

Building Results-Based Monitoring and Evaluation Systems: Assessing Developing Countries Readiness

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1. Introduction

Developing countries across the globe are facing pressures to reform the policies and practices of their public sectors.¹ Indeed, it is now widely recognized and accepted that an effective and efficient public sector is a pre-requisite to achieving the desired results of economic growth, social development, and poverty alleviation. Public institutions do matter to the overall well being of a country (World Bank 1999). One means of addressing the accountability of the government to its citizens is by providing evidence on the results (or not) of the government in meeting promised goals and objectives. Likewise, focusing on results can become an effective tool of public management through better resource decision-making, monitoring whether public initiatives are producing anticipated outcomes and impacts, and holding public servants accountable for their efforts (Hatry 1999:5).

As governments in general, and developing countries in particular, begin to address the challenges of working within a results based orientation, they face the necessity of being able to document their performance with credible and trustworthy information. Moving towards a results based approach to public sector management thus creates a number of requirements for the introduction of what are essentially expanded (if not new) information systems that go beyond the traditional reporting on inputs, activities, and outputs to now include outcomes and impacts.

Creating a system that produces information on the results of government actions and policies is a profoundly political act (Kettl 2000:37). Bringing results-based information into the public arena can change many dynamics of institutional relations, budgeting and resource allocations, personal political agendas, and public perceptions of governmental effectiveness. Consequently, it is not too bold a statement to say that moving to a results based approach to public sector management and accountability can be an act of political courage. It can also be an act of political survival when citizen pressures for good governance and reform of corrupt go-

¹ The views expressed here are those of the authors and no endorsement by the World Bank Group is intended or should be inferred.

vernments reach a critical mass. But either way, moving to an emphasis in the government on performance and the document of results will not happen without strong political leadership.

But there is the technical component to be considered in introducing these systems as well. Designing and building a reporting system that can produce trustworthy, timely, and relevant information on the performance of government projects, programs, and policies requires experience, skill, and real institutional capacity. This capacity for a results-based reporting system has to include, at a minimum: the ability to successfully construct indicators; collect, aggregate, analyze, and report on performance data vis-a-vis the indicators and their baselines; and the skill and understanding to know what to do with the information once it arrives in the hands of the intended users.

Furthermore, there also needs to be the capacity to move the resultant information both vertically and horizontally within the government and to share it in a timely fashion with the parliament, civil society, and the public. Building the capacity in governments for such information systems is a long term effort – consider the efforts in many countries to develop their census bureaus or their health and education statistical systems. And if such requirements are difficult in developed countries (as we have learned from many OECD examples), so much more are the difficulties for developing countries.

So with the task seemingly monumental and the resources limited, where is a developing country to begin in designing and building a results-based M&E system to support continued assessment of whether or not goals are being achieved? We have proposed the use of a “readiness assessment” diagnostic instrument to help countries gain an understanding of what institutional capacity they do or do not have, what resources they can draw on to initiate this effort, where within their government they might begin under the auspices of one or more political champions, and what demand (if any) exists for the use of such information. Elsewhere, we have described the rationale in depth for the use of such a diagnostic instrument as essential prior to any efforts at moving to construct an M&E system (Kusek and Rist 2000, 2001).

2. The Monitoring and Evaluation Readiness Assessment Tool

This assessment tool focuses on the current capacity of a government to design, build and sustain a results-based M&E system. It is divided into three sections: Incentives; Roles and Responsibilities; and Capacity Building. There are 40 questions in the instrument that cluster into eight areas:

- 1) Are there champions for results-based M&E evident within the country?
- 2) What proposed/existing government reforms are underway or planned to which a results-based M&E initiative might be linked?
- 3) Where and by whom is results-based M&E information used to assess government’s performance?
- 4) What management framework exist within the government to oversee the introduction and continuation of a results-based M&E system?

- 5) Are there any evident links between budget/resource allocation procedures and M&E information?
- 6) Who regularly collects and analyzes results-based M&E information to assess government's performance? (inside or outside the government)
- 7) Where does capacity exist to support a results-based M&E in such fields as social science, evaluation, data management, public management?
- 8) Are there proposed or existing donor initiatives to which a results-based M&E initiative might be linked?

The readiness assessment diagnostic seeks to assist individual governments, the donor community, and their multiple development partners also involved in public sector reform to systematically address the pre-requisites (present or not) for a results-based M&E system. With the information garnered from this effort, the government, the donors, and partners can then address the challenges inherent in undertaking to build such a system. The challenges, among others, will be to ascertain what political support does or does not exist, what technical training, organizational capacity building, and sequencing of efforts will be needed to design and construct the necessary infrastructure to produce, collect, analyze, and report relevant information.

