



Mainstreaming Managing for Development Results (MfDR) In Support of Poverty Reduction in South Asia

Discussion Paper

Overview of the RETA Pilot Organizations

RETA 6306 Regional Forum on
Mainstreaming Managing for Development Results (MfDR)

13-14 November 2007, Bangkok

Nepal : MoPPW

Overview.

The Ministry of Physical Planning and Works (MOPPW) was created during the restructuring of the Government in 2000 with the intention of bringing all major infrastructure work under one umbrella. The MOPPW is responsible for three major sectors: (i) national strategic transport network, particularly road network, (ii) water supply and sanitation, and (iii) urban development and housing. There are three departments (i) Department of Roads (DOR), (ii) Department of Water Supply and Sanitation (DWSS), and (iii) Department of Urban Development and Building Construction (DUDBC) under the MOPPW. It also has a network of 4 boards, 5 corporations, and 4 committees assisting it to carry out its mandates. Within the central level Ministry, there are six divisions—three responsible for the three sectors, administrative division, foreign aid and quality standards division, and planning, monitoring and evaluation division—and a legal consultancy section directly under the Secretary. A Joint Secretary heads the divisions which are further divided into 13 sections headed by Under Secretaries. The MOPPW is currently staffed with 43 professional and 96 support staff.

Performance Gaps

In Nepal, outputs and outcomes have been defined at the sectoral level in the Poverty Reduction Strategy Paper (PRSP) which is also the nation's tenth five-year development plan (Tenth Plan). All annual plans of the sectoral ministries are aligned to the results framework of the PRSP. The performance evaluation below is based on the sector results framework for the above sectors.

A. Water Supply and Sanitation Sector

Outcome	Intermediate Indicators	Tenth Plan Target	Baseline (FY2002)	Achievement (FY2007)	Performance Gap
1. Increased/improved access to sustainable basic water supply services in rural areas	Proportion of population with access to basic water supply services	85%	71.6%	80.4%	4.6%
2. Basic sanitation facilities in rural and urban areas expanded and improved	Proportion of households with access to sanitation facilities	50%	20%	46.3%	3.7%
3. Improved access and upgrading of basic water supply services in urban and semi-urban areas through involvement of private sector and/or local bodies	Not specified	Providing medium to high water supply service levels to 8% of population	Not available	Not available	Not available

Source: Tenth Plan document and PRSP Review reports.

B. Roads Sector

Outcome	Intermediate Indicators	Tenth Plan Target	Baseline (FY2002)	Achievement (FY2007)	Performance Gap
1. Road transport sector developed and managed in cost effective way to support socioeconomic development	Number of district HQs connected by road	70	60	61	9
	Km Length of additional road constructed	1,025	N/A	1,337	None

Source: Tenth Plan document and PRSP Review reports.

C. Urban Development and Housing Sector

In the urban development and housing sector, the Tenth Plan provides a results framework but the subsequent poverty monitoring and analysis system (PMAS) framework document fails to include the sector in the revised results framework. No key poverty monitoring indicators against which the progress on Tenth Plan implementation is thus reported for the urban development and housing sector. The urban development and housing sector is overshadowed by the other two large sectors under the MOPPW.

Summary of Readiness Assessments

An eight category diagnosis was carried out to identify the causes for the performance gaps. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 1). A higher rating indicates a more severe impact on performance. A summary of the findings of the assessment are:

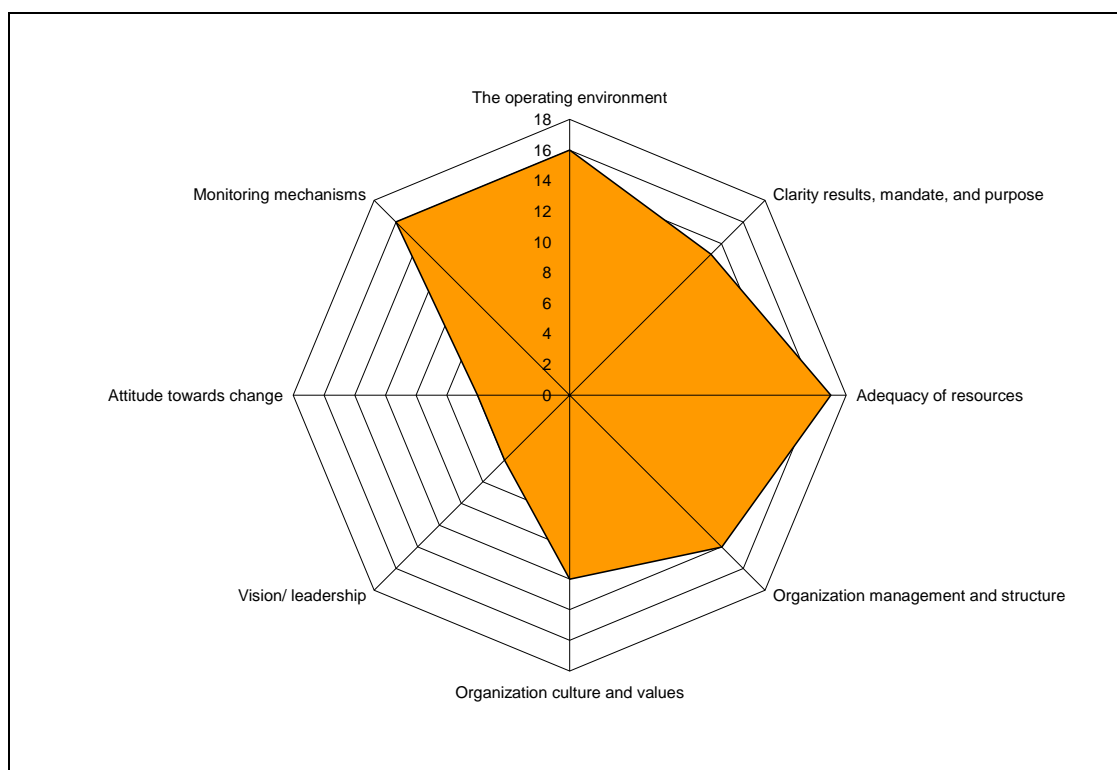
- Resource constraint is perceived to be the biggest obstacle to results-orientation and delivery of results. Particularly for M&E activities & organizational development initiatives.
- The restrictive operating environment is also a major constraint to delivering results and organizational change. The insurgency severely hampered project implementation until recently. However even with the peace brokering, the political instability in the nation is still a serious constraint, especially in certain parts of the nation. Overall public sector reforms with results and performance orientation need to be accelerated and institutionalized.
- M&E system of the MOPPW is generally weak, with poor communication networks with its subordinates.
- Organizational structure is comparatively better aligned to deliver results. However, procedure driven system is still a constraint.
- Organizational mandates are generally clear. However, organizational results are not defined. Only sectoral results framework exists.
- Implementer rather than facilitator mentality and culture still persists—constraining private sector involvement in infrastructure development despites enactment of BOT Act.
- Vision and leadership for organizational change is generally strong at the at the middle and senior management levels. But political support is lacking to bring about real changes.

- Attitude towards change is fairly positive throughout the organization.

Assessment Categories for MOPPW

Please see the document *Assisting the Implementation of MfDR in Government Organizations* for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 1: Mapping of the Ratings of the Readiness



Summary of Implementation Plan

A senior management retreat was organized in February 2007 to discuss on the findings of the readiness assessment of the pilot organizations and chart an action plan for implementing pilot initiatives to promote MfDR in the four pilot organizations under RETA-6306 in Nepal.* In the MOPPW, pilot initiatives were agreed on (i) clarifying the *organizational* results, (ii) building capacity of MOPPW staff on the principles and concepts of MfDR and its application, and (iii) developing an MIS to improve communication and information management. A total of USD 81,800 has been allocated for activities specific to the MOPPW. The implementation plan is created with the intent to facilitate organizational change in the MOPPW.

Current Position and Impacts of Plan

- Organizational results chain specifying the results of the MOPPW with linkages to the sectoral results chain has been developed.

* The four pilot organizations are: Ministry of Physical Planning and Works, Ministry of Education and Sports, Department of Water Supply and Sanitation, and District Development Committee—Dhanusha.

- Task force of 7 officials from the MOPPW benefited from on-the-job training on developing the results chain and constructing a logframe with monitoring indicators and assumptions and risks.
- The task force has been converted into the change management team and will work as MfDR resource persons at the MOPPW to guide other staff on the application of MfDR principles and concepts in their day-to-day tasks. This will lay the foundation for developing core processes and key performance indicators which can be used to evaluate the performance of the units and individual staff.
- Other capacity building initiatives included a study tour to Malaysia to see a real life practice of results based management in the public sector. Eleven national trainers and 2 national RETA consultants from Nepal have undertaken an MfDR training-of-trainers program and are currently engaged in developing a customized MfDR training course for Nepal which will be used to train additional government staff. Additional 30 staff of MOPPW will be provided training on MfDR in December. The Nepal Administrative Staff College which is in charge of providing regular training to government officials is taking the lead in developing the course and it is expected that the course will be institutionalized as a compulsory training program for government officials.
- With regards to the development of an MIS to improve communications and information management in the MOPPW, the RETA has supported the establishment of internet and local area networking within the MOPPW. Similarly, a study was conducted to assess the systems and processes needed for improving M&E, information management, and feedback. Based on the study, a web-based electronic monitoring & evaluation system—which will become one of the components of an overall MIS—is under development. Given the short duration of RETA-6306, the system will only be piloted to cover the water supply and sanitation sector. With an improved M&E system and communication systems in place, the planning and M&E capacity of the MOPPW will be significantly improved.

Future Developments

Support in the following areas is required to sustain this effort at the MOPPW and mainstream efforts throughout the government:

- Development of organizational results chain of all the departments and agencies under the MOPPW with clear linkages between organizational and sectoral results frameworks. This needs to be done throughout the Nepalese public sector. Restructuring needs and coordination mechanisms will become clear once this is done.
- Extension of the electronic M&E system (based on current paper-based implementation monitoring framework) needs to be expanded to all the sectors under the MOPPW. From the experiences gained from piloting it in the MOPPW, the system needs to eventually become mainstreamed throughout the government linking up with the financial monitoring system currently institutionalized under the able guidance of the Financial Comptroller General's Office.
- Continuation of MfDR training program utilizing course developed under RETA-6306 (customized version and online version). Given the resource constraint of the government, external assistance will be needed to support training of government officials. Components of study tours need to be incorporated with the in-country training to demonstrate real life practices of MfDR.

