

ADB Sustainable Development Working Paper Series



Building Development Effectiveness Post-2015: A Results-Based Approach

Sarah Bilney, Lydia Domingo, Anuradha Rajivan,
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No. 26 | August 2013

Asian Development Bank



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Asian Development Bank

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© 2013 by Asian Development Bank
August 2013
Publication Stock No. WPS135986

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The Regional and Sustainable Development Department Paper Series is a forum for stimulating discussion and eliciting feedback on ongoing and recently completed research undertaken by the Asian Development Bank (ADB) staff, consultants, or resource persons. This paper responds to the need to instill a results focus into the post-2015 discussions, which surfaced during consultations with ADB’s Communities of Practice in February 2013, held to share key findings from subregional workshops on Asia and the Pacific’s perspectives on the post-2015 development agenda. The conceptual idea for this working paper was subsequently developed through further consultations with ADB staff from various sectors and departments and a review of current literature. The paper does not reflect ADB’s corporate view but aims to generate discussion, and to contribute to the formulation of the architecture of the post-2015 framework, including support in assessing the financial needs for a new agenda.

The Regional and Sustainable Development Department Paper Series is a quick-disseminating, informal publication whose titles could subsequently be revised for publication as articles in professional journals or chapters in books.

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Abbreviations

ADB	Asian Development Bank
AusAID	Australian Agency for International Development
HLPEP	High-Level Panel of Eminent Persons
MAF	MDG Acceleration Framework
MDG	Millennium Development Goal
MfDR	managing for development results
OECD	Organisation for Economic Co-operation and Development
PPP	purchasing power parity
RBf	results-based financing
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WHO	World Health Organization

Abstract

The current debate about the post-2015 period has generated a wide range of ideas on what the new agenda should include, and how it should be implemented. This paper seeks to contribute to the discussion by putting forward a possible framework that is focused on accelerating achievement of development results while enhancing their sustainability and accountability. The proposed framework is composed of five levels: (i) well-being for all at the center, (ii) enabled through governance, peace, and security with associated illustrative (iii) country goals, (iv) global goals, and (v) sustainability elements. It is founded on results-based approaches and draws on the positive experience of the Millennium Development Goals Acceleration Framework. Reflecting the interdependent nature of global development challenges, the framework integrates economic, social, and environmental dimensions, with the aim of harnessing interlinkages to maximize results. The framework is expected to be applicable regardless of the final goal areas that are eventually established. The paper also makes the case for results-based financing as a key means of improving development effectiveness and accountability for resources. Finally, the paper touches on the potential role of ADB in supporting the institutionalization and implementation of the post-2015 agenda.

Executive Summary

The scale and complexity of today's development challenges, and the mixed success to date in addressing them through the Millennium Development Goals (MDGs), highlight the need for an ambitious new global agreement that goes well beyond the MDGs. This paper seeks to contribute to the current debate on how best to meet these challenges, as part of the Asian Development Bank's (ADB) broader engagement with development policy makers and others involved in the Rio+20 and post-2015 development agenda processes. The paper argues for the adoption of an integrated, results-based model for development in the post-2015 period, as a means of driving concrete progress toward development goals, enhancing accountability for development resources, and strengthening the sustainability of results. The model is expected to be applicable regardless of the final goals that are eventually agreed by the member states of the United Nations.

The proposed model centers on universal, global commitments to eliminate poverty in all its forms, supplemented by more ambitious, optional targets to be adopted at the country level. Reflecting the interdependent nature of global development challenges, the model combines economic, social, and environmental dimensions of development in a single framework, aiming to harness interlinkages between them to maximize the impact of development interventions. The framework is founded on results-based management principles—increasingly recognized as a cornerstone of effective development practice—and is designed to facilitate results-based financing.

Results-based approaches focus on the use of results chains to articulate the causal relationships between different elements of aid and development effectiveness. This supports achievement of development results and effective measurement of progress in achieving these results, enabling evidence-based decision making, and enhancing sustainability and accountability. Results-based financing, in turn, reinforces performance incentives and accountability by directly linking payments with results achievement.

Lessons from the MDGs suggest that an integrated, results-based approach would provide a strong foundation for driving development progress in the post-2015 period. Results-based principles were not well integrated into the MDG framework, leading to difficulties in managing for, and measuring, results. However, recent efforts to accelerate MDG progress using integrated, results-based approaches have shown considerable promise. The proposed framework draws on these lessons, articulating the linkages among different development challenges, and within and between results levels, to enable a flexible, cross-sector approach to both financing and implementation.

ADB has a clear interest in a results-based approach becoming the basis of the post-2015 development agenda. ADB is firmly committed to employing results-based management practices in its own development activities, as part of its broader support for principles of development effectiveness; and it supports its developing member countries to do the same. These countries—home to more than half the world's poor and vulnerable people—face some of the world's starkest development challenges, and need the future development agenda to give them the best chance of tackling these challenges. Applying new ideas to proven methodologies which effectively drive development progress will assist countries and development partners alike in responding to enduring and emerging development issues.

ADB is well placed to draw on its experience to strengthen the results focus of the future development agenda, and will have opportunities to do so in forthcoming discussions with the Rio+20 Open Working Group on Sustainable Development Goals, which is charged with taking forward global negotiations on the post-2015 development agenda. Working to institutionalize the use of an integrated results-based approach in the post-2015 period would help set a new standard for development effectiveness, which could pave the way to eliminating poverty within a generation. At the same time, this would assist ADB to strengthen its own contribution to better development outcomes in Asia and the Pacific, and to position itself for future operations in the emerging global development context.

1. Introduction

Current development challenges require an ambitious, new global agreement for the post-2015 period, which goes well beyond the Millennium Development Goals. There are strong arguments for an approach that effectively integrates the economic, social, and environmental dimensions of development, and drives progress toward achieving sustainable results.

