

Canadian International Development Agency: Corporate Managing for Development Results

Author: Ann Good, Senior Performance Review Analyst, Results-Based Management, Performance and Knowledge Management Branch, Canadian International Development Agency (CIDA), Canada

Executive Summary

As a development agency, CIDA's approach to Managing for Development Results (MfDR) – its regime for results-based management – functions as an integral element in its resource allocation and decision making, emphasizing the importance of setting realistic expectations for results, engaging in meaningful stakeholder participation, assessing risk, monitoring progress, and ensuring transparency in performance reporting. It encapsulates the importance that the agency places on collaborating closely with its country partners (and fellow donors) to ensure that their needs, interests, and capacities are reflected in the results management processes used in CIDA-supported interventions, and sharing what is learned within the international community.

In managing for development results, CIDA acknowledges that it has far to go, despite its reputation as a leader and being identified among fellow Canadian government departments as a good example of implementing results-based management. One of CIDA's most difficult challenges is to reconcile its accountability to demonstrate the results from expenditure of public funds to Canada's Parliament and taxpayers, and at the same time, to fulfill its commitment to OECD DAC Principles of Donor Harmonization, which support partner countries in taking ownership of their own development processes.

This example illustrates how a strong corporate culture of MfDR can help solidify partnerships with developing countries, fellow donors, and other stakeholders, and use the principles of aid effectiveness to support sustainable development. It also provides a snapshot of what CIDA has achieved thus far, what has been learned, and how improvement in performance is continuously being sought.

Objective Pursued

CIDA has 10 years of experience in managing for development results. Since implementing its first performance review policy in 1994, CIDA has endorsed the Millennium Development Goals, supported the Addis Ababa declaration and the Monterrey consensus, promoted the Marrakech principles of February 2004, and endorsed the Paris Declaration of April 2005 – all the while attempting to improve the consistency of its own performance with these approaches and principles. With respect to its accountability, CIDA has also had to balance its commitments to both national and international constituencies.

CIDA's "Policy Statement on Strengthening Aid Effectiveness" of September 2002 reiterated the agency's strong focus on results, and it set the course for CIDA itself to become a more knowledge-based learning institution. The agency's Third Sustainable Development Strategy 2004–06 is a rolling work plan, complementing an annual Report on Plans and Priorities (the planning element of the performance management lifecycle) and the annual results-based Departmental Performance Report required of all Canadian government departments.

CIDA is accountable to Canada's Parliament and taxpayers as required by the governmental regime "Results for Canadians" (Treasury Board Secretariat, 2000). The Office of the Auditor General does not demand attribution for each dollar of development assistance given to its partners. It is recognized that CIDA contributes to the efforts of others and thus shares accountability with its developing country partners and the rest of the global development community for achieving development results, progress on the Millennium Development Goals, and meeting other international commitments.

Design and Implementation

CIDA's current corporate logic model, articulated in 2002, comprises the Key Agency Results, which operate at three levels of outcomes:

Development Results (impact on developing countries). CIDA's longstanding performance framework contains four key areas of sustainable development: economic well-being, social development, environmental sustainability and regeneration, and governance. Gender equality and the environment are considered cross-cutting themes.



Enabling Results (effective programs and strategies).

These outcomes reflect CIDA's control over its programming orientation, strategies to improve development effectiveness, management policies and procedures, choice of appropriate sectoral and thematic focus, choice of appropriate geographic focus, efforts to engage Canadians in improving aid effectiveness, and institutional strengthening of CIDA's partners.

Management Results (the right tools, internal to the agency).

CIDA is fully accountable for the achievement of its management results, which in turn contribute to development results. These include human resource management, information technology, and the alignment of planning priorities, resource allocation, and reporting.

These key areas form the core of CIDA's Results-Based Management Accountability Framework. Incorporating CIDA's mandate, the Millennium Development Goals and related commitments, and the principles of effective development, these results statements provide the conceptual basis for CIDA to plan, fund, implement, monitor, report upon, and evaluate its work.

