

Understanding the Role of Policy Targets in National and International Governance

EPRG Working Paper 0909

Sarah Lester and Karsten Neuhoff

Abstract

The paper surveys the literature on policy targets in order to inform discussions on the use of performance objectives, programme targets and indicators in the policy process. The focus is on governance, performance budgeting and indicators systems, which are explored in a set of case studies including the Millennium Development Goals of the UN, the UK Public Service Agreements, the Poverty Reduction Strategy Papers of the IMF, the Government Performance Results Act targets implemented by the USA and the UK Best Value Performance Indicators.

The analysis points to the importance of outcome-based targets, partnership and accountability for successful policy benefits. Budgeting and financial planning are becoming increasingly important for both domestic and international government. The paper concludes by evaluating the policy regimes of the targets discussed and considering the implications suggested for climate policy.

Keywords

Targets, policy implementation, outcome based indicators, performance measurement.

Contact

SL492@cam.ac.uk
Karsten.neuhoff@econ.cam.ac.uk

Publication

March 2009

Financial Support

Supergen-Flexnet
www.eprg.group.cam.ac.uk

Understanding the Role of Policy Targets in National and International Governance

SARAH LESTER AND KARSTEN NEUHOFF

March 30th 2009

1. Introduction

International cooperation for climate policy implementation is currently the subject of wide discussion. In developed countries, absolute emission targets play an important role for policy frameworks and the design of cap and trade emissions trading schemes. In developing countries, absolute emission targets are more difficult to define because of uncertainties associated with projections of emissions for the business as usual scenario. Also, absolute emission targets are likely to be less effective where there is less institutional capacity for their translation into specific actions and more contentious if they are seen to not reflect the differentiated nature of responsibility.

This raises the question of whether domestic policies and international cooperation on actions with climate (co-) benefits in developing countries can be pursued without the definition of absolute emission targets. Discussions on international cooperation for climate policy are exploring the use of policy targets for the implementation of specific actions or policies with climate co-benefits. How can successful implementation benefit from international cooperation? The paper summarises experience from the use of national and international policy targets to inform the wider debate surrounding these questions.

The paper focuses on the literature on policy targets in order to understand the use of performance objectives, programme targets and indicators in the policy process. The influence of targets on governance processes is explored based on the following examples: The Millennium Development Goals of the UN, Public Service Agreements between the UK national and local governments, and the Poverty Reduction Strategy Papers of the IMF, the Government Performance Results Act targets implemented by the USA, and the UK Best Value Performance Implementation and evaluation of these schemes is then discussed to identify lessons from the use of successful target policies in national and international regimes.

Domestic policies suggest the importance of outcome-based targets, partnership and accountability for successful policy benefits. Budgeting and financial planning are becoming increasingly important for both domestic and international government. International development assistance is based on the transfer of financial flows, knowledge and technical skills from developed to developing countries; the performance management structures required by such financial flows help to determine the nature and success of such policies. The paper concludes by evaluating the policy regimes of the targets discussed and considering the implications suggested for climate policy.

The challenge for the transfer of this experience to climate policy is likely to revolve around the definition of appropriate metrics (Cust 2008). The negotiations of these metrics is an inherently political activity; involving complicated negotiations between international and national, or national and local, levels of government. For climate policy, the translation of long-term emissions reduction objectives towards intermediary outcomes that reflect the success of government policy within, for example a three-year timeframe, could prove

useful. The choice of an appropriate timeframe for targets for both domestic and international policy is discussed within the paper: while fifteen-year timescales allow for more holistic policies, shorter three-year frameworks enable rapid learning from the policy process. The role of learning for policy development is an iterative process, and one that feeds directly into the effectiveness of domestic target regimes.

Governments have to implement robust and comprehensive policy frameworks to internalise carbon externalities and provide regulatory and market structures for the transition towards a low-carbon economy. This in turn will shift private sector investments and activities towards low-carbon sectors and technologies, which will deliver the desired emissions reductions. The long chain linking initial policy decisions and ultimate emissions reductions creates a delay that is often in excess of the short-term, five-year frameworks. This creates a challenge for the policy processes. The paper explores the experience from other policy fields to inform the discussion of the role of targets in policy implementation. Targets can be used to measure the effectiveness of governance, and provide information to improve the management and implementation of both national and international policy.

2. Literature review

Use of targets for policy and performance management has been analysed in many academic disciplines. Discussion covers numerous aspects of performance management: the process of setting and negotiating targets, defining metrics and measurement indicators and institutional implementation. In assessing the use of performance objectives, programme targets and indicators in the policy process, we begin by discussing the literature on governance, public administration, performance budgeting and indicator systems.

Governance

Results-based management and performance measurement are often used by development agencies to combine monitoring of implementation and assessment of results to create a tool for multilateral and bilateral public management (Obser 2007). Development aid is

principally the transfer of financial flows, alongside knowledge and technical skills, from developed to developing countries (Picciotto 2002). Targets and performance management systems are frequently used to assess the disbursement of funds to partner countries and to monitor the implementation of reforms. States that have efficient and stable institutional and organisational capacity are able to set and monitor targets more effectively; the extent to which it is compulsory to meet such 'good governance' criteria is, however, debated (Grindle 2004; 2007).

The political economy of aid, incentives for governance, issues of ownership, uncertainty and cooperation are discussed in the context of aid dependence by Brautigam (2000). It is possible to measure governance quantifiably, by examining indicators on the rule of law, accountability and control of corruption (Kaufmann 2003), however, this form of measurement is highly contested due to the subjective nature of such quantification.

Specific policy targets are set in wider international and national governance frameworks. Results-based management, monitoring and evaluation, and development structures combine to produce incentives aimed at reforming government and developing cooperation (White 2002). Multilateral and bilateral performance monitoring have been thoroughly covered in the literature (Adam et al 2004; Hewitt de Alcontara 1998; Holvoet and Renard

2007; Mercer-Blackman and Unigovskaya 2004). It has been suggested that the current emphasis on targets and results-based management is due to the considerable use of monitoring and evaluation systems by the IMF, World Bank, OECD and other multilateral and bilateral agents (Holvoet and Renard 2007). Donor and recipient-based conditionality is discussed in Sippel and Neuhoff (2008): the governance structures surrounding such aid conditionality provide interesting examples which inform this work; for example, the Poverty Reduction Strategy Papers (PRSPs) and the Millennium Development Goals (MDGs). The failures of programmes where targets were defined by donors, particularly where national institutional capacity is limited, demonstrate the difficulties of using performance management in development. In addition to capacity building, results-based monitoring and evaluation systems at the international level require 'readiness' and governance assessments (Kusek and Rist 2002).

