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DEVELOPMENT OF CRITERIA TO ASSESS THE EFFECTIVENESS OF NATIONAL STRATEGIES FOR SUSTAINABLE DEVELOPMENT

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a report prepared for the

Department for International Development

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22nd October 2001

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EXECUTIVE SUMMARY

Introduction

The world community has agreed an international target for all countries to implement a national strategy for sustainable development, and DFID is committed to supporting developing country partners to begin implementing such strategies by 2005. The objective of this study has been to develop a framework and methodology by which countries can assess progress with the implementation of effective processes within their nationally-owned strategies for sustainable development.

The study consists of a review of the literature on national strategic planning processes, which includes a review of monitoring that has taken place to date, the development of a set of criteria by which a national strategy may be assessed, and guidance on the application of the assessment methodology. While the results are applicable to all countries, they have been developed in a manner that is intended to be of particular assistance to developing countries in their implementation of national strategies.

This summary contains an overview of the results of each part of the study, covering the current status of national strategies and their monitoring, the proposed assessment criteria, and the methodology by which assessments may be undertaken.

Current Status of National Strategic Planning Processes

Of the nine developing countries examined in detail, only three refer explicitly to the preparation of a national strategy for sustainable development. The majority however, have engaged in some form of strategic planning process, including the development of Poverty Reduction Strategy Papers (PRSP) or Comprehensive Development Frameworks (CDF).

There is only limited evidence of effective national monitoring and evaluation processes, although some countries have initiated the development of such systems. External evaluations of strategic planning processes, particularly in the context of PRSP and CDF, indicate that certain of the sample countries' strategic planning processes meet some of the requirements for an effective national strategy.

Criteria for Assessing the Effectiveness of National Strategies

The Development Assistance Committee of OECD has formulated a set of 12 key principles of strategic planning for sustainable development. These have been shown to correlate with five more general principles of effective strategies for sustainable development. These five principles are:

Sustainable development principles

- A. Integration of economic, social and environmental objectives
- B. Participation and consensus

Strategic planning principles

- C. Country ownership and commitment
- D. Comprehensive and coherent policy process
- E. Targeting, resourcing and monitoring

In elaborating these principles to develop criteria by which their effective implementation may be judged, use has been made of the OECD/DAC principles, the relevant principles of the Rio Declaration on Environment and Development, and the general principles of effective process management set out in the international standard ISO 9001. In this way, four criteria have been developed for each of the five principles. Guidance on the application of each criterion has been developed by making use of other criteria or questions that have been used or proposed for evaluations of national strategic planning processes (including CDF and PRSP).

Methodology for Undertaking Assessments Using the Criteria

The primary purpose for which a country will undertake an assessment will be to determine whether it has implemented effective processes of strategic planning for sustainable development. The proposed assessment methodology allows a country to assess its progress in implementing a national strategy, and to identify areas for improvement. A scoring system is proposed by which the status of a country's implementation of its national strategy may be summarised. The scoring scale has four levels:

- all requirements are fully met
- all requirements are satisfactorily met although some further improvements are desirable
- some requirements have been satisfactorily or fully met, but others have not yet been satisfactorily met
- few of the requirements have, as yet, been satisfactorily met.

The findings for each criterion are to be recorded in tables and summarised for each of the five principles. Based on this information, the level of achievement is assessed and the main areas where further improvement is sought can be identified.

Guidance is given on how the evidence on which the results are based may be gathered and evaluated. The need for national ownership of the assessment process and for taking follow-up measures to remedy deficiencies is emphasised. Guidance is also provided on the interpretation of the assessment results, and a hypothetical example is used to illustrate how the conclusions may be presented.

Finally, a number of suggestions are made on the practical issues of organising and managing the assessment (e.g. in relation to the composition of the steering committee and assessment team, the arrangements for consultation processes, and documents to be reviewed).

Testing the Assessment Framework and Methodology

The proposals in this study are based, *inter alia*, on a review of existing experience. It is recommended that the proposed methodology should be tested by conducting an assessment in two countries. It should then be refined in the light of the testing experiences, before making it available for general use. The tests should be based on local ownership and participation, with supporting assistance from DFID and other development agencies committed to supporting their developing country partners by beginning the implementation of their national strategies by 2005.

Abbreviations

CDF	Comprehensive Development Framework
DAC	Development Assistance Committee
IDT	International Development Target
NCS	National Conservation Strategy
NEAP	National Environmental Action Plan
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
SD	Sustainable Development
UNCED	UN Conference on Environment and Development
WSSD	World Summit on Sustainable Development

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1. INTRODUCTION

This report has been prepared by the Impact Assessment for Sustainable Development Unit (IASDU) at the Institute for Development Policy and Management (IDPM), University of Manchester, for the Department for International Development. The members of the report team were Colin Kirkpatrick (team leader), Clive George and Johanna Curran, assisted by Norman Lee and Richard Bond.

The objectives of the report are:

- “to suggest criteria by which countries can assess the effectiveness of their national strategies for sustainable development
- to develop guidance for a monitoring system including national process indicators for national strategic planning for sustainable development” (Terms of Reference: p2).

The principal output of the report is a proposed methodology by which a country can assess whether it has an effective strategy for sustainable development.

1.1 Context

The international community has agreed to a number of international goals and associated development targets which serve to mobilise support for such goals as the elimination of poverty and promotion of sustainable development. These were brought together by the OECD/DAC in the International Development Goals (IDTs), which are designed to provide milestones against which progress in achieving the development targets can be assessed.

The first part of the sustainable development and environment IDT commits countries to developing national strategies for sustainable development. In 1996, the OECD set a target of 2005 for countries to be in the process of implementing national strategies for sustainable development, and in 1997 the UN set a target of 2002 for the introduction of national strategies. The World Summit on Sustainable Development (WSSD) in Johannesburg in 2002 will provide a forum for reviewing progress towards achieving these sustainable development goals.

Understanding of what constitutes a national strategy for sustainable development has developed since the 1992 UN Conference on Environment and Development (UNCED), at which it was agreed that countries should introduce a national strategy for sustainable development which “should build upon and harmonise the various sectoral economic, social and environmental policies and plans that are now operating in the country”. A national

strategy for sustainable development is currently understood to be a comprehensive process of planning and policy, which integrates the environmental, economic and social objectives of society. It is also recognised that the priority given to the three components of sustainable development in individual countries will vary, reflecting the diversity of social, economic and environmental conditions and differences in national sustainable development objectives. The OECD/DAC (OECD 2001a) defines a national strategy for sustainable development as:

‘a coordinated set of participatory and continuously improving processes of analysis, debate, capacity-strengthening, planning and investment, which integrates the economic, social and environmental objectives of society, seeking trade-offs where this is not possible’.

Strategic planning is a *process* which seeks to build on what exists, by improving convergence between existing strategies, avoiding duplication, promoting policy cohesion and coordinating resources.

A national strategy for sustainable development is characterised by adherence to certain basic *principles* of strategic planning and sustainable development. Any national process which applies these principles and which puts in place a set of mechanisms and procedures for their implementation can therefore be considered to be a national strategy for sustainable development.

1.2 Report Approach and Structure

The purpose of the report is to develop a methodology which countries can use for assessing the effectiveness of their national strategies for sustainable development. The methodology has been designed to allow for the assessment of the principles of strategic planning and sustainable development to be incorporated into existing planning processes.

The main stages in the approach used in the report are as follows:

- *Review of national strategic planning processes*

This stage involves a selective review of the current status of strategic planning processes in a sample of developing countries. The key features of existing strategic planning processes are identified, together with information on procedures for monitoring and evaluating these processes. The general findings from this review of current experience and practice are used to inform the design of the proposed assessment methodology. The main findings

from the review of the current status of strategic planning processes are presented in section 1.3, below.

- *Identification of the principles of strategic planning and sustainable development*

A national strategy for sustainable development will be characterised by adherence to certain principles of strategic planning and sustainable development. Five principles are identified and explained, in Chapter 2.

- *Selection of criteria for assessing the implementation of the principles of strategic planning and sustainable development*

A set of criteria is developed for each of the principles, which can be used to assess the effectiveness of a national strategy for sustainable development. The criteria are discussed in Chapter 3.

- *Development of a methodology for assessing the effectiveness of national strategies*

This stage in the approach adopted in the report, involves the development of a methodological framework for conducting an assessment, based on the principles and criteria. A scoring method is proposed, with detailed guidance on the procedure to be followed in determining a qualitative ranking for each of the principles of strategic planning and sustainable development. The methodology is described in Chapter 4.

- *Application and organisation of the assessment methodology*

Practical guidance is provided on the application and organisation of the methodology for assessing the effectiveness of a national strategy for sustainable development. This includes the method of recording and reporting, the role and composition of the assessment team, its relationship with existing planning processes, and the procedural arrangements for acting on its findings. These issues are discussed in Chapter 5.

1.3 Review of Current Status of National Strategic Planning Processes

The review of the current status of national strategic planning processes is based on a selective review of literature, covering a group of nine developing countries. The objectives of this literature-based review are to identify certain general findings which can inform the design, application and organisation of the assessment methodology. The detailed results of the review are contained in Annex 1. The main, overall findings which have particular relevance to the development of the report's proposed methodology are as follows:

- The majority of the sample countries have engaged in some form of strategic planning for sustainable development, whether in the form of a Vision Statement, Agenda 21 implementation, Poverty Reduction Strategy Paper (PRSP) or Comprehensive Development Framework (CDF). In most countries these processes are proceeding in parallel, with limited co-ordination or convergence. Only three of the countries examined explicitly refer to a national strategy for sustainable development.
- The majority of countries have strategic planning processes that display evidence of an increasing level of national ownership and political commitment. There is also evidence that governments are increasingly encouraging consultation and participation in the development strategy process, and the literature reviewed provided examples from a range of countries of where this approach is being integrated into the strategic planning system.
- Evidence on the introduction of monitoring and evaluation systems is more limited. In some cases a monitoring system has been developed but either has not been implemented or is not considered adequate. For several other countries in the sample, recommendations that a monitoring and evaluation system should be set up have been made, but these recommended processes have not yet been established.

Although only a limited number of countries were investigated in the literature review, it is evident that a significant number have some form of strategic planning for sustainable development in place. There is also evidence of several features of good practice in adherence to the principles of strategic planning and sustainable development, for a number of the countries studied.

2. PRINCIPLES OF STRATEGIC PLANNING AND SUSTAINABLE DEVELOPMENT

2.1 Introduction

A strategy for sustainable development comprises a set of processes which seek to integrate the economic, social and environmental objectives of society. A strategic planning approach does not necessarily involve a development plan, with a commencement date and covering a fixed period of time. Nor does it require a separate planning process, alongside existing strategic planning processes. Instead, a national strategy for sustainable development will be distinguished by adherence to a set of strategic planning principles and by a coordinated set of measures that ensure their implementation. These principles and procedures may already be in place, in which case the implementation of an effective strategy for sustainable development will consist of improving existing planning processes and their coordination. An effective national strategy for sustainable development is evidence of the commitment to the principles of strategic planning and sustainable development and to progressing towards the desired outcomes, through a process of improvement in the effectiveness of the principles.

The remaining sections of Chapter 2 identify and elaborate upon the key principles of strategic planning and sustainable development. These principles apply to all countries, but are interpreted in this report in a manner that is intended to assist in their application in the context of developing countries.

