

# Evaluation of Finland's Development Policy Programs from a Results-Based Management Point of View 2003-2013

Evaluation Report Presentation

February 5, 2015, Säätytalo, Helsinki

Institute for  
Development Strategy



# WHAT IS RBM?

A management strategy that focuses on results

- Planning for results at various levels
- Target-setting
- Implementation
- Monitoring and evaluation
- Reporting
- Learning, improved decision-making (i.e. go to start)
- Improved accountability (e.g. secure future support)

# EVALUATION APPROACH - OVERVIEW

- Strong policy focus on the last three *Development Policy Programmes (DPPs)*
- Intended to inform the MFA regarding corporate-level RBM
- Shared understanding that this is work in progress
- Implementation:
  - Team of 4 senior and 2 junior evaluators
  - Various information sources (documents, interviews, survey, databases)
  - Collaborative benchmarking (ADB, France, IFAD, New Zealand, Sweden, UK)
  - Timeline:
    - Inception phase July – September 2014
    - Main evaluation phase September – December 2014
    - Final report January 2015
- Team comments:
  - Excellent cooperation within and beyond MFA
  - Helpful support with documents and portfolio analysis (EVA-11, Unit for Administrative and Legal Development Cooperation Matters)
  - Amount and language of documents were more challenging than expected



# EVALUATION QUESTIONS

Main evaluation question:

How have the last three Development Policy Programmes (DPPs) succeeded in defining the foundation for results-based development policy and co-operation?

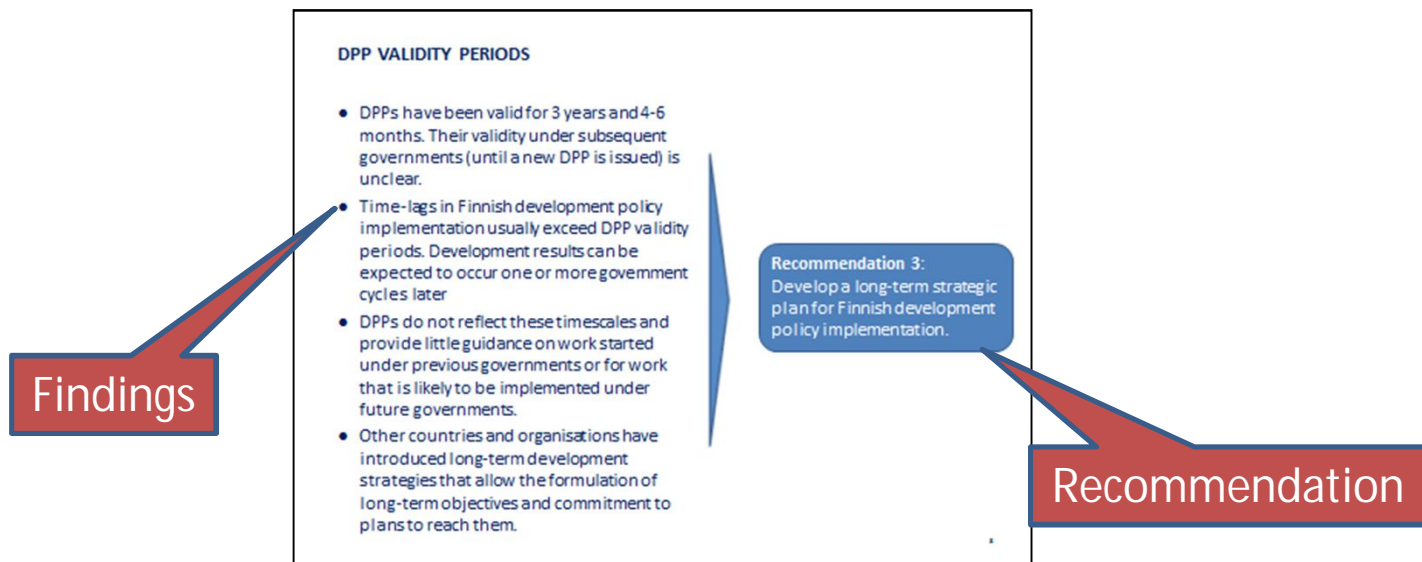
Evaluation question 2:  
How responsive have DPPs and accompanying guidance been to learning from earlier results?

Evaluation question 3:  
How consequentially and diligently has DPP guidance been implemented?

