

Results-Based National Development Strategies

Assessment and Challenges Ahead

The World Bank

December 2007

Acronyms and abbreviations

ADB	Asian Development Bank
AFD	<i>Agence Française de Développement</i>
AfDB	African Development Bank
CDF	Comprehensive development framework
CIDA	Canadian International Development Agency
CPIA	Country policy and institutional assessment
CSOs	Civil society organizations
DFID	Department for International Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EU	European Union
GTZ	<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i>
IDB	Inter-American Development Bank
IMF	International Monetary Fund
IPRS	Interim poverty reduction strategy
JICA	Japan International Cooperation Agency
MDGs	Millennium Development Goals
M&E	Monitoring and evaluation
MTEF	Medium-term expenditure framework
MTEF	Medium-term fiscal framework
OECD/DAC	Development Assistance Committee of the Organization for Economic Cooperation and Development
PIU	Project implementation unit
PRS	Poverty reduction strategy
SAP	Stabilization and Association process
SDC	Swiss Agency for Development and Cooperation
Sida	Swedish International Development Cooperation Agency
SWAp	Sector-wide approach
TRM	Transitional results matrix
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
WB	World Bank

Foreword

This review has been undertaken at the request of the OECD/DAC Joint Venture on Monitoring the Paris Declaration as part of the international effort to monitor the Paris Declaration on Aid Effectiveness. The concept for the review was discussed at the Joint Venture for Monitoring the Paris Declaration in March 2006, and its preliminary findings were presented at the Third Roundtable on Managing for Development Results, held in Hanoi, Vietnam, in February 2007. An e-discussion was held from October 2 to November 16, 2007, to invite comments on the review before finalizing it. The basis for the review is 62 country-specific aid effectiveness profiles that were completed in the last few months of 2006 and are available at www.worldbank.org/aer.

Aid effectiveness refers to the extent to which development assistance helps achieve results. To assess aid effectiveness requires looking at development outcomes to gauge how they are affected by variables such as the policies, institutions, and behaviors of both partner countries and development partners. This review focuses on some of the aspects of aid effectiveness: it assesses the progress countries have made in establishing the strategic basis for aligning resources, including aid, with results-based national development strategies. To do this it systematically examines operational development strategies and results-oriented frameworks, and the actions that have been taken towards them, country-by-country. It looks at which countries are using balanced and well-sequenced strategies linked to the budget and informed by country-level M&E systems to shape policies, institutions, and behaviors that ultimately lead to better outcomes.

By updating the World Bank's 2005 Comprehensive Development Framework Progress Report "Enabling Country Capacity to Achieve Results," this review provides a current picture of the pending challenges of devising country-owned results-based national development strategies. It provides a basis for sustained monitoring, which to capture meaningful trends would ideally be undertaken no more than every two years.

Acknowledgements

The review is the result of the work of a team led by Janet Entwistle within the Operations Policy and Country Services Vice Presidency of the World Bank. Dan Morrow and Filippo Cavassini provided extensive input into the overview report. Claudia Zambra, Filippo Cavassini, Natasha Bajuk and Eva Natali prepared the 62 country aid effectiveness profiles that are the basis of the overview. Linda Van Gelder, Manuela Ferro and Louise Cord peer-reviewed the work. Rachel Weaving edited the review and Tomoko Hirata designed the cover. Saydeh Shammass provided logistical support. Shobha Kumar and Jeeyeaon Seo gave assistance during the preparation and launch of the e-discussion.

The team would like to thank Pablo Guerrero for his invaluable guidance and inspiration. It would also like to thank other World Bank colleagues that provided helpful comments: Elizabeth Ashbourne, Greg Binkert, Camilla Blomquist, Harry Broadman, Sarah, Cliffe, Rui Coutinho, Makhtar Diop, John Eriksson, Oby Ezekwesili, Ariel Fiszbein, Louise Fox, Alison Vale Gillies, Afef Haddad, Christopher Hall, Anthony Hegarty, Hans Hoogeveen, Sima Kanaan, Mohamed Khatouri, Brian Levy, Pradeep Mitra, Nadir Mohammed, Fred Nickesen, Praful Patel, David Peretz, Kyle Peters, Brice Jean Marie Quesnel, Onno Ruhl, Marcelo Selowsky, Carlos Silva-Jauregui, Susan Stout, Elizabeth White, and Sally Zeijlon.

Per Bastoe (Norwegian Agency for International Development), Pierre Belanger (Canadian International Development Agency), David Booth (Overseas Development Institute), Harry Buikema (Dutch Ministry of Foreign Affairs), Archanjel Chinkunda (United States Agency for International Development), Peter Conze (*Deutsche Gesellschaft für Technische Zusammenarbeit*), Liz Drake (UK Department for International Development), Reiner Forster (*Deutsche Gesellschaft für Technische Zusammenarbeit*), Elliott Harris (International Monetary Fund), Peter Hellehøj (Danish Ministry of Foreign Affairs), Guy Howard (UK Department for International Development), Paul Isenman (formerly OECD/DAC), Katja Jobs (UK Department for International Development), Terry Jones (United Nations Development Program), Bruce Purdue (Asian Development Bank), Rob Swinkels (Dutch Ministry of Foreign Affairs), Daša Silovic (United Nations Development Program), and Chhieng Yanara (Government of Cambodia) provided useful comments and suggestions at various stages of the work.

Contributions to individual aid effectiveness profiles are acknowledged at the end of each profile.

The review was prepared under the direction of James Adams and Jeffrey Gutman.

Contents

ACRONYMS AND ABBREVIATIONS	ii
FOREWORD	iii
ACKNOWLEDGEMENTS	iv
EXECUTIVE SUMMARY	vii
1. INTRODUCTION	1
A. STRUCTURE OF REPORT	3
B. APPROACH TAKEN	3
2. OVERALL ASSESSMENT	6
A. STATUS IN 2007 COMPARED TO 2005	6
B. GOOD PRACTICE IN 2007	7
C. ACHIEVEMENTS IN COUNTRIES WITH STRONGER POLICY AND INSTITUTIONAL FRAMEWORKS	9
D. ACHIEVEMENTS IN FRAGILE STATES	12
3. THEMES AND IMPLICATIONS	14
A. CREATING OPERATIONAL DEVELOPMENT STRATEGIES	14
B. DEVELOPING RESULTS-ORIENTED FRAMEWORKS	20
4. CONCLUSIONS	26
BIBLIOGRAPHY	29
ANNEX 1: COUNTRIES COVERED BY THE ANALYSIS	2
ANNEX 2: METHODOLOGY	3
SAMPLE COMPOSITION AND COMPARABILITY WITH OTHER ASSESSMENTS	3
PHASE ONE: DOCUMENTING ACTION	4
PHASE TWO: ASSESSING PROGRESS	12
CHECKS AND BALANCES	16
GOING FORWARD	17
ANNEX 3: SUMMARY OF THE E-DISCUSSION	18
ANNEX 4: ACTIONS TAKEN IN COUNTRIES THAT HAVE STRONGER POLICY AND INSTITUTIONAL FRAMEWORKS	21
A. OPERATIONAL DEVELOPMENT STRATEGIES	21
B. RESULTS-ORIENTED FRAMEWORKS	26
ANNEX 5: ACTIONS TAKEN IN FRAGILE STATES	32
A. OPERATIONAL DEVELOPMENT STRATEGIES	33
B. RESULTS-ORIENTED FRAMEWORKS	37
ANNEX 6: PROGRESS COUNTRY-BY-COUNTRY	40

Figures

Figure 2.1: Aggregate scores for operational development strategies and results-oriented frameworks, 2005 and 2007.....	7
Figure 2.2: Overview of good practice elements.....	8
Figure 2.3: Scores for countries with stronger policy and institutional frameworks.....	11
Figure 2.4: Scores for fragile states	12
Figure 3.1: Summary of scores for the assessment criteria of an operational development strategy, 2007	14
Figure 3.2: Summary of scores for the assessment criteria of a results-oriented framework.....	21

Boxes

Box 1.1: Paris Declaration on Aid Effectiveness.....	2
Box 1.2: LEADS method.....	5
Box 2.1: Operational development strategy and results-oriented framework: good practices.....	9
Box 3.1: Unified strategic framework: good practices	15
Box 3.2: Prioritization: good practices	17
Box 3.3: Strategic link to the budget: good practices	18
Box 3.4: Quality of development information: good practices.....	22
Box 3.5: Stakeholder access to information: good practices	23
Box 3.6: Coordinated country-level M&E: good practices	24

Executive Summary

As part of the international effort to monitor the commitments made under the 2005 Paris Declaration, this review assesses the progress that low-income countries have made toward establishing the strategic basis for more effective aid.

The Paris Declaration reflects the recognition that aid partnerships need to be guided by mutual accountability—whereby aid-recipient countries are expected to try to improve their policies and policymaking while their development partners are expected to provide more and better aid, aligning their support with country-owned policies and relying as much as possible on countries' own systems and national institutions to deliver aid.

The review concentrates on operational development strategies and results-oriented frameworks for policymaking—indicators 1 and 11 of the Paris Declaration on Aid Effectiveness. As well as assessing the current situation, the review establishes a collaborative process for information gathering and introduces a methodology that can be used on an ongoing basis, about every two years, to capture trends in implementing these preconditions for more effective resource use. Building on the assessment and implications highlighted in this review, and a number of good practice examples, it encourages governments and their development partners to agree on country-specific, time-bound, realistic and monitorable action plans, with indicators for both government and external partners, toward making further progress toward operational development strategies and results-oriented frameworks.

Approach taken

The review refers to an operational development strategy as a prioritized outcome-oriented national development strategy that is drawn from a long-term vision, incorporates sectoral strategies, and shapes a country's public expenditures. The review uses 3 criteria to assess, against a 5-point scale (Box S1), whether a country has an operational development strategy: a *unified strategic framework*, *prioritization* within that framework, and a *strategic link to the budget*.

The review refers to a results-oriented framework as a country-level results-based monitoring and evaluation (M&E) system that, building on sound statistical data and open access to information, produces data on progress toward desired inputs, outputs, and outcomes that are identified in the national development strategy. The review uses 3 criteria to assess, against the same 5-point scale, whether a country has a results-oriented framework: *quality of development information*, *stakeholder access to*

information, and coordinated country-level monitoring and evaluation.

Important synergies exist among these various components of operational development strategies and results-oriented frameworks. Governments, supported by their development partners, must therefore attempt to move forward on all of the various components of an operational development strategy and results-oriented framework. For example: first unifying the strategic framework, rather than pursuing multiple national strategies in parallel or pursuing a strategy isolated from the long-term vision, makes goals easier to prioritize. Setting clearer priorities within the national development strategy makes the strategy easier to link to the budget. Improving access to development information and introducing performance orientation into the budget strengthen the demand for better data and can facilitate decision making.

Country-wide monitoring of data, especially data on development outcomes even at the sector level, helps introduce performance orientation into the budget and strengthen the link between development policies and budget implementation, which in turn helps establish a country-level M&E system. With better results management, domestic accountability and government credibility are strengthened, leading to deepened country ownership of the national development strategy.

Box S1: LEADS method

- **L Little action:** Due to a wide variety of circumstances, including political developments, capacity constraints and unforeseen events, action has remained at a virtual standstill.
- **E Elements exist:** There is some basis for making progress, either through what already exists, or definite plans.
- **A Action taken:** Progress is being made, although not yet enough, and the basis exists for even more substantive progress.
- **D Largely developed:** Significant action taken already, although some further action is needed.
- **S Sustainable:** There are no warning signs of possible deterioration, and there is widespread expectation that the progress achieved is sustainable.

Overall assessment

All of the 62 countries covered in the review, including fragile states, have made at least some headway toward establishing an operational development strategy and a results-oriented framework. Eight countries, or 13 percent, have a largely developed operational development strategy, up from 8 percent of the 59 countries that were covered in the last major review, the 2005 Comprehensive Development Framework Progress Report. A larger increase has occurred in the percentage of countries that have taken action towards this goal: from 56 percent in 2005 to 67 percent in 2007. While the percentage of countries that have a largely developed results-oriented framework has been smaller--from 3 percent in 2005 to 5

All countries have made some headway

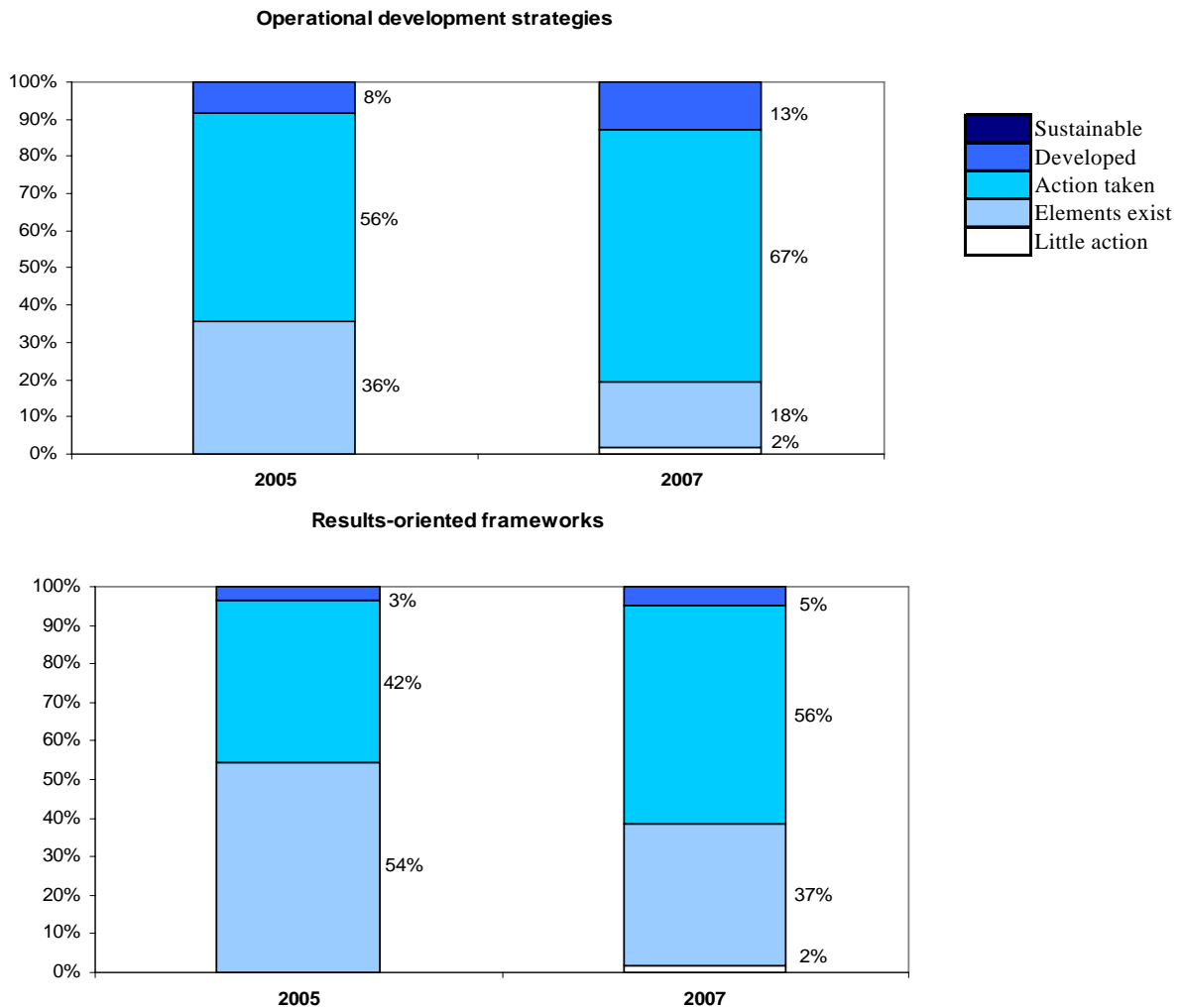
percent in 2007—more than half have taken action toward a results-oriented framework (Figure S1).

The achievements to date show progress toward the targets for 2010 established by the Paris Declaration—which are that at least 75 percent of partner countries should have largely developed operational development strategies and that 32 percent should have largely developed results-oriented frameworks. However, many challenges remain. In particular, the links between national development strategies and the budget remain weak in most countries, and progress has been limited in developing results-oriented frameworks. Developing countries and their aid partners need to focus their combined efforts to address these challenges if they are serious about strengthening the basis for effective use of aid. The emergence of champions within partner countries’ governments and development assistance agencies will be essential to accelerate progress.

...but most still have much to do

Figure S1: Summary scores for operational development strategies and results-oriented frameworks, 2005 and 2007

Distribution of scores



The role of the PRS. Notably, the countries that have made the greatest progress on both operational development strategies and results-oriented frameworks thus far are among those that are implementing second-generation poverty reduction strategies. The need to identify clear links between goals, policies, and resources, promoted by the poverty reduction strategy (PRS) initiative as a precondition for external financing, has encouraged attention to effective strategic planning and budgetary allocations. The experience in countries with second-generation PRSs suggests that many others will speed up their progress as they prepare and implement their next national development strategy following an initial PRS.

The poverty reduction strategy approach has encouraged progress...

Fragile states. Though no fragile state has a largely developed operational strategy or results-oriented framework, a significant number have taken relevant action, including all three that are implementing a second-generation PRS. From several of the fragile states that have been pursuing a sequenced approach to identifying goals and making policy, starting first with a transitional results matrix (TRM) and gradually lengthening the time horizon of strategic planning, there is some evidence that this approach is helping them address the enormous challenges they face.

...including among fragile states

Creating operational development strategies

Current status. Among the three assessment criteria used by the review to measure progress towards operational development strategies, more countries have made progress towards introducing unified strategic frameworks and prioritizing their goals than have made progress towards linking the strategy and the budget.

More work is needed on links between strategy and budget...

Themes and implications. In the coming years, government and external partners will need to scale up action toward strengthening the link of national development strategies to the budget, building on advances to consolidate parallel strategies and improve their prioritization. Linking the strategy to the budget is the transmission chain between strategic priorities and results on the ground. Failing to establish such a link undermines implementation of national development strategies and ultimately increases the risk of backsliding. Specifically, government and external partners will need to take concrete action within the three components of an operational development strategy.

Unified strategic framework. Many of the countries studied are still pursuing multiple medium-term strategies, implying a significant duplication of effort and scope for confusion and jeopardizing progress on the other components of an operational development strategy.

...building on unified strategic frameworks...

Governments that plan to introduce new national development strategies in the next two or three years have a prime opportunity to consolidate duplicative medium-term strategies and solidify linkages to a long-term vision. This would require also attention to integrating updated sector strategies into the national development strategy and improving linkages to local development planning in line with other aspects of decentralization policies that a country may be pursuing. However, to consolidate parallel development strategies will likely require clear leadership from the highest levels of government, especially when better collaboration is needed between ministries of finance and planning.

- In addition, even though vision statements and national development strategies are updated only periodically, a country can do much in the interim years to unify its strategic framework. Governments can think about a productive sequencing of this work and useful links between national, sectoral, and sub-national strategies. It may be most effective if the sector and sub-national strategies developed in interim years are consistent with the existing national development strategy but also include proposals for how the next national development strategy and subsequent sector and sub-national strategies might be improved.
- External partners will need to work closely together to avoid pursuing or encouraging any unconsolidated efforts and to support efforts at consolidation, including by facilitating interministerial or cabinet-wide coordination.

Prioritization. Many countries have identified country-tailored goals and priorities, but have achieved less clarity on how to achieve these goals. Continued attention should be given to adapting the Millennium Development Goals to country circumstances and to linking long-term goals and medium-term targets.

*... and improved
prioritization*

- It is essential for governments to consider the country's key long-term development objectives, as well as complementarities and trade-offs among these objectives, to determine what can be realistically accomplished in the medium-term, over 3-5 years. To be implemented successfully, a national development strategy must have a realistic balance among productive and social dimensions and key cross-cutting issues such as governance, gender, and the environment. To enable a link between strategy and budget, it must be capable of being costed at the sector level, based on an aggregate envelope established at the macroeconomic level.
- External partners can facilitate these processes by collaborating closely with partner countries and each other on growth and poverty analytical work toward building local capacity, rather than carrying out separate, uncoordinated analytical work.

Strategic link to the budget. Many countries have taken initial steps toward performance-oriented budgeting, but in most countries strategies are still only weakly linked to the budget. Strengthening the links between national development strategies and budget allocations remains a major problem for most countries. Preconditions for progress are: a single national development strategy derived from a long-term vision; specificity about priority objectives; and realistic cost estimates for corresponding priority programs. A clear view of the resource envelope is essential, including funds mobilized domestically and medium- and long-term indications of support from external partners.

- Based on the broad fiscal aggregates, including revenue, expenditure and debt, government needs to prepare a medium-term fiscal framework (MTFF) that determines the overall fiscal envelope and is linked to more detailed program-based MTEFs for key sectors. Preparing an MTFF is technically demanding and requires political commitment and significant coordinated capacity support. It needs a gradual approach that relies on a realistic understanding of country capacity at the national and local levels and builds on strengthened country systems; progress is likely to proceed sector-by-sector as sector strategies are costed and as central and line ministries coordinate effectively during the preparation of the budget. In the absence of functioning MTEFs and MTFFs, effort should be made to link annual expenditure plans with strategy.
- External partners can play an important role by providing coordinated demand-driven technical assistance for the development of medium-term expenditure frameworks (often in support of sector wide approaches and general budget support), and by providing reliable information about their development financing contributions.

Coordinated capacity support and political commitment are essential to help strengthen the link to the budget

Implementing results-oriented frameworks

Current status. Among the three criteria used by the review to assess the adoption of results-oriented frameworks, countries have made the most progress in improving access to information; very few have made significant progress to improve the quality of development information or to introduce coordinated country-level monitoring and evaluation systems.

Themes and implications. Governments and external partners will need to shift their overall balance of attention towards developing results-oriented frameworks during the coming years. Lack of such frameworks poses large risks of misplaced priorities and wasted resources. While this task may be less politically contentious than creating an operational development strategy, it requires equally serious attention, commitment, and persistence. Specifically, governments and external partners will need to take action within each of the three components of a results-oriented

Shift needed in the balance of attention—towards developing results-oriented frameworks

framework to create the necessary incentives which will ultimately help integrate focus on results into policymaking.

Quality of development information. Improving the quality of development information has proved especially difficult, requiring substantial institutional capacity and resources.

- Governments need to focus continued attention and funding on building the capacity of institutions that can collect sound statistics. Policymakers and other domestic stakeholders can help by demanding good information. Country statistical strategies should be embedded in national development strategies.
- External partners need to support these efforts by providing funding for the implementation of country statistical strategies where they are broadly owned. External partners' pressure to improve information about development results can help too—but should be directed to building national institutions that supply information to the government and citizens.

Improving and disseminating development information is of top priority...

Stakeholder access to information. As information on policies and programs becomes more widely accessible, demand for better, more comprehensive, and relevant information is likely to increase. This virtuous circle helps improve information systems and facilitate meaningful participation of national stakeholders in policymaking. This in turn can strengthen ownership and evidence-based policymaking.

- Governments need to keep up their efforts to broaden access to information, guided by country-tailored communication strategies embedded into national development strategy.
- External partners need to support these efforts by providing analytical and financial support to the country's dissemination efforts.

Building coordinated country-level M&E systems. Concerted attention is also needed to preparing action plans for country-level M&E systems, where these do not yet exist; to reviewing and refining preliminary action plans; and to supporting and financing plans that are already in place. Stepping up efforts toward identifying realistic intermediate targets towards development outcomes even at the sector level, helps introduce performance orientation into the budget and strengthen the link between development policies and budget implementation, which in turn help establish a coordinated country-level M&E system.

...to build coordinated country-level M&E systems used by governments and their development partners

- In action plans for coordinated country-level M&E, governments need to clarify institutional responsibilities to ensure that the M&E system is designed to match the country's needs, and to keep external partners'

monitoring requirements consistent with those needs. Country-level M&E requires strong leadership to integrate it with plans to strengthen budget management and to build on sectoral efforts that form its basis. In those countries where joint budget support groups are in place, governments and external partners need to ensure that the monitoring frameworks agreed within these groups conform with the overall country monitoring framework that is used for internal domestic reporting and decision making.

- External partners need to support financially and technically arrangements for such consolidated country-level M&E systems rather than for fragmented efforts. They need to step up attention to sector-wide M&E when supporting SWAs. They need to help strengthen local governments and line ministries own progress reporting to central ministries and Parliament, rather than strengthen reporting to individual external partners.

Good practice

Despite the wide gap between the status quo and the targets for 2010—and the substantial challenges that remain in all the countries studied—many instances of good practice give grounds for optimism. This review identifies 21 countries with at least some elements of good practice. Nine countries stand out. Uganda and Tanzania have both achieved largely developed operational development strategies and results-oriented frameworks, and Mozambique has a largely developed results-oriented framework. In addition, Burkina Faso, Ethiopia, Ghana, Rwanda, Vietnam, and Zambia have largely developed operational development strategies. The other 12 countries have developed at least one component of an operational development strategy or a results-oriented framework. In all of the countries featured in the good practice examples, much effort is still required to further develop these frameworks and ensure their sustainability. Both progress achieved to date and pending challenges in these countries could help inform progress in other countries.

*Meeting the targets—
very challenging but
not impossible*

Looking forward

Continued attention is needed to monitoring countries' progress toward operational development strategies and results-oriented frameworks. Refinements to the monitoring process and methodology offered by this review should be pursued collaboratively, to ensure a common approach is taken to improving and monitoring the conditions for the better use of aid and, thereby, better development outcomes. Since the methodology is

*Continued
collaborative
monitoring needed*

meant to capture trends, monitoring should occur no more often than every two years; yearly monitoring would be unlikely to produce major changes in scores. For countries implementing a transitional results matrix (TRM), it may make sense to develop additional criteria on which to evaluate the TRM's short-term operational links.

