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Managing for
Development
Results
(MfDR)

Key Features

- Clarity of goals and objectives
- Results linked to planning and resource allocation
- Key Performance Indicators to focus on results
- Beneficiary participation
- A system for measuring performance and results
- Promoting a learning culture

Performance Budgeting: what does it mean?

Performance Budgeting is a process that is increasingly being used by governments to integrate performance information into the budget process as a means of improving decision making.

Integral to Performance Budgeting is the development of a performance culture which emphasizes the use of monitoring information and feedback of evaluation findings to strengthen government's performance.

It also promotes management accountability as the focus shifts away from the amount of money allocated to what can be achieved with the money through good strategies and effective management of resources.

A performance-based budget is not merely an accounting instrument but a vibrant tool for assisting managers to allocate resources and achieve results.

Sri Lanka's Performance Budgeting model which was developed through adapting good practices is customized from advanced country models including the one used in the State of Virginia (USA). In adapting models, Sri Lankan officials looked for a simplified approach which matched existing levels of information processing that didn't over-burden current government capacity.

This method calls for identifying 2-3 key priority thrust areas and a total of 5-6 indicators in each area that is linked to budgetary allocations. This system will need to be implemented at least for one full cycle before it can be further strengthened and improved. This effort is led by the Ministry of Plan Implementation and needs to be adopted and mainstreamed by line Ministries in order to be successful. Performance Budgeting will compel senior Managers of line Ministries to use monitoring and evaluation feedback to im-

prove performance so as to secure resource allocations for their programmes.

An effective management information system is needed to track results systematically and to obtain regular feedback. This information should then be used to improve decision-making and for greater accountability for results and resources.

Thus, a performance-based budget is a budget that is not merely an instrument for accountants but a vibrant management tool to help managers allocate resources to programmes that produce results and adopt corrective measures to monitor programmes which perform poorly. It is a "mission-driven" budget built round the key priorities of an agency's goals. Thus a budget document becomes a strategic planning and management tool at the Ministry level.



"I BELIEVE IT'S TIME WE STOPPED RELYING SO HEAVILY ON INSTINCT."

Building Partnerships for More Effective Aid

Aid is likely to play a significant role in both the development and the humanitarian sectors in Sri Lanka in the coming year.

Hence both government officials and the donor community agree that it is timely and appropriate to examine ways for strengthening the effectiveness of aid.

A meeting between the major donors/ development partners and aid utilising agencies of the government held in October and facilitated by MPI generated many useful suggestions.

The purpose of the meeting was to consult with stakeholder to obtain their ideas in formulating an action plan for achieving a greater impact of aid for meeting key development outcomes.

Presentations from the Secretary MPI, the Director General FABM and Senior Operations Officer, World Bank set the context by describing facts and figures, and the principles of aid effectiveness. A brainstorm session followed for generating do-able realistic actions to improve the effectiveness of aid. Initial suggestions were collected and classified under several themes.

The themes were distributed among participants working in groups who then made suggestions for actions and assigned responsibilities to create a draft plan for action.

The draft needs further work before it is finalised; government agencies that participated in the meeting will be invited back for consultation in order to finalise an action plan for improving aid effectiveness.

The workshop output provided pointers on several key issues and challenges. Improving planning, project design and management and the engagement of stakeholders emerged as the theme under which most discussion points were made while improving communication with donors about proposed development plans and

the engagement of stakeholders in planning were flagged for improvement.

The need to make the public aware of the results of projects as well as greater emphasis on evaluation were discussed under the theme Results and Accountability. Participants pointed out that improving procurement and harmonising procedures would lead to eliminating delays in implementation.

A suggestion was made for introducing sector wide approaches, improving sector

level plans, and preparing sector-based needs assessments. This would enable donors to provide aid on a sectoral basis including capacity development. This would facilitate the increase of general budget support—another suggestion.

Untying of aid, making aid covenants transparent and improving mechanisms for improving communications and understanding between donors and recipients was also proposed.

Aid Effectiveness Survey

Monitoring the extent to which aid responds to national needs and contributes to the achievement of national development goals is a core function of the Ministry of Plan Implementation. In this regard the Ministry has just begun to conduct a survey which will enable it to assess the effectiveness of aid and identify areas where policy interventions may be necessary.

The survey which has been sent to all Sri Lanka's donors contain questions adapted from the 2008 OECD/DAC survey to monitor the Paris Declaration which was conducted in early 2008 in a number of participating countries in preparation for the Accra High Level Forum.

This is to enable comparisons to be made with other countries in the region and to measure progress against international targets related to

the Sri Lankan context.

It is expected that the survey will generate information which will identify strengths and weaknesses in the coordination, management and utilization of aid and lead to formulating strategies to enhance aid effectiveness.

The exchanging and sharing of information regarding aid utilization will strengthen relationships not only between development partners and government but also within the different agencies of government responsible for managing, utilizing and monitoring foreign aid.

the 12 indicators Supplementary question have been added to make the survey better reflect local issues and challenges.

A survey instrument will also be forwarded to gather information from government agencies utilizing aid. This too while following the OECD model for obtaining quantitative information seeks qualitative information through the use of supplementary questions designed to

2010: PLANS AND NEW DIRECTIONS WITH UNDP SUPPORT

The Ministry of Plan Implementation will continue to be supported by UNDP to engage with Provincial Councils and other institutions at the sub-national level to introduce Managing for Development Results (MfDR).

The support which is provided to the Ministry of Plan Implementation is utilized for strengthening a results focus in the whole of government.