Co-governance and cooperation necessitate specific decision-making processes, participatory-based approaches and deliberative democracy. Governance literature has much to offer in this context (de la Porte and Natnz 2004). One such approach is the open method of cooperation (OMC), which is based on the coordination of the economic policies of the Member States of the EU. The OMC uses fixed guidelines in combination with long, medium and short-term goals and indicators, benchmarking and monitoring, in order to produce mutual learning benefits (Schafer 2006). The ultimate goal of such cooperation is to increase employment, but social modernisation and convergence, best practice sharing and targets setting all play a significant role (Hodson and Mayer 2001). Further discussion of the OMC approach in relation to climate policy is available in Magen (2008). Co-governance and participatory monitoring and evaluation are two key approaches of the World Bank and IMF Poverty Reduction Strategy Papers. These approaches have long been discussed in 'new public management' discourse. Until recently, however, they have found little representation in the central functions of government (Ackerman 2004). The UN Department of Economic and Social Affairs propagate similar views, suggesting that effective participation and 'engaged governance' are needed for the successful implementation of the Millennium Development Goals (UNDESA 2008, iii). The effectiveness of such governance is based on the idea that best practice and embedded participation will strengthen country capacity to implement reform (Guthrie 2008).

Public management governance has several pitfalls. Johnson and Osborne (2003) suggest co-governance regimes are often pursued alongside contrary top-down policies, which fail to support co-ordination and partnership approaches. Even where appropriate consideration has been given to both the positive aspects and the failures of previous policies, the imposition of a pre-defined government agenda has the ability to limit the success of a policy regime (Johnson and Osborne 2003). Participatory and co-governance policies may suffer from the imposition of nationally-defined targets. Whilst targets may encourage alignment of service provision, it is possible that community involvement and joint governance may be limited by overarching national targets such as the Public Service Agreements of the UK government (Johnson and Osborne 2003). Governance by targets and performance management systems relies on the assumption that people will not manipulate the system for institutional or individual gain (Bevan and Hood 2006); however, the political nature of target systems means that they are frequently open to gaming and manipulation by actors within the policy process. While the difficulties of political economy are beyond the scope of this paper, further work could investigate incentives and opportunities for gaming in the process of the definition and implementation of policy targets and indicators, and explore whether the choice of the indicator and policy process can influence the robustness of the outcome. Organisational theory, game theory, and in particular principal-agent approaches can contribute to understanding the manipulation of well-conceived targets (Davies et al 2005; Radnor 2005). It is possible to

measure governance and institutional reforms quantitatively through the development of governance indicators, such as accountability, government effectiveness and control of corruption (Kaufmann, Kraay and Mastruzzi 2005). It is important to note, however, that indicators only reflect the level of achievement of targets, and that the ambition of the target is a decision made at the political level (Boyle 2005).

Public Administration

One theoretical foundation for the discussion of policy targets is the literature on performance management and Results-Based Management - RBM (Black and White 2004; Cranfield School of Management 2004; Heinrich 2002; Wholey 1999). Figure 1 outlines the characteristics of various strategic planning, performance management and RBM systems. Results-oriented government shifts accountability for inputs to outcomes and results via performance measurement, target-setting and financial budgeting (Rose 2003). The UK government has produced reports on the performance management strategies, policy targets and ‘measurement culture’ (Audit Commission 1999 and 2003; House of Commons Public Administration Select Committee 2003; HM Treasury et al 2001; HM Treasury et al 2003). A brief history of target regimes in the UK government is provided by the Social Market Foundation (2005). Whilst this literature is primarily concerned with public service delivery, a second strand examines the design and use of performance indicators. Here the principles of good performance metrics are: clarity of purpose, focus, alignment, balance, and regular refinement (Audit Commission 2000). As will be discussed later, these principles are not accepted as universal, however, and the extent to which they influence good policy varies (see table 3).

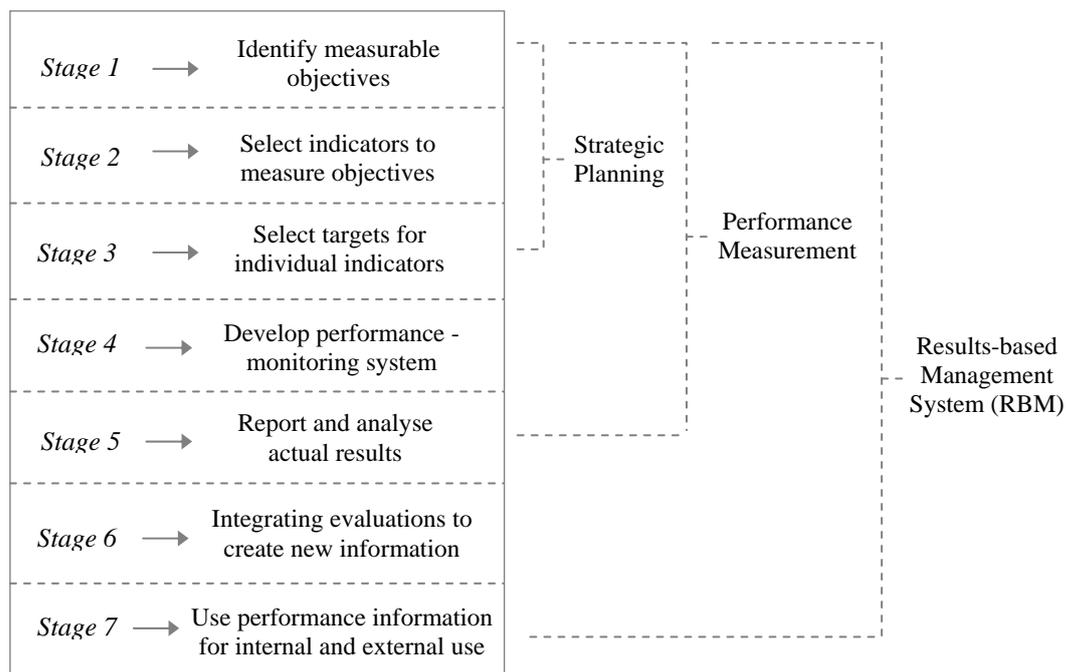


Figure 1: Components of performance management and RBM systems (Source: adapted from DAC 2000).