1. Introduction

1. Developing countries and their aid partners have for some time recognized the need for aid relationships to be guided by mutual accountability. Accountability is mutual in that aid-recipient countries are expected to make efforts to improve their policies and policymaking while their development partners are expected to provide more and better aid,¹ aligning their support with country-owned policies and relying to the extent possible on countries' own systems and national institutions to deliver the aid.

2. Giving effect to this principle, the Poverty Reduction Strategy (PRS) initiative was introduced by the World Bank and the International Monetary Fund in 1999 to help countries improve national development strategies and their implementation and to serve as a framework for facilitating alignment with country priorities and reliance on national institutions.² Subsequently the Monterrey Consensus, adopted in 2002, and the Rome Declaration on Harmonization, adopted the following year, reinforced the commitment of development partners and partner countries to providing more and better aid as policymaking in partner countries improved.

3. A mechanism to follow up on these commitments was agreed by multilateral and bilateral organizations as well as partner countries with the 2005 Paris Declaration on Aid Effectiveness. It includes a clear set of 12 indicators that encompass ownership, alignment, harmonization, managing for results and mutual accountability that can be monitored to track the actions taken toward more effective use of national resources and aid (Box 1.1). The Paris Declaration recognizes that aid effectiveness must increase significantly to support country efforts to strengthen governance and improve development performance.

4. The present review is part of an international effort to monitor the implementation of the Paris Declaration.³ Its main purpose is to assess the status of country efforts to develop and implement operational development strategies and results-oriented frameworks for policymaking, and hence providing a sound strategic basis for aligning resources, including aid. These indicators—numbers 1 and 11 of the twelve contained in the Paris Declaration—reflect the view that aid is likely to be effective only if it supports policies and programs that are truly owned by partner countries, and that to match country needs and development goals, policies need to be evidence-based. Evidence-based policymaking entails the systematic and rigorous

¹ See IMF and World Bank, "Joint 2005 Review of the Poverty Reduction Strategy Approach: Balancing Accountabilities and Scaling-Up Results." September 2005, pp. 36-37.

² The PRS initiative is shaped by the principles of the Comprehensive Development Framework—long-term holistic vision, country ownership, country-led partnership, and results focus—introduced in 1999 that became the basis for all of the World Bank's work. As of May 2007, 18 countries had shown their commitment to the approach by preparing a second-generation PRS. Nine of these countries—Benin, Burkina Faso, Ghana, Mauritania, Mozambique, Nicaragua, Senegal, Tanzania, Uganda—had presented their second-generation PRSs to the Boards of the IMF and the World Bank by May 2007.

³ See OECD/DAC, *2006 Survey on Monitoring the Paris Declaration: Overview of the Results*. Paris: OECD, 2007. This OECD/DAC report provides a baseline for 34 countries against which to measure progress toward all 12 Paris Indicators. The baseline for Indicators 1 and 11 is derived from the World Bank report "Enabling country capacity to achieve results: 2005 CDF Progress Report." July 2005. The OECD/DAC report refers to this review as the Aid Effectiveness Review.

use of development information to identify a clear strategic framework, allocate resources, monitor implementation, evaluate impact, and adjust policies to account for emerging challenges and opportunities. The review highlights good practice and draws out the implications for partner countries and their development partners striving to make greater progress.

5. The review also recognizes that if the international community is to have a functioning framework for mutual accountability, mechanisms need to be in place to monitor performance, and information on progress needs to be readily available and used. Thus as well as reporting on the status quo, the review establishes a process, involving collaboration between the World Bank, other external partners, and partner countries, that can be used on a continuing basis for gathering relevant information, and it provides a methodology for scoring countries' progress toward operational development strategies and results-oriented frameworks. It provides a basis for governments and their development partners to devise country specific action plans for making further progress.

Box 1.1: Paris Declaration on Aid Effectiveness

The Paris Declaration on Aid Effectiveness, endorsed in March 2005, commits its signatories—more than 100 partner countries, donors, multilateral institutions, and non-governmental organizations—to strengthen ownership, alignment, harmonization, managing for development results and mutual accountability. The Declaration includes 56 Partnership Commitments and a monitoring framework with twelve indicators to assess progress toward targets for twelve of them. The twelve Paris Indicators are:

- 1 *Partners have operational development strategies:* countries have national development strategies that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.
- 2 *Reliable country systems:* countries have procurement and financial management systems which adhere to broadly accepted good practices or have a reform program to achieve these.
- 3 *Aid flows are aligned on national priorities:* development partners base their support on countries' national development strategies and periodic country-led reviews of progress in implementing these strategies.
- 4 *Strengthen capacity by coordinated support:* capacity-development support is provided through coordinated programs consistent with the national development strategy.
- 5 *Use of country public financial and procurement systems:* development partners accept the use of country procurement and/or financial management systems in partner countries for externally funded programs and projects.
- 6 *Strengthen capacity by avoiding parallel implementation structures:* projects are coordinated through government structures rather than isolated project implementation units.
- 7 *Aid is more predictable:* disbursements are released according to agreed schedules in annual or multi-year frameworks.
- 8 *Aid is untied:* the majority of aid is untied.
- 9 *Use of common arrangements or procedures:* aid is provided as program-based approaches.
- 10 *Encourage shared analysis:* development partners reduce the number of separate, duplicative missions to the field.
- 11 *Results-oriented frameworks:* countries have transparent and monitorable performance assessment frameworks to assess progress against the national development strategy.
- 12 *Mutual accountability:* countries undertake mutual assessment of progress in implementing agreed commitments on aid effectiveness including those in the Paris Declaration.

Source: *The Paris Declaration on Aid Effectiveness*, available at www.oecd.org/dataoecd/11/41/34428351.pdf.

A. Structure of report

6. Following this introduction, which includes a brief summary of the review's methodology, Chapter 2 discusses the overall assessment and Chapter 3 discusses current issues and their implications for further action. The findings call for a change in the overall balance of attention by governments and external partners, toward the development of results-oriented frameworks, while work is maintained on other aspects of making national development strategies operational—especially on integrating disparate strategy initiatives into a unified strategic framework and deepening medium-term fiscal frameworks to strengthen the link between strategy and budget. Chapter 4 concludes that while only limited headway has been made in developing results-based operational development strategies, there are reasons to believe that significant progress can be made up to 2010, the date by which the agreed targets for the twelve Paris Declaration indicators are expected to be met.

7. Annex 1 lists the countries covered by the analysis, and Annex 2 describes in detail the methodology followed. Annex 3 presents the summary of the e-discussion. Annex 4 details the progress made in the countries that have strong enough policy and institutional frameworks not to be classified as fragile states. The achievements of fragile states are detailed in Annex 5, and Annex 6 summarizes the scores for each indicator and sub-indicator country-by-country.⁴ A lexicon of poverty reduction strategies is located on the inside back cover of this report.

B. Approach taken

Countries covered

8. This review covers the 62 IDA-eligible countries that have been implementing a PRS, an interim PRS, or a transitional results matrix (TRM) since at least March 2006.⁵ Forty-eight of the 62 countries in the sample have signed the Paris Declaration on Aid Effectiveness. Most of the countries in the sample are low-income countries and fragile states, in recognition that the basis for improved aid effectiveness needs to be strengthened in countries whose development needs are the most urgent.⁶ The report analyzes the situation in the 19 fragile states in the

⁴ Countries with stronger policy and institutional frameworks receive a score above 3.2 in the World Bank's Country Policy and Institutional Assessment (CPIA). Following the World Bank's practice, fragile states are defined as countries that score 3.2 and less on a scale of 1 (very weak) to 6 (very strong) in the CPIA. The CPIA assesses how conducive a country's policy and institutional framework is to fostering poverty reduction, sustainable growth, and the effective use of development assistance. See World Bank, 'Country Policy and Institutional Assessment: 2006 Assessment Questionnaire.' Operations Policy and Country Services, December 2006.

⁵ An Interim PRS describes current policies and programs and is typically prepared with less participation and new analysis than a full PRS. The TRM is a tool to identify actions toward political, security, economic and social results in the short- to medium-term in fragile states. See United Nations Development Group and World Bank, "An Operational Note on Transitional Results Matrices: Using Results-Based Frameworks in Fragile States." January 2005.

⁶ For an overview of the development challenges faced by low-income countries, see IMF and World Bank, 'Joint 2005 Review of the Poverty Reduction Strategy Approach: Balancing Accountabilities and Scaling Up Results.' September 2005. For the latest overview of progress in meeting the MDGs and the challenges faced by fragile states, see World Bank, *Global Monitoring Report 2007: Confronting the Challenges of Gender Equalities and Fragile States*. Washington, DC: World Bank, 2007.

sample separately from that in other countries, recognizing that an assessment in such states needs to take into account their severe development challenges, including weak institutional capacity, poor governance, political instability, high vulnerability to conflict and, in many cases, ongoing violence.

Assessing progress

9. Based on aid effectiveness profiles prepared for each country (see www.worldbank.org/aer), the review team assessed the status of action within countries to formulate and implement their national development strategies and introduce results-oriented frameworks that inform strategy implementation and updates.

10. An *operational development strategy* refers to a prioritized outcome-oriented national development strategy that is drawn from a long-term vision and shapes a country's public expenditures.⁷ Three criteria are used to assess whether a country has such a strategy:

- *unified strategic framework*: the country has a coherent long-term vision with a medium-term strategy that is derived from that vision and tied to sectoral and local development strategies.
- *prioritization*: the country has development targets linked to a holistic and balanced set of long-term goals. Medium-term actions identified in the national development strategy are tied to these targets and follow a well-sequenced path.
- *strategic link to the budget*: the country has the fiscal resources and capacity to operationalize the strategy, including feeding back data on progress into strategy revisions and the budget.

11. A *results-oriented framework* refers to a country-level results-based monitoring and evaluation (M&E) system that, building on sound statistical data and open access to information, produces data on progress toward desired inputs, outputs, and outcomes that are identified in the national development strategy.⁸ Three assessment criteria are used to assess whether a country has such a framework:

- *quality of development information*: the country's development data are timely, relevant, and comprehensive and are generated by a lead statistical institution.
- *stakeholder access to information*: information on the national development strategy and the budget, and statistical and other monitoring data are widely accessible within the country.

⁷ For more insight into the challenges of establishing a strategic link to the budget, see Wilhelm and Krause (Editors), *Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*. Washington, DC: World Bank, 2008.

⁸ For a detailed analysis of the components of a PRS monitoring and evaluation system, identical to a country-level M&E system when the PRS is the only framework guiding medium-term strategy, and a diagnostic tool for policymakers, see Bedi, Coudouel, Cox, Goldstein, and Thornton, *Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies*. Washington, DC: World Bank, 2006.

- *coordinated country-level monitoring and evaluation*: the country’s system integrates statistical and monitoring data produced by line ministries and local governments to monitor outcomes, outputs, and inputs; this monitoring and evaluation system is used by both country policymakers revising strategy and assigning budget allocations and by external development partners in reporting to their headquarters.

12. To make the assessment, the review team used the LEADS method (Box 1.2) to assign scores to the actions that countries have taken.

Box 1.2: LEADS method

The LEADS method has been used to score the status of implementation of the Comprehensive Development Framework (CDF) since 2001.^a Because the CDF principles include long-term holistic vision, country ownership, country-led partnership, and results focus, the method has therefore been used to assess the status not only of operational development strategies and results-oriented frameworks, but also of country ownership, alignment, and harmonization.

- **L Little action**: Due to a wide variety of circumstances, including political developments, capacity constraints and unforeseen events, action has remained at a virtual standstill.
- **E Elements exist**: There is some basis for making progress, either through what already exists, or definite plans.
- **A Action taken**: Progress is being made, although not yet enough, and the basis exists for even more substantive progress.
- **D Largely developed**: Significant action taken already, although further action is needed.
- **S Sustainable**: There are no warning signs of possible deterioration, and there is widespread expectation that the progress achieved is sustainable.

^a See World Bank, “Comprehensive Development Framework: Implementation Experience in Low- and Middle-Income Countries.” April 2001, “Comprehensive Development Framework: Meeting the Promise? Early Experience and Emerging Issues.” September 2001; “Getting Serious About Meeting the MDGs: A Comprehensive Development Framework Progress Report.” 2003, and “Enabling Country Capacity to Achieve Results: 2005 CDF Progress Report.” July 2005.

2. Overall Assessment

13. In the aggregate, some modest progress has been made since the CDF Progress Report assessed the situation in 2005.⁹ But within the sample of countries included in this review the achievements far fall far short of the targets established for monitoring the Paris Declaration. The targets are that by 2010 at least 75 percent of partner countries should have at least largely developed operational development strategies and that 32 percent should have at least largely developed results-oriented frameworks.¹⁰ In particular, links between development strategies and the budget remain weak, and progress has been alarmingly limited in developing results-oriented frameworks. Developing countries and their aid partners need to beef up their efforts to address these challenges if they are serious about strengthening the basis for the effective use of aid.

14. The opening section of this chapter reviews the situation at end-2006/beginning-2007 compared to 2005, Sections B and C highlight good practices and note the positive effect that the use of the poverty reduction strategy approach is having on strengthening national development strategies as the strategic basis for resource alignment, including aid. Section D discusses the particular needs of fragile states, emphasizing that experience confirms that the use of the Paris Indicators is appropriate for these states.

A. Status in 2007 compared to 2005

15. Thirteen percent of the 62 countries covered by the review now have a largely developed operational development strategy, up from 8 percent of the 59 countries that were covered by the 2005 CDF Progress Report (Figure 2.1, top section). A larger increase has occurred in the percentage of countries that have taken action towards this target: from 56 percent in March 2005 to 67 percent in 2007. This indicates that there are more and more countries that have laid the basis toward achieving the Paris targets, and with sustained effort by government and development partners are in a good position to achieve them. The percentage of countries that are making only preliminary or little progress has fallen substantially, from 36 percent in March 2005 to 18 percent in 2007.

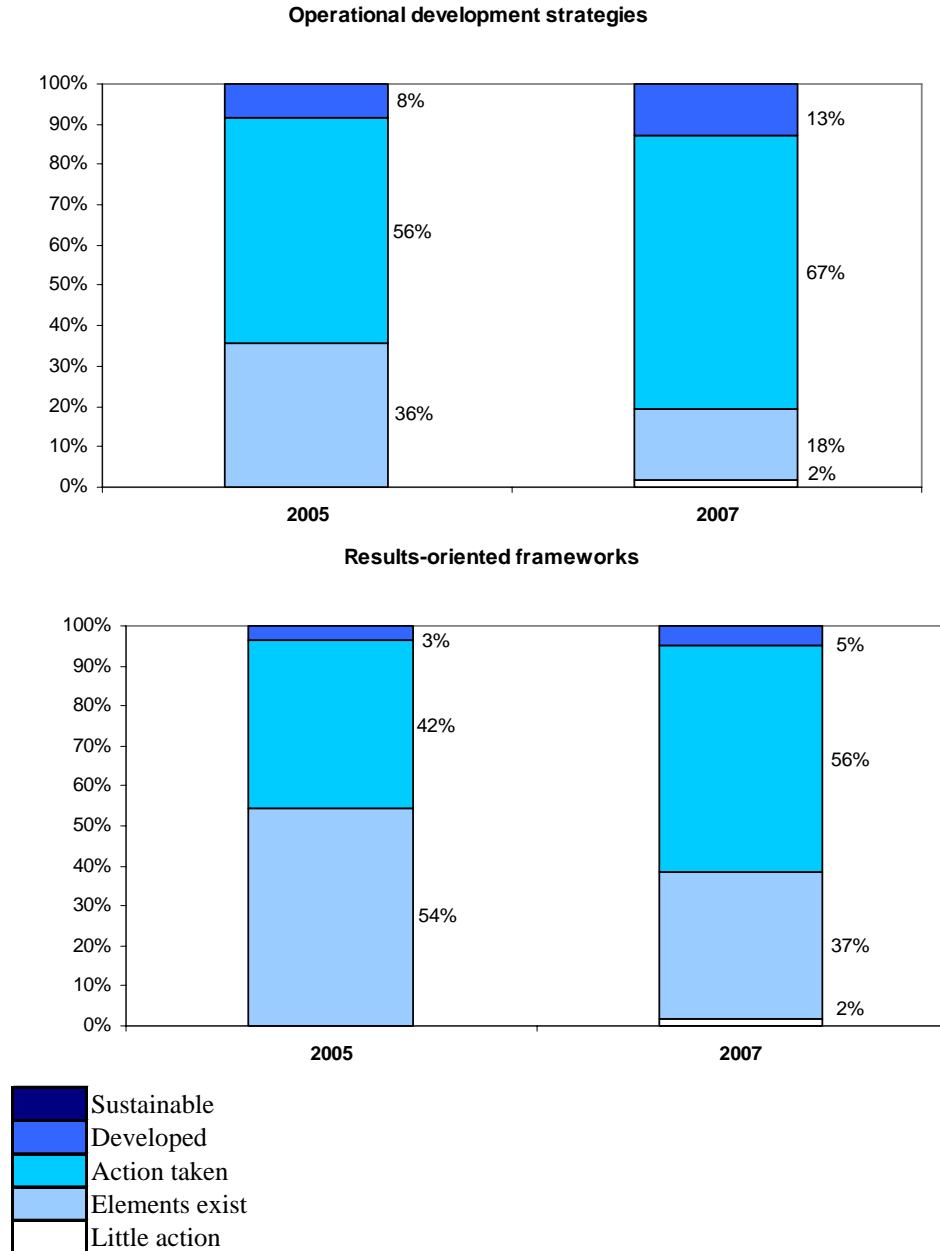
16. Less external attention has been directed to results-oriented frameworks than to operational development strategies. To be sure, the need for a country-level M&E system arises only after a national strategy exists and is being implemented. But only a small rise has taken place in the percentage of countries that have a largely developed results-oriented framework: from 3 percent in March 2005 to 5 percent at the beginning of 2007 (Figure 2.1, bottom section). Similarly to operational development strategies the number of countries that have taken action increased, from 42 percent to 56 percent.

⁹ See the World Bank's 2005 CDF Progress Report, "Enabling Country Capacity to Achieve Results," which reflects the status in March 2005.

¹⁰ The target is expressed as "to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third," and, since only 4 percent of the 59 countries assessed in 2005 had such frameworks at that time, this is translated into a target of 32 percent of partner countries. The percentage of the countries that meet the target would vary depending on the number of countries in the sample and their relative progress.

Figure 2.1: Aggregate scores for operational development strategies and results-oriented frameworks, 2005 and 2007

Distribution of scores



B. Good practice in 2007


17. Despite the wide gap between the status quo and the targets that were agreed for 2010, and the substantial challenges that remain in all countries studied, many instances of good practice give some grounds for optimism. Actions within 21 countries stand out with respect to at least one of the six assessment criteria for an operational development strategy and results-

oriented framework. Among these 21 countries, more have achieved a largely developed unified strategic framework, better prioritization, and improved access to information than have forged a strategic link to the budget, improved the quality of information, or established a country-level M&E system (Figure 2.2). None of these countries shows enough evidence that the progress is fully sustainable, as would be evidenced by a LEADS-method score of S.

Figure 2.2: Overview of good practice elements

Countries scoring a D on at least one assessment criterion in 2007

	Operational development strategy			Results-oriented frameworks		
	Unified Strategic Framework	Prioritization	Strategic link to the budget	Quality of information	Stakeholder access to information	Coordinated country-level M&E
Armenia					D	
Azerbaijan					D	
Bhutan	D	D				
Burkina Faso	D	D				
Cambodia		D				
Ethiopia	D	D			D	
Ghana	D	D			D	
Kenya					D	
Madagascar	D					
Mauritania		D				
Moldova					D	
Mozambique		D		D		D
Nepal						D
Nicaragua	D					
Rwanda	D	D	D		D	
Senegal		D				
Tanzania	D		D		D	D
Uganda	D	D	D	D	D	D
Vietnam	D	D			D	
Yemen	D	D				
Zambia	D	D	D			

 Countries where the overall score for either operational development strategy or results-oriented framework is D -- largely developed

18. Of the 21 countries, nine stand out for having taken significant action to pursue an operational development strategy, a results-oriented framework, or both. Two of them have both a largely developed operational strategy and a results-oriented framework, six have a largely developed operational development strategy, and one has a largely developed results-oriented framework (shaded countries in Figure 2.2 and Box 2.1). These countries are characterized by strong political leadership behind taking a country-owned, evidence-based approach to development, and strong and transparent coordination between external partners in supporting increases in country capacity. In most of these countries, civil society has played a lead role in pushing for greater transparency. While much effort is still required in all 21 countries to further develop these frameworks and ensure their sustainability, these elements of good practices and pending challenges could help inform progress in other countries.

Box 2.1: Operational development strategy and results-oriented framework: good practices

Uganda and Tanzania have both largely developed operational development strategies and results-oriented frameworks.

- **Tanzania** has shifted toward an outcome-oriented strategy that includes cluster strategies as the road map to achieve development objectives. This shift is promoting greater use of performance data in the budget process, requiring sectors to justify their bids in terms of the relevant cluster strategies. Sector policymakers thus have a material incentive to develop outcome-oriented rationales for their budget submissions.
- **Uganda** has built strongly on a well established planning tradition to move incrementally toward a stronger focus on results. It has progressively improved its development data set, complementing this with participatory poverty assessments that have brought the perspective of the poor into planning. Better and more comprehensive data have in turn fed into strategy revision, making the strategy more balanced and focused, and have helped to inform budgetary allocations. It has finalized a National Integrated M&E Strategy that is leading to improvements in country-level M&E.

Mozambique has a largely developed results-oriented framework, and Burkina Faso, Ethiopia, Ghana, Rwanda, Vietnam, and Zambia have largely developed operational development strategies.

- **Mozambique** has progressively integrated the results focus of the PRS into existing planning and reporting requirements. The PRS progress report is the constitutionally mandated annual report, which is the main monitoring tool for all government activities. Integrating internal and external reporting requirements has strengthened the relevance and coverage of monitoring and evaluation, in turn providing greater incentives for better data.
- **Burkina Faso** has used the medium-term strategy to achieve the goals identified in an existing vision and long-term sectoral plans. It has conducted yearly reviews to adjust strategy targets in accordance with lessons learned and resource availability.
- **Ethiopia** has merged multiple strategies into a unified strategic framework that builds on MDG needs-assessments to base its objectives on country reality.
- **Ghana** has aligned its second-generation PRS with the constitutionally mandated long-term vision and used data presented in the PRS progress report to inform the discussion of budgetary allocations.
- **Rwanda** has used existing sector strategies to inform its medium-term strategy. This has facilitated linking the strategy to the budget; on the basis of the sector strategies, line ministries prepare sectoral MTEFs that form the basis for the MTFF.
- **Vietnam** has identified country-wide development goals, building on MDGs and country-specific objectives, and facilitated mainstreaming these objectives into local planning.
- **Zambia** has used MDG needs assessments to fine-tune the focus and balance of the strategy and better cost it. This in turn has created a stronger basis to move toward a closer link between the budget and the strategy.

C. Achievements in countries with stronger policy and institutional frameworks

19. Forty-three of the 62 countries in the sample make up this group, given that they score above 3.2 on the World Bank's Country Policy and Institutional Assessment (CPIA). Within this group, 19 countries are implementing a second-generation PRS, 23 countries are implementing a first-generation PRS and one country has an interim PRS. All of the countries with a largely developed operational strategy or a results-oriented framework are in this group. (See Annex 4 for a detailed analysis of actions taken in countries with stronger policy and institutional frameworks.)