2.2 Principles of Strategic Planning and Sustainable Development

There is a sizeable body of literature and experience on various approaches to strategic planning for sustainable development, which attempts to integrate the components of sustainable development into national planning processes. This stock of knowledge has led to the identification of various sets of principles which strategic planning processes should seek to follow. The World Bank, IMF, and OECD have each proposed separate sets of principles for strategic planning (see Annex 2). However, as the UK Government's Target Strategy Paper on Sustainable Development (DFID 2000a: 8) argues:

'National strategies for sustainable development should be seen as processes not new plans. They should seek to ensure that strategic planning takes account of sustainable development issues. They can be compatible with other initiatives such as the World Bank's Comprehensive Development Framework and the Poverty Reduction Strategies which are being adopted in several countries, if these initiatives successfully incorporate the principle of sustainability.'

Consistent with the notion of convergence between different strategic planning processes, the OECD/DAC has refined and elaborated on the principles of strategic planning for sustainable development, and has proposed a set of twelve principles, which are presented in summary form in Table 1 (the OECD principles are reproduced in full in Annex 2).

Table 1 OECD Principles for Strategies for Sustainable Development

1. People-centred
2. Consensus on long-term vision
3. Comprehensive and integrated
4. Targeted with clear budgetary priorities
5. Based on comprehensive and reliable analysis
6. Incorporate monitoring, learning and improvement
7. Country-led and nationally-owned
8. High-level government commitment and influential lead institutions
9. Building on existing processes and strategies
10. Effective participation
11. Link national and local levels
12. Develop and build on existing capacity

In proposing these key principles for strategies for sustainable development, it is emphasised that:

‘These are principles towards which strategies should aspire. They are all important and no order of priority is implied. They do not represent a checklist of criteria to be met but encompass a set of desirable processes and outcomes which allow for local differences. A strategic planning process needs to strive to adhere continuously to all these principles’ (OECD, 2001a).

In accordance with the Terms of Reference for this Report, the OECD Principles provide the starting point for the development of the assessment framework and methodology. The twelve OECD principles are subjected to detailed scrutiny at a number of levels. The first consideration is whether the OECD principles encompass all of the necessary conditions for an effective strategic planning for sustainable development process. As part of this examination, the twelve OECD principles are grouped around five more general principles which are identified as the core characteristics of sustainable development and of strategic planning processes. Second, a set of four criteria is developed for each of these five

principles. The criteria provide the basis for assessing the degree of implementation achieved for each of the sustainable development and strategic planning principles. The remaining sections of Chapter 2 discuss these principles for strategic planning and sustainable development. Chapter 3 develops the criteria sets for each principle.

2.3 Principles of Sustainable Development

Understanding of the concept of sustainable development has evolved over time, from the early focus on its environmental dimension to the current emphasis on sustainable development as a process which integrates social, economic and environmental objectives. For the purpose of assessing national strategies for sustainable development, the 1992 UN Conference on Environment and Development can be taken as the starting point for defining those characteristics of the sustainable development process which distinguish it from other forms of development. The Rio Declaration, together with Agenda 21, established the basis from which subsequent understanding of the distinguishing characteristics of sustainable development as a process, has evolved.

The 1997 Special Session of the UN General Assembly (Rio + 5) restated the characteristics of a sustainable development process as follows:

‘Sustainable development strategies are important mechanisms for enhancing and linking national capacity so as to bring together priorities in social, economic and environmental policies ... By the year 2002, the formulation and elaboration of national strategies for sustainable development that reflect the contributions and responsibilities of all interested parties should be completed in all countries’ (United Nations 1997).

This interpretation of sustainable development emphasises two key principles, namely, the integration of economic, social and environmental priorities, and the participation of interested parties:

- A. Integration of economic, social and environmental objectives
- B. Participation and consensus

A. Integration of economic, social and environmental objectives

Sustainable development entails balancing the economic, social and environmental objectives of society in decision-making. This involves the assessment of the positive and negative economic, social and environmental consequences of policy changes, the identification of 'trade-off' outcomes where benefits in one or more spheres are accompanied with losses in another sphere(s), and the implementation of appropriate mitigation measures to minimise the negative impacts.

Assessment of development policy has traditionally been focused on economic impact, and more recently on environment issues (Rio Principle 4 stated that 'in order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it'). Less attention has been given to the social 'pillar' of sustainable development. The international community's commitment to the reduction of world poverty means that appropriate weight must be given to the needs of the poor and other disadvantaged or marginalised groups, in integrated policy and decision-making. (Rio Principle 5 gives particular attention to the needs of the poor: 'all states and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world'). The need for an integrating approach to economic, social and environmental policy and objectives is recognised in OECD principle 3, *comprehensive and integrated*.

B. Participation and consensus

The 1997 Rio + 5 statement that national strategies for sustainable development should 'reflect the contributions and responsibilities of all interested parties' reflects the earlier Agenda 21 (Chapter 23) observation that 'one of the fundamental pre-requisites of sustainable development is broad public participation in decision-making'. The involvement of non-government stakeholders in strategic planning strengthens the planning process by building broad legitimacy for the process, by engaging with partners whose support will be needed for effective implementation and by widening the range of skills, information and understanding available for formulating and implementing the strategy. Participation is also an objective in its own right, meeting the fundamental equity principle of sustainable development as a process, expounded by Rio Principle 3: 'the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations'. The need for wide participation in the process is recognised in OECD principle 10, *effective participation*.

The nature of participation in the strategic planning process can be at various levels – information sharing, consultation, joint-decision making and control by stakeholders. The level of participation that is possible and appropriate will be determined at the country level, in the light of the particular configuration of actors at national and local level, their various capacities to engage in participation, and the degree to which the country’s political and social context is conducive to civil society engagement with government (McGee and Norton, 2000). However, to the extent that it is practicable, decision-making processes need to reflect the interests of all social groups and interested parties. Achieving a degree of consensus is generally more practicable for long-term strategic decisions than for more immediate, detailed decisions, since more options are likely to be available for reconciling conflicts. The need for consensus may also be considered to be greater for long-term strategic decisions, given that such decisions are likely to have significant implications for a wide range of social groups. A consensus-based approach, based on a widespread participation process, therefore, is closely aligned to sustainable development principles. This is recognised in OECD principle 2, *consensus on long-term vision*.

2.4 Principles of Strategic Planning

Understanding of the concept of strategic planning has also evolved over time. In earlier decades, strategic planning was narrowly conceived of as consisting of a fixed plan which set target outputs for the main macro economic variables (GDP, investment, trade balance) over a fixed period of time. The selection of the targets and responsibility for implementation rested solely with government. Economic planning exercises were often donor-driven and dependent on external resources and assistance. Planning was designed to follow a ‘rational’ model, assuming a well-coordinated decision process with the formulation, implementation, monitoring and evaluation of planning policy following a sequential cycle.

The traditional approach to strategic planning has been largely displaced by a focus on in-country processes, which recognises that the planning process seldom follows the sequence from formulation to implementation to monitoring and evaluation, but instead occurs as a continuous and iterative process, where important decisions are frequently taken during the implementation stage, and monitoring and evaluation occur in advance of outputs and outcomes (Booth and Lucas, 2001).

While current understanding of strategic planning retains the idea of planning as being about setting goals and identifying the means of achieving them, it has moved away from a fixed

plan and solutions, to an adaptive process, involving the management of change as it affects conditions, constraints and resources. Second, it involves a shift from the view that the state alone is responsible for development, to one where various stakeholders are involved in the planning process through consultation and participation. Third, strategic planning involves national ownership, reflecting national objectives and priorities that are rooted in national processes of dialogue and accountability. Fourth, strategic planning involves a comprehensive and holistic approach which seeks to integrate the full range of available resources, and to build on existing policies and initiatives. The strategic planning process should also incorporate procedures for targeting, resourcing and monitoring. The principles of effective strategic planning which emerge from current understanding of the strategic planning process can be summarised as:

- C. Country ownership and commitment
- D. A comprehensive and coherent policy process
- E. Targeting, resourcing and monitoring

Further interpretation of these principles can be obtained by reference to more general principles of planning. These have been elaborated, for example, in the international definition of quality systems, through which reliable processes can be established for achieving any desired goals. The international quality systems standard ISO 9001 offers a set of general principles for effective process management, the most relevant of which are taken into account in the following discussion of the principles of an effective planning process.

C. Country Ownership and Commitment

While the need for the strategic planning process to be country-owned may seem self-evident, it needs to be stressed, in the light of experiences where the development of a strategy has been led by donors, and not translated into national planning systems. The principle of national ownership implies that the component processes and targets should be based on a country's own perception of what constitutes its national strategy for sustainable development (McGee and Norton, 2001).

Even when the development of strategy is nationally led, it may not become embedded in actual planning processes if there is insufficient commitment to it at those levels of government which are the most influential in defining those processes. This corresponds to clause 5.1 of ISO 9001, which requires top level commitment to be demonstrated, and the involvement of top level decision-makers in reviews of the system's effectiveness. Similar requirements are incorporated in OECD principle 8, *high-level government commitment and influential lead institutions*.

D. Comprehensive and Coherent Policy Process

For a strategy to be effective it must be realistic. Booth and Lucas (2001) identify a 'missing middle' in much of current strategic planning, which they describe as the failure of the planning process to specify how identified activities are expected to result in the specified target outcomes; and more particularly, why the activities are expected to do better than comparable activities have done in the past.

This means that a strategy must be based on reliable information and draw on valid analyses of the likely outcomes of chosen strategy options. This need corresponds to ISO 9001's clause 5.4.2, which requires a demonstration of how plans will meet their desired objectives. This necessary characteristic of strategic planning is recognised in OECD principle 5, *based on comprehensive and reliable analysis*.

As noted in the above discussion, sustainable development strategies should not be seen as new plans, nor as separate planning processes alongside existing processes. They should instead represent the adaptation of existing processes, where this is necessary to comply with sustainable development principles. Clauses 4 and 5 of ISO 9001 set out similar requirements, which ensure that the strategy is coherent with actual management processes. This need is represented in OECD principle 9, *building on existing processes and strategies*.

The strategic planning process will only be effective if the decisions which it requires to be made are allocated to those bodies with the necessary information and resources to make them. In particular, overall national strategy needs to be set at national level, while detailed local decisions which will contribute to the achievement of that overall strategy need to be made at local level. Clause 5.5.2 of ISO 9001 states this need in general terms, requiring that the responsibilities, authorities and interrelationships of those authorities responsible for implementation must be defined. Similar needs are identified in OECD principle 11, *link national and local levels*.

E. Targeting, Resourcing and Monitoring

Although understanding of the principles of strategic planning has evolved to embrace adaptive processes and the management of change, the need for setting goals and identifying the means of achieving them remains an essential part of the process. This is closely aligned to ISO 9001's clause 5.4.1, which requires measurable objectives to be defined, and clause 5.4.2, requiring the means of achieving them to be established. These needs are reflected in OECD principle 4, *targeted with clear budgetary priorities*.

Of its nature, strategic planning involves a high degree of uncertainty. Few aspects of the development process are sufficiently well understood to allow accurate forecasts of the effects of strategic decisions, and information on current conditions and influences on them is rarely sufficient to support precise analyses. To be effective, therefore, the process relies on monitoring of progress and of unanticipated effects, and feedback into the planning process to adapt it as necessary. This is a critical component of ISO 9001, where clause 8 requires that implementation of processes must be routinely audited, that achievement of their objectives must be monitored, that corrective action must be taken in response, and that all results must be recorded. Similar requirements are established in OECD principle 6, *incorporate monitoring, learning and improvement*.

