Strengthening Sida Management for Development Results

Purpose

As stated in a decision taken by the Director General in November 2007[1], Sida intends to introduce a more results-based approach to management in years to come. This document gives the background to the decision, explains the concept of managing for development results, and presents an outline of the next steps.[2]

[1] Reg no: 2007-005693

[2] This document is based on the report "Sida's Results System – Challenges and the Way Forward", a working paper produced by Sida's Results Project Group, August 2007.

Sida's result agenda

In recent years results issues have become increasingly prominent within international development cooperation. In Monterrey, Marrakech, Paris and Hanoi developing and donor countries have made commitments to increase their efforts to manage for development results. On both sides, results-based management meets demands for better use of resources and improved reporting on results.

Sida's measures towards achieving a sharper focus on development results are a response to these developments. As a donor organisation, Sida must be clear about the results that its contributions are intended to achieve. Intended results should be unambiguously formulated in agreements and contracts, and continuously reviewed in dialogue with partners. Management and staff should know if intended results are actually achieved, and reporting on results should be as clear and transparent as possible.

The following are the expected long and short-term benefits of Sida's efforts to become more results-oriented:

IMPACT (LONG-TERM EFFECT)

The quality of Sweden's contribution to poverty reduction through development cooperation will improve. Swedish contributions will be more effective, more efficient and more relevant to the needs and aspirations of poor people in partner countries.

OUTCOME (SHORT-TERM EFFECT)

Sida's ability to make good use of Swedish development resources and engage in constructive dialogue with partners will be strengthened. The quality of Sida's reporting to principals and stakeholders in Sweden and abroad will also improve.

These objectives reflect the division of labour between developing and donor countries. While developing countries are responsible for the planning, implementation and follow-up of their own development strategies, donors should make their contribution to partner country efforts as useful and effective as possible.

Managing for development results

What is it?

Managing for development results is an approach to management that focuses on results systematically and at all stages of the development process, from design and appraisal to follow-up and reporting. Developed in reaction to a tendency among managers to focus on inputs and activities, it challenges the management priorities of many organisations.

When managing for results outcomes and impacts, i.e. the desired development effects, are especially important. Outputs, goods and services produced with donor support, are also important, but – like inputs and activities – only as a means to an end. Increasing the welfare of poor people is the sole reason for helping to build capacity in organisations, supporting primary health care reforms, providing humanitarian aid, etc.

Development partnership

Where organisations work closely together towards a common goal, managing for results inevitably becomes a joint undertaking. In development cooperation, a shared framework for results-oriented management is provided by the principles of partner country ownership, donor alignment with partner country policies and systems and mutual harmonisation of practices among donors. For Sida, as for other donor agencies, change towards a more results-based approach begins with ensuring that agency objectives are truly supportive of partner country development goals and poverty reduction strategies and that agency procedures for planning, implementation and evaluation are well aligned with partner country organisational frameworks.

Where the capacity of the partner country for results-oriented development management is weak, donors should help strengthen it. Temporary solutions to capacity shortages should nurture rather than undermine national ownership. Until it is possible to rely on partner countries' own systems for statistics, monitoring and evaluation more extensively, donors should co-operate with partner countries to find joint interim solutions that are mutually acceptable.
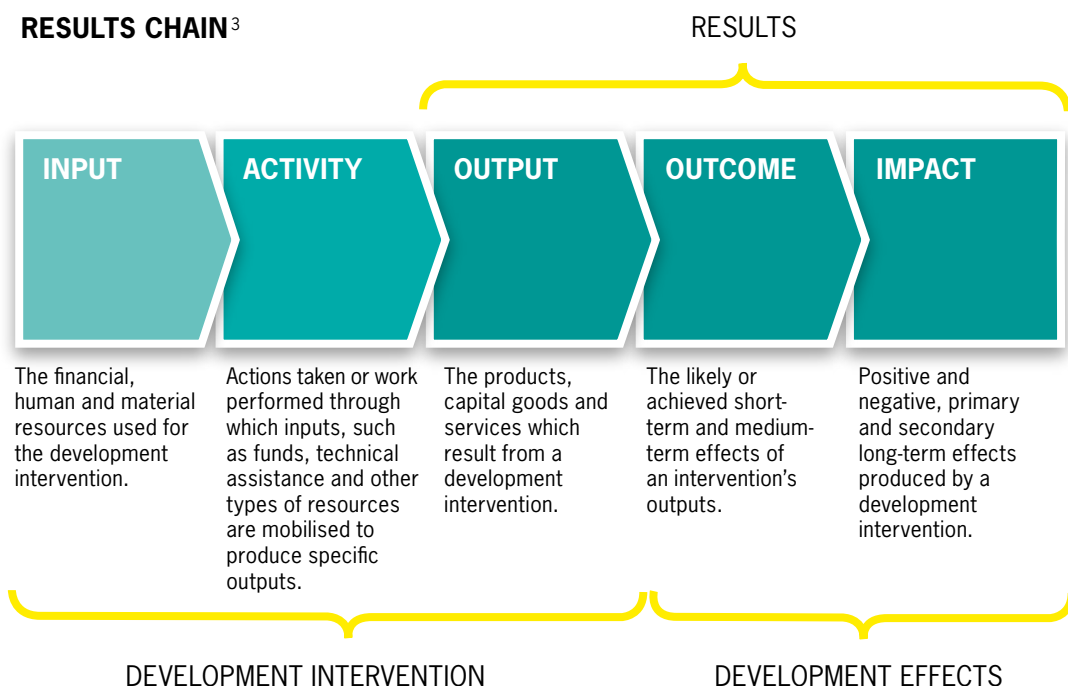
For Sida and other donors, supporting partner country capacity for results-based management is both a means and an end. It is an end because such capacity is a development requirement in itself.

