



**German Economic Team Belarus**

**IPM Research Center**

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## **Towards a more Effective Implementation of State Programs in Belarus: Selected Recommendations**

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# State Programs in Belarus – Recommendations for Better Implementation

## Executive Summary

With this policy paper, GET Belarus continues the work we have undertaken in the first half of 2016 to support the Government of Belarus in the implementation of the new legislative framework for the State Programs. The paper takes further the analysis and recommendations presented in PP/04/2016 “State Programs in Belarus - Improving Design and Implementation”. In particular, we analyse four areas of potential improvements to the implementation of State Programs: synergies between individual State Programs; monitoring and evaluation; incentives for the managers responsible for the implementation of the programs; and measures to support the role of the private sector in the implementation of the programs. The paper illustrates the recommendations with examples from EU countries.

Our analysis is based on international best practices, on the one hand; and on a brief analysis of the first 10 months of implementation of the State Programs in Belarus, on the other hand. Here, we find that the legislative framework for the State Programs is now more or less completed and relevant institutions for a coordinated implementation of the State Programs have been created. First experience of a competitive award of state aid in form of directed lending is limited as only one tender has been implemented. The overall amount of financing for state aid in form of lending has significantly decreased compared to former years. Whilst this is generally a welcomed development, it is not fully clear to which extent this is a result of the new legislation, or of the overall tightening fiscal status of the country. The new approach to the State Programs ends the preferential treatment of State-owned enterprises over the private sector. Whether this aspect of the State Programs is already showing results is too early to assess.

To enhance the effectiveness of the implementation of State Programs we recommend:

1. To identify and analyse relations between objectives and activities of individual State Programs. Where relations are of synergetic nature, they shall be exploited. Where relations are of conflicting nature, appropriate mitigation measures need to be taken.
2. To improve the individual program’s indicators for monitoring and evaluation. Data sources for these indicators shall rely on existing sources and statistical data as much as possible. Only where no data is available, new sources to obtain information for monitoring purposes shall be established.
3. Data which is collected for monitoring of State Program purposes shall be made available for further use. An improved availability and exchange of data helps the government to better reach its objectives for social and economic development, and to increase trust and accountability vis-à-vis the public.
4. The political objective to no longer treat the State-owned enterprises with preference over the private sector is to be applauded. To ensure that the competitive procedures work and result in the desired effects, the government is advised to ensure that information about the new forms of government contracting and allocation of state aid is widely communicated, and that suitable helpdesk and other tools become available.

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## **1. Introduction**

This policy paper extends the work which GET Belarus has undertaken in the first half of 2016 to support the Government of Belarus in the implementation of the new legislative framework for the State Programs. It is understood that this new approach to State Programs as a tool for translating policy objectives into action plans is a significant challenge for the country. This is moreover so as the State Programs now are an important instrument to define the rules of the interaction of the government with the economy. State Aid in form of directed loans or budget subsidies must now be awarded exclusively in the framework of a State Program. The legislative framework for this new approach has been developed and adopted in full awareness of its need for further improvement and adjustment. Institutions and procedures need to be built, tested, and, again, improved and adjusted. Our Policy Paper PP/04/2016 “State Programs in Belarus - Improving Design and Implementation” has analysed the scope of what is now covered by the State Programs, and has analysed the design of the programs at the time shortly after their commencement. A follow-up to this work, focusing in more detail on the implementation of the State Programs, is presented in this Policy Paper.

In a first chapter, we will briefly summarise the status of implementation of the State Programs after a little less than the first year. In the subsequent chapter, we look at four aspects of potential improvements to the implementation of State Programs: identifying and utilising synergies between individual State Programs; providing for effective monitoring and evaluation; incentives for the managers responsible for the implementation of the programs; and measures to support the role of the private sector in the implementation of the programs.

## **2. Status of implementation of the State Programs**

### ***Improved legislative framework***

The first key legislative changes were introduced by the Strategy for Development of the Public Finance Management<sup>1</sup> of December 2015 and the Presidential Edict #106 ‘On State Programs and Public Support Provision’ of March 2016. The PFM Strategy introduces program- and result-oriented budgeting, with the aim to increase transparency, predictability and efficiency of public expenditures. Edict #106 provides for the dominant role of the State Programs in channeling public support to the economy. This measure was designed to provide systematization and better transparency of public expenditures on state aid.

Subsequently, other legislation was adopted. Decision #167 of the Council of Ministers of February 2016 ‘On some approaches to formulating, financing, realization of State Programs and the efficiency analysis’ outlines the basic principles of program budgeting approach. Presidential Edict # 289 of August 2016 ‘On procedures of formulation, financing, realization and efficiency analysis of realization of State

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<sup>1</sup> [http://www.minfin.gov.by/upload/bp/strategy/1080\\_strategy.pdf](http://www.minfin.gov.by/upload/bp/strategy/1080_strategy.pdf).

Programs' then unified all earlier rules and provisions in one comprehensive legal act. Based on this edict, the Ministry of Economy elaborated instructions regulating the content of State Programs documentation (Decision 51, 19.08.2016).

### ***Institutional framework created***

Edict 289 also developed the institutional framework of State Programs. It transformed the Commission for State Programs (established by Executive Order of the Prime Minister #375p of 06 November 2015) into the permanent Inter-ministerial Commission for State Programs. This commission is responsible for the elaboration of the list of programs, adoption of the projects of the programs and reports on their implementation, as well as for revision and amendments to the programs. Composition of the commission and principles of its operation are regulated by Decision of the Council of Ministers 800 (4.10.2016). The Commission is headed by Minister of Economy and includes deputy ministers of ministries and committees responsible for economic policy. A Main Department for State Programs and Financial Analysis has been set up in the Ministry of Economy to develop methodologies for monitoring and evaluation, and implementation of the State Programs.

### ***Ending preferential treatment for SOE***

The Edict 289 outlines the principles of competitive selection of contractors to implement individual activities of a program. In doing so, it provides for equal access to State Programs irrespective of the type of ownership of the applicant. The only requirements to firms for participation in public tenders are now defined by Edict 289. This sets a list of conditions which need to be met in order to be eligible to participate in State Programs realization. This provision contains, however, some risks which may be used to discriminate private companies. In particular, the economic agent should not be under bankruptcy or restructuring procession, should not be included in the list of organizations temporarily prevented from participation in public purchases or the list of organizations with high risk of violations of the law in economic activities.<sup>2</sup> This latter list contains more than 7300 firms and entrepreneurs as of end of November 2016, and it is criticized for uncertainty in criteria by which authorities decide about risk of tax evasion by organization<sup>3</sup>. Hence, there is risk that this provision may affect participation of private companies in State Programs. So it is disputable whether the government would succeed in creating equal access to State Programs for state owned and private companies<sup>4</sup>.

In addition to the legal provision for an end to preferential treatment of SOE, there are also economic reasons to explain this development. Tightening fiscal and monetary policies significantly narrowed access to credit and state support for state owned enterprises, thereby levelling the field for private and state companies. Hence, state owned and private companies operate now within approximately similar budget constraints.

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<sup>2</sup> <http://www.urspectr.info/news/legislation/2016/what-to-consider-when-implementing-government-programs/>.

<sup>3</sup> <http://www.belrynok.by/ru/page/opinions/434/>.

<sup>4</sup> Riabova, N. (2016). Указ № 289: уход от постатейного принципа финансирования <http://nmnby.eu/news/express/6120.html>.

***Availability of Financing:***

Edict 106 limited the volume of state aid, including directed lending, to amounts planned for in State Programs. As a result, the volume of state support provided through central government budget has fallen significantly in 2016. Related public expenditures amounted to BYN 0.3 bn in January-September of 2016 (BYN 1.1 bn in the same period of 2015). The volume of directed lending has been also capped at the level of BYN 2.8 bn in 2016, and is expected to be reduced to 2 bn in 2017<sup>5</sup>. These ceilings contribute to a more consist fiscal and monetary policy. On the other hand, limited credit resources cast doubts on effective realization of State Programs, taking into account that significant part of financing should also come from market loans, which are not available to business in many cases due to high interest rates.<sup>6</sup>

***Implemented tenders to allocate state aid in 2016:***

Directed loans are provided only within State Programs, and are expected to be a result of tender procedures. However, experience of 2016 shows that introduction of tender routine is complicated by several obstacles. As of November 2016 Development Bank implemented only one tender to award state aid for the construction and modernization of dairy farms. As a result of this tender 4 contracts were awarded. Total number of applicants was 24, and approximately 90% of them were state owned companies. This experience showed that the lack of experience in participation in tenders makes it difficult for companies to apply for financing even if they are eligible.