1.1 Context

In the current debate about the post-2015 development agenda and Rio+20 sustainable development goals, it is widely acknowledged that whatever global action is agreed to follow the Millennium Development Goals (MDGs), business as usual is not an option (UN 2012a, 2012b, 2013c; OECD 2012). Despite substantial progress in a number of areas, MDG achievements have been uneven, with many of the agreed targets unlikely to be reached in Asia and the Pacific by the 2015 deadline.

At the same time, new challenges have emerged that threaten to undermine recent gains and hinder future development progress. Recent global economic crises, rising inequality, worsening environmental degradation, and increasing vulnerability to the impacts of climate change, have underscored the urgency of crafting a new global development compact that goes beyond the MDGs in both scope and ambition.

It is increasingly recognized that the post-2015 development agenda must not only seek to meet the basic needs of poor people everywhere, but also target critical social and environmental objectives to ensure development progress can be sustained into the future. Moreover, it must do so in an environment of shrinking traditional aid budgets, and a growing emphasis on development effectiveness, accountability, and results. How this can best be done is a vital question for the international community to address in the coming months, and one which will have significant implications for all development stakeholders.

1.2 The Emerging Post-2015 Agenda

A development framework that combines the three pillars of economic growth, social inclusion, and environmental sustainability is firmly on the post-2015 agenda (UN 2012b, 2013b). Through dual processes led, respectively, by the Rio+20 Open Working Group on Sustainable Development Goals and by the High-Level Panel of Eminent Persons (HLPEP) appointed to advise on the post-2015 development agenda, a vision is emerging for a new, “people-centered and planet-sensitive” development paradigm. While details of proposed “goals” are still taking shape, the recent report of the HLPEP suggests the new agenda is set to focus on ending extreme poverty in all its forms, and to be based on principles of universality, equity, and sustainability (UN 2013a, 2013b).

It is broadly recognized that realizing ambitions for the post-2015 agenda will entail focusing not just on *what* needs to be done, but on *how* development results can be achieved and sustained at the country level (OECD 2012; Greenhill and Prizzon 2012). This will involve clearly setting out the means by which the agenda will be implemented, including key financing requirements (UN 2013b). It will also mean instituting provisions to manage for and measure development results. Hence, careful attention is being given to ways of ensuring the post-2015 development goals are structured into a coherent framework that supports effective

financing, implementation, monitoring, and measurement of development progress (Melamed and Ladd 2013).

Good data are key to these processes, yet the paucity of development-related data in many countries has often hindered the effective measurement of results. As highlighted in the HLPEP report, nothing short of a “data revolution,” supported by monitoring and evaluation at all levels and stages of implementation, is required for the post-2015 development agenda to obtain the baseline data and progress necessary for sound decision making and accountability (UN 2013b).

1.3 Models for Post-2015

There is no shortage of models for how the post-2015 development agenda may be framed.¹ In general, proposed models fall into the following three categories:

- The *base case* approach—This retains the current MDG model and format, but with additions and improvements in targets and indicators to better balance current development goals, including issues such as inequality, environmental sustainability, and cooperation.
- The *integrated sustainable development* approach—This is based on adopting a broader set of development goals, often framed in universal terms around building well-being for all. Equity considerations are an inbuilt characteristic, with the lowest indicators to be tracked along with average progress. Each goal is designed to have an economic, social, and environmental dimension that reflects these separate yet related aspects of achieving that goal.
- The *transformative* approach—This is most closely associated with Oxfam International’s “doughnut” model, which is structured around three concentric circles of goals: (i) an inner, household-level set of human well-being goals; (ii) the middle goal, which is a set of policies and development programs required to deliver well-being; and (iii) an outer ring, comprising global goals related to critical planetary boundaries that cannot be breached within a sustainable future (Raworth 2012).

The Asian Development Bank (ADB) has contributed its own proposed framework to this mix—a hybrid approach that draws on elements from each of these models. The “ZEN” framework, produced by ADB’s Economics and Research Department, provides for shared global goals centered on a commitment to achieving minimum poverty levels. These “zero” goals are supplemented by more ambitious, voluntary country goals set according to national needs and development context. Both global and country levels include cross-cutting environmental goals, to which—at a minimum level—all countries would agree and which—at the national level—could be more far-reaching (ADB 2013d).

The “ZEN” framework shows considerable promise as a model for how common yet differentiated goals and responsibilities centered on a commitment to a global “social floor” could work. However there is, nonetheless, scope for a more ambitious proposal, built on the integrated sustainable development approach and founded on results-based management principles. Such an approach would provide a strong foundation for driving development progress, by articulating and harnessing the linkages among different social, economic, and environmental development challenges, and within and between results levels.

¹ See <http://post2015.org/2013/01/08/tracking-proposals-on-future-development-goals/>

2. Components of a Results-Based Approach

Results-based approaches are a cornerstone of effective development. They help achieve development objectives through the use of results chains, which map causal links between development interventions and their effects, and integrate evidence of performance into decision making to strengthen sustainability and accountability.

A focus on results involves moving away from measuring inputs and activities, and instead concentrating on development outcomes and impacts. Results-based approaches use results chains to articulate the causal relationships between different elements of aid and development effectiveness, and generate evidence of development progress.

A results chain is made up of the following:

- *outputs*—the products and services produced and delivered by a particular entity (e.g., development partner, government, private sector);
- *outcomes*—the use of those outputs by their recipients; and
- *impacts*—the longer-term benefits derived from the use of outcomes.

An important principle is that the entity is fully responsible and accountable for the production and delivery of outputs. However, while the entity influences use of outputs, it is not fully responsible nor accountable for the manner in which they are used. Indicators, linked to results at each level of the results chain, are selected to measure various dimensions of performance. Rigorous measurement of performance produces evidence of success and failure, in addition to lessons learned, which are integrated into evidence-based decision making, to improve performance over time.

