

Results-oriented Country Programming: Applying the Principles of Managing for Results and Emerging Practices and Lessons⁵²

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Introduction

Countries and donors have long been concerned with the effectiveness of development resources, but efforts are growing among donors and partner countries alike to use aid resources better. A stronger results orientation provides countries and donors with a tool to improve decisions on strategic allocation and management of resources (relevance and effectiveness) and a mechanism to show the demonstrable results (accountability).

Results-oriented country programming can be a powerful tool. It can improve strategic selectivity and alignment with a country's development and poverty reduction goals. It also can enable better diagnosis of trade-offs and help establish priorities through more careful analysis of plausible causality in the development process. It can facilitate cross-sectoral approaches to assessing and responding to a country's development policies and institutions in light of long-term development objectives. Finally, it provides a tool for managing to achieve results, including a stronger monitoring and evaluation framework.

The process of designing a results-oriented country program is equally as useful. An opportunity is provided for development agencies and governments to build consensus around the best approach to achieve development goals and identify agency contribution. This can also set the stage for implementation that focuses on outcomes and partnership to achieve results.

This study provides an overview of the emerging principles and practices in designing and implementing results-oriented country programming. It draws heavily on the recent work of the World Bank in piloting the results-based country assistance strategy. It also draws on discussions with other aid agencies involved in improving the results focus of their country strategies and programs. A workshop in September 2004 of the OECD/DAC Joint Venture on Managing for Results provided an opportunity for practitioners from the various development agencies to share their experiences on results-oriented country programming. Subsequent materials from this workshop will complement the focus of this study.

⁵² This study was prepared by Elizabeth M. White and Rosalía Rodríguez-García. It draws heavily from the work by Alison Scott and John Paul Fanning of the UK Department for International Development, which is preparing a paper, "Emerging Practices in Improving Aid Performance in Managing for Development Results: Results-based Country Programming." The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the World Bank Group, its Executive Directors, or the countries they represent, and should not be attributed to them.



Objectives and Principles

Development agencies are increasingly aligning their cooperation programs with country priorities as articulated through a poverty reduction strategy or other national strategy. This alignment is being strengthened with frameworks that clearly link agency support to expected country outcomes. Results-oriented country programming respects the consensus on managing for results and harmonization.⁵³ While experience is still early in regard to what constitutes best practice in results-oriented country programming, emerging principles have been useful for articulating the objectives of results-oriented country programming. These principles are applicable across all country contexts, and enable adaptation and flexibility to unique circumstances. The principles are also well aligned to the five core principles of managing for results.

The principles of results-oriented country programming are drawn from internationally agreed principles for aid effectiveness. These have been set out in a number of forms, such as the DAC Agenda for the 21st Century (1996), the Comprehensive Development Framework (1998), the Monterrey consensus (2002), the DAC Rome High Level Forum (2003), and the MfDR principles agreed at Marrakech (2004). These are:

Align the result oriented program to country owned goals – selectively. A results-oriented country program starts with country goals (such as the Millennium Development Goals, growth, etc.) articulated in the national strategy. It then links financial support, analytical tools, and policy dialogue to those goals where the program as a whole can add the most value. It requires that the team make necessary trade-offs among many priorities and analyze different options to contribute to development outcomes. Thus, the process of undertaking a results-based approach enables a more explicit discussion of plausible causality in the development process, and it facilitates a cross-sectoral approach to assessing and responding to the country's development policies and institutions in light of long-term development objectives. The process provides an opportunity for development agencies and government to build consensus on the best approach to achieve development goals and identify agency contribution.

Specify outcomes that can be directly influenced and managed by the country program during the implementation period. Another level of selectivity is needed in defining outcomes directly influenced by the country program during the implementation pe-

riod. Specifying development constraints that the country program will address – often in a multi-sector fashion – is the first step in defining the intermediate outcomes (sometimes referred to as the “missing middle”). By drilling down from the priority higher order development goals to the expected outcomes to be achieved during the implementation period, the team is better able to plan across the full range of products and services. This includes determining whether the ongoing program is still relevant to current development priorities, how the portfolio and dialogue with government are progressing toward outcomes, and the implications for strategy design.