***Summary***

The legal framework for the State Programs has been completed during the course of 2016. The State Programs have been designed and approved and have commenced implementation. Naturally, the focus is now on the implementation of the programs – without, however, terminating the need to search for improvements in the design of the individual programs. Descriptions (tasks, indicators) of programs are subject to adjustments based on monitoring and evaluation of their implementation. Actual allocation of future (budget) financing is also subject to monitoring and evaluation of implementation.

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<sup>5</sup> <http://ej.by/news/economy/2016/11/24/gosudarstvo-sokratilo-byudzhethnyu-podderzhku-predpriyatiy-v-35-raza.html>

<sup>6</sup> Cf. PP/04/2016

### 3. Recommendations for the implementation of the State Programs

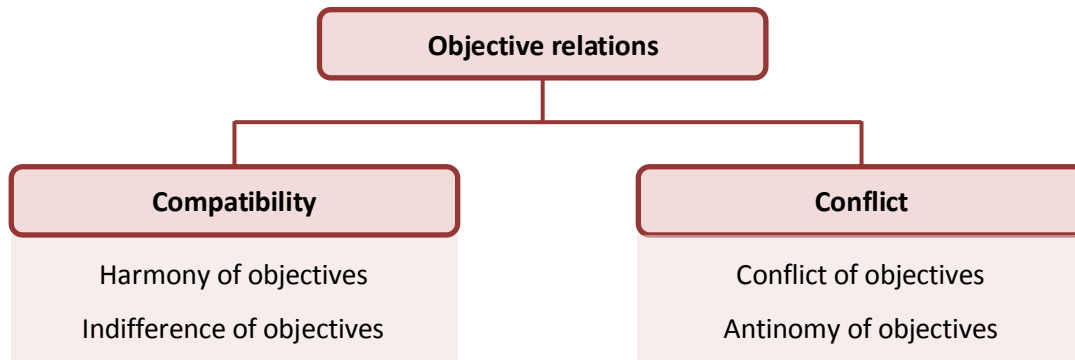
#### 3.1 Identify and use synergies between State Programs

State Programs are designed to contribute to achieve the objectives of economic and social development policy. For this purpose, they outline objectives and activities which make up for a significant part of the public expenditures. Despite the approach to develop the 20 individual programs along pretty precisely defined topics, there are manifold relations between specific objectives, activities and planned results. This is normal and cannot be avoided.

These relations between programs can be of varying character: individual program objectives can be compatible, or conflicting. Compatible objectives can take the form of mutually supportive objectives (synergies), or they can be 'coexisting' (but not supportive). Conflicting objectives can be 'simply conflicting', or antagonistic (when one objective is met, another cannot).

**Figure 1**

Relations between objectives



Source: own illustration

These relations between programs require coordination of activities performed by different agencies responsible for implementation of the programs. For this coordination to become possible, the relations between programs must be

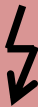
- acknowledged and understood,
- made possible (coordination / cooperation between programs and program owners must be permitted by the legal framework),
- analysed to utilise potential synergies and minimise detrimental effects from conflicting objectives.

As a first step, we suggest to identify and visualise these relations. The following chart attempts to illustrate this exercise at a few examples. This chart is not meant to provide a full analysis of all State Programs.





<p><b>Comfort housing and friendly environment</b></p> <p><i>Subprogram on modernization and efficiency increase of heating</i></p>	<p>Efficiency increase is expected to be achieved through investments in new equipment and technologies and use of local energy sources</p>	<p>and utilities sector</p> <p><i>Subprogram on local energy sources usage increase</i></p>	<p>Complementary objectives.</p> <p>Coordination of activities and action plans is recommended.</p> <p style="text-align: right;">✓</p>
<p><b>Energy saving</b></p> <p><i>Subprogram on local energy sources</i></p> <p>Task: increase of local renewables utilization</p>	<p>A key local renewable source of energy is biomass. Hog fuel production is supported in foresting sector</p>	<p><b>Belarusian forest</b></p> <p><i>Subprogram on efficiency increase of forest resources usage</i></p> <p>Task: development of wood fuel production</p>	<p>Mutually supportive objectives. (Synergies)</p> <p>Agree on a joint action plan.</p> <p style="text-align: right;">✓</p>
<p><b>Housing</b></p> <p><i>Subprogram on housing infrastructure</i></p> <p>Goal: provision of access to engineer and transport infrastructure at houses (including individual houses)</p>	<p>Actions are focused only on houses under construction and land plots given to individual house construction.</p>	<p><b>Regional programs on road network development</b></p>	<p>Complementary, or even synergetic objectives.</p> <p>Coordination of activities and action plans is recommended</p> <p style="text-align: right;">✓</p>
<p><b>Belarusian forest</b></p> <p><i>Subprogram on efficiency increase of forest resources usage</i></p> <p>Task: development of hunting and forest tourism</p> <p><i>Subprogram on hunting sector development</i></p> <p>Task: development of foreign hunting tourism</p>		<p><b>Hospitable Belarus</b></p> <p>Goal: development of competitive touristic complex and increasing role of tourism in Belarus economy</p>	<p>Mutually supportive objectives. (Synergies)</p> <p>Agree on a joint action plan.</p> <p style="text-align: right;">✓</p>
<p><b>SME program</b></p> <p>aimed at increasing the share of SME in employment, total revenue, and total added value</p>	<p>The number, and the economic performance of SME will benefit from access to contracts issued to deliver works, goods and services</p>	<p><b>Digital Economy</b></p> <p>Task: equip households with broadband internet access</p> <p>(and all other programs which provide for works, goods and services to be delivered)</p>	<p>Mutually supportive objectives. (Synergies)</p> <p>Agree on a joint action plan.</p> <p style="text-align: right;">✓</p>

<p><b>Agriculture</b></p> <p>Aims for an increase on outputs of agri-products</p>		<p><b>Energy Efficiency</b></p> <p>Aims to reduce energy consumption in, inter alia, the agricultural industry</p>	<p>This is a potentially conflicting objective!</p> <p>Analyse, prioritise, and – if needed – adjust objectives and indicators.</p> 
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Source: own compilation

### Implications for the implementation of programs with related objectives and indicators

Whilst in many cases it will suffice to ensure a coordinated planning and implementation of activities, some more efforts are needed to resolve conflicting objectives. Where conflicting objectives or indicators are identified, the related program objectives **need to be weighted or prioritised**. Where the effects of both conflicting objectives can be measured in, e.g., economic values the prioritisation can be based on a simple calculation. (Example: If the revenues from the sale of more, e.g., wheat outweigh the potential – but not realised - savings of fuel and energy costs in the wheat production, the decision might be taken in favour of the Agri-program. The indicator for the Energy Efficiency program needs to be adjusted in this case.)

Where such a straightforward calculation is not possible, other tools might be applied which help to resolve such conflicts. Such tools comprise, for example:

- Preferential treatment for certain firms if otherwise comparable: For example, when tendering for works where big and small firms are expected to participate in the tender, SME might be given preference in the award of contracts or state aid when they propose otherwise comparable price and quality (alternatively, a factor may be applied to adjust price offers / delivery times etc. offered by SME.)
- Design tender / contracting procedures in such a way that otherwise excluded firms stand a fair chance: For example, tenders may be required to be offered in small lots so that SME have a chance to participate. / The state may make it a requirement for purchasing wheat under the condition that the producer uses a percentage of renewable energy in its production.

Another form of identifying and visualising relations between objectives and indicators was applied by the Government of Northern Ireland when designing the Government Framework 2016 – 2021. In this case, programmes were not developed in a vertical / sectoral format which then would need to be analysed for synergies as was illustrated above for the current programs in Belarus. Instead, indicators were aligned to objectives using a matrix format already from the planning stage onwards.