Box 1: Managing for Development Results

Results-based approaches, also called managing for development results (MfDR), can be defined as approaches that focus on performance improvement and results achievement (usually called outputs, outcomes, and impacts). They involve integrating a results-based approach throughout the management cycle, which enables evidence-based decision making and should promote continuous learning.

The current approach of MfDR has its philosophical origins almost 50 years ago with Peter Drucker's 1964 book "Managing for Results." Results frameworks originated in 1971 with the United States Agency for International Development's first logical framework as a project design and monitoring tool. From 1975 to 1995, the logical framework was adopted by most bilateral donors and was made more results-focused with the addition of the results chain. In the 1990s, the approach spread in two directions: from individual projects to overarching programs and whole organizations; and outside of the international development arena to a whole of government approach in the Organisation for Economic Co-operation and Development and other countries, such as Malaysia.

From 2000 to 2005, MfDR gained global prominence following the adoption of the Millennium Development Goals. At the 2002 Monterrey Conference on Financing for Development, there was an increased commitment to "measuring, monitoring, and managing for results," which by 2004 was shortened to MfDR. Formal agreement on the adoption of MfDR came in 2005 with the Paris Declaration, which saw MfDR enshrined as one of the five principles of development effectiveness. Since 2005, much of the emphasis has shifted to developing countries and their capacity to put in place the approaches to improve MfDR in the context of improved public sector management.

Source: ADB Results Management Unit.

Results-based management approaches are increasingly recognized as a cornerstone of effective development practice, and a key means of strengthening the sustainability and accountability of development interventions. This recognition has come with a growing appreciation of the importance of donor effectiveness for development results, evidenced most notably in the 2005 Paris Declaration on Aid Effectiveness, 2008 Accra Agenda for Action, and 2011 Busan Partnership for Effective Development Cooperation.

However, while results chains are now widely used at the project level, they are not always linked to national or global development results. Experience with the MDGs has shown that a results framework that is not sufficiently robust to guide individual and collective development efforts can cause difficulties in measuring development outcomes and integrating evidence of performance into decision making. This can undermine development achievements by creating an accountability deficit, limiting development partners' capacity to demonstrate alignment with agreed goals and value for money, and to effectively manage for results (Greenhill and Prizzon 2012).

The new development agenda must address these issues, as part of a broader analysis of the lessons learned from the MDG framework.

3. Lessons Learned from the Millennium Development Goals Framework: A Results Perspective

Results-based principles are not well integrated into the Millennium Development Goals (MDG) framework, leading to difficulties in managing for, and measuring, results. Recent efforts to accelerate MDG progress using integrated, results-based approaches have shown considerable promise. ADB is well placed to draw on these lessons to strengthen the results focus of the future development agenda.

The MDGs were designed to stimulate progress across a wide range of goals and to increase development assistance for global priorities. With their appealing simplicity, comprehensible objectives, and quantitative targets, the MDGs successfully helped to focus donor and developing country efforts on working together to achieve a set of agreed development outcomes.

When the MDGs were developed, the global knowledge on managing for development results (MfDR) and the understanding of the integration and implementation of a results approach was not yet well developed. Understandably, the integration of results-based principles into the structure of the MDGs and their associated indicators was weak, and the indicators themselves were limited by the lack of available data. These issues helped to make accurate measurement of development achievements under the MDGs difficult.

Given the nascent state of MfDR in the lead-up to the agreement on the MDGs, it should not be expected that the MDGs systematically incorporated results-based approaches. With the benefit of over a decade of theoretical development and implementation of MfDR, the MDGs can now be analyzed from a systematic results-based perspective. The intention of this exercise is not to find fault with the MDG model, but rather to identify challenges and shortfalls that could be avoided by a more comprehensive results-based post-2015 framework.

3.1 A Results-Based Analysis of the Millennium Development Goals Framework

The results chain provides clarity on outputs and outcomes, which in turn clarifies responsibilities and accountabilities for the different levels of results. In a results-based framework, the sections of the results chain, from activities to impacts, are clearly separated.

In the MDG framework, the “goals” are not defined using a results chain, and as a consequence, the MDG statements mix both actions and achievements. For example, the MDG 2 target of “Achieving universal primary education” is end-state oriented, while the MDG 6 target of “Combating HIV/AIDS, malaria, and other diseases” is action oriented. MDG indicators carry this mix of action and achievement down to the level of measurement and targets.²

The MDGs contain all levels of results, however, they are not identified as such. Some indicators and targets are very high-level, long-term societal achievements, such as target 1b—*“Achieve full and productive employment and decent work for all, including women and young people”*—which is the impact level in a results-based system. Others are intermediate achievements that are accomplished by many parties working together, such as target 4a—*“Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate”*—which is the outcome level. Other targets are at the output level, such as target 6a—*“Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it.”* Still others mix levels of results together in the same target, such as *“Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources,”* the former being an activity and the latter an impact. Lastly, a target such as *“Achieve full and productive employment and decent work for all, including women and young people”* is a societal level target, which is influenced by culture, government policy, global economic trends, and private sector development. It is aspirational in nature with no meaningful relationship to responsibility or accountability; hence, it is almost meaningless as a target.

A results-based framework puts priority on identifying outputs, which supports effective setting, tracking, and accountability for targets; it also clarifies the financial responsibility to achieve a certain target.

The MDG framework lacks this clarity in the indicators used to track MDG progress, which range from impact level (*“Proportion of population living on below \$1 [PPP] per day”*), to outcome (*“Contraceptive prevalence rate”*), to output (*“Proportion of 1-year-old children immunized against measles”*). This inconsistency—which places the MDGs, associated targets, and indicators at different levels of the results chain—has led to a lack of clarity on which targets are outputs and consequently who “owns” the target and is realistically responsible and accountable for achieving it.

