



# Assessing country readiness for results-based monitoring and evaluation systems

*Results-based monitoring and evaluation systems can facilitate public sector reform in developing countries. A new World Bank tool—a readiness assessment—helps determine whether countries can support such systems and offers additional lessons for evaluating government performance.*

Countries across the globe are facing pressures to reform their public sectors. An effective, efficient public sector is vital to sustainable development, economic growth, and citizens' well-being. Similarly, assessing government performance is crucial in determining a country's progress toward its development goals, whether defined by the Millennium Development Goals, a Policy Reduction Strategy Paper, a Country Assistance Strategy, or another policy statement. It is also important in analyzing a government's accountability to its citizens, by providing evidence on promised government performance. Focusing on performance can also be an effective public sector management tool, informing resource allocation decisions and monitoring of whether public initiatives are achieving expected results. As a result governments at all levels are under pressure to move beyond tracking inputs—and toward measuring results.

## The need for results-based management and information

A results- or performance-based approach to development management requires credible, timely, relevant information. A results-based monitoring and evaluation (M&E) system is an important source of such information. Champions of these systems include:

- The Kyrgyz Republic's minister of health, who is developing such a system to provide better information on health system capac-

ity and use, to rationalize an antiquated structure.

- Egypt's minister of finance, who wants to link performance data to budget allocations to support innovations in line ministries.
- Senior officials in Romania, who want to track the performance of public sector reforms through M&E systems.

Results-based information systems go beyond traditional reporting on inputs, activities, and outputs to include outcomes and impacts. Put differently, governments need to develop performance feedback systems that complement budget, human resource, and audit systems.

Building government capacity for such information systems is a long-term effort. Consider, for example, longstanding efforts in many industrial countries to improve M&E systems to assess environmental, health, and education reforms. Given that such efforts have been challenging in industrial countries, they are even more so in developing countries.

Facing a monumental task and limited resources, where should developing countries begin in implementing results-based management systems? *Readiness assessments* can help countries diagnose their M&E capacity and determine the resources available to support such systems, where in government to begin, what incentives are in place, and what demand exists for such information. In short,

Assessing government performance is crucial to an effective, efficient public sector

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readiness assessments help countries design results-based M&E systems that are more likely to succeed. This note explains why government officials should consider conducting such assessments and how Bank staff and others can support their efforts.

### Assessing readiness for results-based monitoring and evaluation

A readiness assessment reviews issues related to introducing results-based M&E in a specific country, guiding data collection, analysis, and feedback for government officials, donors, and stakeholders in five core areas (see below). The resulting report includes recommendations that the government, the Bank, and other donors can use to tailor a results-based system to the needs of the country's decisionmakers. The goal is to support government reforms by building systems that track performance.

Bank staff have conducted readiness assessments in Bangladesh, Egypt, the Kyrgyz Republic, the Philippines, and Romania. (In addition, South Africa's Public Service Commission has undertaken its own assessment, and a Bank-supported assessment is under way in Mexico's Ministry of Social Development.)

Experiences suggest the need to pilot results-based M&E systems before applying them to the entire government. Pilots can also illuminate political and technical issues that should be addressed at an early stage, clarify supply and demand issues for M&E information, and suggest patterns of use of that information. Egypt is perhaps the best example of using a pilot strategy to assess capacities and strategies for introducing an M&E system in the public sector. Eight pilots have been initiated in various ministries to learn about design and implementation issues prior to expanding the system.

Evidence from the five country diagnostic missions is summarized below in the five core areas:

- *Are there champions of results-based management in the government or country?* This issue is pivotal to whether a country can build a results-based M&E system. Constructing an M&E system is first and foremost a

political undertaking, not a technical one. Thus, without political champions, there is no legitimacy to move forward. In the five countries where readiness assessments have been conducted, the strongest champion has been Egypt's minister of finance. At the opposite end of the spectrum, with no government champion, is Bangladesh. The only support there has come from several large nongovernmental organizations (NGOs).

- *What proposed or existing reforms can be linked to a results-based initiative?* Public sector reforms are under way in four of the five countries, and results-based M&E systems are being developed in each. In the Kyrgyz Republic the Poverty Reduction Strategy Paper initiative has played a key role. In Egypt the system is tied to Ministry of Finance efforts to reform the budget process. In the Philippines the process has been driven by the Department of Budget and Management's involvement in a public expenditure review. And in Romania it has resulted from reform efforts linked to EU accession. Bangladesh is again the outlier, with no reform initiatives identified.
- *What management framework exists within government to oversee a results-based system?* An M&E system that informs decisionmakers and citizens about government performance must collect, analyze, and disseminate information in the public sector—both vertically and horizontally. If governments have organizations that already perform some of these functions, they are better positioned to ensure that the information is shared appropriately. For example, Egypt's Cabinet Decision Support Center collects, analyzes, and disseminates information to cabinet members on policy issues in their areas of responsibility. The Kyrgyz Republic recently created a secretariat in the president's office that coordinates information related to performance on development efforts. In the Philippines the Department of Budget and Management is coordinating efforts to build a performance-based budget system.
- *Are there any links between budget and resource allocation procedures and performance-based*

*information?* In all the countries assessed except Bangladesh, there is understanding of the need to link resource allocations to performance indicators. Although none of the other four countries had such links, they are working to create them. As noted, Egypt has eight performance-based pilots under way. The Philippines has made efforts to establish organizational performance indicators linked to a medium-term expenditure framework. Romania has introduced performance indicators in its budget formulation process. And the Kyrgyz Republic is constructing an indicator system within the Poverty Reduction Strategy Paper process to link performance to budget allocations.