Steer implementation toward outcomes with good monitoring and evaluation systems that use, not duplicate, government systems. A results-oriented country program provides a framework against which to design the country program, monitor progress toward expected outcomes, and test its relevance. A solid results framework provides a tool for tracking progress toward results and then evaluating performance. During implementation, the monitoring framework can be used for oversight, portfolio management, and dialogue with the government. It helps assess whether implementation is on track and flags the need to investigate shortcomings in the overall strategy, in turn encouraging mid-course correction. The intent is not to follow a strictly predetermined plan nor instill command-and-control dictated by quantitative targets, but instead, to provide relevant, timely information so that necessary changes can achieve intended results.

Monitoring should draw on indicators and data sources that are part of the government's national and subnational monitoring systems. To avoid taxing country capacity, flexibility is needed on expectations for baselines, quantitative targets, and “the perfect indicator.” In the process, weaknesses in government monitoring and evaluation systems become evident, creating an opportunity to strengthen country systems.

Support strengthening of country capacity to manage for results. A sustainable and successful results orientation is contingent on the capacity of government to manage for results. This is consistent with the international community's commitment to strengthen national systems for monitoring and evaluation that are integrated into public sector management.⁵⁴ A results-oriented country program underscores the importance of assessing the capacity of government and determining how best to strengthen this capacity. This requires going beyond a project-by-project approach;

⁵³ DAC Good Practice Paper: Harmonizing Donor Practices for Effective Aid Delivery.

⁵⁴ Results-based monitoring and evaluation includes statistical capacity.



it requires integration of results management in the country's own institutions and systems.

Create an environment that encourages action-based on information. Results-oriented country programming only works to the extent that managers, team members, and counterparts actively use an effective monitoring system. This may entail important managerial changes. Managing for results is not only a technical solution, it involves organizational and human factors. The program team will need to define a system to oversee implementation. It must encourage each actor to routinely and consistently analyze and use information. There are many ways: dialogue with the government on possible operational modifications, reallocation of resources, strengthening synergies across elements in the portfolio, and necessary revisions of strategies and policies. Program plans need not be rigidly bound by the initial blueprint. How individual country programming fits into the broader organizational system is important to the sustainability of the results orientation during implementation.

Early Experience in Design of Results-Oriented Country Programming – The Cases of Mozambique and Cameroon

This section draws heavily on the recent piloting at the World Bank. The immediate applicability of the principles was most evident in lower-income countries, where the poverty reduction strategy process had already provided an organizing framework for priority setting.⁵⁵ This enabled deeper discussion of trade-offs and ways to work with other development partners toward country outcomes.

In Mozambique, the methodology shifted the thinking about development and expectations to a strategy focused squarely on results. The team determined the key results that the country program should deliver in four to five years and how these contribute to country goals. The focus shifted from inputs, activities, and outputs to expected outcomes directly influenced by the country program. This conversation was continued with the government. The content of the dialogue changed – from how much funding was to be expected to results to be achieved and how they could be accomplished. Fully discussed, the framework provided a structure for in-depth examination of goals and expectations from all sides and a way to monitor and measure progress. During this process, the Bank and government teams engaged in a process of priori-

⁵⁵ It should be noted that the quality of the results orientation in PRSP was noted as the weakest principles in case studies conducted by OED – OED Review of the PRS Process May 4, 2004

tization and selection; they collaboratively agreed on trade-offs that were acceptable to everyone.

In addition, the results-based country approach leveraged the donors' work in support of poverty reduction. Fourteen donors had grouped themselves to work with the government on the poverty reduction plan and to support specific sectors. While they agreed on the principles, they had not been able to translate the national plan into a living document with an operational direction and resource allocations. The results framework provided the starting point: it helped to organize the discussions, define the common ground, and make sense of the donors' support to link budget to the poverty reduction plan. The World Bank's country team, the government, and other donors developed a matrix that everyone could support. That enabled the Bank to align its program to reflect its comparative advantage.

The Cameroon team experienced similar benefits. They defined clear outcomes and indicators to be measured. Fleshing out these outcomes brought to the forefront the critical role of strong monitoring and evaluation capacity. The country team's work was supported by consultations with government and civil society. It became increasingly apparent that the ability to measure results was an integral component of what needed to be achieved. Indicators to measure progress toward outcomes, and then outcomes themselves, could not be a parallel system. Instead, they had to build on already established government systems. At times, the process highlighted areas of weaknesses in these systems, though that was useful for the country's own monitoring of progress toward poverty reduction.