It is a means because donors depend directly on partner country inputs when assessing their own performance and reporting to constituencies at home.

Development cooperation in fragile states and conflict situations is not excluded from results-oriented approaches. The OECD/DAC principles for international involvement in fragile states and conflict situations give direction. Where political differences stand in the way of policy alignment, system alignment may be possible, and where neither is feasible, donor harmonisation will still be useful. Transitional Results Frameworks developed by the UNDP, the World Bank and others provide instructive examples of results-based approaches to a variety of fragile situations.

The results chain model

The results chain model depicted below is one of the central conceptual tools of managing for development results. A results chain is a series of cause and effect relationships linking inputs to intended outcomes and impacts. The chain can be summarised as a series of conditional statements: 'If A is done, B will happen', 'If B happens, then C is also likely to happen', and so on. Together these statements constitute the causal logic of a proposed development policy, programme or project.

RESULTS CHAIN[3]   RESULTS

INPUT	ACTIVITY	OUTPUT	OUTCOME	IMPACT
The financial, human and material resources used for the development intervention.	Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilised to produce specific outputs.	The products, capital goods and services which result from a development intervention.	The likely or achieved short-term and medium-term effects of an intervention's outputs.	Positive and negative, primary and secondary long-term effects produced by a development intervention.

DEVELOPMENT INTERVENTION   DEVELOPMENT EFFECTS

[3] Definitions according to "Glossary of Key Terms in Evaluation and Results Based Management", published by Sida in 2007 in cooperation with OECD/DAC.

Focus on outcome and impact

When assessing a proposed intervention try to ensure, step by step, that its causal assumptions are sufficiently supported by empirical evidence. The figure below illustrates how to start with the intended short and medium-term effects on the target group (outcomes) and the intended long-term changes in the larger society (impacts). From these expected results, work back to outputs, activities and inputs, all the time asking whether there are good grounds for believing that things will happen as predicted. As development interventions are usually complex undertakings in unfamiliar social settings, assessing them in this way is often a difficult task that requires an elaborate analysis of the economic, political and social context.

ANALYTICAL POINT OF DEPARTURE

| INPUT | ACTIVITY | OUTPUT | OUTCOME | IMPACT |
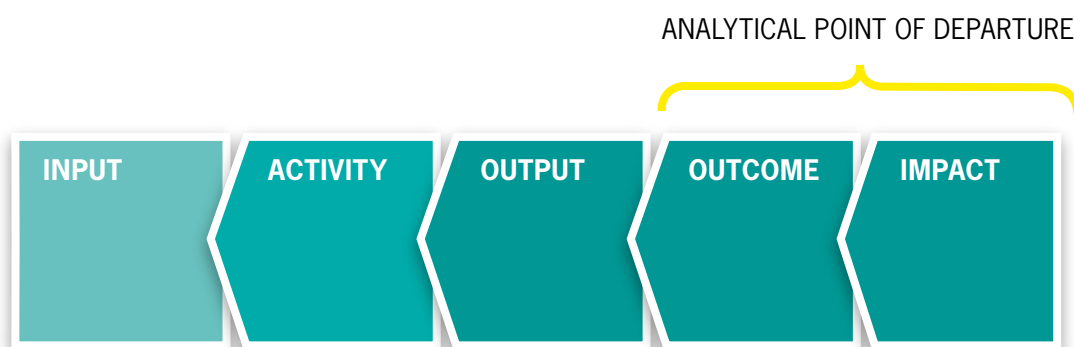
Where causal assumptions are not well supported by evidence, be wary. If the intended results are sufficiently urgent, the proposed intervention may still deserve support. However, the intervention should normally be reconsidered or revised. Managing for results means trying to avoid wishful thinking. Careful risk management is an essential part of the concept.