Evaluation question 4:  
To what degree is upwards accountability exercised, consistent and relevant from concrete programming to the Finnish Parliament?


Evaluation question 1:  
What is the nature of guidance provided in DPPs with respect to strength, specificity and scope of objectives and approaches?

# Evaluation Findings and Recommendations



## DEVELOPMENT POLICY GOALS AND PRINCIPLES

- Development Policy Programmes (DPPs) provide strong guidance on overall goals and principles, and rationalising sectors, themes, aid channels, instruments and countries to be supported.
- However, with great effort and participation, DPPs define Finland's entire development policy – every 4 years again.
- This includes redeveloping overall goals and principles in varying forms that, analysed closely, have remained remarkably stable across the last three DPPs.
- DPPs are published 6-8 months after the government is appointed.
- Other countries have established long-term development policies, either as law or as Parliament-endorsed government policy.



Recommendation 1:  
Establish long-term goals and principles of Finnish development policy.

Recommendation 2:  
Replace future DPPs by concise 3-5 page Development Policy Statements (DPS).


## BACKUP: GOALS AND STRUCTURE OF DPPS

	2004 DPP	2007 DPP	2012 DPP
Main goal(s)	<ul style="list-style-type: none"> <li>• Eradication of extreme poverty</li> </ul>	<ul style="list-style-type: none"> <li>• Eradication of poverty</li> <li>• Promote sustainable development</li> <li>• MDGs</li> </ul>	<ul style="list-style-type: none"> <li>• Eradication of extreme poverty</li> <li>• Human dignity for all</li> <li>• MDGs</li> </ul>
Overarching theme	<ul style="list-style-type: none"> <li>• Policy coherence</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights</li> </ul>
Structure	<ul style="list-style-type: none"> <li>• Sectors</li> <li>• Themes</li> <li>• Aid channels and instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Principles (coherence, complementarity, effectiveness)</li> <li>• Aid channels and instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Priority areas (democratic accountable society, green economy, sustainable development, human development)</li> </ul>

Structure and overarching themes vary across DPPs  
but underneath  
DPPs cover similar principles, aid channels and instruments

## DPP VALIDITY PERIODS

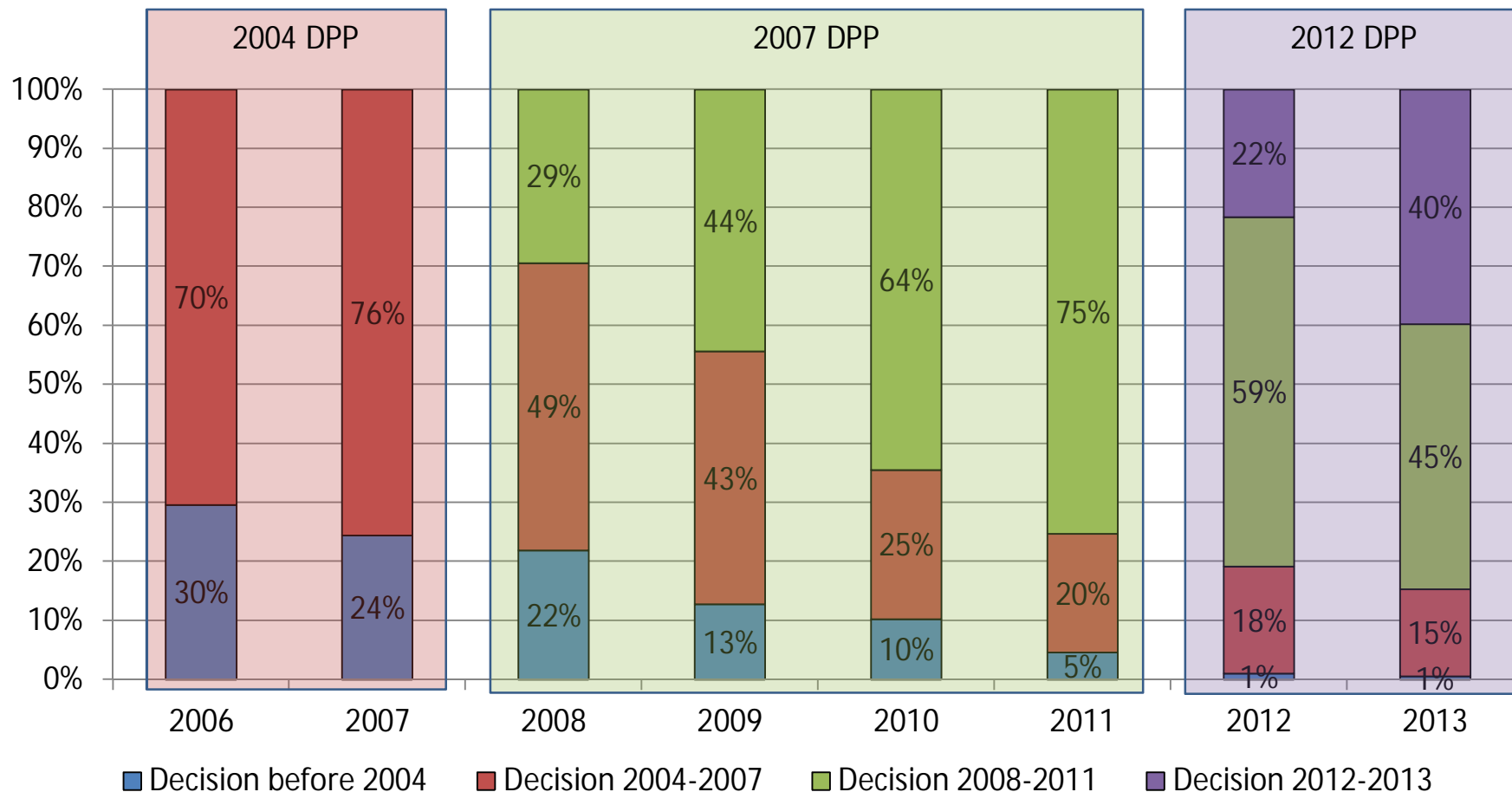
- DPPs have been valid for 3 years and 4-6 months. Their validity under subsequent governments (until a new DPP is issued) is unclear.
- Time-lags in Finnish development policy implementation usually exceed DPP validity periods. Development results can be expected to occur one or more government cycles later.
- DPPs do not reflect these development timescales and provide little guidance on work started under previous governments or work that is likely to be implemented under future governments.
- Other countries and organisations have introduced long-term development strategies that allow the formulation of long-term objectives and commitment to plans to reach them.



