

Summary of Proceedings

for the

Third International Roundtable Managing for Development Results

*5-8 February 2007
Melia Hotel
Hanoi, Vietnam*



Third International Roundtable

Managing for Development Results

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Summary of Proceedings

The Third International Roundtable on Managing for Development Results was the product of the efforts of many dedicated individuals and organizations through a year of preparation. Comprising 36 individual sessions over 4 days and attended by more than 500 participants representing 45 countries, 32 donor agencies, and 30 civil society and private sector organizations, the Roundtable was the largest and most comprehensive international meeting on managing for development results ever held. This Summary of Proceedings endeavors to capture the outcome of each session and the thematic and global outcomes of the meeting.

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Rob de Vos (Netherlands)

Country Action Planning Process Breakout Session

Onno Ruhl (World Bank)
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Donor and Development Partners Breakout Session

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Foreword

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We are halfway to the deadline set for achieving the Millennium Development Goals. Are we making progress? Are countries and donors getting results? Does development assistance deliver? Are governments responding to their citizens' priorities and demonstrating how they are spending their resources? Countries and donors are demanding better performance of development interventions, and the need for greater effectiveness and accountability in managing for development results is changing the way partner countries and development agencies work together.

Development results means more than simply the number of schools we build, the number of wells we dig, or the miles of road we construct. It is about the outcome of our activities: giving young people the tools to break free from poverty, creating jobs and economic opportunities for those who do not have them, and providing access to the basic necessities of life so that poor people can focus on succeeding, instead of only surviving.

Over the past year, the OECD DAC's Working Party on Aid Effectiveness, other donors and partner countries, the Government of Vietnam, worked together to put together the Third International Roundtable on Managing for Development Results. The Roundtable focused on building country capacity and creating communities with a shared vision about the importance of managing for results.

Donors and partner countries both have a role in improving development results. For the donor community, credibility rests on their ability to deliver results that have a real impact in the daily lives of the poor. Donors are accountable to taxpayers in countries that support development assistance, as well as to the taxpayers and citizens in receiving countries, for effectively using the scarce development resources. Partner countries must take the lead in defining the results they want and managing the processes necessary to achieve them. Statistical capacity and good monitoring and evaluation systems are critical to making evidence-based decisions on how best to use available resources, but they are not ends in themselves. Rather, they are key tools for helping development agencies and countries learn from experience and be accountable. Countries cannot reasonably be held accountable for improved results if they cannot reliably measure progress.

Increasing the accountability of countries and development agencies requires partnerships to deliver the outcomes that matter to people—which in turn entails political commitment and leadership at all levels. That is why the Third International Roundtable on Managing for Development Results brought together a talented and diverse group of leaders from partner countries, development agencies, and private sector and civil society organizations to focus on building country capacity and creating communities with a shared vision about the importance of managing for results.

The Third Roundtable was developed in a participatory way. In the months leading up to the Roundtable, representatives of 22 countries and of bilateral and multilateral agencies met in a series of workshops (in Burkina Faso, Singapore, Uganda, and Uruguay). These workshops focused on examining country experience to identify the core elements of "capacity to manage for development results"—which became the main

organizing themes of the Third Roundtable: Leadership, Monitoring and Evaluation, Accountability and Partnerships, Planning and Budgeting, and Statistics.¹

This Summary of Proceedings distills key elements and issues raised during the course of the Roundtable around these five themes. In addition to these themes, several special sessions brought together smaller groups of participants to work on areas of particular interest: the Common Performance Assessment System (COMPAS), the Asian and African Communities of Practice, and the *Sourcebook on Emerging Good Practice on Managing for Development Results*.

Full proceedings, agenda, speeches, presentations, and PowerPoint
are available at www.mfdr.org

¹ See also Bedi, Tara, A. Coudouel, M. Cox, M. Goldstein, and Nigel Thornton. *Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies*. World Bank. 2006. More on each of these themes can be found at <http://www.mfdr.org/RT3/theme.html>.

Context

Today's results agenda had its roots in the Millennium Development Goals. When the international community agreed to focus on addressing seven specific aspects of poverty, the inevitable question arose: How will we know we have succeeded?

In 2002 at the International Conference on Financing for Development in Monterrey, Mexico, the international community agreed that it would be important to provide more financing for development—but more money alone was not enough. Donors and partner countries alike wanted to know that aid would be used as effectively as possible, and they wanted to be able to see that it was, in fact, making a difference. This discussion threw into sharp relief the need to measure results, and demonstrate that results were achieved.

Soon afterward, the World Bank convened the first international roundtable on Measuring, Monitoring, and Managing for Results (2002), at which development practitioners grappled with concepts, approaches, and practical issues related to getting development results. At the second international roundtable on Managing for Development Results, in Marrakech, Morocco (2004), more than 60 representatives of partner countries met with representatives of bilateral and multilateral development agencies to discuss the challenges of managing for development results. Participants endorsed a set of core principles on how best to support partner countries' efforts to manage for results, and agreed on the Marrakech Action Plan for Statistics—a plan for improving national and international statistics, without which baselines cannot be established and progress cannot be measured.²

At the Paris High-Level Forum on Aid Effectiveness (2005), 60 partner countries and 60 donor agencies endorsed the Paris Declaration, committing to specific actions to further country ownership, harmonization, alignment, managing for development results, and mutual accountability for the use of aid.