In a results-based framework, the indicators are logically linked to, and precisely measure, particular results. Results, indicators, and targets are all aligned and at the same results level.

² See goals and indicators at <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Indicators/OfficialList.htm>

Box 2: Blurred Accountabilities for Health Outcomes

A government health department is responsible and accountable for providing HIV/AIDS treatment to those who need it and for immunizing children against measles (outputs). The targets clearly reflect their outputs and, if these are not achieved, that department should be held accountable. Under-5 mortality, on the other hand, is something the same department strives to reduce, but, as an outcome, they are not fully responsible and accountable for it. Access to potable water and modern sanitation play a large role in infant mortality, as do people's hygiene habits and the education level of mothers. Clearly, this target is not the responsibility of any one government department, or the government as a whole. This target could be seen as a shared outcome as a result of actions by the government and the people.

Source: Authors.

In the MDG framework, the relationship between some goals, their targets, and indicators is disjointed. For example, target 3a, which is to *“Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015,”* has three indicators aligned with it, one of which includes *“Proportion of seats held by women in national parliament.”* First, gender disparities in education are not measured through seats held by women in parliaments. In addition, there are countries where seats are reserved for women in parliament and yet gender disparities in education in those countries are severe (e.g., Afghanistan). While the indicator does measure the goal, this highlights a lack of clear, logical connections between goal, target, and indicator.

Performance measurement is made especially difficult by these issues. With the goals, targets, and indicators all at different levels of the results chain, they are consequently measuring outputs, outcomes, and impacts, without these being differentiated as such.

Structural issues with the results aspects of the MDG framework have extended to implementation. The lack of a clear results chain has complicated the integration of MDGs into national plans, since it is not clear at which level MDG indicators should be integrated and to whom the targets apply. The MDG framework also does not provide countries with guidance as to which indicators and targets apply as outputs of departments and ministries, versus intermediate outcomes or longer-term impacts.

Since the MDGs are articulated on a goal-by-goal basis, implementation in these stand-alone “silos” has undermined the achievement of results, and meant missing out on harnessing synergies and linkages across goals. While the interlinkages among goals were recognized, applying an integrated approach has been challenging in practice. Health is a striking example, where individual ministries and development organizations have ended up “adopting” the health goals as these were seen as under the purview of agencies like the World Health Organization (WHO), United Nations Children’s Fund (UNICEF), and United Nations Population Fund (UNFPA) on the one hand, and the health and women’s ministries on the other. Achievements on several key targets have been held back by slow progress in areas that are vital to supporting better health outcomes, such as improved sanitation, quality education, and basic infrastructure.

Difficulties in identifying and measuring development progress have been compounded by a paucity of data and countries’ very different starting points. Measurement biases have also arisen from the use of absolute targets (e.g., universal primary education) and those defined in relative terms (such as the two-thirds reduction of under-5 mortality), which have presented challenges to accurately comparing development progress (Samman 2012).

A related concern has been the MDG framework's failure to focus on capturing and measuring results at the subnational level. This has hampered measurement of differences among various population groups, and consequently tackling the key issue of inequality. By emphasizing targets at a global level, and not providing for sufficiently disaggregated performance data, the MDGs did not account for inequalities that average national figures conceal. This has been a particular issue in middle-income countries, where most of the world's poor now live (UN 2012c, 2012d).

3.2 The Millennium Development Goals Acceleration Framework

One promising approach recently employed to overcome some of these issues is the United Nations' MDG Acceleration Framework (MAF). Introduced to help address uneven progress in achieving the MDGs, the MAF has offered a systematic way for countries to identify bottlenecks to those MDG targets that are lagging, and to prioritize and implement solutions to these bottlenecks in an integrated, results-focused way. It has also helped development partners to focus on disparities and inequalities—two of the major causes of uneven progress—by targeting the needs of vulnerable groups.

The MAF employs a “bottom-up” approach, drawing on existing country knowledge and experience, and policy and planning processes, to build country-level partnerships to address identified priorities. It then uses collaborative, integrated approaches to systematically identify underlying barriers to progress across the spectrum of sectors and stakeholders involved, thus getting a consensus on the bottlenecks regardless of sectors. Where MAF implementation has been nationally owned, it has helped in aligning and focusing different stakeholders and resources to accelerate progress. Through this process, the MAF has been able to identify and harness synergies in responding to different development issues, thus generating multiplier effects and innovations. In this way, the MAF has accomplished the following:

- helped focus fragmented efforts and resources of governments, development partners, and other stakeholders on concrete and targeted measures designed to address off-track targets;
- employed evidence-based approaches to identify and address national development priorities, and align these with national results and the global MDG agenda; and
- helped in breaking down silos between sectors and MDGs, in favor of a collaborative, pragmatic, problem-solving approach.