- *Where does capacity exist to support a results-based system in fields such as social science, evaluation, data management, and public management?* Though this question may be framed too optimistically, some capacity exists to support results-based M&E system in all five countries. In some countries the capacity is quite thin (Bangladesh, the Kyrgyz Republic), in others it is more moderate (Egypt, Romania), and in another it is rather strong (the Philippines). An important contribution of a readiness assessment is developing a profile of country capacity—identifying both strengths and areas needing support. For example, the readiness assessment in Bangladesh made clear the strength of the National Statistics Office—and the near absence of capacity in most line and sector ministries.

Readiness assessments enable governments, donors, and other partners to address the challenges of constructing results-based M&E systems. These challenges include ascertaining political support for performance management systems and determining what technical training, organizational capacity building, and sequencing of efforts is needed to develop systems that produce, collect, analyze, report, and apply M&E information to improve government performance.

Assessments can also help uncover institutional and technical gaps in capacity. For example, the assessments in the Kyrgyz Republic and Romania revealed significant

capacity in disciplines important to designing and sustaining M&E systems, such as the social sciences, mathematics, and information management. But there was little experience in using performance information to guide decisionmaking. Thus it is necessary to strengthen both countries' understanding of modern public administration practices, including performance planning. In short, a readiness assessment provides the basis for an action plan to move forward on the multiple fronts—political and technical—needed for a results-based M&E information system.

### Key lessons

Four key lessons emerged from the five readiness assessments. First, no single blueprint exists for results-based M&E systems. Thus designing such a system requires understanding a country's political and institutional context. For example, the assessment in Bangladesh showed that few of the necessary preconditions were in place. Had that assessment not been conducted, a results-based system might have been implemented prematurely. In Egypt and Romania the readiness assessments provided vital information about likely entry points for results-based systems that were advocated by strong champions and that supported existing reforms.

Second, sustained demand for performance information should be encouraged and supported, letting governments know that they will have to show that policies and programs are achieving expected results. Important sources of demand include champions inside the system—who will seek such information as they promote reforms—and external sources—such as civil society, the private sector, NGOs, and the international community. For example, the recent outbreak of severe acute respiratory syndrome (SARS) provides an example where international pressure for accurate data had to be met by all the countries involved. Moreover, governments need prodding to make reporting on results a routine activity.

Third, a results-based M&E system must go well beyond managing data. It must also

Designing results-based monitoring and evaluation requires understanding a country's political and institutional context

All countries need good information systems to monitor their performance—developing countries perhaps even more than others

have sustained government leadership that cares about whether effective services are being delivered to citizens. Although it is important to have technically competent program managers overseeing government programs and projects, there must also be strong support at the highest levels of government. Egypt's minister of finance is a clear example in this regard, as is the Kyrgyz Republic's president. Without strong champions willing to assume ownership and agree to transparent, accessible performance information, a results-based M&E system is unlikely to be built—and even if it is, it will not be used.

Fourth, just as there has to be demand, so too there must be supply—capacity within the country to design, implement, and use a results-based M&E system. Moreover, it is not enough to develop skills in areas such as social research, public management, statistics, and data management. These skills must be mobilized to contribute to a systematic process of regularly assessing government performance. If such skills are not present in sufficient quantities, then a concerted capacity-building program is essential. Strategies for building such capacity might include training, mentoring, secondments, experts in residence programs, and the like. Here again, pilot initiatives should be conducted to determine which skills are present (and which are not) before large-scale implementation efforts are undertaken.

In sum, the challenge of designing and implementing a results-based M&E system in a developing country should not be underestimated. Building such a system requires champions, dedication, and long-term commitment to reform. But this effort also should

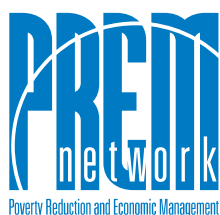
not be dismissed as overly complicated, demanding, or sophisticated for a developing country to initiate. All countries need good information systems to monitor their performance—developing countries perhaps even more than others, given their resource constraints. Helping developing countries develop this capacity merits the time and attention of the international development community.

## Further reading

- Kusek, Jody Zall, and Ray C. Rist. 2000. "Making M&E Matter—Get the Foundation Right." *Evaluation Insights* 2 (2).
- . 2001. "Building a Performance-based M&E System: The Challenges Facing Developing Countries." *Evaluation Journal of Australasia* 1 (2).
- . 2002. "Building Results-based Monitoring and Evaluation Systems: Assessing Developing Countries Readiness." *Zeitschrift fuer Evaluation* 1.
- . 2003. "Readiness Assessment: Towards Performance Monitoring and Evaluation in the Kyrgyz Republic." *Japanese Journal of Evaluation Studies* 3 (1).

*This note was written by Jody Zall Kusek (Regional Monitoring and Evaluation Coordinator, Africa Region) and Ray C. Rist (Senior Evaluation Officer, Operations Evaluation Department). Further information and additional publications on the M&E readiness assessment can be obtained from the authors.*

*If you are interested in similar topics, consider joining the Public Expenditure Thematic Group. Contact William Dorotinsky (x37189) or Anand Rajaram (x82359), or click on Thematic Groups on PREMnet.*



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Prepared for World Bank staff