The Third Roundtable on Managing for Development Results in Hanoi, Vietnam (2007), built on this body of work, bringing together over 500 representatives from 45 countries, 32 development agencies, and 30 civil society and private sector organizations to focus on building country capacity and creating communities with a shared vision about the importance of managing for results.

² Additional information is available at <http://www.mfdr.org/2ndRoundtable.html>.

Day 1 - February 5, 2007

Roundtable Opening & Marketplace Launch

The Roundtable's Results Marketplace gave participating countries and organizations an opportunity to highlight their success in MfDR through posters and presentations. Over 60 posters were produced for the Marketplace, approximately half from countries and half from development partners. Each poster was designed to provide an overview of the case being presented, highlights of key steps and core requirements of the case, an explanation of the results achieved, and lessons learned for scaling up or replication.

The Marketplace was officially opened by Jim Adams, World Bank Vice President, and Mike Mayer, Vice President of Marketplace sponsor SAP. Participants were able to explore the Marketplace and interact informally with the spokespersons from each country and agency, as well as listen to formal presentations of the cases highlighted in the posters.



A Marketplace Guidebook featuring profiles and abstracts of all the Marketplace posters is available at www.mfdr.com/RT3.

Throughout the Roundtable, participants were encouraged to vote for the posters they felt showed the best practice in each of the five thematic areas of the Roundtable, as well as for a “people’s choice” award. The results of the voting, which were announced on the final day, were as follows:

Leadership and Accountability – China

Evaluation and Monitoring – Ethiopia

Mutual Accountability and Partnerships – Afghanistan

Planning and Budgeting – Chile

Statistics – Nepal

People’s Choice – Mongolia

Special-Interest Sessions

The first day of the Roundtable featured sessions in which smaller groups of participants worked together on areas that were of interest to many participants but were not directly related to the five organizing themes.

Discussion of the 2006 COMPAS Report

The Inter-American Development Bank, on behalf of the other participating multilateral development banks (MDBs)—the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and World Bank—presented the 2006 version of the MDBs’ Common Performance Assessment

System (COMPAS) report. Building on the initial effort organized by the AsDB in 2005, the 2006 COMPAS report seeks to establish objective metrics for MDBs. MDBs report on their performance in seven areas related to development effectiveness: country capacity, building results-focused country assistance strategies, indicators of allocation of concessional resources, lesson-learning, human resources management, harmonization, and methods for assessing levels of project quality. While the COMPAS is likely to be further enhanced over time, it was emphasized that the 2006 report³ represented a significant improvement in accuracy and transparency about how the MDBs are implementing MfDR internally, and established a useful baseline for MDBs to assess future progress.

Participants at the discussion welcomed the improvements made in the 2006 report. Some noted, however, that efforts to summarize and synthesize agency performance inevitably result in some loss of specificity, and that it is therefore important to also consider the individual indicators shown in the matrix of agency performance. Other participants commented on the difficulty of attributing development effectiveness directly to agency effectiveness and recommended that this be an area of future study and discussion.

In closing, participants welcomed the African Development Bank's offer to coordinate preparation of the 2007 COMPAS report, and expressed confidence in the continuing usefulness of the report.

Communities of Practice

Two Communities of Practice on Managing for Development Results (CoPs-MfDR) met on the first day of the Roundtable. The Community of Practice is a dynamic network for peer learning and sharing practices. Members of the CoP-MfDR in Asia, which has been operating for nearly a year, shared their experience with those from the CoP-MfDR in Africa, which is just getting started.

- ***Asian CoP-MfDR.*** In a session chaired by Juanita Amatong of the Philippines, representatives of the COP-MfDR in Asia shared lessons from their experience and discussed a plan of actions to scale up their efforts to learn from each other. The main features of the CoP-MfDR are that it is driven by demand from CoP members and emphasizes an informal peer-to-peer learning approach. While participants appreciated the innovative CoP approach and supported scale-up, they also highlighted a number of issues: the need to review the quality and relevance of discussion topics, address barriers of language and digital divide, and engage high-quality experts to stimulate online discussion. They also noted that continued financial support is critical for the sustainability of the CoP, and that the CoP would benefit from linking with other similar virtual learning initiatives and country-based initiatives.
- ***African CoP-MfDR.*** One of the highlights of the Roundtable was the launching of an African CoP. Peter Ssentongo of Uganda and Rolando Tungpalan of the Philippines cochaired this session. Mr. Ssentongo presented the CoP's charter, which had been drafted and modified through conference calls and online discussions prior to the Third Roundtable. Mr. Tungpalan shared lessons of experience from the Asian CoP-MfDR's first year of working together, pointing out the importance of sustainability and ownership. Speaking from the floor, many African country delegates indicated a



³ (A copy of the complete report is available at www.afdb.org/pls/portal/docs/PAGE/ADB_ADMIN_PG/DOCUMENTS/NEWS/2005-COMPAS_0.PDF.)

desire to participate in the CoP-MfDR and made suggestions on how best to foster the growth of this community. Current members demonstrated a high level of ownership and a strong desire to keep developing the potential of this community.

The session closed with a demonstration of a newly created electronic discussion site that members of the Africa CoP-MfDR had already used as a forum for preliminary discussion.

For more information on the CoPs, please visit their websites: CoP Asia at www.adb.org/mfdr/cop/ and CoP Africa at www.mfdr.org/CoP/index.html.