Box 3: United Nations Millennium Development Goals Acceleration Framework Pilot Program

Gender and education in the Lao People's Democratic Republic (Lao PDR): The Government of the Lao PDR, with the support of the United Nations (UN) Country Team, used the UN Millennium Development Goals (MDG) Acceleration Framework (MAF) to assist in preparing its 7th National Socio-Economic Development Plan, 2011–2015. The Lao PDR plan identified six priorities to accelerate MDG achievement, encompassing MDGs 1, 2, 3, 4, 5, and 7. Among the identified priorities was ensuring equal access of girls and women to education. Key bottlenecks to achieving this goal were identified in policy and planning, budget and financing, and service delivery and supply. A cross-sectoral partnership of various government ministries, UN agencies, and other stakeholders then established an action plan, including funding and other resources, to address them. For example, bottlenecks related to education access included those that particularly affected girls, such as distance from school, which led to girls dropping out or not enrolling at a higher rate than boys. Actions were then targeted specifically at these differential results, such as training teachers to teach in multi-grade schools to avoid the need for children at the primary level to move to another school in distant areas.

continued on next page

Box 3 *continued*

Energy access in Tajikistan: The Government of Tajikistan identified limited access to energy by the poor, particularly in rural areas, as one of the key bottlenecks to achieving MDGs 1, 2, 4, 5, and 7. The MAF helped the government and development partners, led by the United Nations Development Programme, to further develop and focus Tajikistan's existing energy strategy. The MAF brought together various energy-related activities under one umbrella by providing a framework for coordinated and coherent action, and supported the development of an action plan with clear outputs and measurable benchmarks through 2015. The action plan addressed identified legal, structural, capacity, and implementation bottlenecks, for example by creating an innovative renewable energy fund, and adopting and implementing technical standards in the energy field. The MAF also facilitated the creation of a consultative roundtable mechanism with key government entities, and donor, private sector, and civil society representatives as partners.

Source: UN (2010).

The MAF's integrated, results-based methodologies have proven successful in overcoming a range of barriers to progress on the MDGs in a wide variety of contexts. This success offers insights into the value of employing such approaches to drive progress on a new development agenda.

3.3 Results-Based Development in ADB

ADB has a strong commitment to results-based approaches to development, and, in recent years, it has made noteworthy progress in advancing the results agenda and embedding a results orientation in its work, both at the management and operational levels. The Results Framework, introduced in 2008 with Strategy 2020, is driving the institutionalization of results-based management at ADB, improved accountability for results, and enhanced the communication of corporate performance (ADB 2012). In progressive steps taken since then, ADB has further strengthened its emphasis on results, and is now considered to have an "exemplary" framework of the results expected from its operations at all levels (AusAid 2012).³ ADB also supports the Asia-Pacific Community of Practice on MfDR, which is promoting a model of results-based public sector management.

Nevertheless, recent reviews of ADB's effectiveness have found opportunities for improvement in ADB operations, including its support for the MDGs. From a results perspective, key issues include the need to strengthen monitoring and evaluation, especially at the outcome and impact levels, to ensure better performance data and greater results orientation (ADB 2011b). These issues have been compounded by the absence of clear results chains for the MDGs, which have hampered ADB's ability to clearly demonstrate the linkage between its support and the achievement of MDGs. This has resulted in underreporting of ADB's MDG-related interventions, and underestimation of its contribution to MDG results (ADB 2011a, 2011b, 2012, 2013a, 2013c).

The adoption of a strengthened, consistent results-based approach as part of the post-2015 development agenda would have two important benefits for ADB: (i) it would improve ADB's ability to measure, demonstrate, and manage toward the results of its development interventions; and (ii) it would enhance ADB's capacity to align these interventions with its broader global and regional strategic objectives. This will be particularly important in the context

³ ADB's results-based management has also been rated highly elsewhere (e.g., in the 2010 MOPAN report, and in the UK Multilateral Aid Review).

of the forthcoming midterm review of Strategy 2020 scheduled to take place in 2014, which will be closely examining these and other lessons from the last decade to inform ADB's approach to development beyond 2015 (ADB 2013c).

4. An Integrated, Results-Based Development Framework

The proposed framework combines an integrated model of the economic, social, and environmental dimensions of sustainable development with a results-based approach. It is founded on a universal, global commitment to eliminate poverty in all its forms, supplemented by more ambitious optional targets to be adopted at the country level.

How then should the new development agenda be framed in order to benefit from these insights, and secure the necessary financing? The next section sets out a proposed framework for the post-2015 development agenda, which aims to overcome some of the shortcomings of the MDGs discussed above by clearly linking development interventions to results at the national and global levels. It is presented both as a visual framework to assist in conceptualizing key ideas, and in a more detailed, tabular format to show the structure of the new “goals” (or results) as they relate to development pillars, result levels, and indicators. Goals used in the proposed framework are illustrative only, and the framework is expected to be applicable regardless of the final goal areas that are eventually established.

While much of the thinking behind the framework is not new, it draws on ideas emerging from the post-2015 development debate, and seeks to apply proven results-based methodologies in innovative ways, which are designed to address new and pressing development challenges.

4.1 The Wheel

The proposed framework is conceptualized as a wheel made up of five concentric circles (Figure 1). The innermost circle represents all people and their well-being—the aim of the agenda. The second circle shows the enablers—good governance, peace, and security—which underlie sustainable development. The third circle stands for global goals, which articulate universal commitments to achieving the aim of eliminating poverty and building well-being for all—which are the “zero” goals of the ZEN framework referred to earlier. The fourth circle stands for optional, and more ambitious, country goals. The outermost circle represents sustainability, reflecting the nine planetary boundaries and the limits of the Earth's capacity to support social, economic, and environmental development.⁴ Finally, the spokes of the wheel represent each of the goal areas, which cut across global and country goals and which are built on the three pillars of sustainable development.

⁴ The concept of planetary boundaries refers to the environmental limits that define a safe operating space for humanity. These are thresholds or tipping points identified for nine Earth system processes that are affected by human activity (stratospheric ozone layer, biodiversity, chemicals dispersion, climate change, ocean acidification, freshwater consumption and the global hydrological cycle, land system change, nitrogen and phosphorus inputs to the biosphere and oceans, and atmospheric aerosol loading), which, if exceeded, present a risk of irreversible environmental change. Note that indicators are not currently included in this level of the framework but may be considered in future.