Recommendation 3:  
Develop a long-term strategic  
plan for Finnish development  
policy implementation.

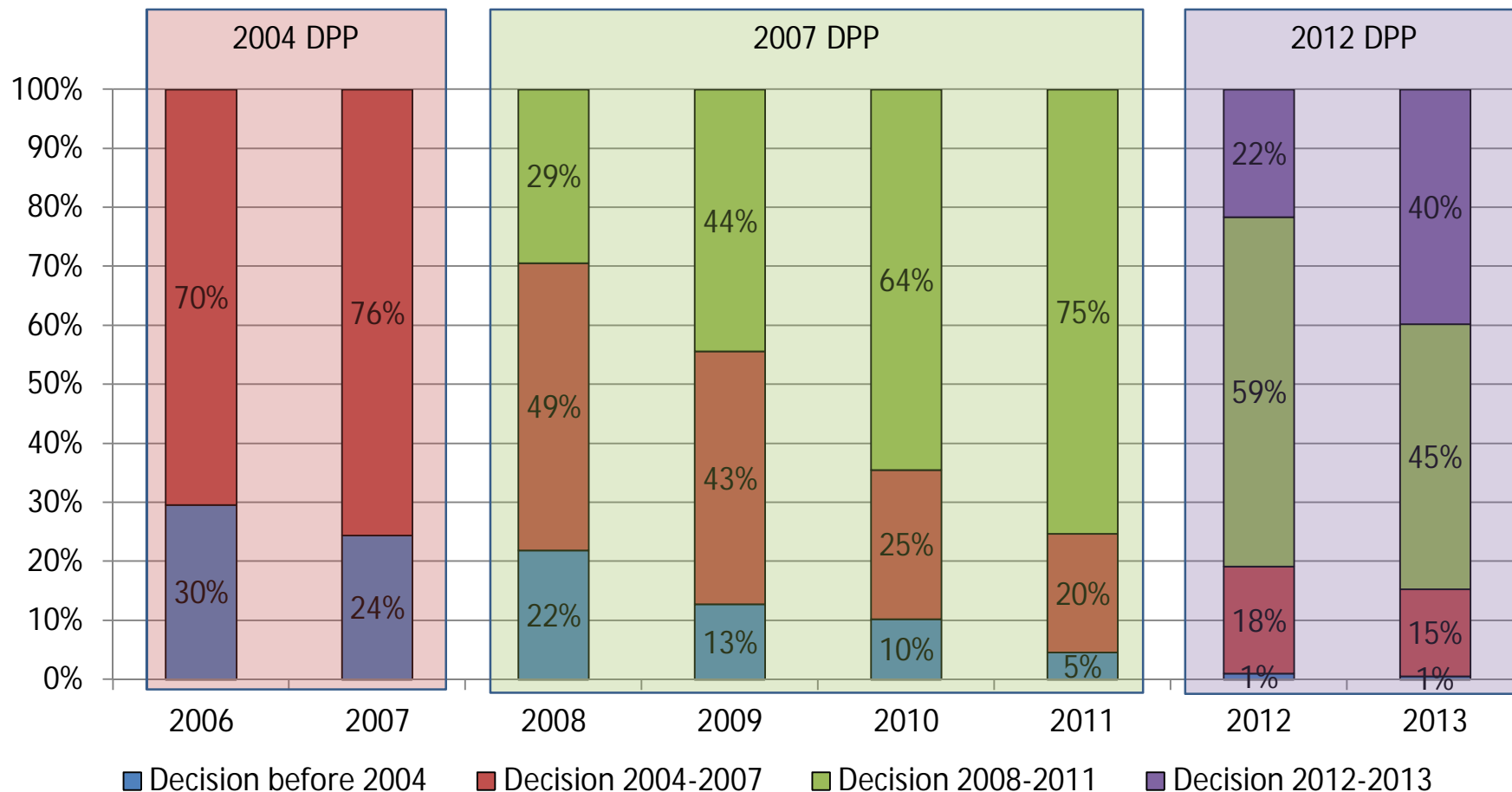


## TIME-LAG BETWEEN DECISION-MAKING AND DISBURSEMENT



Expenditures in early years of a DPP period are dominated by decisions made in previous periods. Development results can be expected to lag further behind.


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## TARGET-SETTING IN DPPS

- DPPs provide little guidance relevant to RBM:
  - They do not establish relative priorities.
  - They usually do not commit to well-defined, meaningful targets that can be monitored.
  - Between DPPs, guidance is inflationary.
- There is no established requirement that DPPs themselves should set RBM-related targets at all.
- Other countries and international organisations have introduced indicator-driven corporate results frameworks as part of their policy implementation strategies.
- A good understanding of how MFA activities contribute to development results is required as a basis for selecting meaningful indicators.
- Linking aid results to MFA's activities must remain realistic and indicators must be chosen and measured accordingly.



Recommendation 4:  
Develop a Theory of Change  
and a Strategic Results  
Framework at the MFA  
corporate level.

# QUALITY OF TARGET-SETTING IN DPPS

## Quality criteria

## Findings

Are targets well-defined?



Most DPP guidance elements describe intentions but not indicators or criteria for determining achievement.

Are targets are relevant and meaningful?



Many guidance elements describe relevant targets. Exceptions are change targets without sense of quality/quantity.

Are targets clearly committed to?



Often explicit and clear, but also often unclear if actual guidance is intended and who is responsible.

Can target achievement be monitored?