Sourcebook Consultation

In early 2006, the OECD/DAC issued the *Sourcebook on Emerging Good Practice on Managing for Development Results*, which collected 21 cases from countries and agencies around the world to illustrate applications of the principles of MfDR. The first edition, which was prepared in collaboration with development partners and agencies, was well received and was widely distributed in English, French, Spanish, and Mandarin Chinese. Now the OECD/DAC and its development partners have selected 14 outstanding new cases to feature in the second edition of the Sourcebook. This edition, with a new structure and companion website (www.mfdr.org/Sourcebook), focuses on the importance of engaging a range of development partners and practitioners in MfDR: political decisionmakers and senior management, technical and institutional practitioners, and civil society and the private sector. Each case is presented in five sections, allowing readers to access themes of specific interest and to compare approaches: Background, Application, Problem-Solving, Results, and Conclusions & Next Steps. Case authors and members of the Sourcebook Review Panel met in Hanoi to discuss the first draft of this second edition and make additional suggestions on content and format. Publication of the Sourcebook 2nd Edition is scheduled for spring 2007.

Day 2 – February 6, 2007

Plenary Session: The Big Picture



Vietnam's Deputy Prime Minister Pham Gia Kiem welcomed more than 450 representatives from partner countries, development agencies, civil society, and the private sector. 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 2006–2010 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, Mr. Khiem said that 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.” Mr. Lawrence Greenwood, Vice President of the Asian Development Bank, concurred, noting that successful policy formulation and implementation will take increased communication between stakeholders, part of the reason to bring countries and development partners together at the Hanoi Roundtable.

Keynote Speech



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 focused on China's shift from a traditional central command system to a more decentralized and market-based economic model, under which “public acceptance of China's development plan has emerged as a critical factor” in China's development effectiveness. During this transition, he said, “ordinary citizens and representatives of the people's national congress have begun to demand better performance from the government and greater participation in public policy discussions.” He noted that “political leaders and planning officials have become more responsive” to citizens as they realized that to achieve results, “it is imperative to introduce participation, transparency, and accountability into government work to ensure the successful implementation of public policies.”

Mr. Xu Lin described the monitoring and evaluation system that China has put in place to help 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.

He drew several lessons that can be learned from China's experience: the need for support by the political and government leadership; public participation; a monitoring and evaluation system with measurable indicators; and technical assistance closely attuned to country conditions.

Current Trends in Building Country Capacity

The Current Trends plenary session set the context for the Roundtable: the central importance of country ownership of the results agenda, and the need for countries and donors to help build countries' capacity to exercise that ownership.

Session Chair Susan Stout (Manager, Results Secretariat, World Bank) began the session by observing that an important shift has taken place in the results agenda since Marrakech. The international community now recognizes the tremendous importance of focusing on what countries need in order to use information for decisionmaking, and both development agencies and countries need to move beyond discussing the principles of MfDR toward building knowledge of “how to” manage for results in different country settings.

Mario Marcel (former Finance Advisor to the President of Chile) presented Chile’s system of managing for results as an example of best practice in country-level MfDR. It is viewed as a success, he said, because it is a multitool, balanced system, introduced gradually, and strongly linked to the country’s budget.

Danny Leipziger (Vice President, World Bank) discussed tensions in the results agenda, including those between vertical funds and country alignment, between donor expectations and recipient time frames, and between additional funding and absorptive capacity.



Tim Stiles (Global Grants Program, KPMG) described the impressive scale of private sector non-profit funding in international development, now surpassing the level of funds provided by public sector donors. He noted that private sector donors tend to focus on impact, not process, and that applying private sector standards of measuring and

monitoring can add value to development processes.

Kumi Naidoo (Secretary General, CIVICUS) highlighted the question of accountability and the role of civil society in enforcing accountability. Given that accountability is one of the central pillars of the results agenda, he said, civil society should not be viewed only as a service provider but also as a source of policy advice for governments and donors.

The Big Picture: Roundtable Themes

Leadership and Accountability

Creating a Culture of Results: From Rhetoric to Reality

Gabriel Lessard, Canada’s ambassador to Vietnam, opened the 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. Huguette 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.

Monitoring and Evaluation

The Role and Function of M&E - Ends or Means?

This session outlined approaches for developing an effective M&E system. It sought to clarify who needs the information, what questions need to be answered, what evidence is required, how accurate is accurate enough, and other issues that need to be taken into consideration when developing a robust M&E system. M&E information should be based on what is required for decisionmaking and on the availability of cost-effective data. If national development strategies are to focus on results, there must be strong analytical links between policies and intended outcomes. Capacity-development activities are needed to help countries develop the skills they need to actively engage in MfDR. Concerning data gaps: one strategy is to assess data availability and quality up-front by identifying data sources during the design of the M&E system and balancing demand and supply sides. M&E is a powerful tool when it is perceived as an integral part of the government system for improving management, not just as an accountability instrument. Having managers design, monitor, and evaluate their own programs can significantly contribute to better results and learning. Regular involvement of civil society in the design, implementation, and monitoring of development programs is key to policy-level improvement and achieving results.

Mutual Accountability and Partnerships

Mutual Accountability & Results: Who Does What?