As part of the need to ensure means of achieving the strategy's goals, institutional and human resources are just as essential as financial ones. ISO 9001 establishes this in its clause 6, which requires that resources must be provided for implementing all aspects of the system, and for improving it where appropriate. This is recognised in OECD principle 12, *develop and build on existing capacity*.

2.5 Summary

All twelve of the OECD principles listed in Table 1 relate directly to the five more general principles of sustainable development and strategic planning, as discussed above. The relationship between them is summarised below:

A. Integration of economic, social and environmental objectives (1, 3)

- 1 People-centred.
- 3 Comprehensive and integrated.

B. Participation and consensus (2, 10)

- 2 Consensus on long-term vision.
- 10 Effective participation.

C. Country ownership and commitment (7, 8)

- 7 Country-led and nationally-owned.
- 8 High-level government commitment and influential lead institutions.

D. Comprehensive and coherent policy process (5, 9, 11)

- 5 Based on comprehensive and reliable analysis.
- 9 Building on existing processes and strategies.
- 11 Link national and local levels.

E. Targeting, resourcing and monitoring (4, 6, 12)

- 4 Targeted with clear budgetary priorities.
- 6 Incorporate monitoring, learning and improvement.
- 12 Develop and build on existing capacity.

In establishing this relationship, use has been made of the fundamental characteristics of sustainable development established in the UNCED and subsequent UN Conferences, and the general characteristics of effective planning and process management set out in the international quality systems standard ISO 9001.

3. ASSESSMENT FRAMEWORK: PRINCIPLES, CRITERIA AND GUIDANCE ON APPLICATION

3.1 Introduction

This chapter of the report develops a set of criteria relating to each of the five principles of strategic planning and sustainable development that were identified in Chapter 2. The application of these criteria (which are typically presented in the form of a statement of requirements) provides the basis for assessing progress in establishing an effective national strategy for sustainable development. There are five sections to the chapter of the report. Section 3.2 explains the general considerations which guided the selection of the assessment criteria. Section 3.3 describes the method of categorising progress towards meeting the criteria. Section 3.4 details the proposed criteria, where four criteria are given for each of the five principles. Section 3.5 gives a brief summary and conclusion.

3.2 Selection of Assessment Criteria

The proposed assessment approach consists of a set of criteria for each principle, which taken together provide the basis for an assessment of the particular principle under consideration. The purpose of the assessment is to provide a qualitative indicator of the progress made in implementing a national process of strategic planning for sustainable development. For the criteria to serve this purpose, they should satisfy, as far as possible, the following requirements:

- A limited number of criteria should be applied to each principle, to provide a process that is workable, timely and low-cost.
- Each criterion should be well-defined, and framed in a way that allows a qualitative assessment of implementation to be made.
- Each criterion should deal with a distinct aspect of the principle, different from the aspects assessed by other criteria.
- Each criterion should be considered sufficiently important to merit influencing the overall assessment of the relevant principle.
- Each criterion should be useable by assessors who may not possess specialist expertise in strategic planning, but who are familiar with the current issues and policy debate on strategic planning for sustainable development in the national context.

The selection of the criteria to be applied to each of the five principles was based on an comprehensive screening and scoping of a range of information sources relating to strategic

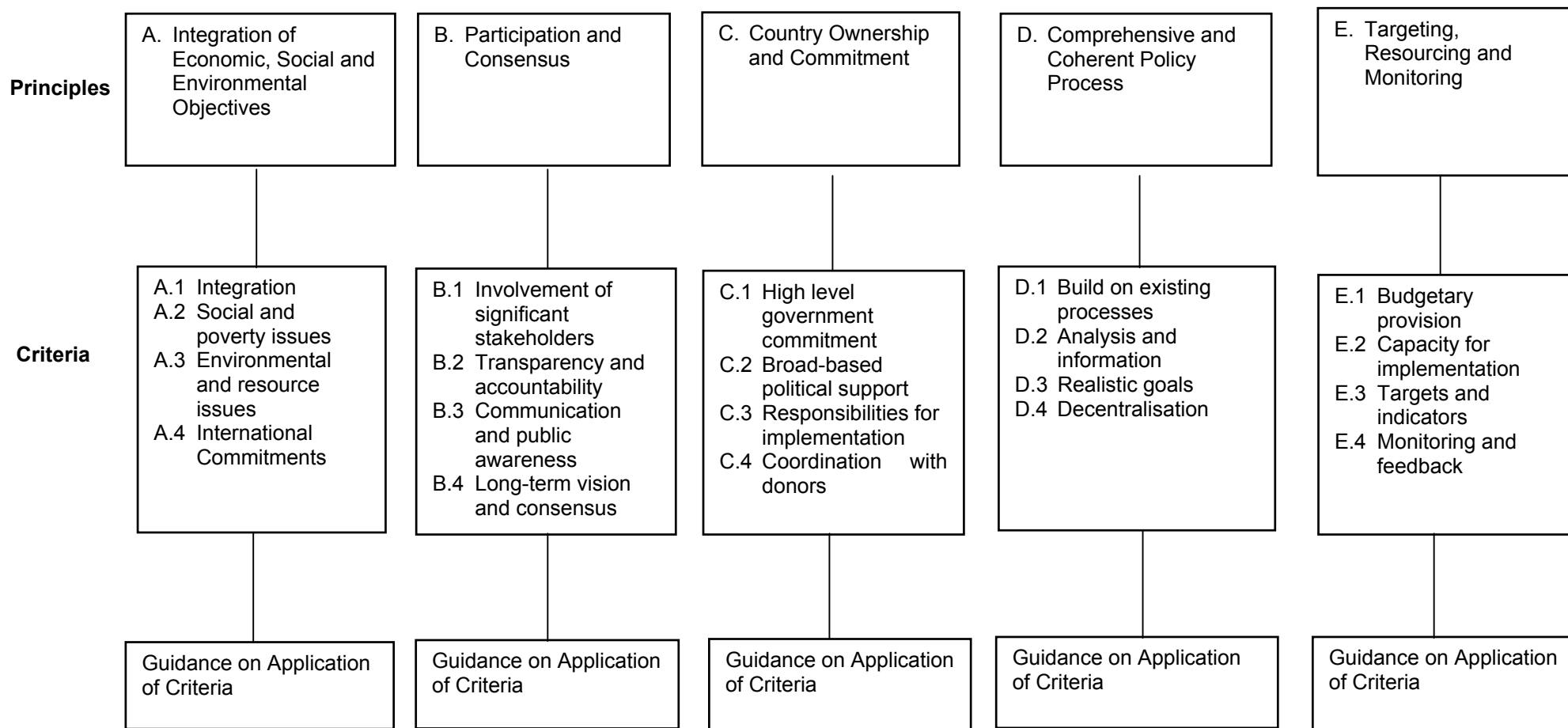
planning and sustainable development. First, the general principles of effective process management, as elaborated in the international quality systems standard ISO 9001, were reviewed, and those principles having particular relevance and applicability to the sustainable development planning process, were identified. Second, the literature on the policy and practice of strategic planning processes, particularly in developing countries, was examined, with the aim of identifying key issues and experiences which could inform the framing of the assessment methodology.

This information was then categorised into two levels. The first level consists of the criteria themselves. Here, four key criteria are identified which cover the separate aspects and dimensions of the principle to which they relate. The second level consists of a large number of questions relating to each criterion, which are intended to provide guidance on the application of the criteria.

The criteria for each principle are given in Section 3.4, following a description of the proposed scoring system in part 3.3. The guidance questions for application of the criteria are given in Annex 3.

The relationship between the principles, criteria, and guidance on application of criteria, is shown in Figure 1.

Figure 1 Principles, Criteria and Guidance on Interpretation



3.3 Method of Categorising Progress in Meeting the Criteria

The purpose of the assessment is to provide guidance to policymakers on progressing the implementation of an effective national strategic planning process for sustainable development. The outcome of the application of the assessment, therefore, should provide decision-makers with a clear indication of areas where progress has been sufficient to meet the requirements for the implementation of an effective planning process, and to identify areas where further improvement is needed. With this objective in mind, a scoring scheme is proposed, with four alternative scores being used to indicate the extent to which each criterion is being met.

The scoring is as follows:

- A = all of the requirements are fully met
- B = all of the requirements are satisfactorily met, although some further improvements are desirable
- C = some requirements have been satisfactorily or fully met, but others have not yet been satisfactorily met
- D = few of the requirements have, as yet, been satisfactorily met

3.4 Criteria

The criteria for each of the five principles are as follows:

A. Integration of economic, social and environmental objectives

- Strategies should seek to integrate, where possible, economic, social and environmental objectives. Where integration cannot be achieved, trade offs need to be negotiated. The entitlements and possible needs of future generations must be factored into this process. (OECD Principle 3)
- An effective strategy requires a people-centred approach. Strategies should have long-term beneficial impacts on disadvantaged and marginalized groups, such as the poor. (OECD Principle 1)

Criterion A1 - integration

Strategic planning in the country is based on a comprehensive and integrated analysis of economic, social and environmental issues, which clarifies links between the three spheres, resolves conflicts between them where practicable, and negotiates appropriate trade-offs where conflicts remain.

Criterion A2 - social and poverty issues

Strategic planning in the country integrates poverty eradication, gender issues and the short- and long-term needs of disadvantaged and marginalised groups into economic policy.

Criterion A3 - environmental and resource issues

Strategic planning in the country integrates the maintenance of sustainable levels of resource use and the control of pollution to maintain a healthy environment into economic policy.

Criterion A4 - international commitments

Measures are in place to ensure compliance with international agreements which the country has entered into, on environmental and social issues.

B. Participation and consensus

- Multi-stakeholder processes are required involving decentralised authorities, the private sector and civil society, as well as marginalized groups. This requires good communication and information mechanisms with a premium on transparency and accountability. (OECD Principle 10)
- Strategic planning frameworks should have a long-term vision with a clear timeframe upon which stakeholders agree. At the same time, they need to include ways of dealing with short- and medium-term necessities and change. The vision needs to have the commitment of all political parties. (OECD Principle 2)

Criterion B1 - involvement of stakeholders

The country's processes of strategic planning, implementation, monitoring and review include the participation of stakeholders, including government, decentralised authorities, elected bodies, non-governmental and private sector institutions and marginalised groups.

Criterion B2 - transparency and accountability

The management of the country's strategic planning processes is transparent, with accountability for decisions made.

Criterion B3 - communication and public awareness

Measures are taken to increase public awareness of sustainable development, to communicate relevant information, and to encourage the development of stakeholder involvement in the strategic planning process.

Criterion B4 - long term vision and consensus

The country's strategic planning processes are based on a long-term vision for the country's development, which is consistent with the country's capabilities, allows for short- and medium-term necessities, and has wide political and stakeholder support.

C. Country ownership and commitment

- It is essential that countries take the lead and initiative in developing their own strategies if they are to be enduring. (OECD Principle 7)
- High level government commitment – on a long-term basis - is essential if policy and institutional changes are to occur, financial resources are to be committed and for there to be clear responsibility for implementation. (OECD Principle 8)

Criterion C1 - high level government commitment

The process of formulating and implementing the national strategy is led by government, with evidence of high level commitment.

Criterion C2 - broad-based political support

The country's strategic planning process has broad-based political support.

Criterion C3 - responsibilities for implementation

Responsibility for implementing strategies is clearly assigned, to bodies with the appropriate authority.

Criterion C4 - co-ordination with donors

The country's strategic planning process is co-ordinated with donor programmes.