Progress and the PRS

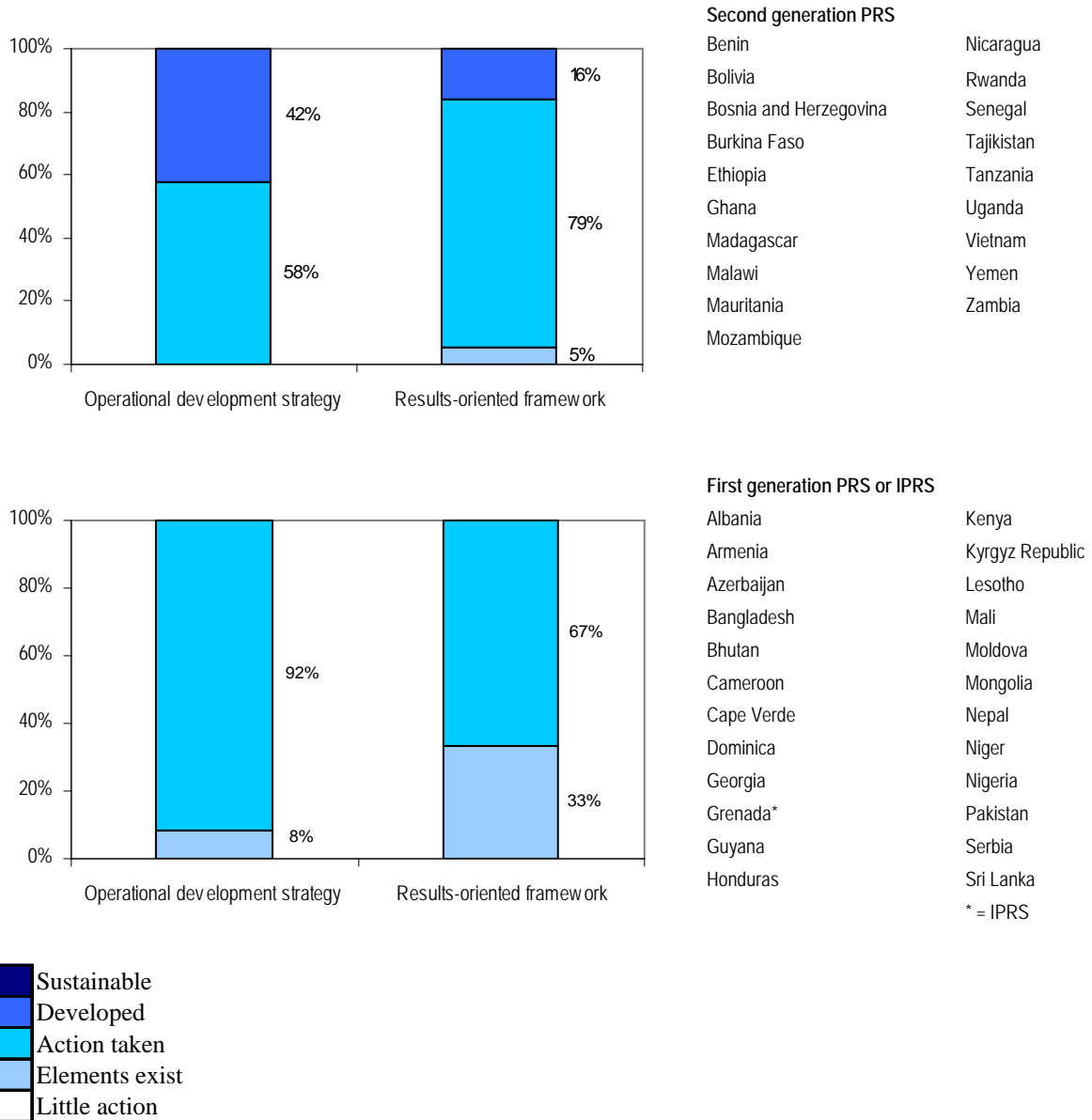
20. Progress has been most pronounced among those countries that have completed and begun implementing second-generation PRSs. These countries score better than other countries on each assessment criterion. All of the countries that have a largely developed operational development strategy or a largely developed results-oriented framework are implementing second-generation PRSs (Figure 2.3, top section). Experience shows that by the time a country begins implementing a second PRS, it has typically achieved some consolidation among its processes for setting national development strategies and budgets and achieved a more unified approach to assessing performance. The need to identify clear links between goals, policies, and resources (initially promoted by the PRS initiative as a precondition for external financing) has encouraged attention to effective planning and more strategic budgetary allocations.

21. Most of the countries with second-generation poverty reduction strategies have integrated the PRS approach into national decision making, thereby increasing ownership of the PRS principles. These countries have established unified strategic frameworks with well sequenced and balanced priorities. Most of them have MTFFs in place, and in some of them the MTFF shapes the annual budget. The same group also includes most of the countries that have made the greatest strides toward results-oriented frameworks—showing that important synergies exist between operational development strategies and results-oriented frameworks. They have integrated policy and strategic matrices into government monitoring tools, stimulating demand for performance data and raising the incentives to strengthen statistical capacity. A number of these countries have built robust household and demographic data sets and have started building country-level monitoring and evaluation systems. Stakeholder consultations on government policies, originally promoted by the PRS initiative, have helped to enhance access to information and strengthen domestic accountability. Many of these countries actively disseminate information on the medium-term strategy and the budget. Two countries in this group—Tanzania and Uganda—have established relatively clearer links between strategic planning, resource allocation, and performance data.

22. Among the group of countries with relatively strong policy and institutional frameworks that are implementing first-generation PRSs or an interim PRS, most have taken some relevant action but do not yet have largely developed operational development strategies or results-oriented frameworks (Figure 2.3, bottom section). Many of them are implementing a first-generation PRS or IPRS in parallel with other constitutionally-mandated or traditional development strategies, implying considerable scope for confusion and duplication of effort. Many of these countries have taken action to identify country-tailored goals and priorities, but have less clarity on how to achieve these goals. Though many have taken initial steps toward performance-oriented budgeting, their strategies have relatively weak links to the budget. Though many have laid the ground for results-oriented frameworks by improving data and access to information, and developing action plans for country-level M&E systems, overall progress in this area has been limited.

Figure 2.3: Scores for countries with stronger policy and institutional frameworks

Distribution of scores



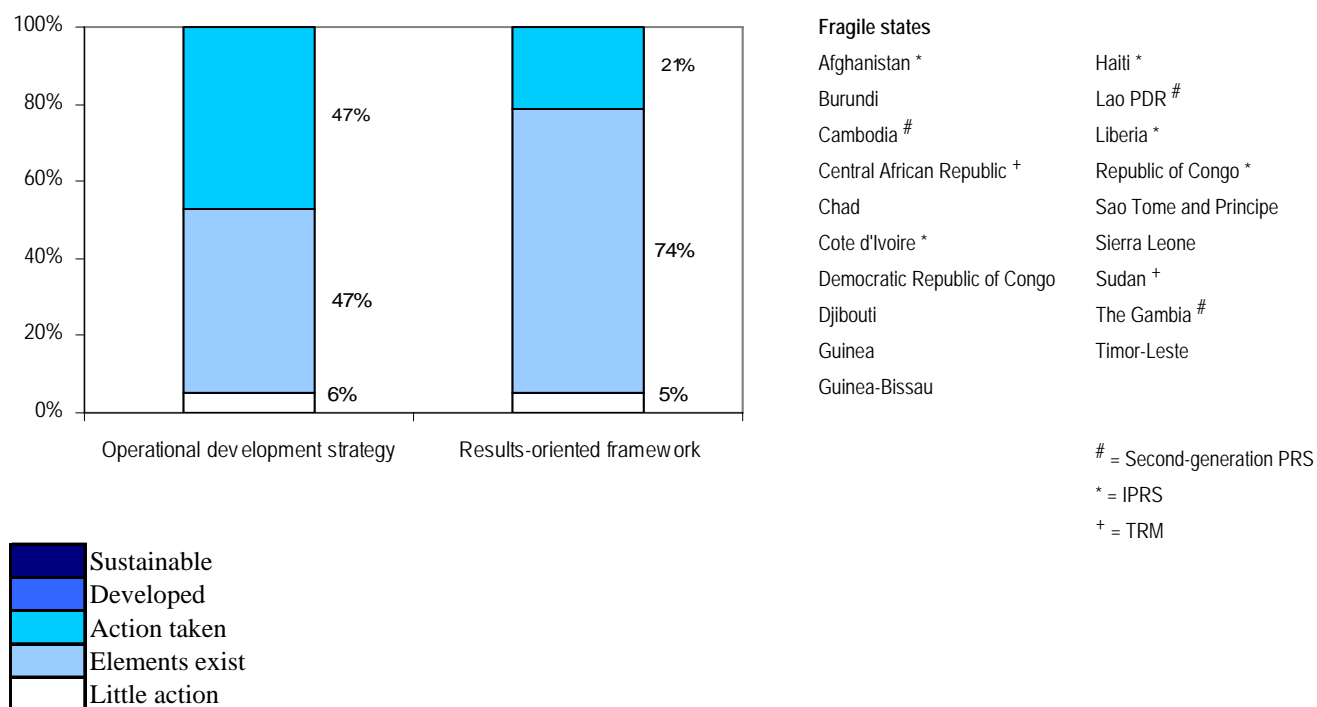
Note: Countries with stronger policy and institutional frameworks are those scoring above 3.2 in the World Bank's CPIA.

D. Achievements in fragile states

23. Though no fragile state has a largely developed operational development strategy or results-oriented framework (Figure 2.4), a significant number have taken action, including all three that are implementing a second-generation PRS (Cambodia, The Gambia, and Lao PDR). There is some evidence that a sequenced approach is helping them address the enormous challenges they face. (See Annex 5 for a detailed analysis of action taken in fragile states.)

Figure 2.4: Scores for fragile states

Distribution of scores



24. In a number of fragile states, elements of operational development strategies and results-oriented frameworks are emerging at the sectoral level, where pockets of capacity seem to have remained strong throughout prolonged periods of crisis or where development partners have focused their efforts. Some of these countries are pursuing sector strategies that are linked to expenditure frameworks and monitoring systems, which have created demand for better data.

25. Among the fragile states that can be characterized as gradual improvers,¹¹ those that have made the most progress have consolidated their strategic planning processes and begun consolidating their M&E frameworks. They have thus avoided inefficient, duplicative efforts, and freed up resources and capacity to improve prioritization, forge a link between the national

¹¹ Depending on the direction and pace of changes in governance, fragile states can be characterized by deterioration, prolonged political crisis, post-conflict and political transition, or gradual improvement. See World Bank, "Fragile States—Good Practice in Country Assistance Strategies." Operations Policy and Country Services, December 2005.

development strategy and the budget, develop a long-term vision, and improve their ability to manage for results.

26. Several of the fragile states have been pursuing a sequenced approach to identifying goals and making policy. Some of the conflict-affected countries are using transitional results matrices to help focus on the most urgent short-term needs, while others are addressing medium- to long-term goals as conflict subsides and capacity increases. Among the fragile states that are in political transition, those that have made the most progress have pursued a focused approach to introduce a strategic framework where none existed or where one had been nullified by prolonged conflict. They have begun with a transitional results matrix, emphasizing short-term goals and narrowly focused programs, and then gradually sought to lengthen the horizon and develop a more comprehensive program as capacity and resources increased. In several of these countries, the initial outlines of a strategic planning framework were agreed during the peace process, and elaborated on as the country achieved short-term successes identified in its TRM. Given the unique challenges that fragile states face, it has also been vitally important for them to capture benchmarks for progress towards critical goals such as the restoration of security, peace, and stability and the establishment of state functions.

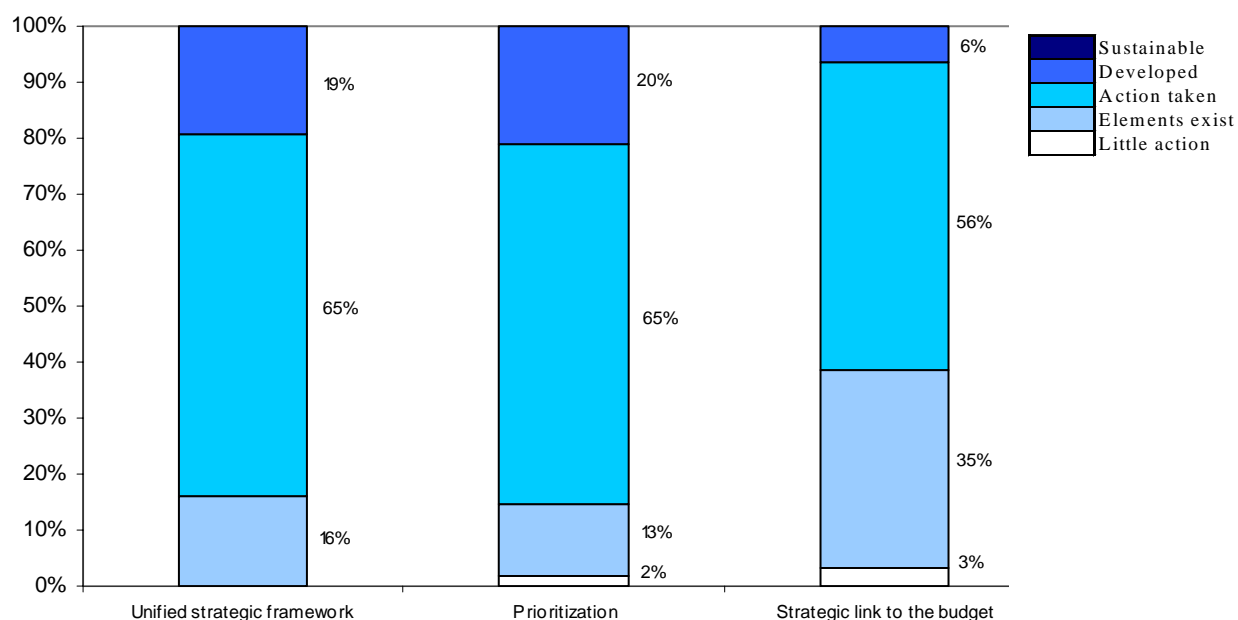
3. Themes and Implications

This chapter discusses issues in achieving operational development strategies and results-oriented frameworks, respectively, and the implications for action within each of the six areas assessed by the review.

A. Creating operational development strategies

27. Among the assessment criteria used by the review to measure progress towards operational development strategies, countries have made more progress towards introducing a unified strategic framework and prioritizing their goals than they have towards establishing a strategic link to the budget (Figure 3.1).

Figure 3.1: Summary of scores for the assessment criteria of an operational development strategy, 2007



28. A trend can be seen towards consolidating parallel strategies into single planning frameworks, thus creating a credible basis for aligning sector and local priorities around a common set of national goals. Several countries' costing of goals and priorities has also improved, building in some cases on MDG needs-assessments and stronger relationships among development partners. Clearer goals and priorities and better costing are creating a stronger basis for more strategic budgetary allocations. More countries have started preparing medium-term fiscal frameworks (MTFFs), some of which are linked to sectoral medium-term expenditure frameworks (MTEFs). While in most countries MTFFs continue to run in parallel to the annual budget, with limited impact on budgetary allocations, some countries have successfully integrated a multi-year perspective into the budget. And in a few countries, this effort has been reinforced by a greater use of performance data to inform budgetary allocations.

Unified strategic framework

29. Twelve countries stand out for their good practices in developing a consolidated strategic framework that ties a long-term vision to a single medium-term strategy. Most of these countries have built strongly on priority sectoral programs when developing their medium-term strategies, and are making efforts to coordinate local development plans with national development strategies (Box 3.1).

Box 3.1: Unified strategic framework: good practices

Bhutan, Burkina Faso, Ethiopia, Rwanda, Tanzania, and Uganda have built on existing long-term vision studies and policy instruments to guide the preparation of a medium-term strategy linked to the country's long-term goals.

Nicaragua has revised its medium-term strategy to embed a long-term vision.

Ghana and Madagascar have built on the revision of their medium-term strategies to align them with existing long-term visions.

Ethiopia, Vietnam, Yemen, and Zambia have consolidated parallel medium-term strategies into a single national development strategy.

Ethiopia and Ghana have built strongly on sector strategies under implementation to revise their medium-term strategy.

Vietnam is establishing a comprehensive facility for Strengthening Provincial Planning Reforms, to facilitate the integration of national strategic goals and principles into local socio-economic planning.

30. *Consolidation of strategies.* Though many of the first PRSs were undertaken separately from traditional constitutionally or legally-mandated national development strategies or plans, governments in several countries have now generated single national development strategies, derived from a long-term vision, that integrate previous processes with PRS principles. Such consolidation is a positive first step toward greater prioritization and indicates a substantial increase in country ownership of the medium-term strategies, making the strategies much more likely to be implemented and sustained. In many of these countries the PRS is known under the same name as a preexisting national development strategy, in others the government has chosen to retain the words poverty reduction strategy in the title, and in others it has chosen a different title that reflects shifting emphasis (see Lexicon of Poverty Reduction Strategies at the end of this review).

31. Nonetheless, in many countries consolidation is still pending: PRSs coexist with other medium-term strategies, implying a significant duplication of effort and undermining the usefulness of any of the strategies for guiding policies, budget allocations, or assistance from external partners. For many countries in the midst of democratic change and prior to the formulation of a broadly shared long-term vision, parallel strategic processes are sometimes introduced on an interim basis to help a government adapt to changing circumstances or evolving internal debate.

32. *Implications.* Achieving consolidation in those countries where it is lacking will likely require clear leadership from the highest levels of government, especially when better collaboration is needed between ministries of finance and ministries of planning. External partners will need to work closely together to avoid encouraging any unconsolidated efforts and to support efforts at consolidation, including by facilitating active interministerial or cabinet-wide coordination.

33. In order to move forward effectively, consolidation of strategic planning efforts should not be achieved by crowding out the focus on poverty and other important innovations that are often associated with the PRS process. In particular, whatever the name given to a country's consolidated national development strategy, it will be important not to lose a focus on poverty, on budget reallocations to support strategy, on policy and institutional initiatives, or on participatory processes that are designed to receive input on the strategy and to build broad country ownership. Equally, to be effective strategies should not be viewed as rigid but should be under ongoing refinement, taking into account new experiences and new learning informed by strengthened country-wide monitoring and evaluation.

34. *Integration of sector and local strategies.* As countries make progress in integrating priority sector strategies into national development strategies, the use of sector strategies themselves is expanding to cover not only the social sectors but also such cross-cutting aspects of development as infrastructure, private sector development, and governance. This reflects a necessary increase in attention to the sources of long-term economic growth and of better governance, to complement the attention to social sector programs that often dominated initial PRSs. Sectoral strategies in areas identified by government as critical to development have often been prepared or improved during the implementation of national development strategies. In fewer cases, local and regional strategies have been developed in line with national development strategies, although the integration among these often remains problematic.

35. *Implications.* Even though vision statements and national development strategies are updated only periodically, countries can and are doing much in the interim years to improve priority sectoral and local/regional strategies that complement the national development strategy and to bring line ministries and sub-national governments more effectively into the national strategic planning process. Doing so requires a clear assignment of responsibilities—between the ministries of finance and ministries of planning, and between core ministries and line ministries—and an effective coordinating institution or arrangement. It would be helpful for governments to think about a productive sequencing of this work and useful iterations between national, sectoral, and sub-national strategies. It may be most effective if the sector and sub-national strategies developed in interim years are consistent with the existing national development strategy but also include proposals for how the next national development strategy and subsequent sector and sub-national strategies might be improved.

Prioritization

36. Thirteen countries provide good practice examples in developing national development strategies that are largely targeted, balanced, and well sequenced (Box 3.2). Among them all but one are implementing a second-generation PRS. Prioritization has been easier to achieve in countries that have a clear strategic planning framework to guide their medium- to long-term development. Many countries' national development strategies seem overambitious or are unclear, often because more than one strategic framework exists, making costing problematic. Greater prioritization facilitates costing and is a prerequisite for establishing a link between the strategy and the budget.

37. *Integration of MDGs into long-term visions and long-term visions into national development strategies.* All the countries covered by the review have broadly embraced the MDGs within their long-term visions for national development. It is now well established that the MDGs need to be adapted to country circumstances, complemented by other country-

specific goals and targets, and tied to focused actions that are identified in the national strategy. Increasingly, countries are integrating long-term goals with medium-term targets. Some have achieved a closer operational link between long-term goals and medium-term programs during strategy implementation. Such integration has been stronger in countries that have prepared a second-generation PRS that is integrated into the national development strategy. In fact, some countries have used their UN-sponsored MDG needs assessments, as well as other country-tailored analytical work supported by external partners, as inputs to the preparation of second-generation poverty reduction strategies. This explicit link between the long-term vision and medium-term strategy often takes shape when ministries of finance and planning are merged or because the president's office takes leadership to ensure that finance and planning ministries cooperate more closely. The integration of MDG assessments, improved diagnostic work on budget constraints, shared growth and poverty alleviation, and national development strategies has been helped by closer collaboration among external partners, especially the UN and the World Bank, and between country authorities and external partners.

38. *Implications.* Continued attention should be given to adapting the MDGs to country circumstances and to linking long-term goals and medium-term targets, during either strategy implementation or revision. National development strategy must match a country's capacity to implement it. Ideally during strategy formulation, but also during strategy implementation if time constraints prohibited it earlier, it can be especially useful to elaborate a results matrix, which then helps in the development of the next national development strategy. Such a results matrix should map strategy goals, expected outcomes, strategies, and actions to achieve these outcomes and intermediate indicators to track implementation. External partners can facilitate the linkage of the MDGs to country-tailored long-term goals and medium-term targets by working in a coordinated manner with partner countries and local institutions on growth and poverty diagnostics rather than undertaking analytic work separately.

Box 3.2: Prioritization: good practices

Ghana and Zambia have built on MDG needs assessments and MDG progress reports to help improve costing and financial projections for their second-generation PRSs.

Bhutan, Ethiopia, Mauritania, and Yemen have used information on progress toward meeting the MDGs to better tailor MDG targets to country circumstances.

Vietnam has conducted detailed analytical work on progress toward the MDGs and country-specific and sectoral goals to identify twelve Vietnam Development Goals that guide implementation of the medium-term strategy.

Ethiopia and Ghana have built strongly on sector strategies under implementation to revise and increase prioritization of their medium-term strategy.

In *Cambodia*, detailed assessments of challenges toward meeting the MDGs have shaped the choice of country-specific long-term goals and medium-term targets that inform the medium-term strategy. Clarity on the country objectives has in turn made it easier to prioritize strategy in line with expected resources.

Burkina Faso, Ethiopia, Ghana, Mauritania, Mozambique, Rwanda, Senegal, Uganda, and Zambia have taken into account implementation progress and lessons learned to achieve a better balance within their medium-term goals and short-term priorities, focusing on sectors and themes relevant for country development, including the productive sectors, governance, gender, HIV/AIDS and the environment.

39. *Achieving a better balance.* National development strategies increasingly reflect lessons of international experience that show that achieving growth and poverty reduction depends on maintaining macroeconomic stability, on undertaking structural reforms to increase investment and enhance productivity, and on providing key services to improve economic opportunities and the quality of life, especially for the poor. Most second-generation PRSs have improved the

balance in their national development strategies by seeking to give more attention to areas critical to development that had not been as well elaborated in first PRSs or in previous traditional, legally or constitutionally required national development strategies. Building on greater understanding of the long-term constraints and opportunities for growth and poverty reduction identified in long-term visions that are linked to the national development strategy has helped policymakers in these countries to prioritize among medium-term trade-offs. In large part this has meant increased emphasis on the productive sectors and, in some countries, on governance, gender, HIV/AIDS and the environment.

40. *Implications.* Successful strategy implementation requires a balance among productive and social dimensions and key cross-cutting issues such as governance, gender, HIV/AIDS and the environment within a realistic national development strategy that can be costed at the sector level, based on an aggregate envelope established at the macroeconomic level. Attention to what can be realistically accomplished in the medium term, based on consideration of the country's key long-term development objectives, as well as complementarities and trade-offs among these objectives in the medium-term, is crucial in devising national development strategies that draw on international experience including global challenges.

Strategic link to the budget

41. Strengthening the links between national development strategies and budget allocations remains a major problem for most countries. Since 2005, improvements in strategic links to the budget have been observed less often than improvements in the other two assessment criteria for an operational development strategy. Four countries stand out for their good practices in strengthening the link to the budget (Box 3.3). But even these four countries still face important challenges, including frequent use of supplementary appropriations and gaps between expenditure budgeted and expenditure released. Linkages between budget allocations and budget outturns need to be strengthened to ensure that actual levels of revenue and expenditure are at levels compatible with medium- to long-term objectives. In all of them, capacity still needs to be strengthened and budget management improved, including through more systematic longer-term forecasting of revenues and expenditures at the central and local level, to strengthen performance orientation and improve linkages between budget allocations and outturns.

Box 3.3: Strategic link to the budget: good practices

Rwanda has conducted bi-annual reviews assessing expenditures against planned outputs and future budget allocations.

Tanzania has introduced a Strategic Budget Allocation System that, when combined with timely information on outturns, shows some promise to link strategy to budget. The government has developed a Local Government Planning and Reporting Database to allow local governments to formulate MTEF plans and budgets linked to the national strategy and better monitor local expenditures.

Uganda has established a clearer link between budget ceilings and strategy objectives, with sector working groups identifying sectoral outcomes, outputs, and targets based on the medium-term strategy, to justify budget ceilings.

Zambia has introduced an activity-based budget classification, which informs summary tables presented to the National Assembly during the budget submission.

42. *The key role of medium-term fiscal and expenditure frameworks.* Where countries have made progress in reallocating budgets in line with the national development strategy, several factors have been important:

- A national development strategy can be more easily used to guide budget allocations if it is specific about priorities and if the costs of priority programs have been carefully estimated.
- The link from strategies to annual budgets is greatly facilitated by the preparation of national and sectoral medium-term expenditure frameworks. Indeed, a medium-term fiscal framework has proven to be an essential building block for making a national development strategy operational through budget allocations. For that reason, the criterion for an operational development strategy includes preparation of medium-term expenditure frameworks for key sectors that are strongly linked to the national development strategy.
- Given that budget reallocations are politically contentious and technically demanding, mobilizing the budget resources that are needed to implement a national development strategy requires political commitment from senior levels of government and significant coordinated capacity support.
- Progress toward a more performance-oriented budget—also a criterion for an operational development strategy—requires parallel progress in developing a results-oriented framework that can inform budget decisions.

43. *Implications.* Linking national development strategies to allocations of budget resources is probably the most significant challenge for the next round of poverty reduction strategies and one that will require concerted attention from governments and external partners on several fronts. As a first step, to facilitate this dialogue, governments should consolidate parallel national development strategies into a single national strategy derived from a long-term vision. Equally, strategies need to be more specific about priority objectives and carefully estimate the costs of corresponding priority programs. Building on specific results frameworks embedded in strategies, programs need to be identified and designed with specific results in mind. Then based on the broad fiscal aggregates, including revenue, expenditure and debt, government needs to prepare medium-term fiscal frameworks (MTFF) that determine the overall fiscal envelope and are linked to program-based medium-term expenditure frameworks (MTEF) that inform resource allocation for the implementation of sector strategies. A clear view of the resource envelope is essential, including funds mobilized domestically and medium- and long-term indications of support from external partners.

44. Preparing an MTFF is technically demanding and needs a gradual approach that relies on a realistic understanding of country capacity at the national and local levels. It usually requires prior efforts to strengthen the public financial management system, and builds on strengthened country systems. Progress is likely to proceed sector-by-sector as sector strategies are costed and as central and line ministries coordinate effectively during the preparation of the budget.