Who is accountable to whom? This session examined diverging and potentially competing accountabilities of donors and partner countries, and emphasized the importance of accountability in driving the results agenda. Mutual accountability means ensuring that donors and partner governments can hold each other responsible for delivering on agreed commitments. But each group is also responsible to its own stakeholders. Aid dependency can cause partner country governments



to substitute the accountability to their donors, for accountability to their citizens. Hence the importance of effective mutual accountability arrangements complementing improved domestic accountability. A necessary condition for managing for results and encouraging accountability, is the development of statistical and data analysis capacity. Overall, participants felt that the international community was a long way from achieving the mutual accountability targets in the Paris Declaration. One way to encourage donors to comply with the Declaration principles is to make information more available on what aid they provide and its effectiveness. A key component to making this information accessible is enhanced statistical capacity.

Planning and Budgeting

Linking Policy, Planning, and Budgeting: Institutional Arrangements for Linking Resources & Results

This session explored how well-integrated policymaking, planning, and budgeting processes can promote poverty reduction outcomes. Two important factors are leadership—that is, political ownership at the highest level—and institutional capacity. Building institutional capacity requires not only building skills, but also giving attention to the organizational capacity, motivation, and management culture. The evaluation of budget outcomes in terms of service delivery is critical to inform the budget process, and reporting information needs to be fed back into decisionmaking processes to achieve better poverty reduction outcomes. Participants felt that the nature of planning and budgeting has changed over time: earlier planning and budgeting was limited to a top-down approach, but the increasing use of medium-term expenditure frameworks and program budgeting has helped to bring a bottom-up perspective to the mix. Building on lessons from experience is key for successful reform—for example, practitioners should be wary of undertaking “cutting edge” reforms when basics are missing, reforms are underresourced, or interventions are fragmented. Costing and sequencing multisector interventions present another challenge, as does increasing the predictability of external resource flows.

Statistics

Data for Results: Policy Needs—Quality In, Quality Out

The general consensus among participants in this session is that statistics are underfunded. Participants underlined that statistics are a powerful tool for catalyzing action and getting results; they contribute to freedom of information and the development of democratic processes. However, policy and decisionmakers and citizens alike tend to lack understanding of the importance of statistics, and the result is a culture of decisionmaking without data. Thus there is a need to foster an increased demand for statistics. What is needed is long-term sustained funding by donors and governments. Increased training is needed, not just in generating statistics but also in analyzing data and using it for decisionmaking. Statistics offices should be autonomous and should provide reliable statistics.

Day 3 – February 7, 2007

Roundtable Themes: Drilling Down for Better Lessons for Results

The Day 3 breakout sessions gave participants the opportunity to focus more specifically on the concepts presented in the Day 2 “Big Picture” sessions. Participants discussed a wide variety of case studies and examples, exploring effective use of tools and mechanisms for applying MfDR in practice.

Leadership and Accountability

The sessions under the Leadership and Accountability theme centered broadly on leadership as defined by values, vision, and accountability. The sessions also examined how civil society and the private sector can work with public administrations and institutions to produce results that matter for citizens.

Leadership to Implement MfDR: Developing the Capacity to Lead for Results

Ghana’s Auditor-General, Edward Dua Agyeman, began this session by stating, “Leadership is cause, everything else is effect.” Questions raised in this session focused on: how do we define leadership? What is the difference between leader and leadership? In Ghana there is a focus on strengths and weakness of leaders at the national level and the need to balance consensus around a vision, assure accountability through new institutions, and manage the issues of time and the political process. In Rwanda and Morocco, progress is being made on engaging and empowering local communities as the key for delivering results. Local communities hold their leaders accountable through various mechanisms and are very involved in data collection, and project-level M&E. A focus on results helps unleash leadership capacity at different levels.

Engaging Stakeholders: Results are Everybody’s Business

This session highlighted three different ways to engage stakeholders in decisionmaking processes. Representatives of Mozambique presented their country’s Poverty Observatory, demonstrating how policy dialogue, civil society consultation, and alignment of donors and government around building M&E systems can obtain clear measures of results. Debapriya Bhattachaya (Executive Director, Centre for Policy Dialogue, Bangladesh) showed how Bangladesh is creating a democratic space, autonomy, and integration, and building the capacity of civil society. Issa Doumbia (Mayor, Rural Commune of Dioro, Ségou, Mali) highlighted local-level experience of creating a climate of mutual trust resulting in a dramatic increase in taxes being paid. Creating trust through civil society organizations can directly affect the generation of results. Participants concluded that civil society has a key role in delivering services and in monitoring to contribute to poverty reduction at the local level.

Evaluation and Monitoring

Discussions under this theme focused mainly on the tools needed for managing for development results and on practical experiences in using these tools.

How can we Monitor & Evaluate? Learning from Tried & True Approaches

Participants discussed how preparing an M&E framework with outcome indicators and targets for the national poverty reduction strategy allows for clarification of division of labor and transparency in the implementation



of government policies and programs. In building national M&E systems, it is important to develop a legal framework and ensure commitment and leadership from senior government authorities. M&E should be considered as an integral part of planning and financial management tools, linked to the medium-term expenditure framework, budget expenditure tracking systems, and financial auditing mechanisms. In the budget process it plays an important role in helping to rationalize the allocation of resources and the review of sector performance. Communication and dissemination of M&E information can help build ownership and transparency during the implementation of the national development strategies. Stakeholder participation and feedback should be part of the periodic reviews of progress in implementing the national strategy. Using tools such as a citizen report card can help in improving public service delivery. When data quality is an issue, use of several sources of information (triangulation) produced by different sources can help demonstrate achievement. Also, keeping a balance between qualitative and quantitative information can help in evaluating the achievement of results. Participants discussed the importance of defining indicators for which information is available. There are many methods for evaluating programs; the choice of method depends on the context and the purpose of the evaluation.

