

# RESULTS MATTER

IDEAS AND EXPERIENCES ON MANAGING FOR DEVELOPMENT RESULTS

ADB

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## Harmonization, Alignment, and Managing for Development Results: The Road to Paris

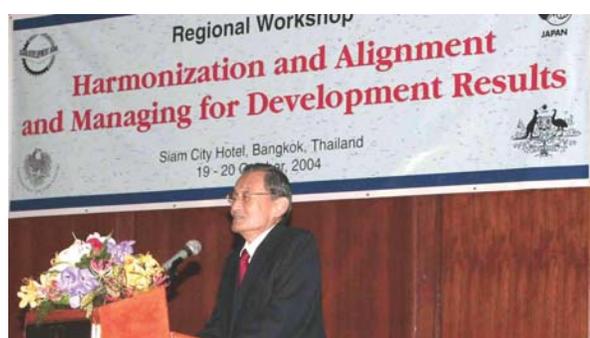
**D**evelopment Effectiveness as Key. The global development agenda includes a consistent focus on development effectiveness. The Millennium Development Goals (MDGs) set targets and indicators for eradicating poverty and other sources of human deprivation. Key milestones since the MDGs are:

- The Monterrey Consensus (2002) stressed the need to mobilize financial resources more efficiently and base development assistance on partner countries' priorities.
- The High-Level Forum on Harmonization in Rome (2003) focused on country ownership as the key to development effectiveness.
- The Marrakech International Roundtable on Managing for Development Results (MfDR) emphasized the need to strengthen country-level programming, monitoring, and evaluation.

In March 2005, the Second High-Level Forum (HLF-2) in Paris will revolve around a "trio" of effectiveness dimensions—harmonization, alignment, and MfDR.

**Regional Workshops.** The Asian Development Bank (ADB) recently took the lead in sponsoring two regional workshops on Harmonization, Alignment, and MfDR in Bangkok in October (co-sponsored with the Government of Japan) and in Bishkek in November (co-sponsored with the European Bank for Reconstruction and Development [EBRD] and the United Kingdom Department for International Development). Outputs of the workshops, attended by more than 200 participants from developing member countries (DMCs), bilateral and multilateral agencies, private sector, and civil society, will be used to

- build best practices among ADB's DMCs; and



ADB President Tadao Chino stresses the need for development effectiveness at the regional workshop.

- provide inputs for HLF-2, ensuring that the experiences and perspectives of the Asia and Pacific region are integrated into further commitments.

**The Road to Paris.** HLF-2 provides the development community with an opportunity to reiterate and deepen shared commitment to the Rome Declaration. The meetings, which will include technical sessions and a Ministerial Meeting, will focus global attention on the development effectiveness agenda. A "Paris Declaration," expected to be a key output of HLF-2, will call on all stakeholders to increase coherence of aid policies and deepen commitments to MfDR. ■

### OECD-DAC JOINT VENTURE: MfDR

ADB co-chairs the Organization for Economic Co-operation and Development (OECD)-Development Assistance Committee (DAC) Joint Venture on Managing for Development Results (JV-MfDR), a constituent body reporting to the OECD-DAC Working Party on Aid Effectiveness and Donor Practices. JV-MfDR contributes to the MfDR agenda by providing a forum for exchanging ideas and best practices leading to HLF-2. Key JV initiatives include a "sourcebook" on MfDR; consideration of results-based aid allocation; and harmonizing results reporting.

# Messages to HLF-2: Managing for Development Results

**M**anaging for Development Results (MfDR) has emerged as the primary management tool through which development effectiveness can be achieved, as reflected in the title of these regional workshops: “Harmonization, Alignment, and Managing for Development Results.”

**MfDR at Country Level.** Results-based programming exercises, such as Nepal’s Tenth Plan/Poverty Reduction Strategy Paper, raise awareness about the importance of MfDR Government-wide, with an emphasis on capacity development. Key messages for HLF-2:

- Capacity development is essential for improving results-focus.
- Donors’ programs should be harmonized and aligned with national poverty reduction strategies.

**MfDR at Sector Level.** MfDR often takes the form of monitoring and evaluation (M&E) systems at sector and subsector levels. Thailand’s M&E system for specialized financial institutions and Viet Nam’s M&E system for HIV/AIDS illustrate important principles. Key messages for HLF-2:

- Development partners should balance the desire for comparable global indicators with respect for country systems and capacity constraints.
- Proper sequencing of implementation is essential.

**MfDR in the Public Sector.** The Flood Emergency Project in the Kyrgyz Republic shows how close coordination between development partners



DMC and civil society participants at Bangkok workshop

“**The Marrakech Core Principles and Action Plan represent a sound platform and starting point for further elaboration and more effective implementation of MfDR**”

improves results. Also useful in sector results management is the Transition Impact Monitoring System, developed by the EBRD to assess performance. Key messages for HLF-2:

- Use of local consultants and technology transfer are vital.
- The tripartite relationship of partner countries, donors, and civil society needs to be further strengthened.