Early Implementation

Many of the country teams are using the results frameworks developed during design to manage the program for results. After defining strategic alignment to the Poverty Reduction Strategy Paper, a team in Zambia zeroed in on intermediate outcomes, determining synergies across programmatic support, project lending, analytical work, and policy dialogue. The degree to which the ongoing and planned program might be spread too thin became more transparent, prompting a useful rethinking of the areas of engagement. This positioned the discussion with government on portfolio performance within the broader context of results. The country team has developed a management system to track progress toward the Country Assistance Strategy. What outcomes are being used in implementation? Where should allocations be made in support of results?



Lessons from Experience on Design and Early Implementation

It is far too early to assess the impact of the approach on development effectiveness. Yet the process of results-oriented country programming and early implementation has brought out key lessons. Results-oriented country programming clearly contributes to the consistency in a country program, national development priorities, and international commitments. For example, Millennium Development Goals serve as a mechanism to show links between the country level, program/project level, and agency performance. They make results measures, as well as the methods and systems that can be used to track progress. The process of designing a results-oriented country program highlights the use of multisector approaches; it fosters coordination around results between development agencies; and it enables governments to better understand where and how development agencies can add value toward achieving development results, thereby improving harmonization efforts (see chapter on harmonization).

In the cases that have been analyzed, certain critical factors stand out in regard to process and content:

Process

- Strong leadership from the program director and core program team – should always focus on results and in country
- Good understanding of the country's openness or possible resistance to a results-oriented approach, with a plan to build support
- Just-in-time support from experts who can help the team at critical junctures
- Properly positioning the approach as a strategy and management tool, not just another form of conditionality or reporting
- Reasonable focus on individual sector goals – too much can increase the tendency toward top-down priority setting, working against multi-sector approaches and country selectivity.

Content

- Recognize that the Poverty Reduction Strategy may have limitations in its results orientation, especially in the setting of goals and indicators. The process of results-oriented programming can reinforce messages on the need for priority setting. It brings up issues of realism and reveals the priorities for capacity-building support.
- The process of identification of intermediate outcomes may point to weak analytical work, especially on linkages between policies/ programs and

outcomes. This may result in programming to address these weaknesses.

- Ensuring that focus stays on what needs attention, not what can be measured – and keeping in mind the motivational force of indicators.
- Make sure the right skills are available. The link must be made between the management needs of the country program and what this implies for capacity strengthening.

Factors for Success and Constraints

Success in applying a results-oriented approach is dependent on broader organizational and institutional systems. Strong champions on program teams may produce a good results-oriented country program with critical buy-in from key actors on the ground and within the teams. However, implementing the results orientation may produce competing demands on the program by the organization, as well as misaligned incentives and capacity constraints.

Experience is insufficient to date to evaluate the implications of the organizational system on the actual management and achievement of results. However, the following possible constraints were identified:

Competing demands. Results-oriented country programming is a management tool that can strengthen incentives to manage for results. However, it can face competing demands – for example, accountability or reporting. This can lead to various compromises and trade-offs in practice. The proper level of accountability is a key driver for managing for results. However, accountability systems must be designed to differentiate levels of responsibility and not confuse the process of results-oriented country programming with declaring “attribution.”

Incentives. In a nutshell, effective results-oriented country programming needs to be complemented with incentives for all actors.

- **Autonomy for program managers.** Autonomy must be sufficient in terms of decision-making authority and budget flexibility so that resources can be allocated to achieve desired results.
- **For team members.** Management signals are important. Signals may be sent in regard to individual activities and projects, recognition of innovative problem solving based on results, performance reviews, and so forth. Formal incentives, such as promotions and performance reviews, can also influence team members. They help determine whether they will work in a multi-sector collaborative manner, as needed for this type of programming, or whether they will work against it.



- **For counterparts.** Counterparts may have reservations about the approach, creating implementation blocks. Bringing these actors into the process early is critical for future success.
- **Evidence on results can be motivational.** Discussing principles creates an environment that is important for maintaining the focus on results. Evidence on results can inspire high levels of performance, just as focused management reviews should be designed into implementation.