Improving Decisionmaking for Results

This session discussed tools to promote evidence-based decisionmaking. The main conclusions: impact assessment tools are critical to ensure that major investments result in major poverty reduction. They provide the basis for evidence-based decisionmaking and for constructive stakeholder dialogue. They must address political economy issues, especially examining who stands to gain and who loses from a policy change. Participants agreed that to avoid producing too many overlapping tools, we need to better define and present the specific uses and value-added of different tools.

E&M Capacity Development – Creating Partnerships to Build Stronger Capacity

This session discussed capacity-development experiences in various regions and at different levels. Some key lessons identified: demand and ownership are critical to creating and sustaining systems; it is important to understand the policy and organizational context as well as the technical aspects; leadership and champions are needed; laws and regulations are not sufficient; and while reliable data are essential, system designers must be careful about data demands and “overdesign.” In designing systems the guiding principle should be whether and how they will be used; and capacity development support needs to be tailored accordingly. Associations and networks can help facilitate knowledge sharing and support capacity development. However, capacity development can be supply-driven; where demand is weak it is important to raise awareness through a selective approach that can have a demonstration effect. M&E needs to be harmonized and coordinated; and capacity development in M&E needs to be simple, user-led, and outcome-focused. The need for partnerships with civil society and the private sector and professional associations was highlighted. Several types of experience were presented: the work of the African Evaluation Association (AfrEA); the DAC Evaluation Network study on evaluation capacity; Vietnam’s innovative approach to M&E capacity development, which builds on government needs, involves cooperation and coordination with donors, and uses adult learning principles and on-the-job training; and the Inter-American Development Bank’s PRODEV, which strengthens MfDR capacity in Latin America by improving aid effectiveness in the executive branch, parliamentarians, and civil society.

New Tools for Achieving Results: How Information Technology Can Make a Difference

Information and communication technology tools can be useful for tracking, improving, and refining development results and providing policymakers with relevant information for effective planning and programming. The Paris Declaration and other international commitments require sound, integrated monitoring systems. One key issue is the appropriate time to involve the private sector in helping the public sector with requirements for effective tracking. Rwanda has developed an excellent model of tracking health services through public-private partnerships. Software is a public good, and therefore it is essential to avoid exclusivity in handling and sharing results information. Customizing IT systems and tools to local content is essential, and it is important to develop the capacity of public sector agencies and staff to handle sophisticated IT systems. The use of ICT tools requires enabling conditions, such as agency ownership, capacity development, and a comprehensive systems approach. The Aid Management Platform, Free Balance, and others enable national governments to track fiscal flows, aid flows, and progress in expenditure management.

Mutual Accountability & Partnerships

This theme's discussions were driven by questions about the status of implementation of the Paris Declaration; how country-level initiatives can effectively hold donors to account; and how to strengthen country capacity to manage aid more effectively—which, in turn, raised questions about how to evaluate agency effectiveness.

Holding Donors Accountable: How Can They Do Better?

The adoption of the Paris Declaration represents a shift in behavior by both donors and countries. Cambodia and Mozambique provided useful case studies of national-level efforts to monitor the Paris Declaration: while each country has a distinct system, they have common issues—for example, how to hold donors accountable when commitments are not kept, and the importance of integrating national monitoring into country systems. There was also recognition that behavior and behavioral change are hard to assess, although Mozambique found that ratings of individual donors had a major impact on donor behavior.

Monitoring the Paris Declaration on Aid Effectiveness: How Do We Live Up to the Promises?

This session also highlighted Cambodia and Mozambique as examples of countries that have integrated monitoring of the Paris Declaration into their national-level systems and that have improved their capacity to monitor and measure aid effectiveness. Participants raised the following questions: How do you hold a country accountable when it does not comply with the Paris Declaration? How do we embed the Paris indicators about results-oriented frameworks and development strategies into country-level monitoring? How can monitoring of the Paris indicators better capture country context? There is a need to harmonize and integrate monitoring efforts so not to create additional reporting burdens. There was agreement that to strengthen monitoring of the Paris Declaration the development community needs to (a) integrate monitoring into existing national systems, (b) request indicator definitions to reduce confusion and ensure local context can be captured, and (c) explore ways to improve information management, such as having systematized information systems for aid effectiveness monitoring (in particular for the 2008 OECD/DAC survey).

Assessing Agency Effectiveness: What Works, What Doesn't, and Why Does it Matter?

In this session, participants discussed how progress has been achieved in assessing donor agencies, including donors' self-assessments of their own capacity to deliver results. However, holding donors to account is still proving to be difficult. This session raised three considerations that must be kept in mind. First, there is a need to manage expectations and timeframes for progress: donors are making changes (e.g., COMPAS and other mechanisms have been strengthened over time), but change takes time. Second, quantity is not a virtue: a proliferation of assessment methodologies can undermine the ability to feed results back into agencies so they can introduce positive changes. Third, the focus is at the country level, and we need to develop means to track mutual accountability, an ability to deal with a range of countries, and effective ways to ensure that information reaches up to the management of agencies. There is also need to devise incentives for deeper donor self-evaluation.

Planning and Budgeting

This theme highlighted the important connections between planning, budgeting, reporting, evaluating, and results on the ground.