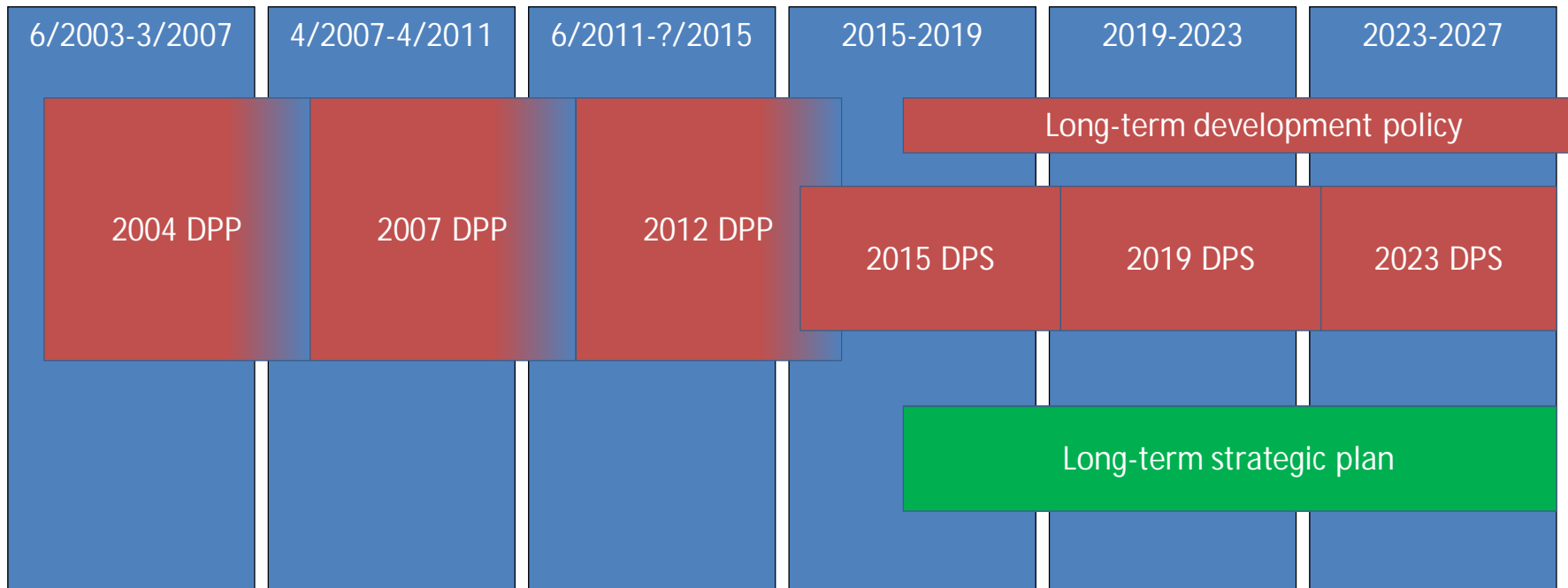


DPPs do provide little guidance on monitoring. Monitoring issue exist with not well-defined targets and for development outcomes.

What is the target level?

Most targets that fulfill 2 or more of the above criteria concern MFA budgets and activities (no quality development targets).

# OVERVIEW: RECOMMENDATIONS 1 THROUGH 4



## CHALLENGES WITH IMPLEMENTING RBM

- RBM implementation is not easy. Underestimation of required time and resources have led to unsatisfactory results in other countries and organisations.
- Strong senior commitment and policy support is required for success.
- Sufficient attention to RBM as a learning approach needs to be paid and the approach must be applied sensibly to where it provides most benefit and justifies costs.
- A balanced approach is required: a limited set of useful core indicators and proper use of evaluations and other analysis
- An organisational culture that encourages risk-taking and learning from success and failure is necessary.
- At the MFA, such a culture must still be developed.