- Reward and punishment need to be aligned with performance and delivery of results and not for following or not following rules. Accountability is currently based on compliance with procedures and not on delivering results. This needs to change. This is an area of public sector reform which will affect not only the MOPPW but the whole of government. But it is also related to a change in mindset. Thus support will be required to foster a change in mindset. Exposure to best practices and values/cultures will accelerate a change of mindset.
- Not enough attention is given to improving the working environment in the Nepalese bureaucracy given the resource constraints it is faced with. But working in dreadful conditions no doubt hampers performance. It is proposed that support be directed towards improving the working environment of the Nepalese government offices. Equally neglected is M&E/supervision activities. Adequate resources need to be provided to carry out M&E activities by higher up agencies like the Ministry to cross-check and verify data being sent by the divisional/ district offices.
- Similarly, despite impact analysis being one of the core components of the Poverty Monitoring and Evaluation System (PMAS), very few impact studies (policy, program, project impacts) have been conducted to date due to lack of resources. Support is needed to fund impact studies. Particularly policy impacts.

Nepal: MOES

Overview

The Ministry of Education and Sports (MOES) in Nepal is responsible for the overall education sector including pre-primary, primary, lower secondary, secondary, higher secondary, and higher education; non-formal education; technical and vocational education and sports and scouts. Key responsibilities of the MOES are (i) formulation of sectoral plans and implementation, (ii) regulation, (iii) facilitative functions of the nongovernmental sector, (iv) coordination within and outside the ministry, and (v) monitoring and evaluation (M&E).

The Ministry as a unit comprises four divisions, each headed by a Joint Secretary, and sections within the four divisions headed by an Under Secretary. In addition there are also specific units such as the change management unit which are directly under the supervision of the Secretary.

Performance Gaps

In Nepal, outputs and outcomes have been defined at the sectoral level in the Poverty Reduction Strategy Paper (PRSP) which is also the nation's tenth five-year development plan (Tenth Plan). All annual plans of the sectoral ministries are aligned to the results framework of the PRSP. The performance evaluation below is based on the sector results framework for the above sectors.

Table 1. Key Achievements in the Education Sector
(FY2002 – FY2006)[†]

Outcome	Intermediate Indicators	Tenth Plan Target	Baseline (FY2002)	Achievement (FY2006)	Performance Gap
1. Improved access to education	Net enrollment rate	90%	81.1%	87%	3%
2. Increased quality of education	Percentage of pupils completing primary education	NA	60%	78%	NA
	Trained primary school teachers	100%	15%	45%	55%
	Trained secondary school teachers	100%	46.2%	65%	35%
3. Increased adult literacy (15 years+)	Adult literacy rate	63%	44%	48%	15%
4. Increased female adult literacy	Adult female literacy rate	55%	NA	33.8%	21.2%
5. Increased enrollment of girls	% girls in primary school	47%	NA	47.6%	Target met

Source: Tenth Plan document and PRSP Review reports. Note: Only some indicators have been presented here.

[†] Data for the last year of the Tenth Plan FY2007 was not available as of writing this report.

Summary of Readiness Assessment

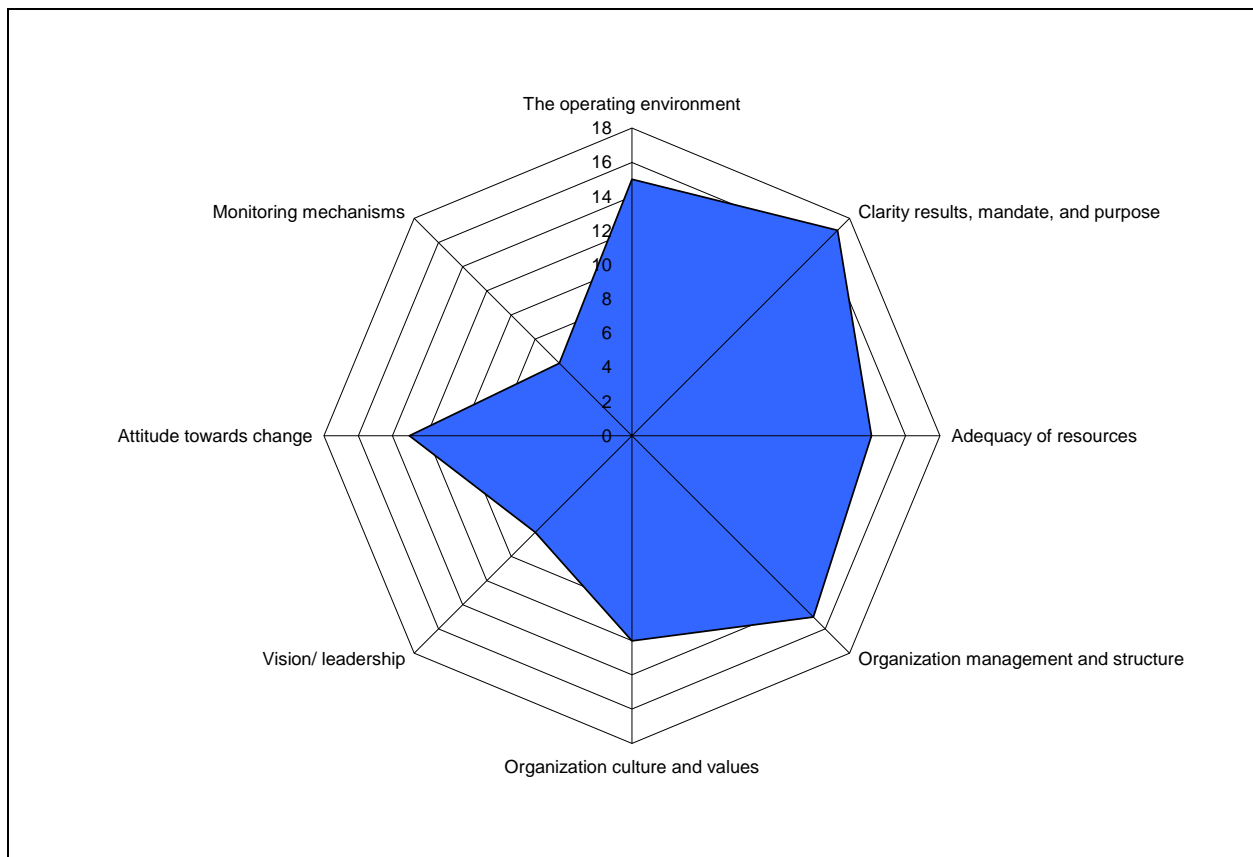
An eight category diagnosis was carried out to identify the causes for the performance gaps. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 1). A higher rating indicates a more severe impact on performance. A summary of the findings of the assessment are:

- Even though most staff, specially the senior level staff, are clear on sectoral results the ministry is expected to deliver, there exists an absence of clarity of individual organizational share of specified outputs and outcomes specified by the PRSP for the sector. This needs to be clarified by developing organizational results regarding directly related results and indirect influence scope and approach. Similarly, the mandate given to MOES by the Government of Nepal (Work Division) Regulations is very generic. Revision of the mandate is recommended so that it is made more specific for both MOES and its autonomous organizations. The ministry lacks an organizational level strategy driven by EFA for the school system, which would also address outcomes pertaining to the higher educational level. Similarly, as the nation moves towards a decentralized system of governance, MOES and its department's strategies need to be revisited and revised to cater to current changes and demands.
- A national results framework supported by PRSP has helped develop a favorable external environment for MOES. Furthermore, other relevant systems such as MTEF, PMAS and government selection of MOES, as one of the ministries to pilot the recently introduced performance-based incentive system have garnered support in this regard. On the other hand, Political interference and politicization of the education sector are major constraints.
- Although the MOES piloted a performance-based evaluation system for district education officers last year it had mixed results. There is need for further encouraging and strengthening this effort. All in all the systems are still very procedure oriented which restricts results-orientation.
- Resource constraint is not the biggest problem in education sector. However, standards of public schools/colleges are far below that of private ones and inadequate resources can be attributed as a major constraint for the inequality.
- Attitude towards change is found to have a higher rating than in the other pilot organizations. Perhaps this is because the MOES is ahead in technical aspects such as establishing an MIS and so the focus is now shifted to the resistance to change.
- The organizational culture within the Nepalese public administration in general does not facilitate performance-based management systems. Resistance to change can be seen in the MOES.
- As for leadership, there is high degree of “vision” at the highest level of the government and also at the organizational level in the MOES which is guided by medium and long term plans. However, frequent changes in government and bureaucracy are a hindrance to bringing such visions to manifest.
- An education sector MIS is in place. Data authenticity and reliability need to be strengthened. EMIS needs to be extended to all sub-sectors of education

Categories for MOES

Please see the document *Assisting the Implementation of MfDR in Government Organizations* for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 2: Mapping of the Ratings of the Readiness Assessment



Summary of the Implementation Plan

A senior management retreat was organized in February 2007 to discuss on the findings of the readiness assessment of the pilot organizations and chart an action plan for implementing pilot initiatives to promote MfDR in the four pilot organizations under RETA-6306 in Nepal.[‡] In the MOES, pilot initiatives were agreed on (i) clarifying the *organizational* results, (ii) strengthening the recently introduced performance evaluation system, (iii) strengthening project quality-at-entry, and (iv) strengthening the change management unit established under the Governance Reform Program. A total of USD 46,450 has been allocated for activities specific to the MOES. The implementation plan is created with the intent to facilitate organizational change in the MOES.

[‡] The four pilot organizations are: Ministry of Physical Planning and Works, Ministry of Education and Sports, Department of Water Supply and Sanitation, and District Development Committee—Dhanusha.

Current Position and Impacts of the Plan

- Organizational results chain specifying the results of the MOES with linkages to the sectoral results chain has been developed.
- Task force of 9 officials from the MOES, including staff from the change management unit benefited from on-the-job training on developing the results chain and constructing a logframe with monitoring indicators and assumptions and risks. This will lay the foundation for developing core processes and key performance indicators which can be used to evaluate the performance of the units and individual staff.
- Other capacity building initiatives included a study tour to Malaysia to see a real life practice of results based management in the public sector. Eleven national trainers and 2 national RETA consultants from Nepal have undertaken an MfDR training-of-trainers program and are currently engaged in developing a customized MfDR training course for Nepal which will be used to train additional government staff. Additional 30 staff of MOES will be provided training on MfDR in December. The Nepal Administrative Staff College which is in charge of providing regular training to government officials is taking the lead in developing the course and it is expected that the course will be institutionalized as a compulsory training program for government officials.
- A study is being conducted to develop a framework for conducting performance-based evaluations of the heads of the divisions and sections and major units within the MOES. This is expected to lay the foundation for performance-based incentives and drive the organization towards results-orientation.
- Efforts are also underway to develop a framework for project screening or ensuring quality-at-entry. This is expected to lead to high level programs/ projects which will have maximum impacts on achieving the millennium development goals and targets of education for all (EFA) program which is the driving strategy of the MOES.