Getting Results into Public Sector Budgets



In this session, participants agreed that performance information must influence resource allocation and must be formally incorporated into budget information. They discussed the many challenges in linking planning to budgeting: for example, potential misalignment between the objectives of poverty reduction strategies and medium-term expenditure frameworks (MTEFs), potential political influences on the budget, the behavior of line ministries, and who sets and defines outcomes—clients or the line ministries themselves? Conclusions of the session included the importance of building and connecting networks of budget officers in Africa, and of looking at organizational structures to ensure proper use of resources.

Minding the Gaps: Linking Poverty Reduction Strategies and Budgets for Results

Vera Wilhelm (World Bank) highlighted the main challenges that countries face in linking their poverty reduction strategies with the budget. The major conclusions: the importance of strengthening and harmonizing existing processes, as well as adopting a gradual approach to reform. Success requires building support from within through high-level ownership of policies and policy discussions. Incentives for integration must be fostered, and reporting targeted to decision-making processes. Above all, participants agreed with the necessity to keep it simple.⁴

Resources and Results

This session discussed a Swedish/Dutch proposal⁵ to strengthen results and resources processes at the country level. Participants felt that the proposal would provide long-term aid financing and thus greater predictability.

⁴ More information can be found in the joint World Bank, GTZ April 2007 report: "Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability".

⁵ The full text of the proposal is available at [http://www.oecd.org/olis/2006doc.nsf/87fae4004d4fa67ac125685d005300b3/0368eb0a0d92bd42c12572350055387f/\\$FILE/JT03218843.PDF](http://www.oecd.org/olis/2006doc.nsf/87fae4004d4fa67ac125685d005300b3/0368eb0a0d92bd42c12572350055387f/$FILE/JT03218843.PDF).

At the same time, they said that it raises concerns about duplicating procedures already taking place in countries, as well as the possibility of diverting resources from civil society. Also considered were the ideas of linking aid to budget support and of possibly piloting the proposal in a few countries.

Supporting Country Institution Building: How Lessons from the Past Can Guide the Future

To build effective public financial systems, participants agreed, there is no blueprint for government reform. Countries must take control of their own strategies, and they need to give a clear signal to donors that building robust financial systems takes time. Coordination among ministries can be difficult. The most difficult element that countries face is deciding what NOT to do. For example, if it is not the right time for an MTEF, then Ministries of Finance should say so. Peter Brooke, Associate Director of DAI Europe, presented sequencing and roadmaps tools that can help in coordination. He also highlighted the need to address staff motivation issues within ministries, pointing out that personal recognition is very important. Capacity building should be demand driven. Successful reforms are underpinned by stakeholder motivation, adequacy of capacity, and sequencing of reforms.

Statistical Capacity

The statistics sessions examined innovative approaches and best practices in delivering improved data. They considered questions about how to accelerate progress in producing and using better data for results, and how countries can move from planning to implementation.

Building a Better Statistical System: Adding Up Numbers for Success



Participants in this session recognized that the cost of building national statistics systems is high. There is a need to better integrate the requirements of national development plans and poverty reduction strategies (PRSs) with the priorities of national statistical development strategies to avoid duplication, improve efficiency, and respond to policymakers. Bringing National Statistics Development Strategies within PRSs can provide a basis for coordinating donor funding. It is critical to have better information on the real cost of information and the cost of not having that information. The definition of what data to produce is decided after substantial consultation with users and analysis of national priorities. Because good sectoral statistics come from many sources, participants felt that a comprehensive approach is critical. While the cost of good and timely statistics may be high, they said, the cost of making decisions without good and accurate information is immeasurable.

Accelerating Progress: Why We Need Better Data Now

The cases of Uganda and Vietnam illustrated that implementation of national strategies for the development of statistics provides a solid basis for improving statistical capacity for results. Important issues discussed were the need for National Statistical Office autonomy; visibility of statistical products; building public confidence in official data, sustaining advocacy and user relations, and public sector staff learning and training. Country ownership, political support, and donor coordination are critical conditions to making progress. This session

reaffirmed the Marrakech Action Plan for Statistics.⁶ Participants agreed that there is a need to scale up support for implementation through national budgets, donor investments, and advocacy.

Action Planning

Countries



Country leaders on MfDR from different government agencies were charged to draw on their expertise in their various uses of MfDR in an action planning exercise to document the “state of MfDR” in their country, how they would like to move forward on MfDR, and what actions/steps are required for the next 6, 12, and 18 months to achieve real change or movement by the time of the High-Level Forum (HLF) in Ghana in September 2008.

Participants responded to the following questions: (a) What do we feel our country is doing well with regard to MfDR? (b) What ideas and useful lessons can we draw from this Roundtable to improve our own national process of MfDR? and (c) What activities are needed to improve your MfDR process, and what requirements and resources are needed? The 33 country action planning matrices,⁷ with their related materials, stimulated discussions around such components as existing action plans for capacity building for statistics, M&E, planning and budgeting, and inclusion of leadership, along with resources available, requirements and technical assistance now being used, and projected needs.



Development Agencies, Civil Society Organizations, and the Private Sector

Development agencies, organizations, and partners met to discuss what they would like to see countries and Communities of Practice do before the Ghana HLF, and what they can do to help. The following ideas emerged from the discussion:

What would donors and other partners like to see countries and Communities of Practice do before Ghana (where appropriate, recognizing that these are country decisions and that conditions differ greatly between countries): Continue the shift of MfDR from a donor-led to a country-led agenda.