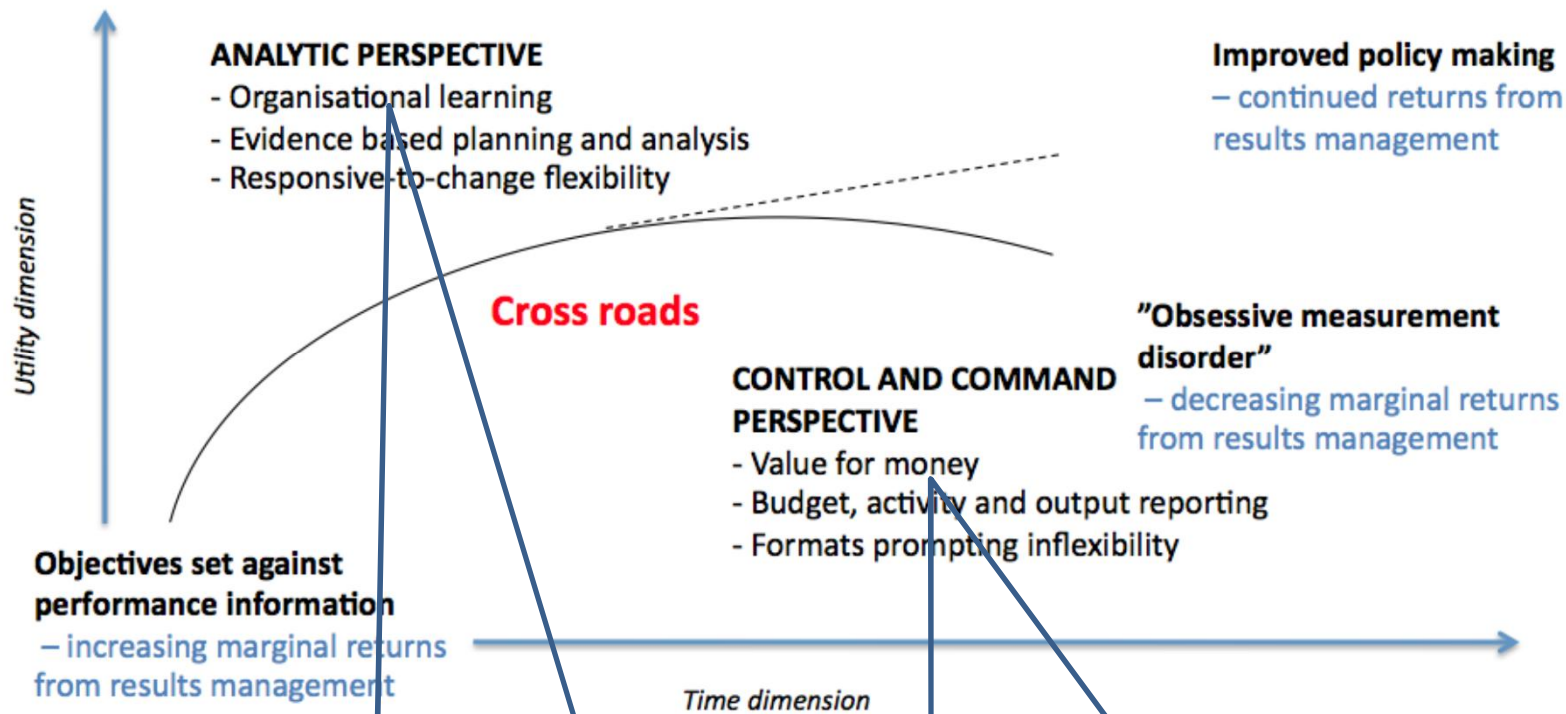
(revisited:)

Recommendation 2:  
Replace future DPPs by concise 3-5 page Development Policy Statements (DPS) *that fully embrace the RBM agenda.*

Recommendation 5:  
Develop and commit to a realistic RBM strategy.

- Definition of RBM at the MFA
- Definition of objectives of integrating RBM
- Organisational and technical changes