45. External partners can play an important role by supporting governments to design action plans that take into account the various synergies between the components of an operational development strategy. Providing technical assistance for the development of medium-term expenditure frameworks, including in connection with their support for SWAps and general

budget support, and providing reliable and timely information about their own development financing contributions would help increase government leadership and capacity to make progress.

46. The next generation of national development strategies might be usefully organized more clearly along sector and program lines that correspond to the organization of line ministries and programs. In short, they ought to be more ‘budget friendly.’ This would be facilitated by ensuring stronger institutional links between the budget agency and the agencies that are responsible for strategic planning. Operationalizing national development strategies will also likely require some reforms in the budget process. Experience has shown that there are no quick fixes that ensure strong links between strategies and budgets: successful budget reform processes tend to start simply and evolve gradually and to be framed within an integrated approach that links improvements in public financial management with broader civil service reforms. But even simple budget reforms can begin to improve the budget’s responsiveness to policies as articulated in the national development strategy. For example, in the absence of functioning MTEFs and MTEFs, it is important that the finance and planning ministries work with line ministries to ensure that annual expenditure plans link with strategy. In addition, improving revenue and expenditure forecasting and progressively lengthening the forecasting period can help address financing gaps when linked to strategic budget allocations and policy revision.

47. Linking strategies to budgets is not just a technical issue but also a political challenge. It requires commitment by political leaders, and it will likely be aided by the political mobilization of stakeholders who support the national development strategy and stand to gain from budget reallocations in line with the strategy.

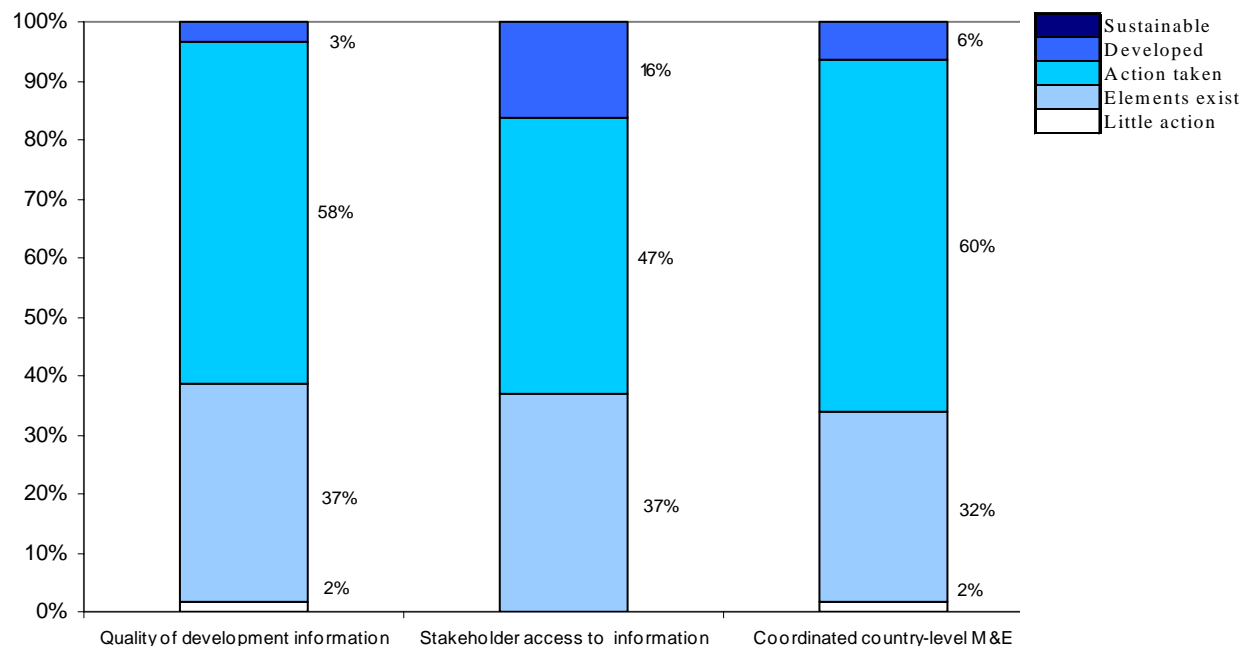
B. Developing results-oriented frameworks

48. Though only three countries—Mozambique, Tanzania, and Uganda—have achieved a largely developed results-oriented framework, more than half the 62 countries studied have taken some action toward such a framework. In these countries there has been important progress in increasing internal demand for M&E, and there is strong coordination among development partners toward focusing M&E support on strengthening country-wide M&E efforts rather than disparate project systems. Among the three criteria used for assessing the adoption of results-oriented frameworks, countries have made the most progress in improving access to information (Figure 3.2).

49. Many countries have laid the groundwork for country-level monitoring and evaluation systems through at least a preliminary action plan. Statistical data are improving, as is access to information. However, few countries have clarified responsibility for country-level monitoring and evaluation, giving clear lines of responsibility across the executive and locally. Few have consolidated the parallel monitoring systems that have been established through externally-financed projects and programs. And few have established a link between operational development strategy and results-oriented frameworks.

Figure 3.2: Summary of scores for the assessment criteria of a results-oriented framework

Distribution of scores



50. Experience shows clearly that, while developing a results-oriented framework may be less politically contentious than creating an operational development strategy, it requires equally serious attention, commitment, and persistence. This task requires a more intensive effort from governments and external partners, with an associated shift in the balance of attention from the creation of national development strategies to the development of results-oriented frameworks during the coming years.

Quality of development information

51. Improving the quality of development information has proved especially difficult. It requires substantial institutional capacity and resources. Countries making progress in this area have typically followed a national statistical action plan to strengthen a lead statistical institution, have worked steadily to build this and the other institutional capacities needed for better development data, and have planned more systematic and comprehensive surveys and analysis. The implementation of such plans has been pushed forward by demand for better data by government leaders and civil society. These efforts are being supported through PARIS21 and a multi-donor Trust Fund for Statistical Capacity Building, but have been consistently under-funded and sometimes only marginally integrated into national development strategies; external partners have not stepped forward to provide coordinated and adequate financing support for them. Two countries stand out for their good practice in improving comprehensiveness and periodicity of data (Box 3.4).

Box 3.4: Quality of development information: good practices

Mozambique has complemented the routine data provided by sectoral agencies and line ministries with a Questionnaire of Indicators of Well-Being, administered annually.

Uganda has complemented household surveys with a Participatory Poverty Assessment Program, which provides a qualitative assessment of poverty, and a National Service Delivery Survey on client satisfaction with services.

52. *Implications.* Governments and external partners need to focus continued attention and funding on building the capacity of the institutions needed for improving data collection. Policymakers and other domestic stakeholders can assist by demanding good information. Senior officials in the government must embrace the need for better data to inform their decisions. They are more likely to do this when budget processes have been reformed, so that annual allocations are linked to evidence of performance and budget outturns. External partners' pressure to improve information about development results can help—but it should be directed to building independent national institutions that supply information to the government and citizens, rather than mainly to satisfy the demands of the external partners themselves, as has traditionally been the case. Country statistical strategies should be embedded in national development strategies; where they are rigorous and broadly owned, the key role of external partners is to provide coordinated, multi-sectoral technical assistance and funding for them.

Stakeholder access to information

53. Countries that have disseminated information widely are translating national development strategies or their summaries into local languages and engaging in activities that make information accessible to poor and vulnerable groups. They offer a broad array of information through the Internet, including on the national development strategy and the budget, and also engage in public discussions and seminars for people without access to the internet or other media. Providing better information to civil society about the national development strategy and other development information—for example on the budget—can stimulate the demand of civil society for more and better data, reinforcing the efforts of government bodies that are working to improve monitoring and evaluation. Ten countries stand out for their good practice in building a solid basis for continuous access to information on government policies and data, including the budget (Box 3.5).

Box 3.5: Stakeholder access to information: good practices

Azerbaijan has set up publicity stands on the medium-term strategy in various regions and widely disseminated posters on poverty reduction. It has made information on the State Oil Company's annual budget and its auditor's reports public.

Armenia and Ethiopia have organized public discussions, seminars, and workshops to raise awareness on the medium-term strategy and its objectives.

Ghana, Moldova, Rwanda, and Tanzania have put in place a communication strategy to facilitate dissemination of information on the medium-term strategy and government policies.

Ghana is setting up a Data Center where survey data can be easily accessed.

Kenya has disseminated a simplified version of the medium-term strategy in Swahili, an official language along with English.

Tanzania has made information on local authorities' revenues and expenditures public through notice boards at local council headquarters.

Uganda has disseminated publications to familiarize the public with the budget process.

Vietnam has conducted communication activities in local languages in ethnic minority areas.

54. *Implications.* Governments need to keep up their efforts to broaden access to information, guided by country-tailored communication strategies embedded into national development strategy. As information on policies and programs becomes more widely accessible, demand for better, more comprehensive and relevant information is likely to increase. This virtuous circle helps improve information systems and facilitate meaningful participation of national stakeholders in policymaking. This in turn can strengthen ownership and evidence-based policymaking. It is paramount to see access to information as a sustained flow and not as a one-off exercise. Simplified versions of national development strategies, translated into the languages most widely spoken within the country, need to be disseminated widely through, for example, building partnerships with local and national media. Budget data need to be made public and accessible, including through easy-to-read publications on how budgetary decisions are made. Government can partner with local universities to set up information centers where citizens can access information on government policies, electronically and on paper, on a continuous basis. External partners need to support these efforts by providing analytical and financial support to the country's dissemination efforts. They themselves need to become easy-to-access sources of information by providing simplified versions of their project and program documents translated into the language most widely spoken within the country.

Coordinated country-level monitoring and evaluation

55. To be effective and sustainable, an M&E system needs to meet a demand from policymakers for monitoring. This in turn requires that policymakers have incentives to improve policies through better evidence and stronger analysis. Institutional structures and decision making processes can be designed to provide some of the necessary incentives. Country-wide monitoring of data, including data on development outcomes and intermediate targets towards these outcomes even at the sector level, helps introduce performance orientation into the budget and strengthen the link between development policies and budget implementation, which in turn help establish a country-level M&E system. Four countries stand out for their good practices toward establishing a country-level M&E system (Box 3.6). These countries have taken clear action to consolidate, harmonize and clarify data systems, thus building a strong basis for

country-level M&E. Some of them have built strongly on improved quality of development information, thus benefiting from the important synergies between these key components of results-oriented frameworks.

Box 3.6: Coordinated country-level M&E: good practices

Mozambique has integrated the M&E of its Poverty Reduction Strategy into existing government mechanisms, improving the performance data included in the constitutionally-mandated annual reports presented to Parliament that serve as the PRS annual progress reports.

Nepal has consolidated poverty monitoring into a unified M&E system with links to existing M&E systems in line ministries. The system produces progress reports, including MDG progress reports, that serve both government and external partners.

Tanzania is making strong efforts to deepen its country-wide Poverty Monitoring System to extend to a country-level M&E system that monitors the MKUKUTA with links to sectoral systems.

Uganda has integrated a policy and results matrix into its revised medium-term strategy; the policy and results matrix provides benchmarks for assessing annual progress and informs the government status reports that are submitted to Parliament during budget preparation.

56. Efforts to improve monitoring and evaluation, including basic data collection, remain highly fragmented in most countries. Though many countries have developed at least preliminary strategies or action plans for country-level M&E systems and made some headway in implementing them, most are still clarifying the institutional framework for M&E and still maintain parallel efforts to monitor national development strategy. In most countries, there is insufficient internal demand for M&E, in that budget allocations are independent of performance, parliaments do not scrutinize implementation of national development strategy, and supreme audit institutions do not conduct performance audits. Sometimes this fragmentation is the result of fragmentation in the support of development partners. External partners have typically required M&E to be conducted on activities that they finance through separate entities, without regard to the coordination of such efforts at the country level, and by so doing they have undermined the legitimacy of—and willingness to commit resources to—national M&E institutions. Few countries have received enough coordinated external support for the implementation of action plans to improve M&E at the country level.

57. *Implications.* Concerted attention is needed to preparing action plans for country-level M&E systems where these do not yet exist; to reviewing and refining preliminary action plans; and to supporting and financing those plans that are already in place. Plans for national M&E systems should be integrated with plans to strengthen budget management. Countries should also consider M&E as critical to strengthening their legal and institutional frameworks, and as such action plans should consider strengthening national oversight institutions such as parliaments and supreme audit institutions. In action plans for country-level M&E, it is important to clarify institutional responsibilities, to ensure that the M&E system is designed to meet the country's needs, and to keep development partners' monitoring requirements consistent with those needs.

58. M&E should be regarded as an important element of SWAps, which often focus on harmonizing financial management and procurement with country systems but pay too little attention to sector-wide M&E. It is important for external partners to try to help strengthen local governments and line ministries own progress reporting to central ministries and Parliament,

rather than strengthen reporting only to individual donors. As such, M&E should build on sectoral efforts, such as that strived for under the Education for All initiative and for health through Health Metrics. Such sectoral efforts could then be scaled up to a country-wide system.

59. To help build country demand and capacity for a country level M&E system, external partners need to support arrangements for such consolidated M&E systems and refrain from supporting fragmented efforts. They should avoid creating separate implementation entities for projects that they finance that might undermine institutional capacity building at the local, sector and country level.

60. Joint budget support groups are helping governments and external partners agree on appropriate intermediate targets in many countries. Strong government leadership, supported by external partners, can help ensure that the monitoring frameworks agreed within these groups conform with the overall country monitoring framework that is used for internal domestic reporting and decision making. This in turn can help the government introduce performance orientation into the budget by helping ensure that budget allocations are based on the same framework, whether funds are disbursed from external partners or raised internally. And it can help focus demand for better monitoring data by focusing attention on a core set of country determined, mutually agreed monitorable indicators.

4. Conclusions

61. In the aggregate, some progress has been made since 2005. Most of the 62 countries covered in this review, including fragile states, have made at least some headway toward establishing an operational development strategy and a results-oriented framework since their status was reviewed in the 2005 CDF Progress Report. Eight countries (13 percent) have achieved the threshold established by the Paris Declaration for an operational development strategy, and three (5 percent) have achieved the threshold for a results-oriented framework. Two-thirds of the countries have taken action toward implementing an operational development strategy, and 56 percent have also taken action toward a results-oriented framework.

62. Within the set of 62 countries covered by this review, the achievements to date fall far short of the targets for 2010 established by the Paris Declaration—that at least 75 percent of partner countries should have operational development strategies and that 32 percent should have adequate results-oriented frameworks. Links between development strategies and the budget remain weak, and progress has been alarmingly limited in developing results-oriented frameworks.

63. The challenges and difficulties involved in creating operational development strategies and results-oriented frameworks should not be underestimated. The capacity needs are enormous, requiring political commitment by governments, mobilization of substantial technical resources, including peer-to-peer learning opportunities, and disciplined, coordinated support by external partners. Much needs to be done to put into place these critical components of the foundations for greater aid effectiveness.

64. There is significant commitment among both governments and external partners to realize the targets for 2010. Most importantly, almost all low-income countries and external partners agree on the principles that underpin the Paris Declaration. Acceptance of these principles gained ground during the late 1990s, was boosted significantly by the launch of the PRS process in late 1999, and has grown steadily since then. Governments in low-income countries accept the potential utility of national development strategies that are based on a long-term vision and linked to the budget, and they appreciate the need to have a country-wide framework for performance assessment. As of May 2007, 22 countries had indicated a continued commitment to the PRS principles by preparing a second-generation PRS. External partners support these goals in principle and seek practical ways to help governments pursue them. The current breadth and depth of support for the commitments undertaken in the Paris Declaration suggests that progress on making these commitments operational will accelerate if this commitment manifests itself through champions in partner countries and within development assistance agencies.

65. Further, important synergies exist among the components of operational development strategies and results-oriented frameworks, so that progress on one component facilitates progress on others. For example, unifying the strategic framework makes prioritization easier; setting clearer priorities within the national development strategy facilitates linking the strategy to the budget; country-wide monitoring of data, especially data on development outcomes, helps introduce performance orientation into the budget and strengthen the link between development

policies and budget implementation, which in turn helps establish a country-level M&E system; providing better information to domestic civil society about the national development strategy and other development matters can stimulate the demand of these organizations for more and better data, reinforcing the efforts of government bodies that are working to improve M&E; coordinating M&E efforts can economize on resources, avoid duplication, and thereby accelerate progress toward a comprehensive data collection system. With better results management, domestic accountability and government credibility are strengthened, leading to deepened country ownership of the national development strategy.

66. The fact that these components are mutually reinforcing suggests that progress in creating operational development strategies and results-oriented frameworks could accelerate over time as individual components are strengthened, and then allow progress to be made on components that are lagging. Governments and external partners must therefore attempt to move forward on all of these components, while shifting their attention toward building country-wide M&E and performance-oriented budgeting, to fully benefit from the synergies between national development strategies and results-oriented frameworks. This will require strong political leadership within countries and strong and transparent coordination between external partners and their country counterparts.

67. It also seems likely that countries will make progress as they prepare and implement next-generation national development strategies following an initial PRS. The PRS process, launched only in 1999, has significantly boosted efforts to prepare operational development strategies and results-oriented frameworks. Many countries plan to introduce new national development strategies in the next two or three years, and this will give them opportunities to significantly improve their existing strategies and assessment frameworks, including to consolidate multiple strategies, link medium-term strategy to long-term vision, improve prioritization, and introduce results frameworks organized along sector and program lines that correspond to ministries and programs. Governments and their external partners need to anticipate and mobilize the technical resources needed to build enough capacity to take maximum advantage of these opportunities. If they do so, many more countries will likely achieve the Paris thresholds.

68. Even without waiting for a full revision of national development strategy, a country has many ways to improve this strategy and make it operational—by assigning budget resources to the strategy goals—during the course of implementation. These options include preparing medium-term fiscal frameworks and annual budgets in line with the national development strategy, elaborating sectoral and local/regional strategies, and refining results matrices. In the absence of MTFs and MTEFs, a country could assure annual expenditure plans link with strategies. Strategy making is best viewed as an ongoing process of refinement, taking into account experience and new learning.

69. The Paris Declaration targets of having operational development strategies and results frameworks are pertinent for fragile states, as can be seen from the fact that some fragile states have been able to make as much progress as other countries.

70. Fragile states in the post-conflict or political transition phase should develop TRMs that can be relied upon over time as capacity and resources increase, particularly since many of these countries lack long- and medium-term strategic frameworks on which to build. TRMs provide the basis on which these countries can prioritize their development needs and monitor their

performance, and on which they can gradually lengthen the time horizon of planning and expand on their strategic frameworks in line with the agreements made during peace processes. Having short-term, monitorable strategic planning frameworks in place can also help national authorities to strengthen their legitimacy vis-à-vis their constituencies and provide a basis for better governance in the long run, especially when the frameworks address the restoration of security, peace, and stability as well as the establishment of state functions.

71. Continued attention is needed to monitoring progress toward creating operational development strategies and results-oriented frameworks in all countries. Any refinements to the information-gathering process and the methodology used for this review should be pursued collaboratively to ensure a common and consolidated approach to building and monitoring the strategic basis for improved outcomes. Since the methodology is meant to capture trends, monitoring should occur no more often than every two years; yearly monitoring would be unlikely to produce major changes in scores. For countries implementing a TRM, it may make sense to develop additional criteria on which to evaluate the TRM's short-term operational links.

72. Monitoring, however, is not an end in itself. It is only meaningful if it can be used to inform judgments at the country level on the steps needed to make greater progress. Building on the assessment and implications detailed in this review, and the good practice examples, governments and external partners could facilitate progress through mutually agreed country-specific action plans toward establishing operational development strategies and results-oriented frameworks. Such action plans could be helpful to countries seeking to make progress if they are developed locally, time-bound, and include concrete achievable actions for both partner countries and their development partners that are tracked through country M&E systems.

Bibliography

References

- Bedi, T., A. Coudouel, M. Cox, M. Goldstein, and N. Thornton, *Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies*. Washington, DC: World Bank, 2006.
- IDEA, World Bank, ECLAC, "[National Visions Matter: Lessons of Success.](#)" April 2005.
- IMF and World Bank, "[Joint 2005 Review of the Poverty Reduction Strategy Approach: Balancing Accountabilities and Scaling-Up Results.](#)" September 2005.
- OECD/DAC, *2006 Survey on Monitoring the Paris Declaration: Overview of the Results*. Paris: OECD, 2007.
- United Nations Development Group and World Bank, "[An Operational Note on Transitional Results Matrices: Using Results-Based Frameworks in Fragile States.](#)" January 2005.
- Wilhelm, V and P. Krause (Editors), *Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*. Washington, DC: World Bank, 2008.
- World Bank, "[Aid Architecture: An Overview of the Main Trends in Official Development Assistance Flows.](#)" International Development Association Resource Mobilization, February 2007.
- _____, "[Comprehensive Development Framework: Progress Report to the World Bank's Executive Directors.](#)" September 1999.
- _____, "[Comprehensive Development Framework: Mid-Term Progress Report.](#)" 2000.
- _____, "[Comprehensive Development Framework: Country Experience, March 1999 – July 2000.](#)" September 2000.
- _____, "[Comprehensive Development Framework: Implementation Experience in Low- and Middle-Income Countries.](#)" Comprehensive Development Framework Secretariat, April 2001.
- _____, "[Comprehensive Development Framework: Meeting the Promise? Early Experience and Emerging Issues.](#)" Comprehensive Development Framework Secretariat, September 2001.
- _____, "[Country Policy and Institutional Assessments: 2006 Assessment Questionnaire.](#)" Operations Policy and Country Services, December 2006.
- _____, "[Enabling Country Capacity to Achieve Results: 2005 CDF Progress Report.](#)" July 2005.
- _____, "[Fragile States—Good Practice in Country Assistance Strategies.](#)" Operations Policy and Country Services, December 2005.
- _____, "[Getting Serious About Meeting the MDGs: A Comprehensive Development Framework Progress Report.](#)" 2003.
- _____, *Global Monitoring Report 2007: Confronting the Challenges of Gender Equalities and Fragile States*. Washington, DC: World Bank, 2007.
- _____, "[Guidelines for World Bank and IMF Staffs for Joint Staff Advisory Notes for Poverty Reduction Strategy Papers.](#)"
- _____, "[Harmonization and Alignment for Greater Aid Effectiveness: An Update on Global Implementation and the Bank's Commitments.](#)" Harmonization Unit Operations Policy and Country Services, October 2006.
- _____, "[Statistical Capacity Improvement in IDA Countries—Progress Report.](#)" May 2006.

_____, “[Supporting Development Programs Effectively: Applying the Comprehensive Development Framework Principles. A Staff Guide.](#)” Operations Policy and Country Services, November 2004.

Other background reading

OECD/DAC, “[Baselines and suggested targets for the 12 Indicators of Progress—Paris Declaration on Aid Effectiveness.](#)” Working Party on Aid Effectiveness, August 2005.

Shah, A. (Editor), *Local Budgeting*. Washington, DC: World Bank, 2007.

World Bank, “[Fragile States—Harmonization and Alignment Brief.](#)” Draft, November 2006.

_____, “[Operational Approaches and Financing in Fragile States.](#)” Operations Policy and Country Services and Resource Mobilization Department, June 2007.

Annexes

Boxes

Box A1: In 17 countries feedback on the aid effectiveness profile was consolidated in-country	11
Box A2: Unifying parallel strategies	23
Box A3: Towards more holistic and balanced strategies.....	24
Box A4: Costing of priority programs and clear strategic frameworks.....	26
Box A5: What does it take to scale up support for statistical capacity building?.....	28
Box A6: The demand side of monitoring and evaluation: institutional incentives for evidence-based policymaking	30
Box A7: International commitments to enhance aid effectiveness in fragile states	32
Box A8: Long-term vision in fragile states: what makes it possible?	35

Figures

Figure A1: Scores for operational development strategies in countries with CPIA higher than 3.2	A21
Figure A2: Scores for results-oriented frameworks in countries with CPIA higher than 3.2....	A27
Figure A3: Scores for operational development strategies in countries with CPIA 3.2 or lower	A33
Figure A4: Scores for results-oriented frameworks in fragile states	A37

Tables

Table A1: Paris Declaration: Summary of indicators with assessment criteria used for the preparation of the aid effectiveness profiles	A5
Table A2: Comparison of the outline for profiles prepared for the 2005 CDF Progress Report and the aid effectiveness profiles prepared for the present review.....	A7
Table A3: Consultation on the aid effectiveness profiles	A9
Table A4: Guidelines used to score progress toward operational development strategies.....	A14
Table A5: Guidelines used to score progress toward developing a results-oriented framework.....	A15

Annex 1: Countries covered by the analysis

Country	Date of PRS*	Country	Date of PRS*
Second-generation PRS		Fragile states	
Benin	Dec 2002; Apr 2007	Second-generation PRS	
Bolivia ¹	Mar 2001; Jun 2006	Cambodia	Dec 2002; Jan 2006
Bosnia and Herzegovina	Mar 2004; May 2006	Lao PDR	Jun 2004; Jul 2006
Burkina Faso	May 2000; Jul 2004	The Gambia	Apr 2002; Nov 2006
Ethiopia	Jul 2002; Sep 2006	First-generation PRS	
Ghana	Feb 2003; Nov 2005	Burundi	Sep 2006
Madagascar	Jul 2003; Nov 2006	Chad	Jun 2003
Malawi	Apr 2002; Nov 2006	Congo DR	Jul 2006
Mauritania	Dec 2000 ; Oct 2006	Djibouti	Mar 2004
Mozambique	Apr 2001; May 2006	Guinea	Jan 2002
Nicaragua	Jul 2001; Nov 2005	Guinea-Bissau	Jul 2006
Rwanda	Jun 2002; Sep 2007	Sao Tome and Principe	Jan 2005
Senegal	Apr 2002; Oct 2006	Sierra Leone	Mar 2005
Tajikistan	Jun 2002; Apr 2007	Timor-Leste	May 2002
Tanzania	Oct 2000; Jun 2005	IPRS	
Uganda	Mar 2000; Dec 2004	Afghanistan	Jan 2006
Vietnam	May 2002; Apr 2006	Congo, Republic of	Sep 2004
Yemen	May 2002; Sep 2006	Cote d'Ivoire	Jan 2002
Zambia	Mar 2002; Jan 2007	Haiti	Sep 2006
First-generation PRS		Liberia	Jan 2007
Albania	Nov 2001	TRM	
Armenia	Aug 2003	Central African Republic	Mar 2004
Azerbaijan	Feb 2003	Sudan	Mar 2005
Bangladesh	Oct 2005		
Bhutan	Aug 2004		
Cameroon	Apr 2003		
Cape Verde	Sep 2004		
Dominica	Apr 2006		
Georgia	Jun 2003		
Guyana	Nov 2001		
Honduras	Sep 2001		
Kenya	Mar 2004		
Kyrgyz Rep.	Jan 2003		
Lesotho	Mar 2005		
Mali	May 2002		
Moldova	May 2004		
Mongolia	Jul 2003		
Nepal	May 2003		
Niger	Jan 2002		
Nigeria	Apr 2004		
Pakistan	Dec 2003		
Serbia	Feb 2004		
Sri Lanka	Dec 2002		
IPRS			
Grenada	Mar 2006		

* Dates correspond to the date as stated on the country document. The classification as "second-generation PRS" or "first-generation PRS" was made as of May 2007 based on the date of the final or almost final strategy. Not all strategies have been presented to the Boards of the World Bank and IMF as PRSs.