4.2 Integrated Framework Structure

Figure 2 illustrates the underlying structure of the proposed framework. It describes the different results levels, and takes one example global goal and its associated country goals to illustrate how the framework will work in practice. As the example shows, each universal global goal is supplemented by country goals, which are designed to provide a “menu” of additional commitments for countries to choose from, depending on their relevance to development priorities as set out in national development plans. The goal areas are divided into social, economic, and environmental dimensions—the three “pillars” of sustainable development—highlighting the different yet interlinked aspects of each development challenge. Each pillar incorporates indicators for global and country goals at different results levels, with country indicators constituting components of the global goal indices. This means that global goal indices can draw on indicators from different country goal areas, to also reflect development linkages. This analysis would be applied to all goal areas, providing a results matrix for each goal.

Figure 3 shows how the framework can be presented in ways that will enable a detailed analysis and comparison of development progress in relation to different countries, issues, and result levels. By employing the use of radar or “spider web” charts to map and superimpose performance data, the wheel can show at a glance how progress is being made toward targets. Results achieved for all goals can be presented together, creating a broad picture of development progress at a national or global level (as in the example in Figure 3); or individual goals can be broken down to identify areas of uneven progress within a goal area—whether these are pockets of disadvantage at a national or subnational level, or a weakness in one or more pillars.

The primary appeal of the proposed framework is that it facilitates an integrated approach to results-based management by setting out each part of the development agenda and its underlying results levels in a simple and coherent way. The matrix framework clearly shows the linkages between and within development goals, and across the results chain, enabling a cross-pillar approach to planning, financing, and implementation of development interventions. This will allow countries and development partners to identify bottlenecks and clarify accountabilities, and to readily monitor different levels. It will also enable stakeholders to track the impact of investments in one pillar on results in other areas, which will help development partners to clearly identify their contribution to the post-2015 development agenda without having to tie support only to certain goal areas. This approach opens up the potential for flexible, cross-sector investments and channeling innovative financing modalities, such as global funds, toward priority needs.

As with the MAF, the framework gives the ability to move beyond issue silos, to simultaneously address people’s needs directly while having an impact on multiple dimensions of inequality; and to identify and address the interacting risks and vulnerabilities that people face (Sen Forthcoming). Importantly, the framework aligns with the findings of the HLPEP on the post-2015 development agenda, which emphasized the nexus between poverty, sustainable development, and the environment, and the importance of tackling inequality to ensure no one is left behind (UN 2013c).

Figure 1: The Wheel

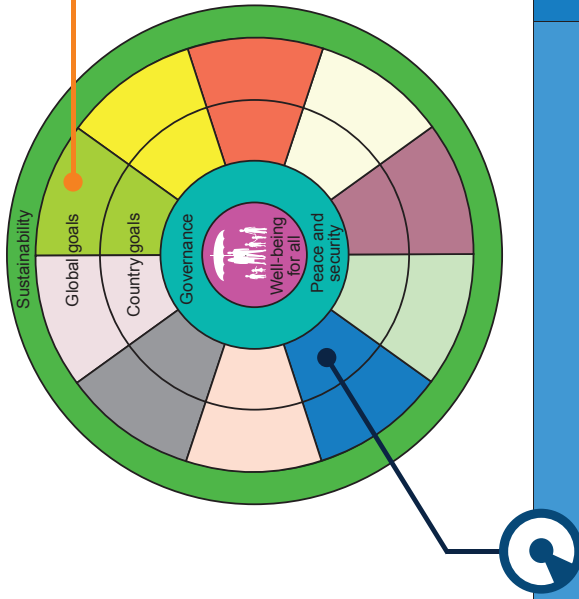
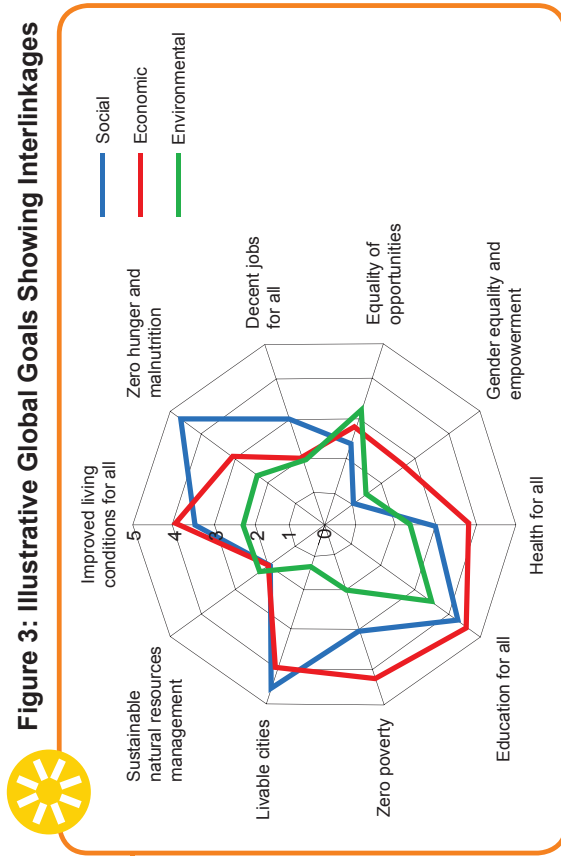