Future Developments

Support in the following areas is required to sustain this effort at the MOES and mainstream efforts throughout the government:

- Development of organizational results chain of all the departments and agencies under the MOES with clear linkages between organizational and sectoral results frameworks. This needs to be done throughout the Nepalese public sector. Restructuring needs and coordination mechanisms will become clear once this is done.
- Extension of the Education Management Information System (EMIS) to cover all the sub-sectors of education—higher education, non-formal education, technical and vocational training etc.
- Continuation of MfDR training program utilizing course developed under RETA-6306 (customized version and online version). Given the resource constraint of the government, external assistance will be needed to support training of government officials. Components of study tours need to be incorporated with the in-country training to demonstrate real life practices of MfDR.
- Continued support is needed to mainstream the performance-based evaluation system being introduced in the MOES and to align this to performance-incentive schemes. The Civil Service Act (2006) has provisions for performance-incentives but it has not become operationalized at the organizational level. Support is needed to see this through.

Nepal : DWSS

Overview

The Department of Water Supply and Sewerage (DWSS) is a department under the Ministry of Physical Planning and Works (MOPPW) created to implement the policies and programs of the government in the water supply and sanitation (WSS) sector. The department is working towards achieving the sector objective of “improving public health and increasing productivity by supplying drinking water and sanitation services in a sustainable manner,” and seeks to achieve universal water supply and sanitation in the nation by 2017.

The central directorate of the DWSS is located in Kathmandu under a Director General who is supported by two Deputy Director Generals. There are ten technical sections in addition to the accounts and administration sections.

In line with the government’s Decentralization Policy (2001) the DWSS is to gradually phase out direct implementation of rural WSS schemes and hand over ownership (operation and maintenance) to the local bodies. It is to function as a facilitator, providing technical assistance through its divisional/sub-divisional offices for the implementation of rural WSS schemes until the District Development Committees (DDCs) become capable and set up their own sectoral sections. As per the National Rural Water Supply and Sanitation Policy (2004) the new mandate of the DWSS will be limited to:

- Formulation of sectoral policies;
- Coordination between inter-sectoral and intra-sectoral programs;
- Development of technical assistance and training mechanisms;
- Preparation of manuals and technical guidelines;
- Creation of database based on geographical information system (GIS) on rural WSS and updating it;
- Assisting DDCs prepare district profiles;
- Conducting sectoral research activities;
- Assisting donor communities with project preparation;
- Designing, implementing and monitoring schemes implemented in urban and semi-urban areas on the basis of cost-recovery principle;
- Establishing and maintaining research and laboratory testing facilities to monitor water quality and functioning of schemes;
- Providing technical and managerial support for large scale, technically complex WSS schemes, sewerage construction for wastewater management, and projects dealing with quality enhancement.

Performance Gaps

The DWSS targeted increasing access to basic water supply services to at least 2.7 million additional beneficiaries during the tenth plan period (by end of FY2007). The annual target was approximately 600,000 additional beneficiaries per year. The target for the first year was half of that, considering the time it would take to secure the needed resources to achieve the targets.

A review of the performance for the first four years of the plan period (FY2003 – FY2006) indicates that the actual achievement of the DWSS was far lower than its targets (table 2). Average performance for the first four years stands at 27% of the target.

Table 2. Department of Water Supply and Sewerage Targets and Achievements

Fiscal Year	Additional Population Served with Basic Water Supply Service		
	DWSS Target	Actual Achievement	Percentage of Target
FY2003	300,000	124,000	41%
FY2004	600,000	119,000	20%
FY2005	600,000	124,000	21%
FY2006	600,000	200,000	33%
FY2007	600,000	N/A	N/A
Total	2,700,000		
<i>Average (4 years)</i>	<i>2,100,000</i>	<i>567,000</i>	<i>27%</i>

Source: Department of Water Supply and Sewerage

Summary of Readiness Assessment

An eight category diagnosis was carried out to identify the causes for the performance gaps. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 1). A higher rating indicates a more severe impact on performance. A summary of the findings of the assessment are:

The biggest constraint to targeted results delivery is perceived to be the weak monitoring and evaluation (M&E) system of the DWSS and the sector in general. Under the existing M&E system there is no mechanism to take into account water supply schemes which have become dysfunctional over the years and schemes built by smaller nongovernmental organizations and others are also not accounted for. Recently the DWSS has launched the national management information project (NMIP) which conducted a nationwide survey of the existing water supply schemes and sanitation conditions. However, the challenge remains to keep this database updated.

The second most constraining factor for results-orientation is the operating environment—factors which affect the organization but which are outside the control of the organization. The volatile political situation of the nation, lack of incentives for performance delivery, low salary of the civil servants are all debilitating results-orientation.

Clarity of results, mandate and purpose also remains a problem. The decentralization policy of the government has transferred the responsibility of implementation of rural WSS to the local bodies, and alternate institutional setups to implement rural WSS projects exist at the national level. However, the capacity of the local bodies is very weak and the DWSS is still held accountable for the entire sector, especially for maintenance of systems.

During the initial years of the Tenth Plan, the DWSS faced severe resource constraints to deliver the targeted results. This explains the big gap in performance. However, this situation has improved. But since the DWSS is heavily dependent on external assistance to implement

projects, the donor community plays a crucial role in ensuring adequacy of resources to deliver the targeted results in the WSS sector.

The organizational culture throughout the Nepalese bureaucracy is not very encouraging. Strict hierarchical structures and systems which places emphasis on centralized command and control systems, lack of incentives for delivering results, and procedure-oriented systems do not support a results-oriented culture, although it is better in the DWSS.

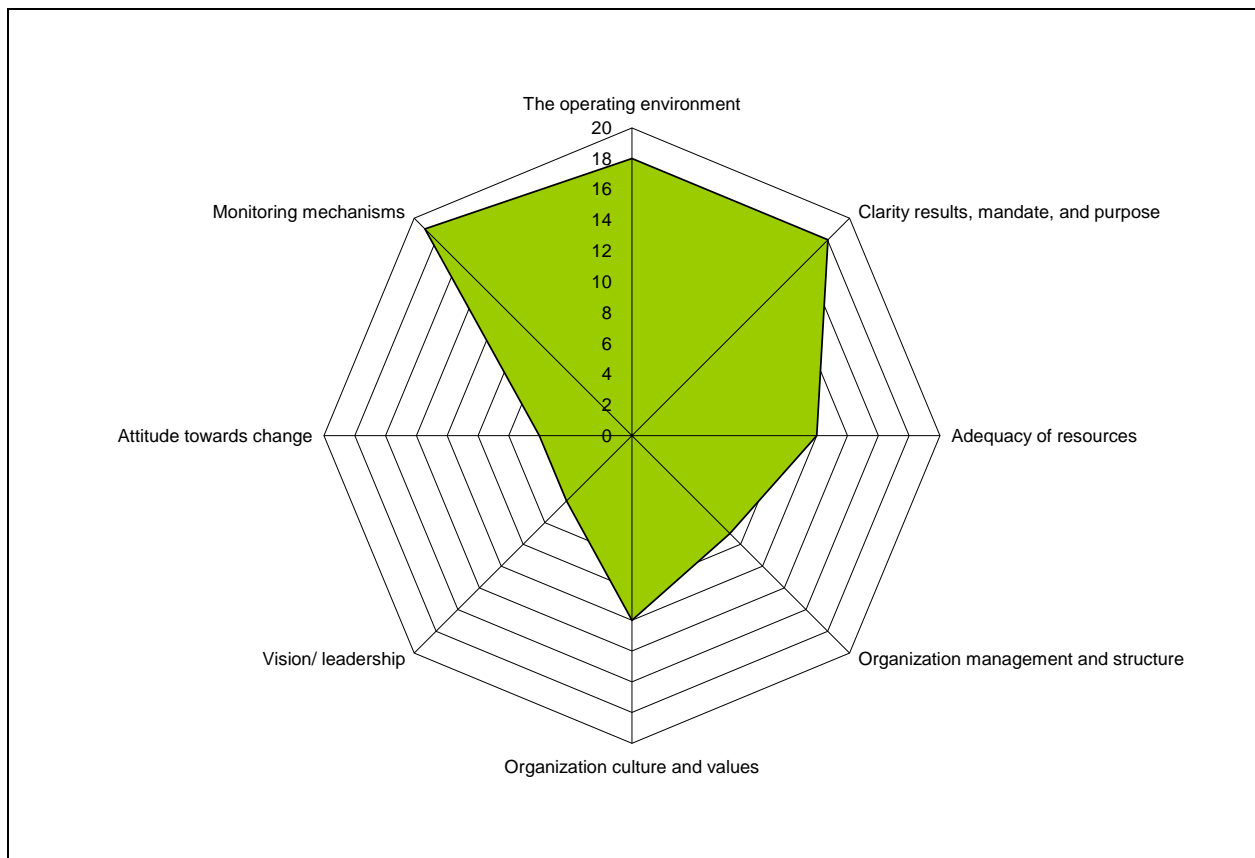
Organizational structure is comparatively better aligned to deliver results. However, procedure driven system is still a constraint.

Vision and leadership for organizational change is very strong at the at the middle and senior management levels. But political support is lacking to bring about real changes.

Attitude towards change is fairly positive throughout the organization.

Figure 3: Mapping of the Ratings of the Readiness Assessment Categories for DWSS

Please see the document Assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.



Summary of the Implementation Plan

A senior management retreat was organized in February 2007 to discuss on the findings of the readiness assessment of the pilot organizations and chart an action plan for implementing pilot initiatives to promote MfDR in the four pilot organizations under RETA-6306 in Nepal.[§] In the DWSS, pilot initiatives were agreed on (i) clarifying the *organizational* results, (ii) building capacity of DWSS staff on the principles and concepts of MfDR and its application, and (iii) establishing a geographical information system (GIS) unit and developing a GIS-based database of the WSS sector building on the work of the national management information project (NMIP) to improve communication and information management. A total of USD 65,450 has been allocated for activities specific to the DWSS. The implementation plan is created with the intent to facilitate organizational change in the DWSS and a change management plan has also been developed to manage the capacity development plan of the DWSS.

Current Position and Impacts of the Plan

- Organizational results chain specifying the results of the DWSS with linkages to the sectoral results chain has been developed.
- Task force of 7 officials from the DWSS led by the two Deputy Director Generals benefited from on-the-job training on developing the results chain and constructing a logframe with monitoring indicators and assumptions and risks. The active participation of the DDGs was very encouraging and contributed a lot to the change management process.
- The task force has been converted into the change management team and will work as MfDR resource persons at the DWSS to guide other staff on the application of MfDR principles and concepts in their day-to-day tasks. This will lay the foundation for developing core processes and key performance indicators which can be used to evaluate the performance of the units and individual staff.
- Other capacity building initiatives included a study tour to Malaysia to see a real life practice of results based management in the public sector. Eleven national trainers and 2 national RETA consultants from Nepal have undertaken an MfDR training-of-trainers program and are currently engaged in developing a customized MfDR training course for Nepal which will be used to train additional government staff. Additional 30 staff of DWSS will be provided training on MfDR in December. The Nepal Administrative Staff College which is in charge of providing regular training to government officials is taking the lead in developing the course and it is expected that the course will be institutionalized as a compulsory training program for government officials.
- RETA-6306 is providing support for the establishment of a GIS unit and development of the GIS-based WSS database to improve communications and information management in the DWSS. Once a prototype of the database is developed efforts will be made to improve stakeholder coordination for effective M&E and planning. However, given the short duration of RETA-6306, prospects remain to extent other GIS applications for conducting spatial analysis and 3D projection of data for better planning and M&E.