## Box 1

Northern Ireland Government Framework 2016 - 21

The Government of Northern Ireland<sup>7</sup> has developed an approach to utilizing synergies between individual (sectoral) government programs to a next level. In their “Government Framework 2016 – 21” the executive outlines 14 outcomes<sup>8</sup> which the Government aims to achieve over the 5-year implementation period. Next to the 14 outcomes, 42 indicators have been developed. Each indicator is supported by a unit for evaluating the level of achievement of the indicator. The novelty in this approach is that the outcomes are not ‘tied’ to a specific program, and the indicators are not ‘tied’ to the outcomes. Instead, outcomes and indicators are interlinked in a matrix-format.

In the absence of clear alignment of objectives to ministries, responsibility for the implementation is allocated by groups of indicators. Indicators are grouped as shown in the matrix. The responsible person is typically of Deputy Secretary (= “Deputy Minister”) rank.

*See Annex 1 for an illustration of this approach*

### 3.2 Monitoring & evaluation of State Programs

#### **Who should do it?**

Monitoring and evaluation of the status of implementation of the State Programs are of crucial relevance for their effective implementation, and the efficient use of funds spent for this purpose. Responsibility for the monitoring of the implementation of the State Programs in Belarus rests with the owners of the programs. These responsibilities, as well as deadlines for annual reporting about the implementation, are regulated by Decree 289. On the basis of the reporting and monitoring data provided by the main owner of the program, the Ministry of Finance, Ministry of Economy (State Program Department), as well as local authorities and the Development Bank in case of financing received from their respective budgets, produce an evaluation report of the individual State Program’s implementation. The Ministry of Economy is in charge of producing a consolidated evaluation report of all State Program’s implementation. It is understood that the Ministry of Economy (State Program Department) also intends to produce an *independent* evaluation which shall be used to support or discuss the monitoring done by the main owner of the program.

Whilst monitoring and evaluation by the implementing agencies (main owners of the program) can be seen as the ‘default practice’, external audit of programs is the task of the Supreme Audit Institution of the country (State Control Committee in Belarus), or commercial audit firms which are commissioned (and can be paid for by the program budget) for this task. Some countries, however, know independent or stand-alone “monitoring units”. For instance, in Scotland, monitoring and evaluation of the government program ‘Scotland performs’ is done by a group of chief professional officials and senior

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<sup>7</sup> Whilst a part of the United Kingdom of Great Britain and Northern Ireland, the latter enjoys a large degree of self-governance, incl. law-making competencies, and its own Parliament and Executive.

<sup>8</sup> Cf PP/04/2016, chapter 3.2., for a discussion of the terminology.

analysts - the 'Scotland Performs Technical Assessment Group' - which provides an objective and impartial forum to consider methodological and technical issues relating to Scotland Performs.

## Box 2

### Scotland Performs Technical Assessment Group

The 'Scotland Performs Technical Assessment Group' has the final decision on the following:

- Identifying the unit, and source of data to measure this unit, and the methodology used for each Purpose Target and National Indicator;
- Assigning a three-grade performance trend assessment (performance arrows: ↑ or ↓ or ↔) and the methodology to assign them;
- Narratives / explanations to the public ('How are we performing' section and 'Current status' text);
- Presentation of data in the graph and the attached spreadsheet;
- Content of the Technical Notes explaining the evaluation methodology for each indicator.

To ensure that assessments are made on an objective and professional basis, the Scotland Performs Technical Assessment Group's decisions are kept wholly independent of Ministers and although Ministers are advised a few days in advance of impending changes, up-dates are never subject to Ministerial approval.

The Group is located in the Office of the Chief Statistician.

Source: <http://www.gov.scot/About/Performance/scotPerforms/NPFChanges/Methodology>

The current institutional arrangements in Belarus are sufficient for reporting and monitoring purposes. Here, potential improvements can be achieved by selecting appropriate sources for data collection, which will be dealt with in the subsequent chapter. Additional credibility of the monitoring can be achieved by publishing results, including intermediate ones ('trends') where data is updated more frequently than in yearly intervals.

The evaluation function, however, can be improved by clarifying the status of the body which performs the evaluation. The Ministry of Economy is de-facto perceived as an independent body for evaluation purposes. This perception of impartiality and independence from the line-ministries can, however, easily be undermined in case of conflicting opinions as it is not based on a written instruction. Also, the Ministry of Economy will need to find a solution to guarantee an objective evaluation of State Programs which are implemented under the auspices of that same ministry (as, e.g., the SME Program).

**In order to strengthen the credibility of the evaluation of the State Program's implementation, the following measures are recommended for adoption in a short-term perspective (starting immediately, and for the period of the next two years before the establishing a more stand-alone evaluation body may be re-considered):**

- **Include the mandate to perform independent evaluations of *individual* State Programs (in addition to the aggregated evaluation) in the respective document, which outlines the role and functions of the State Program Department of the Ministry of Economy.**

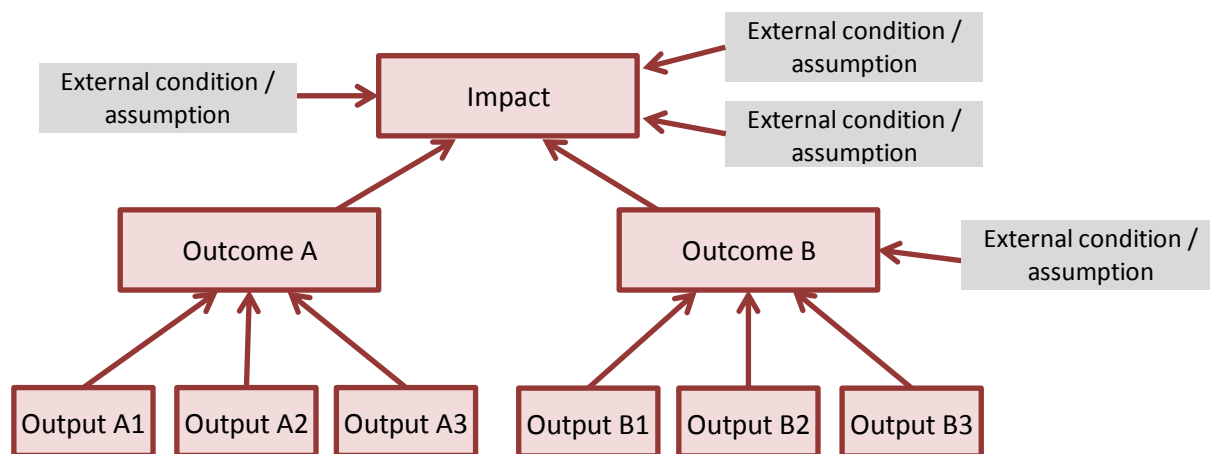
- Provide for a mandatory involvement of *external* specialists in the evaluation process. Such external specialists can be recruited from amongst the expert community in Belarus, or from international technical assistance projects.
- Distinguish the role and the voting right of the MoE State Program Department in the Inter-ministerial Commission from that of the other members. Whilst the conclusion of the evaluation prepared by the State Program Department of MoE shall be debated in the Commission, the evaluator shall be given the right for an ultimate recommendation to the Head of the Commission.

### Which data to use?

Monitoring and evaluation applies to the micro-level (outputs), as well as to the macro-, or policy-level (impact). The outcomes link the outputs with the impact – but this link from outputs to outcomes to impact is not that of a direct dependency for the growing number of external factors and assumptions that need to be considered to achieve the expected impact.

**Figure 2**

Outputs – Outcomes - Impact Dependency



Source: own illustration

Outputs can in most cases be measured relatively easily. In many cases, these outputs are the result of government-commissioned works or services, which means that the owners and the main owners of the program will have direct access to these data. In cases, where the outputs are not easily to be counted, they might be described as milestones which have to be reached by a certain deadline. (Examples are, e.g., websites launched, inter-agency working groups installed, etc – cf., for some examples **Box 3 German Government Program Digital Administration 2020**).

As shown, outcomes typically depend already on a greater number / scope / range of data each of which can be easily counted. This is, monitoring and evaluation needs to rely on aggregated data sources which it may not own itself. Often, outcome indicators are defined as a relation (to, e.g., population / certain parts of population). In this case, such additional data needs to be obtained from existing sources. Such other sources comprise:

- the Statistics Office,
- National (Government-commissioned) surveys
- International organisations (in Europe, much data is collected and generated by EU-institutions. For many countries, the OECD is also a relevant source of data. A careful look is, however, required, as in many cases these international / supranational organisations collect data from national Statistics Offices)
- Research institutes are another source. In Germany and other European countries, research institutes are also involved in developing macroeconomic forecasts. Where such a system of broader participation is established, it will be more easily possible and accepted to use data generated by research institutes for monitoring and evaluation.