D. Comprehensive and coherent policy process

- Priorities need to be based on a comprehensive analysis of the present situation and of forecasted trends and risks, examining links between local, national and global challenges. The external pressures on a country - those resulting from globalisation, for example, or the impacts of climate change - need to be included in this analysis. Such analysis depends on credible and reliable information on changing environmental, social and economic conditions, pressures and responses, and their correlations with strategy objectives and indicators. Local capacities for analysis and existing information should be fully used, and different perceptions amongst stakeholders should be reflected. (OECD Principle 5)
- A strategy for sustainable development should build on what already exists in the country, so enabling convergence, complementarity and coherence between different planning frameworks and policies. This requires good management to ensure co-ordination of mechanisms and processes, and to identify and resolve potential conflicts. The latter may need an independent and neutral third party to act as a facilitator. The roles, responsibilities and relationships between the different key participants in strategy processes must be clear. (OECD Principle 9)
- Strategies should be two-way iterative processes within and between national and decentralised levels. The main strategic principles and directions should be set at the central level (here, economic, fiscal and trade policy, legislative changes, international affairs and external relations, etc., are key responsibilities). But detailed planning, implementation and monitoring would be undertaken at a decentralised level, with appropriate transfer of resources and authority. (OECD Principle 11)

Criterion D1 - build on existing processes

The national strategy for sustainable development is based on existing strategic planning processes in the country, with co-ordination between them, and mechanisms to identify and resolve potential conflicts.

Criterion D2 - analysis and information

Strategic planning in the country is based on a comprehensive analysis of the present situation and of forecasted trends and risks, using reliable information on changing environmental, social and economic conditions.

Criterion D3 - realistic goals

The national strategy is based on a realistic analysis of national resources and capacities in the economic, social and environmental spheres, taking account of external pressures in the three spheres.

Criterion D4 - decentralisation

The country's strategic planning processes embrace both national and decentralised levels, with two-way iteration between these levels.

E. Targeting, resourcing and monitoring

- The strategy needs to be fully integrated into the budget process to ensure that plans have the financial resources to achieve their objectives, and budgets are informed by meaningful planning. Targets need to be challenging - but realistic in relation to constraints. (OECD Principle 4)
- Monitoring and evaluation needs to be based on clear indicators and built into strategies to steer processes, track progress, distil and capture lessons, and signal when a change of direction is necessary. (OECD Principle 6)
- At the outset it is important to assess the political, institutional, scientific and financial capacity of potential state, market and civil society participants. Where needed, provision should be made to develop the necessary capacity as part of the strategy process. A strategy should optimise local skills and capacity both within and outside government. (OECD Principle 12)

Criterion E1 - budgetary provision

The sustainable development strategy is integrated into the budget process, such that plans have the financial resources to achieve their objectives.

Criterion E2 - capacity for implementation

The sustainable development strategy includes realistic mechanisms to develop the capacity required to implement it.

Criterion E3 - targets and indicators

Targets have been defined for key strategic economic, social and environmental objectives, with indicators through which they can be monitored.

Criterion E4 - monitoring and feedback

Systems are in place for monitoring the implementation of strategies and the achievement of their defined objectives, for recording the results, and for reviewing their effectiveness as strategies for sustainable development, with effective mechanisms for feedback and revision within the planning process.

3.5 Summary and Conclusion

The various components of the assessment framework have been discussed in this chapter of the report. The next chapter will explain how the assessment methodology can be used to assess the effectiveness of a national strategy for sustainable development.

4. THE PROPOSED ASSESSMENT METHODOLOGY

4.1 Introduction

This chapter describes how the assessment framework can be used to undertake an assessment of implementation of a strategic planning process for sustainable development. The next section (4.2) describes the relationship of the proposed assessment methodology to the strategic planning process itself. Section 4.3 describes the structure and recording of the assessment results. The assessment is conducted at two levels: level 1 for the criteria, and level 2 for the principles. At each level the assessment provides a summary of the evidence and reasoning used in reaching conclusions. The assessment team is encouraged to interpret the results in a positive and constructive manner, which provides guidance to policy-makers on the areas in which existing processes can be strengthened, and the overall effectiveness of the implementation process improved. Section 4.4 provides a brief summary.

4.2 Integration of Assessments into the Planning Process

An effective national strategy for sustainable development should include monitoring systems whose purpose is to:

- review the effectiveness of the entire strategic planning process as a strategy for sustainable development;
- check that strategies and plans are implemented as intended;
- monitor the achievement of the objectives which these strategies and plans define.

For each of these components, the system should lead to corrective action being taken in the event that shortcomings are revealed. One of the criteria developed in Chapter 3 (criterion E4) establishes these aims.

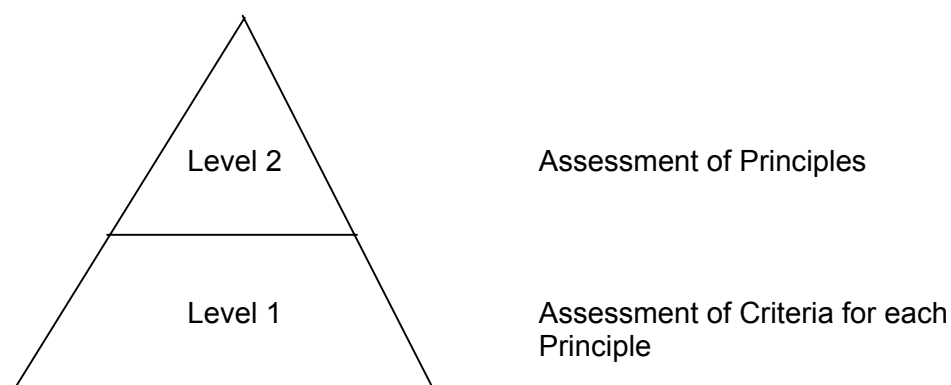
The proposed assessment methodology is designed such that it may be incorporated into a country's own strategic planning process, to provide the first of these three components. It also provides in part for the second component, in support of any other systems which may be in place in the country to monitor the implementation of strategic plans. It does not attempt to provide the third component, beyond checking the existence and effectiveness of other systems for monitoring the achievement of economic, social and environmental objectives.

It is intended that countries may use the methodology proposed here, to undertake an initial assessment of their progress towards implementing effective strategies for sustainable development, and repeat the assessment periodically as part of the overall strategic planning process.

4.3 Structure and Recording of Assessment Results

To facilitate its use, the evaluation of assessment findings is structured in a hierarchical or pyramidal set of sequential stages (Figure 2). The evaluation begins at the lower level i.e. the base of the pyramid, where each criterion is examined, making use of the detailed guidance on application of the criteria listed in Annex 3. At the next level, each principle is assessed, according to the set of (four) criteria relating to the principle (these criteria were listed in Section 3.4).

Figure 2 Stages of Assessment



Using the scoring scheme described in Section 3.3, a score of A, B, C or D is assigned to each criterion. In order to obtain the necessary information and form appropriate judgements on what improvements may be needed to fully satisfy the criteria, the assessment team may make use of the guidance questions (Annex 3) for each criterion. The assessment report should provide a brief supporting text which summarises the reasoning and evidence upon which the assessment score for each criterion is based.

The results and supporting text of the Level 1 assessment should be clearly presented for each of the criteria. Table 2 gives an example, in this case for principle A, of an Assessment Worksheet that may be used for this purpose.

Table 2 Level 1 Assessment Worksheet

Principle A: Integration of Economic, Social and Environmental Objectives

Criteria	Score	Summary Explanation of Score
A1		
A2		
A3		
A4		

At Level 2 Assessment of the Principles, the results of the Level 1 assessment are extracted, and are recorded for each of the principles. Table 3 gives an example of an Assessment Worksheet that may be used to present this summary. In addition to giving the scores for each criterion, the worksheet includes the assessment's recommendations for each of the principles. These provide an overall, qualitative assessment for each principle, based on the scores assigned to each criterion. Importantly, these recommendations should draw attention to the main areas where existing processes might be strengthened to improve the effectiveness of the principle's implementation as a key component of the strategic planning for sustainable development process.

Table 3 Level 2 Assessment Worksheet

Principle	Criteria Scores				Overall conclusions
	1	2	3	4	
A					
B					
C					
D					
E					

The results recorded in table 3 can be used to draw general conclusions as to the effectiveness of the national strategy for sustainable development, and to identify the main areas where improvements should be sought. For example, if a country records no scores below B for a particular principle, it can be concluded that the strategic planning process for sustainable development is being satisfactorily implemented for this principle. Alternatively, if most of the scores are below C, it indicates a need for further improvement. Lower scores (C or below) indicate areas where efforts to improve the strategic planning process might be concentrated. On this basis, overall conclusions can be formulated in a manner similar to the hypothetical example in Table 4.

Table 4 Hypothetical Example of Level 2 Assessment Worksheet

Principle	Criteria Scores				Overall conclusions
	1	2	3	4	
A	B	B	B	C	The national strategy on the whole satisfies the principle. Further progress can be made in all areas, but improvement is needed for only one of the criteria.
B	B	C	C	C	The principle is satisfied for one of the criteria, but improvements are needed for each of the others.
C	A	B	A	B	The national strategy satisfies all the criteria, and fully meets the requirements for two of the criteria.
D	C	C	C	D	Progress towards satisfying the principle has been made for all but one of the criteria.
E	A	B	C	D	The principle is fully or satisfactorily met for two criteria, but the requirements for the other two are not yet satisfactory.

4.4 Summary

This chapter has described the assessment methodology, and in particular, how the application of the methodology can help to identify areas in which existing procedures and processes can be strengthened.

It is recommended that the methodology and assessment framework be tested by conducting an assessment in one or more countries, before applying them more generally.

5. GUIDANCE ON ORGANISATION OF THE ASSESSMENT

5.1 Introduction

This chapter describes how an assessment may be conducted, using the proposed framework. The next section (5.2) discusses the approach that is recommended, taking account of experience of similar assessments. Section 5.3 describes the aims of the guidance, which is given in Section 5.4, on the administration of an assessment and the activities to be carried out. Section 5.5 describes the recommended content of an assessment report. Section 5.6 provides a brief summary.

5.2 Approach to conducting an assessment

The scores for each criterion need to be based on a thorough understanding of the country's strategic planning processes, as strategies for sustainable development. The organisation of the assessment has to take into account the different forms which national strategies will take, and the degree of depth in which a country may wish to undertake its investigations. Some countries may have developed an overarching document which is specifically referred to as a sustainable development strategy, while others will have prepared a top level strategy document under a related initiative (such as a National Conservation Strategy or a Poverty Reduction Strategy). Some will have no such document. The aim of the assessment will be to investigate the country's actual strategic planning processes.

These processes will be highly complex, covering many government departments at both national and local level, and a wide variety of other stakeholders. A judgement has to be made on how thoroughly those processes need to be investigated, understood and evaluated, in order to assess their effectiveness as a national strategy for sustainable development. An in-depth study is likely to take many months, and involve extensive consultation. However, investigations that are considerably less intensive may yield sufficient understanding and information to permit reliable judgements to be made. An example of an in-depth investigation is the mid-term review of Pakistan's National Conservation Strategy (Hanson et al 2001), which took 18 months to complete, and included nine preliminary studies of individual aspects of the strategy. At the opposite extreme, an independent review of Uganda's development policies and programmes (Dearden 1998) was undertaken in a two-week visit by two people, working with a local adviser, with about one week's advance preparation. Our own experience in conducting assessments of national

environmental assessment systems, though more limited in scope, suggests that a reasonably thorough understanding of planning system performance can be attained in a short space of time (METAP 2001). However, the process of consultation on the findings, and reaching agreement between the different stakeholders involved in approving the assessment report, will take longer.