Although an inclusive Risk-Based Audit Framework is yet to be developed, considerable work has been done to identify key risks to achievement of development results – both corporate risks internal to CIDA and risks with respect to the partner countries – and to elaborate measures to mitigate and bring those risks to manageable levels. As CIDA becomes more involved in multistakeholder programs, joint responsibility with partner countries not only reduces the risk to individual donors, it also strengthens the management and accountability of the program being supported and contributes to better and more lasting results.

Implementing MfDR requires solid monitoring and assessment of performance in conjunction with partners. This ensures decision making based on the interplay of results, risks, and resources. Information on development results is key to the lifecycle management of individual investments and programs. In the case of enabling results, information on Canada's contribution to a particular multidonor effort – for example, Canada's particular policy leverage with a partner country, its technical assistance, its support of M&E capacity) is monitored and captured, especially in sectorwide investments and budgetary support. Moreover, CIDA is progressively able to report on enabling results with respect to institutional partnerships that in turn affect development results. Thus there is evidence to justify Canadian financing of respected international partners – such as UN agencies and international financial institutions, as well as Canadian part-

ners such as NGOs – in order to jointly achieve international development goals.

CIDA's strong performance culture is based on a two-pronged review process. Some evaluations are conducted by the Performance and Knowledge Management Branch, and others are led by the geographic or program branch. An important aim of CIDA internal audits and evaluations is to orient reports toward “decision windows.” These are the leverage points where findings, recommendations, and lessons will have the greatest impact on agency policy and on program planning, design, and delivery. According to the Agency's Results-Based Management Accountability Framework, a representative sampling of CIDA's business – including agency policies, programs, investments, sectoral themes – must be assessed annually by internal audit and evaluation functions. Therefore, independent internal audit and evaluation divisions in the Performance and Knowledge Management Branch lead about a third of all assessments because of their strategic nature. These may include participation in multidonor assessments of joint investments of partner institutions or of partner country development programs. For internal audits and evaluations conducted by the CIDA program and regional offices, the Performance and Knowledge Management Branch constitutes a performance team to provide technical support to facilitate self-assessment, primarily of investments and programs.

As noted above, internal audits and evaluations by program branches are considered independent corporate assessments. Yet it should be noted that Canada's Office of the Auditor General also periodically assesses CIDA. These assessments are undertaken to ensure that the agency does not compromise the ability of its internal auditors and evaluators to conduct objective performance reviews.

Problems Encountered

CIDA has had the best of intentions to make its lifecycle management approach to results planning, monitoring, and reporting as simple, cost-effective, and user-friendly as possible. Yet much progress still needs to be made in this area. CIDA prepared its first costed work plan for its 2003/04 planning cycle, linking expected results with resource allocations more rigorously than ever before. This meant that they were articulated in the logic model, but the staff had not had a full year cycle to work out their indicators and know what was appropriate for their particular programming within the agency.

When this requirement was instituted, CIDA was still in the process of shifting its focus from investments (projects or initiatives such as technical assistance) to



a higher level country, regional or institutional programs focus. But, with the changed focus, how best to measure the results? The solution was two-fold. First, the guidelines for country development program frameworks urgently needed to be updated, including a new program-level performance measurement framework. This revision could be made to better reflect Canada's specific support as well as linkages between CIDA's program and the partner country's broader development program, for example, its Poverty Reduction Strategy.

Secondly, while this new performance measurement model was being developed, it became apparent that certain programming types did not fit the Country Development Program Framework model. In many cases, an institutional Performance Measurement Framework was more appropriate. CIDA is now working to better capture development results and enabling results through its support to multilateral development banks, the United Nations, and other partners. This refinement will further Canada's ability to comply with its commitments to international development.

Beyond the need to assess performance of the overseas programs that CIDA supports, staff were struggling with performance monitoring and reporting requirements for which all Canadian government bodies are held responsible. Compliance with these responsibilities meant that opportunities were sometimes lost for joint performance assessments and decision making with other development partners. A 2003 study of performance reporting for this level indicated that CIDA program managers did not generally see reporting requirements as a performance management tool; indeed, the gathering of information relevant for compliance was essentially disconnected from reporting on program performance and on the agency as a whole. This inconsistency clearly needs to be addressed for there to be a solid evidence base for reporting; and within CIDA, the will to do so has to be nurtured.