- Updated RBM implementation plan

# INTERNATIONAL EXPERIENCE: COMPETING PURPOSES OF RBM

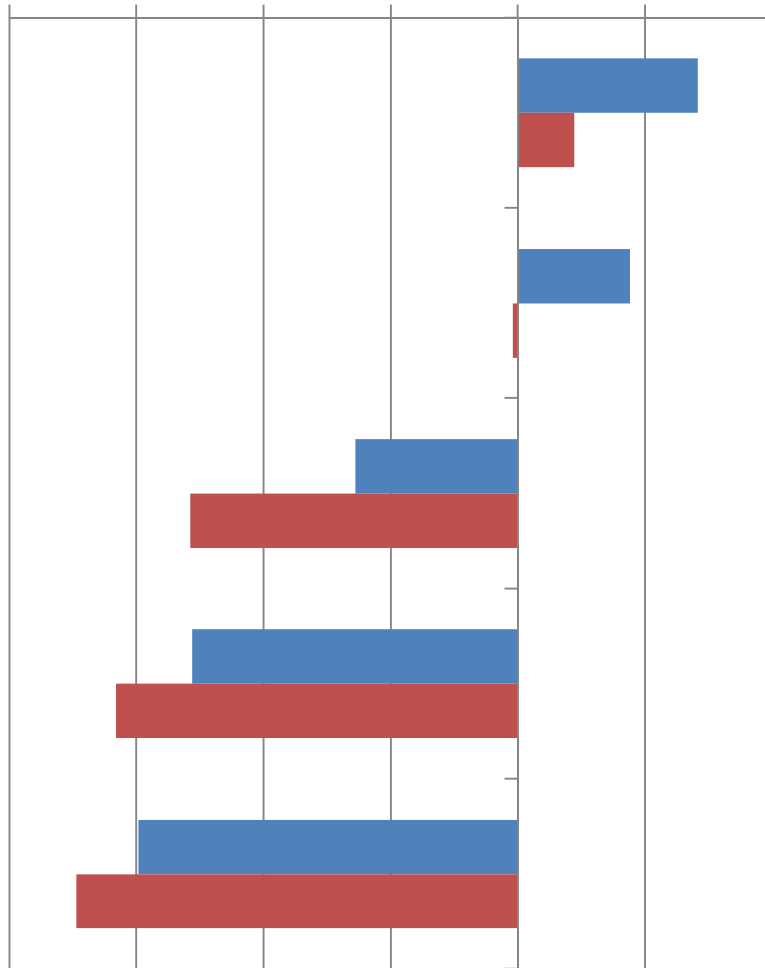


- Emphasizes continuous improvements
- Focus shifts up to outcomes and impacts
- Emphasizes self-assessments and participation
- Less concern with attribution
- Favours rapid, low cost methods
- Encourages risk-taking, experimenting, learning