It is recommended that the process be overseen by a steering committee composed of senior officials of the most relevant government ministries, including a representative of the office of the Prime Minister or President. The assessment team should be composed of senior experts covering the economic, social and environmental spheres. The assessment should begin with desk study of key documents. A series of interviews and discussion fora will follow, supported by examination of further documents. Wherever practicable, evidence should be sought to verify opinions that are expressed. Attendance at meetings to observe the planning process in practice will provide additional valuable information.

Before the assessment report is published, it is recommended that a draft should be circulated for comment to all participants in the assessment, and made publicly available for comment. One or more consultation meetings may also be valuable, to allow wider debate on the conclusions before the report is finalised.

5.3 Aims of the guidance

The guidance given in Section 5.4 below may be incorporated into a country's strategic planning processes, to provide a regular review of the effectiveness of those processes as a strategy for sustainable development. It may also be used for a one-off assessment.

The guidance is intended to be used by countries to assess the effectiveness of their own national strategies for sustainable development, but may be adapted for use in independent evaluations.

The guidance covers both the arrangements for conducting an assessment, and the analysis and reporting of results. To allow countries to compare their progress with other countries, it is desirable that the results be analysed and presented in the same way for all countries. Apart from this, countries will need to develop an assessment

approach that is best suited to their own particular circumstances, making use of the guidance where appropriate.

5.4 Administration and Activities

i) Organisation

a) Establish a Steering Committee to oversee the assessment, comprising high ranking representatives of those ministries most involved in strategic planning processes. These are likely to include the ministries of finance, planning and environment or their equivalents, together with a representative of the office of the prime minister or president. It may be desirable to include one or more senior academics with relevant experience, to provide specialist guidance.

b) Appoint the assessment team and define its Terms of Reference. The team should be composed of senior experts, and include an economist, an environmental specialist and a social specialist. At least one member of the team, including the team leader if possible, should have experience of conducting assessments or studies of a similar nature. At least one member of the team should have sufficient knowledge of the country's planning processes to be able to identify key contacts representing the most relevant stakeholders in both government and civil society. Terms of Reference should include requirements for reporting to the Steering Committee, and for approval of draft and final reports.

c) Agree the assessment approach and an outline plan with timescales.

d) Develop detailed plans for interviews, group discussions and other aspects of the assessment.

ii) Principal documents for initial desk study

Gather those documents needed to obtain a good overall grasp of the country's strategic planning processes and their practical implementation. These may include:

- National strategy documents, e.g. vision statement, five year plans
- Donor-sponsored strategy documents - PRSP, CDF, NEAP, conservation strategy, etc
- World Bank and other donors' country reports
- Budget policies

- Laws and regulations on development planning and licensing
- Land laws and regulations
- All environmental laws and regulations
- State of the environment reports

iii) Detail documents obtained during assessment

Further documents will need to be collected during the remainder of the assessment (see below). Which documents are needed will become apparent during the assessment. They may include:

- Sectoral development plans
- Local development plans
- Law on local government
- Local by-laws
- National and local planning procedures
- Budget documents
- Economic statistics
- Social statistics and survey data
- Environmental monitoring data

iv) Interviews, discussion groups and meetings

The major part of the assessment will consist of gaining knowledge and understanding of planning processes as they function in practice from a wide variety of stakeholders involved in them. Typical government and civil society stakeholder groups are listed below. The principal vehicles for this research are likely to be:

- interviews with individual stakeholders
- discussion meetings with groups of stakeholders
- attendance at meetings to observe the planning process itself

Interviews and group discussions should be facilitated in such a way as to obtain answers to the questions raised by the assessment criteria. It may be helpful to prepare *questionnaires, protocols or checklists* that will contribute to this. These should not be used too rigorously however, since a great deal of unexpected knowledge can be obtained from an unconstrained discussion of the subject area.

This may be particularly true of group discussions, in which a debate between participants holding contrasting views may be highly revealing. Such discussions will however need to be facilitated, to focus them on issues related to the assessment criteria, and to extract a *consensus view* where this is possible

No such facilitation is necessary or desirable for *attendance at meetings* that are part of the planning process, in which the assessor should only observe.

The *selection of participants* is critical for the validity of the assessment. They should be chosen to cover the full spectrum of relevant planning processes, to be well informed, and to be representative of the full spectrum of stakeholders in both government and civil society, at both national and local level.

Interviews with *donors' country representatives* may be particularly useful in helping to gain an understanding of strategic planning processes, and in identifying other key participants.

Views should be obtained from *senior decision-makers* responsible for political decisions (ministers, governors), and from *officials* responsible for carrying them out. Senior decision-makers and officials should be interviewed individually.

Relevant *national government* departments may include:

- finance
- planning
- economic development
- interior
- local government
- environment
- health
- social affairs
- trade
- industry
- public works
- agriculture
- fisheries

- tourism
- housing
- communications
- international relations

or their equivalents.

Participants at *local government* level should be chosen to cover a similar range of planning issues, and to be representative of all levels of the government structure for major cities, urban and rural areas, and special areas such as industrial cities or free trade zones.

Civil society representatives may include

- industry
- commerce
- finance
- chambers of commerce
- industrial and professional associations
- other components of the private sector
- NGOs covering a wide range of social, environmental and economic issues
- NGO fora
- citizens' groups
- the media
- academics
- research institutions
- consultants

v) Documented and other evidence

During interviews, and to some extent in group discussions, opportunities should be sought to obtain or examine supporting evidence of the views being expressed.

Such evidence may include

- departmental records
- minutes of meetings

- published and unpublished reports
- presidential and ministerial speeches
- numbers and qualifications of staff responsible for discharging defined responsibilities

Confidentiality of unpublished documents to which access is given, and also of verbal information provided by participants, should be respected. This may be done by reporting findings from such sources as evidence identified by the assessment team, without attribution or confidential details.

Further evidence may be sought subsequently. Analysis of differences and conflicts between the statements that various participants have made can be revealing. The conclusions which the assessor may draw from these may need to be checked against whatever evidence might be available.

It may also be valuable to seek evidence through

- field visits
- focus groups
- public meetings

whose aim is to obtain direct information on the actual effects of planning policy on the communities or environmental characteristics which it is expected to influence.

vi) Prepare draft findings and publish for comment

The information gathered should be analysed as discussed in Section 4.3, in order to produce a draft report which presents the results of the assessment in relation to the criteria, summarises the evidence for these findings, and describes the areas for improvement that have been identified.

This draft report should be made available to all the participants who have contributed, and also made available to the general public. Mechanisms for encouraging, receiving and responding to comments should be defined.

vii) Consultation meeting/s or workshops

Written comments may not be sufficient to gain a full understanding of the points being made, nor to reconcile differences between them. One or more consultation meetings or workshops may therefore be valuable, to allow wide debate on the conclusions drawn from the assessment.

viii) Finalise report

The final report on the assessment should include a description of these later stages of the consultation process and of how their contributions have been taken into account. Its suggested content is given below.

5.5 Reporting

It is recommended that the assessment report include the following components.

1. Summary of investigation

This should describe the methods used, and list the organisations and people involved in consultations.

2. Presentation of scores

The results for each of the criteria should be presented as discussed in Section 4.3.

3. Explanation of scores, with details of improvements needed

The reasons for the findings should be described, along with the improvements identified as being needed.

4. Description of evidence for the findings

All findings of both a positive and negative nature should be supported by a summary of the evidence for them.

The report may include the results of monitoring of the country's sustainable development objectives, for example in relation to poverty reduction or environmental conservation. However, a record of evidence that monitoring and corrective action are taking place will normally be sufficient.

If regular assessments are undertaken, the report should also include a summary of previous results and a discussion of the progress made.

5.6 Summary

This chapter has described how an assessment may be conducted, in such a way as to obtain the information necessary for evaluating the effectiveness of a country's national strategy. Guidance has been given on administrative arrangements, the activities to be carried out and the content of an assessment report. This guidance may be incorporated into a country's strategic planning processes to provide regular reviews, or used for a one-off assessment.

It is recommended that the guidance be tested along with the assessment methodology, by conducting an assessment in one or more countries before applying the approach more generally.

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ANNEX 1. REVIEW OF CURRENT STATUS OF NATIONAL STRATEGIC PLANNING PROCESSES

The results of the review are presented in Table A1.

The table outlines the principal features of the national strategic planning processes in a sample of nine countries.

The sample was drawn from DFID's PSA group of countries, although some PSA countries (Russia, India, Nepal and China) were not included as there was insufficient information available relating to the current status of their strategic planning processes.

Two non-PSA countries, Pakistan and Bolivia, were included as demonstrating particular features of interest. The first column of the table gives an indicator of the documents that have been consulted. The second column provides a summary of the main features of the strategic planning process in each country. The third column gives further detail relating to the implementation of monitoring or assessment systems for the strategic planning process for the country.

Table A1: Overview of Country Experience with National Strategic Planning Processes

	Documents examined	Key features of existing strategic planning process	Evidence of monitoring and evaluation
Bolivia	<ul style="list-style-type: none"> World Bank (2001d) World Bank and IMF (2001b) Republic of Bolivia (2001) Aguilar (2000) 	<ul style="list-style-type: none"> First National Dialogue held in 1997 informed the preparation of the IPRSP in early 2000. New National Dialogue launched in April 2000 to promote participation in the preparation of the PRSP. Designed as a bottom up process from the municipal level, then passing to the regional level and up to the national level. Strategy development based on participatory process and there is a good foundation for ongoing participation for monitoring. Consultations have used workshops held throughout the country which were open to the public, plus the distribution of questionnaire-leaflets to a large number of villages. Balanced strategy focussing on social and economic development and covering issues of vulnerability and institutional effectiveness. Number of risks to the implementation of the strategy relating to weaknesses in the public administration and public sector institutions, rising social tensions and a fragile political situation. However the strategy does emphasise increasing the effectiveness and efficiency of institutions in the public sector. 	<p>Government has laid the groundwork for an ongoing participatory process for monitoring the strategy. Ambitious but achievable targets in the PRSP set for medium and long term (2005, 2010, 2015). Large number of detailed targets and objectives, both for final results and intermediate indicators of progress. Implementation the monitoring and evaluation may be difficult due to the large number of targets and administrative weaknesses. Some areas of weakness in the proposed system of indicators – some cases the indicator does not match well with the priority action identified in the strategy and there are no indicators for some of the strategies intermediate targets.</p>
Ghana	<ul style="list-style-type: none"> World Bank (2001d) Booth and Lucas (2001) Republic of Ghana (2000) Vordzorgbe (2000) Vordzorgbe and Caiquo (2001a) Vordzorgbe and Caiquo (2001b) 	<ul style="list-style-type: none"> Home grown Ghana-Vision 2020 in place. Complementary strategies within the 2020 framework: Ghana PRS now the interim PRSP and the CDF; plus sector strategies e.g. Renewable Natural Resources Sector Strategy. Vision 2020 framework has provisions for periodic review Utilises a participatory process of preparation with government involving the majority of relevant stakeholders. Vision 2020 does not specify and agree on trade-offs in integrating env, social and economic issues. Long term policy objective priorities are not necessarily reflected in public resource allocation and incentive structures. 	<p>Monitoring formats developed but lack of implementation as monitoring info not regularly submitted. Inappropriate indicators linked to action plans rather than the main vision 2020 goals and targets. PRS monitoring carried out – development of Participatory Poverty Assessments – using local communities to assess specific indicators.</p>