**MfDR in the Private Sector.** The private sector is the engine of economic growth, and public-private sector partnerships are important elements of sustainable development. In the Kyrgyz Republic, investment summits have addressed issues such as deregulation, trade regimes, legal and regulatory issues, and tax policy. Investment matrices also provide a useful framework for monitoring results. Key messages for HLF-2:

- Better mechanisms to obtain private sector feedback on issues such as legislation and regulatory regimes are needed.
- Investment councils can effectively reach decision makers.
- Private sector engagement encourages partnership and increases regional engagement.

**Managing for Development Results is Challenging—yet Essential—for Developing Countries.** Implementing MfDR at country and sector levels remains challenging given significant capacity limitations in many developing countries. However, there was a consensus at the regional workshops that the Marrakech Core Principles and Action Plan represent a sound platform and starting point for further elaboration and more effective implementation of MfDR. ■

# Messages to HLF-2: Harmonization and Alignment for Development Effectiveness



Participants providing feedbacks at the Bishkek workshop

**Harmonization and Alignment of Business Processes.** Harmonizing business processes reduces transaction costs and promotes transparency. The Government of the Philippines has harmonized operational procedures to reduce transaction costs, while procurement harmonization in the Kyrgyz Republic has significantly eased “donor burden.” Key messages for HLF-2:

- Multidonor coordination mechanisms need to be better aligned with country systems.
- Development partners should participate in joint portfolio reviews and conduct joint missions whenever possible.
- Capacity development, especially for managerial and technical skills, is essential.

**Sector Approaches.** Sector approaches are based on long-term partnerships and sectoral coordination. Governments set priorities and determine policies, while development partners adopt common approaches consistent with government-owned development objectives. The most successful sector approaches have been in education (Bangladesh, Cambodia, and Mongolia) and health (Cambodia). Key messages for HLF-2:

- Coordinated institutional development and capacity development are necessary for sustainable sector approaches.
- Partnerships should revolve around sector strategies that flow out of the national planning process.
- Development partners should harmonize operations to ensure that gaps are filled and redundancies avoided.

**Capacity Development.** Capacity development is essential for development effectiveness. Good examples include Thailand’s Department of Technical and Economic Cooperation of the Ministry of Foreign Affairs; Viet Nam’s Comprehensive Capacity Building Program for Overseas Development Assistance; and Tajikistan’s Aid Coordination Unit. Key messages for HLF-2:

- Multiple, complex donor requirements often strain government capacities.
- Development partners should better coordinate capacity development activities.
- Highest priority should be to develop technical and analytical skills of government staff.

“**Development partners should better harmonize and align country programming, sector planning, project implementation, analytic work, and measuring and monitoring systems**”

**Postconflict Situations.** Postconflict situations are characterized by destruction of livelihood and social capital; disruption of basic social services; weakened or absent government capacity and state authority; and disintegration of trust among ethnic, religious, and political groups. The experiences of Afghanistan and Sri Lanka show that harmonization and alignment are essential in this fluid, dangerous context. Key messages for HLF-2:

- Close donor coordination in postconflict situations lays important groundwork for harmonization and alignment.
- Government and development partners should identify vested interests and dysfunctional organizational relationships.
- Postconflict situations should be elevated to a more prominent place in global debates.

**Harmonization and Alignment are Challenging—yet Essential—for Developing Countries.** Development partners should better harmonize and align country programming, sector planning, project implementation, analytic work, and measuring and monitoring systems. ■

# Insights from the Keynote Addresses



“ True Government ownership requires that assistance delivery processes be aligned with the national poverty reduction strategy priorities. We know

that government leadership in project implementation needs to be strengthened, but that requires developing capacities, especially human resources. The role of local consultants needs to be expanded. The many project implementation units need to be integrated, and governments need to develop sustainable systems for joint financial management. ”

Djoomart Otorbaev  
Vice Prime Minister, Kyrgyz Republic

“ We must find a way to close the gap between global-level commitments—the commitments made by multilaterals and bilaterals—and ground-level operations. Our overarching message is that partner countries should—and must—take the lead in articulating strategies, capacity needs, and sectoral priorities. Donors should support and help implement country-owned action plans for harmonization. ”

Soe Lin  
Advisor, Secretariat  
Organization for Economic Co-operation  
and Development—Development  
Assistance Committee



“ Adopting a results-approach requires significant reforms in government planning, implementation, monitoring, and reporting systems.

Such reforms have major implications for the country and, therefore, must be developed in full consultation with major stakeholders, including development partners and civil society organizations. ”

Shankar Prasad Sharma,  
Vice Chairman  
National Planning Commission, Nepal

“ ADB has taken—and continues to take—a strong role among international financial institutions in advocating country ownership. This workshop will provide you—the representatives of ADB’s developing member countries—with an open forum to exchange ideas, consider different approaches, and identify potential solutions to the challenge of increasing development effectiveness. We will also ensure that the lessons and outputs of this workshop will be communicated back to others in the region and used to help us improve the quality of donor-assisted programs. ”

Bruce Purdue  
Head, Results Management Unit  
Asian Development Bank



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