Figure 3: Illustrative Global Goals Showing Interlinkages



ILLUSTRATIVE GLOBAL GOAL: ZERO POVERTY (people living on less than \$1.25 a day)		
Social Pillar	Economic Pillar	Environment Pillar
ILLUSTRATIVE COUNTRY GOALS		
Inclusive growth As indicated by: <ul style="list-style-type: none"> Ratio of income shares of highest and lowest quintile; Gini coefficient 	Economic growth As indicated by: <ul style="list-style-type: none"> Proportion of population living below \$1.25/day; below \$2/day 	Green growth As indicated by: <ul style="list-style-type: none"> Environmental Sustainability Performance Index
Human development As indicated by: <ul style="list-style-type: none"> Human Development Index/ Multidimensional Poverty Index 	Growth in basic industries As indicated by: <ul style="list-style-type: none"> Share of agriculture, manufacturing in gross domestic product 	Diversification of industries As indicated by: <ul style="list-style-type: none"> Share of other industries in gross domestic product
Increased provision safety nets, UHC in place, basic pension in place, etc. As indicated by: <ul style="list-style-type: none"> Social Protection Index Effectiveness of Public Service Index (World Bank) 	Increased provision of agricultural services and infrastructure; incentives for investments; provision of credit and financial services; financial leakages controlled As indicated by: <ul style="list-style-type: none"> Incentives for investments/Global Competitiveness Index (World Economic Forum) Budget allocation for agriculture (trend over the years) Corruption Control Index (World Bank) 	Financing for energy efficiency, clean energy, climate proofing (portfolio for these initiatives); regulation of extractive industries As indicated by: <ul style="list-style-type: none"> Portfolio for green initiatives

Figure 2: Sample Goal – Zero Poverty

Detailed specifications for the framework are set out in Box 4.

Box 4: Proposed Framework—Specifications

Principles: The proposed framework embodies state-of-the-art principles of the managing for development results (MfDR) approach, including the results chain, setting responsibility and accountability for results at appropriate levels, aligning measurement through indicators with desired results, and measuring actual performance through the adoption of baselines and targets.

Results level: Levels of results are established in the framework, which correspond to outputs achieved by participating organizations (public, private, and nonprofit sectors), outcomes influenced by these organizations, and long-term impacts as contributed by all parties. There are realistic causal linkages among the different levels of results, which show how different results levels are contributing to a higher development outcome. This approach enables investment decisions to be made based on their potential development impact, and allows effective monitoring of progress during implementation.

Goal level: The framework distinguishes between national or country level goals, global goals, and goals that apply at both levels. Some results can only be achieved on a national level, such as a reduction in maternal mortality. Others can be achieved on a national or global level, such as a reduction in the proportion of species threatened with extinction, where a species could be located in one or more countries, or migrate across many countries. Finally, some goals only apply at a global level, such as a reduction in parts per million (ppm) of carbon dioxide (CO₂) in the Earth's atmosphere. Goals at the global and country levels are clearly defined, with measurable targets that can be monitored in a timely manner at both levels to provide quick feedback to policy makers. The goals will be linked to regional and national development priorities, through development plans and sector road maps, to support effective implementation.

Level of data aggregation: The framework is structured to clearly reflect development progress at different levels—global, regional, national, and subnational—in order to capture disparities and gaps between regions, genders, ethnic groups, and urban/rural environments. At the same time, it is also flexible to enable a higher-level picture of development results through various levels of data aggregation. Whether a goal is national, global, or both, data can be aggregated up to different levels. For example, data on maternal mortality can be expressed on a country level or aggregated to a regional or global level. Data on the species threatened with extinction can also be expressed on a country level or aggregated to a regional or global level. However, global goal data cannot be disaggregated from the global level downward—ppm of CO₂ in the Earth's atmosphere can be measured at different locations around the world but cannot be disaggregated to a country level. The framework can clearly show where data are being aggregated upward from a country level versus where data only exist at a global level.

Selectivity, customization: The framework will be based on goals that are set at a global level, and apply to all countries that sign on to the framework. These would function in much the same way as the current Millennium Development Goals, comprising a common commitment framed around poverty reduction and well-being for all. However, the framework also has the flexibility to accommodate goals that apply to subgroups of countries, where regional or economic differences warrant the inclusion of targets that do not necessarily apply to all signatories. These supplementary goals and differentiated targets will be specified for various country clusters and individual countries, enabling the post-2015 development agenda to better reflect national development contexts, and better link to regional and national development priorities. Indicators could also be targeted to groups that are disadvantaged or vulnerable, particularly in the country context, with a view to addressing specific risks and vulnerabilities.

Source: Authors.

5. Financing Results, Post-2015

Maximizing financing for the post-2015 period will depend on employing approaches that drive measurable progress, and enable investments to be tracked. Results-based financing encourages performance and strengthens accountability by directly linking payments with results.

Perhaps the most critical element of the proposed framework relates to the area of financing. Successful implementation of the post-2015 development agenda will depend on support and resources from all stakeholders, including the provision of adequate, sustainable, and predictable financing. However, scaling up development financing at a time of economic austerity poses considerable challenges, and will involve maximizing the results from existing development resources, increasing domestic fiscal revenue mobilization, and leveraging new funding from innovative sources (World Bank, 2010).

Results-based financing has emerged as a promising approach to driving progress on development results, through the use of performance incentives and output- and outcome-based payments. A results-based approach to financing aligns fully with the framework outlined above. At the same time, the prospects for securing financing will be improved by having a solid, results-oriented framework to support all stakeholders in defining the resources required to deliver agreed targets.

5.1 Integrated Framework Structure

Results-based financing (RBF) refers to a broad family of financial instruments that aim to drive results by providing financial incentives for performance. While definitions vary, a defining feature of RBF is that it directly links payments with results, rather than inputs such as expenditure.⁵ In this way, RBF is able to strengthen accountability for results, and align the incentives of people responsible for delivering results with those of beneficiaries. RBF has been identified by the development community as an important means of improving development effectiveness and the efficient use of development resources, and has proven to be a means of driving progress in a range of development settings (Trémolet 2011; Pearson 2011).

RBF commonly targets results at the output level; however, in some circumstances it can incorporate outcomes. It can also focus on encouraging institutional changes that address sector performance bottlenecks. Clearly defining the results to be achieved is therefore critical. The success of RBF also hinges on reliable performance verification mechanisms, to ensure funds can be properly disbursed, which requires rigorous monitoring and appropriate evaluation frameworks (Trémolet 2011; World Bank 2010).