Consequently, monitoring and evaluation of impact can be expected to rely on data which is provided by national statistics, international rankings, or specific surveys and polls.

**Table 2**

Type and source of data per level of indicator

Level of indicator	Type of data	Source of data
<b>Impact</b>	<ul style="list-style-type: none"> <li>- Macro-statistical data</li> <li>- (International) Rankings</li> <li>- Survey / polling data</li> </ul>	Statistics Office Rankings Surveys / Polls
<b>Outcome</b>	<ul style="list-style-type: none"> <li>- Context-related data (data in relation to earlier periods, or total population, or similar)</li> <li>- Position in rankings</li> <li>- Survey data</li> </ul>	<i>Possible: owners / main owners of the Program</i> More likely: Statistics Office Surveys / Polls Research Institutes
<b>Output</b>	<ul style="list-style-type: none"> <li>- Numbers of goods, services produced / provided</li> <li>- Also: Milestones reached</li> </ul>	<i>owners / main owners of the Program</i>

*Source: own compilation*

**See Box 4 “Indicators and data sources of ‘Scotland Performs’” at the end of this section for some practical examples.**

We have shown in PP/04/2016 already that the State Programs in Belarus need to improve on the distinction between output and outcome indicators. Some Programs have developed indicators which describe outcomes (for example, the SME Program); others identify outputs.

For monitoring and evaluation this is not so much of a problem, as long as data and sources of data identified do match the level of the indicator. It will, however, be difficult to credibly assess the impact of a programme which has mostly output indicators defined.

**It is recommended to ensure that each State Program identifies Outcome and Outputs and that both have indicators assigned to them. A helpful tool to develop output and outcome indicators is the Logical Framework (‘LogFrame’) tool which is briefly presented in Annex 2**

### ***Effectiveness vs Efficiency***

The above stated so far provides only for an evaluation of the effectiveness of the programs. Effectiveness is the answer to the question whether the measure / program contributes to reaching the objectives?

Efficiency, in turn, assesses the appropriateness of the measures, or in other words, it asks whether the best suitable works and services have been applied and whether these have been bought at the most economically advantageous price.

The State Programs provide for a formula to assess the result / price ratio. The “result” here is the level of achievement of the indicators. This result / price ratio is a helpful tool to assess the appropriateness of the indicator, related to the financing which has been made available (in case of budget financing) / which has been planned, or expected (in case of own resources or credits to be obtained). In case of a balanced result / price ratio (the results planned match the resources planned for this) the program indicators and financing have been well designed. In case of a negative result / price ratio (less result / more money spent than planned) the Programme needs to be analysed to understand whether it was ill-managed or whether it was ill-designed, i.e., based on incorrect assumptions (demand / implementation capacity / unit prices). The same need for analysis, however, applies in case of a positive result / price ratio – which might also be the result of ill-planning, as much as it might be the result of well-managed implementation.

An independent assessment and control of both, effectiveness, and efficiency is the mandate of the external audit body in other countries. It is understood that the State Control Committee of Belarus is moving into that direction, too.

**It is recommended to make proper use of the results of the evaluation of the result/price ratio – this is a useful *management* tool to adequately develop activities and indicators, but it should not be used to assess the *quality* of the implementation of a program / activity.**

### ***Once obtained, make data available (Open Government)***

In addition to the use for monitoring of implementation of State Programs by government bodies, the data obtained, collected, processed and interpreted shall be made available for further use. Data is a valuable and powerful resource to increase effectiveness and efficiency of public administration and service delivery and shall, for this purpose, be made accessible to other government organisations, as well as to the public. This is acknowledged by a growing number of countries which embark on a path to set up **open government tools**.

Open Government tools aim at improving data exchange and availability for government institutions to benefit their work. Another purpose of open government initiatives is to allow for more transparency and (public) oversight to strengthen trust and credibility.



### Box 3

#### German Government Program Digital Administration 2020

This Program has been adopted by the current government to outline priorities and activities in the field of IT modernization of the public administration

**Main responsible ministry:** Ministry of Interior - manages program planning and implementation and serves as information hub for all other involved ministries

**Implementing Ministries:** all ministries of federal and regional (*‘Länder’*) government (because of the objective of this specific program)

**Coordination and implementation:** A committee of state secretaries chaired by the Federal Government Commissioner for Information Technology oversees the programme “Digital Administration 2020”.

#### Objectives of the Program

- Provide for coordinated, collaborative action amongst government institutions,
- Introduce networked processes which divide tasks among staff, and
- Provide for harmonized, standardized, interoperable IT.

#### Measures & Indicators (Examples of specific projects)

Digital declarations project (review of laws)

- Delete and replace requirement of written form, enable simpler procedures
- Each of the more than 3,500 requirements for written form in federal administrative law will be reviewed.
- All federal ministries, states, National Regulatory Control Council, associations, etc. will be involved in the project

Secure communication: Accessible via De-Mail

- Call for tender for federal De-Mail providers
- Federal agencies will be able to set up a De-Mail account and provide De-Mail services based on a framework contract.
- Central De-Mail gateway
- E-Mail infrastructures and back-office IT applications of the different federal agencies will be connected via a central, federally operated De-Mail gateway. Each federal agency will have its own area to administer.

E-files action plan

- Under Section 6 of the E-Government Act, all federal agencies are supposed to use only electronic filing systems by 1 January 2020.
- To implement this goal efficiently and cost-effectively, agencies will have to work together and share infrastructure.
- Interministerial action plan on e-files: considering all e-files in the federal administration in order to make e-filing seamless and efficient.
- The aim is not a new application, but to change communication, cooperation and processes in the administration.
- Essential: gaining staff acceptance and working with them to find good solutions; empowering them to use the new technology and procedures professionally.

#### National Action Plan to implement the G8 Open Data Charter

- Appointing federal and ministerial coordinators for the publication of government data
- Publishing at least two datasets per agency by the end of the first quarter of 2015
- New or improved provision of specific datasets from different fields
- Closely involving data users in civil society, business, research, media
- Actively promoting the re-use of published data

#### Provisions for monitoring and reporting

Part of the coordinated implementation of the E-Government Act is to measure progress in the federal administration in 2016, 2018 and 2020. The baseline will be the implementation status as identified by the Federal Ministry of the Interior at the start of the programme “Digital Administration 2020”.

Monitoring and subsequent reporting builds on three aspects

1. Progress in the implementation of the E-government Act,
2. Milestone-Monitoring,
3. Financial Controlling.

#### Progress in the implementation of the E-government Act

Of key importance here is the harmonisation and coordination of the implementation of the E-government Act across ministries and other government agencies. Priority Indicators for assessing the level of implementation on an inter-ministerial dimension are:

- opening De-Mail gateways in the federal agencies,
- introducing (standardized) electronic files as a leading system,
- using an electronic awarding platform for public procurement,
- receiving, processing and sending electronic invoices.

Another parameter to assess this dimension is the use of support measures (training, coaching, funds) by government agencies.

#### Milestone-monitoring

For each measure / individual project milestones are being defined (broken down by calendar months or quarters). Completion / achievement of milestones [or non-completion / non-achievement] is monitored on an ongoing basis. Results are being published every six months. ([http://www.verwaltung-innovativ.de/DE/Regierungsprogramm/aktuelles\\_regierungsprogramm/Monitoring\\_RP/Monitoring\\_RP\\_node.html](http://www.verwaltung-innovativ.de/DE/Regierungsprogramm/aktuelles_regierungsprogramm/Monitoring_RP/Monitoring_RP_node.html))

#### Financial Controlling

According to the same regulations as all other reporting on budget implementation. Updated quarterly.

#### **Key takeaways:**

IN this example, monitoring is not made against output indicators, but instead is guided by priority outcomes, individual milestones, and congruency to available budgets.