Managing for results at the assessment stage also means ensuring that adequate provisions have been made for monitoring and evaluation, and that expected results are formulated in such a manner that it will be possible to verify whether they have been produced or not later on. An evaluability assessment should be part of every appraisal of a proposed intervention, as neglect of evaluability issues during planning will make follow-up and evaluation of results more difficult or perhaps even impossible.

An assessment of intended results in relationship to expected costs is also important. Managing for results is not only about achieving intended outcomes, it also concerns the careful management of scarce resources and achieving value for money.

Monitor, evaluate and report on results

It is important to systematically monitor, evaluate and report on results – outputs, outcomes and impact – and not only on inputs and activities. Monitoring and evaluation mechanisms capable of producing reliable and timely information on results form a precondition for results-based management.

Indicators, both qualitative and quantitative, should be established at different points along the results chain in order to measure performance and results. As indicators are purely descriptive, however, they do not give the whole story. In order to know why and how things turned out as they did – which is important for course correction and learning – evaluations and other means of understanding intervention processes in depth must be relied upon.

As noted in the box on page 9, monitoring and evaluation are subject to several kinds of constraints, some of which will always prevent reporting with as much accuracy as is desirable. Even with these limitations, however, existing systems for monitoring and evaluation can be much improved. An active and reform-oriented approach tempered by recognition of unavoidable limitations is the way forward.

Challenge and response

CAUSAL ATTRIBUTION IS DIFFICULT – REDUCE UNCERTAINTY WITH APPROPRIATE METHODS

Development cooperation takes place in a complex reality and in many cases it is impossible to demonstrate beyond any doubt that recorded changes have come about as a result of the development intervention and would not have happened anyway. Using sound methods for monitoring and evaluation however, results assessments that are plausible and precise enough for most practical purposes can often be produced.

DIFFICULT TO ISOLATE IMPACT OF SWEDISH CONTRIBUTIONS – FOCUS ON THE RESULTS OF THE PROJECT/PROGRAMME AS A WHOLE

Measuring the contribution of Sida, or any other partner, to the results of a joint undertaking is usually difficult and often impossible. Yet, for most purposes it is the results of a project or programme as a whole that really matter.

WEAK RBM SYSTEMS IN PARTNER COUNTRIES – RELY ON PARTNER SYSTEMS WHERE POSSIBLE, HARMONISE REQUIREMENTS AND STRENGTHEN THESE SYSTEMS WHEN NECESSARY

Donors have agreed to rely on partner country reporting systems whenever possible. In countries where the capacity to generate and report results information is weak, donors should support capacity building. Temporary backstop solutions should be forward-looking and consistent with Sweden's overall commitment to principles of alignment and harmonisation.

DEVELOPMENT EFFECTS TAKE TIME – ADJUST REQUIREMENTS AND TIME FRAMES FOR REPORTING

In many cases the intended effects will not materialise until long after the development intervention has been completed. Where the link between outputs and outcome is well understood – as in the case of vaccination and disease incidence – this is not a problem. In other cases accept that development takes time and adjust reporting requirements accordingly.

Make active use of results information

Managing for results means using results information to improve ongoing and future operations. Today, Sida and others invest considerable resources in the production of results information, which in many cases is not put to good use. Making sure that results information is properly assessed and fed back into operations, and that those who are supposed to use it have the skills necessary to do so, is key in results-based management.

Note that results information does not speak for itself. For example, depending on the circumstances, information that an intervention has not performed as well as expected could provide Sida with good reason for either increasing support or closing it down. Similarly, information that an intervention has produced

significant results does not, by itself, constitute evidence that subsequent interventions should be designed in the same way. What works in one context, may not work in another.

What this goes to show is that managing for results is not the same as mechanically managing by results. Information that an intervention has failed to reach key targets should not lead to reduced Swedish support without a prior analysis of causes and possible remedies. When managing for results, be aware that using results information may require considerable background knowledge as well as a good deal of sound judgement.

The following is good practice:

- Ensure that there are mechanisms in place for using available results information for risk analysis and course corrections during programme or project implementation.

- Ensure that lessons learned from completed interventions are carefully considered when designing or assessing new interventions.

- Ensure that results information is systematically considered in dialogue with partner country organisations and other donors. Dialogue among partners should always be open, frank and constructive.

- When an intervention has not performed as expected, and attempts at course correction have failed, exit is likely to be a suitable response.

Ten principles

1. Sida should focus on development results (impact and outcomes) systematically and at all stages of the development process, from design and planning to follow-up and reporting.

2. Sida should align its contributions with partner country development strategies and results assessment frameworks as far as possible.