- Conduct MfDR needs analyses at the national and, if possible, subnational level (strengths and gaps).
- Take action wherever possible to strengthen linkages between the PRS, the budget, and performance assessment systems.

⁶ For the complete Marrakech Action Plan on Statistics please see: <http://www.mfdr.org/documents/MarrakechActionPlanforStatistics.pdf>.

⁷ The country action plan matrices are available at www.mfdr.org/RT3.

- Implement current action plans to strengthen statistical capacity.
- As possible, deepen MfDR by building solid linkages to subnational and sectoral systems.
- Establish and implement frameworks and procedures for enhancing public participation in the MfDR process.
- Take concrete steps to realign incentive systems to better support MfDR.
- Seek opportunities to foster the visible application of performance data to important resource allocation and policy decisions.
- Conduct and publish candid analyses of donor performance in implementing and supporting MfDR.

What can donors and partners can do to help?

- Reduce fragmentation by conducting joint analyses wherever possible. Increase the decentralization of decisionmaking within their own organizations.
- Realign internal procedures to better support MfDR.
- Undertake candid self-assessments of their own effectiveness in fostering harmonization.
- Increase the predictability of their future funding flows.
- Invest in building evaluation capacity in recipient countries.
- Conduct global advocacy for MfDR.
- Provide material and technical support for Communities of Practice in all regions.
- Ensure that adequate resources are available to countries for 2010 census.



Other ideas:

- DAC replication of Results-at-a-Glance.
- Further analysis and dissemination of promising practices.

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Regional Perspectives on Country Action Planning

On the last day of the Roundtable, country delegations met in regional groups to discuss their country action plans. Donors and development partners were invited to observe during the discussions. Common themes and elements in each region were distilled and then presented to the Roundtable in plenary.

Regional Discussion: Francophone Africa

Among MfDR achievements, many countries cited better links between planning and budgeting through the use of a medium-term expenditure framework. Some countries highlighted new frameworks for dialogue with civil society or a results-based national poverty reduction strategy. The improvements these countries look for include capacity strengthening, a decentralized M&E system, and greater accountability by ministers through annual reporting.

Regional Discussion: Anglophone Africa

Anglophone African has seen major improvements, including sound national development strategies and plans, national M&E systems, and results-based budgeting. Key areas for improvement are national statistical systems (including incentives to use data for decisionmaking) and results-based budgeting. In addition, participants highlighted the need to extend integrated M&E efforts to sectoral and local government levels.

Regional Discussion: Asia and the Pacific

Asia has seen significant advances in MfDR through country-to-country cooperation (particularly the Community of Practice). In addition, MfDR concepts are being successfully internalized in the public sector (including parliamentarians and the media). The region is particularly interested in strengthening statistical capacity, ensuring the autonomy of national statistical offices, developing a statistics master plan consistent with an M&E master plan, strengthening subnational and regional M&E systems, building public sector capacity, improving incentives in managements systems, and increasing coordination and management of decentralized decisionmaking processes.

Regional Discussion: Latin America

Latin America's major achievements in MfDR are progress toward results-based budgeting and planning, increased use of performance agreements, and incentives and greater participatory input into resource allocations in public budgets. Areas for improvement are better links between planning and budgeting, more reliable information systems, and better use of M&E. Regional participants also called for more resources for efforts to help countries implement MfDR processes, more investment in integrated information technology systems for MfDR, and capacity building.

Roundtable Closing



The final session of the Roundtable featured Haruhiko Kuroda, President of the Asian Development Bank; Richard Manning, OECD/DAC Chair; Jeffrey Gutman, World Bank Vice President; Mary Chinery-Hesse, Adviser to the President of Ghana; and Cao Viet Sinh, Vice Minister from the Government of Vietnam. In the closing remarks there was a shared sense of accomplishment and optimism about the future of the results agenda.

Speakers noted that the development community has now gone well beyond the “why” and “what” of MfDR, and that the focus of countries and international discussions is on the “how,” focusing on the practical issues of implementing results-based management systems and practices at a country level. Support was expressed for the country-to-country learning model that was used at the Roundtable, and it was observed that the results agenda has “come of age” and is now clearly owned by the countries. It was also noted that the discussions on results at the Roundtable will no doubt contribute to the agenda for the Ghana High-Level Forum (HLF).

Conclusions

Results of the Third Roundtable – Highlights by Theme

Leadership and political will are key to taking the results agenda forward, at both donor and country levels. Political and senior leadership need to create a leadership and management culture that is focused on results, not just on compliance, volume of assistance, or provision of inputs. This involves both organizational and institutional change, and may mean implementing new administrative and operational systems. Because a results-oriented culture focuses on the achievement, monitoring, and reporting of outcomes, public managers and leaders need to be familiar with and apply appropriate laws, hierarchies, regulations, and procedures. In addition, managers and leaders need to be able to diagnose problems effectively, design appropriate solutions, take considered risks, and develop adaptive implementation approaches to improve effectiveness.

Strong **links between results and planning and budgeting processes** strengthen incentives to use information and data for decisions to achieve targeted results. Although countries are making significant progress on reform of budgeting systems, budgets are traditionally input-oriented and introducing a results focus into them takes time and explicit change management processes. When managing this process it is important to develop a road map with adequate sequencing and clearly identify next steps, including work on strengthening the basics and greater policy depth in the early stages of budget preparation. To show impact, reporting for results needs to be tied directly into decisionmaking processes.