[§] The four pilot organizations are: Ministry of Physical Planning and Works, Ministry of Education and Sports, Department of Water Supply and Sanitation, and District Development Committee—Dhanusha.

Future Developments

Support in the following areas is required to sustain this effort at the MOPPW and mainstream efforts throughout the government:

- Development of organizational results chain of the Regional Supervision and Monitoring Office and divisional/sub divisional offices of the DWSS with clear linkages between organizational and sectoral results frameworks will improve results-orientation and project implementation. Restructuring needs and coordination mechanisms will also become clear once this is done.
- Further strengthening of the GIS unit and extension of other GIS-based applications need to be developed for better coordination among the sector stakeholders leading to better planning. Currently GIS-based work is scattered in various sub-sectors and projects. All GIS work needs to be consolidated under the GIS unit.
- Better coordination and communication mechanisms need to be developed. The DWSS has developed a proposal for remote access communication system which intends to develop electronic linkages down to the divisional/ sub-divisional level. Financial support is sought for this initiative estimated to cost around US\$ 48,000.
- Continuation of MfDR training program utilizing course developed under RETA-6306 (customized version and online version). Given the resource constraint of the government, external assistance will be needed to support training of government officials. Components of study tours need to be incorporated with the in-country training to demonstrate real life practices of MfDR.
- Reward and punishment need to be aligned with performance and delivery of results and not for following or not following rules. Accountability is currently based on compliance with procedures and not on delivering results. This needs to change. This is an area of public sector reform which will affect not only the DWSS but the whole of government. But it is also related to a change in mindset. Thus support will be required to foster a change in mindset. Exposure to best practices and values/cultures will accelerate a change of mindset.
- Support is needed for R&D.
- So far the emphasis has been on increasing access to basic water supply services. Now the focus needs to shift to upgrading services to medium and high service levels.
- Water quality testing facilities also need to be enhanced. Support is needed to enhance the capacity of the water quality testing laboratory.
- As the nation moves towards decentralized governance, the DWSS needs to support the capacity building of the local bodies and water users groups. Intensive training initiatives need to receive priority in the coming years. Donor support will be crucial for availing needed resources for such work.

Nepal : Dhanusha-DDC

Overview

The concept of decentralization and participatory development has a long history in Nepal. A significant process of decentralization was initiated with the enactment of the Decentralization Act in 1982 and the adoption of relevant regulations in 1984. These legal frameworks forwarded the process of de-concentration of functional responsibilities to the district level of governance. After the restoration of multiparty democracy in 1990, the new Constitution of the Kingdom of Nepal envisioned decentralization as a fundamental element of democracy. The Interim Constitution of Nepal (2007) continues provisions for local self governance on the principles of decentralization and devolution of power.

The Local Self Governance Act (LSGA) enacted in 1999 provides a comprehensive framework for decentralized governance in Nepal. As per the LSGA, a District Development Committee shall be formed as an executive body of the District Council in each of the district development areas (district) delineated under the Local Administration Act (1971).^{**} Since local elections have not been held since 2002, the local bodies of the nation have been void of elected representatives since then.^{††} Thus, the DDC offices are currently headed by a Local Development Officer deputed by the Ministry of Local Development.

As the executive body of the District Council the DDC implements the decision and directives of the District Council in matters related to (i) district level policy and planning, (ii) program/project implementation, (iii) monitoring and evaluation (M&E), and (iv) administration of local taxes, fees, and tariffs.

Performance Gaps

As mentioned above, the inability to hold local elections since 2002 has had a devastating effect on the empowerment of local bodies and local self governance initiatives as envisioned by the LSGA. Table 1 below presents an overview of the expected functions and outputs of the DDC and their status.

Table 3: Expected Outputs of DDCs and Status of Achievement of Dhanusha-DDC

Major Outputs Specified as per LSGA and Other Directives	Present Status	Remark
Five-year District Periodic Plan formulated for effective district level programming	Only approach paper developed	Inadequate budget
District resource map prepared for local resource generation	Yet to be prepared	Lack of adequate political awareness to approve budget

^{**} There are currently 75 districts in Nepal.

^{††} Article 139 (2) of the Interim Constitution of Nepal (2007) stipulates constitution of interim local bodies at the district, village, and municipality level as per the agreement reached among the eight party alliance on 7 November 2006. However this has not materialized as of writing this report.

Major Outputs Specified as per LSGA and Other Directives	Present Status	Remark
Supervision and monitoring committees/ sub-committees established to ensure proper resource mobilization and implementation of district programs/ projects	Committees specified by LSGA and regulations not yet operationalized	District council not in place to pass resolutions
District programs/ projects implemented successfully	Programs/ projects implemented with the DDC's own resources are very limited due to resource constraints (human and financial)	Duplication of efforts due to ineffective coordination and planning mechanisms
Participatory planning, implementation, and M&E promoted	Limited mainly to implementation of programs/ projects through users' committees	Political instability, noncompliance by many NGOs and weak institutional capacity
District information and Documentation Centre (DIDC) established and strengthened for effective district coordination, planning and M&E	DIDC established but has virtually no capacity or resources. Only input-output monitoring of DDC programs being carried out	Inadequate resources to strengthen DIDC and make it capable to carry out its mandate
Internal structure of DDCs aligned for effective management/ delivery of functions	Organizational restructuring done recently to align to functions	Weak human and physical resources. District Council not in place for passing resolutions.

Source: Readiness Assessment of District Development Committee-Dhanusha.

Summary of Readiness Assessment

An eight category diagnosis was carried out to identify the causes for the performance gaps. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 1). A higher rating indicates a more severe impact on performance. A summary of the findings of the assessment are:

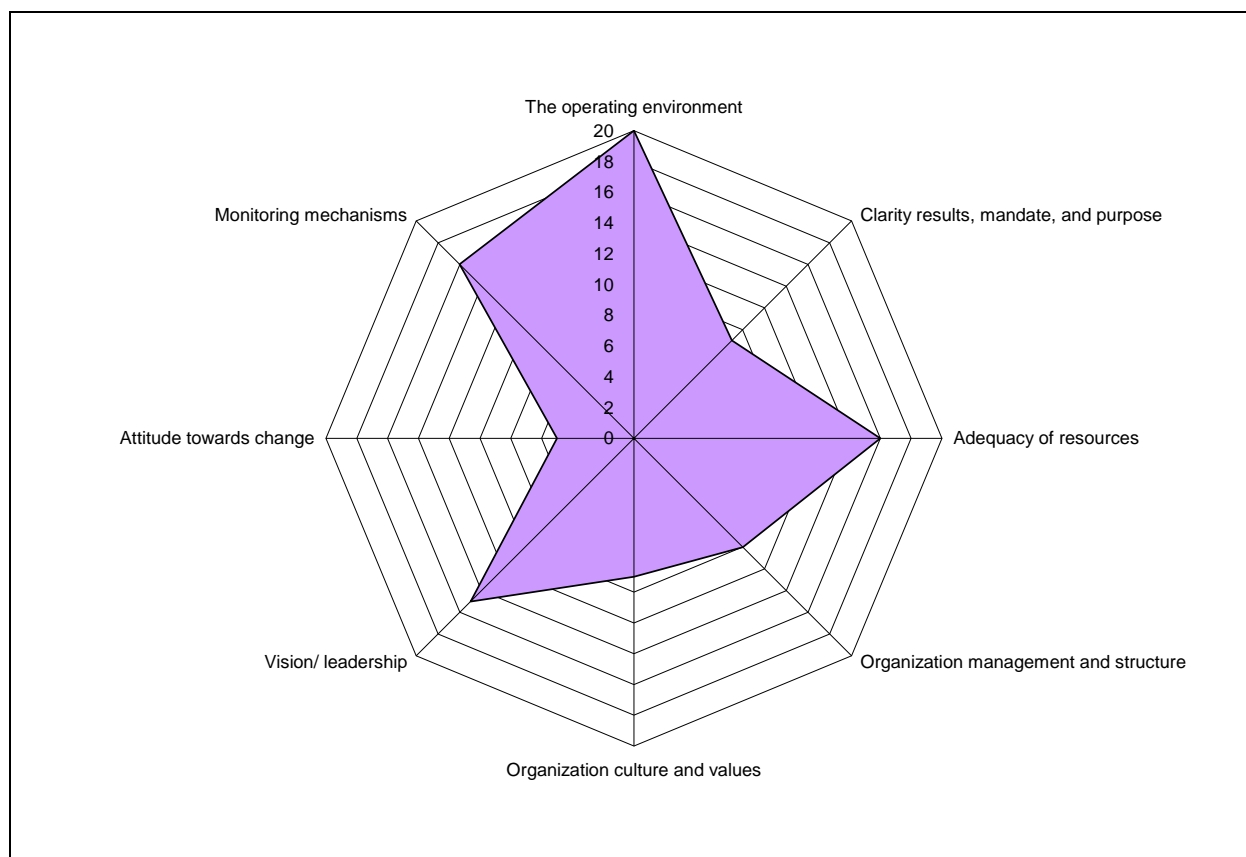
- The operating environment is the biggest constraint. Absence of elected representatives in the District Council has virtually halted the decentralization drive as all resolutions pertaining to the DDC needs to be approved by the Council. So in the absence of the Council, the DDC is operating only minimally.
- The weak economic base of most of the districts of Nepal limits local level resource generation. They are therefore highly dependent on central level grants. However, the weak capacity (technical and human) within DDCs limits the amount of central grants and donor assistance to the local level.
- The M&E system is also very weak at the Dhanusha-DDC which restricts effective coordination and planning. The National Planning Commission has developed a District Poverty Monitoring and Evaluation System (DPMAS) which envisions establishing and empowering a District Information and Documentation Center (DIDC) within the DDCs to

function as the central M&E unit of the district. A DIDC has been established at the Dhanusha-DDC but it is currently very weak.

- Vision and leadership at the district level is very weak. Decentralization efforts are currently being driven by the central level government from Kathmandu. Until local leaders play a more proactive role, organizational development of local bodies will remain neglected.
- Organizational structure and systems are still rudimentary, and are developing in line with the systems and structures of the central government organizations. However, the local bodies do not fall under the central level rules and regulations of the Government so there is a great potential to develop results-oriented systems at the local level. The constraint is the lack of elected representatives in the District Council to pass resolutions.
- The mandate and purpose of the DDC is very clear as per the LSGA. However, the Dhanusha-DDC has not defined its results—no results framework in place. A five-year District Periodic Plan with a results framework would address this.
- There is a general feeling of belongingness of local level staff in the DDC and they take pride in representing a development organization in their own district. The same level of dedication cannot be seen in the staff deputed by the Ministry of Local Development.
- Attitude towards change is fairly positive throughout the organization.