The many facets of performance management in the public sector (performance-based budgeting, pay-for-performance, management by objectives, among others), disguises the extent to which policy targets are employed. Systems and institutional analysis of performance management are common approaches that can provide some insight. A systematic perspective allows understanding of the processes of performance management,

whilst institutional theory examines the influence of individuals and organisations on performance management (Boland and Fowler 2000; Brignall and Modell 2000). Both these established approaches are useful in terms of analysing the implementation of target setting regimes – understanding the decisions and institutional frameworks behind the policy instrument – but do not provide a framework for the design of policy targets.

The relationship of performance management to policy targets has a reasonably simple correlation: measuring performance allows targets to be set and monitored (HM Treasury et al 2001). The managing for results paradigm is also increasingly used in an international aid context; country-level performance assessments are frequently employed to structure the development programs of international financial institutions (Ireland et al 2003). The harmonisation and alignment of donor-partner relationships is tied to result-oriented reporting, public administration assessment and performance budgeting (OECD 2006).

Public administration frequently uses performance budgeting as part of wider performance management systems, which include strategic planning and development targets. Financial planning has been used since the 1960s to link development goals to budget processes, this mode of governance developed into Programme, Planning and Budgeting Systems (PPBS) in the mid-1970s, and was superseded by economic and efficiency measures in the 1980s and 1990s (Rose 2003). Performance budgeting is now more widely understood as a range of processes that link expected results to budgets, normally focusing on outcome measurement and used in connection with the analysis of performance data against predefined standards (Rose 2003).

Performance Budgeting

The connection of performance-based budgeting and outcome targets is well summarised by Andrews, who suggests that after the design of an outcome target or goal:

‘the budget is then used as a vehicle to allocate money on the basis of such an outcome goal, with representatives and administrators determining which kinds of activities, inputs, and projects are required to achieve the goals, and what kind of project-level performance targets (related to actual production) would most likely facilitate such achievement. These performance targets are communicated in terms of outputs, facilitating the measurement and evaluation of results toward the end of the budgetary cycle ... By introducing such a results-oriented approach, performance-based budgeting links the money coming into government with the results of government activities’ (Andrews 2005, p34).

The PRSPs use Public Expenditure Management (PEM) Systems and Medium-Term Expenditure Frameworks (MTEFs), amongst other mechanisms, to link performance and budgeting. The UK PSA targets and US GPRA legislation are efficiency goals for public administration, which are tied to allocation of financial resources.

The financial systems of OECD Member Countries are often complemented by outcome-based performance systems. It is suggested that ‘in outcome-focused management and budgeting, the government defines what a particular programme or function is to achieve in terms of the public good, welfare or security ... Having defined the outcomes, an outcome system typically defines indicators, which helps assess how well it does in achieving these outcomes’ (Kristensen et al 2002, p9). Using an outcome based approach to budgeting combines input, process and output measurement (discussed more fully below) and requires involvement from both policy and audit institutions.

The difficulties of integrating financial and performance management, which generally have evolved as separate entities or parallel systems, are discussed fully by Pollitt (2001). There is, however, a general consensus that while budgeting and auditing should be part of a wider system of planning, this is not always the case as it is often unclear which

procedures belong to target setting regimes and which fall under auditing processes (Pollitt 2001).

Financial incentives and reward structures are an important component in the success of target regimes. Over the past two decades linking performance related pay with the achievement of targets and goals has become increasingly common (Rose 2002). Results are produced through the use of incentives, both by motivating individuals to adapt their own behaviour and by motivating them to maximise organisational performance (Andrews 2005). Radin (2000a) suggests that there has been an increasing use of incentives in US federal programs via matching fund requirements, although performance expectations are not normally explicitly linked to financial incentives. Although the impact of financial incentives on public management targets has not been directly investigated, the role of incentives should be taken into account when assessing the connection between performance and targets (Boyne and Chen 2007).

Indicator Systems

The design of performance measurement tools is based in indicator systems literature (Boyle 2005; HM Treasury et al 2001). Indicators are defined as the variables used to measure progress towards goals. The terminology for performance indicator structures usually adopts a systems view, focusing on inputs, output and outcome measures. In addition, targets can be based on resource, result and impact indicators. Figure 2 provides a schematic of the various types of indicators. Cost-effectiveness programmes and performance budgeting also use indicators when setting targets (Rose 2003). Composite indicators (often referred to as multiple or index indicators) are compiled of several individual measures and presented as a single metric (Freudenberg 2003). The use of particular measures depends on the sector – for example, composite outcome indicators are often used in international development strategies aimed at reducing poverty, for example the Human Development Index (HDI).

Whilst the intricacies of indicator design are not the focus of this paper, it is important to note that outcome-based targets can be divided into two measures: intermediate and final. Intermediate outcomes refer to measures of service provision that contribute to an overarching final outcome, whereas final outcomes are the ultimate consequences and achievements of public organisations (Boyne and Law 2005). Recommendations for the design of successful indicators are diverse across the literature. For example, the UK Working Party on Performance Monitoring in Public Services recommends that indicators should be directly relevant, precise, survey-based and consistent over-time (Bird et al 2005). While the majority of these recommendations are common-sense and appear universally applicable, the application of such suggestions is context dependant.

Indicators used to set and monitor international development targets are of substantial interest for this paper. The choice of indicators for development targets is programme specific, with monitoring often focused on income poverty measures, with poverty-gap, inequality and intensity indicators dominating (Booth and Lucas 2004). The design and implementation of these policy targets often suffers from the ‘missing middle’ problem, whereby the link between policy objectives and final outcome indicators is not fully established; the use of intermediate output indicators is required to assess progress at regular intervals (Adam and Gunning 2002; Booth and Lucas 2002; Holvoet and Renard 2007; Lucas et al 2004). Final impact/outcome data is difficult to obtain and often fails to provide the regular feedback on performance required to learn from successful implementation (Booth and Lucas 2004). The success of IMF indicators has been examined

by Mercer-Blackman and Unigovskaya (2004), who model the implementation of IMF programs and growth in transition economies. The relationship between performance indicators and public management has been widely debated (Boyne and Chen 2006; Moynihan 2006). In order to provide focus for this paper, only the literature on the use of targets in the case studies is reviewed.

