

DFID management response to
the multi-stakeholder evaluation of public sector governance reform¹

Section 1: General response

1. This evaluation reviews the relevance and effectiveness of donor support to public sector governance reform activities over the last 10 years. The UK welcomes the evaluation's lessons and recommendations, as well as the scrutiny that this brings to the work of donors.
2. DFID, along with Irish Aid and Sida, managed this evaluation on behalf of the OECD/DAC. The evaluation has been completed later than anticipated, but provides useful recommendations to inform donor practice.
3. As the UN High Level Panel report on the post 2015 agenda notes 'Good institutions are, in fact, the essential building blocks of a prosperous and sustainable future'.² An effective, transparent and accountable public sector is essential for open economies and open societies to thrive. A professional civil service and responsive local governments give people the opportunity to build a future free from poverty.
4. DFID has invested new central resources on public sector governance over the last year, and is already addressing a number of the evaluation's recommendations. Together with a portfolio review of DFID's public sector reform programmes, and emerging evaluation work by other donors, this evaluation will provide the basis for updated policy directions.
5. The synthesis report makes 10 recommendations. Each is addressed below.

Section 2: Response to specific recommendations

Recommendation 1 – Political economy analysis should be undertaken for any public sector reform

6. The evaluation recommends that political economy analysis (PEA) should be undertaken for any public sector reform. Its purpose should be to contextualize the proposed reform, identify the risks and assess the chances of success.
7. DFID agrees with this recommendation. Understanding the politics of a public sector intervention is central to its success. DFID governance advisers are expected to apply political analysis and understand political institutions. DFID has published guidance on PEA, and offers a training course to its staff. DFID's Policy Division continues to develop and advance the use of new forms of PEA tools. DFID's revised business case guidance stresses the importance of PEA. A quality assurance mechanism is in place to ensure that such analysis is conducted for high value, high risk, or highly innovative business cases.

¹ Turner, M. (2013). *Summary Report of the Public Sector Governance Reform Evaluation*. Oxford Policy Management, DFID, Sida, Irish Aid.

² High-Level Panel of Eminent Persons on the Post-2015 Development Agenda. (2013). *A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development*.

Recommendation 2 – Theories of change should be developed for public sector governance reforms

8. The evaluation finds that a weakness of many public sector governance reforms has been the apparent lack of attention to the relationship between actions and outcomes, with assumptions about cause and effects that often do not stand up to scrutiny. Theories of change are extremely challenging to construct for any organizational reform, but can make stakeholders aware of the problems involved and lessen the chances of failure.
9. DFID agrees with this recommendation. DFID's own portfolio review of public sector reform also finds that weak or incomplete theories of change have led to programming opportunities being missed. Revised DFID guidance encourages the use of theory of change approaches as the dominant analytical framework for developing business cases.

Recommendation 3 – Working both ‘bottom-up’ and ‘top-down’ is desirable for public sector governance reforms

10. The evaluation finds that bottom-up approaches to public sector reform have been in the ascendancy but the evidence strongly suggests that working with politicians and other leading officials is essential for success. Ideally, both top-down and bottom-up pressure should be encouraged and nurtured for successful public sector reforms.
11. DFID agrees with this recommendation. DFID has made public commitments towards citizens empowerment and public accountability. We will increasingly look for opportunities which enable the creation of coalitions for change, bringing together ‘top-down’ and ‘bottom-up’ constituencies.

Recommendation 4 – Long-term time-frames should be adopted in designing, implementing and evaluating public sector reforms

12. The evaluation finds that ‘outcome level’ results (i.e. more significant changes) are generally obtained after long periods in public sector reform. They require behavioural and attitudinal changes likely to encounter significant resistance. Long-term time-frames should be adopted.
13. DFID agrees with this recommendation. Reforms in the public sector require attitudinal and behavioural changes that take time and need to be well managed. We make long-term commitments to the countries where we work. Some of our public sector reform programmes have lasted 8 years or more.

Recommendation 5 – Public sector reform should be concerned with changes that are sustainable

14. The evaluation recommends that public sector governance reform should focus on sustainable change, maintained for an appropriate period, with more change to fit new conditions in shifting environments. Development partners should encourage the idea of continual incremental change among government officials and other stakeholders.

15. DFID agrees with this recommendation. Incremental change is most likely to be successful in public sector governance reform. Suitably flexible and agile programming modalities are designed to enable us to respond to changing circumstances.

Recommendation 6 – Greater effort should be invested in monitoring and evaluation (M&E) activities

16. The evaluation recommends greater effort in M&E activities. This should be done to improve the focus and success of public sector governance reform, not simply as an extension of donor data requirements for accountability. Relevant information, delivered in a usable form, and in a timely manner can make a major contribution. Development partners must weigh up the costs of data gathering and processing and the benefits obtained in the design of M&E systems.

17. DFID agrees with this recommendation. DFID's joint management of the current evaluation is indicative of its wider commitment to M&E. Developing a clear theory of change is now a core part of DFID's approach to project design and directly informs the indicators which are monitored. Careful design of appropriate indicators is particularly applicable to public sector governance reform, where outcomes depend on the behavioural change of many people, where the potential pathways to desired outcomes are varied, and where context has a major influence on outcomes.

Recommendation 7 – Greater consideration should be given to the role of leadership in PSGR

18. The evaluation recommends greater consideration of the role of leadership in public sector governance reform, a key element of successful organisational and institutional reform.

19. DFID agrees with this recommendation. DFID has funded research that explores such themes: progress is made through forging coalitions for change, promoting leadership at multiple levels of society. DFID programmes identify drivers of change through political economy analysis, and modalities encourage consideration of leadership and the establishment of effective coalitions for change. DFID is currently investigating the role of leadership in the success of some recent public sector reforms, with both sustained political leadership and citizen activism.

Recommendation 8 – It is desirable that development partners have a shared vision for public sector reforms

20. The evaluation notes the importance of shared vision. Public sector governance reform needs a sense of direction and a set of desired outcomes so that strategies and plans can be developed and modified as appropriate to achieve the vision. Where development partners' visions diverge, it will be difficult to agree the best steps to take in a particular reform as the contrasting end goals may demand different actions.

21. DFID agrees with this recommendation. We develop shared goals and approach with our partners. We are also working with others to develop better tools for public sector governance. For example, we support the

World Bank's effort to develop indicators of success of public management systems.

Recommendation 9 – Improvements to service delivery should be a major focus of public sector reform

22. The evaluation recommends that improvements to service delivery should be a leading goal of public sector reform. The evaluation has demonstrated the challenges associated with whole-of-government approaches and how these reforms, at best, are loosely linked to service delivery. Improved service delivery is what citizens most want and can make politicians popular.
23. DFID agrees with this recommendation. A review of DFID's own public sector programmes reveals that the most frequent objective relates to improving perceptions of the public sector and the services it delivers. DFID has developed a new workstream on governance in the social sectors, looking at how to overcome the barriers to improved service delivery.

Recommendation 10 – There is no one ‘best’ way for development partnerships

24. The evaluation finds that there is no single ‘best way’ for development partnerships. It revealed a wide range of donor-recipient relationships, even within a particular domain of reform (e.g. decentralisation or audit institutions). Generic qualities include trust, equality and respect, but differences of opinion and disputes will still emerge. Regular interaction and communication between development partners are essential but the particular aid relationship for a specific reform will vary according to circumstances.
25. DFID agrees with this recommendation. The review of DFID's public sector reform portfolio showed a wide range of coordination and implementation mechanisms. The nature of public sector reforms, at the heart of government, means that relationships with partners require careful investment of staff time, with the right inter-personal skills.