As is evident from the eight categories of questions listed above, this approach attaches great importance to understanding the institutional and political dimensions of creating a results-based M&E system. As noted above, the underlying logic presumes that building such a system is first and foremost a political process – with, of course, multiple technical considerations and components. But it is not the reverse! Creating within a government a new information system that brings more transparency, accountability, and visibility can alter political power bases in organizations, challenge conventional wisdom on program and policy performance, drive new resource allocation decisions, and call into question the leadership of those responsible. Such an action is highly political from any vantage!

In short, undertaking a readiness assessment provides the basis for an action plan to move forward within the government on the multiple fronts (political and technical) necessary to create such an information system.

What follows is a brief overview of the application of the readiness assessment instrument within three developing countries: Bangladesh, Egypt, and Romania. The information gathered and the subsequent analysis in each of these three countries have resulted in three quite different suggested strategies or approaches. Each case will be summarized and then attention will turn to key lessons learned from these three applications.

3. Three Country Case Studies

Bangladesh:

Bangladesh is a country of 130 million people (2000 data) and a land area of 130,000 square kilometers. Its population density of 997 people per square kilometer makes it the most densely settled country in the world, apart from a few city states and small islands. In 2000 its gross national income (GNI) per capital of US\$370 ranked it 167th among economies in the World Development Indicators database.

Transparency International (TI), an NGO that seeks to expose and combat corruption in governments across the globe has, in its 2001 Annual Report, ranked Bangladesh as the most perceived corrupt government of all 91 governments surveyed. (Nigeria, Uganda, Indonesia, and Kenya ranked second through fifth respectively.) The most corrupt sector of the Bangladesh public sector was that of "Law Enforcing Agencies," followed by education, local government, and health, respectively. As but one example of the level of corruption in the country, recent reports suggest that as little as 25 percent of food provided through the "Food for Education Program" reaches the intended beneficiaries.

When the readiness assessment was conducted in November of 2001, no leader within the new national government could be located who would champion the introduction or use of a results-based M&E system. This was the case for the central ministries as well as the line or sector ministries. Further, as the government was newly installed (after an interim government of six months), no reform initiatives could be identified that would create incentives for linking these reform efforts to building an M&E system. (Reports subsequently now indicate that the government's effort to develop a "National Poverty Reduction Strategy" are underway and that monitoring and evaluation components will be included.) No legal or regulatory requirements for the use of results-based information could be identified as well.

Finding documented use of results-based M&E information at any level of government was difficult. There were reports of monitoring systems in rural areas for education, electrification, and food subsidies. Further, there was evidence that the NGO and donor communities were actively monitoring for results of development projects with which they were affiliated, but that this did not influence the government to do the same. Multiple respondents indicated the Bangladesh Bureau of Statistics (BBS) was a strong statistical agency and that if the government were to move towards a results-based system, the BBS could play a central role in the collection and analysis of data.

No links were found that demonstrated that performance information had found its way into the national budget and resource allocation process—either for the government or the parliament. Incentives for linking organizational performance to budgeting could not be found.

Finally, there was evidence of only weak capacity in the country to support efforts by the government to move towards a results-based strategy. There was evidence of only minimal technical training capacity in the universities or research centers or organizational experience in the national government of managing with credible information systems.

The results of this readiness assessment for Bangladesh suggest that it is not realistic at present to try and introduce a results-based monitoring and evaluation system into the national government. Visible political support and sustained institutional capacity building are both needed in advance of any such initiatives.

Adapted From World Bank Report: Readiness Assessment- Towards Results-Based Monitoring and Evaluation in Bangladesh

Egypt:

Egypt has a population of 69,540,000 (July 2001 est.) with a population growth rate of 1.69%, the largest in the Arab World, limited arable land, and a continued dependence on the Nile River as a source of fresh water. This dependence on the Nile continues to overtax resources and hinder economic and social development. The government has struggled to ready the economy for the new millennium through economic reform and massive investment in communications and physical infrastructure.

The Government of Egypt has a legal system based on English common law, Islamic law and Napoleonic codes and an executive branch headed by President Mohammed Hosni Mubarak since October 1981, with elections held every six years. The Prime Minister and cabinet are appointed by the President.