The performance review function is critical; yet CIDA program branches still lack human resources with sufficient skills in results-based management. A good sign is that an independent review of the Performance and Knowledge Management Branch in 2004 indicated that its RBM Unit had a very favorable impact on the agency's ability to manage for results, despite only two full-time employees to support the branches to build their skills in results-based management and managing for results.

Although the OECD/DAC peer review of CIDA in 2002 was generally positive, some caution was sounded on the high donor costs of managing Cana-

dian overseas development assistance. The current approach aims at administrative cost reduction by shifting more support to countries with enhanced program relationships. CIDA will participate with other donors in more program-based approaches, including SWApS and budgetary support. This strategy will be assessed internally through program audits and evaluations over the coming years.

Adaptations in Implementation

Adaptations have been required to address three levels of results management – investment, program, and corporate performance.

Since 2002, attention to program-level Performance Management Frameworks has been enhanced. Parallel efforts were also undertaken to increase coverage of performance reporting at the investment level, thereby improving the evidence base for program-level reporting. User-friendly electronic templates needed to be developed, and deadlines had to be adjusted for annual reporting. This enabled CIDA staff and partners to share information electronically more easily, and it facilitated collaboration in joint performance monitoring and reporting.

In 2004/05, an initiative was launched to improve reporting at the investment level. An investment monitoring and reporting tool (IMRT) is being piloted in early 2005, with the goal of being made more relevant to every line of CIDA's business. It should better reflect not only CIDA's bilateral programs, but its multilateral programs, and cooperation with NGOs, Canadian universities, and the Canadian private sector. The IMRT incorporates a new feature: It will reflect both enabling and development results as well as principles of development effectiveness. Moreover, it can provide a necessary link between individual investments and the programs they support, as well as provide evidence of their contribution to corporate results.

Over this same period, CIDA also carried out its first evaluation of a policy – the gender equality policy. Lessons learned have fed usefully into the drafting of the next generation of policy documents as well as improving the data fields for the new IMRTs.

In addition, basic Results-based Management training has been redesigned, focusing now, for example, on staff comfort level with the performance tools, skills in developing logic models, logical framework analyses, performance measurement frameworks, and identifying and managing risk. Staff is being encouraged to monitor progress toward results in collaboration with country partners and fellow donors. A community-of-practice network has been formed to help test these new tools.



As part of its Departmental Performance Report, CIDA attempted its first corporate scorecard in 2003/04 – a tool that will be perfected in future years. In most of the Key Agency Results areas, CIDA’s rating was “successfully meeting expectations”, although there can still be improvements.

Results Achieved

CIDA’s evolving application of Results-based Management includes the following achievements:

- Staff is more involved in the process, and is “buying-in” to the development of new performance tools.
- The corporate approach to results by country (through bilateral, multilateral, and Canadian partnership channels) has improved.
- Linkage is stronger between the investment level, the program level, and corporate reporting.
- In areas such as donor harmonization, ability has improved to manage according to aid effectiveness and to capture results.
- The training and coaching of CIDA staff has improved.
- Results, resources, and risk management are all more closely linked.

Lessons Learned and Factors for Success

A strong commitment must be made by the government. The Canadian government’s strong commitment to Managing for Development Results has been a critical factor in progress toward harmonization efforts and working jointly with fellow donors and partner countries. Improved training and tools are helping to build staff skills. An early iteration of a results-based management outreach team within the Performance and Knowledge Management Branch is actively involving other corporate players – for example, the Policy Branch. Overall guidance in performance management is being extended throughout the agency.

The agency must be committed from top to bottom. Within the development agency itself, there must be a very strong commitment, both top down and bottom up. The effort needed to communicate the message to donor staff – and then provide training, guides, and tools – should not be underestimated. The MfDR concept cannot be internalized merely for compliance purposes. Until an agency has its own clear development logic model and can articulate its own results in a transparent manner, it cannot reasonably demand MfDR from its partners. Then, donors must be willing to help partners to develop their own results framework and to build institutional capacity according to their own needs.