*Source: Government Program Digital Administration 2020 (Digitale Verwaltung 2020) <https://goo.gl/nN639A>*

#### Box 4

##### Indicators and data sources of 'Scotland Performs'

###### **Indicator: Improve people's perceptions of the quality of public services**

The indicator is intended to demonstrate one dimension of the quality of public services, namely satisfaction (not necessarily the same as quality) and provide an overview rather than detail on specific sectors. Satisfaction will be measured in relation to three specific types of public services where Scottish Government has a policy interest and where they have a high public importance. They are health services; public transport and schools. **(I.e. a proxy has been defined)**

**Source:** The figures for this indicator come from the **Scottish Household Survey (SHS) which is a National Statistics product**. Scottish Government is the owner of the data. The data are published in the Scottish Household Survey Annual Report, which is published **annually in August** via [www.gov.scot/SHSAnnualReport](http://www.gov.scot/SHSAnnualReport). The indicator on satisfaction with public services is derived using the question below from the Scottish Household Survey (SHS). **This question was introduced** into the survey in 2007.

###### **Indicator: Improve digital infrastructure**

This indicator measures the proportion of residential and non-residential premises where next generation broadband is available.

**Source:** [Connected Nations Report – 2015](#). Figures for this indicator are provided by Ofcom – the UK's communications regulator, a government agency. Under section 134A of the Communications Act 2003 ('the Act') Ofcom is required to submit a report to the Secretary of State every three years, describing the state of the electronic communications networks and services in the UK. Ofcom reports on the proportion of residential and non-residential premises where cable, FTTC and FTTP (collectively known as next-generation access) is available. The roll-out of NGA technologies has increased the availability of superfast broadband (SFBB), which is defined as having download speeds of at least 30Mbit/s. Most, but not all, NGA lines provide superfast broadband.

###### **Indicator: Increase Exports**

This indicator measures the annual value of exports to the rest of the world (not including the rest of the UK or Oil and Gas exports) as published in Export Statistics Scotland). The figures are not adjusted for inflation.

**Source:** [Export Statistics Scotland](#) - formerly known as the Global Connections Survey (GCS). The Global Connection Survey, which is **sent to businesses each year by the Scottish Government**, informs much of the estimates of international exports published in this report and is the only source for estimates of exports from Scotland to the rest of the UK. Data have been collected annually since 2002. Further to the GCS, relevant estimates for businesses in Scotland are also sourced from the official and administrative sources produced by the Office for National Statistics and other parts of the Scottish Government.

**Indicator: Increase the number of businesses**

The indicator measures the total number of VAT/PAYE (i.e., taxation-) registered private sector enterprises operating in Scotland per 10,000 adults. The figure includes all private sector registered enterprises that operate in Scotland regardless of where the business is based.

**Source:** This indicator uses the registered enterprise count, as published in the [Businesses in Scotland](#). The Inter-Departmental Business Register (IDBR) provides the number of enterprises registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE) in Scotland. An IDBR extract from **March each year** is taken to derive the count of registered enterprises operating in Scotland.

**Indicator: Increase physical activity**

Until 2011, the indicator measured the proportion of adults completing at least 30 minutes of moderate intensity exercise 5 days a week. From 2012 onwards, the indicator measures the proportion of adults completing a minimum of 150 minutes of moderate intensity exercise a week. The data for this indicator are **collected as part of the Scottish Health Survey**.

**Source:** The data for this indicator are gathered through the physical activity module of the [Scottish Health Survey](#), a major **population survey based on interviews with adults and children**.

The adult physical activity module included in the survey from 1998 onwards is based on the Allied Dunbar National Fitness Survey, a major study of physical activity among the adult population in England conducted in 1990. The module examines:

- The time spent being active
- The intensity of the activities undertaken, and
- The frequency with which activities are performed.

Four main types of physical activity are asked about:

- Home-based activities (housework, gardening, building work and DIY)
- Walking
- Sports and exercise, and
- Activity at work.

For the first three categories, participants are asked to report any activities lasting at least 10 minutes and to say on how many days in the past four weeks they had taken part in such activities. For walking, they are also asked on how many days they had taken more than one walk of at least 10 minutes. Where they had taken more than one walk, the total time spent walking for that day was calculated as twice the average reported walk time.

In addition, those in full or part-time employment were asked about activity while at work. These participants were asked to rate how physically active they were in their job (options were: very physically active, fairly physically active, not very physically active and not at all physically active). This question on intensity was used in combination with a new question on sedentary activity at work to produce estimates of the duration of moderate activity at work per week. As this information was not collected prior to 2012, data from this method of calculating work-based activity is not directly comparable with that from the method used in earlier years. The impact of this change was minor.

*Source: <http://www.gov.scot/About/Performance/scotPerforms/TechNotes>*

### 3.3 Positive and negative incentives for public officials when implementing State Programs

The Program-approach to describe the objectives of the government’s work (and the underlying budgets) implies a greater degree of managerial freedom and responsibility for the agencies which hold the responsibility for the implementation of the Program. These responsible agencies in English-language literature are known as “budget owners”, in German the term “Budgetverantwortlicher” (i.e., the one responsible for the budget”) is used. Both terms – and especially the English “owner” - express more explicitly the freedom that comes together with the accountability when assuming responsibility for the implementation of a certain program than the term ‘client’ / ‘zakaschik’ which is used in the Russian language.

It is this level of freedom and responsibility held by the manager of the program that explains the mechanisms of motivating, rewarding, or sanctioning these managers. There are several incentives to motivate responsible managers to implement programs with high efficiency – i.e. less resources than planned while meeting performance targets (outputs and quality – which is what the manager can do to achieve the expected outcomes). These incentives can be divided into three broad categories: funding, flexibility, and public recognition.

These are summarised in the following chart which summarises experiences of OECD countries:

**Table 3**

Potential mechanisms to motivate performance

<b>Mechanisms</b>	<b>Rewards</b>	<b>Sanctions</b>
<b>Funding</b>	Increase funding to the agency	Reduce or restrict agency funding
	Maintain status quo on agency funding.	Eliminate agency funding.
	Increase the staff budget	Cut the staff budget.
	Provide management and employee bonuses	
<b>Flexibility</b>	Allow the agency to retain and carry over efficiency gains.	Return all funding to the centre
	Allow flexibility to transfer funds between different programs and/or operating expenditures	Restrict ability to transfer funds.
	Exempt the agency from certain reporting requirements.	Increase reporting requirements
		Order a management audit of the agency
<b>Public recognition</b>	Publicly recognise the agency’s achievement	Publicly criticise the agency’s performance

Source: *Improving Public Sector Efficiency: Challenges and Opportunities*, OECD, 2007  
<https://www.oecd.org/gov/budgeting/43412680.pdf>

It needs to be mentioned, however, that these – positive, as well as negative – incentives in the public sector are not always easy to apply- especially in the category “funding” of the above list. Allowing for more flexibility in using / allocating funds is, therefore more likely to be applied in practice and will be especially effective when initial funding does not allow for an “easy” implementation with generous funding allocated to programs. Under conditions of tight budgets, managers need to take decisions where to use the budget most effectively, Additional room for manoeuvre will be welcome and managers be motivated to generate such room for manoeuvre to help them reach the targets.

### ***3.4 Further support to private sector***

With the new legislative framework, State-owned enterprises (SOE) no longer enjoy preferential treatment over the private sector for the implementation of the State Programs. Whilst the intention to no longer limit state aid to SOE is good, changes in the legislation alone will not lead to open and fair competition which will result in low prices, high quality, and efficient use of public funds. Experience of first tenders in 2016 (award of government-backed loans for the construction of dairy farms) showed that firms were very reluctant to participate in the tender as they were not familiar with the new procedure. (In this case, the majority of firms participating in the tender were SOE which found themselves confronted with ‘new rules of the game’).

For more active participation in government tenders to take effect, the opportunities for all firms on the market need to be communicated to the business community with the same energy and media-coverage which the communication of the adoption of the new legislation for the State Programs has enjoyed in the early months of 2016.

Moreover, mere information about new opportunities might not suffice. Additional tools shall support businesses – this again applies for both private companies, as well as for SOE – to meet the requirements for bidding according to the new ‘rules of the game’. The contracting authorities (line ministries, Development Bank of Belarus) can set up special sections for ‘Frequently Answered Questions (FAQ)’ on their websites; templates of documents which need to be submitted for tenders, shall be made easily and freely available, and special helplines may be opened. If need be, training / information events may be considered. Available experiences from EU countries and Belarus might be used.