Kenya	<ul style="list-style-type: none"> • World Bank (2001d) • Government of Kenya (2000) • World Bank and IMF (2000a) 	<ul style="list-style-type: none"> • The IPRSP was developed through a consultative process between the government, development partners, private sector and civil society. • The IPRSP is grounded in a National Poverty Eradication Plan which was a Kenya-led exercise involving extensive consultation. • The IPRSP envisages that the government will set up a monitoring and evaluation system. • Reforms are being implemented to improve governance however severe problems still persist and this is a focus in the IPRSP. • These is also considered to be a the lack of attention to the roles of the various institutions within the IPRSP. 	<p>Surveys have been carried out in the past but recently there has been a deterioration of poverty indicators due to poor economic performance, security, etc. It is intended that PRSP will fill this info gap and include a preliminary monitoring and evaluation system. Macro-economic and social targets/ indicators have been identified. Monitoring indicators are applied in an implementation matrix which also shows the surveys to be undertaken.</p>
Malawi	<ul style="list-style-type: none"> • World Bank (2001d) • Republic of Malawi (2000) • Booth and Lucas (2001) 	<ul style="list-style-type: none"> • Vision 20/20; the Policy Analysis Initiative; the Task Force on SIPs and SWAPs in Education, Agriculture and Health and other line Ministries; and the public expenditure review have involved consultations, the results of which will be incorporated into the PRSP, • An IPRSP has been prepared which present plans for a home grown vision or strategy, outlines the need for a monitoring and evaluation system and presents a “road map” or timetable for completion of the PRSP. 	<p>Qualitative Impact Monitoring Study of the poverty situation has been carried out. Monitoring system for the PRSP has not yet been developed. Responsibility for monitoring the implementation of the PRSP will be with the monitoring and evaluation division of the National Economic Council however it is stated that resource requirements for monitoring are not yet identified.</p>

Mozambique	<ul style="list-style-type: none"> • Republic of Mozambique (2000) • World Bank and IMF (2000b) 	<ul style="list-style-type: none"> • The Action Guidelines for the Eradication of Absolute Poverty identify general objectives for medium and long term poverty eradication. The Action Plan for the Reduction of Absolute Poverty 2000 - 2004 (PARPA) has been prepared in support, as a long-term Action Plan with specific national and sectoral objectives and targets. • The PARPA complements existing instruments already in use, the Economic and Social Plan, the Three-Year Public Investment Plan and the Annual State Budget. • The PARPA is a public document with strong commitment and ownership from the government. • The JSA comments that the weakest part of the IPRSP is the brevity of the description of past and planned consultations –there has been limited consultation on the guidelines and the PARPA however the government is committed to conducting broad consultations in the development of the full PRSP. 	Action has been taken to translate the general goals of the PARPA into measurable indicators & targets some of which will serve as indicators (input, impact & process) for the full PRSP (part 4 PARPA). Annual and five year sets suggested. Government plan to refine the list and to limit the number of indicators plus identify institutions to carry out the monitoring. A full monitoring strategy is to be developed.
Pakistan	<ul style="list-style-type: none"> • Hanson, Bass, Bouzaher, Samdani and Zehra (2001) 	<ul style="list-style-type: none"> • Home grown National Conservation Strategy in place and a Mid-Term Review (MTR) of the NCS has been carried out based on studies and results of consultative meetings throughout Pakistan involving government, civil society, the private sector and international donor agencies. • Extensive consultation during the preparation of the NCS (dominated by experts and eminent people). However there are no regular systems for on-going participation. • NCS was seen as visionary however the lack of institutional and procedural change in government, and the relatively weak government-civil society links have led to a failure in implementation. • There has been a lack in the convergence of national SD initiatives, partly due to poor co-ordination, partly to differences in institutional perspectives and powers and partly a lack of experience or partnerships. • Although the NCS is not currently operating adequately as a national strategy, the MTR recommends that there is potential for the revised NCS-2 to operate as a national strategy. 	Overall monitoring, reporting and evaluation mechanisms within the NCS have been neglected, although there has been a good monitoring track record with respect to some specific donor-supported projects. Only two overall arrangements can be traced the mid-term review of NCS and the setting of a Cabinet Committee as a part of NCS approval by the Cabinet. There is no consolidated database of information, no routine multi-stakeholder meetings and no set of sustainability indicators. The NCS document itself provides the closest thing to a SD baseline.

South Africa	<ul style="list-style-type: none"> • Department of Environmental Affairs and Tourism (2001) 	<ul style="list-style-type: none"> • South Africa is just commencing its process around national strategies. The first part of the process is a status review of Agenda 21 type activities. 	Work is just commencing to streamline and strengthen monitoring and reporting towards sustainable development.
Uganda	<ul style="list-style-type: none"> • World Bank (2001d) • Government of Uganda (2000a) • Government of Uganda (2000b) • Government of Uganda (2001) • World Bank and IMF(2001c) • Ireland (ed.) (2000) 	<ul style="list-style-type: none"> • Vision 2025 describes the long term national aspirations Poverty Eradication Action Plan (PEAP) 1997 revised in 2000 runs in line with the Vision 2025 incorporating long term sustainable goals. Summary of the revised PEAP serves as the PRSP. The PEAP guides the Sector Wide Plans and Programmes e.g. the Plan for Modernising Agriculture. • The PEAP and the PRSP have successfully integrated environmental concerns in the strategy and environmental concerns have been elaborated particularly in the Plan for Modernisation of Agriculture (PMA). • Strong national ownership and political commitment on moving towards a national strategy. • Commitment by top leadership and was developed with broad-based stakeholder participation. • Government has largely involved all relevant stakeholders. • A key objective of the PPA is to monitor poverty trends and policy effectiveness. • Accords equal importance to all sectors and issues including macroeconomic, financial, structural, social and environmental. • There is strong evidence of convergence between the PRS, CDF and a national strategy for sustainable development in Uganda. 	The government has introduced output and outcome goals and targets However, it is noted in the 2001 PRSP progress report joint staff assessment that the monitoring and evaluation systems currently in existence are not adequate enough to ensure the achievement of these goals and targets.

Zambia	<ul style="list-style-type: none"> • World Bank (2000) • Republic of Zambia (2000) • World Bank and IMF(2000c) 	<ul style="list-style-type: none"> • Range of environmental action plans and strategies as well as PRSP. Action has been taken on a CDF long term vision or strategy. Participatory Poverty Assessment in place. • The consultative and participatory process of the IPRSP was limited to the government institutions however it draws on the National Poverty Reduction Framework which was formulated with wide consultation. Recommends a comprehensive consultation programme for the preparation of the full PRSP. The National Poverty Reduction Action Plan will serve as the reference point for the PRSP. • Poverty reduction policies in Zambia are linked to the United Nations International Development Goals 	Poverty monitoring only briefly addressed in the IPRSP. Foresees a need to hire outside expertise to set up a monitoring system which would include database issues, institutional responsibilities, co-ordination arrangements, plans for publication and possibly involvement of civil society.
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Note: comments made regarding the strategic planning process and the monitoring system within each of the countries within Table A1 are drawn solely from the documents listed within the table.

ANNEX 2 PRINCIPLES OF STRATEGIC PLANNING

A.2.1 World Bank Principles for Assessing Comprehensive Development Framework (CDF)

Key Principles:

- comprehensive, long term approach
- country ownership
- strategic partnership
- focus on results

Source: World Bank, 2001d

A.2.2 IMF-World Bank Principles for Assessing Poverty Reduction Strategy Papers (PRSP)

Key Principles:

- country ownership through participation
- poverty focus
- medium and long term goals, indicators of progress, monitoring process
- priorities for public action

Source: IMF-World Bank, 2001a

A.2.3 OECD-DAC High Level Meeting Guiding Principles for Sustainable Development Strategies

Strategy Formulation

- Country ownership and participation, leadership and initiative in developing their strategies.
- Broad consultation, including particularly with the poor and with civil society, to open up debate on new ideas and information, expose issues to be addressed, and build consensus and political support on action.
- Ensuring sustained beneficial impacts on disadvantaged and marginalised groups and on future generations.
- Building on existing strategies and processes, rather than adding additional ones, to enable convergence and coherence.
- A solid analytical basis, taking account also of relevant regional issues, including a comprehensive review of the present situation and forecasts of trends and risks.
- Integration of economic, social and environmental objectives through mutually supportive policies and practices and the management of trade-offs.
- Realistic targets with clear budgetary priorities.

Capacity Development

- Strengthening and building on existing country capacity – public, civil society and private – as part of the strategy process.
- Linking national and local levels, including supporting devolution, in all stages of strategy development and implementation.
- Establishing continuous monitoring and evaluation systems based on clear indicators of track and steer progress.

Source: OECD (2001b)

A.2.4 OECD-DAC Key Principles for Strategies for Sustainable Development

These are principles towards which strategies should aspire. They are all important and no order of priority is implied. They do not represent a checklist of criteria to be met but encompass a set of desirable processes and outcomes which also allow for local differences. A strategic planning process needs to strive to adhere continuously to all of these principles.

People-centred. An effective strategy requires a people-centred approach. While many past strategies have been about development, they have often had mixed effects on different groups. More should be done to ensure that strategies have long-term beneficial impacts on disadvantaged and marginalised groups, such as the poor.

Consensus on long-term vision. Strategic planning frameworks are more likely to be successful when they have a long-term vision with a clear timeframe upon which stakeholders agree. At the same time, they need to include ways of dealing with short- and medium-term necessities and change. The vision needs to have the commitment of all political parties. Without this, there is the danger that an incoming government will see a particular strategy as representing the views or policies of its predecessor.

Comprehensive and integrated. Strategies should seek to integrate, where possible, economic, social and environmental objectives. But where integration cannot be achieved, trade offs need to be negotiated. The entitlements and possible needs of future generations must be factored into this process.

Targeted with clear budgetary priorities. The strategy needs to be fully integrated into the budget process to ensure that plans have the financial resources to achieve their objectives, and budgets are informed by meaningful planning. Strategies not linked to budget processes tend to be wish lists, while budgets not linked to plans lead to unclear priorities. Capacity constraints and time limitations will have an impact on the extent to which the intended outcomes are achieved. Targets need to be challenging – but realistic in relation to these constraints.

Based on comprehensive and reliable analysis. Priorities need to be based on a comprehensive analysis of the present situation and of forecasted trends and risks, examining links between local, national and global challenges. The external pressures on a country – those resulting from globalisation, for example, or the impacts of climate change – need to be included in this analysis. Such analysis depends on credible and reliable information on changing environmental, social and economic conditions, pressures and responses, and their correlations with strategy objectives and indicators. Local capacities for analysis and existing

information should be fully used, and different perceptions amongst stakeholders should be reflected.

Incorporate monitoring, learning and improvement. Monitoring and evaluation needs to be based on clear indicators and built into strategies to steer processes, track progress, distil and capture lessons, and signal when a change of direction is necessary.

Country-led and nationally-owned. Past strategies have often resulted from external pressure and development agency requirements. It is essential that countries take the lead and initiative in developing their own strategies if they are to be enduring.

High-level government commitment and influential lead institutions. Such commitment – on a long-term basis – is essential if policy and institutional changes are to occur, financial resources are to be committed and for there to be clear responsibility for implementation.