Please see the document *Assisting the Implementation of MfDR in Government Organizations* for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 4: Mapping of the Ratings of the Readiness Assessment Categories for Dhanusha-DDC



Summary of the Implementation Plan

A senior management retreat was organized in February 2007 to discuss on the findings of the readiness assessment of the pilot organizations and chart an action plan for implementing pilot initiatives to promote MfDR in the four pilot organizations under RETA-6306 in Nepal.^{‡‡} In the Dhanusha-DDC, pilot initiatives were agreed on (i) clarifying the *organizational* results, (ii) building capacity of DWSS staff on the principles and concepts of MfDR and its application, and (iii) carrying out studies to enhance the management capacity of the DDC, (iv) developing a district profile and approach paper that would feed into the preparation of the district periodic plan, and (v) strengthening the capacity of the DDC. A total of USD 51,275 has been allocated for activities specific to the Dhanusha-DDC. However, due to the deteriorated security situation at the district many of the activities originally planned to be conducted in Dhanusha had to be conducted in Kathmandu undermining the effectiveness of the capacity development plan on bringing about organizational change.

^{‡‡} The four pilot organizations are: Ministry of Physical Planning and Works, Ministry of Education and Sports, Department of Water Supply and Sanitation, and District Development Committee—Dhanusha.

Current Position and Impacts of the Plan

- Organizational results chain specifying the results of the Dhanusha-DDC with linkages to the national results chain has been developed.
- A group of 15 officials from the Dhanusha-DDC, Ministry of Local Development, and Local Development Training Academy were involved in the development of the results chain and logframe of Dhanusha-DDC. It would have been more effective to have involved local level politicians—who would represent the local bodies in the future—in the process but due to the political climate, this could not be done.
- Three officials from the DDC took part in a training on information documentation management. Similarly, 5–10 staff from the Dhanusha-DDC will take part in the MfDR training being organized by RETA-6306 in early December.
- Equipment and logistics support is being provided to the DDC, district technical office and planning section of the Dhanusha-DDC. Communication network of the DDC will also be enhanced with internet and EPABX system and a website of the DDC is being developed. The above training programs and equipment/logistics support is expected to strengthen the M&E and planning capacity of the Dhanusha-DDC.
- District profile of Dhanusha is also being prepared which will provide inputs to the district periodic plan.

Future Developments

Support in the following areas is required to sustain the organizational development effort at the Dhanusha-DDC and mainstream efforts in all other DDCs:

- Efforts must be made immediately to form the interim local bodies as agreed in the Interim Constitution of Nepal (2007). The Government and political parties need to be pressured to implement their prior commitments immediately through advocacy and media pressure.
- Once the local bodies are in place, efforts must be geared to align the structures and management systems of Dhanusha-DDC to become results oriented. Pilot initiatives on performance based contracts, performance-based evaluation and incentive systems can be started in the Dhanusha-DDC and a few others and then mainstreamed in other local bodies.
- The current movement for a federal system of governance may result in restructuring of the districts and local administrative boundaries of the nation. A technical assistance to explore the economic viability of the various propositions would be valuable. Currently the propositions are being driven by political ideologies and concerns only. It would be a great loss to the nation if we again created administrative boundaries with little economic base as is the case with the current division of the nation into 75 districts. Many studies have pointed out the inability of the local governments to generate enough resources to govern themselves in the current districts. A comprehensive study is thus a great priority for the nation.
- Continued training and capacity development of DDC staff should also receive priority. Trainings must focus on strengthening the planning, M&E, and general management capacity of staff as well as on MfDR principles and concepts.

- Better coordination and communication mechanisms need to be developed between the local bodies and central government organizations. The DIDC plays a crucial role in this regard. The capacity building of the DIDC needs to be continued.

Bangladesh : MoPME

Overview

The Ministry of Primary and Mass Education (MOPME) is responsible for planning and overseeing the agencies that work for formal and informal primary and mass education in Bangladesh. The medium term objectives of MoPME are:

1. Expansion of opportunities of Primary Education;
2. Improvement of the standard of primary education;
3. Ensure equality and equity in the field of primary education;
4. Increase rate of literacy;
5. Expansion of opportunities of non-formal education to ultra poor in remote areas;
6. Remove gender disparity in the field of primary education;
7. Enhancement of skills of teachers.

The agencies directly under MoPME are National Curriculum and Textbook Board (NCTB), Directorate of Primary Education (DPE), National Academy for Primary Education (NAPE), Compulsory Primary Education Implementation and Monitoring Unit (CPMEIMU) and Bureau of Non Formal Education (BNFE).

Performance Gaps

MoPME is responsible for ensuring education for all in Bangladesh through ensuring quality and creation of appropriate environment for primary education. Although the results in the primary education sector in Bangladesh have consistently been on the rise (net primary enrolment ratio increased from 93% to 94.6 , children reaching grade V increased from 64.95 to 65.1% , achieved parity in girls and boys enrollment) but the quality standard desired is yet to be achieved. The primary education completion rate has decreased from 84.9% to 76.4% in recent years.

The June 2005 Baseline report for PEDP II highlighted some shortcomings of the performance of the education sector also which are closely linked to the organizational outcomes of MoPME.

The performance of primary education is dependent on inter-ministerial and inter –agency coordination and central approvals. Interagency coordination in the sector is weak. As the ministry, one of MoPME's major tasks is to facilitate smooth coordination between the several agencies involved in delivery of primary education that sometimes gets difficult due to central control and hierarchical management practice.

The level of technical and managerial efficiency is not consistent among the 6 agencies under MoPME. Capacity of some of these agencies is not sufficiently developed.

MIS and Monitoring is an important task of MoPME. Appropriate MIS and monitoring framework is needed for both planning and managing performance. Monitoring is restricted to financial performance review and sporadic field visits.

Summary of Readiness Assessment

The eight category diagnosis was carried out to identify the causes for the performance gap. A weighted rating of the categories is done to analyze the major constraints and mapped below

(figure 5). A higher rating indicates a more severe impact on performance. A summary of the findings of the assessment are:

- As with most ministries in the government of Bangladesh, there is a lack of clarity of results. Roles and functions of the ministry are not linked with its objectives. Performance of the ministry is evaluated based on the sectoral results. Individual organization's share of outputs and outcomes need to be specified to measure performance.
- The supervisory and monitoring functions of MoPME need further strengthening. The bureaucratic practice in Bangladesh emphasizes compliance of process and procedures. Sponsorship of top management to any change is difficult in primary education.
- Lack of control over human resource management is the biggest challenge in the primary education sector of Bangladesh. As the agency responsible for reviewing policies and proposing/approving improvements, MoPME needs more authority for retaining professional personnel, ensuring quality training to teachers and rewarding quality performance.

Please see the document assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 5: Mapping of the Ratings of the Readiness Assessment Categories for MoPME



Summary of Implementation Plan

The following activities have been undertaken/ planned under the RETA for introducing results focus at MoPME:

- a. Sponsorship and exposure – Commitment from the leaders of organizations is the first and foremost factor in practicing MfDR. A number of management workshops, a study mission to Malaysia and continued correspondence is maintained for ensuring sponsorship and commitment.
- b. Results clarification – A logic model for MoPME has been developed for clarifying results.
- c. KPIs development – KPIs is being developed for MoPME based on the logic model
- d. National team of MfDR trainers developed – A team of 10 national trainers (from local training institutes) have been trained as trainers of MfDR and a training manual was developed to facilitate future trainings
- e. Resource persons trained – Training was held for MfDR resource persons of MoPME
- f. Training on results based project design – MoPME project officers were trained in results based project design
- g. Results based monitoring and evaluation introduced – A report on the needs for introducing results based monitoring and evaluation is being prepared
- h. Hardware/ software/ IT capacity (depending on what the need assessment recommends) to facilitate planning, monitoring and decision making process.

Current Position and Impacts of Plan

The organizational results chain developed for MoPME specifies the results of MoPME and links them with sectoral results. Management workshops held with the MoPME staff helped them to understand the concepts of MfDR and how it can be used for improving performance. The workshop also guided them on how to plan transition from traditional system to advanced management system through adopting MfDR. A core group of resource persons have been developed in MoPME. The resource persons will help define results chains/logframes and also assist in planning and designing monitoring operations of the ministry. Indicators being developed by the consultant will guide them to strengthen monitoring capacity of MoPME.

Examples of real change in the pilot that were assisted by the work of the RETA

Without an overall public sector commitment, it is difficult for individual organizations to be convinced and committed to change. As in most governments, the management style in the government of Bangladesh is rigid and centrally controlled. The set of specific functions of each agency and staff is determined centrally. MoPME is found to have less autonomy to adopt to any change. However, it has taken change more seriously after the study visit to Malaysia. There is difficulty in integrating the mandate and results of PEDP II (which is a sector wide program) and RETA activities (which is focused on MoPME as an organization) This has been discussed and resolved through development of interlinked logic models of MoPME, DPE and PEDP II.

Future Developments

RETA as a pilot initiative has limited scope for major interventions to close the gaps. Support is needed in the following future activities

- Further Clarification of results of MoPME
- Development of results of subordinate agencies to align them with MoPME
- Roll on training for MoPME officials
- Introduction of result based planning and monitoring system based on (i) KPI's developed and (ii) needs assessment being conducted under the project

- Introduction of result based planning and monitoring system of subordinate agencies
- Adjust structure and system needed to focus on results
- Further strengthening of MIS and Monitoring framework

Bangladesh: DPE

Overview

DPE is one of five agencies headed by MoPME. DPE was established with a mission to streamline universal primary education and the infrastructure. The objective of DPE is to execute effective measures to ensure quality education for all by the year 2015, in line with the mission of MoPME. DPE administers the system through its Divisions of Administration, Planning and Development, Training, Monitoring & Evaluation, Policy and Operations, Finance and Procurement and the MIS Cell. Its field operations are managed through 6 Divisional Primary Education Offices, 64 District Offices, 495 Upazila Offices and 78,000 schools throughout the country. The Office of the Deputy Director also overlooks 54 Primary Training Institutes and 481 Upazila Resource Centers.

Performance Gaps

DPE, is the implementing agency of MoPME for delivering quality primary education in Bangladesh, has failed in a number of aspects. It is primarily in charge of the administration and management of government primary schools, which includes training teachers, maintaining quality of education and collecting information from the field for monitoring purposes.

Targets set for increased completion rates, decreased drop-out rates, improved teacher quality, improved competency of students and provision of skilled and professional education cadre.

In 2006 the national average pupil-teacher ratio was 54:1; overall average pupil absenteeism was 23%, average number of pupils per classroom was 68 in government primary schools and 63 in non-government primary schools (overcrowded classrooms almost everywhere), and more than 90% schools were running double-shift (staggered system).

The quality of infrastructure in primary schools does not meet the standards set by DPE. Only 37% of government primary schools reported availability of separate toilets for girls. 62% schools reported common toilets.