In the box below, some new forms of results-based country-programming illustrate the range of diversity of experiences among donors.

Some New Forms of Results-based Country Programming ⁵⁶

African Development Bank – Strategic Plan 2003–07 articulates four key strategic priorities, including greater selectivity in operations and maximizing development effectiveness. The new generation of Country Strategy Papers (CSP) stresses greater selectivity in the Bank's interventions in individual countries. The areas of Bank operations have been limited to two or three sectors in countries, selected on the basis of the Bank's comparative advantage in relation to other development partners, and taking into account the Bank's limited resources, its relative strengths, and overall risks. A new results-based CSP is being rolled out.

Canadian International Development Agency – Introduced a country development programming framework that is aligned with Poverty Reduction Strategies and has a results-based management and accountability framework. Sets out a strategic results model, directly linked to the Millennium Development Goals.

UK Department for International Development – Changed its country strategy guidance in 2001 and the new strategies were renamed Country Assistance Plans. Some 25 were in place by 2004. This reflects the focus on the operational level, results-based management, and the link to national poverty strategies through three to five year strategic plans. There are annual implementation plans with a clear performance management framework. The principles behind the new Country Assistance Programs were that they should: be results-oriented, fit into the organizational performance management system, be aligned to national strategies and policies, and minimize transaction costs for DFID, partner governments and other stakeholders.

⁵⁶ Source: OECD/DAC Joint Venture on Managing For Results Emerging Practices in Results-based Country Programming, prepared by DfID, January 2005.

The Netherlands – Introduced a multi-annual 4-year strategic country-planning instrument (MASP) in 2004, after a piloting phase in 2003. The MASP will be developed in 36 countries. Its strategic objectives are PRSP-aligned and there is a strategic results framework and results-oriented M&E process.

UNDP – Introduced results-based principles into its ongoing programs as part of a strategic planning exercise in 2000. This involved the establishment of a hierarchy of results, which were tracked and reported on in results-oriented annual reports. Today, more than 60 country programs are results-based.

The World Bank – Introduced results-based Country Assistance Strategies in 2003 on a pilot basis. Results from the pilot experience are being presented to the Board in 2005.

Conclusion

Though still relatively new and limited, experience to date underscores that the new approach helps strengthen strategic selectivity and the alignment of the country's development goals. To work, this approach needs to be taken seriously; but when that happens, it sharpens the design of the country program and mobilizes country teams around a vision of delivering results on the ground.

Success of results-based country programming faces several challenges. Most importantly, its effectiveness hinges on whether it evolves into a living management tool in the day-to-day process of development. Early experience is encouraging. The results framework has demonstrated that it can play an important role in managing country programs, and it is serving effectively as a framework for dialogue between countries and development partners.

How Results-oriented Country Programming is Being Applied

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

- The core of results-oriented country programming is focusing on outcomes at all stages – from strategy design, through implementation, to self evaluation at mid course, and the end of the programming cycle.
- The core also requires that the dialogue on results be undertaken with partner countries, development agencies, and stakeholders inside and outside of the program team.



2. *Align actual programming, monitoring, and evaluation activities with the agreed expected results.*

- The third principle of results-oriented country programming focuses on developing an M&E system that is appropriate to the country context, uses government systems, and is useful for managing the program.

3. *Keep the results reporting system as simple, cost-effective, and user-friendly as possible.*

- The principle of results-oriented country programming necessitates that the M&E system, and thus the results reporting system, is useful for management. This implies that it is responsive to management needs and designed based on the availability of data in country. This drives the cost effectiveness.

4. *Manage for, not by, results, by arranging resources to achieve outcomes.*

- The principles note that managing for results is the primary reason for results-oriented country programming. The framework provides a road map, and is not linked to hard targets that have to be met to obtain funding. Rather, the indicators and the objectives serve as guideposts and enable the teams to evaluate whether or not the programs are moving toward results.

5. *Use results information for management learning and decision making, as well as for reporting and accountability.*

- The first principle is that the results-oriented country programming is for management and learning. Inappropriate accountability and reporting systems may undermine the usefulness of results-oriented country programming. The study notes that too much focus on reporting and accountability is a risk that must be managed.

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