## Box 5

### Support to business to participate in EU tenders

The following paragraph is included in tender dossiers for EU procurement:

*"The Enterprise Europe Network provides advice on tender opportunities and training in relation to procurement, which may be of assistance to newly initiated tenderers. Please refer to the following web-site for further details:*

<http://een.ec.europa.eu/content/advice-eu-law-and-standards>\*

*The Commission has further published a brochure on "Doing business with the European Commission – Tips for potential contractors":*

[http://ec.europa.eu/budget/library/biblio/publications/business/doing\\_business\\_en.pdf](http://ec.europa.eu/budget/library/biblio/publications/business/doing_business_en.pdf)"

*\*NB: this network comprises two associates in Belarus*

- Association of legal entities «Republican Confederation of Entrepreneurship»
- Innovation Association "Republican Centre for Technology Transfer"

*Source: tender dossier for an EU procurement*

Other research shows that the private sector – especially SME – are affected by unequal treatment of state and private enterprises also in other areas. Most notably here is the intensified state control over private enterprises where private sector (SME) feel especially discriminated against, compared to state owned enterprises.<sup>9</sup> This means that equal treatment for private and SOE-contractors needs to be ensured also for the period of implementation of public contracts.

This illustrates that a range of measures need to be addressed to improve the number, capacity, and quality of potential implementers – contractors to deliver works, goods, and services under the State Programs. To assess the awareness and readiness of businesses to bid for government contracts and state aid a survey amongst businesses is recommended to immediately be taken by a qualified polling firm. Based on the results of such a survey, appropriate responses can be identified.

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<sup>9</sup> <http://www.research.by/webroot/delivery/files/pdp2016r01.pdf>

#### 4. Summary of recommendations

The analysis of Belarusian and international practices suggests the following recommendations to enhance the effectiveness of the implementation of State Programs:

1. **Identify and analyse relations between objectives and activities of individual State Programs.** Such relations can be compatible, leading to clear synergies between programs in the best case. They can, in some cases, also be of conflicting nature. Appropriate responses shall be identified and action taken. If relations are of synergetic nature, they shall be exploited. If relations are of conflicting nature, appropriate mitigation measures need to be taken.
2. **To allow for effective monitoring and evaluation, appropriate indicators need to be identified.** To this end, some more work on the design of the individual State Programs is recommended, as there are still inconsistencies between output and outcome indicators. Only when this is clarified better, the appropriate sources for obtaining the data which then is the basis for the monitoring can be properly identified. Data sources shall rely on existing sources and statistical data as much as possible. Only where no data is available, new sources to obtain information for monitoring purposes shall be established.
3. **To improve the quality and credibility of the evaluation of State Program implementation, the independence and objectivity of the evaluator needs to be strengthened.** This can be achieved by a combination of institutional provisions (clarification of the evaluation function in the description of tasks and functions of the State Program Department of MoE, and in the composition of the Inter-ministerial Commission), and by including external expertise in the individual evaluation procedures.
4. **Data which is collected for monitoring of State Program purposes shall be made available for further use.** The efforts directed towards raising, or producing data for monitoring purposes must not end with this monitoring. The data will be a useful resource for other government agencies and for the public. Such tools are known as 'Open Government' tools, and gaining growing recognition in many countries worldwide. Open Government helps that very government to perform better as a result of better exchange of information between government agencies. It also helps to increase trust and accountability vis-à-vis the public.
5. **The political objective to no longer treat the State-owned enterprises with preference over the private sector is to be applauded.** However, private sector will likely not automatically and immediately rush to implement government contracts. On the other hand, SOE will not automatically and immediately know how to secure government funding when the 'old rules' no longer apply. The government is advised to ensure that information about the new forms of government contracting and allocation of state aid is widely communicated, and that suitable helpdesk and other tools become available.



**Annex 1: Matrix-format to visualise synergies between Objectives and Indicators in Northern Ireland Government Framework 2016 - 21**

DRAFT PROGRAMME FOR GOVERNMENT FRAMEWORK CHART OF OUTCOMES, INDICATORS AND MEASURES		O1: We prosper through a strong, competitive, (regionally balanced) economy	O2: We live and work sustainably, protecting the environment	O3: We have a more equal society	O4: We enjoy long, healthy, active lives	O5: We are an innovative, creative society where people can fulfil their potential	O6: We have more people working in better jobs	...O11: We have high quality public services
No of Indicator (42 in total)	Indicator and related <i>measure</i> (unit for evaluation)							
<b>I2</b>	<b>Reduce health inequality</b> <i>(Gap between highest and lowest deprivation quintile in healthy life expectancy at birth)</i>							
<b>I3</b>	<b>Increase healthy life expectancy</b> <i>(Healthy life expectancy at birth)</i>		<b>X</b>	<b>X</b>	<b>X</b>			
<b>I4</b>	<b>Reduce preventable deaths</b> <i>(Preventable mortality)</i>		<b>X</b>	<b>X</b>	<b>X</b>			
<b>I7</b>	<b>Improve health in pregnancy</b> <i>(The proportion of babies born at a low birth weight)</i>		<b>X</b>	<b>X</b>	<b>X</b>			
<b>I6</b>	<b>Improve mental health</b> <i>(Percentage of population with GHQ12 scores ≥4 [signifying possible mental health problem])</i>							
<b>I9</b>	<b>Improve support for adults with care needs</b> <i>(The number of adults receiving personal care at home or self directed support for personal care, as a percentage of the total number of adults needing care)</i>				<b>X</b>		<b>X</b>	<b>X</b>
<b>I11</b>	<b>Improve educational outcomes</b> <i>(Percentage of school leavers achieving at level 2 or above including English and Maths)</i>							
<b>I12</b>	<b>Reduce educational inequality</b> <i>(Gap between percentage of school leavers and percentage of FSME school leavers achieving at level 2 or above including English and Maths)</i>	<b>X</b>		<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>
<b>I13</b>	<b>Improve the quality of education</b> <i>(Percentage of schools where provision for learning is good or better)</i>							
<b>I19</b>	<b>Reduce poverty</b> <i>(Percentage of population living in (absolute) poverty [BCH] AND percentage of population living in (relative) poverty [BHC])</i>	<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>I28</b>	<b>Increase the confidence and capability of people and communities</b> <i>(Self-efficacy)</i>	<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	

<b>I17</b>	<b>Reduce economic inactivity</b> <i>(Economic inactivity rate, excluding students)</i>							
<b>I32</b>	<b>Increase economic opportunity for our most deprived communities</b> <i>(The employment rate of 13-64 year olds by deprivation quintile)</i>	X		X		X	X	
<b>I33</b>	<b>Reduce underemployment</b> <i>(Percentage of people working part time who would like to work more hours)</i>							
<b>I20</b>	<b>Increase the size of the economy</b> <i>(Private Sector Northern Ireland Composite Economic Index [NICEI])</i>	X					X	
<b>I14</b>	<b>Improve the skills profile of the population</b> <i>(Proportion of the workforce in employment with qualifications at level 1 and above, level 2 and above, level 3 and above, and 4 and above)</i>							
<b>I16</b>	<b>Increase the proportion of people in work</b> <i>(Seasonally adjusted employment rate [age 16-64])</i>							
<b>I18</b>	<b>Increase the proportion of people working in good jobs</b> <i>(A Good Jobs Index ) - (To be developed)</i>							
<b>I21</b>	<b>Increase the competitiveness of the economy</b> <i>(External sales)</i>							
<b>I22</b>	<b>Increase innovation in our economy</b> <i>(Regional innovation ranking)</i>	X	X	X		X	X	
<b>I34</b>	<b>Improve regional balance of economic prosperity through increased employment</b> <i>(Employment rate by geographic area [areas to be defined])</i>							
<b>I41</b>	<b>Increase the proportion of graduates moving into employment, or on to further study</b> <i>(Proportion of local graduates from local institutions in work or further study six months after graduation)</i>							
<b>I24</b>	<b>Improve internet connectivity</b> <i>(Proportion of Northern Ireland premises with access to broadband services in excess of 30 Mbps)</i>	X				X	X	
<b>I23</b>	<b>Improve transport connections for people, goods and services</b> <i>(Average journey time on key economic corridors)</i>							
<b>I25</b>	<b>Increase the use of public transport and active travel</b> <i>(Percentage of all journeys which are made by walking/cycling/public transport)</i>	X	X		X	X	X	X
<b>I30</b>	<b>Improve our attractiveness as a destination</b> <i>(Total spend by external visitors)</i>							
<b>I40</b>	<b>Improve our international reputation</b> <i>(National Brand Index)</i>	X	X	X		X	X	