¹Bolivia prepared a *Plan Nacional de Desarrollo* (PND) in June 2006.

Annex 2: Methodology

1. The review methodology highlights trends in country performance, capturing both ongoing action and progress achieved, and making it possible to assess where there is significant deterioration on any given assessment criterion. It recognizes that progress can be and usually is uneven within countries; even where many aspects are weak, there can still be elements of good practice. The methodology does not yield definitive judgments on individual country performance, but seeks to provide an overall picture based on evidence of action in individual countries.
2. At the international level, the methodology can be used to track overall progress toward improved operational development strategies and results-oriented frameworks. Its use can also yield a repository of good practices, to facilitate cross-country learning and exchanges. At the country level, it can provide partner countries and development partners with a basis for a self-assessment of progress and the elaboration of country-specific action plans to make further progress, and thus help to strengthen country-level mutual accountability mechanisms.
3. The analysis of actions toward developing operational development strategies and results-oriented frameworks was done in two phases: (1) documenting action in a coherent sample of largely low-income countries, and (2) assessing progress according to guidelines that, subject to refinement, could become a tool to facilitate progress and in-country monitoring in subsequent periods.

SAMPLE COMPOSITION AND COMPARABILITY WITH OTHER ASSESSMENTS

4. The country sample used for the review includes all the 59 countries that were covered in the 2005 CDF Progress Report, plus three others—Afghanistan, Grenada, and Nigeria—which have completed a PRS, IPRS, or a TRM since that report was published (Annex 1). Some of the 62 countries are guided by a long-term vision that is embedded in the PRS and others by a stand-alone vision. As the PRS has increasingly become synonymous with the national development strategy, it has become the basis for countries and their development partners to align their expenditure and assistance programs. This sample of countries is therefore the sample for which the most information is available on the strategic basis of alignment of resources, including aid.
5. The sample covers a significant proportion of ODA beneficiary countries; in 2005, IDA-eligible countries received 50 percent of net ODA disbursements.¹² It includes 30 of the 34 countries that participated in the 2006 Survey on Monitoring the Paris Declaration coordinated by the OECD/DAC (hereafter referred to as the 2006 Monitoring Survey),¹³ and 60 of the 62 countries that were scored in the World Bank's 2006 CPIA. The two countries not scored in the 2006 CPIA are Serbia and Liberia.¹⁴

¹² Estimate based on data presented in World Bank, "Aid Architecture: An Overview of the Main Trends in Official Development Assistance Flows." International Development Association, February 2007.

¹³ See OECD/DAC, *2006 Survey on Monitoring the Paris Declaration: Overview of the Results*. Paris: OECD, 2007.

¹⁴ CPIA scores are available at <http://go.worldbank.org/S2THW1X60>.

6. The 2005 CDF Progress Report included the State Union of Serbia and Montenegro. Following the independence of Montenegro in June 2006 and given the scarcity of information on Montenegro's strategy in the early days of independence, the current review sample includes only Serbia. As noted above, Serbia was not scored in the 2006 CPIA, but the 2005 CPIA score for the State Union of Serbia and Montenegro was 3.7.

7. Though most of the countries in the sample are low-income countries, the sample includes 19 IDA-eligible middle-income countries, so classified by their 2005 GNI per capita (calculated using the World Bank Atlas Method). Most of these 19 are lower-middle-income countries that received IDA support because of their relative poverty and lack of creditworthiness.¹⁵

8. The current review sample does not include four IBRD-recipient middle-income countries—the Dominican Republic, Egypt, Peru, and South Africa—that participated in the 2006 Monitoring Survey. Six IDA-eligible countries all scoring above 3.2 on the CPIA are not included in the sample because they have not prepared a PRS, an IPRS, or a TRM. These are India, Indonesia, Maldives, Samoa, St Lucia, and St Vincent & The Grenadines.¹⁶ Twelve IDA-eligible countries that were classified as fragile states by the World Bank in 2007 are not included in the review since they had not prepared a PRS, an IPRS, or a TRM by the cutoff date of the review. These are Angola, Comoros, Eritrea, Myanmar, Papua New Guinea, Solomon Islands, Somalia, Togo, Tonga, Vanuatu, Uzbekistan, and Zimbabwe.

PHASE ONE: DOCUMENTING ACTION

Aid effectiveness profiles

9. To document the actions underway toward improved aid effectiveness, the review team drafted a comprehensive aid effectiveness profile, organized around all twelve Paris indicators, for each of the sample countries (Table A1).¹⁷ The aid effectiveness profiles update the profiles that were prepared for the 2005 CDF Progress Report and largely reflect the situation in countries at the end of 2006/beginning of 2007. They were all finalized in the last few months of 2006. They are available on the Aid Effectiveness Review website (www.worldbank.org/aer).¹⁸

¹⁵ The lower middle-income countries are Albania, Armenia, Azerbaijan, Bolivia, Bosnia and Herzegovina, Cameroon, Cape Verde, Republic of Congo, Djibouti, Georgia, Guyana, Honduras, Lesotho, Moldova, Nicaragua, Serbia, and Sri Lanka. In addition, two upper-middle income countries—Dominica and Grenada—are included in the review. They receive IDA support because of their small size and lack of creditworthiness.

¹⁶ Indonesia prepared an IPRS in March 2003, but then shifted its focus to the legally-required medium-term development strategy, and has not presented a PRS to the Boards of the IMF and World Bank.

¹⁷ In addition, the review team, at the request of OECD/DAC, also prepared aid effectiveness profiles for some IBRD-recipient countries—Botswana, Egypt, the Philippines, and South Africa. Experiences in these countries may offer important insights that would benefit low-income countries in their efforts. Future reviews may choose to include these countries and other IBRD-recipients toward valuable South-South exchanges.

¹⁸ Before the present review, the most recent assessment of country progress was presented in the World Bank's 2005 CDF Progress Report, "Enabling Country Capacity to Achieve Results," which reflects the status in March 2005.

Table A1: Paris Declaration: Summary of indicators with assessment criteria used for the preparation of the aid effectiveness profiles

OWNERSHIP	<p>1. Partners have operational national development strategies. Countries have national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.</p> <p><i>a. Coherent long-term vision and medium-term strategy derived from vision.</i> There is a long-term vision and medium-term strategy derived from the vision that is a reference point for policymakers, nationally, locally and at the sector level. Sector strategies and local development planning stem from the medium-term strategy and are sequenced with it.</p> <p><i>b. Country-specific development targets with holistic, balanced, and well sequenced strategy.</i> The long-term vision and medium-term strategy identify objectives and targets linked to the MDGs but tailored, with some specificity, to country circumstances. The medium-term strategy focuses on a prioritized set of targets. It adequately addresses cross-cutting issues such as gender, HIV/AIDS, the environment, and governance.</p> <p><i>c. Capacity and resources for implementation.</i> A results framework is in place linking long-term goals to outcomes and outputs. The government is progressing toward performance-oriented budgeting to facilitate a link of the strategy with the medium-term fiscal framework and the budget, and helps focus capacity and resources at the national and local level on national objectives.</p> <p><i>d. Institutionalized participation of national stakeholders in strategy formulation and implementation.</i> The Government has a strong inter-ministerial coordination mechanism at the policy level. It involves stakeholders in systematic dialogue on strategy formulation and implementation, through permanent institutions including private-public councils. Parliament is routinely involved in strategy formulation and in implementation, e.g. through strategy and budget discussions, consistent with its constitutional mandate. Sectoral ministries regularly report to Parliament on strategy and budget implementation. CSOs and private sector provide systematic feedback to the government on strategy formulation and implementation through representative umbrella organizations.</p>
ALIGNMENT	<p>2. Reliable country systems. Countries have procurement and public financial management systems which adhere to broadly accepted good practices or have a reform program in place to achieve these.</p> <p>There is a government strategy to strengthen procurement and financial management systems supported by coordinated donor support. An independent Supreme Audit Institution (e.g. Audit Office, <i>Cour des Comptes</i>) conducts performance audits of government programs that assess progress toward expected results.</p> <p>3. Aid flows are aligned on national priorities. Donors base their overall support—country strategies, policy dialogue and development cooperation programs—on partners’ national development strategies and periodic country-led reviews of progress in implementing these strategies.</p> <p><i>a. Government leadership of coordination.</i> There is a clear structure for development assistance coordination with strong government leadership and a structure for agreeing on new financing from development assistance agencies. Consultative group or Roundtable meetings take place in the country and are chaired by the government. The government leads working groups to discuss sectoral or thematic issues.</p> <p><i>b. Partners’ assistance strategy alignment.</i> The outcomes that the country assistance strategies of the major external partners seek to influence are explicitly linked to the development objectives of the national development strategy. Reviews of the country assistance strategies of the major partners are in sync with the periodic reviews of progress in implementing the national development strategy. External partners are developing joint or collaborative assistance strategies.</p> <p><i>c. Partnership organization.</i> The major external partners have decentralized their decision-making processes, increased their presence in the country or region, or delegated cooperation in order to be able to participate actively in day-to-day policy dialogue.</p> <p>4. Strengthen capacity by coordinated support. Capacity-development support is provided through coordinated programs consistent with the national development strategy.</p> <p><i>Coherent and coordinated capacity support.</i> There is a government led national capacity building strategy or sectoral capacity building strategies, addressing capacity needs identified in the national development strategy. External partners address these capacity needs through joint or coordinated activities.</p> <p>5. Use of country systems. Donors accept the use of partner country procurement and/or public financial management systems in partner countries for externally funded programs and projects.</p> <p><i>Donor financing relying on country systems.</i> External partners rely on country systems such as national procurement and financial management when providing project and sector program assistance. A large percentage of funds is channeled through budget support, de facto relying on country systems.</p>

<i>ALIGNMENT</i>	<p>6. Strengthen capacity by avoiding parallel implementation structures. Projects are coordinated through government structures rather than isolated PIUs. <i>PIUs progressively phased out.</i> External partners rely on national implementing agencies for daily management of projects and programs, and existing PIUs are progressively integrated into national structures. Line ministries take responsibility for overall coordination of project and program coordination.</p> <p>7. Aid is more predictable. Disbursements are released according to agreed schedules in annual or multi-year frameworks. <i>Disbursements aligned with annual budgetary framework.</i> Disbursement projections are aligned with the annual budget and/or MTEF. When external partners provide budget support, they do so around one common country owned policy framework linked to the national development strategy and with disbursements programmed to coincide with budget disbursements.</p> <p>8. Aid is untied. The majority of aid flows is untied.</p>
<i>HARMONIZATION</i>	<p>9. Use of common arrangements or procedures. Aid is provided as program-based approaches. Development assistance is increasingly delivered with a view to support larger program objectives, through sector-wide approaches with embedded, common results frameworks or through joint financing (basket or pooling).</p> <p>10. Encouraging shared analysis. Development partners reduce the number of separate, duplicative missions to the field and diagnostic reviews. <i>a. Joint missions.</i> There are increasing numbers of joint missions rather than single external partner missions, and the government has a system which tracks the number and type of missions. <i>b. Analytical partnership.</i> There are some strong examples of analytical work undertaken jointly with the government and/or local research centers, universities or think-tanks, with coordinated contributions from more than one external partner.</p>
<i>MANAGING FOR RESULTS</i>	<p>11. Results-oriented frameworks. Countries have transparent and monitorable performance assessment frameworks to assess progress against the national development strategy and sector programs. <i>a. Quality of development information.</i> Data are generally timely and comprehensive, and directly related to tracking the achievement of country goals and targets identified in the long-term vision and medium-term strategy. There is coordinated and systematic data gathering and analysis. <i>b. Stakeholder access to development information.</i> Information on the long-term vision and medium-term strategy, and progress in implementation, including public expenditure data, is made systematically available, including in local languages and through various media. <i>c. Coordinated country-level monitoring and evaluation.</i> Implementation of an action plan for a country-level M&E system is well underway. This system tracks a manageable number of input, output and outcome indicators identified in the medium-term strategy, and produces unified reports used by country policymakers and external partners. Institutional responsibilities for M&E across government are clear.</p>
<i>MUTUAL ACCOUNTABILITY</i>	<p>12. Mutual Accountability. Countries undertake mutual assessment of progress in implementing agreed commitments on aid effectiveness including those in the Paris Declaration. <i>Development effectiveness assessment frameworks.</i> External partners and the government have a common action plan or road map to implement country-specific development effectiveness objectives, derived from the Paris Declaration targets, with actionable indicators to monitor progress. Regular reviews of progress are undertaken in a mutually agreed way.</p>

10. By documenting the actions underway toward all Paris Indicators, the aid effectiveness profiles set the progress that has been made toward strengthening operational development strategies and results-oriented frameworks within the context of overall efforts by countries and their development partners to align around national development strategies and country-level M&E systems.

11. In addition, the aid effectiveness profiles go beyond the twelve Paris Indicators by assembling information on actions toward meeting many of the Paris Declaration's other Partnership Commitments. For example, they include a systematic look at stakeholder participation in national development strategy formulation and monitoring, and actions underway to strengthen government leadership of development assistance coordination and country financial management and procurement systems.

12. Table A2 shows how the structure of the aid effectiveness profiles compares with that of the profiles that were used for the 2005 CDF Progress Report.

Table A2: Comparison of the outline for profiles prepared for the 2005 CDF Progress Report and the aid effectiveness profiles prepared for the present review

Profiles prepared for the 2005 CDF Progress Report	Aid effectiveness profiles
1. Long-term holistic vision 2. Country ownership	Operational development strategies
3. Country-led partnership	Alignment, harmonization and mutual accountability
	Reliable country systems
	Aid flows are aligned on national priorities
	Strengthen capacity by coordinated support
	Use of country systems
	Strengthen capacity by avoiding parallel implementation structures
	Aid is more predictable
	Aid is untied
	Use of common arrangements or procedures
	Encouraging shared analysis
Mutual accountability	
4. Results focus	Results-oriented frameworks

13. Preparation of the aid effectiveness profiles followed a transparent sequence to include contributions from a variety of sources and stakeholders.

Step one: field testing and sequencing

14. In March and April 2006, the review team in the World Bank prepared draft aid effectiveness profiles to contribute to the field testing of the 2006 Monitoring Survey, which was coordinated by the OECD/DAC in Cambodia, Ghana, Nicaragua, Senegal, and Uganda. Following this testing of the methodology, the review team prepared draft aid effectiveness profiles for the other countries in the sample, largely between June and August 2006.

15. *Sources:* In drafting the aid effectiveness profiles, the team used information from a wide range of sources:

- Country-specific long-term visions and medium-term strategies, including PRSs, IPRSs, TRMs, and associated progress reports; budget documents; national statistical development strategies and plans; consultative group and roundtable meeting documents; and government websites.
- World Bank/IMF joint staff advisory notes; IMF Article IV consultations and Poverty Reduction and Growth Facility reviews, MDG needs assessments, public expenditure reviews, country procurement assessment reviews, and country financial accountability reviews.
- World Bank and other development partners' country assistance strategies, World Bank loan and grant documents, other development partners' assistance strategies, websites of development assistance agencies and civil society organizations.

Each profile contains a bibliography with links to relevant websites.

Step two: World Bank review

16. Before seeking input from outside the World Bank, the team received extensive inputs from Bank staff who are assigned to countries, and in some cases to sectors; a large proportion of inputs came from staff based in country offices.

Step three: country review

17. Once the aid effectiveness profiles had been drafted, including inputs from World Bank country staff, the review team sought feedback from partner countries and staff of development assistance agencies based in each country.¹⁹ To encourage feedback from local development partners, the review team also coordinated with central units in other development assistance agencies, including the Asian Development Bank, the *Deutsche Gesellschaft für Technische Zusammenarbeit* (GTZ), the Inter-American Development Bank, and the United Nations Development Program, who encouraged local staff to provide feedback on the profiles.

18. To facilitate consultation and for transparency, the review team posted the draft aid effectiveness profiles on the Internet. To encourage country inputs to, and endorsement of, the profiles and help build capacity for self-assessment, the review team encouraged in-country discussion and leadership of consultation and integration of feedback into the aid effectiveness profiles. The preparation of the aid effectiveness profiles was coordinated with the timing of the 2006 Monitoring Survey. All communications to government and development partners in each country cross-referenced this survey and explained the relationship between the present review and the

¹⁹ Here the methodology differed from that used to prepare the profiles for the 2005 CDF Progress Report. The latter reflected input provided by local staff of development assistance agencies in each country in response to a questionnaire.

survey. In the countries that participated in the 2006 Monitoring Survey, the review team sent the profile to the National Coordinator appointed to coordinate the survey on behalf of the government, and encouraged the National Coordinator to request and consolidate feedback. Who requested feedback, who consolidated and incorporated feedback, and who provided feedback varied by country (Table A3).

Table A3: Consultation on the aid effectiveness profiles

	Who requested feedback?	Who consolidated and incorporated feedback?	Who provided feedback?
Afghanistan	review team	review team	National Coordinator, Ministry of Finance, CIDA, IMF, WB
Albania	WB country office staff	review team	National Coordinator, the Netherlands, WB. Profile discussed at Donor Secretariat meeting.
Armenia	WB country office staff	review team	Ministry of Finance and Economy, WB
Azerbaijan	WB country office staff	review team	Ministry of Finance, WB
Bangladesh	USAID	review team	National Coordinator, ADB, Denmark, EC, Japan, the Netherlands, Sweden, UNDP, USAID, WB
Benin	WB country office staff	review team	WB
Bhutan	review team	review team	WB
Bolivia	WB country office staff	WB country office staff	National Coordinator, EC, USAID, WB
Bosnia and Herzegovina	WB country office staff	review team	Government, CIDA, DFID, EBRD, Japan, Italy, Sida, WB
Burkina Faso	review team	review team	Austria, Denmark, EC, GTZ, the Netherlands, Sida, WB
Burundi	review team	review team	National Coordinator, WB
Cambodia	WB country office staff	WB country office staff	National Coordinator, AFD, DFID, UNDP, WB. The profile was discussed at a validation meeting.
Cameroon	review team	UNDP on behalf of the <i>Comité multi-bailleurs</i>	<i>Comité multi-bailleurs</i> . The profile was discussed at a donor meeting.
Cape Verde	review team	review team	Ministry of Finance and Planning, WB
Central African Republic	review team	WB country office staff	<i>Comité Technique Permanent de Suivi des Programmes d'Ajustement Structures</i> , PRS Secretariat, WB
Chad	WB country office staff	review team	EC, WB
Congo DR	National Coordinator	review team	WB
Congo, Republic	WB country office staff	review team	WB
Côte d'Ivoire	review team	review team	WB
Djibouti	review team	review team	WB
Dominica	review team	review team	CIDA, WB
Ethiopia	review team	review team	CIDA, UNDP, USAID, WB
Georgia	WB country office staff	review team	Ministry of Finance, USAID, WB
Ghana	National Coordinators and WB country office staff	National Coordinators and review team	Government and civil society that discussed profile at validation meeting organized by the National Coordinators with assistance from UNDP, DFID, WB
Grenada	review team	review team	CIDA, WB
Guinea	review team	review team	Ministry of International Cooperation, WB
Guinea-Bissau	review team	review team	Ministry of Economy, EC, UNDP, WB. The profile was discussed at a donor meeting.
Guyana	WB country office staff	review team	CIDA, DFID, IMF, WB
Haiti	review team	review team	CIDA, UNDP, WB
Honduras	Coordinator of the Donor Harmonization Working Group (CIDA/DFID)	Coordinator of the Donor Harmonization Working Group (CIDA/DFID)	National Coordinator, CIDA, DFID, IDB, JICA, Sida, UNDP, WB
Kenya	review team	Secretariat of the Harmonization, Alignment and Coordination Group	Ministry of Finance, AFD, CIDA, Denmark, DFID, EC, Finland, Germany, Italy, Japan, Spain, the Netherlands, UNDP, USAID. Profile discussed at a meeting of the Harmonization, Alignment, and Coordination Group.
Kyrgyz Republic	Chair of the Donor Coordination Council (DFID)	Chair of the Donor Coordination Council (DFID)	National Coordinator, Donor Coordination Council, WB

	Who requested feedback?	Who consolidated and incorporated feedback?	Who provided feedback?
Lao PDR	WB country office staff	WB country office staff	Ministry of Foreign Affairs, ADB, AFD, EC, Japan, WB
Lesotho	review team	review team	UNDP, WB
Liberia	review team	review team	Liberia Reconstruction and Development Committee, EC, WB
Madagascar	review team	review team	GTZ, Japan, Norway, Switzerland, WB
Malawi	WB country office staff	WB country office staff	GTZ, Norway, UNDP, WB
Mali	review team	review team	National Coordinator, CIDA, WB
Mauritania	review team	review team	National Coordinator, UNDP, WB
Moldova	WB country office staff	review team	National Coordinator, DFID, Japan, SDC, WB. The profile was discussed at a donor meeting.
Mongolia	review team	review team	Germany, WB
Mozambique	WB country office staff	review team	The Netherlands on behalf of the G-18, Japan, WB. The profile was presented at a joint government-donor group on monitoring of the PRS.
Nepal	review team	review team	GTZ, WB
Nicaragua	review team	review team	National Coordinator, UNDP, WB
Niger	WB country office staff	review team	National Coordinator, AFD, Belgium, EC, IMF, UNDP, UNECA, WB
Nigeria	review team	review team	CIDA, DFID, WB
Pakistan	WB country office staff	review team	Finance Division, Government of Punjab, ADB, CIDA, DFID, EC, Finland, Germany, Japan, USAID, WB. The profile was discussed at a donor meeting.
Rwanda	National Coordinator	National Coordinator	National Coordinator, WB
Sao Tome and Principe	UNDP	UNDP	National Statistics Institute, AfDB, UNDP, WB
Senegal	National Coordinator	National Coordinator and lead harmonization donor (USAID)	National Coordinator, EC, France, the Netherlands, USAID, WB. The profile was presented at a joint government-donor meeting.
Serbia	WB country office staff	review team	Ministry of International and Economic Relations, Serbian European Integration Office, PRS Implementation Focal Point, CIDA, SDC, UNDP, WB
Sierra Leone	review team	review team	EC, WB
Sri Lanka	WB country office staff	WB country office staff	Ministry of Finance and Planning, Sida, WB
Sudan	review team	review team	Government, Joint Donor Team South Sudan (Denmark, Netherlands, Norway, Sweden and the UK) France, UNDP, WB
Tajikistan	WB country office staff	review team	CIDA, WB
Tanzania	Secretariat of the Development Partner Group (UNDP)	Secretariat of the Development Partner Group (UNDP) and review team	National Coordinator, Development Partner Group, WB
The Gambia	WB country office staff	review team	Department of State for Finance and Economic Affairs, DFID, UNDP, WB
Timor-Leste	WB country office staff	review team	Ministry of Planning and Finance, ADB, DFID, EC, Portugal, Norway, UNDP, WB
Uganda	WB country office staff	WB country office staff	AfDB, Denmark, EC, WB
Vietnam	National Coordinator	WB country office staff on behalf of the Partnership Group on Aid Effectiveness	National Coordinator, ADB, Norway, WB. The profile was discussed at a meeting of the Partnership Group on Aid Effectiveness.
Yemen	review team	review team	National Coordinator, Germany, the Netherlands, WB
Zambia	WB country office staff	Germany on behalf of Wider Harmonization in Practice group and review team	National Coordinator, Germany, Japan, Norway, WB

19. *Who requested feedback?* In 28 of the 62 countries, the review team sent a request to the government and other development partners for feedback on the draft aid effectiveness profile. In the other 34 countries, feedback was requested locally. In 24 of these countries it was requested by staff in World Bank country offices. In the 10 other countries, the government requested feedback in 5 of them, and in 5 others, country-based staff of a development assistance agency did so. Participation in the 2006 Monitoring Survey influenced the manner in which feedback was requested on the profiles. In all of the countries where the government requested feedback, the National Coordinator that had been appointed by the government to coordinate the 2006 Monitoring Survey took the lead. Four of the five countries where a local development partner requested feedback also participated in that Survey.