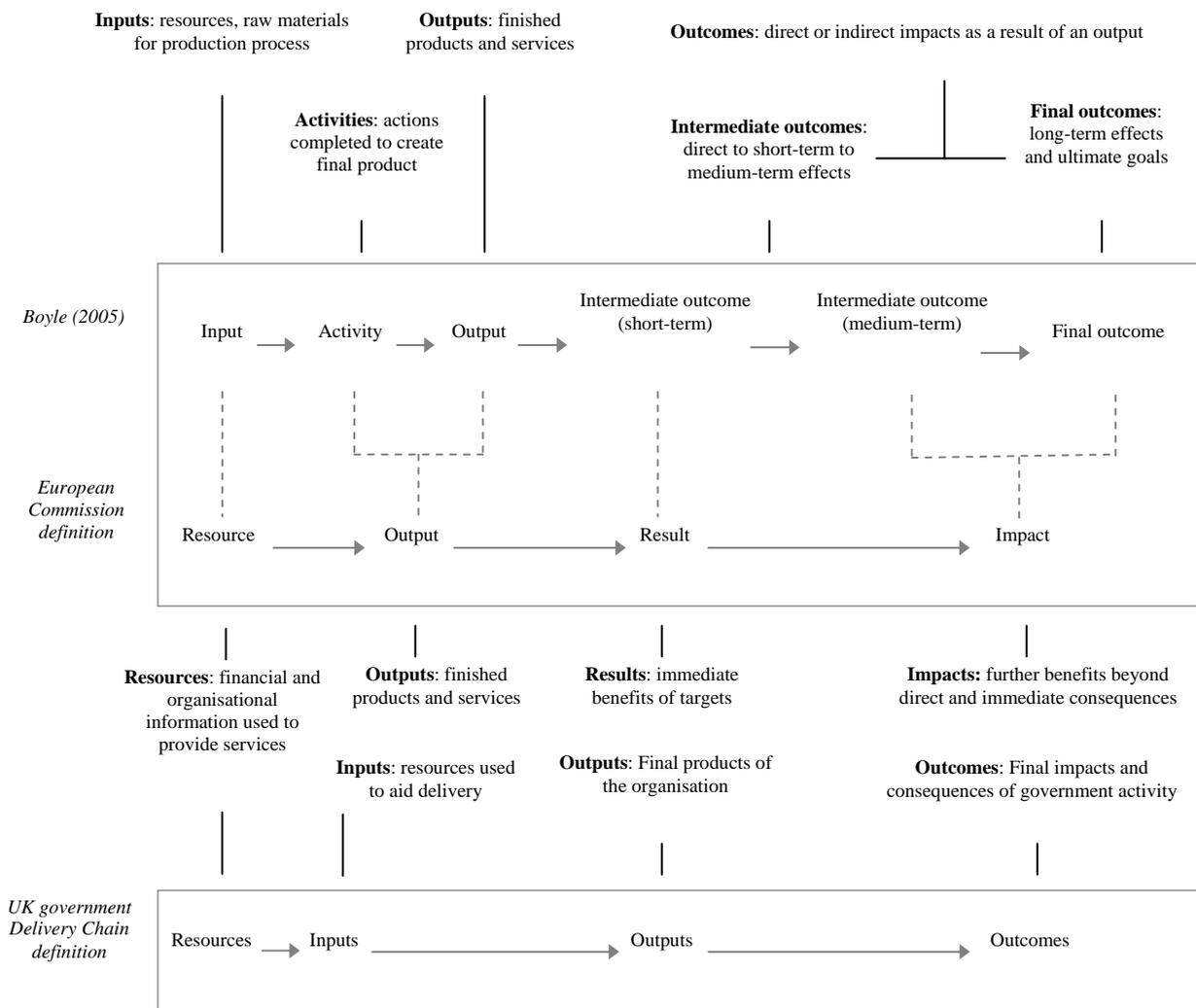


Figure 2: The structure of performance indicators (Source: adapted from: Boyle 2005; European Commission 2004 and 2007; HM Treasury et al 2003; Schacter 2002).

Choice of appropriate timeframes for targets depends on the objectives of the policy: while fifteen-year timescales allow for more holistic policies, shorter three-year frameworks enable rapid learning from the policy process so as to allow for more effective implementation. The policy timeframes vary by case study. The MDGs are defined for a 15-year horizon, Poverty Reduction Strategy Papers and Local Public Service Agreements are usually implemented for 3 years, while the GPRA targets are measured on an annual basis. Targets defined over a longer timeframe provide less structure for actual implementation. GPRA targets function under a dual measurement framework, using a six-year overall timeframe complemented by annual milestones and monitoring. While shorter time frames also allow for flexibility in the design of target regimes and thus for rapid learning from past experience, they do not allow for the full policy impact to develop. Therefore they measure intermediate outcomes and occasionally even inputs rather than final outcomes.

3. Use of Policy Targets by International and National Government

Performance management targets are common in national, bilateral and multilateral policies. This paper focuses on various examples in detail - the UN Millennium Development Goals, the Paris Declaration targets, Poverty Reduction Strategy Papers of the IMF, the UK's Department for International Development Public Service Agreements and the UK domestic Local Public Service Agreements. Two further case studies illustrate internal government measurement policies: the USA Government Performance Results Act targets and the UK Best Value Performance Indicators (BVPIs). An overview of these case studies is followed by a discussion of the nature and placement of targets in national and international policy.

Framework of International, National and Local Policy Targets: Case Studies

Target policies	Target area	Commitment period	Focus of target
Millennium Development Goals (MDG)	Poverty, education, health, environmental sustainability, global partnership targets	2000-2015	International development
Poverty Reduction Strategy Papers (PRSPs)	Poverty targets	usually 3-year time frame (medium-long term), reviewed annually	International development. Poverty reduction / social welfare
Paris Declaration on Aid Effectiveness targets (2005)	International aid and governance targets.	5-year time frame. Set in 2005, target for 2010.	Management of donor-partner relationship
Public Service Agreements (PSAs) Department For International Development framework: (DFID PSAs)	International aid and poverty targets. National targets towards the MDGs	usually 3-year time frame (medium-long term), reviewed after 3 years	International development. Bilateral aid / poverty reduction
Local Public Service Agreements (LPSAs)	Education, employment, health and social services, crime and drug reduction, recycling, transport targets	3 years	National development / social welfare
Government Performance Results Act (GPRA)	Government performance targets	5-year strategic plan. Annual performance plans	Government performance management
Best Value Performance Indicators (BVPIs)	Internal government performance targets	Pilot phase until 2000. Since then 3-yearly performance satisfaction surveys	Government performance management

Table 1. Outline of target policies.