This initiative complements programmes in place for achieving the Millennium Development Goals (MDG's). One of the goals of this particular effort is to identify gaps at the sub-national level in achieving MDG targets and allocate resources to improve service delivery at the local level.

In the new year the MfDR project will continue to be pursued with line agencies and strengthened through aligning the relevant Ministry results indicators to sector outcomes and indicators.

There will be more emphasis placed on providing development information for planning and decision making through harmonizing and boosting the Ministry electronic application for monitoring and reporting.

This is expected to provide timely, relevant information on outcomes and impacts of development interventions for supporting informed decision-making and for improving programme and policy design as well as performance.

The project will support the

following key areas for enhancing development planning and management through the use of performance information for driving development efforts.

- Strengthen the plan implementation capacity of the

- Institutionalize evaluation feedback arrangements to improve policy formulation, programme management, project quality and resources.

- Strengthen the National Operations Room with state-of-the-art technology to provide on-line real time development information to policy makers to facilitate informed decision making.

- Strengthen the analytical capability in relevant areas to undertake sub-national analysis for identifying regional disparities so that public expenditure can be targeted more effectively.

This project has been a catalyst in promoting a results orientation, accountability, transparency and good governance in the public sector.

There will be more emphasis placed on providing development information for planning and decision making through enhanced e-systems.

government and introduce change management practices to achieve priority goals of the country, including economic growth, equity, poverty reduction and the MDGs.

NARC PROMOTES MfDR

The National Administrative Reforms Council (NARC) in its Circular No 01/09 addressed to Ministry Secretaries, Heads of Departments and Chief Secretaries of Provincial Councils highlighted the promotion of MPI's initiative Managing for Development Results (MfDR) as a development initiative of the government.

NARC is a public agency created for the purpose of formulating and directing the implementation of an administrative reform programme.

The Post Graduate Institute of Management of the University of Moratuwa included a module on Managing for Development Results in its Masters in Public Administration Course. At the same time several courses in Planning conducted by SLIDA included modules on Results Based Management for several public officials including medical professionals. Meanwhile University of Peradeniya authorities have proposed that a few students be attached to the Department of Foreign Aid and Budget Monitoring to gain hands on experience in M and E.

PROMOTING A LEARNING CULTURE

A culture of learning does not happen spontaneously. Following are a few pointers for how learning might be supported, nurtured and promoted within an organization.

- Invest in training and development
- Encourage and support individuals to take responsibility for his or her own knowledge and skill improvement.
- Exchange ideas, explore new possibilities, be open to changing old ways of thinking and working.
- Constantly monitor performance against established targets. Be open to giving and receiving feedback.
- Be open to the external environment. Share information, communicate with stakeholders about successes and challenges.
- Value and reward learning and skill improvement.
- Lead the organization with a vision, and communicate that vision to motivate others.

Agriculture : Aligning Ministry and Sector Indicators

Resources

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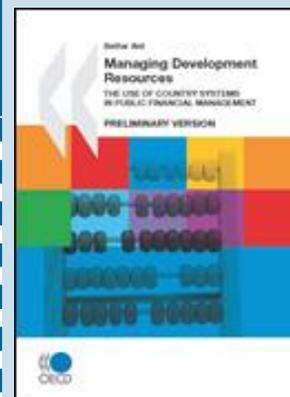
One of the main reasons for implementing results based management in the whole of government is to measure the extent to which programme activities undertaken and outputs produced at the Ministry or project level leads to actual benefits to the country, the people and the economy at large.

Articulating success in terms of results instead of activities enables both policy makers and the general public to assess to what extent progress is being made towards achieving the national goals and established annual targets set out in national and sector plans.

The public investment programme and individual Ministry plans are focused on achieving the targets specified in the national and sector level plans.

Monitoring progress towards outcomes is achieved by linking sector outcomes to contributing Ministry level outcomes and outputs. This was established by dividing the agriculture sector into **4 sub sectors**- Domestic Agriculture: Plantations; Livestock and Fisheries and defining outcomes and performance indicators based on the functions and responsibilities assigned to each Ministry.

The 8 Ministries under Agriculture are: Ministries of Agriculture and Agrarian services, Irrigation & Water Management, Lands and Land Development, Plantation Industries, Public Estate Management, Supplementary Plantation Crops Development, Livestock Development and Fisheries & Aquatic Resources.



Managing Development Resources: The Use of Country Systems in Public Financial Management [Online Bookshop www.oecd.org/dac/effectiveness/pfm](http://www.oecd.org/dac/effectiveness/pfm)

Managing Development Resources takes stock of progress in strengthening PFM systems and also provides recommendations on how best to facilitate achieving the 2010 targets set out in the Paris Declaration. Improving the rules and institutions governing these activities should be a major component of any development approach.

Our Mission

“To function as the National Focal Point for monitoring and evaluation of all government development programmes, projects and policies to ensure results and achievement of development objectives”



The diagram shows on the left column *priorities* derived from the national priorities, cascading down to the sector priorities and from those to the Ministry and programme levels. The right column shows the *results indicators* from the different levels leading up to the national level. This framework enables policy makers to assess to what extent the projects and programmes implemented by Ministries contribute to achieving national development goals.



The DAC Network on Development Evaluation (previously the Working Party on Aid Evaluation) has developed **A glossary of key terms in evaluation and results-based management**. It is available for free download at:

<http://www.oecd.org/document/>

To join the MfDR (Sri Lanka) Community of Practice (CoP) Please visit the MPI website at <http://www.mpi.gov.lk/CoP-MfDR.html>