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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

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Performance Budgeting in 2010

This year the budget circular 2010 incorporating managing for development results (MfDR) instructed line Ministries to attach key performance indicators and targets to next year's budget requests - a significant first step towards performance budgeting. The move will further entrench Government policy to ensure a focus on linking resources to results. It is the outcome of successful collaboration between the Ministry of Plan Implementation and the Ministry of Finance and Planning.

The Budget Call 2010 circular dated July 10th, 2009 from the Secretary to the Treasury states as follows in paragraph 3.1.3 —

"In order to strengthen the results based budgeting in the public sector, it is expected that the Managing for Development Results (MfDR) initiative taken by the MPI be linked to the annual budgeting process starting from 2010. Some have already taken steps to prepare ARF's with KPI's to report progress. As such,

Managing for Development Results has been incorporated in the Budget Call; setting out indicators and targets for each major thrust area – linked to the budget line.

all Ministry Secretaries are requested to submit the Results Framework as per the given Format, to the Dept of National Budget along with the 2010 budget estimates. KPI's should be identified as output as well as outcome levels so that the annual budgetary provisions requested by the respective Ministry can be justified."

The format of the RF required information on the following —
Priority thrust area ; KPI's ; Relevant budget link (vote particulars) ; Budgetary provision for 2010 ; Base Year achievement of KPI in 2009 ; Targets for 2010 to 2012.

MPI had a special workshop with officials of the Ministry of Finance and Planning to discuss issues relating to the Budget Call and the request for results frameworks from Ministries. During the last week in July, Officials of MPI had a series

of meetings with line Ministry officials clustered by sectors, to assist them to formulate their Results Framework and identify KPI's.

While basing expenditure estimates on the direct costing of outcomes is still some way off, this initial step will further strengthen the focus on results when planning, designing and allocating resources for national development priorities.

The ARF will be an extremely useful guide when His Excellency the President conducts progress review meetings. In addition, the ARF will facilitate the Auditor General's Department in conducting performance audits to ascertain what benefits have been produced for the money spent on Government programmes.



Secretary MPI and Heads of Depts of the Ministry of Finance discuss implementation of the Budget Call with Finance Ministry officials at the workshop held on July 16th, 2009

E— Systems for Monitoring and for Disseminating Lessons Learnt

Although ICT (Information Communication Technology) has the potential to transform data management processes and make results based management of the development cycle not only possible but easy, convincing managers (some of whom are still leery of computers) to make the required financial and other commitments may take time and effort.

As experience has demonstrated, successful ICT solutions are not only dependant on technology but also require a favourable policy environment, resource sustainability, business process reengineering and skills retooling.

While data management systems can foster efficiency and strengthen decision making based on evidence, it is universally acknowledged that databases are only as good as the data in them; maintaining and updating data entered into electronic data management systems require investing in relationship building with the suppliers of data who are themselves potential users and beneficiaries of the data management system.

As one of the Knowledge Management (KM) entities of the Government, the Ministry of Plan Implementation utilises several databases for its key functions.

They fulfil different requirements and perform with varying degrees of success in serving the needs for informa-

tion, analysis and report generation. Regular updating of data remains an ongoing challenge.

The **Monitoring and Reporting System** is used by MPI to monitor the progress of capital expenditure and development projects over Rs. 50 million in value implemented by Ministries; it is web-based, and allows password access to line Ministries to upload data electronically every quarter.

This information is submitted to Cabinet to enable decision making.

e-DIMS : The electronic development information management system is for monitoring non official development assistance flowing into the country for development purposes—funds flowing to INGOs and NGOs are included. This too is web-based, enabling password access, and has a Geographical Information System (GIS) facility. This enables the tracking where

NGO/INGO projects are located geographically. Infor-

It is universally acknowledged that databases are only as good as the data in them; maintaining and updating data in a data management system requires- - among other things-- investing in relationship building with the suppliers of data.

mation can be accessed in relation to sector, location and value of aid. However, securing information from these Organizations has proved to be challenging.

e-PMS : The electronic project monitoring system is a web based system which tracks the progress of all foreign funded development projects and programmes of the Government..