20. *Who consolidated and incorporated feedback?* The manner in which feedback was consolidated and incorporated varied by country. The review team took responsibility to reconcile all input received, which often included disparate views, some of which were at odds with those of background sources. In 45 of the 62 countries, the review team fully consolidated feedback; in many cases this feedback already reflected discussion at the country level. In another 17 countries, about three-quarters of which participated in the 2006 Monitoring Survey, feedback was partially or fully consolidated in country reflecting not only discussion at the country level but also leadership within country on the profiles' content (Box A1).

Box A1: In 17 countries feedback on the aid effectiveness profile was consolidated in-country

In three countries—Ghana, Tanzania, and Zambia—feedback on the profile was partially consolidated in-country with additional comments integrated by the review team.

- In *Ghana*, with UNDP support, the two national coordinators organized a validation workshop to discuss the profile with representatives of ministries and government agencies, civil society organizations and local think-tanks. The workshop was chaired by the Deputy-Minister of Finance responsible for planning. The review team incorporated comments from the UK Department for International Development that were received separately.
- In *Tanzania*, the Secretariat of the Development Partner Group (DPG) shared the profile across DPG partners and requested the National Coordinator for the 2006 Monitoring Survey to share the profile across Government. The DPG Secretariat consolidated DPG comments. Separately, the National Coordinator forwarded feedback to the review team which reconciled the government and DPG versions of the profile.
- In *Zambia*, the World Bank Country Office in Zambia shared the draft aid effectiveness profile with the national coordinators to representatives from the EC, Germany, and UNDP that lead the Wider Harmonization in Practice (WHIP). Germany integrated comments on behalf of many development partners in the WHIP group. Norway, Japan, and the Government sent comments to the review team separately.

In eight countries—Bolivia, Cambodia, Central African Republic, Lao PDR, Malawi, Sri Lanka, Uganda, and Vietnam—feedback on the profile was consolidated by World Bank country office staff.

In five countries—Cameroon, Honduras, Kenya, Kyrgyz Republic, and Sao Tome and Principe—feedback was consolidated by a local development partner, usually the chair or head of the secretariat of an aid coordination group, following a meeting that involved the government and development partners.

In Senegal, feedback on the profile was consolidated by the national coordinator after the profile was presented at a joint-government-donor meeting and a local development partner taking the lead on aid effectiveness issues had consulted with other partners and provided input to the national coordinator.

21. In three of these seventeen countries, the review team was tasked with integrating additional feedback that it received directly into the version that was partially consolidated in country. In the other 14 countries, the review team made only editorial revisions once it received the revised profile, thus respecting the country process that had led to the revisions.

22. *Who provided feedback?* In 44 of the 62 countries, participation by both government and its development partners was active in that a combination of government and development partners provided feedback on the profile. In the other 18 countries, feedback was less complete. In five—Azerbaijan, Burundi, Cape Verde, Guinea, and Rwanda—only the government provided feedback. In another eight—Chad, Dominica, Grenada, Lesotho, Nepal, Sierra Leone, and Tajikistan—only one development partner provided feedback. And in five countries—Benin, Bhutan, Republic of Congo, Democratic Republic of Congo, Cote d’Ivoire, and Djibouti—feedback on the profile was provided only by the World Bank, including country office staff.

Step four: Finalization

23. For each sample country, the World Bank country director in question agreed to the final aid effectiveness profile. Subsequently, the review team replaced draft aid effectiveness profiles with the final version on the Aid Effectiveness Review website. This step concluded the phase of documenting action and launched the second phase aimed at assessing progress.

PHASE TWO: ASSESSING PROGRESS

Step one: scoring the assessment criteria

24. Based on the information presented in the final aid effectiveness profiles, the review team scored individual assessment criteria for operational development strategies and results-oriented frameworks against the guidelines presented in Table A4 and Table A5.²⁰ These guidelines are drawn from the methodology used for assessing progress in CDF Progress Reports, and incorporate thinking from recent in-depth studies on these

²⁰ Two assessment criteria presented in the guidelines reflect consolidation over that used in the 2005 CDF Progress Report and in the 2006 Monitoring Survey. Substantively these criteria remain virtually the same. “Unified strategic framework” is a consolidation over the previous criteria for “Coherent long-term vision” and “Medium-term strategy derived from vision.” “Prioritization” is a consolidation over the previous criteria for “Country-specific development targets” and “Holistic, balanced, and well sequenced strategy.” In addition, although 5 of the 6 labels for the assessment criteria have been shortened for ease of reporting, they are derived from equivalent sections of the aid effectiveness profiles that are the basis of the review. “Unified strategic framework” is the same as “Coherent long-term vision with medium-term strategy derived from vision.” “Country specific development targets with holistic, balanced, and well sequenced strategy” is the same as “Prioritization.” “Capacity and resources for implementation” is the same as “Strategic link to the budget.”

issues.²¹ The team scored each assessment criterion separately so as to highlight opportunities and challenges faced by partner countries and their development partners, and to better understand good practices and where the gaps are in strengthening operational development strategies and results-oriented frameworks.

25. Scores were assigned using the LEADS methodology. This uses a five-point scale from L (little action) to S (sustainable) translated for the assessment criteria numerically from 1 (L) to 5 (S):

- **L Little action:** Due to a wide variety of circumstances, including political developments, capacity constraints and unforeseen events, action has remained at a virtual standstill.
- **E Elements exist:** There is some basis for making progress, either through what already exists, or definite plans.
- **A Action taken:** Progress is being made, although not yet enough, and the basis exists for even more substantive progress.
- **D Developed:** Significant action taken already, although further action is needed.
- **S Sustainable:** There are no warning signs of possible deterioration, and there is widespread expectation that the progress achieved is sustainable.

²¹ See Wilhelm and Krause (Editors), *Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*. Washington, DC: World Bank, 2008, and Bedi, Coudouel, Cox, Goldstein, and Thornton, *Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies*. Washington, DC: World Bank, 2006.

Table A4: Guidelines used to score progress toward operational development strategies

S C O R E	Assessment criteria		
	Unified strategic framework	Prioritization	Strategic link to the budget
L	Government action is not guided by a long-term vision linked to a medium-term strategy, and there is little to no effort within the country to develop or update these strategic instruments.	There is little to no effort within the country to define long-term objectives and medium-term or short-term targets.	There has been little or no attempt to cost a medium-term strategy and link it to the budget, including through devising a medium-term fiscal framework.
E	A medium-term strategy is under preparation, but may not yet be derived from a long-term vision. Sector strategies are few, and may not yet be tied into a medium-term strategy. A strategic framework may be guiding short-term government action.	Initial efforts are underway to define holistic long-term objectives and prioritized medium-term or short-term targets.	There has been a preliminary attempt to cost a medium-term strategy and link it to the budget, including through initial efforts to prepare a medium-term fiscal framework.
A	There is a long-term vision and a medium-term strategy or strategies that may not be linked. Strategies in key sectors may not yet be integrated into national development strategy. The role of different strategy instruments in guiding policy is unproven, unclear, or provisional. Where they exist, efforts to align local with national strategy are preliminary.	There is a preliminary set or sets of specific long-term objectives and medium-term targets, and some prioritization of sequenced actions including attention to cross-cutting issues.	The medium-term strategy has been costed, linked to the medium-term fiscal framework and has some limited influence over the budget.
D	There is a long-term vision and medium-term strategy derived from the vision that is a reference point for policymakers, nationally, locally and at the sector level. Sector strategies and local development planning stem from the medium-term strategy and are sequenced with it.	The long-term vision and medium-term strategy identify objectives and targets linked to the MDGs but tailored, with some specificity, to country circumstances. The medium-term strategy focuses on a prioritized set of targets. It adequately addresses cross-cutting issues such as gender, HIV/AIDS, the environment, and governance.	A results framework is in place linking long-term goals to outcomes and outputs. The government is progressing toward performance-oriented budgeting to facilitate a link of the strategy with the medium-term fiscal framework and the budget, and helps focus capacity and resources at the national and local level on national objectives.
S	There are no warning signs of possible deterioration, and there is widespread expectation that the progress achieved is sustainable.		

Table A5: Guidelines used to score progress toward developing a results-oriented framework

S C O R E	Assessment criteria		
	Quality of development information	Stakeholder access to information	Coordinated country-level monitoring and evaluation
L	Data collection is sporadic and outdated. Data have little relation to tracking the goals and targets in the long-term vision and medium-term strategy.	Little information on the long-term vision or medium-term strategy is available publicly, either in hard copy or electronically.	The government does not have a strategy or an action plan to develop a country-level M&E system. M&E is still largely fragmented, supported largely by external partners at the project level.
E	Data collection is improving but largely restricted to limited geographic or sectoral areas. Data may not cover key goals and targets in the long-term vision and medium-term strategy.	Some information on the long-term vision or medium-term strategy is available publicly, but may not be updated regularly or widely accessible.	The government has begun developing an M&E strategy and action plan to work toward the development of a country-level M&E system. M&E is still largely fragmented, supported largely by external partners at the project level.
A	Data collection has become more systematic and efforts to extend its geographic or sectoral scope are underway. Data are increasingly related to tracking goals and targets in the long-term vision and medium-term strategy.	Some information on the long-term vision or medium-term strategy and some public expenditure data are publicly available and regularly updated. Efforts may be underway to actively disseminate information.	A country-level M&E system has been at least preliminarily designed and its action plan is in the early stages of implementation but may be without fully coordinated support. The system is not yet functioning at all levels of government or sectors. There may be parallel country-level systems housed in different institutions.
D	Data are generally timely and comprehensive, and directly related to tracking the achievement of country goals and targets identified in the long-term vision and medium-term strategy. There is coordinated and systematic data gathering and analysis.	Information on the long-term vision and medium-term strategy, and progress in implementation, including public expenditure data, is made systematically available, including in local languages and through various media.	Implementation of an action plan for a country-level M&E system is well underway. This system tracks a manageable number of input, output and outcome indicators identified in the medium-term strategy, and produces unified reports used by country policymakers and external partners. Institutional responsibilities for M&E across government are clear.
S	There are no warning signs of possible deterioration, and there is widespread expectation that the progress achieved is sustainable.		

26. A score of D has been used in the 2006 Monitoring Survey to indicate a level of progress satisfactory to meet the Paris Declaration target. While a score of D indicates significant action, it should not be construed as meaning that no further action is required.

27. Because the 2006 Monitoring Survey uses quantitative measures of alignment, harmonization, and mutual accountability, the present review does not score separately these indicators for 2007. However, the qualitative basis for this scoring exists in the aid effectiveness profiles. Neither does the review assign scores to the participation of national stakeholders in strategy formulation and revision, an important measure of country ownership. The basis for doing so (for stakeholders across the executive and in civil society and parliaments) also exists in the aid effectiveness profiles should there be future demand for such scoring within the international community.

Step two: overall score

28. To consolidate the individual assessment criteria into an overall score, the review team averaged the scores. The overall score is therefore not meant to be a precise numeric indicator, and does not indicate uniform progress within all three assessment criteria for each indicator. It is presented in the review by assigning a LEADS alphabetical score based on the numeric ranges arrived at by averaging the score for each of the three assessment criteria. The equivalent numeric overall scores are defined in ranges, with the lowest range 1 – 1.5 (little action) and the highest range 4.6 - 5 (sustainable), are:

- **L** Little action: **1 – 1.5**
- **E** Elements exist: **1.6 – 2.5**
- **A** Action taken: **2.6 – 3.5**
- **D** Developed: **3.6 – 4.5**
- **S** Sustainable: **4.6 – 5**

29. Assigning an overall score helps track overall trends in progress; it is not meant to be a definitive judgment on individual country performance. As was done for the 2005 CDF Progress Report, the review team assigned scores centrally to assure consistency.

CHECKS AND BALANCES

30. The results are conditioned by many checks and balances. Because the review is produced on behalf of the international community, the profiles do not reflect merely a World Bank view. As noted above, the aid effectiveness profiles include input from outside the Bank, which is reviewed by the Bank's country director for the country in question before the profile is finalized. The profiles and the overview report incorporate

the views of professionals working on the ground and with expertise in the issues covered by the review. Before being finalized, the overview report, including the scores for both indicators for all 62 countries, was reviewed at the Vice Presidential level by regional units within the World Bank. In addition, before being finalized, the overview report was presented, through an e-discussion, to government officials and their local development partners in the 62 countries included in the review, as well as headquarters staff of development assistance agencies and members of the Joint Venture on Monitoring the Paris Declaration. The feedback received through the e-discussion is summarized in Annex 3. In line with the World Bank's CPIA, countries that perform better on the CPIA are also shown to perform better in this review.

GOING FORWARD

31. Refinements to the information-gathering process and the methodology used for assessment should be pursued collaboratively to ensure a common and consolidated approach to building and monitoring the strategic basis for improved outcomes. Partner countries and their in-country development partners could take the lead in updating the aid effectiveness profiles that form the basis of this review. To facilitate dissemination of good practices and ensure coherence of assessment across countries, primary responsibility for assessing progress would ideally remain centralized.

32. Since the methodology is meant to capture trends, monitoring should occur no more often than every two years; yearly monitoring would be unlikely to produce major changes in scores. Analysis of progress toward operational development strategies and results-oriented frameworks together with alignment, harmonization and mutual accountability could usefully capture synergies between these areas, and may be considered in future review efforts.

Annex 3: Summary of the e-discussion

1. The e-discussion provided an opportunity for government officials from partner countries, representatives of development assistance agencies and multilateral development banks, and development experts to comment on the draft of the review “Results-Based National Development Strategies: Assessment and Challenges Ahead.”

2. Overall, participants commended the effort made by the World Bank in conducting a comprehensive and informative review. The review is useful and timely in that it highlights the need to make substantial progress if the Paris Declaration targets for operational development strategies and results-oriented frameworks are to be met. The accompanying aid effectiveness profiles can provide useful insights to country policy makers and development partners on how to move forward at the country level.

A. Incentives, capacity-building and mutual accountability

3. Participants provided feedback on the review by addressing three questions suggested by the moderators of the e-discussion.

Are there other internal and external incentives that help drive the successful development and implementation of results-based national development strategies?

4. The role that local champions play in guiding the preparation and implementation of results-based national development strategies at the country level is critical. A champion needs to have time, inclination and authority to facilitate the changes that are necessary to move forward. Support from a local champion needs to be accompanied by in-country demand for operational development strategies and results-oriented frameworks to achieve faster progress toward the Paris Declaration targets.

5. Development partners’ focus on results when providing assistance can be an important incentive to develop results-oriented frameworks. For example, linking disbursements to achieving targets on intermediate indicators can be an incentive for countries to develop more solid monitoring and evaluation systems and for development partners to support these systems. Development partners’ reliance on a country’s own reporting can help strengthen it through better and more reliable information. This would in turn provide an incentive for better information exchanges among national institutions and lead to more informed debates in parliament. However, it is important that this increased focus on results does not translate into more conditions imposed on partner countries by development partners. In addition, defining appropriate intermediate indicators might be a challenge, and development partners need to exercise care in selecting them recognizing that missing a target might cause a delay in disbursements and therefore a country’s poverty reduction effort. Joint government-budget support partner groups in Mozambique and Tanzania are good examples of how focus on results can be successfully integrated into disbursement modalities.

What more should development partners do to support country leadership and capacity development in the design and implementation of results-based national development strategies?

6. Peer-to-peer learning can play an important role in making capacity building more sustainable. For example, the Asian Development Bank has been supporting a Community of Practice in Managing for Development Results. This tool has provided an opportunity to partner countries to get direct access and directly benefit from in-country experience in results management and performance-based budgeting from countries such as Singapore, Malaysia and Thailand. Information on this Community of Practice is available on <http://cop-mfdr.adb.org>.

7. Development partner behavior, policies and structures can have a great impact on partner countries' capacity and ultimately on country systems. For example, early and timely information by development partners on the medium- and long-term volume of support is crucial to prepare reliable Medium-Term Fiscal Frameworks and Medium-Term Expenditure Frameworks. Untying technical assistance could strengthen the leadership role of government, which would have greater leeway in choosing what kind of assistance is better tailored to country needs.

8. Aid modalities—joint program support and budget support versus isolated project support, for example—might be equally important to accelerate progress toward results-based national development strategies. In this respect, it would be useful to evaluate synergies in countries with the most advanced national development strategies and progress in development partner alignment with country priorities and systems.

9. The changing nature of the aid architecture is also an important factor to consider when assessing how development partners can support progress toward results-based national development strategies. Vertical funds and global programs are acquiring an increasingly important role in supporting improvements in critical development areas. However, because these programs and funds are earmarked to a specific sector or theme, integrating them into a country-based approach might sometimes be a challenge. It is essential that the implementation of these funds and programs follow the same good practices identified in the Paris Declaration.

Would action plans agreed between government and local development partners help strengthen mutual accountability in the development of results-based national development strategies?

10. Country level initiatives will ultimately determine the successful implementation of the Paris Declaration. Adapting the Paris Declaration to local challenges and opportunities is, therefore, crucial. To be successful, action plans would need to be adapted to the local situation, be time bound, identify specific responsibilities on the part of both the country and its development partners, be based on concrete achievable actions, and incorporate an effective M&E system or results framework to track progress.

11. In some countries such as Mozambique and Tanzania, greater accountability between partner countries and their development partners has been achieved through performance indicators mutually agreed in joint government-development partner groups.

For these arrangements to be successful, time, resources and, above all, strong country leadership is essential.

B. Themes, structure and methodology of the review

12. Participants provided additional feedback on the themes, structure and methodology of the review. Specifically, they highlighted:

- *Operational development strategies.* The review could address more fully the links between national, sectoral and local government planning, budgeting, M&E and accountability. Building on the analysis presented in the aid effectiveness profiles, the review could also highlight more strongly the difficulty of linking medium-term priorities with budgets. For example, in a number of countries, objectives have been prioritized without prioritizing the activities to achieve them, thus creating a gap that needs to be filled when preparing the budget. In addition, it would be important to broaden the perspective on country ownership to include analysis of trends in participation of national stakeholders in the preparation of national development strategies.
- *Results-oriented frameworks.* The review could discuss more fully the links between performance-based budgeting and sectoral and national M&E systems and links of these systems to accountability mechanisms.
- *Implications.* The implications presented in the review could be more action-oriented as partner countries seek concrete advice on how to strengthen results-based national development strategies.
- *Linkage to the findings of the 2006 Survey on Monitoring the Paris Declaration.* The review could benefit from making clearer the linkage to the OECD/DAC report on the results of the 2006 Survey, which includes some analysis on indicators 1 and 11 of the Paris Declaration.
- *Assessing development impact.* To assess the effectiveness of results-oriented national development strategies, it would be important to also look at development outcomes and how they are affected by such strategies.
- *Future monitoring.* It would be desirable that future arrangements for monitoring be country-based and country-led, and synchronized with the monitoring of other Paris Declaration indicators.

C. Aid effectiveness profile updates

13. Participants also provided updates in 2007 for the aid effectiveness profiles for Albania, Armenia, Cambodia, Kyrgyz Republic, and Malawi. These updates have been incorporated into the individual country Aid Effectiveness Profiles as an addendum.

Annex 4: Actions taken in countries that have stronger policy and institutional frameworks

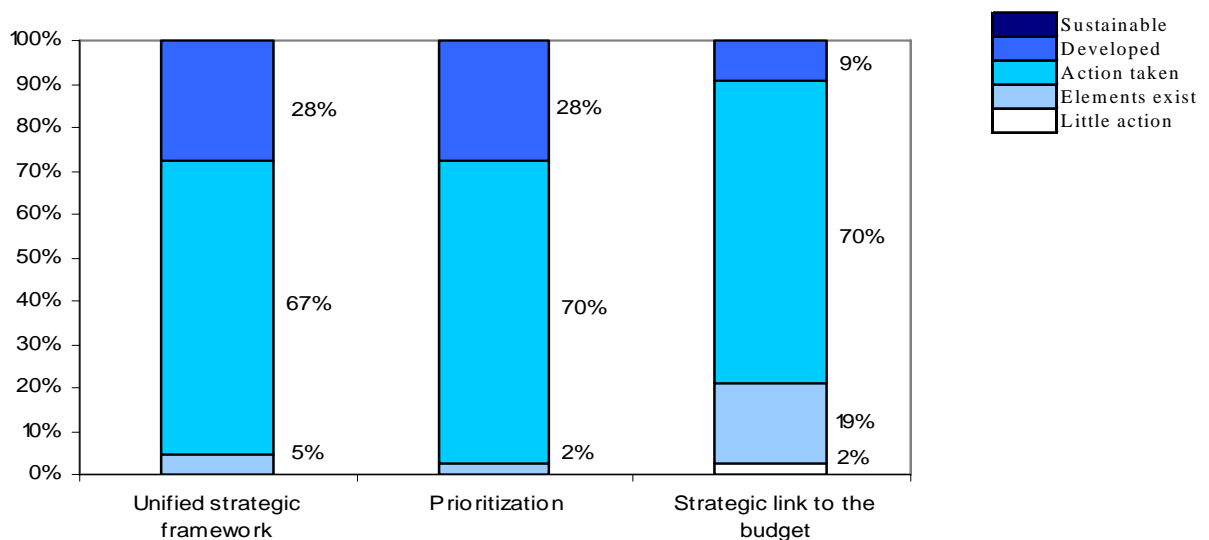
1. Forty-three of the 62 countries in the sample make up this group, given that they score above 3.2 on the World Bank’s CPIA. Within this group, 19 countries are implementing a second-generation PRS, 23 countries are implementing a first-generation PRS and one country has an interim PRS (see Annexes 1 and 2 for the countries covered and comments on the country sample). All of the countries with a largely developed operational strategy or a results-oriented framework are in this group. Among these few, however, none shows enough evidence that the progress is fully sustainable, as would be evidenced by a LEADS-method score of S.

A. Operational development strategies

2. Among the three assessment criteria used by the review to measure progress towards operational development strategies, most countries have made progress towards introducing a unified strategic framework and prioritizing their goals than they have towards establishing a strategic link to the budget (Figure A1).

Figure A1: Scores for operational development strategies in countries with CPIA higher than 3.2

Distribution of scores



Unified strategic framework

3. Twelve countries in the group or 28 percent—Bhutan, Burkina Faso, Ethiopia, Ghana, Madagascar, Nicaragua, Rwanda, Tanzania, Uganda, Vietnam, Yemen, and Zambia—have a strategic framework that includes a long-term vision and a medium-term strategy that provides the reference point for policymakers and development partners (Figure A1 column 1). Of these twelve, all but Bhutan are implementing second-generation PRSs. None of the twelve has a duplicative planning process; each now follows only a single national development strategy, and a long-term vision that sets the goals for this strategy. Significant efforts have been made in these countries to integrate sector strategies into national strategic planning, so that policymakers in the presidency, finance, or planning ministries work toward the same goals as policymakers in line ministries. With the bulk of implementation responsibility borne at local levels of government, each of the twelve countries has developed links between local and national planning.

4. Twenty-nine countries in the group have taken some action to develop a coherent strategic framework, but their achievements fall short for varying reasons. For example, 14 of them have parallel medium-term strategic planning processes that divert resources and attention away from their principal guiding frameworks. All but four of these 14 are implementing a first-generation PRS in parallel to a traditional, legal, or constitutionally mandated national development strategy or, in the case of European countries, an EU Action Plan, although some efforts to consolidate parallel strategies are underway (Box A2). Two countries—Kenya and Senegal—are only in the early stages of developing a long-term vision. Most of the 29 have developed or are developing detailed sector strategies, for at least a few sectors, that are consistent with the national development strategy, and they expect to align them with national development strategy or local development plans. In almost all of these countries, action to link local development plans to the national development strategy is only at an early stage.

5. Two countries—Dominica and Sri Lanka—have elements of a unified strategic framework. In Dominica a medium-term strategy, the PRS, guides government actions but the government has not yet made an effort to develop a long-term vision. In Sri Lanka, where political crises have disrupted successive national development strategies, the government is now leading efforts to revise the strategic framework, based partly on existing sector strategies.

Box A2: Unifying parallel strategies

Many countries have unified their strategic frameworks toward greater sustainability. Many other countries still have parallel strategies, whether as the result of overlapping policy frameworks supported regionally or internationally, a need to fulfill constitutional requirements, institutional traditions, or competing priorities within the government. While concern about the lack of focus on priorities in the existing processes fueled dual strategic frameworks in the past, more and more governments, supported by their development partners, are moving towards greater consolidation.

Overlapping policy frameworks. In South East Europe and Southern Caucasus, European integration figures prominently on the policy agenda. In Albania and Serbia, European Union (EU) membership is the long-term objective driving socioeconomic policies. In Armenia, Georgia, and Moldova, the prospect of closer ties with the EU is a strong driver of reform. While medium-term policies pursued within the EU Stabilization and Association process (SAp) or the EU Neighborhood Policy generally coexist with other medium-term policy frameworks, some efforts are being made to integrate policies aimed at facilitating EU integration into socioeconomic plans. For example, in Albania, the government is preparing a National Strategy for Development and Integration, which is expected to present a unified strategic framework encompassing both a PRS and SAp policies. This effort is being supported by a new coordination structure aimed at facilitating inter-ministerial coordination.

Constitutional requirements. Incoming governments are often required to prepare a medium-term plan, presenting the socioeconomic policies they intend to pursue during their mandate. In Cape Verde, Honduras, Mongolia, and Mozambique, the PRS coexists with constitutionally-required medium-term strategies. In some countries, government and development partners have worked together to facilitate the integration of parallel strategic frameworks. For example, in Mozambique, government and development partners rely on the constitutionally-mandated annual progress reports on implementation of the plan, the *Balanço do Plano Económico e Social*, as the PRS annual progress report. Many countries that recently prepared a second-generation PRS—Bolivia, Ethiopia, Lao, PDR, Tajikistan, Vietnam, Yemen—consolidated the PRS with constitutionally required national development plans.