Around 90% of all the schools reported availability of potable water supply, majority of them having tubewells. However, 56% of these tubewells were in non-working condition. 16% schools reported of not-having arsenic-free water, whereas 29% did not get the water tested.

DPE is responsible for training all teachers placed in primary schools. Only 27% of the teachers working in government primary schools and 30% of those working in registered non-government primary schools had received subject-based training, whereas 35% of all teachers had received training in teaching methods in classrooms. The effectiveness of teacher training is not tested and proven to have any impact on student competency levels.

Apart from overall management and administration of the government school system, one of the major roles of DPE is data collection and monitoring. Although a new system of data collection is being initiated under PEDP II, DPE is hardly ever successful in delivering monitoring reports on time.

Summary of RA

DPE is guided by Primary Education Development Program (PEDP II), which is a sector wide program. This program is results based. Hence there is a strong need for the organization to orient towards results as well. The performance of DPE is also constrained due to number of reasons, including:

- Lack of focus on organizational results that are not cascaded down to the field levels;
- Lack of open communication such as horizontal coordination within different branches of DPE and its stakeholders;
- Inadequate participation from field levels due to centralized management and decision making;
- High turnover and low capacity retention leads to poor institutional memory and poor leadership. Vision and leadership is important to bring about sustainable changes in the values and culture of the organization;
- Lack of well defined job descriptions tied to performance standard;
- Inadequate incentives for staff
- Weak monitoring system;
- Data collection and analysis is not fully developed – field level offices are not equipped to use advanced ICT systems

The eight category diagnosis was carried out to identify the causes for the performance gap. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 6).

A complete approach to introducing MfDR at DPE requires major reform in the human resource management of the government as a whole. The primary education cadre, as proposed in many assessments is crucial in developing a body of specialized primary education staff. Decision making, especially at the policy levels, must be free of bureaucratic back logs and be dependent on measurable indicators. The result oriented operating environment with incentive for performance delivery can ensure proper functioning and delivery of targeted results.

The results of DPE as an organization are not clear to the management due to the presence of many stakeholders (mostly DPs and overlapping projects). A clarification of results and an accepted logic model is necessary to prioritize activities and resource allocation.

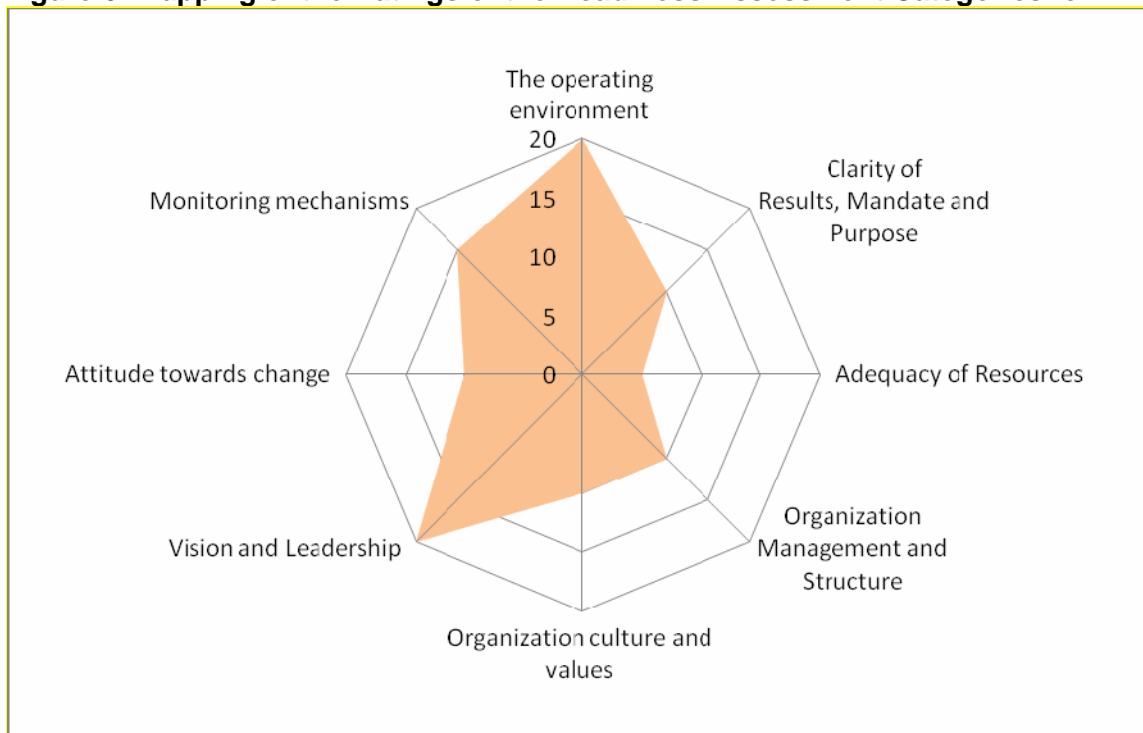
All levels of management of DPE are not familiar with MfDR. A critical mass of the management with clear understanding of MfDR will be required to improve performance of DPE at all levels.

Organizational structure needs to be readjusted and a shift is needed to performance oriented to results oriented management practice.

The monitoring and MIS cells of DPE are not sufficiently focused and equipped to collect the information required by the management. Hence there is little demand from management itself for information for facilitating decision making. Information from monitoring and MIS needs to be integrated at all stages of the management cycle.

Please see the document assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 6: Mapping of the Ratings of the Readiness Assessment Categories for DPE



Summary of Implementation Plan

The following activities are planned under the RETA for introducing results focus at DPE:

- a. Sponsorship and exposure – Commitment from the leaders of organizations is the first and foremost factor in practicing MfDR. A number of management workshops, a study mission to Malaysia and continued correspondence is maintained for ensuring sponsorship and commitment.
- b. Results clarification – A logic model for DPE has been developed for clarifying results.
- c. KPIs development – KPIs will be developed for DPE based on the logic model
- d. National team of MfDR trainers developed – A team of 10 national trainers (from local training institutes) have been trained as trainers of MfDR and a training manual was developed to facilitate future trainings
- e. Resource persons trained – Training was held for MfDR resource persons from DPE
- f. Training on results based project design – DPE project and monitoring officers were trained in results based project design
- g. Results based monitoring and evaluation introduced – A report on the needs for introducing results based monitoring and evaluation is being prepared
- h. Hardware/ software/ IT capacity (depending on what the need assessment recommends) to facilitate planning, monitoring and decision making process.

Current Position and Impacts of Plan

The RETA consultants assisted DPE to develop its results chain. The management is committed to adopt MfDR and to be actively involved in RETA activities. RETA has close coordination with PEDP II and involved in developing change plan with PEDP II consultant. The

DPE staff is familiar with MfDR concepts. A core group of resource persons has been developed in DPE who, along with national trainers, will conduct MfDR training in end of November; study visit to Malaysia helped them to understand how MfDR worked in real life settings. DPE have been encouraged to strengthen their monitoring mechanism following Malaysian model.

A comprehensive monitoring and information collecting system is being developed for DPE, which will be supported by IT assistance under the RETA.

Future Developments

Support is needed for the following activities to sustain mainstreaming MfDR:

- Introduction of result based performance measure;
- Clarification of roles and responsibility of all levels;
- Continuation of MfDR training program
- Install and operationalize PPMS software (IRBM systems used in Malaysia) as a pilot to strengthen monitoring efficiency of DPE
- Expand MIS and Monitoring system based on assessments being conducted under RETA
- Internal adjustment of structure and system for better performance

Bangladesh: LGD

Overview

Local Government Division is one of the two divisions of the Ministry of Local Government, Rural Development and Cooperatives (MOLGRD&C), created to implement activities related to infrastructure development and water supply and sanitation in the rural and urban areas.

The strategic objectives for LGD, as determined under the Medium Term Budgetary Framework (2007-2009), are:

- a. Strengthening local governance;
- b. Prioritizing development of road communication to link growth centres, union headquarters, and upazila headquarters with the national road network;
- c. Prioritizing construction of pro-growth infrastructure;
- d. Emphasizing the maintenance of roads and other physical infrastructure;
- e. Decentralizing planning and design, implementation, operation and maintenance;
- f. Ensuring safe water supply and sanitation facilities for all;
- g. Providing safe water, healthy sanitation and environment for children;
- h. Ensuring compulsory registration of infants at birth;
- i. Improving the living environment in slums;
- j. Improving water quality;
- k. Improving solid waste management systems

LGD has a number of subordinate agencies and semi-autonomous bodies for undertaking development activities in its mandated sectors. The Local Government Engineering Department (LGED); Department of Public Health Engineering (DPHE); Dhaka WASA; Chittagong WASA and NILG are the different departments, directorates and institutions of this Division.

Performance Gaps

LGD has not been able to accelerate the effective decentralization of the local government system in Bangladesh. Although policies are there, directives and enforcement are weak for implementation.

LGD oversees a wide range of activities in several sectors. It has not been able to develop a system for supervising these activities efficiently.

The monitoring capacity of LGD is weak. Although it is mandated to monitor the performance of all subordinate agencies, local governments and its own activities, LGD has not been able to do it as desired due to lack of framework and capacity.

Summary of Analysis

The eight category diagnosis was carried out to identify the causes for the performance gap. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 7). The performance of LGD is constrained due to number of reasons, including:

- Lack of focus on results - no results chains of logic models
- Bureaucratic administrative process
- Centralized decision making process
- Lack of open communication such as horizontal coordination among wings and stakeholders
- Weak monitoring system
- Lack of well defined job description tied to performance standard
- Lack of provision for HRD, technical positions and retention of trained personnel
- Inadequate incentives for Staff
- Difference in capacity of subordinate agencies (LGED is better performing agency than others)
- Weak capacity of LGIs, and
- Political interference in bureaucracy.

The mandate given to LGD is generally broad and covers a wide range of areas within the three sectors; infrastructure, water and sanitation and local governance. In the absence of clarity of results in each sector there are overlaps and duplications of activities.