Countries need the **evaluation and monitoring tools** to generate feedback on the performance of policies and programs that will meet leaders’ and stakeholders’ demands for improvements in results. M&E has traditionally

been focused largely on the implementation process, looking at whether activities were implemented in a timely manner and what outputs were obtained. In results-based management, M&E is also used to look beyond the question, “did they do it?” to include the extent to which activities and outputs contribute to reaching outcomes and impacts, and answering the ultimate question, “were people’s lives improved?” M&E systems enable stakeholders to learn from their practice and to build knowledge about what types of projects, programs, and policies are effective, and why.

Managing for development results requires that donors and country partners work to establish mechanisms that **encourage mutual accountability**. Partner countries must have the technical capacity and political determination to produce policies and procedures for the active management of aid, and their governments must provide a coherent approach, strong central leadership, and a clear and credible framework for dialogue. Donors and countries must have shared goals, plans, and results frameworks, supported by reciprocal commitments and monitoring arrangements and mutual trust and confidence. Finally, donors must have clear policies and procedures to fulfill their mutual accountability commitments, including providing better information on aid flows to governments and stakeholders and undertaking more rigorous assessment of their own performance.

Finally, without **adequate statistical capacity** it is not possible to respond to demand for results, or to develop and use a resource allocation process that rewards the achievement of results or ensures the flow of resources to areas that are not performing well. Thus it is important to invest in building up statistical capacity in developing countries. Systems for applied data use in government both supply, and help generate, greater demand for MfDR in countries. One critical element of developing MfDR approaches is strengthening country statistical capacity and data quality. Financial support for this agenda has often been inadequate.

Progress and Opportunities at the Country Level

The Roundtable provided compelling evidence that country partners are keenly interested in improving the effectiveness of development assistance as well as domestic resources. Each of the 38 country delegations showed that they were eager to identify how they can strengthen systems to enable the use of information on expected and actual results in their decision-making. While the country action planning work in Hanoi is preliminary, it enabled countries to identify several issues and prioritize their efforts. Many countries recognized that while there is progress in articulating a poverty monitoring framework at the national level, its implementation is constrained by fragmentation at the line ministry and agency levels.

Country partners are thus keen to work on the development of results frameworks at the sectoral level. These frameworks could then serve as a basis for harmonizing donor efforts to monitor and evaluate specific interventions, replacing donors’ multiple and partial monitoring systems with a single one that monitors overall sectoral performance. Countries expressed an interest in exploring the use of performance-based management tools, including output- and outcome-based disbursement principles, and identified the need to engage key stakeholders such as parliamentarians in the processes of defining and monitoring the achievement of results.

A particularly strong theme running through the planning discussions was the importance of using results-based management systems to strengthen **accountability to citizens**. For example, many country action plans contained proposals to strengthen systems to enable participatory approaches to the definition of desired results and to ensure that results are made transparent and are communicated to the public. Many countries

were eager to explore better methods for assessing and tracking citizen satisfaction. All of the country delegations stressed the need to strengthen statistical capacity to ensure the availability of information to make a results management system possible. Countries recognized that strengthening capacities to manage for results will take time and resources, but their action plans noted that the dollar costs of developing these systems were relatively modest. Countries gave priority to learning from countries that have done more to build up their systems (Chile, China, Vietnam, Thailand, and others). Recognizing the value of peer learning between countries, they were keen to participate in the Communities of Practice that are developing to facilitate country-country learning.

Progress and Opportunities at the Donor Level

The Roundtable also provided a context for donor delegations to assess progress, challenges, and opportunities. Donors recognized that, although statistics and monitoring and evaluation are essential components of MfDR, managing for results should not be seen mainly as a set of measuring and monitoring tools. Donors and country partners agreed that it was useful to “unpack” the notion of capacity to manage for results along the five themes of the Roundtable. It is useful to think of results management as a **country system** that—along with the procurement and financial management systems—enables greater accountability and more credible feedback on the performance of development assistance. The issue of donor agency effectiveness was also prominent in discussions, in particular how to strengthen agency focus on managing for results, bearing in mind the Paris Declaration provisions on results-based frameworks and mutual accountability. Donors were also struck by countries’ eagerness to learn from each other, and they plan to support country-to-country learning, the further development of the Communities of Practice, and follow-up on the country action planning process in individual countries. The strongest conclusion from the donor discussions was, however, the urgent need for scaling up financial and technical support for the further development and implementation of National Statistical Development Plans to strengthen country statistical systems.

The Road to Ghana

As countries and development partners prepare for the Ghana High-Level Forum (HLF) in September 2008, it appears that broad consensus has been reached on a number of key areas. The Roundtable confirmed country ownership of the results agenda, which is a necessary condition for broad implementation of the results agenda at the country level. At the same time, donors were also unambiguous in their interest in continuing work on issues of mutual accountability and reforming internal management systems for a greater results focus. For these changes to take place at the country and donor level, the necessary human, technical, and financial resources must be available.

The discussion on the results agenda, using a model of country-to-country learning, was successful in large part because of the participatory nature of the dialogue. In addition, for the first time civil society and the private sector involvement provided a unique and valuable perspective in the international discussions on MfDR. The Communities of Practice represent an important vehicle to continue the country-level work on implementing the practical aspects of the results agenda. It is hoped that the efforts sparked by Hanoi will help bring about significant and measurable country-level progress to report on at the Ghana HLF.