3. Where required, Sida should help strengthen partner country capacity for results-based development management, including monitoring and evaluation.

4. The objectives of development interventions supported by Sida should be clear, realistic and measurable.

5. Proposed result assessment frameworks should be carefully assessed in Sida appraisals. Evaluability is a key issue.

6. Agreed objectives and result assessment frameworks should be clearly spelled out in formal agreements with development partners.

7. The results of development interventions supported by Sida should be clearly and transparently documented in order to facilitate learning and accountability.

8. Results information should be systematically used in dialogue with partners.

9. Results information should be actively communicated, internally and externally.

10. Sida's internal working processes should be subject to the same results-oriented logic as development programmes and projects supported by Sida.

The way forward

There are two sides to results-based management. One is the technical side – managing for results as a toolbox of concepts, principles and rules of thumb that guide activities in practice. The other is to do with organisational culture – results-based management as a mind-set or approach that provides a clear sense of purpose. Both are essential. Without a committed management and staff supported by appropriate structures, incentives and working conditions, managing for results cannot work. Similarly, without appropriate training programmes for management and staff, organisational reforms will not accomplish much.

The results-based approach has important implications at all levels of Sida's organisation, from the executive level down to the management of individual contributions. The figure on page 14 gives an overview of the Sida change process in the form of a results chain model. The impact and outcome to the right will be brought about through a series of interacting outputs. All the outputs are necessary to achieve the objectives. None of them will do the job on its own. A holistic approach is required.

Output 1: Commitment

Sida's top and middle level managers will take the lead in the change process by strongly supporting the results agenda in word and deed. Management will create appropriate structures, working conditions and incentives for staff. Management will ensure that measures adopted are implemented.

Activities include:

- Establishing a process for follow-up of actions. Heads of departments will be required to report back to the Director General on how they have understood and implemented the measures and principles formulated in this document.

| INPUT | ACTIVITY | OUTPUT | OUTCOME | IMPACT |

1. Commitment
Sida management and staff are committed to the change process.

2. Shared understanding
Sida staff share a common, applied understanding of results concepts and terminology.

3. Adequate systems
Sida's systems are well suited to managing for development results.

4. Scope for joint reflection and analysis
Opportunities for shared analysis of results information for decision-making and learning institutionalised in Sida main processes.

Sida's ability to make good use of Swedish development resources and engage in constructive dialogue with partners is strengthened. The quality of Sida's reporting on results to principals and stakeholders in Sweden and abroad is improved.

The quality of Sweden's contribution to poverty reduction through development cooperation is improved. Swedish contributions are more effective, efficient and relevant to the needs and aspirations of poor people in partner countries.

Output 2: Shared understanding

A good understanding of internationally accepted RBM terminology by Sida management and staff is a basic requirement. A first step in this direction has been taken with the translation into Swedish of the OECD/DAC Glossary on Key Terms in Evaluation and Results Based Management and the joint decision by Sida and MFA to abide by this glossary whenever possible. Management will be responsible for the effective implementation of this decision.

Activities include:

- RBM training for management and staff, in-house or with external assistance.

- Defining standards for minimum levels of RBM knowledge and practical skills, and designing training programmes to conform to these standards.

Output 3: Adequate systems

Considering Sida's complex mission, its instruments and systems at corporate, country programme and project levels should be well integrated with one another. An awareness of coordination requirements is important when revising instructions and guidelines for the maintenance of a results focus in the various processes.

Activities include:

- Revising Sida at Work in accordance with the principles of managing for development results.

- Revising the format for contribution decisions and agreements in order to bring expected results clearly into focus.

- Improving integration of projects and programmes supported by Sida with country cooperation strategy objectives. Developing a country results matrix as an adjunct to the cooperation strategy in order to clarify how particular interventions are intended to affect country level results.

- Improving procedures for integrating country planning processes with Sida's operational planning.

- Revising the format for annual country reports. Results will be reported in relationship to the performance targets identified in the results matrix.

- Modifying Sida's evaluation system with regard to instructions for evaluation programming, quality assurance and management response.

- Establishing a revised system for project rating and reporting to facilitate corporate management and reporting on results.

- Strengthening results focus in quality assurance committees – such as project committees and the Review Committee for Cooperation Strategies. The evaluability issue will be systematically addressed.

Output 4: Opportunities for joint reflection and analysis

In addition to seminars on topical development issues, Sida staff needs opportunities to discuss the results of projects/programmes supported by Sida in depth. More institutionalised opportunities for interaction around such results should be created. There is also a need for a support function for results issues.

Activities include:

- Strenghtening institutionalisation of inter-departmental, country-level networks for discussion and analysis of results issues.

- Establishing a Sida-wide coordinating and advisory function on results issues.

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