Source: <https://www.northernireland.gov.uk/sites/default/files/consultations/newniqov/Draft%20PfG%20Framework-%20Chart%20of%20Outcomes%20Indicators%20and%20Measures.xlsx>

**Responsibility is assigned to Senior Responsible Owners**

<b>Programme for Government Outcome Framework 2016/21</b>			
<b>INDICATORS &amp; SENIOR RESPONSIBLE OWNERS</b>			
<b>Indicator</b>	<b>Name</b>	<b>Department (Ministry)</b>	
2. Reduce health inequality	Dr Anne Kilgallen	Department of Health	Grouped to Develop Action Plan
3. Increase healthy life expectancy			
4. Reduce preventable deaths			
7. Improve health in pregnancy			
6. Improve mental health	Chris Matthews	Department of Health	Grouped to Develop Action Plan
9. Improve support for adults with care needs			
5. Improve the quality of the healthcare experience	Charlotte McArdle Eilis McDaniel	Department of Health	
10. Improve support for looked after children			
11. Improve educational outcomes	Dr David Hughes	Department of Education	Grouped to Develop Action Plan
12. Reduce educational inequality			
13. Improve the quality of education			
19. Reduce poverty	Denis McMahon	Department for Communities	Grouped to Develop Action Plan
28. Increase the confidence and capability of people and communities			
17. Reduce economic inactivity	Tommy O'Reilly	Department for Communities	Grouped to Develop Action Plan
32. Increase economic opportunities for our most deprived communities			
33. Reduce underemployment			
20. Increase the size of the economy	Andrew McCormick	Department for Economy	Overarching indicator

14. Improve the skills profile of the population 16. Increase the proportion of people in work 18. Increase the proportion of people working in good jobs 21. Increase the competitiveness of the economy 22. Increase innovation in our economy 34. Improve regional balance of economic prosperity through increased employment 41. Increase the proportion of graduates moving into employment or on to further study	Derek Baker	Department for Economy	Grouped to Develop Action Plan linked to Economic Strategy Refocus
24. Improve internet connectivity	June Ingram	Department for Economy	
23. Improve transport connections for people, goods and services 25. Increase the use of public transport and active travel	John McGrath	Department for Infrastructure	Grouped to Develop Action Plan
30. Improve our attractiveness as a destination 40. Improve our international reputation	TBC TBC	The Executive Office	Grouped to Develop Action Plan

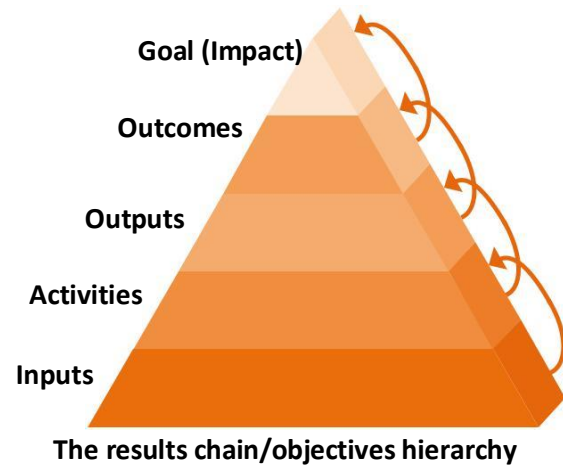
Source: <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/Draft%20PfG%20Framework%20-%20Indicators%20-%20Senior%20Responsible%20Owners1.xlsx>

## Annex 2: Logframe as an Instrument to Identify Indicators in Programme Planning

(based on Project/programme planning Guidance manual of the International Federation of Red Cross and Red Crescent Societies, <http://www.ifrc.org/Global/Publications/monitoring/PPP-Guidance-Manual-English.pdf>)

### 1. Logical framework matrix

The logframe matrix consists of a table with four rows and four columns, in which the key aspects of a project/programme are summarized. It sets out a logical sequence of cause-effect relationships based on the results chain/objectives hierarchy. The process of developing and selecting objectives explained earlier is used as the basis for the objectives set out in the logframe matrix.



The logframe does not show every detail of a project/programme. Further details, such as the proposal, budget and activity schedule, can be provided in other documents that accompany the logframe, but they should all be linked very clearly to the logframe. The logframe is used not only for project/programme design, but also as the basis for implementation, monitoring and evaluation. It is a living document, which should be consulted and altered throughout the intervention's life cycle.

One approach is to fill in all the objectives first, then check whether they are realistic by looking at the assumptions at each level, before adding the indicators and means of verification. This is the approach taken here. Another approach is to complete all the objectives with their indicators and means of verification together before moving on to develop the assumptions.

As new parts of the logframe are drafted, information previously assembled will often need to be reviewed and, if required, revised. However, choosing one of the broad approaches to the completion of the matrix can sometimes help to guide the team. The sequence of steps presented here is therefore only a guide, to be used if the intervention team find it helpful.

**Logical framework: definitions of terms**

<b>Objectives</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
(What we want to achieve)	(How to measure change)	(Where/how to get information)	(What else to be aware of)
<b>Goal</b>	<b>Impact indicators</b>		
The long-term results that an intervention seeks to achieve, which may be contributed to by factors outside the intervention	Quantitative and/or qualitative criteria to measure progress against the goal	How the information on the indicator(s) will be collected (can include who will collect it and how often)	External factors beyond the control of the intervention, necessary for the goal to contribute to higher-level results
<b>Outcome(s)</b>	<b>Outcome indicators</b>		
The primary result(s) that an intervention seeks to achieve, most commonly in terms of the knowledge, attitudes or practices of the target group	Quantitative and/or qualitative criteria to measure progress against the outcomes	As above	External factors beyond the control of the intervention, necessary for the outcomes to contribute to achieving the goal.
<b>Outputs</b>	<b>Output indicators</b>		
The tangible products, goods and services and other immediate results that lead to the achievement of outcomes	Quantitative and/or qualitative criteria to measure progress against the outputs	As above	External factors beyond the control of the intervention, necessary if outputs are to lead to the achievement of the outcomes
<b>Activities</b>	<b>Inputs</b>	<b>Costs (and sources)</b>	
The collection of tasks to be carried out in order to achieve the outputs	The materials and resources needed to implement activities	The summary costs for each of the identified resources/activities; sources of income can also be specified	External factors beyond the control of the intervention, necessary for the activities to achieve the outputs

## 2. Verifying the logic of the objectives – if-then causality

The first column of the logframe matrix summarizes the “means-end” logic of the proposed project/programme (also known as the “intervention logic”). When the objectives hierarchy is read from the bottom up, it can be expressed in terms of:

**IF** adequate **inputs** are provided, **THEN activities** can be undertaken.

**IF** the **activities** are undertaken, **THEN outputs** can be produced

**IF** the **project outcome** is achieved, **HEN** this should contribute to the **goal**.

If reversed, we can say that:

**IF** we wish to contribute to the **goal**, **THEN** we must achieve the **project outcome**.

**IF** we wish to achieve the **project outcome**, **THEN** we must deliver the **outputs**.

**IF** we wish to deliver the **outputs**, **THEN** the specified **activities** must be implemented.

**IF** we wish to implement the specified **activities**, **THEN** we must be able to source the identified **inputs**

Objectives	Indicators	Means of verification	Assumptions
<b>IF</b> Goal			Assumptions at goal level
<b>IF</b> Outcome(s)			Assumptions for outcomes
<b>IF</b> Outputs			Assumptions for outputs
<b>IF</b> Activities			Assumptions for activities

## 3. Indicators

Objectives	Indicators	Means of verification	Assumptions
<b>Goal</b>	Impact indicators		
<b>Outcome(s)</b>	Outcome indicators		
<b>Outputs</b>	Output indicators		
<b>Activities</b>	Process indicators (if used)		

**An indicator is a unit of measurement that helps determine what progress is being made towards the achievement of an intended result (objective).** Indicators set out what information to collect in order to answer key questions about the progress of an intervention. These questions relate to different evaluation criteria (shown in brackets after each question):

- > How much did we do? How many resources did we use to get there? (*efficiency*)
- > Are we accomplishing what we set out to do? (*effectiveness*)
- > How do the people we are seeking to help feel about our work? (*relevance and appropriateness*)
- > Is the intervention responding to real needs? (*effectiveness, relevance and appropriateness*)
- > Is the work we are doing achieving its goal? (*impact*)

> Will the benefits to the population be long-lasting, even after the intervention has finished? (*sustainability*)

The information collected on the indicators is then used to assess progress and guide decision-making through the implementation, monitoring and evaluation of the intervention. The information can also help lessons to be learned from an intervention in order to build on successes and avoid repeating mistakes.