Building on existing processes and strategies. A strategy for sustainable development is not intended as a new planning process. It should build on what already exists in the country, so enabling convergence, complementarity and coherence between different planning frameworks and policies. This requires good management to ensure coordination of mechanisms and processes, and to identify and resolve potential conflicts. The latter may need an independent and neutral third party to act as a facilitator. The roles, responsibilities and relationships between the different key participants in strategy processes must be clear.

Effective participation. Broad participation helps to open up debate to new ideas and sources of information; expose issues that need to be addressed; enable problems, needs and preferences to be expressed; identify the capabilities required to address them; and develop a consensus on the need for action that leads to better implementation. But to date, most strategies have been prepared with only limited participation. Clearly central government must be involved (it can deliver leadership, provide incentive structures and distribute financial resources) but multi-stakeholder processes are required involving decentralised authorities, the private sector and civil society, as well as marginalised groups. This requires good communication and information mechanisms with a premium on transparency and accountability.

Link national and local levels. Strategies should be two-way iterative processes within and between national and decentralised levels. The main strategic principles and directions should be set at the central level (here, economic, fiscal and trade policy, legislative changes, international affairs and external relations, etc. are key responsibilities). But detailed planning, implementation and monitoring would be undertaken at a decentralised level, with appropriate transfer of resources and authority.

Develop and build on existing capacity. Many existing strategies have failed as countries have lacked the human resources and skills to develop and implement them effectively. At the outset it is important to assess the political, institutional, scientific and financial capacity of potential state, market and civil society participants. Where needed, provision should be made to develop the necessary capacity as part of the strategy process. A strategy should optimise local skills and capacity both within and outside government.

Source: OECD (2001a)

ANNEX 3 GUIDANCE ON APPLICATION OF THE CRITERIA

A3.1. Interpretation of Criteria

Many of the criteria define characteristics of strategic planning processes which are variable in nature, rather than being clear-cut attributes. For example, criterion A1 states that planning “is based on a comprehensive and integrated analysis”. In practice, there will be different degrees of comprehensiveness and integration.

For a criterion to be satisfactorily met, a significant degree of adherence to it will be sufficient. If, however, some form of integration of economic, social and environmental issues takes place in the analysis (criterion A1), but in a way that is considered to be technically unsound, or such that planning is nonetheless dominated by economic considerations, the assessment will have identified a need for improvement, and the criterion will be only partly met.

In forming judgements on whether a criterion is met satisfactorily, the assessment should take into account the following factors:

- is the action being taken relevant?
- is it appropriate?
- is it effective?

A3.2. Supplementary Questions

In order to facilitate the application of individual criteria, a number of supplementary questions are given below for each. Their purpose is to aid assessors in gaining sufficient understanding of the planning system and its operation in practice to form a judgement on whether the corresponding criterion is met satisfactorily.

These supplementary questions do not themselves imply requirements for an effective national strategy. They serve only to provide information which may help to determine whether the requirements defined by the criteria are satisfied.

These questions are not exclusive, and will not provide all of the information needed in order to apply the corresponding criterion. They illustrate the kinds of questions assessors may need to ask.

The majority of the supplementary questions have been derived from a review of the literature on national strategies and related strategic planning processes. They make extensive use of questions that have been previously used or recommended for evaluating the effectiveness of strategic planning for sustainable development. Particular use has been made of the OECD practical guidance on national strategies (OECD 2001a), and World Bank evaluations of the Comprehensive Development Framework and of Poverty Reduction Strategy Papers (World Bank 2001d, IMF-World Bank 2001a).

A. Integration of economic, social and environmental objectives

Criterion A1 - integration

A1. Strategic planning in the country is based on a comprehensive and integrated analysis of economic, social and environmental issues, which clarifies links between the three spheres, resolves conflicts between them where practicable, and negotiates appropriate trade-offs where conflicts remain.

Guidance on application

A1.1. Do planning systems define priorities in environmental, economic and social terms, and are these systems compatible with those for analysis and participation?

A1.2. Are there mechanisms for dealing with trade-offs between environmental, economic and social objectives, including poverty eradication and the needs of future generations?

A1.3. Do fiscal and regulatory incentive frameworks internalise external environmental and social costs in order to correct market or policy failure, without choking off desirable private investment? Are these frameworks adequately enforced?

- do effective laws and regulations exist for building permits, land-use permissions, environmental standards, pollution permits and environmental impact assessment? Are appropriate non-compliance penalties enforced?
- are there local environmental by-laws established by local consultative processes?

A1.4. Has action been taken to identify and adopt appropriate economic instruments and other policy tools to integrate economic, social and environmental objectives, including action to identify and undertake appropriate reforms to economic policies,

resource allocation and property rights policies, and sectoral policies and practices for environmental protection, natural resource management and development?

Criterion A2 - social and poverty issues

A2. Strategic planning in the country integrates poverty eradication, gender issues and the short- and long-term needs of disadvantaged and marginalised groups into economic policy.

Guidance on application

A2.1. Has full use been made of poverty assessments and other relevant studies relating to the social context?

A2.2. To what extent do structural and sectoral policies address the key policy, incentive, and institutional constraints to poverty reduction? How well has the likely impact of proposed policy measures on the poor been estimated and include measures to mitigate any negative impacts?

- Measures to expand opportunities for the poor and to distribute the benefits of growth and public services more equally by region, by economic and social groupings, and by gender.
- Prioritisation and sequencing of reforms, considering expected impacts on the poor.
- Key social sector policies and programs, including those related to HIV/AIDS.

A2.3. To what extent do policies for social inclusion and equity address the key policy, incentive, and institutional constraints to poverty reduction and gender equity?

- Measures to promote fair and equitable treatment of poor men and women under the law and avenues of recourse, including with respect to property rights.
- Social protection and labour policies.

Criterion A3 - environmental and resource issues

A3. Strategic planning in the country integrates the maintenance of sustainable levels of resource use and the control of pollution to maintain a healthy environment into economic policy.

Guidance on application

A3.1. Have policies and plans been prepared at the appropriate national and local levels for the sound management of key natural and environmental resources, especially those central to poor people's livelihoods or health, and those central to economic growth and most vulnerable to environmental degradation? Will poor people have secure access to the natural and environmental resources on which they depend?

- do existing sectoral plans, master plans, local development plans and other plans meet these requirements?
- does existing legislation on land tenure secure satisfactory resource access for the poor?

A3.2. Have opportunities been taken for "win-win" environmentally sustainable policies and programmes which simultaneously reduce poverty and boost economic growth?

A3.3. Do stakeholders believe that the policy and planning process is positively influencing ecological processes, biodiversity, resource quantity and productivity, and the prevention of pollution, in ways which benefit their livelihoods and quality of life?

Criterion A4 - international commitments

A4. Measures are in place to ensure compliance with international agreements which the country has entered into, on environmental and social issues.

Guidance on application

A4.1. Do strategic planning processes include measures to ensure compliance with those international obligations the government has entered into, including both environmental and social obligations such as for human rights?

A4.2. Have all international commitments on social and environmental issues been translated into national law and regulations, or into effective procedures?

A4.3. Is there effective participation in regional approaches and co-ordination with neighbouring countries, to address, for example, transboundary environmental effects and the concerns of indigenous peoples where they are located across international borders?

B. Participation and consensus

Criterion B1 - involvement of significant stakeholders

B1. The country's processes of strategic planning, implementation, monitoring and review include the participation of stakeholders, including government, decentralised authorities, elected bodies, non-governmental and private sector institutions and marginalised groups.

Guidance on application

B1.1. Is stakeholder analysis employed in the development of participatory processes?

B1.2. Have participatory processes been institutionalised? Are there established and effective fora for participation, such as local environmental committees, community-based participatory approaches, citizens' groups, professional networks, etc.?

B1.3. Have proactive mechanisms been used to listen to those whose views and knowledge are often ignored - such as women, indigenous people, poor farming, pastoral and slum communities and landless poor groups? Do these groups have the means to participate in the process?

B1.4. Is representation satisfactory in terms of identity-with-group and accountability-to-group?

B1.5. Does the strategy process embody effective mechanisms to identify conflicts and help stakeholders negotiate compromises between current positions and longer-term common interests?

B1.6. Is there effective legislation for public participation in environmental impact assessment?

Criterion B2 - transparency and accountability

B2. The management of the country's strategic planning processes is transparent, with accountability for decisions made.

Guidance on application

B2.1. Are policies and plans made accessible to stakeholders and the general public, in both draft and final form?

B2.2. Is there a clear definition of responsibilities for approving policies and plans?

B2.3. Are there defined mechanisms through which the bodies responsible for approving plans report to stakeholders on their implementation and achievement?

Criterion B3 - communication and public awareness

B3. Measures are taken to increase public awareness of sustainable development, to communicate relevant information, and to encourage the development of stakeholder involvement in the strategic planning process.

Guidance on application

B3.1. Are measures taken to increase public awareness of the social and environmental issues of development planning?

- do education policies include awareness of sustainable development issues?
- do the media campaign on these issues?

B3.2. Is there evidence that public awareness campaigns have been successful in encouraging stakeholder involvement in strategic planning processes?

B3.3. Has public awareness strengthened people's participation in, and influence over, the decision making process?

B3.4. Does the public have ready access to the most reliable information available on social, economic and environmental conditions, in a readily understandable form?

Criterion B4 - long term vision and consensus

B4. The country's strategic planning processes are based on a long-term vision for the country's development, which is consistent with the country's capabilities, allows for short- and medium-term necessities, and has wide political and stakeholder support.

Guidance on application

B4.1. Do strategic planning frameworks have a long-term vision of sustainable development with transparent objectives, and include clear priorities upon which stakeholders agree?

B4.2. Has the vision evolved from national and sub-national aspirations, taking into account those of socially-marginalised groups, and does it relate to regional and international realities?

B4.3. Does the longer term vision embed adequate medium-term programs and shorter-term steps?

B4.4. Is the long term vision based on a realistic analysis of the country's capabilities and resources in relation to international competition?

C. Country ownership and commitment

Criterion C1 - high level government commitment

C1. The process of formulating and implementing the national strategy is led by government, with evidence of high level commitment.

Guidance on application

C1.4. Is the prime responsibility for the strategy for sustainable development assigned to the body responsible for national strategic planning processes?

C1.2. Is there evidence of high level commitment to the objectives, processes, plans and recommendations of the strategies?

C1.3. Are all relevant laws appropriate, or have they been amended or new ones passed?

C1.4. Do the President and ministers make relevant speeches, and are they involved in monitoring implementation, identifying shortcomings and making decisions to correct them?

Criterion C2 - broad-based political support

C2. The country's strategic planning process has broad-based political support.

C2.1. Are sustainable development policies compatible with those development priorities which have strong political consensus?

C2.3. Is there evidence that commitment is broad-based rather than partisan, covering all major political groups?

C2.4. Do strategies generate domestic political will, mobilise public support, build new alliances and constituencies, and include mechanisms for resolving conflicts with vested interests?

Criterion C3 - responsibilities for implementation

C3. Responsibility for implementing strategies is clearly assigned, to bodies with the appropriate authority.

Guidance on application

C3.1. Is it clear where responsibilities lie in government to formulating and implementing relevant strategies? Do the relevant institutions have a clear understanding of their responsibilities? Do they have sufficient authority and resources?

- are responsibilities defined in law?
- are staff numbers adequate for the task?