The Millennium Development Goals provide international, quantitative index targets, using multiple measurement indicators (White and Black 2004). The MDGs are a synthesis of the International Development Goals outlined by the OECD Development Assistance Committee in 1996 and the declaration adopted at the Millennium Summit in New York in 2000 (DAC 1996; OECD et al 2000; Poston et al 2003). The time period of the programme

is 15 years, from conception in 2000 to completion in 2015. Policy is structured by overarching qualitative goals, for example: reduce child mortality. As a qualifier, a quantitative target is supplied; e.g. reduce by two thirds, between 1990 and 2015, the under-five mortality rate. These quantitative targets are measured using a set of indicators; such as under-five mortality rate (UNDP 2003b). The MDGs provide absolute targets on a global scale.

The **Paris Declaration** on aid effectiveness supports the commitment of the MDGs by specifying indicators, timescales and targets (OECD 2005). The declaration provides indicators of progress centred on ownership, alignment, harmonisation, managing for results and mutual accountability, which will 'be measured nationally and monitored internationally' (OECD 2005, p9). The declaration focuses on the donor-partner country relationship; targets for performance, financial capacity support and result based management schemes form the basis for improving aid effectiveness. The Paris framework allows assessment of aid effectiveness at the country level; in the case of the UK, progress and implementation is measured by the Department for International Development (DFID).

While the MDGs and Paris Declaration targets are of fundamental importance to the framework of international target setting regimes, it should be noted that the responsibility for implementing individual targets lie with the nation state. Often under such frameworks, countries are able to set and monitor their own targets. For this reason individual country regimes, in connection with multilateral and bilateral partners, such as the PRSPs and DFID PSAs, will be the focus of this paper.

The Poverty Reduction Strategy Papers (PRSPs) are participatory-process international development targets, which focus on the global reduction of poverty through the implementation of national plans (Booth and Lucas 2004; Maxwell 2003). PSRP monitoring is largely outcome-based, with appropriate consideration given to intermediate outputs and the completion of important input targets (Booth and Lucas 2002; World Bank 2002). The PRSPs represent a form of 'process conditionality' advocated by the World Bank and IMF; the development of the papers through the stages of the Highly Indebted Poor Countries initiative (HIPC) and interim-PRSP preparations aims to reconcile government-led consultative planning with traditional compliance mechanisms (Booth et al 2001). Indicators are usually quantitative, monetary measures based on income or consumption, with occasionally non-monetary measures (for example, education poverty can be analysed using data on the level of literacy) being included dependent on their suitability (Coudouel et al 2002). The types of targets set and indicators used are reliant on the country strategy paper; the ODI Report (2001) analyses experiences from Kenya, Mali and Tanzania among others.

The UK **Public Service Agreements** (PSAs) were introduced in 1998 by the Comprehensive Spending Review. The review set PSAs for the eighteen main government departments and five cross-cutting priorities, which linked outcome based targets to departmental aims and objectives (HM Treasury 2001). Recent changes to the PSA structure mean that thirty PSAs now reflect collective government priorities, rather than the separate departmental PSAs implemented in the previous two phases (HM Treasury 2007a). The UK **DFID Public Service Agreements** (Department for International Development PSAs) provide one example of national public administration performance measures in the form of international development and aid targets. In the case of the DFID PSA the Agreements set an overall aim: to eliminate poverty by achieving the MDGs, alongside 8 development objectives: reducing poverty, increasing effective response, etc, and 5 targets: for example, increase primary school enrolment. DFID indicators are international targets reflecting the UK government's commitment to the MDGs. Of course,

DFID's international support extends beyond the scope of the PSAs targets considered here to include sectoral planning, donor-coordination, monitoring and evaluation analysis and budget support (Driscoll and Evans 2004 provide a good summary). The DFID PSA strategy started in 2003, with the first phase running from 2003-2005 (DFID 2002), and the second from 2005-2008 (DFID 2004). The third phase of this framework (from 2008-2011) deviates from this configuration, to reflect the collective government priorities discussed above.

The UK Local Public Service Agreements (Local PSAs) are quantitative targets, similar to the MDGs but at the national level. Local PSAs are usually placed in a three-year time period, but are occasionally included in wider frameworks. The majority of Local PSA targets are absolute targets, based on individual indicators, for example: by 2004, 75% of 14 year olds will achieve level 5 in English, maths and ICT, and 70% in science (Department for Transport, Local Government and the Regions - DTLR 2001). While many local governments use national targets as a guide for these percentages, Local PSAs are designed using negotiated agreements between local and national government (Sullivan 2004).

The US Government Performance and Result Act (1993) provides national government targets for the various agencies and cabinet departments (GAO 1999). Each department is required to produce a five-year strategic plan and annual performance and accountability reports, which combine to set and document target progress (Boyle 1996). The first strategic reports were due in 1997, with annual outcome-based monitoring starting in 1998. The majority of targets set annual goals (either progressive or absolute) for individual metrics. The indicators are single statistical measurements (for example the number of initial disability claims processed). The policy environment is structured by top-down enforcement through regulation by central government, whilst the performance plans are produced by individual agencies allowing some bottom-up features (Groszyk 1996).

Similarly, the UK government also sets internal policy targets intended to improve the quality and cost-effectiveness of public services. The **Best Value Performance Indicators** (BVPIs) require all English local authorities to collect data on public satisfaction with local authority services; for example: satisfaction with environmental and waste disposal, complaints handling and open space provision (Department for Communities and Local Government 2007). The Best Value surveys and targets are internal local government performance measures, similar to the GPRA targets described above, but which monitor public satisfaction with service provision by local authorities rather than national agency performance. The pilot phase ran until 2000, with two further rounds in 2000-2001 and 2003-2004, ending with the completion of the third round of the BVPIs in 2007 (DLTR 2001; Department for Communities and Local Government 2007). The BV approach shifts the emphasis from inputs and processes towards results and outcome targets (Boyne and Law 2005).