Indicators can be quantitative (e.g. the percentage of farmers adopting new technology, number of sanitation facilities constructed or renovated) or qualitative (e.g. the level of commitment of farmers to using new technology, beneficiaries' perceptions of the quality of the sanitation facilities provided). It is best to use a combination of both when possible.

It is usually easier to accurately measure process and output indicators than outcome indicators, such as changes in behaviour. The higher levels of the indicator hierarchy require more analysis and synthesis of different information types and sources. This affects the data collection methods and analysis during the monitoring and evaluation phases, which in turn has implications for staffing, budgets and timeframe

### **3.1. Targets, baselines and the relationship between them**

It is important to note that an indicator is a unit of measurement only. It does not have a target or value set against it until information (e.g. from the assessment phase) can be analysed to determine a realistic target. A "baseline" is an analysis that describes the situation prior to an intervention, against which progress can be assessed or comparisons made. Ideally, this is a measurement against the indicators before the intervention begins. A "target" is the measurement against the indicator that the project/ programme hopes to reach. The "actual" values are then the levels that are reached during implementation.

For example, if the baseline measurement is "*20% of households have functioning income-generation activities*", doubling this figure to "*40% of households*" could be a reasonable target, depending on the capacity of the implementing organization. If the baseline measurement was higher or lower than 20%, then the target would have to be modified accordingly.

### **3.2 How to define the indicators**

Three useful steps can be followed in defining the indicators:

#### **Step 1: Clarify the objectives.**

Review the precise intent of the objectives and make sure you are clear on the exact changes being sought by the intervention. Good indicators start with the formulation of good objectives that everyone agrees on.



## Step 2: Develop a list of possible indicators.

Usually, many possible indicators can be readily identified. Often, it helps to develop first a long list through brainstorming or drawing on the experiences of similar projects/programmes. It can be particularly useful to refer to international industry standard indicators for a similar project/programme. At this point, encourage creativity and the free flow of ideas.

## Step 3: Assess the possible indicators and select the best.

In refining and selecting the final indicators, you should set a high standard and be practical. Data collection is expensive, so select only those indicators that represent the most important and basic dimensions of the results sought.

Checking whether indicators meet a set of “SMART” criteria (see box) is a well-known method that can be used to review suggested indicators to ensure that they will help the team accurately monitor and evaluate the progress/success of the project/programme.

### SMART criteria

SMART is a well-known formula to verify the quality of indicators. All indicators should meet the following criteria to be accurately and reliably measured:

- > **Specific:** The indicator clearly and directly measures a specific result for the objective it is measuring.
- > **Measurable:** The indicator is unambiguously specified so that all parties agree on what it covers and there are practical ways to measure the indicator.
- > **Achievable:** The measurement of the indicator is feasible and realistic, within the resources and capacity of the project/programme, and the data are available.
- > **Relevant:** The indicator provides appropriate information that is best suited to measuring the intended result or change expressed in the objective.
- > **Time-bound:** The indicator specifies the specific timeframe at which it is to be measured.

The same criteria can be used to develop indicators. For example, for the outcome “**The capacity of communities to prepare for, respond to and mitigate disasters is improved**”, the indicator topic would be: “*Practice of disaster preparedness measures*”. In order to make this indicator accurately and objectively verifiable, elements meeting the SMART criteria are added.

### 3.3 Indicator traps

Some of the most frequent traps that people fall into when identifying indicators are:

Trap	How to avoid it
<b>Selection of too many indicators</b> Having long lists of indicators that nobody ever measures.	<ul style="list-style-type: none"> <li>&gt; Be realistic! Indicators only need to capture what is necessary for monitoring and evaluation and to be realistic in terms of data collection.</li> <li>&gt; 1–3 indicators per objective statement are usually sufficient.</li> </ul>
<b>“Re-inventing the (indicator) wheel”</b> Designing indicators when good ones already exist.	<ul style="list-style-type: none"> <li>&gt; Look for international or industry standard indicators, e.g. indicators developed by UN agencies (such as for the Millennium Development Goals) or for the Demo-graphic and Health Surveys, which have been used and tested extensively.</li> </ul>
<b>Labour-intensive indicators</b> Selection of overly complex indicators requiring labour-intensive data-collection and analysis.	<ul style="list-style-type: none"> <li>&gt; Check if there are secondary indicator sources. It may be cost-effective to adopt indicators for which data have been or will be collected by a government ministry, international agency, etc.</li> </ul>
<b>Irrelevant indicators</b> Selection of indicators that are activities or results statements or indicators which do not directly measure the objective.	Make sure you can answer yes to the following questions: <ul style="list-style-type: none"> <li>&gt; Is this statement a criteria or measurement by which we can demonstrate progress?</li> <li>&gt; By measuring this indicator, will we know the level of progress?</li> </ul>
<b>Imprecise indicators</b> Indicators that are not specific so they cannot be readily measured.	<ul style="list-style-type: none"> <li>&gt; Keep the indicators as simple, clear and precise as possible (see SMART criteria).</li> <li>&gt; For example, it is better to ask how many children have a weight/height ratio above malnourishment levels than to enquire generally whether the household suffers from malnourishment.</li> </ul>
<b>Low-level indicators</b> Overconcentration on -indicators which measure only outputs or activities.	<ul style="list-style-type: none"> <li>&gt; Although indicators at the output level are easier to collect and are useful for project/programme management, they do not show the project’s/programme’s progress or impact.</li> <li>&gt; It is important to have a few key indicators at output, outcome and impact levels. Again, other sources of outcome and impact indicators, such as those used by other agencies, can be useful.</li> </ul>

It is important when defining indicators to consider carefully how the actual information required will be collected, stored and analysed. This topic is covered in the next section.

### 3.4 Means of verification

Objectives	Indicators	Means of verification	Assumptions
Goal			
Outcome(s)			
Output			
Activities			

The “means of verification” are the ways in which information will be collected on the indicators to monitor and evaluate the progress of the intervention. For example, body temperature is an indicator of health, a

thermometer provides the information The means of verification should be defined at the same time as the formulation of the indicator. This is especially important as it helps to test whether or not the indicator can be realistically measured at all, and within a reasonable amount of time, money and effort. This stage can be split into two steps:

### **Step 1: Define the sources of information.**

Normally this would state from where the information to measure the indicator will be collected, whether through primary research (reports or other information gathered from special studies, surveys, observation, focus group discussions and different participatory tools) and/or secondary research, i.e. available documentary sources (e.g. administrative records, progress reports, project accounts, official statistics, etc.).

Sometimes, only the sources of information can be identified in the initial planning stage, and Step 2 will be completed in more detail when designing the monitoring system.

### **Step 2: Identify the data collection methods.**

In addition, the means of verification can specify *how* the information will be collected. If this is not done at this stage, it can be carried out when designing the monitoring system.

Identifying the data collection methods can include:

- > Consulting secondary research sources (as listed above).
- > Specifying which primary research methods will be used (as listed above).
- > For more detail, one can also include the following information – although this would more commonly be specified in a monitoring and evaluation plan: who will participate in the data collection (e.g. contracted survey teams, the district health office, the project/programme management team, etc.)
- > When/how regularly the information will be provided (e.g. monthly, quarterly, annually, etc.)
- > How the data will be analysed

You should consider whether the collection of information will be possible with current capacities. If the required information cannot easily be collected with existing capacities, this should be discussed carefully. Can the required information be collected through existing systems or by improvements to existing systems? If important information is not already being collected, additional time and costs should be budgeted for in the overall intervention plan.

If the means of verification imply that it is much too expensive or complicated to collect information on a particular indicator, consider whether it should be replaced by an indicator that is easier to measure, which may be an indirect (proxy) indicator. For example, it can be very difficult to measure real increases in income in a community, as it is not possible to have access to individuals' bank statements. However, changes can be more easily measured in household assets (number of new vehicles or improved housing) in the community through focus group interviews or even observation, which gives a good indirect measure of the levels of income in that community.

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