It helps to provide timely information to policy makers to improve accountability, transparency and good governance.

EIS : The Evaluation Information System is a web based central evaluation database that captures the findings of all ongoing, ex-post and impact evaluations of development projects implemented with domestic and aid funds.

The EIS captures, by project, basic evaluation data, key issues, overall assessment, lessons learned and follow-up actions and recommendations.

Evaluation information helps planners and policy makers to learn from the past and to improve the design of future programmes based on what worked and did not work, by recording and disseminating best practices. It promotes the exchange of ideas across sectors and programmes.

SETTING TARGETS USING REAL DATA

Public sector managers often agonize over target setting. The Tourism Development Authority under the Ministry of Tourism supported by industry data going back several decades was able to set targets for the next 5 years with relative ease when preparing the Results Framework of the Ministry of Tourism.

Analyzing tourism growth trends globally and in the region going back a decade and taking into account tourist arrivals from 1966 onwards the Tourism Authority forecasts that arrivals in 2009 will only record a 10% drop given the improvement in peace

And stability. In the words of the tourism industry insiders this was “realistic” “achievable” and “modest”.

The Results Framework was presented to the trade at a meeting held recently along with

the survey of departing tourists to arrive at the targets in the Results Framework, the Tourism Development Authority was supported by data from the departing tourists survey, analysis of global travel patterns and the profile of the tourists to Sri Lanka.

Monitoring Aid Effectiveness

How effective is official development assistance in financing development priorities in Sri Lanka?

What modalities, instruments and institutional structures support optimum aid utilization? What gaps and capacity shortfalls exist and how best should they be addressed?

How are donors and development partners moving towards implementing aid effectiveness reforms to which they made a commitment through the Paris Declaration and the Accra Agenda?

These are some of the questions that will be examined by a study to monitor aid effectiveness which MPI will undertake financed under the UNDP funded TA project on *Strengthening Plan Implementation Capacity*. The findings of the study will provide information on how aid effectiveness can be improved.

Monitoring how ODA contributes to development effectiveness and disseminating lessons learnt to its partner agencies, both internal and external, is a task MPI has been planning since 2008 and earlier— as the monitoring and Evaluation Agency of the Government.

The proposed survey will use the twelve indicators of progress for measuring the key factors for aid effectiveness; ownership, alignment, harmoni-

Foreign Financing Commitments by donor- 2007
(US\$ million)

Donor	2007		
	Loan	Grant	Total
Bilateral	470.8	88.5	559.3
China	65.8	13.6	79.4
France	22.3		22.3
Germany		17.3	17.3
Japan	334.1	36.9	371.0
Korea	16.1		16.1
Sweden		1.2	1.2
Spain	17.0		17.0
USA		6.8	6.8
Other Bilateral	15.5	12.7	28.2
Multilateral	490.8	81.7	572.5
Asian Development Bank	432.9	16.5	449.4
World Bank	32.9	14.4	47.3
UN Agencies	23.1	34.8	57.9
Other Multilateral	1.9	16.0	17.9
Export Credit	542.5		542.5
China	306.7		306.7
Sweden	91.9		91.9
Austria	12.7		12.7
United Kingdom	127.2		127.2
Norway	4.0		4.0
Total	1,504.1	170.2	1,674.3

Source: Department of External Resources

zation, managing for results and mutual accountability.

In this effort MPI and its Department of Foreign Aid and Budget Monitoring will be working closely with the Ministry of Finance and Planning, line Ministries, the External Resources Department, as well as with development partners and other stakeholders.

Aid as well as trade, commercial loans and tax revenue can be utilized for development financing. However, given the present demands on public resources and the current budget deficit of 9% of the GDP (CBSL- Letter of Intent to the IMF) ODA is urgently needed as well as robust systems to monitor, utilize and manage it more effectively.

WHAT IS SCORING?