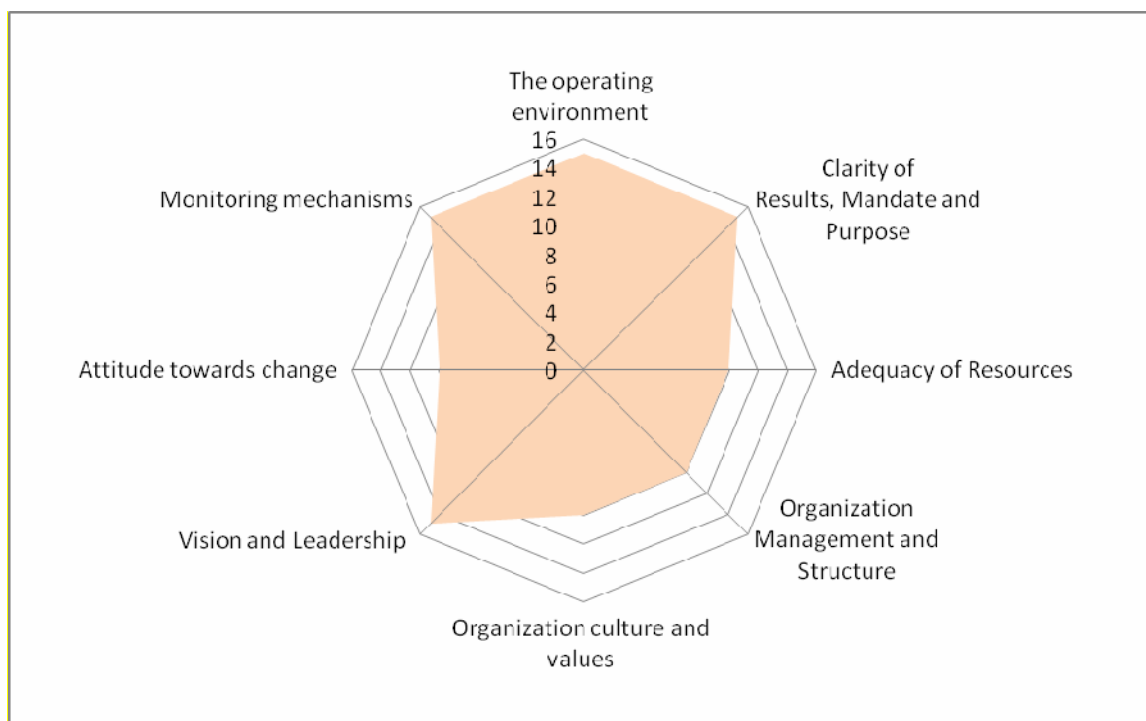
The mandates of LGED, DPHE and LGIs are not clearly aligned/logically linked with LGD's mandate. The sectoral results/roles are not arranged in a systematic way to assess performance of each sectoral player as whole or individual actors like LGED, DPHE.

Decision making process is complicated and lengthy. The existing system and work culture supports set rules and procedures whereas less emphasis is given to the achievement of results.

The centralized, bureaucratic operating environment is the biggest obstacle to change. Performance incentive is not inbuilt in the system.

Please see the document assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 7: Mapping of the Ratings of the Readiness Assessment Categories for LGD



Summary of Implementation Plan

The following activities are planned under the RETA for introducing results focus at LGD:

- Sponsorship and exposure – Commitment from the leaders of organizations is the first and foremost factor in practicing MfDR. A number of management workshops, a study mission to Malaysia and continued correspondence is maintained for ensuring sponsorship and commitment.
- Results clarification – A logic model for LGD has been developed for clarifying results.
- KPIs development – KPIs is being developed for LGD based on the logic model
- National team of MfDR trainers developed – A team of 10 national trainers (from local training institutes) have been trained as trainers of MfDR and a training manual was developed to facilitate future trainings
- Resource persons trained – Training was held for MfDR resource persons from LGD
- Training on results based project design – LGD project officers were trained in results based project design
- Results based monitoring and evaluation introduced – A report on the needs for introducing results based monitoring and evaluation is being prepared
- Hardware/ software/ IT capacity (depending on what the need assessment recommends) to facilitate planning, monitoring and decision making process.

Current Position and Impacts of Plan

LGD top management has high interest in improving their managerial efficiency. A number of key top/mid level managers of LGD have been oriented/trained in the concepts and practice of MfDR. More officials will receive training by national trainers and resource persons before the end of RETA.

LGD officials have been involved with developing their results chain and are continuing in-house discussions for improving the model. Once circulated to all levels of the organization, this will help to clarify results for management and also set the correct performance indicators, particularly at the output level.

LGD is ready to adopt a comprehensive results focused monitoring framework being prepared by a consultant, supported by an upgrade in the IT capacity.

Examples of real change in the pilot that were assisted by the work of the RETA.

LGD has presented their learning from the Malaysia study mission to their Adviser, which shows their commitment and sponsorship to change. The Secretary of LGD has taken personal interest in discussing the challenges and plan for changing management culture within the organization.

The LGD logic model was prepared by the officials themselves (with guidance from local consultants), which provides the level of ownership required for effective use of the model in management.

LGD is assisting the local experts to create a plan for improving their monitoring and IT systems for better collection and use of information.

The officials trained in MfDR are recognized as resource persons for LGD in planning and implementing results based project design and monitoring.

Future Developments

Support is needed in the following activities:

- Further clarification of results of LGD upto field level
- Clarification of results of subordinate agencies (DPHE, DWASA, LGIs) aligned with LGD's result
- LGD is planning to train officials of the other subordinate agencies (e.g. WASA and DPHE) in MfDR with a vision to introduce results oriented management in these organizations also. Technical support for implementing MfDR in these agencies will be required in future.
- LGD oversees a large management infrastructure working in several sectors. Cascading MfDR to all levels (particularly to the field/service delivery operations) will require technical and financial assistance.
- Establishment of IT and M&E infrastructure based on assessment being conducted under RETA
- Introduction of result based planning and monitoring based on assessment being conducted under RETA

Bangladesh: LGED

Overview

The Local Government Engineering Department (LGED) is a public sector agency under the Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives (MOLGRDC). Its main functions are:

- Rural infrastructure development and management;
- Small-scale water resource development and management;
- Urban infrastructure development;
- Employment generation at the local level;
- Provide technical and institutional support to strengthen the Local Government Institutions (LGIs) both in the rural and urban areas, and
- Responsible for planning and implementation of physical infrastructure development projects/activities of other ministries and sectors.

Performance Gaps

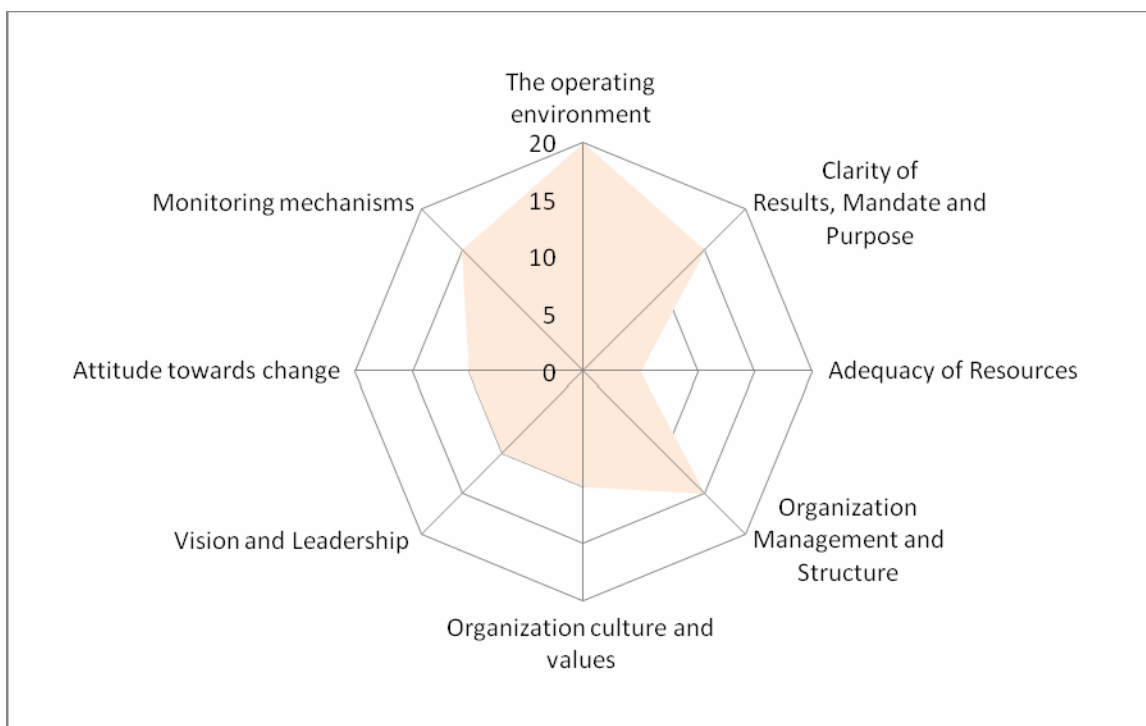
LGED is recognized as one of the more efficient organizations in the public sector of Bangladesh. The major performance gap of LGED arises from the fact that it is run entirely on project funding. The operations of LGED are determined by the kind of projects that they are assigned. The lack of an organizational results focus has led to focus on physical and financial completion of projects, without a clear understanding of the results of their activities. The eight category diagnosis was carried out to identify the causes for the performance gap. A weighted rating of the categories is done to analyze the major constraints and mapped below (figure 8).

Summary of RA

LGED does not have a clear and unified organization vision. It contributes to results in several sectors, but does not have a framework for mapping or measuring their performance. Hence clarifying results is most important for LGED. Most other elements of MfDR are present in LGED. However, a systemic assimilation is not yet a reality. LGED has relatively strong leadership and a dynamic management culture. It is characterized by professionalism and commitment to delivery of outputs.

Please see the document: Assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 8: Mapping of the Ratings of the Readiness Assessment Categories for LGED



Summary of Implementation Plan

The following activities are planned under the RETA for introducing results focus at LGED:

- a. Sponsorship and exposure – Commitment from the leaders of organizations is the first and foremost factor in practicing MfDR. A number of management workshops, a study mission to Malaysia and continued correspondence is maintained for ensuring sponsorship and commitment.
- b. Results clarification – A logic model for LGED has been developed for clarifying results.
- c. KPIs development – KPIs will be developed for LGED based on the logic model
- d. National team of MfDR trainers developed – A team of 10 national trainers (from local training institutes) have been trained as trainers of MfDR and a training manual was developed to facilitate future trainings
- e. Resource persons trained – Training was held for MfDR resource persons from LGED
- f. Training on results based project design – LGED project officers were trained in results based project design
- g. Results based monitoring and evaluation introduced – A report on the needs for introducing results based monitoring and evaluation is being prepared
- h. Hardware/ software/ IT capacity (depending on what the need assessment recommends) to facilitate planning, monitoring and decision making process.

Current Position and Impacts of Plan

LGED has made commendable progress in clarifying their organization results. They have taken full ownership of the plan to move towards MfDR. Top management is willing to adopt MfDR.

Based on the work of the IT consultant working under the RETA, a comprehensive web-based system of information sharing from the field levels is being developed for implementation.

A number of resource persons have been developed in LGED who are leading the process of change management from within the organization.

Examples of real change in the pilot that were assisted by the work of the RETA

LGED has developed a complete logic model (organizational and institutional) with input from all units. This has been circulated and discussed as a guide for prioritizing tasks and measuring performance.

LGED has prepared a change management plan and proposal for further capacity development for cascading MfDR down to their field offices.

Future Developments

The LGED change management plan expresses the need for further technical assistance for adopting MfDR at all levels of operation.

Capacity development and institutionalization of MfDR training at all levels.