Nature and Placement of Targets

Policy targets differ in their objectives and implementation. Table 2 summarises these dimensions for the various policy regimes considered. 'Placement of the target' describes the governance level that the target has been set at. Policy targets can be produced through top-down, bottom-up or participatory process governance regimes. Whether indicators are input/output based, and if they are direct or indirect, is usually dictated by the data available when developing targets, and thus varies between policies.

Case Study Policy	Placement of target				
	<i>Governance Level</i>	<i>Top-down / Bottom-up / Participatory process</i>	<i>Implementation level</i>	<i>Input/Output Indicator</i>	<i>Direct /indirect -Indicator</i>
Millennium Development Goals (MDG)	Global	Top-down (participatory process in implementation)	National	Mostly outcome measures	Direct
Poverty Reduction Strategy Papers (PRSPs)	Country-led	Participatory process	National	Outcome-orientated framework (some input monitoring)	Dependant on national PRSP
Public Service Agreements (PSAs) Example: DFID PSAs	UK-led bilateral	Top-down (participatory process in implementation)	National	Mostly outcome measures	Dependant on delivery partner strategic plan, departmental objectives
Local Public Service Agreements (LPSAs)	National	Participatory process	Local	Mostly outcome. Some throughput and output.	Dependant on LPSA
Government Performance Results Act (GPRA)	National (Federal legislation)	Mix of top-down approach of broad framework and bottom-up approach of strategic plans and annual reports	Cabinet departments and government agencies	Outcome-based. Outputs and some process and resource targets	Direct
Best Value Performance Indicators (BVPIs)	Internal government performance targets	Pilot phase until 2000. Since then three-yearly performance satisfaction surveys	Government departments and agencies	Results and outcomes	Direct satisfaction surveys

Case Study Policy	Nature of target		
	<i>Absolute / Relative / Combination</i>	<i>Binding / non-binding</i>	<i>Enforcement method</i>
Millennium Development Goals (MDG)	Absolute	Binding	International commitments -adoption of the Millennium Declaration
Poverty Reduction Strategy Papers (PRSPs)	Dependant on national PRSP	Dependant on national PRSP	Non legal instruments, form of process conditionality for recipient countries, bilateral commitment and budget management
Public Service Agreements (PSAs) Example: DFID PSAs	Dependant on delivery partner strategic plan	Dependant on delivery partner strategic plan	DFID responsibility for delivery. User engagement reliant on DFID leadership
Local Public Service Agreements (LPSAs)	Dependant on LPSA	Dependant on LPSA	Performance dictates program funding level in the budget, reward schemes, pump-priming grants, relaxation in administrative requirements
Government Performance Results Act (GPRA)	Dependant on Agency / Department target	Binding legislation	Legal requirement to produce strategic plans, performance dictates program funding level in the budget
Best Value Performance Indicators (BVPIs)	Dependant on Department target	Non-binding, public satisfaction and accountability	Public accountability and satisfaction surveys, subject to local review/voluntary monitoring if low satisfaction indicated by public

Table 2. Summary of the nature and placement of policy targets in institutional framework.

Poverty Reduction Strategy Papers attempt to use input monitoring, and public expenditure tracking to achieve final outcomes and impacts. The choice of indicators, what to measure, the multidimensional nature of poverty targets, and the use of outcome data is covered more fully by Booth and Lucas (2004), who suggest there is a ‘missing middle’ in the development of poverty reduction strategies. In contrast, Public Service Agreements

measure outcomes, including tangible, intermediate, customer service and equity outcomes. The use of outcome-based indicators is becoming increasingly prevalent in PSA targets, whilst only 11% were used in 1998, this figure rose to 67% over the following years (Rose 2003). According to Boyne and Law this trend is also relevant for UK local governance, with 49% of first generation Local PSAs indicators being outcome-based in 2005; the remainder of indicators consisted of throughput, output quantity and output quality measures.

The Government Performance Results Act targets are individual, output-based, indicator-targets, which measure government performance. The governance framework surrounding the scheme enables annual monitoring and direct targets to be set as internal government performance is reasonably easy to measure. It is difficult to design similar targets for international policies on poverty, such measures tend to be composite outcome measures reflecting the complexity of the governance framework in which they reside and the nature of the processes they attempt to measure.

The Best Value surveys and targets are internal local government performance measures, similar to the GPRA targets, but which monitor public satisfaction with service provision by local authorities rather than national agency performance. BVPIs shift the emphasis from inputs and processes towards results and outcome targets (Boyne and Law 2005). The BVPIs previously required local authorities to produce annual plans documenting their performance and targets for improvement, however, this process was reviewed in 2002 and the indicators are currently monitored on a three-yearly basis.

The nature and placement of targets and indicator design for the MDGs and DFID PSAs cannot easily be generalised in this framework, as the individual targets and indicators vary depending on partner implementation strategies. The MDGs depend on multilateral and bilateral implementation, while the DFID agreements are UK-led bilateral agreements. In both cases, however, the delivery of the targets relies on the success of the delivery partner strategic plans in the recipient countries.

Trajectories

In order to evaluate policy targets this paper focuses on the institutional aspects of target regimes (evaluation can also be achieved by monitoring quantitative progress of targets along a trajectory to completion). This section provides examples of the methods of measuring whether targets are on-track.

Progress in the case of global development goals, such as the Millennium Development Goals, is often difficult to assess. Most analysis focuses on averages and aggregates from individual countries: for example reduction in child mortality in Bangladesh. Information on the overall progress is difficult to obtain and easy to criticise in terms of inaccurate data and over-estimation of achievements. In the case of the MDGs, it is suggested that of eight targets, only one is on-track: the provision of safe water (Vandemoortele 2004). This apparent success may be difficult to maintain as many parts of the world face growing water shortages; it is claimed that the 1970s and 1980s had more impact on poverty than the 1990s (Vandemoortele 2003). Poston et al (2003) provide a useful breakdown of progress of the eight goals, suggesting that movement towards completion is slowing in almost all targeted areas. Good governance by development agencies determines whether targets are believed to be achievable, even in cases where targets are not met (White 2004). The feasibility and progress of the MDGs must go beyond national averages and examine individual country progress through mechanisms such as PRSPs and the DFID PSA.

