

Indicators for Success: The EIP's Contribution to the Field of Measuring Public Sector Performance

The proliferation of governance indicators and performance evaluation frameworks over the past 20 years has been truly impressive. While this trend has been symptomatic of new public management mantras and approaches emphasising the importance of performance targets in achieving results, the growth has also been very much fuelled by the increasing focus of donors on governance, especially since the mid- 90s, and their use of such indicators in aid allocation. (OECD, 2006).

And yet, ironically, despite their abundance and the recently shifting philosophies about their role in public management (O'Flynn, 2007) and development financing, calls for more and better indicators continue today. Some important problems lie at the heart of this paradox. Concepts on governance ("rule of law", "accountability", "and "corruption") can be abstract and hard to proxy, especially with the insufficient supply of timely and comparable data to populate indicators. Attempts to do so may require aggregates and sophisticated methodologies to overcome important measurement hurdles (a challenge few composites take on). Furthermore, results can be counter-intuitive; the relationship between inputs and processes (e.g. establishing oversight controls and/or sanctions) and outcomes (e.g. lower corruption) are not clear in all cases, leading to either frustration or complete miscomprehension when interpreting them. (Fukuyama, 2013, OECD, 2006.)

The Effective Institutions Platform (EIP) is actively engaged in helping overcome these complex challenges, with an entire work stream devoted to the challenge of measuring and benchmarking public sector performance. The "[*Indicators for Success*](#)" pillar includes several ongoing initiatives to develop or strengthen evaluation frameworks in the areas of public financial management, procurement, and more generally the strength of country systems. This newsletter contains information on some of the Platform's main activities:

Indicators of the Strength of Public Management Systems (ISPMS)

Launched at the [High-level Meeting of the Global Partnership on Effective Development Co-operation](#) and sponsored by the [Effective Institutions Platform](#), the [World Bank](#), and other partners, the iChallenge crowd sources ideas for indicators that can be used to measure the strength of public management systems like procurement, tax, public financial management, and public administration/civil service. Participants could share ideas for indicators that have been used successfully before, or those that they would like to see collected. The goal is to both learn from what others are already doing and gather creative ideas for entirely new measures. The iChallenge closed on July 1, 2014 and received 92 ideas for indicators from 42 different sources in 26 countries. All ideas are posted online (<https://consultations.worldbank.org/node/2331>) for review and comment. An Evaluation

Body will select three finalists from the ideas received, which will be featured at a Workshop on October 30, 2014 in Paris, France at the OECD.

Evaluating PFM systems in the Global Monitoring Framework: is there a better way?

Indicators 9a and b of the [Global Monitoring Framework](#) track progress on the commitments and actions agreed in 2011 at the Fourth High Level Forum on Aid Effectiveness in Busan, Korea in 2011. They address the quality of developing countries' public financial management (PFM) systems and the use of these systems in the distribution of aid. However, alternative and/or additional measurements could be considered to better capture the strength of PFM systems, with a view towards improving the assessment of possible fiduciary risks and strengthening country ownership. The EIP therefore is undertaking research to identify possible alternatives for discussion. Led by [CABRI](#), with support of the German Development Cooperation ([GIZ](#)), a working paper was produced to examine the strengths and weaknesses of existing methodologies/measures on PFM. Results will be presented and discussed at the upcoming EIP annual meeting at the end of October in Paris. For further information, contact effectiveinstitutions@oecd.org or Emilie Gay (Emilie.gay@cabri.org).

Plans for "MAPS+" underway

The [OECD-DAC Methodology for the Assessment of Procurement Systems](#) ("MAPS") is a simple and cost-effective tool to assess the quality and effectiveness of procurement systems. At its last meeting in Rabat in late 2013, the Public Procurement Task Force decided to undertake a revision of this methodology to reflect lessons learned after its implementation in over 60 countries. Several new considerations will be addressed under "MAPS+", as it is now called, including: the evaluation of the capacity and "professionalisation" of procurement practitioners, accounting for individual country contexts, and ensuring that the tool can be used for risk assessment / management. The group will meet again early next year to discuss and fine-tune the first iteration of the "MAPS+" and identify pilot countries. For further information, contact effectiveinstitutions@oecd.org.

Alliance formed to improve co-ordination on governance indicators

In mid-April, roughly [40 colleagues](#) gathered at the [OpenGov Hub](#) in Washington, D.C., to brainstorm and debate the possibilities for a [Governance Data Alliance](#), an idea focused on improving co-ordination in the production of governance data. The gathering, which was co-organized by [Global Integrity](#) and the [Millennium Challenge Corporation](#), brought together data producers, users and aficionados to discuss how they could work together to overcome some of the biggest measurement challenges facing the governance community today. Several working groups were established to address issues such as: duplication and/or gaps

in indicators and data; the need for greater transparency on methodologies and better harmonisation amongst data producers; more effectively communicating the significance and meaning of results to policy-makers and the general public; and lastly—maximising the impact of indicators by ensuring they inform discussions on aid effectiveness and policies for better socio-economic outcomes. The EIP is involved in discussions and will share information and outcomes with its membership. For further information on the Alliance, contact either the effectiveinstitutions@oecd.org or Nathaniel Heller (nathaniel.heller@globalintegrity.org).

This newsletter also provides an update on recent revisions to major performance evaluation frameworks in the field of tax administration and public financial management. The [Public Expenditure and Financial Accountability \(PEFA\) Framework](#) is currently being revised with the objective of enhancing its relevance, by recognizing the developments in accepted "good practice" which have taken place since it was launched, while preserving comparability over time, to the extent possible. The IMF has also recently launched a new tool for tax administrations: [Tax Administration Diagnostic Assessment Tool](#) (TADAT).

Finally, producing good data and evidence is important. But ensuring it empowers citizens and officials to make better decisions is what is truly at the heart of promoting greater transparency and accountability. The newsletter features the recently launched [African information Highway](#)- Africa's first "one-stop" data centre. The AIH, which currently includes 54 African countries, was conceptualised and developed by the African Development Bank's Statistics Department, is a revolutionary data management and dissemination platform that will impact how data is collected, stored and ultimately used by anyone who accesses it. The AIH has recently been [highlighted as an innovation](#) by PARIS21 as part of their [Informing a Data Revolution](#) project. Those interested in open government data initiatives may also wish to learn more about PARIS21's [Road Map for a Data Revolution](#) coming in early 2015.

Despite the challenges of measuring governance and public sector performance, demand is not diminishing. Already, governance experts and statisticians are grappling with finding the right indicators and data needed to track progress on possible targets of Goal 16 of the proposed [Sustainable Development Goals](#). The Effective Institutions Platform pillar on "Indicators for Success" stands ready to support these important efforts.

References

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