Scoring is a measurement of whether an identified target has been reached within the identified time period.

Scoring will be done for the first time at the end of this year (2009). Ministries will be required to report their scores on the score card available online.

The data is self-reported and once submitted to MPI, will be made available on the MfDR website and be accessible by the public.

The Scores reported by Ministries will provide valuable information on their performance and will facilitate decision making at progress review meetings. The focus will be on achievements at an outcome level instead of on the progress of individual activities.

Scoring will also provide line Ministries with information that will enable them to re-examine indicators and targets.

For scoring to be a meaningful exercise, the sources from which data is collected should be reliable to ensure the authenticity of the data. Data from unreliable sources will mislead policy makers and will lead to seriously flawed decision making. It will be worse than not having data at all.

In the final analysis, scoring will enable policy makers to identify the most relevant strategy to achieve the desired development goals.

Mainstreaming MfDR

In the next phase of the MfDR initiative, MPI will formulate Results Frameworks for sectors and identify sector targets at the macro level.

This effort will link the goals set in the ten year development plan, sector plans, and where relevant, the Millennium Development Goals as well as the Line Ministry targets.

The links and alignment will be further strengthened when MfDR is introduced at the sub-national level in the future.

Sector indicators are being formulated after clustering Ministries in sectors.

Mr. S. Rahubadda, Consultant is assisting MPI in this task. He will also be responsible for following up results measurement by Ministries at the end of this year.

MfDR will be cascaded down from the national level to sector level; from Ministry to project level and also to sub-national level.

Readiness Assessment

Resources

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A readiness assessment tool to measure existing capacities and identify gaps for mainstreaming Managing for Development Results (MfDR) has been developed by the ADB and is available for download on the web.

The learning tool—an interactive CD rom which is also available in a manual form, was developed to assist the countries (Bangladesh, Nepal, Pakistan and Sri Lanka) where the Regional Technical Assistance project of the ADB is active.

It consists of six modules, namely (1) An overview of MfDR (2) Context and stakeholder/client analysis (3) Results (4) Risks and assumptions (5) Performance measurement and (6) Reporting and learning.

The tool is easy to use and self paced, combining theory with exercises and quizzes. It was originally intended to support MfDR Training of Trainers but was later developed into the present format.

Building internal capacity for sustaining managing for development results within state institutions is important. One such effort identified by using Readiness Assessment was to train a few MPI officers in Project Performance Monitoring and Project Design.

Under this capacity development effort, officers from MPI and the Ministries of Highways, Water Resources, Agriculture, and Trade have participated in study tours in Malaysia and Canada.

The CEPA Poverty Database

The Poverty Portal is developed by the Centre for Poverty Analysis (CEPA). CEPA is an independent organisation providing professional services on poverty related development issues in Sri Lanka. The CEPA Poverty Portal has been designed to be an information resource portal on poverty in Sri Lanka with the objective of improving the availability and dissemination of information to development practitioners and researchers

<http://www.povertydatabase.lk/>

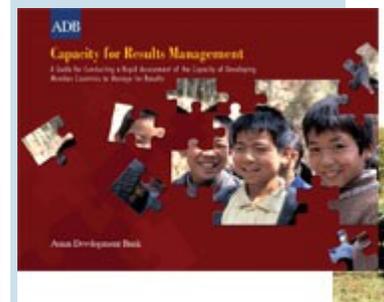
A Guide for Conducting a Rapid Assessment of the Capacity of Developing Member Countries to Manage for Results



Consequent to the Budget Call 2010, MPI and FABM assisted Line Ministries to select key indicators and targets for inclusion with budget estimates for 2010. Mr. Sivagnanasothy DG/FABM and Mr. Rahubadde, Consultant/MPI seen at one such meeting.

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”



<http://www.adb.org/MfDR/publications-readiness.asp>

The Evaluation Information System <http://www.fabm.gov.lk/EIS/UI/Home.aspx>

Electronic Project Monitoring System <http://pms.fabm.gov.lk/cp/indexmpi.asp>

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