Assessment of **PRSP** progress is possible either via the examination of the impacts of aid coordination and lending frameworks, or through analysis of target progress in individual countries (UNDP 2003a). There are currently (as of March 2008) 70 full PRSPs and around 50 interim-PRSPs (IMF 2008). With regard to ‘poverty-oriented’ expenditure and inputs, the Overseas Development Institute suggests that annual expenditure in the education, health and transport sectors of specific countries has been higher after the implementation of a PRSP (ODI 2004).

Progress at the national government implementation level relies on assessment of individual indicators. For example, the UK government uses a ‘traffic light’ system to assess the progress of **Local PSAs** – green signifies targets on-track: over 75% probability that the target will be met, amber: 50-75% probability, and red: unlikely that 60% of the target will be met. For the first round of targets (finishing in 2005 and 2006) approximately 40% of targets will be met, 25% completely missed and the large proportion between will be completed in part (ODPM 2005). Local PSAs on environment and housing, drug treatment, and E-government are most likely to be met, while education and transport targets are most likely to be missed (ODPM 2005). The GPRA targets are also evaluated using a similar methodology; the targets appear to be reasonably successful in delivering change, with the majority of indicators being on-track or within 90% of completion. While it is possible to evaluate individual targets in this way, the experience from implementation is of more use for the purpose of this paper.

4. Implementation Experience

Designing metrics is only one half of the story; implementation, monitoring and progress are fundamentally important to the success of policy targets.

A specific example of the implementation of the **MDGs** through donor agency performance measurement is supplied by the UK Department for International Development (DFID) (White 2004). The aspirational long-term targets of the MDGs are translated into annual performance plans (Target Strategy Papers - TSPs; Institutional Strategy Papers - ISPs; Country Strategy Papers - CSPs). This creates realistic implementation time-frames and captures donor contribution to the MDGs. In the case of the MDGs, some targets can be met globally by good performance of the larger developing countries – Brazil, China and India (Roberts 2005). Monitoring the progression of the MDGs is the joint responsibility of the donor countries and their implementation partners in developing countries. Capacity for target monitoring in developing countries is often inadequate; this problem is compounded by additional pressure to produce more credible performance monitoring data (Roberts 2005).

PRSPs are designed to allow donor organisations to align their assistance with national programs; the recipient countries are required to develop strategy documents, which are then reviewed by the Bretton Woods institutions (Roberts 2005). The PRSP process appears to be most successful when implemented alongside budget management reforms and Medium Term Expenditure Frameworks - MTEFs (Booth 2003).

With regard to monitoring the implementation of PRSPs both quantitative and qualitative data are used; participatory poverty assessments and household surveys are common methods. Geographical information systems, process monitoring, and parallel systems – such as service delivery systems – also play a role in project monitoring (Booth and Lucas 2004). The effectiveness of such ‘policy process conditionality’ is largely dependent on the degree to which national ownership is achieved (Booth 2003). A particular definition of

national ownership is required here; one focused not just on commitment but also on programme initiation and intellectual responsibility (Booth 2003).

The **DFID PSAs** have undergone three phases of implementation. The two previous DFID PSAs have a similar framework, the agreements set an overall aim: to eliminate poverty by achieving the MDGs. Under this framework the Secretary of State for International Development is publicly responsible for the delivery of outcomes. The DFID management board, directors and departmental teams are collectively responsible for delivery and implementation. Under the new 2008-2011 framework each PSA has a lead department, while several other departments participate in delivery of the agreement. DFID is the lead department for the PSA on international development - PSA 29. Delivery Agreements outline the vision, measurement, and delivery strategy required for implementation (HM Treasury 2007b). Indicators for PSA 29 are mainly based around the MDG targets. DFID's contribution to international development is structured at the strategic level by the MDGs; contributions from two White Papers in 1997 and 2000, in combination with the International development Act of the UK parliament in 2002, structure DFID's current policy goals (Poston et al 2003). Within this broader framework, the prioritisation of country programmes, and the need to translate the MDGs into specific performance management schemes, is achieved through the UK Public Service Agreements.

The UK **Local PSAs** are negotiated agreements between Local Government Authorities and the national government. The draft agreement is prepared by the local authority, over a negotiation period of roughly 8 weeks in order to include representatives from the relevant government departments. Local authorities are incentivised through the provision of reward schemes, pump-priming grants, and relaxation of administrative requirements for achievement of outcomes (DTLR 2001). A Local PSA commitment creates a quasi-contract, which can result in financial rewards (Boyne and Chen 2007). Boyne and Law (2005) note that a number of first generation Local PSA indicators reward local authorities for policy implementation rather than for measurable service outcome. Local PSAs are implemented as a form of payment by results. This approach is based on the UK's **Best Value** regime, which required local authorities to produce annual plans linking their current performance to financial support. While it would be desirable to link the incentive schemes to final outcomes, this is difficult because many reforms are not directly attributable to the local authority. This causes uncertainty problems in the implementation of outcome-based targets as it is difficult to forecast national performance alongside local outcomes (Boyne and Law 2005). The technical problems of targeting intangible outcomes like social inclusion have also been highlighted by Enticott and Entwistle (2007), who suggest that the institutional spaces and statistical standardisation procedures combine to make local targets unachievable.

The **GPRA** targets are designed to develop the performance management of national government through strategic plans and annual performance reports (Boyle 1996). Federal departments are required to prepare strategic plans that span six years, and annual performance plans outlining performance goals and targets. These annual plans serve to monitor performance over the previous fiscal year, as well as setting future targets. The responsibility of evaluating past performance and setting new goals rests with Federal managers and officials (Groszyk 1996). The GRPA mechanism applies to all Cabinet departments, agencies, and government corporations. The Act is therefore designed to be reasonably flexible to allow specific reforms to be developed successfully. Managerial flexibility is designed into the scheme, which creates the opportunity for those responsible to feel a greater sense of ownership and stewardship for the targets (Boyle 1996; Groszyk 1996).

5. Evaluation

A review of the theoretical literature and evaluative work surrounding the case studies suggests that various features are critical for the implementation of policy targets. While commentary on successful target design and implementation is very broad, the overview in table 3 presents several important characteristics. Implementation and institutional aspects of policy development stand-out as being equally important as design aspects; accountability of actors, flexibility and trust within organisations and the value of partnership approaches are deemed necessary for success. Interestingly, participant comprehension of the rationale of targets is also considered fundamentally important; with most authors suggesting that a sense of ownership and achievability are key features of successful performance management targets.