Recently, the country has experienced a number of economic concerns, including a significant reduction in revenues from tourism due to 9/11. There is interest across the government, especially from the Ministry of Finance, to develop new systems that will help assess how effectively the government is using its resources to achieve its goals – or how well the government is performing against desired objectives. Thus in June, 2001, a readiness diagnostic was conducted in Egypt to assess preconditions for designing and implementing a results-based M&E system.

One of the most important components of assessing a country's readiness to introduce results-based M&E is whether or not a champion can be found who is willing to take on the ownership of the system. Conducting the readiness assessment uncovered significant interest in Egypt for moving towards a climate of assessing performance on the part of many other senior government officials. The President himself has called for better information to support economic decision-making.

The Minister of Finance was found to be a key champion for the Government of Egypt's move to a results focus. This Minister was well versed in the international experience from other countries efforts such as have been undertaken in Malaysia (Rasappan, A. 1999) and in those member countries of the Organization For Economic Co-Operation and Development (OECD). The Minister underscored the importance he places on giving increased attention to improving the management of public expenditures by moving forward with a set of pilots to demonstrate how results based M&E could be used to better manage budgetary allocations. The Minister of Finance will play a key leadership role in any effort to introduce results-based M&E into Egypt.

A number of other senior officials identified who could play important roles in serving as champions. Indeed, the First Lady of Egypt who chairs the National Council For Women is developing a system to monitor and evaluation efforts across many ministries to enhance the status and condition of women in Egypt. However, for an M&E effort to be successful and sustainable, there must be "buy-in" from line ministers who are responsible for resource expenditures and overseeing the implementation of specific programs. The team found interest in monitoring and evaluation for results on the part of several line ministers, including the minister of Electricity and Energy and the Minister of Health.

The readiness assessment also revealed a high level of capacity within Egypt to support the move towards a results-based strategy. A number of individuals with evaluation training were identified at the University of Cairo, the American University of Cairo, and private research organizations. In addition, the Central Agency for Public Mobilization and Statistics (CAPMAS), and the Cabinet Information Decision Support Center have key roles in collecting, analyzing, and disseminating data to be used by both government and non-government researchers and policy makers.

A key criterion for a successful shift towards results requires the development of a well-communicated and executable strategy. The diagnostic identified a fragmented strategy for

moving the effort forward. A set of pilots had tentatively been identified, yet there was little if any criteria for establishing these as performance pilots, nor was there a management structure set up within the government to effectively manage the overall effort. The Minister of Finance, however, had begun to define an approach that if implemented would provide the necessary leadership to move the effort forward. He was definite in his desire to move slowly and to nurture the pilots, learning along the way.

The results of this readiness assessment suggests that the Government of Egypt is prepared to take ownership of the effort and to systematically and slowly begin to introduce the concepts of results management. Visible capacity exists that can be drawn upon to sustain the effort and, of most significance, is the obvious political support to provide the necessary leadership.

Adapted From World Bank Report: Readiness Assessment- Toward Results- Based Monitoring and Evaluation in Egypt

Romania

Romania began the transition from communism in 1989 and remains one of the poorest countries in Central and Eastern Europe. Over the past decade, economic restructuring has lagged behind most other countries in the region with living standards falling and corruption rising. The population is 22,364,022 (July 2001 est.) with a negative growth rate of .21%. Romania is in the second round of EU candidate countries and EU accession remains an important goal of the country and government. The Romanian Government has an elected President with the Prime Minister appointed by the President and the Council of Ministers appointed by the Prime Minister.

Romania faces particular challenges in developing a workable strategy to move its management practices to one that focuses on results. While the country has developed a medium term economic strategy and a clear political commitment to reform, it also faces many problems left from the communist years. A few of these problems include a continued central planning mentality in some parts of government, weak government institutions, few government officials trained in modern public management principles and practices, and an inexperienced civil society as active participants in the business of government.

However, a sustainable results-based M&E system also requires a sound understanding of data management principles and a workforce skilled the area of data collection and use. On this count, Romania is far ahead of many other developing and transitioning economies.