Donors must strike the balance between accountability to their governments and accountability to their partners. One of the greatest lessons is that development agencies must balance the tension between accountability to their partners and fellow donors and accountability to their own government’s funding source. Sometimes the two responsibilities complement and reinforce each other; but other times they do not. The agency must invest effort in negotiating with its own source of funds. That means informing taxpayers and Parliament of appropriate expectations from development programming, especially with respect to making decisions on resource allocation, assessing progress, and reporting on performance. Until this tension is resolved, donor agencies cannot easily and fully support country partners in managing for development results.

The old mindset of bilateral control lives on; but it needs to be replaced – in practice as well as theory – with principles of partnership, accountability, and trust. CIDA continues to reorient staff who were trained in the assumption of bilateral control, meaning that Canadian companies or organizations would be hired to directly implement projects and initiatives, with far more emphasis on process than results. With greater emphasis today on Strengthening Aid Effectiveness principles – for example, untying aid and using partners’ procurement capacities – a shift in mindset is needed. This applies to joint development programming in partner countries, to collaboration with other donors, and to trusted international partnerships.

There is more to funding than merely achieving targets. While firmly supporting the Millennium Development Goals – either directly with partner countries or through multilateral partners – CIDA has learned that it cannot manage its funding merely with respect to achievement of targets. Longer-term goals and potential impact must be articulated. They must be visible and understandable to CIDA and to partners. Consider, for example, that a basic education SWAp could fail to meet the targets agreed upon with donors, yet the partner country might be making substantial progress in relation to indicators such as institutional capacity. Increasingly, CIDA has learned to take a longer-term view when faced with situations such as these. It would begin by reviewing the options to how to better reach the established goal (greater access to basic education for girls and boys), thus promoting dialogue on possible reallocation of resources, and by reviewing the strategies in process to more effectively achieve the intended results.



Conclusion and Application to other Donors

Solid MfDR requires testing an approach and monitoring it for learning. No process is perfect and it should never be static; continuous improvement is the aim. Had CIDA assigned human resources more intensively at the early stages, corporate integration of results-based management might have evolved on a more solid basis. Within the agency and in relationships with its partners, progress is still uneven. With the luxury of more time and greater resources, CIDA could take stronger measures to intensify its own performance – for example, by updating and enhancing results-based management tools, guides, and training.

The fact that results-based management is integral to the Canadian government's performance framework bodes well for the sustainability of CIDA's efforts. CIDA will continue to plan, manage, and report upon its development programming in a results-based manner. In terms of programming in partner countries, CIDA takes into account its relation to other donor involvements. CIDA may still consider direct support through specific bilateral interventions; yet the lens of results-based management allows the agency to better analyze the context for assistance and decide upon the best role for Canada to play. As an active participant in the donor community, CIDA is open to sharing its experience with other donors and partners. It is strongly committed to building – and using – the evolving body of knowledge on Managing for Development Results.

References

- CIDA. "Report on Plans and Priorities," 2003/04. http://www.tbs-sct.gc.ca/est-pre/20032004/CIDA-ACDI/CIDA-ACDIr34_e.asp
- CIDA. "Departmental Performance Report," 2003/04. http://www.tbs-sct.gc.ca/rma/dpr/03-04/CIDA-ACDI/CIDA-ACDIId34_e.asp
- CIDA. "Sustainable Development Strategy," 2004–06. http://www.acdi-cida.gc.ca/cida_ind.nsf/vLUallDocByIDEn/FCE191BBB632F47285256E3C004A9109?OpenDocument
- Treasury Board Secretariat of Canada. "Results for Canadians." http://www.tbs-sct.gc.ca/res_can/rc_e.asp
- Treasury Board Secretariat of Canada. "e-learning Tool for Results-Based Management." http://www.tbs-ct.gc.ca/eval/tools_outils/RBM_GAR_cour/Bas/bas_h_e.asp

For more information

Contact: Benoît-Pierre Laramée, Manager, Results Based Management, Performance and Knowledge Management Branch, CIDA

E-mail: benoitpierre_laramee@acdi-cida.gc.ca

Phone: 819-994-0972

Contact: Ann Good, Senior Analyst, Corporate Planning, Corporate Planning & Coordination Directorate Policy Branch, CIDA

E-mail: ann_good@acdi-cida.gc.ca

Phone: 1-819-994-4177