Institutional traditions and competing priorities. Development plans have been prepared out of established practice or have stemmed from competing priorities championed by different government institutions. In Benin, Grenada, Pakistan, and Senegal, the practice of preparing medium-term plans or implementing other policy frameworks has continued in parallel to the introduction of the PRS. In Niger, the PRS, which is coordinated by the Office of the Prime Minister, is being implemented in parallel to the Special Program for Poverty Reduction, which is championed by the President. There is some evidence that streamlining responsibilities across government can facilitate policy coordination and create a stronger basis for integrating parallel strategies. In Benin, for example, planning and finance have been merged into a single institution, the Ministry of Development, Economy, and Finance, which is facilitating interministerial coordination to support development policies. Improved clarity on responsibilities for strategy development has led to consolidation of dual strategic planning frameworks in some of the countries that have completed second-generation PRSs—Cambodia, The Gambia, Malawi, and Zambia.

Prioritization

6. Twelve, or 28 percent, of the 43 countries in the group—Bhutan, Burkina Faso, Ethiopia, Ghana, Mauritania, Mozambique, Rwanda, Senegal, Uganda, Vietnam, Yemen, and Zambia—have national development strategies that are largely targeted, balanced, and well sequenced (Figure A1 column 2). All 12 have identified country-specific development goals and targets that consider the Millennium Development Goals (MDGs), adapt them to country circumstances, and tie them to sequenced and balanced priorities and programs within the national development strategy. All but Bhutan are implementing a second-generation PRS. In many of these countries, efforts to integrate the MDGs into national development strategies have benefited from better cooperation between the World Bank and UNDP as well as from analytical work conducted by

external partners in close partnership with the country. In these countries, progress reports on the MDGs are often combined with those for the PRS and integrated into the monitoring reports that are prepared for national authorities. These reports—and, in some countries, MDG needs assessments—have helped to shape national development strategies by identifying clear and focused actions toward country-specific development targets that can be more easily costed. Some countries have managed to integrate PRS and MDG support in their first elaboration of a PRS. But many more (including Ethiopia, Ghana, Mauritania, Senegal, Uganda, Yemen, and Zambia) only began to do so when they began to elaborate a second-generation PRS.

7. In setting medium-term targets, the 12 countries have sought to balance the needs of the productive and the social sectors, drawing on a comprehensive long-term vision while focusing action on what is achievable in the medium term. Many of the 12 are now giving more attention to areas that are critical to development but had been less well elaborated in their first PRSs or in previous traditional, legally or constitutionally required national development strategies. In many cases this has meant placing increased emphasis on developing the productive sectors. Some of these countries have benefited from better and more coordinated diagnostics developed by external partners.

8. Prioritization has been easier to achieve in countries that have a clear planning framework to guide their medium- to long-term development; nine of the twelve countries have a largely developed unified strategic framework. There are significant synergies between unifying a strategic framework and achieving greater prioritization. Greater understanding of the long-term constraints and opportunities for growth and poverty reduction can help policymakers prioritize. A more comprehensive

Box A3: Towards more holistic and balanced strategies

- In *Burkina Faso*, the *Cadre Stratégique de Lutte contre la Pauvreté II* was fine-tuned to place greater emphasis on cross-cutting issues like gender integration, particularly in education, also regional integration, small business development, and the environment.
- In *Ghana*, the second Poverty Reduction Strategy seeks to exploit more fully the links between agricultural modernization, infrastructure, environmental management, and tourism as key vehicles to foster growth. Analytical work conducted by the World Bank sketching the more effective use of scarce resources to achieve the MDG has contributed to focus attention on the importance of improving infrastructure.
- In *Ethiopia*, the Plan for Accelerated and Sustained Development to End Poverty includes greater emphasis on pro-poor growth and governance and identifies stronger links between policy actions and the MDGs, building on a MDG Needs Assessment conducted in partnership with the Millennium Project, the UN country team, and the World Bank.

approach can help strengthen intersectoral linkages, which are key to achieving good development outcomes. Different countries are following different paths, depending on country needs, potentials, and priorities already reflected in their strategies (Box A3). Within these countries, government and external partners believe that the national development strategy adequately takes into account cross-cutting issues relevant to the country. In most cases, countries have looked at the cross-sectoral implications of environment, gender, HIV/AIDS, and governance issues for the overall strategy, and in many cases have identified key indicators for cross-cutting issues across sectors.

9. In the other 31 countries in the group with relatively strong policy and institutional frameworks, there is less clarity about national long-term goals and medium-term targets and/or about what balanced, sequenced actions are needed to achieve them. Many of these countries have yet to define national long-term goals or medium-term targets. Others have taken action to derive country goals and targets from the MDGs but their strategies and programs are not clearly linked to the targets nor sequenced. Some countries have adopted the MDGs as their long-term goals but not yet evaluated what this entails locally. Many countries—Albania, Armenia, Azerbaijan, Georgia, Kenya, Kyrgyz Republic, Lesotho, Mali, Madagascar, Mongolia, Pakistan, Serbia, and Tajikistan—are undertaking MDG-based work that they plan to use to refine the implementation of their national development strategy or to integrate into the next version of the strategy. While almost all of these countries seek to balance attention to the social and productive sectors and to address cross-cutting issues, they are still striving to incorporate strategies in areas that have received too little attention in the past. Many national development strategies seem overambitious or are unclear, often because more than one strategic framework exists, making costing problematic.

Strategic link to the budget

10. Four of the 43 countries—Rwanda, Tanzania, Uganda, and Zambia—have been able to make an effective link between the national development strategy and the budget (Figure A1 column 3). Most of these countries are implementing largely developed unified strategic frameworks—making it easier to allocate resources towards coherent strategic objectives. These countries have moved toward a performance-oriented approach to budget allocations, relying on country-wide monitoring data produced either by a country-level M&E system or by a poverty monitoring system. The national development strategy in these four countries has been costed and is linked to the budget through three-year rolling national MTEFs and sectoral MTEFs. Efforts have been made to increase resources at the local level and to ensure that these resources are used to meet agreed development priorities.

11. Even with this substantial progress, however, significant challenges remain. In Uganda, for example, supplementary appropriations undermine the budget process; in Tanzania, a strategic budget allocation system shows promise to improve the strategic link to the budget, but delays in budget outturn information jeopardize its effectiveness; in Zambia a considerable gap exists between the expenditure budgeted and the expenditure released. In all four countries capacity still needs to be strengthened in planning, strategic resource allocation, and budget management, including through more systematic longer-term forecasting of revenues and expenditures, at the central and local levels.

12. Though 30 of the 43 countries in the group have taken some action to help ensure that the national development strategy guides budget allocation and execution, links between strategy and the budget generally remain weak. Most of these 30 countries have costed the national development strategy, and many have taken initial steps toward performance-oriented budgeting. However, in many cases the costing of national strategies derives from estimates that are made by central ministries with little

involvement of line ministries and little reference to sector programs. The resulting estimates may not be realistic enough for preparing the MTFF and the budget. In countries that have consolidated their parallel strategies into a unified national strategic framework, renewed efforts have been made to improve costing and strengthen the link of the strategy to the budget, and many countries in this group now prepare MTFFs in time to influence the budget (Box A4). But the relationship between the national MTFFs, sectoral MTEFs, where they exist, and the budget is not always clear—because of insufficient clarity about which strategic framework is guiding budget allocations and because of the limited involvement of sector ministries in preparing the MTFF and the budget. In many of those countries where decentralization is more advanced, efforts have been made to improve the strategic focus of local expenditures. In a number of countries, especially in francophone Africa, fiscal decentralization remains limited, impairing the effective use of resources at the local level.

Box A4: Costing of priority programs and clear strategic frameworks

To facilitate the strategic allocation of resources in line with development priorities, medium-term fiscal frameworks need to build on realistic estimates of the investment and recurrent costs that countries will face to achieve these priorities. Priority costing, in turn, can be facilitated by clarity on priorities.^a As second-generation PRSs are increasingly integrated into national planning processes, policymakers have stronger incentives to focus on a single set of priorities whose costing will then underpin the budget.

In *Albania*, the National Strategy for Socioeconomic Development (NSSD) coexists with other medium-term policies such as the EU Stabilization and Association process (SAP), is poorly costed, and has limited influence on budgetary allocations. The Government is integrating SAP and NSSD priorities into a National Strategy for Development and Integration so that they can be effectively costed, prioritized, and included in a medium-term budget process, informing the annual budget.

In *Malawi*, the Malawi Poverty Reduction Strategy Paper (MPRS) was implemented in parallel with the Malawi Economic Growth Strategy (MEGS), as well as various sector strategies and policies. The MPRS was seen as making unrealistic demands, particularly with regard to Malawi's institutional capacity. To address these issues, the Government prepared a Malawi Growth and Development Strategy (MGDS) to serve as the only medium-term national development strategy. Activities within the MGDS are being costed on the basis of existing sector expenditure plans in sectors with more developed strategies. The Government plans to introduce budget ceilings based on the MGDS costing.

^a Wilhelm and Krause (Editors), *Minding the Gaps: Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*. Washington, DC: World Bank, 2008, p. 20.

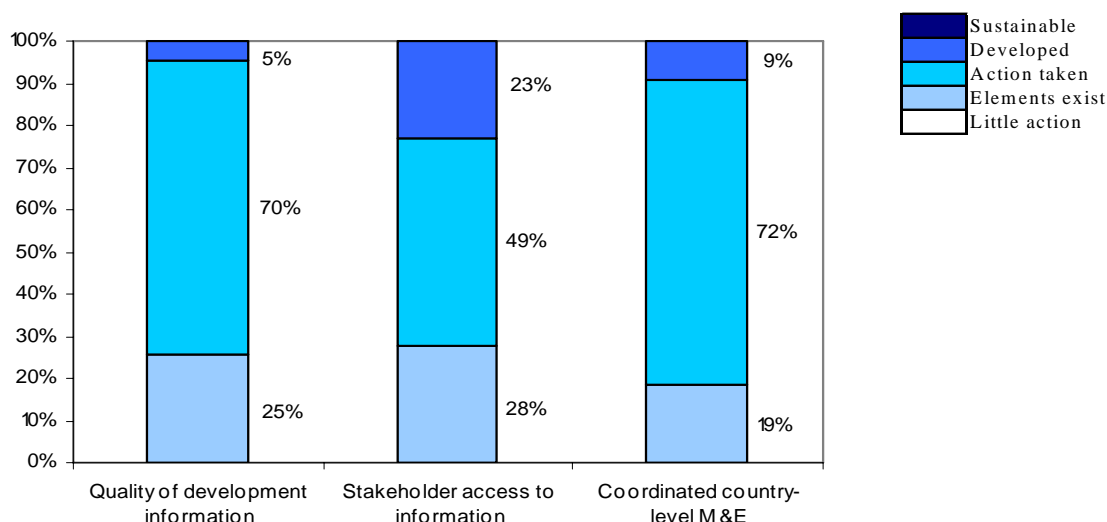
13. Eight other countries in this group—Bhutan, Bolivia, Guyana, Mongolia, Nigeria, Serbia, Sri Lanka, and Yemen—have taken only preliminary steps to forge a strategic link with expenditure management. In one—Grenada—which has not yet completed its first PRS, few steps have been taken.

B. Results-oriented frameworks

14. Among the three criteria used for assessing the adoption of results-oriented frameworks, countries have made the most progress in improving access to information. Ten countries in the group, or 23 percent, have taken significant action in this area (Figure A2 column 2). Only two countries, or five percent, have taken some action to improve the quality of development information, and only four countries have taken significant action to develop country-level monitoring and evaluation systems.

Figure A2: Scores for results-oriented frameworks in countries with CPIA higher than 3.2

Distribution of scores



Quality of development information

15. Two countries, or 5 percent—Mozambique and Uganda—stand out for the progress they have made in improving the quality of development information (Figure A2 column 1). These countries make available a variety of economic, social, and demographic information—including at the local level—through a consolidated database. They have a relatively long history of emphasizing data quality. They were pioneers of the PRS initiative, and are now implementing second-generation PRSs. They have made continual systematic efforts to improve data quality and thus permit better monitoring of their national development strategies. These efforts benefit from the guidance of a national statistical development strategy or master plan. In Uganda, a move toward performance-oriented budgeting is creating demand for good data and stronger incentives to produce them, thus reinforcing efforts to strengthen data quality.

16. More than two-thirds of the countries in the group—30—have taken some action to improve the quality of development information. These countries have each established a national statistics institution to lead and analyze major statistical surveys including census and household surveys, although in some countries the independence of this institution needs strengthening. All of the countries have in place a national statistical strategy, or are preparing one, that includes plans for regular surveys that address methodological weaknesses. However, few of these strategies are fully funded, and even fewer are receiving fully coordinated support from external partners (see Box A5). All 30 countries have already made progress in improving the timeliness and coverage of data, and have produced poverty statistics that are reasonably up to date (though not yet systematic or comprehensive) in time to influence the focus of their

national development strategies. Data collection at the local level remains generally weak.

Box A5: What does it take to scale up support for statistical capacity building?

One of the key objectives of the Marrakech Action Plan for Statistics (MAPS) is to garner support for the development and implementation of country-owned national statistical development strategies. The World Bank offers this support through a multi-country lending program known as STATCAP, and administers on behalf of other donors a Trust Fund for Statistical Capacity Building (TFSCB). Both of these programs were launched in 2004. STATCAP-financed programs have been implemented in The Gambia, Nigeria, Kenya, Burkina Faso and Tajikistan. The TFSCB has contributed to capacity building efforts in 36 countries.

Lessons learned from this support for statistical capacity building indicate that:

- There is a gap between the need for statistical improvements and the availability of resources to implement strategies. External support for statistical capacity building would need to double to implement national statistical development strategies.
- While statistical systems need, by their nature, to cut across different sectors and themes, externally-financed programs and projects tend to have a specific sectoral focus. Thus, external partners may support the development of sectoral data which are not always aligned with the priorities identified by the national statistical agency and integrated into national statistical systems. Incentives to promote good coordination, dialogue, and compromise solutions are necessary if statistical programs are to efficiently meet the needs of all users.
- Incentives for countries to allocate the resources needed to implement national statistical development strategies and improve statistics are limited. When strategic planning and budgeting do not require data on performance, there is little interest in collecting and using statistics. External partners can facilitate this linkage. Programs aimed at strengthening budget management and fiscal accountability should reinforce the need for high quality statistics.
- Efforts to scale up statistical capacity improvements are often constrained by the availability of expertise in the field. Few international organizations have the required skills and mandate to provide technical assistance in priority statistical areas. Twinning mechanisms, matching statistical offices of development partners' countries with statistical offices in partner countries, could help mobilize expertise and resources.

Source: World Bank, "Statistical Capacity Improvement in IDA Countries—Progress Report." May 2006.

17. In the remaining eleven countries, or 25 percent, in the group, elements exist for improving the quality of information. Most of these countries are preparing national statistical development strategies. In Mali, development partners have not yet made a strong effort to coordinate around the comprehensive statistical capacity program in place since 2002. In all of these countries, survey data are largely outdated and limited, although efforts are underway to improve them. In some, for example Grenada and Niger, a national statistical agency has not been established, and statistical work is carried out by a unit in the ministry of finance.

Stakeholder access to information

18. Ten countries among the 43 in this group—Armenia, Azerbaijan, Ethiopia, Ghana, Kenya, Moldova, Rwanda, Tanzania, Uganda, and Vietnam—provide ready access to a wide array of development information (Figure A2 column 2). In each of these countries, the national development strategy or a summary of it is made available

to stakeholders in official languages and, where the official languages are not widely spoken, in languages that are. For example, it is available in Azerbaijan in Azeri as well as in Russian and in English, and in Ethiopia in Amharic and English, the languages most commonly used in business and government. A summary of the national development strategy is being prepared or already available in Rwanda in Kinyarwanda, the other official language along with English and French; in Uganda in five local languages, including Swahili and Luganda; in Ghana in seven local languages, including Twi, Ewe and Fante; and in Kenya and Tanzania in Swahili, an official language in both countries along with English. In Vietnam, local language communication activities have been undertaken in ethnic minority areas. Governments have made efforts to reach people who lack access to computers or printed media, including through radio broadcasts, video and audio tapes, television, stakeholder awareness workshops or meetings, and display vans. In each of these countries a website maintained by the finance and planning ministry or agency displays not only the long-term vision and national development strategy but also information on implementation, including progress reports, budget data, and public expenditure data. Country websites, usually maintained by the national statistical agency, post statistical survey data. The media in these ten countries have been active in data dissemination.

19. Twenty-one other countries in this group have taken action to improve the availability of development information. Only three of them—Burkina Faso, Georgia, and Nepal—are guided by a communication strategy, although governments in three others—Bolivia, Madagascar, and Mauritania—are designing such strategies. Countries including Lesotho, Mozambique, and Nepal have established public information centers to improve access to development information. There are efforts in some of these countries to translate the national development strategy into languages widely spoken by the population. In most of these countries, governments have websites where the national development strategy and/or budget data are available, but rarely use them to post information on progress in implementation. The media often covers development issues. Civil society has been driving efforts to improve access to information in many of these countries, particularly in Malawi, Senegal, and Zambia, by developing and maintaining extensive websites and/or translating the national development strategy into local languages.

20. In the other twelve countries in this group, elements exist to improve access to development information. Most of the dissemination efforts have been concentrated during national strategy preparation, or have been restricted to placing information on government websites in countries where access to the Internet is limited. Information on the national development strategy is not available in unofficial languages that are widely spoken by the population, and in some countries is not available in all official languages. Information on strategy implementation is scarce, although many of these countries do publish some budget data.

Coordinated country-level monitoring and evaluation

21. Each of the countries with a largely developed results-oriented framework—Mozambique, Tanzania, and Uganda—has designed a country-level M&E system that serves both the government and external partners. So has Nepal (Figure A2 column 3). These four countries have all made good progress in consolidating and clarifying responsibilities for M&E within government structures at the central and local levels. Each has developed a results framework in which intermediate performance indicators for most of the key sectors form part of a results chain from inputs to outputs to outcomes. The framework relies on survey efforts or data collection managed in sectoral ministries. Baselines have been established for all or most indicators. Incentives for national institutions to use performance information are emerging. This is helping to integrate monitoring and evaluation into national decision making, including on the budget, and thus facilitating a move toward performance-oriented budgeting (Box A6). External partners have coordinated their efforts to support these systems, and most are making efforts to rely on them to satisfy their own reporting requirements. All these systems are at an early stage of functionality. Sustained efforts are required to maintain them and develop them further, particularly to deepen ownership across government and strengthen the link to M&E systems in line ministries, to improve the link between systems at the central and local levels, to continue training efforts, and to provide performance analysis that can feed into revisions of national development strategies. In Tanzania, for example, the government is in the early stages of adapting its M&E system established under its first-generation PRS with insufficient links to systems in sector ministries, to a MKUKUTA M&E system that draws on these systems.

Box A6: The demand side of monitoring and evaluation: institutional incentives for evidence-based policymaking

An M&E system needs to meet policymakers' demand for monitoring to be effective and sustainable. This in turn requires that policymakers have incentives to improve policies through better evidence and stronger analysis. Institutional structures and decision making processes can provide some of these incentives.

- ***Linking budget allocations to performance.*** Line ministries can have stronger incentives to produce reliable data on progress and use them to inform policymaking if their resources are linked to performance. In *Uganda* and *Tanzania*, for example, performance-oriented budgeting is beginning to link monitoring and evaluation with the budget process.
- ***Exercising effective parliamentary oversight.*** Parliaments can be important champions of monitoring and evaluation if they effectively exercise their oversight function. In *Mozambique*, for example, the National Assembly, which approves the annual budget, receives regular reports on budget execution and implementation of the PRS. Reporting has improved to better link budget execution and implementation progress.
- ***Independently assessing government performance.*** A supreme audit institution can be a key user of performance data and create strong incentives for reliable data by conducting regular financial and performance audits of government. In *Mozambique*, for example, the “Tribunal Administrativo” reports directly to the National Assembly on budget execution, use of public funds, and public administration. The “Tribunal Administrativo” is also responsible for reviewing the application of external funds provided to the Government through loans, grants, subsidies, and guarantees.

22. Thirty-one countries in the group have developed at least preliminary strategies or action plans for country-level M&E systems and have made some headway in implementing them. Most anticipate the design of single reports on progress that will be used equally by national institutions and development partners, and in some cases by emerging regional institutions such as the African Peer Review Mechanism. However, most are still clarifying the institutional framework for M&E, and still maintain parallel efforts to monitor the national development strategy. Many of them still monitor the PRS separately from progress towards the MDGs and often these efforts are not linked to a broader country-level system. This disconnect is sometimes the result of fragmentation in the support of development partners, which often results in the preparation and implementation of M&E action plans at the individual project level, rather than at the country or sector level.

23. In these countries the capacity building efforts in most line ministries are largely at a preliminary stage, and central M&E is disconnected from that in the sectors. Typically, M&E units have been set up in line ministries, providing a basis for connecting these ministries' M&E efforts to a central system. Countries that have prepared a second-generation PRS have narrowed down the set of intermediate indicators from those they used in their first PRS. Some of these countries—Ethiopia, Rwanda, Senegal—have made significant progress in monitoring performance indicators in a few sectors, particularly education and/or health, which has sometimes been bolstered through the use of sector-wide approaches (SWAs). Linking M&E to the revision of national development strategy and the budget exercise remains a significant challenge for them, however. Many of the countries that are implementing a first PRS are also prioritizing and redefining indicators; a few of them have not yet been able to establish baselines for each indicator, given the lack of data in key areas of strategic focus.

24. The eight other countries in this group have elements of country-level M&E systems but have not yet devised action plans that define institutional arrangements for M&E. They have made little progress in launching sectoral M&E systems that could feed into a country-level system. Intermediate indicators toward country targets have not yet been identified or are only preliminary. In Nigeria, the considerable autonomy of states and local governments is making it difficult to establish a coordinated M&E system; however, some progress has been made in monitoring federal ministries' use of debt relief resources.

Annex 5: Actions taken in fragile states

1. Nine percent of the people of developing countries live in fragile states. These states face particularly severe development challenges including weak institutional capacity, poor governance, political instability, high vulnerability to conflict, and, in many instances, ongoing violence. In 2005, fragile states accounted for 27 percent of the extremely poor, nearly 30 percent of the child deaths, and nearly 30 percent of the twelve-year olds who did not complete primary school in developing countries. Development partners recognize the importance of strengthening aid effectiveness in these states (Box A7).

2. Among the 19 fragile states covered by this review, three have completed second-generation PRSs, while nine are presently implementing a first-generation PRS, five an interim PRS, and two a TRM.²² (See Annexes 1 and 2 for the fragile states covered and comments on the country sample.)

Box A7: International commitments to enhance aid effectiveness in fragile states

Development partners have recognized that enhancing aid effectiveness is paramount in fragile states where resources are scarce and that their delivery requires stronger partnerships among development partners to overcome greater political, security, and development challenges.

The OECD/DAC members have approved a set of *Principles for International Engagement in Fragile States and Situations*. These emphasize that, to be effective, development partners need to:

- help build state capacity and accountability,
- establish clear linkages between peace-building and development,
- build strong international partnerships, and
- provide flexible, fast, and calibrated responses based on a differentiated typology of fragility and the particular engagement context.

The OECD/DAC *Principles* emanate from policy commitments contained in the Paris Declaration on Aid Effectiveness. The Paris Declaration emphasizes that strengthening ownership, alignment, harmonization, and results is just as important in fragile states as in other partner countries. It recognizes that calibrated tools might be needed to address the fragile states' challenging environment. Accordingly, it commits partners working in fragile states to:

- engage in dialogue with donors on developing simple planning tools, such as the transitional results matrix (TRM), where national development strategies are not yet in place.

It commits partners working in fragile states to:

- focus on upstream analysis, joint assessments, joint strategies, and coordination of political engagement, and
- avoid activities that undermine national institution building, such as bypassing national budget processes or setting high salaries for local staff.

²² At the date of publication, only The Gambia's and Cambodia's second-generation PRSs had been presented to the Boards of the World Bank and IMF. Lao too has a second-generation PRS, but this has not yet been presented to the Boards.

3. Fragile states are not a homogeneous group. They can be differentiated into four categories, depending on whether they are characterized by deterioration, prolonged political crisis, post-conflict and political transition, or gradual improvement. As might be expected, those in the post-conflict and political transition phase, and those in the gradual improvement phase, have made more progress than more troubled fragile states toward implementing operational development strategies and results-oriented frameworks. Among the conflict-affected countries, some are using TRMs to help focus on the most urgent short-term needs, while others are addressing medium- to long-term goals as conflict subsides and capacity increases.