A readiness assessment was conducted in November, 2001 to help the Government of Romania assess opportunities and barriers towards moving to a public management strategy that is concerned with measuring results. The Government of Romania had already underway a set of budget performance pilots whereby pilot agencies were asked to submit a set of performance measures as an annex to the annual budget. The pilot program began in 1998 with five agencies participating, moving to eight the following year, then to thirteen, and then in 2001 to the remainder of the government. At the time of the readiness assessment, the government was still in its pilot phase, with a new budget year to include thirteen pilots. These pilots were largely ignored by government managers and not taken seriously by parliament with regard to allocating funds to agencies based on performance indicators. However, the pilots did represent a focus for learning how to develop appropriate performance indicators to monitor the effectiveness of the annual budget. The Minister of Finance appeared to be a strong champion of the effort and could be seen as someone who could provide the political leadership necessary to seed and sustain a larger results-based management effort.

Two additional potential champions were found in Romania. The Minister of Justice and a Counselor to the Prime Minister both were seen as potential champions for moving the government towards a concern for results. Both were leading efforts to improve the management

of the Romanian Government and both recognized the importance of being able to report on the success of the strategy in meeting goals of the programs.

In addition, underlying the Government of Romania's commitment to move to a performance management system are a number of key drivers. These include a framework of new laws, working towards EU accession, and the expectations of civil society. One change in the legal framework includes a set of laws making easier a drive towards e-administration. This initiative could provide a potential vehicle for improving government transparency and providing civil society with the results of the Government's program of reform. In addition, developing an e-administration system can be a potent instrument for government accountability.

While a number of potential promising opportunities were identified during this assessment, a number of barriers were also seen to prohibit a serious adoption of results-based M&E in Romania. These include the lack of understanding within Romania's public sector of what is entailed in developing a performance-oriented management culture; conflicts with other overall government priorities; and the remnants of the old central planning mentality in some areas of the Government.

The results of this readiness assessment for Romania suggest that there may be a number of opportunities at this time to support the introduction of results-based monitoring and evaluation. The ongoing performance budgeting effort and other government reforms could provide significant focus for a focus on results. Moreover, there appears to be high level political leadership to give the effort a jump-start within at least three pilot areas: budget, anticorruption and poverty reform.

Adapted From World Bank Report: Readiness Assessment- Toward Results- Based Monitoring and Evaluation in Romania

4. Lessons Learned

A number of lessons are emerging from conducting these and other readiness assessments. We have found that first and foremost, it is important to understand the situation in a given country within the eight areas listed above before moving too far forward with the actual design of a results-based M&E systems. Had we not conducted this assessment in Bangladesh, we might have imagined moving forward in the design and build of a results-based M&E system. The readiness assessment provided us with substantial data and information that few necessary preconditions were in place in Bangladesh. Likewise in both Egypt and Romania, the readiness assessment provided vital information regarding likely entry points for designing and building a results-based M&E system that had the benefit of strong champions and were in support of reforms already underway in the country.

Second, conducting the readiness assessment in Egypt also showed us the value of having the country drive the process. The Minister of Finance is supporting the move to results-based management with leadership and follow-through. Understanding the thinking of this champion in moving the effort forward will be valuable to the future design of a system to one that works in Egypt.

Third, there must be an acknowledged and publicized mandate move towards a results climate prior to introducing results-based M&E programs. This mandate might, for example, be a law to reform the budget management of the country; the desire to join the European Union; pressure from a concerned citizenry; or the desire to make good on political promises.

Fourth, a sustained source of demand should be encouraged and supported for performance information that puts the government "on notice" that they will need to demonstrate that the policies and programs being implemented are meeting expected results. Governments need prodding to ensure that reporting on results becomes a regular and routine activity.

Fifth, a successful results-based M&E system must have sustained leadership. While it is important to have good program managers overseeing the implementation of government programs and projects, there must also be strong political support at the very highest levels of government. The country, through its government, must be in the driver's seat in developing these systems. We have found consistently that without a strong champion who is willing to take on the ownership of a results-based M&E system, it will not be built, nor used.

Sixth, similar to number two above, there must exist the capacity within the country to design, implement, and use a results-based M&E system. It is not enough to acquire such skills as social research, public management, statistics, or data management from the international community. These skills must, in some way, come to reside within the country and be available for contributing to a program of regularly assessing the performance of government. If the skills are not present in sufficient quantities then a concerted capacity building program is a necessity.

In sum, the challenge of designing and building a results-based M&E system in a developing country is not to be underestimated. The construction of such a system is a serious undertaking; it is not going to happen overnight. However, it is also not to be dismissed as being too complicated, too demanding, or too sophisticated for a developing country to initiate. All countries need good information systems by which they are to monitor their own performance, developing countries, no less than others. Consequently, assisting developing countries to achieve this capacity merits the time and attention of the global evaluation community.

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