oecd.org](mailto:washington.contact@oecd.org)  
Internet: [www.oecdwash.org](http://www.oecdwash.org)  
Toll free: (1-800) 456 6323

The OECD Policy Briefs are prepared by the Public Affairs Division, Public Affairs and Communications Directorate. They are published under the responsibility of the Secretary-General.