The results-based development framework outlined in this paper is ideally suited for RBF. It uses clearly defined outputs, outcomes, and indicators, which enables results to be readily monitored and verified. It also makes visible the linkages between the social, economic, and environmental dimensions of the proposed development goals, and between levels in the results chain, making it simple for development partners and governments to track the contribution of their investments to results.

⁵ There are no commonly agreed definitions and different international agencies use various terms to refer to similar concepts or instruments. See Trémolet (2011), Pearson (2011), and ADB (2013b).

Box 5: Proposed Framework—Goals and Indicators Must Capture Financeable Results

Maximizing funding for implementation of the post-2015 development framework will depend on specifying financeable results against which progress can be measured, achievements demonstrated, and investments tracked. To be financeable, results (outputs and outcomes) must be well-defined, achievable, verifiable, and with clearly delineated responsibilities and accountabilities. Financeable results tend to be focused at the output level, as outputs are by their nature actionable, tied to organizations that deliver or produce them, can usually be costed, and are usually relatively easy to measure and verify. Target setting for outputs is relatively straightforward and there are relatively moderate levels of risks and assumptions that must be considered in the production and delivery of outputs. Outcomes could also be articulated and agreed to as financeable results, however, the broader range of stakeholders and externalities involved means they are outside of the direct control of organizations, costing is not straightforward, accountability and responsibility are dispersed, the results are typically more difficult to measure, target setting is more difficult, and the issue of risks and assumptions is more critical. For these reasons, the framework places most emphasis on the output level and, to a lesser degree, on the outcome level. In setting indicators, the framework will draw where possible on existing development indicators, including commonly used indices for measuring multiple dimensions of human development and environmental sustainability.^a

^a These indices include the Multidimensional Poverty Index, Human Development Index, Environmental Sustainability Index, Water Security Index, and Education for All Index.

Source: Authors.

5.2 Results-Based Financing in ADB

While bilateral development agencies have been at the forefront of RBF programs, ADB is among several multilateral development banks that have also pursued RBF approaches in recent years. ADB operations that have incorporated RBF features have mainly taken the form of the following:

- conditional cash transfers, which provide cash to poor households to encourage certain behaviors, such as investing in the education or health of their children;
- output-based aid, which uses explicit performance-based subsidies to a third party to deliver basic services to poor households;
- performance-based contracts, which are structured around the purpose of the work desired rather than the manner in which the work is done;
- RBF for health, which aims to improve health outcomes by providing a financial or in-kind reward to service providers for delivering agreed performance targets; and
- sector-wide approaches, in which one or more development agency supports a government-owned program.

These operations have shown considerable promise to date, but have suffered from high transaction costs arising from policy and operational inconsistencies. In line with other development partners, ADB is currently pursuing ways of increasing its capacity for RBF with a view to better servicing an identified need through its various lending modalities. To meet this need, ADB has recently proposed to pilot a new results-based lending modality based on a dedicated RBF policy and operational procedures (ADB 2013d). The pilot will provide valuable insights into how ADB may best capture the benefits—and manage the risks—of results-based approaches in the new post-2015 development paradigm.

6. Conclusions

The scale and complexity of current development challenges, and the mixed success seen to date in addressing these challenges through the MDGs, highlights the need for all development partners to sharpen their focus on development results. The post-2015 development agenda provides an opportunity to do so, through the adoption of an approach that integrates human development and environmental sustainability objectives, and reflects a commitment to development effectiveness, accountability, and results.

As experience with the MAF has shown, a results-based approach can facilitate collaboration, enable clearer identification and attribution of development results, and support flexible and accountable development financing at the country level. An integrated framework could also help to assess bottlenecks and enable cross-sector investments to achieve development results.

This paper has presented a proposed framework for development in line with this approach, for consideration of those involved in formulating the new development agenda. By enabling all development stakeholders to realize the benefits that can come from an integrated, results-based approach, the framework will provide a sound basis for planning, funding, and implementing interventions to achieve priority development goals in the coming years.

While the framework is intended to give development partners and governments a common foundation for development policy and practice post-2015, it is clearly only a starting point for the processes that will need to occur at the country level to support effective implementation. Important issues that will need to be considered by stakeholders include the framework's consistency with national development plans, and the effectiveness of its linkages with sector results frameworks within each country. Development partners will also need to ensure appropriate support for the vital area of planning and monitoring capacity at the national level, including the rigorous systems required for effective results-based financing.

As a key regional development partner, ADB has an important opportunity to draw on its experience and expertise to shape the post-2015 development agenda. It should take this opportunity, and put forward the case for a results-based approach in forthcoming discussions with the Rio+20 Open Working Group on Sustainable Development Goals, which is charged with taking forward global negotiations on the post-2015 development agenda. By helping to build the foundation for an integrated, results-based approach, ADB will not only support improved development outcomes for the region and beyond, it will position itself to enhance its own contribution to development in Asia and the Pacific into the future.

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Building Development Effectiveness Post-2015

A Results-Based Approach

The current debate about the post-2015 period has generated a wide range of ideas on what the new agenda should include, and how it should be implemented. This paper seeks to contribute to the discussion by putting forward a possible framework that is focused on accelerating achievement of development results while enhancing their sustainability and accountability. Reflecting the interdependent nature of global development challenges, the framework integrates economic, social, and environmental dimensions, with the aim of harnessing interlinkages to maximize results. The paper also makes the case for results-based financing as a key means of improving development effectiveness and accountability for resources, and touches on the potential role of the Asian Development Bank in supporting the institutionalization and implementation of the post-2015 agenda.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.7 billion people who live on less than \$2 a day, with 828 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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Publication Stock No. WPS135986