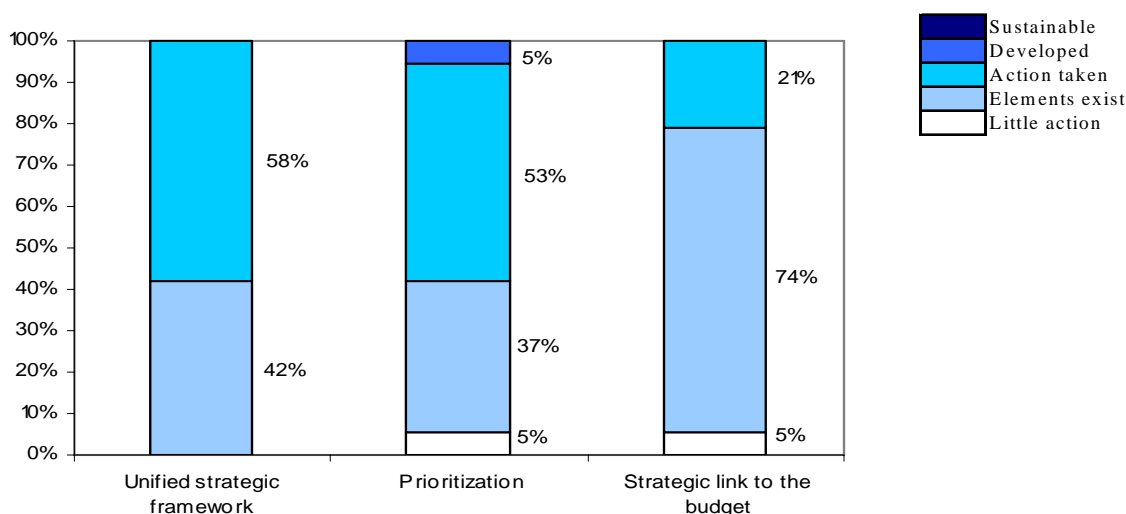
4. In a number of fragile states, elements of operational development strategies and results-oriented frameworks are emerging at the sectoral level, where pockets of capacity seem to have remained strong throughout prolonged periods of crisis or where development partners have focused their efforts. Some of these countries are pursuing sector strategies that are linked to expenditure frameworks and monitoring systems that have created demands for better data.

A. Operational development strategies

5. As regards the prerequisites for adopting an operational development strategy, fragile states have taken more action to establish a unified strategic framework and prioritize their goals than they have to establish a strategic link to the budget (Figure A3).

Figure A3: Scores for operational development strategies in countries with CPIA 3.2 or lower

Distribution of scores



Unified national strategic framework

6. None of the fragile states in the review sample has a unified strategic framework that is largely developed.

7. Nevertheless, eleven have taken action towards developing such a framework (Figure A3 column 1). These include the three that are implementing a second-generation PRS. All three—Cambodia, The Gambia, and Lao PDR—are gradual improvers, i.e. they are emerging from a post-conflict situation or undergoing a slower long-term reform process. Each of them has merged a second-generation PRS with a traditional or constitutionally required strategic plan, to produce a national strategic framework that provides the reference point for policymakers across the government. However, none has yet achieved a largely developed strategic framework—whether because a long-term vision is absent, because sector strategies with detailed actions have not yet been elaborated or are not yet consistent with the national development strategy, or because local development planning is not yet integrated with national strategic planning. In The Gambia and Lao PDR, comprehensive sector strategies for key sectors are not yet in place and neither is a local strategic planning process that is synchronized to inform national strategy. In Cambodia, local governments have not yet implemented plans to adapt local planning to the national framework.

8. The other eight fragile states that have taken action in this area are implementing first-generation PRSs. They can be viewed largely as countries following a gradual improvement path, although some countries where peace building has been underway for up to five years have also achieved this level of progress. Burundi and Sierra Leone are examples, as is the Democratic Republic of Congo, where peace building is at an earlier stage. In Burundi the government, spurred by the Arusha Peace Accords, has been gradually developing its long-term vision process as resources and capacity have been replenished. In Sierra Leone, a long-term vision reflects the outcomes of a national dialogue that was launched two years after the Lome Peace Agreement was signed in 1999 (Box A8).

9. Eight fragile states—Afghanistan, Central African Republic, Cote d’Ivoire, Haiti, Liberia, Republic of Congo, Sao Tome and Principe, and Sudan—have taken important steps to establish coherent strategic frameworks that are helping them on the path to recovery. In most of these countries, conflict and political instability have interfered with efforts to elaborate a long-term vision that could serve as a reference point for policymakers. Some have made efforts to elaborate a PRS, but these efforts have been derailed by internal conflict. Two—Haiti and Liberia—have successfully elaborated transitional results matrices, which have helped them focus on short-term priorities and then gradually to extend the planning framework through an interim PRS. Two—Central African Republic and Sudan—are presently implementing TRMs, while making efforts to develop comprehensive national development strategies.

10. Most of these eight states have elaborated some detailed sector strategies, though largely only for the social sectors, and have plans to extend these strategies to other key areas and integrate them into national development strategy. Some countries, for

example the Central African Republic, intend to integrate local development planning into national strategic planning but have made little headway thus far.

Box A8: Long-term vision in fragile states: what makes it possible?

The development of a long-term vision is a confidence-building process that facilitates collaboration by identifying common goals that guide country development.^a A long-term vision can therefore be especially important in fragile states, where building confidence around a set of future-oriented goals can help overcome cleavages and divisions that have contributed to the emergence of conflict. The need to elaborate a vision is often identified during the peace process. The experiences of Burundi, Democratic Republic of Congo, and Sierra Leone show that concerted action by government and external partners can create an enabling environment for the development of a long-term vision, which in turn can help consolidate peace.

Political leadership is crucial to facilitate agreement on long-term goals and mobilize change. In Burundi, Democratic Republic of Congo, and Sierra Leone, long-term visions have been launched by transitional or national unity governments that enjoyed some degree of support across the political spectrum. External partners can play a useful role in facilitating the emergence of political leadership. In Burundi, for example, the World Bank supported leadership seminars that enhanced the government's capacity to lead change.

A sequenced approach to planning can facilitate the development of a long-term vision. Once the most urgent short-term needs are being addressed, the government and national stakeholders can start focusing on medium- to long-term goals. Burundi, Democratic Republic of Congo, and Sierra Leone have all followed a short-term recovery strategy in the immediate period following peace agreements. External partners can support such a sequenced approach by jointly supporting the preparation of these recovery strategies. In Democratic Republic of Congo, for example, the Program for Transition and Recovery was prepared with assistance from the World Bank and UNDP, which helped to garner support from other development partners for a seamless transition from short-term recovery to medium- to long-term planning.

^a IDEA, World Bank, ECLAC, "National Visions Matter: Lessons of Success." April 2005.

Prioritization

11. One fragile state—Cambodia—has a well balanced and comprehensive strategy, with country-tailored objectives and targets. It developed country specific long-term goals and medium-term targets derived from the MDGs and integrated these goals and targets into its national development strategy. In addition, it has succeeded in prioritizing challenges in line with expected resources and taken a balanced approach that addresses cross-cutting challenges. Ten other fragile states—Burundi, Chad, Republic of Congo, Djibouti, The Gambia, Guinea, Lao PDR, Liberia, Timor-Leste, and Sierra Leone—have taken action to improve strategic prioritization (Figure A3 column 2). Their national development strategies express the intention to strive toward the MDGs but do not yet adequately take into account country progress to date or set country-specific targets. The Gambia, for example, has undertaken an MDG needs assessment and is taking steps to strengthen the link between achieving the MDGs and sequencing national development strategy. Guinea is more closely aligning its national goals with the MDGs as it prepares its second-generation poverty reduction strategy. All these fragile states are striving to improve balance within their national development strategies as sector strategies in priority areas are elaborated and eventually integrated.

12. The remaining fragile states covered by this review have taken only preliminary or little action to improve the prioritization of their strategic framework. Most of these

eight countries—Afghanistan, Central African Republic, Cote d’Ivoire, Democratic Republic of Congo, Guinea-Bissau, Haiti, Sao Tome and Principe, and Sudan—are in prolonged conflict or post-conflict and are in the early stages of strategy development, having recently completed a first PRS, an IPRS, or a TRM. In Cote d’Ivoire, years of conflict nullified goals and strategy that had previously been agreed. In many of these countries, strategy appropriately focuses on shorter-term goals in relatively few areas. In some countries, goals are clear but performance targets for pursuing them are still under development. In Central African Republic and Sudan, the TRM addresses both security and socioeconomic development, recognizing the link between peace and the need to address the underlying causes of conflict. In Sudan, a second strategic phase following a TRM has been identified but its implementation depends on progress toward short-term targets that have been identified differently for the North and South, given these regions’ vastly different stages of development. In the Central African Republic, efforts are underway to identify medium-term strategic objectives at the sectoral level to inform a national development strategy.

Strategic link to the budget

13. None of the fragile states covered by the review has achieved a largely developed relationship between strategy and resource allocation (Figure A3 column 3). Four of the states—Cambodia, Chad, Guinea, and Timor-Leste—have made more progress than the average, but even the medium-term fiscal frameworks that they are using have not yet helped forge agreement on budget priorities that are consistent with their national development strategies. Some have made efforts to introduce program budgeting but done little to introduce performance-oriented budgeting.

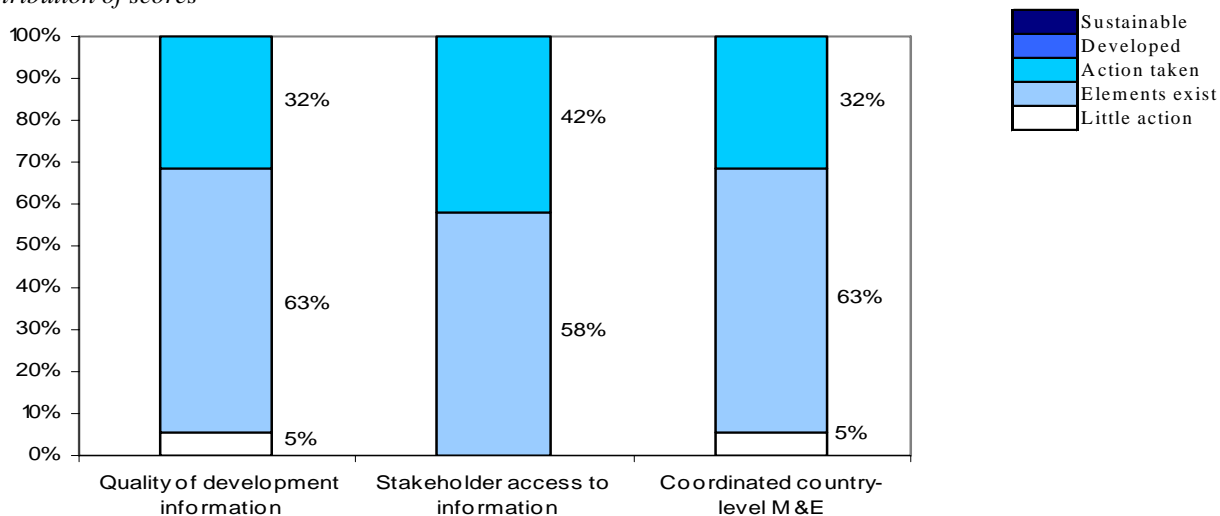
14. In the other 15 fragile states covered in this review, few or only preliminary efforts have been made to link national development strategy with the budget. National development strategies have not yet been sufficiently prioritized and fully costed and/or have not been linked to a medium-term fiscal framework, even in those countries where such a framework has been prepared. In some countries, objectives may have been prioritized but corresponding programs had not, creating a large gap to be bridged when constructing the budget. In some sectors within some of these countries, particularly the social sectors, policies have been costed and the budget tied to sectoral strategies with the active involvement of line ministries. In many of these countries, however, budget preparation is still concentrated in the Ministry of Finance with little involvement of line ministries.

B. Results-oriented frameworks

15. No fragile state meets any of the three criteria for having a largely developed results-oriented framework (Figure A4). Several of these states have taken action towards this end, however, particularly in providing access to development information.

Figure A4: Scores for results-oriented frameworks in countries with CPIA 3.2 or lower

Distribution of scores



Quality of development information

16. Six of the fragile states or 32 percent—Cambodia, The Gambia, Guinea, Haiti, Lao PDR, and Timor-Leste—stand out for the progress they have made in improving the quality of economic, social, and demographic information (Figure A4, Column 1). These countries are improving the timeliness and coverage of their economic and social surveys and censuses and the associated data analysis, even at the local level, though the comparability of data across time periods generally remains an issue. Cambodia and Lao PDR are implementing statistical master plans, and The Gambia’s efforts are guided by a capacity building plan to strengthen that country’s Central Statistics Department. Guinea and Haiti are preparing national statistical master plans. Their governments are seeking coordinated support for these plans and external partner coordination is improving. None of the plans, however, is fully funded.

17. Most of the other fragile states are making preliminary efforts to improve development information. Half of them—Afghanistan, Chad, Djibouti, Liberia, Republic of Congo, Sudan—have prepared a national statistical development strategy or statistical master plan, although implementation is still preliminary and is only fully funded in the Republic of Congo. The other countries in this group—Burundi, Central African Republic, Democratic Republic of Congo, Guinea Bissau, Sao Tome and Principe, and

Sierra Leone—are preparing such plans, and their increased attention to development statistics is already yielding some improvement.

18. Some recent survey data exist in each of the fragile states in the sample, but they are usually from household surveys with limited coverage. Census data are outdated. Inconsistency in survey methodology prohibits comparisons across years. Most of these countries have a central statistical institute. The exceptions are Djibouti and the Central African Republic, where statistical collection and analysis are led from a directorate of the ministry of finance. Political turmoil and conflict have inhibited the collection of data at the local level, particularly in Afghanistan, Burundi, Central African Republic, Democratic Republic of Congo, Guinea Bissau, Liberia, and Sudan.

19. In Cote d'Ivoire, the continued conflict has diverted priorities away from collecting and analyzing development information. As a result only intermittent attempts have been made to implement a national statistical development strategy that was prepared in 2003.

Stakeholder access to information

20. Eight fragile states—Afghanistan, Burundi, Cambodia, Chad, Democratic Republic of Congo, Guinea, Liberia, and Timor-Leste—have taken action to expand stakeholders' access to information (Figure A4, Column 2). In each of these countries, the government maintains websites with information on the national development strategy and the budget. Two countries—Afghanistan and Timor-Leste—stand out for posting detailed information on the national development strategy in English and in widely spoken local languages. Cambodia's National Strategic Development Plan is being translated into Khmer, which is spoken by 90 percent of the population. In Democratic Republic of Congo, the government has plans to translate the national development strategy into local languages. Media in these countries, particularly radio, play a large role in data dissemination, although the limited reach of the national broadcast signal is an issue in many cases. In Afghanistan, Guinea, and Democratic Republic of Congo, efforts are guided by a communication strategy, and in Burundi such a strategy is in preparation.

21. The other eleven fragile states covered by this review have made some preliminary efforts to broaden stakeholders' access to development information. Few maintain government-run websites showing the national development strategy and information on its implementation. Those that do, publish only the long-term vision and/or the national development strategy, without corresponding budget information. Many have sponsored media campaigns on the national development strategy, but usually only in the period around strategy formulation and often interrupted by political instability. The reach of the national broadcast signal is also an issue in many of these countries. Only four of these states—Central African Republic, Djibouti, the Republic of Congo, and Sao Tome and Principe—have a communication strategy.

Coordinated country-level monitoring and evaluation

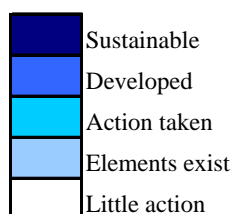
22. Six fragile states—Cambodia, Djibouti, Guinea, Lao PDR, Sierra Leone, and Timor-Leste—stand out for their efforts to develop a country-level M&E system (Figure A4 column 3). In three of them—Djibouti, Guinea, and Sierra Leone—sector-wide M&E systems in education and health, bolstered by support from global programs such as the Education for All Fast Track Initiative and the Health Metrics Network, are relatively strong, and in some cases these systems are shaping budgetary allocations and strategy refinements. Efforts to expand these systems to other sectors and build links to a central M&E system are still at an early stage. Cambodia, Lao PDR, and Timor-Leste have country-level M&E systems that provide some information on progress toward meeting national development strategy targets. These three countries have taken some steps to clarify the institutional arrangements for M&E, and are monitoring preliminary indicators for national reporting and reporting to external partners.

23. In 12 other fragile states, most of which are post-conflict or in political transition—Afghanistan, Burundi, Central African Republic, Chad, Democratic Republic of Congo, The Gambia, Guinea-Bissau, Haiti, Liberia, Republic of Congo, Sao Tome & Principe, and Sudan—the development of a country-level M&E system is at an earlier stage. Many of these fragile states have a history of almost exclusively project-level M&E, and have no sectoral M&E systems in line ministries on which to build. Intermediate indicators, where they exist, tend to focus on few sectors, and indicators of outcome rarely exist. External partners' support is often fragmented. None of these countries has an action plan for developing such a system. One of them, Central African Republic, explicitly seeks to establish, by 2015, a system that can monitor a comprehensive set of goals; in the meantime, it is focusing on meeting a narrow set of goals identified in its TRM. Many of these countries are plagued with unclear responsibilities across ministries for M&E, or—as in the Central African Republic, Republic of Congo, and Sudan—have only recently defined organizational structures and have not yet implemented them.

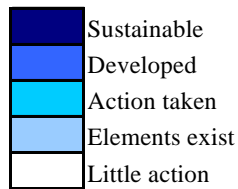
24. In Cote d'Ivoire the civil conflict has drained capacity, and efforts to establish a country-level M&E system have stalled.

Annex 6: Progress country-by-country

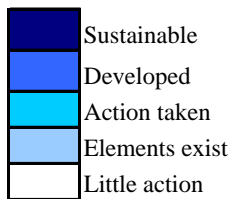
	Operational national development strategies					Results-oriented frameworks			
	Overall score	Unified strategic framework	Prioritization	Strategic link to the budget		Overall score	Quality of development information	Stakeholder access to information	Coordinated country-level M&E
Stronger policy and institutional frameworks									
Albania	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Armenia	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Dark Blue	Light Blue
Azerbaijan	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Dark Blue	Light Blue
Bangladesh	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Benin	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Bhutan	Light Blue	Dark Blue	Dark Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Bolivia	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Bosnia and Herzegovina	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Burkina Faso	Dark Blue	Dark Blue	Dark Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Cameroon	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Cape Verde	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Dominica	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Ethiopia	Dark Blue	Dark Blue	Dark Blue	Light Blue		Light Blue	Light Blue	Dark Blue	Light Blue
Georgia	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Ghana	Dark Blue	Dark Blue	Dark Blue	Light Blue		Light Blue	Light Blue	Dark Blue	Light Blue
Grenada	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Guyana	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Honduras	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Kenya	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Dark Blue	Light Blue
Kyrgyz Republic	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue
Lesotho	Light Blue	Light Blue	Light Blue	Light Blue		Light Blue	Light Blue	Light Blue	Light Blue



	Operational national development strategies					Results-oriented frameworks			
	Overall score	Unified strategic framework	Prioritization	Strategic link to the budget		Overall score	Quality of development information	Stakeholder access to information	Coordinated country-level M&E
Madagascar	Light Blue	Dark Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Malawi	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Mali	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Mauritania	Light Blue	Light Blue	Dark Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Moldova	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Dark Blue	Light Blue	Light Blue
Mongolia	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Mozambique	Light Blue	Light Blue	Dark Blue	Light Blue	White	Dark Blue	Dark Blue	Light Blue	Dark Blue
Nepal	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Dark Blue
Nicaragua	Light Blue	Dark Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Niger	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Nigeria	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Pakistan	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Rwanda	Dark Blue	Dark Blue	Dark Blue	Dark Blue	White	Light Blue	Light Blue	Dark Blue	Light Blue
Senegal	Light Blue	Light Blue	Dark Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Serbia	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Sri Lanka	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Tajikistan	Light Blue	Light Blue	Light Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Tanzania	Dark Blue	Dark Blue	Light Blue	Dark Blue	White	Dark Blue	Light Blue	Dark Blue	Dark Blue
Uganda	Dark Blue	Dark Blue	Dark Blue	Dark Blue	White	Dark Blue	Dark Blue	Dark Blue	Dark Blue
Vietnam	Dark Blue	Dark Blue	Dark Blue	Light Blue	White	Light Blue	Dark Blue	Light Blue	Light Blue
Yemen	Light Blue	Dark Blue	Dark Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	Light Blue
Zambia	Dark Blue	Dark Blue	Dark Blue	Dark Blue	White	Light Blue	Light Blue	Light Blue	Light Blue



	Operational national development strategies					Results-oriented frameworks			
	Overall score	Unified strategic framework	Prioritization	Strategic link to the budget		Overall score	Quality of development information	Stakeholder access to information	Coordinated country-level M&E
Fragile states									
Afghanistan									
Burundi									
Cambodia									
Central African Republic									
Chad									
Cote d'Ivoire									
Democratic Republic of Congo									
Djibouti									
Guinea									
Guinea-Bissau									
Haiti									
Lao PDR									
Liberia									
Republic of Congo									
Sao Tome and Principe									
Sierra Leone									
Sudan									
The Gambia									
Timor-Leste									



LEXICON OF POVERTY REDUCTION STRATEGIES AND TRANSITIONAL RESULTS MATRICES

- Afghanistan:** Interim Afghanistan National Development Strategy (I-ANDS)
- Albania:** National Strategy for Development and Integration (NSDI) (forthcoming)
- Armenia:** Poverty Reduction Strategy Paper (PRSP)
- Azerbaijan:** State Program on Poverty Reduction and Sustainable Development (SPPRSD) (forthcoming)
- Bangladesh:** Unlocking the Potential: National Strategy for Accelerated Poverty Reduction (PRSP)
- Benin:** *Document de Stratégie de Réduction de la Pauvreté II* (DSRP II)
- Bhutan:** Cover Note to the Ninth Plan Main Document (PRSP)
- Bolivia:** *Plan Nacional de Desarrollo* (PND)
- Bosnia and Herzegovina:** Medium Term Development Strategy (MTDS)
- Burkina Faso:** *Cadre Stratégique de Lutte contre la Pauvreté II* (CSLP II)
- Burundi:** *Cadre Stratégique de Croissance et de Lutte contre la Pauvreté* (CSLP)
- Cambodia:** National Strategic Development Plan (NSDP)
- Cameroon:** *Document de Stratégie de Réduction de la Pauvreté* (DSRP)
- Cape Verde:** *Documento de Estratégia de Crescimento e de Redução da Pobreza* (DECRP)
- Central African Republic:** *Cadre Stratégique de Lutte contre la Pauvreté* (CSLP) (forthcoming)
- Chad:** *Stratégie Nationale de Réduction de la Pauvreté* (SNRP)
- Congo, Democratic Republic of:** *Document de Stratégie de la Croissance et de la Réduction de la Pauvreté* (DSRP)
- Congo, Republic of:** *Document Intérimaire de Stratégie de Réduction de la Pauvreté* (DSRPI)
- Cote d'Ivoire:** Interim Poverty Reduction Strategy (IPRS)
- Djibouti:** *Document Stratégique de Réduction de la Pauvreté* (DSRP)
- Dominica:** Growth and Social Protection Strategy (GSPS)
- Ethiopia:** Plan for Accelerated and Sustained Development to End Poverty (PASDEP)
- Gambia, The:** Poverty Reduction Strategy Paper II (PRSP II)
- Georgia:** Economic Development and Poverty Reduction Program (EDPRP)
- Ghana:** Growth and Poverty Reduction Strategy (GPRS II)
- Grenada:** Poverty Eradication Strategy (PES)
- Guinea:** *Stratégie de Réduction de la Pauvreté* (SRP)
- Guinea-Bissau:** *Documento Estratégico Nacional de Apoio à Redução da Pobreza* (DENARP)
- Guyana:** Poverty Reduction Strategy Paper (PRSP)
- Haiti:** Interim Cooperation Framework (ICF)
- Honduras:** *Estrategia para la Reducción de la Pobreza* (ERP)
- Kenya:** Investment Programme for the Economic Recovery Strategy for Wealth and Employment Creation (IP-ERS)
- Kyrgyz Republic:** Country Development Strategy (CDS) (forthcoming)
- Lao PDR:** National Socio-Economic Development Plan (NSEDPP)
- Lesotho:** Poverty Reduction Strategy (PRS)
- Liberia:** Interim Poverty Reduction Strategy (IPRS)
- Madagascar:** Madagascar Action Plan (MAP)
- Malawi:** Malawi Growth and Development Strategy (MGDS)
- Mali:** *Cadre Stratégique de Croissance et de Réduction de la Pauvreté* (CSCR) (forthcoming)
- Mauritania:** *Cadre Stratégique de Lutte contre la Pauvreté II* (CSLP II)
- Moldova:** Economic Growth and Poverty Reduction Strategy Paper (EGPRSP)
- Mongolia:** Economic Growth Support and Poverty Reduction Strategy (EGSPRS)
- Mozambique:** *Plano de Acção para a Redução da Pobreza Absoluta II* (PARPA II)
- Nepal:** Tenth Plan (PRSP)
- Nicaragua:** *Plan Nacional de Desarrollo* (PND)
- Niger:** Poverty Reduction Strategy (PRS)
- Nigeria:** National Economic Empowerment and Development Strategy (NEEDS)
- Pakistan:** Accelerating Economic Growth and Reducing Poverty: The Road Ahead (PRSP)
- Rwanda:** Economic Development and Poverty Reduction Strategy (EDPRS)
- Sao Tome and Principe:** *Estratégia nacional de redução da pobreza* (NPRS)
- Senegal:** *Document de Stratégie de Réduction de la Pauvreté 2* (DSRP2)
- Serbia:** Poverty Reduction Strategy Paper for Serbia (PRSP)
- Sierra Leone:** National Programme for Food Security, Job Creation and Good Governance (PRSP)
- Sri Lanka:** Ten Year Horizon Development Framework (DF) (forthcoming)
- Sudan:** Framework for Sustained Peace, Development and Poverty Eradication
- Tajikistan:** Poverty Reduction Strategy 2 (PRS2)
- Tanzania:** National Strategy for Growth and Reduction of Poverty (MKUKUTA)
- Timor-Leste:** National Development Plan (NDP)
- Uganda:** Poverty Eradication Action Plan (PEAP)
- Vietnam:** Socio Economic Development Plan (SEDP)
- Yemen:** Third Five-year Socioeconomic Development Plan (SEDP)
- Zambia:** Fifth National Development Plan (FNDP)