- Emphasizes meeting targets
- Focus pushed down to outputs
- Requires independent assessment or verification
- Greater concern with attribution
- Implies rigorous methods and high quality data
- Encourages conservative behaviour

## MFA: ORGANISATIONAL FACTORS INFLUENCING RBM

-80% -60% -40% -20% 0% 20% 40%



The need to achieve development results is clearly stated as a priority by senior managers

Staff at MFA Headquarters and staff based at Embassies share the same priorities to manage for results

The MFA is adequately staffed to meet current policy objectives for development cooperation and follow an RBM approach

The Ministry for Foreign Affairs (MFA) encourages risk taking and mistakes in the pursuit of development results


The MFA's rewards systems provide real incentives for strengthening a results culture within the ministry

■ 2014 ■ 2010



## INTEGRATION OF RBM ALONG AID CHANNELS


- Bilateral country strategies and multilateral influencing plans are a good start towards integrating RBM at the MFA:
- Other aid channels have not yet moved towards integrated RBM.
- The current Aid for Trade Action Plan represents a good example for adopting a programmatic approach based on RBM, despite the challenges it faces



Recommendation 6:  
Continue development of  
policy channel strategies and  
results frameworks.

## LEARNING FROM RESULTS

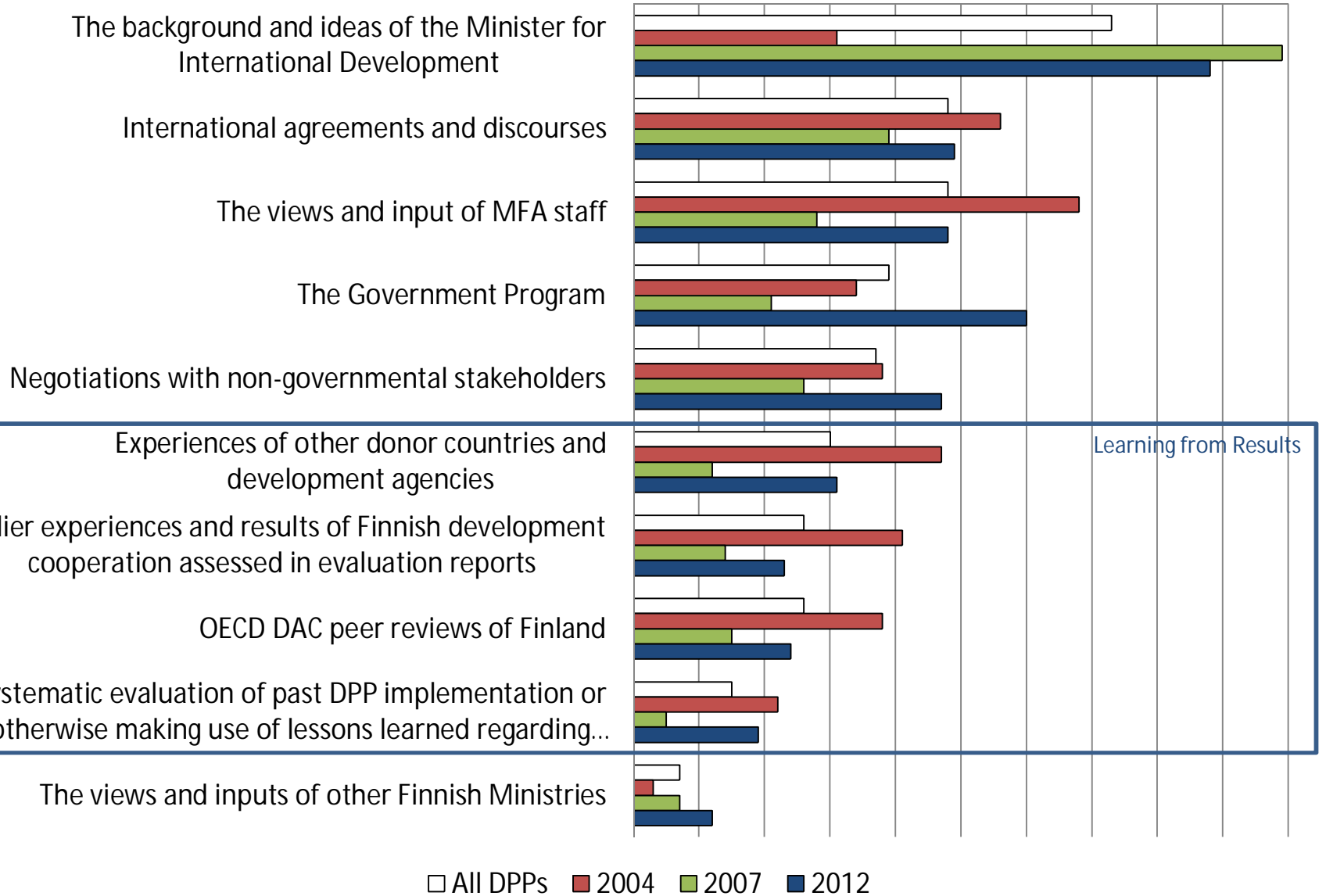
- DPPs do not reference evaluative findings or other learning processes but indirect evidence shows that learning from results has taken place.
- DPP content is dominated by other influences such as ministerial input.
- Learning from results happens in an ad hoc fashion rather than in a regular and systematic process.
- All benchmarking partners (and the MFA) utilise reviews, evaluations and other analysis, both to complement and to enrich the information provided by indicator-based results frameworks, and for learning purposes.
- The UK has demonstrated strong follow-up on evaluative findings.