Pakistan: PW

Overview

Projects Wing (PW), Planning Commission, is engaged in monitoring the implementation of all major development projects and programs, identification of bottlenecks and initiation of timely remedial actions. It is also involved in evaluation of on-going and completed projects. PW like other government organizations follows the rules of business of the government which clearly defines their roles and responsibilities. The core purpose of Projects Wing is the facilitation to line ministries so that they can implement the Public Sector Development Program (PSDP) projects. PW has more of a facilitator role and is also an advisory body. It has no statutory or regulatory powers which make the role of PW as policeman. PW gives recommendations of the findings during their routine monitoring and evaluation of the projects.

Projects Wing was established during 1970s but its role was limited, not by design but by lack of emphasis on part of the government on monitoring and also due to lack of resources. Though monitoring was one of the primary functions but the capability of PW to undertake this function was limited due to lack of resources and training. Only selected monitoring was done by monitoring teams comprising of 2-4 persons. On average about ten projects per year were monitored from the entire PSDP that comprised of hundreds of projects. The system in vogue at that time allowed only desk monitoring of all projects costing Rs. 40 million and above. Reports were shared only within the ministries.

But the government after looking at the impact of PSDP over the years, started to realize that though large funds have been expended on development projects but no real impact has emerged. So it was decided to give a high priority on monitoring and evaluation and to strengthen the Planning Commission to undertake monitoring. The Planning Commission underwent re-organization and as a result PW was placed under Member, Implementation & Monitoring. The strengthening of PW was part of a larger process of strengthening of monitoring with the entire framework of the government. Several initiatives for improving the monitoring system were taken which are given below:

- An MIS Wing was created in PW in 2005 under a Director and staff was recruited in it on contract basis at market salary rates.
- The MIS Wing has been strengthened through hiring more data entry operators and also by purchasing new equipment.
- Evaluation Wing was also created in PW in 2005 under a Director General, to give importance to this much-neglected aspect.
- Work on development of software called Project Monitoring & Evaluation System (PMES) was initiated to ensure that all the monitoring is done electronically. This software was aimed to ensure direct electronic linkages between the projects in the field with the concerned ministries, provincial & federal governments and PW. This software would be internet based and hence even public at large would have access to it
- As a part of the development of the software a results based monitoring system is being developed to access the impact of projects on various aspects of the economy.
- PW was also strengthened by hiring on contract basis chief monitoring officers and monitoring officers so that field monitoring can be made more intensive.

Performance Gaps

The performance gap of Projects Wing could be seen in the targets given for monitoring and evaluation of ongoing and completed projects. There were altogether 1922 Public Sector Development Program (PSDP) Projects to be monitored during 2006-07 but only 475 projects were monitored. So there is big gap of 1447 which could not be met. The reason for these gaps is the non availability of sufficient resources both human and capital. The system adopted was also not efficient enough to help PW meet the target as means of communication was the faxes or postal letters which were used to collect information from the project directors (PD) and monitoring staff posted in the field.

The other major performance gap was observed in the trainings of PDs. There are 750 PDs and only 240 were trained on cash/work plan and on project management. So there has been a gap of 510 PDs who did not receive the required training. Here again the causes are the resources available to PW on part of resource persons and financial resources to invite all PDs for the training.

After introduction of PMES, there was big performance gap noted as no PD out of 750 was trained on the new software. RETA 6306 helped PW to train 108 PDs in all four provinces but gap is still there and will be there till all PDs are trained and understand and use the software for data entry.

The core purpose of PW is facilitation to 47 line ministries with which it is dealing for various tasks. Although, it arranges trainings for different PDs who belong to different ministries but PW is unable to facilitate all the 47 line ministries due to its limited resources. For operationalization of PMES, three ministries has been selected which are being helped to be online and there is gap of 44 other ministries that needed to be supported to use this software.

After the monitoring is completed, the reports should have been prepared and disseminated. Last year only 44 reports were submitted to the concerned authorities out of 475 projects monitored. So there is a gap of 431 projects which have been monitored and reports could not be prepared due to both system and resources shortcomings.

Summary of Readiness Assessment

After selection of PW as a pilot organization, MfDR Readiness Assessments was undertaken using following variables:

- Clarity of Results
- Adequacy of Resources
- Management Infrastructure, including Strategy and Policy, Structure, Systems and Processes
- Values, Culture, Vision and Leadership
- Monitoring Systems
- Involvement of stakeholders (External Environment)

In each of the above categories an assessment was made, together with the senior management and staff of PW, of the critical capacity gaps with respect to the implementation of MfDR.

PW is generally operating as per the defined rules of business. The core purpose of Projects Wing is the facilitation to line ministries so that they can implement the PSDP projects. PW was not clear about its role and purpose which was vaguely differentiated by them. Clarity of results was not there as there was little understanding about results chain. There are seven stages of project management cycle which are identification, preparation, appraisal, approval, implementation, monitoring and evaluation of projects. In these seven stages, PW has a major role in monitoring & evaluation but little role in other five. Previously, PW was engaged in desk monitoring and trend has changed now to field monitoring too. Flow of information for projects from Project Directors to PW is very poor. Introduction of Project Monitoring and Evaluation System (PMES), a software developed for web based electronic link between Project Directors and PW is a major breakthrough in the organization.

The leadership of PW has been reform oriented and took several measures to bring new initiatives within the organization. Although there were no Public Sector Reforms introduced within the public sector of Pakistan but the leadership of the PW did not wait for these reforms to happen and initiated several measures to improve the working of the organization. The leadership introduced corporate culture within the organization and whole building was renovated to accommodate the employees in an environment which has all the latest facilities available. It has a culture of working longer hours of work. The employees' mindset has been changed to fulfill the targets given rather than just staying in the office for eight hours. So PW does not look like a typical government organization.

Another important initiative taken by the leadership of the organization was hiring the new monitoring officers at market salary. The new employees have been given a very attractive package and the leadership has all the powers of hiring and firing which is based on the performance of the employees. Targets have been given to the employees and deadlines are also given and it is expected from them to deliver within the specified period.

Resources available to PW were not enough and they lack the cadre of trained professionals in monitoring and evaluation. The continuity of the services are also not there as there are frequent transfers and postings and trained staff also leave for better positions. Structure, systems and processes prevailed are typical government organization settings which are internalized rather than outward looking but now the trend is changing with the introduction of new initiatives by the leadership which are supportive to MfDR. Current M&E systems was not efficient and the flow of information from field to PW is extremely poor. But the introduction of PMES has changed the whole scenario and after its operationalization the data has started to come in and is available to PW for monitoring and evaluation. External environment is complex as there is big gap of communication between PW and 47 line ministries with which it is dealing for implementation of PSDP projects. PW may be ready for change but it has to deal with these ministries which are not ready and still operating in the usual way of government.

Broadly, the capacity gaps identified by the RETA fall within the following categories:

- The lack of clarity of the roles and purposes of PW.
- Lack of understanding of the PW results chain.
- The lack of knowledge and skills on the part of the management of PW regarding managerial, organizational and technical aspects of MfDR.
- The lack of management knowledge and results based project management on the part of the 500 project directors in the 2000 PSDP projects. A subset of these will be the focus of the RETA.

- The lack of a critical mass of internal facilitators and managers to assist in the implementation of a results focus.
- The poor flow of information from field offices to Islamabad. This gap has human, systems and technical aspects.
- The lack of monitoring equipment and systems.
- The lack of Key Performance Indicators and performance monitoring systems at PW

Please see the document: Assisting the Implementation of MfDR in Government Organizations for further detail on the map. A high score on the map represents a category that is an important contributor to performance gaps.

Figure 9: Mapping of the Ratings of the Readiness Assessment Categories for PW



Summary of Implementation Plan

Facilitated management discussions were held with PW on the role and purpose of PW. The ability of PW staff was developed on MfDR by workshops on MfDR. A mission was organized to Kuala Lumpur to study the results management implementation processes of the Government of Malaysia. Results Based Management training and knowledge development for key project directors of PSDP projects was arranged in all four provinces of Pakistan. It included the operationalization of PMES, a web based software to collect the data from the field and hence to improve the flow of information from PDs to PW. During this staff development program on MIS/PMES for provincial M&E staff and PDs, altogether 108 PDs and M&E staff were trained in four provinces of the country. PW will be provided with necessary equipment needed for M&E and this equipment will be procured observing ADB procurement processes. PW, leadership is geared to introduce KPIs inspired by Malaysian lessons learned. So development of performance monitoring systems and KPIs for PW will also be initiated. Work started on two stage development of trainers and management facilitators whose role will be to assist in the

application of MfDR principles. National consultant participated in first training of trainers (ToT) on MfDR held in Bangladesh and will also attend the second ToT to be held in Nepal in December 2007.

Current Position and Impacts of Plan

Activities included in implementation plan approved to fill the identified capacity gaps are underway. Management workshops held with the staff of PW has helped them to distinguish between their role and purpose. They are now well aware of the concepts of MfDR than before. Study mission to Malaysia has helped the organization to learn a lot on planning and implementation of results based initiatives. One of the main capacity gaps identified was that targets of Monitoring and Evaluation of PSDP projects could not be achieved due to poor flow of information from PDs to PW. Operationalization of new PMES software was major impact of the plan. This software provides an electronic link between PDs, PW and line ministries. Altogether, 108 PDs and M&E staff was trained on this software covering theoretical background and actual data entry on the web.

Examples of real change in the pilot that were assisted by the work of the RETA.

The real change in the pilot was held after completion of Malaysian study mission. The leadership of the pilot took bold step of introducing the corporate culture within the organization. New monitoring officers were hired at market salary and were given the targets to achieve. Leadership has been able to change the mindset of the staff from fixed duty hours to work accomplishment thinking.

Similarly, the leadership has introduced sessions of MfDR in the regular trainings of the employees to introduce the new concept to the staff. Pilot is looking for introduction of KPIs in the organization and as soon as the KPIs are developed they will be introduced. The pilot has started work on results based job description on the staff and on results based training manual for PDs. Use of PMES software to collect the data from field is another example of real change in the pilot.

Future Developments

In order to reap the real benefits of the initiatives taken in RETA 6306 for last one and a half year, there is a need to maintain the continuity in the efforts started at pilot level by considering following initiatives:

- Continuous support required to carry on the trainings for 500 PDs of 2000 PSDP projects on Results Based PMES to fully operationalize the software.
- There is need to expand the use of Results Based PMES software to all ministries in the government at federal level
- Same exercise needed to be expanded in the provinces to make use of this Results Based software for M&E in provincial government organizations
- MfDR principles needed to be expanded in all government organizations by piloting them in future.
- Key Performance Indicators (KPIs) and organizational results chain needed to be developed for all government organizations
- A resource group of professionals needed to be trained on MfDR who can be a source for trainings on MfDR in different government training institutes

- PC1 is a crucial document for all PSDP projects and it needed to be results based and digitized and should be supported and sponsored.
- Long term Public Sector Reforms are required to make changes at all government levels according to MfDR principles and lessons learned from the pilot.
- Capacity building of government organizations is required by foreign exposure through trainings on MfDR