C3.2. Is the co-ordination of the strategic process the responsibility of the office of the Prime Minister or President, or of a ministry with central authority - such as the finance or economic planning ministry?

C3.3. Are policy issues that are clearly a national responsibility of central government (finance, trade, foreign policy, etc.), and which have a strong bearing on shaping a country's sustainable development, a major part of the strategy for sustainable development?

C3.4. Do those departments responsible for such policies play central roles in strategy processes, and have they been effective in discharging their roles and responsibilities?

Criterion C4 - co-ordination with donors

C4. The country's strategic planning process is co-ordinated with donor programmes.

Guidance on application

C4.1. Is there evidence of reduced dependence on donors, with the government firmly in the lead?

C4.2. Do strategies provide a framework within which donors' contributions can be co-ordinated, identify precise areas where donors can help the process, include mechanisms for minimising donor-driven processes, recognise the reality of donor conditionality, and stimulate donors to take a longer term and more flexible approach?

C4.3. Does government lead the coordination of development partners? Are partners' assistance strategies aligned with the country strategy? Are partners taking steps to reduce duplication of effort?

C4.4. Are there links between strategies and existing donor-supported programmes and with investment portfolios?

D. Comprehensive and coherent policy process

Criterion D1 - build on existing processes

D1. The national strategy for sustainable development is based on existing strategic planning processes in the country, with co-ordination between them, and mechanisms to identify and resolve potential conflicts.

Guidance on application

D1.1. Do national, local and regional strategies link effectively into the planning and decision-making systems?

D1.2. is there effective co-ordination between institutions and strategic initiatives, including those institutions which are central to planning and investment, with mechanisms for resolving conflicts?

D1.3. have sectoral and cross-sectoral policies and plans been prepared and carried out, to rationalise responsibilities for environment and development, reduce duplication, close gaps, prevent or reduce conflicts, and take advantage of compatibilities and synergies among sectors and interest groups?

D1.4. has action been taken to identify and adopt necessary changes to legislation, such as new umbrella laws, amendments to existing laws to incorporate standards and practices to ensure sustainability, and changes to rules and regulations?

D1.5. has an appropriate balance of command/control, voluntary and market-based instruments been established?

Criterion D2 - analysis and information

D2. Strategic planning in the country is based on a comprehensive analysis of the present situation and of forecasted trends and risks, using reliable information on changing environmental, social and economic conditions.

Guidance on application

D2.1. Is there adequate understanding of the state of natural, environmental social and economic resources and the pressures on them, based on a sound technical and economic analysis of environmental and socio-economic conditions?

- is there a national state of the environment report or the equivalent?
- has technical and economic analysis been used in priority-setting?
- are data up-to-date and reliable?

D2.2. Is the development of strategies supported effectively by the necessary technical inputs for key tasks such as gathering and analysing baseline data, statistical assessments, economic projections, etc.? Does this involve both technical inputs by individual experts and the broader involvement of many people in participatory

exercises? Are local capacities for analysis and existing information fully used, and are different perceptions amongst stakeholders reflected?

D2.3. How adequate are existing poverty data, and how well have the nature and determinants of poverty outcomes (income and non-monetary dimensions) been identified? Have trends in key poverty determinants and outcomes been presented?

- Extent of disaggregation of poverty data by regions and by demographic groups, including by gender.
- Accessibility of both quantitative and qualitative data for policy analysis, especially outside government.
- Extent of income/consumption and other dimensions of poverty (health, including environmental diseases and HIV/AIDS, education, natural resource degradation, vulnerability, disempowerment) and their evolution over time.
- Analysis of gender dimensions of poverty.
- Distribution of assets of various types—natural (especially land), physical, financial, and human.
- Identification of economic, social and institutional (including corruption and poor governance) constraints to poverty reduction.
- Analysis of the state of the main sectors and livelihood systems, their interactions with resources, and consequent winners and losers

D2.4. Has a comprehensive analysis of the present situation and of forecasted trends and risks been undertaken, using credible and reliable information on changing environmental, social and economic conditions, pressures and responses, and their correlations with strategy objectives and indicators?

Criterion D3 - realistic goals

D3. The national strategy is based on a realistic analysis of national resources and capacities in the economic, social and environmental spheres, taking account of external pressures in the three spheres.

Guidance on application

D3.1. To what extent have the growth and distributional impacts of past policies and programs been assessed?

- Macroeconomic policies, including the ability to respond to exogenous shocks.
- Structural and sectoral policies, including the distributional impacts of past reforms and policies affecting private sector development, trade, the operation of product and factor markets, and environmental management.
- Equity, effectiveness and efficiency of existing pattern of public expenditures, service delivery, and systems for budget management, financial management, and procurement.

D3.2. does the strategy allow for the specific circumstance of that country, such as ethnic conflict, the HIV/AIDs crisis, the impact of climate change, or frequent changes of government?

D3.3. do the macroeconomic framework and the international trading position enable: (i) a level of inflation that does not undermine private sector growth; (ii) an external position that is sustainable in the medium- to long-run; and (iii) growth that is consistent with poverty reduction and environmental protection objectives?

- Growth projections that are realistic and take into account likely sources of growth, including external trade.
- Possible tradeoffs between the pursuit of short-term versus long-term poverty reduction and other macroeconomic goals.
- Robustness of the macroeconomic program in light of the risks of exogenous shocks.

Criterion D4 - decentralisation

D4. The country's strategic planning processes embrace both national and decentralised levels, with two-way iteration between these levels.

Guidance on application

D4.1. Do strategies consider which issues can only be addressed at a national and central level, and which can be addressed more locally?

D4.2. Does the planning process address both horizontal and vertical linkages, avoid fragmentation, bridge iteratively between levels, address regional and sub-regional issues and put in place support systems through decentralisation and extension processes?

D4.3. Do strategies include mechanisms to achieve a balance between top-down and bottom-up approaches?

D4.4. Does the strategy make appropriate use of decentralisation for detailed planning, implementation and monitoring, to translate strategy visions into practice at local levels? Is this accompanied by

- the transfer of financial resources, and empowerment to raise such resources locally,
- capacity-building,
- clear delineation of government roles in planning and financial management at various hierarchical levels,
- comprehensive legislation and administrative actions to bring about integration of the decentralised offices of government agencies into local administrative structures,
- co-ordination of development agency support at local levels, and
- a clear and shared vision of development priorities?

E. Targeting, resourcing and monitoring

Criterion E1 - budgetary provision

E1. The sustainable development strategy is integrated into the budget process, such that plans have the financial resources to achieve their objectives.

Guidance on application

E1.1. Are key finance and economic stakeholders major participants in strategy formulation?

E1.2. Are fiscal choices consistent with the poverty reduction, growth and environmental conservation objectives? Is the allocation of expenditures consistent with the strategic priorities, institutional capacities and efficiency, and realistic cost estimates? Have domestic revenue measures been designed in light of likely distributional impacts? Is fiscal management capacity adequate to effectively implement the proposed expenditure program?

- Quality of cost estimates for key programs.
- Comprehensiveness of budget data, i.e., extent to which all programs (including externally financed projects) are included in an integrated budgetary framework.

- Economic and risk analyses carried out as part of the strategic planning process
- Status of a Medium Term Expenditure Framework to improve the capacity to undertake required budget allocations over time
- Disaggregation of expenditure programs by sector and key programs for poverty reduction and by recurrent and investment expenditures.

E1.3. Does the strategy have an adequate and credible financing plan—including domestic borrowing and projected aid (and other external) flows?

- Realism of external financing projections and implications for long-term debt sustainability.
- Extent to which external development partners have begun or indicated their intention to align and coordinate their own strategies.
- Contingency plans for expenditures in the event of a shortfall in revenues or financing.

E1.4. Are fiscal and regulatory frameworks efficiently monitored and enforced, by government or private bodies as appropriate?

E1.5. Are the implementation costs of strategies met primarily from government's recurrent budget?

Criterion E2 - capacity for implementation

E2. The sustainable development strategy includes realistic mechanisms to develop the capacity required to implement it.

Guidance on application

E2.1. Does the strategy include realistic mechanisms to develop the political, institutional, educational, scientific and human capacity required to implement it, among those state, market and civil society participants involved in its implementation, and among those sections of society whose social and economic development contributes significantly to the strategy?

E2.2. Are measures in hand to strengthen capacity for implementing strategies, to help ensure local ownership, for co-ordination of existing activities and strategies into a coherent overall strategy, and for monitoring and analysing the impact of policies and actions?

E2.3. Have necessary packages of legal reforms, economic instruments, institutional development and other capacity-building been identified and implemented?

E2.4. Has action been taken to identify and undertake necessary organisational development, such as amending the mandates, policy documents, objectives, corporate strategies, functions and programmes (internal management and administration as well as professional), organisational structures, staffing, funding sources, and protocols concerning external relations to promote sustainability?

E2.5. Does expertise exist in environmental economics, and is it appropriately used?

E2.6. Are the necessary capacity-building and empowerment actions key components of strategy processes themselves?

Criterion E3 - targets and indicators

E3. Targets have been defined for key strategic economic, social and environmental objectives, with indicators through which they can be monitored.

Guidance on application

E3.1. Have clear standards and/or targets have been derived from the strategy, in formats which can best elicit positive responses from those various institutions (government, market and civil society) which are supposed to implement the strategy?

E3.2. Has there been prioritisation to keep the number of objectives manageable and within implementation capacity?

E3.3. Have measurable indicators of progress towards targets been established? Are they relevant for civil society, and are they clear and user-friendly?

E3.4. Do targets and indicators build on ongoing international work such as that carried out under the programme of work on indicators of sustainable development approved by the UN Commission on Sustainable Development?

E3.5. Does the strategy define medium- and long-term goals for poverty reduction and other outcomes (monetary and non-monetary), establish indicators of progress, and set annual and medium-term targets? Are these indicators and targets appropriate?

- Selectivity in the choice of monitorable indicators and targets, in line with priority public actions and capacity.
- Inclusion of indicators related to the International Development Goals, recognising that the appropriate indicators, as well as specific targets, will vary among countries.
- Indicators and targets which appropriately capture disparities by social group, gender, and region.

Criterion E4 - monitoring and feedback

E4. Systems are in place for monitoring the implementation of strategies and the achievement of their defined objectives, for recording the results, and for reviewing their effectiveness as strategies for sustainable development, with effective mechanisms for feedback and revision within the planning process.

Guidance on application

E4.1. Does the strategic planning process include monitoring systems which include clear performance goals and targets, indicators for sound environmental management, mechanisms to trigger change or adjustment of strategy process and implementation, measurement of impact (what works, what doesn't), and effective learning from implementation?

E4.2. Is there an agreed action plan identifying what should be monitored, by whom, and when? Does it include monitoring of both the implementation of plans and the achievement of their objectives? Does it include effective independent monitoring and community-based monitoring?

E4.3. Are there management systems with checks and balances which ensure transparent ways of working, with regular provision of information to stakeholders, and

are these matters addressed in an integrated and participatory way in the strategic planning process?

E4.4. Is there evidence that the results of the strategy, and the lessons learned, are fed back into the decision-making process?

E4.5. Are monitoring and evaluation systems adequate and sustainable?

- Adequacy of efforts to improve data collection and analysis.
- Transparency of arrangements for, and results of, monitoring, including service delivery to the poor.
- Use of participatory methods for monitoring.
- Adequate use of results of monitoring and evaluation in policy formulation.

E4.6. Is there high level government involvement in reviewing the effectiveness of the strategic planning process?