Recommendation 7:  
Systematise learning from  
results.


# WHAT INFLUENCES DPPS? MFA STAFF PERSPECTIVE

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



## RESULTS REPORTING


- In the past, no comprehensive reporting that covers all aid channels and instruments existed. Reporting varies along the policy implementation channels both in terms of aggregation and synthesis.
- No focus on results.
- Corporate-level information is gathered ad hoc.
- Much information gathered by individual units is neither transmitted nor used upwards.
- Several good quality DPP target indicators are not systematically monitored and reported.
- However, important progress made in monitoring and reporting on results within country strategy and multilateral influencing plan frameworks.



Recommendation 8:  
Build a seamless reporting hierarchy along policy implementation channels and for corporate reporting to Parliament.

## INFORMATION SYSTEMS AND QUALITY ASSURANCE

- Policy and budget planning processes are separate. Total aid budget and its allocation e.g. between departments or units are not driven by results-based planning.
- Present intervention information systems are not adequate to be used to monitor and report results across the MFA aid channels.
  
- The Quality Assurance Board reviews consistency of bilateral aid proposals with policy guidance but does not fully appraise the potential for future results.
- At present, there is also no joint mechanism with a view of the entire portfolio that would allow results-oriented portfolio management vis-à-vis DPP objectives.




Recommendation 9:  
Integrate and further develop present systems into a user-friendly management system for financial and results information.



Recommendation 10:  
Strengthen quality assurance.

## POLICY COHERENCE

- The MFA has made a lot of progress in policy coherence work, especially internationally, and more recently with the food security pilot.
- However, policy coherence work requires a trans-ministerial mandate and currently suffers from being driven too much by the MFA alone.
- The possibilities of the Development Policy Committee and the High-Level Network for Policy Coherence for Development to influence the policy coherence agenda (including setting objectives and overseeing implementation) are limited.



Recommendation 11:  
Strengthen the policy coherence mandate (or adjust goals to MFA mandate).

# Thank you! Questions?

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## BACKUP: EXAMPLES OF RBM DEFINITIONS

RBM is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and higher level goals or impact).

The actors in turn use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting.

*United Nations Development Group 2011*

A management strategy focusing on performance and achievement of outputs, outcomes and impacts.

*OECD 2002*

RBM is a management strategy aimed at achieving important changes in the way organisations operate, with improving performance in terms of results as the central orientation.

RBM provides the management framework and tools for strategic planning, risk management, performance monitoring and evaluation.

Its primary purpose is to improve efficiency and effectiveness through organisational learning, and secondly to fulfil accountability obligations through performance reporting.

*Meier 2003*