The UK government suggests that successful target *design* is determined by the selection of SMART indicators; targets which are Specific, Measurable, Appropriate, Realistic and Timed (DoT 2006). The selection of indicators, however, is highly dependent on the criteria and requirements of individual policies. For example, development aid targets are often assessed in terms of being valid, objective, reliable, practical, useful and owned (DAC 2000). The design and application of indicators is always context specific and dependent on data availability and the desired policy outcomes. For this reason the remainder of this paper focuses on the implementation and institutional aspects of public service performance measurement.

Performance management targets exist at various implementation levels. Performance measurement for international aid is often based at the country level, producing a results framework dependent on the development objectives of the national donors and partners (DAC 2000). The PRSPs are examples of such a framework. Performance at the agency level is often measured through sectoral improvements – for example education or health, or internal government efficiency targets (DAC 2000). The Local PSAs are agency-level targets focusing on cross-cutting sector improvements, while the GPRA targets and BVPIs are internal government efficiency targets. Osber (2007) in suggesting a similar structure for multilateral performance assessment, however, reframes the taxonomy of measures in terms of the level of implementation: development agency performance-based measures can be thought of as public management, while national and domestic regimes use assessment as a form of public accountability, and the international development community implement performance management as global public value. Osber's framework supports the categorisation of target policies into various implementation levels; suggesting that the DFID PSAs are classic examples of development agency public management which use allocation efficiency as a performance measure, while the MDGs and PRSPs contribute to multilateral and bilateral performance assessment as global public value. The LPSA, BVPIs and GPRA targets are, in this framework, examples of public accountability performance measures.

Picciotto (2002) suggests that the current 'new development paradigm' uses a results-oriented approach in combination with concepts of partnership and ownership to produce a comprehensive policy framework for development cooperation. While this discourse is obviously evident at the level of the MDGs, the relevance of such a structurally imposed framework can be questioned at the national and local levels. The literature evaluation presented in table 3 suggests that characteristics critical at the country level may be less so at the agency level, and vice versa. This point is discussed in relation to the importance of ownership, accountability, partnership, and the use of outcome-based targets.

Outcome-Based Targets

One constituent feature of successful target design that stands out in the literature is the use of outcome-based targets (see indicator systems literature in section 2). Outcome-related indicators have the ability to capture cross-cutting issues: throughput and process indicators also have notable value (Boyne and Law 2005). Monitoring at the output level may result in missing the bigger picture and contributes little in terms of definitive action. Focusing on the outcome level, however, may neglect real statistical changes. A compromise is likely to be reached through the development of comprehensive, but realistic and achievable, performance monitoring systems (DAC 2000).

International target policies focus on strategic development outcomes; for example reducing poverty and increasing education standards globally. Outcome-based targets often suffer from the ‘missing middle’ problem, whereby the link between policy objectives and final outcome indicators is not fully established; the use of intermediate output indicators is required to assess progress at regular intervals (Booth and Lucas 2002; Holvoet and Renard 2007; Lucas et al 2004). For the PRSPs the gap between public services activities and overarching policy objectives is a particular problem; sector-based approaches funded by public expenditure are the only strategies suggested to reach outcome targets (Roberts 2005). The GRPA targets also fail to link activities with outcomes; Radin (2000b) suggests that these targets focus on performance outcomes while excluding processes and outputs.

National level and internal efficiency government targets, GPRA indicators, Local PSAs and BVPIs, all make use of outcome-based targets. These targets have two forms: final outcome and intermediate outcomes. Intermediate outcomes refer to measures of service provision that contribute to an overarching final outcome, whereas final outcomes are the ultimate consequences and achievements of public organisation (Boyne and Law 2005). Intermediate targets reward local government on policy implementation rather than overall service outcomes, while this is not an ideal implementation strategy, intermediate outcomes are often used as proxies to help measure ultimate goals (Boyne and Law 2005). It is important to link intermediate and final outcome targets carefully to avoid ineffective use of resources. Government efficiency performance measures such as the GPRA targets find it especially difficult to translate long-term goals into short-term annual performance measures (Heinrich 2002).

The literature surveyed in table 3 supports these ideas, suggesting that although outcome-based targets are of importance in creating successful target policies, linking inputs, processes and outputs comprehensively to final outcomes creates a robust target regime.

Due to the need to allow for adjustments, for example changes in service contracts and budget allocations, government efficiency performance management schemes such as the GPRA and BVPI targets often link outcome measures with budget processes and financial incentives (Boyne et al 2002; Heinrich 2002).

Budgeting and Financial Planning

Performance management is often linked to budgeting processes. Rose (2003) suggests that the integration of financial and performance management is critical as without this link confidence in targets may fail. Tangible, attributable outcome-based measures are also required to successfully link budgeting processes and targets (HM Treasury 2001). Flexibility, accountability, and reinforcement are linked to target policies through concepts of Best Value and business planning in order to incentivise individuals (Rose 2003).

Performance-based budgeting is becoming increasingly common in the national strategies of developed countries. For example, the UK government has successfully negotiated outcome measures which link resources and objectives by implementing resource accounting (HM Treasury 2001; Rose 2003). These measures are largely implemented by the budget and audit office of central government. DFID development support increasingly focuses on linking budget and poverty reduction strategies through these mechanisms and by developing monitoring and evaluation.

The use of government agencies to link financial and performance measurement is further demonstrated by the GPRA legislation, which links performance management to the budget process and the work of the Office of Management and Budget (OMB). This requires agency development to be considered as a mixture of planning, budgeting and management (Radin 2000b). It has been suggested, however, that although performance targets are frequently employed, they are often kept separate from the national budgets of transition and developed economies in order to preserve professional boundaries and sector specialisations (Andrews 2005).

Results-oriented expenditure management has also been employed in low-income countries by connecting PRSP objectives to programme and performance budgeting: the majority of these budgeting schemes predate the PRSP process (Roberts 2005). Successful strategies use pre-existing result frameworks to connect service-level inputs, activities and outputs with sectoral objectives (Roberts 2005). Links between budget processes and the PRSP process in developing countries can often appear weak, with few mechanisms successfully linking two vital aspects of performance measurement: finance and performance. Where Public Expenditure Management (PEM) Systems and Medium-Term Expenditure Frameworks (MTEFs) do exist, they are often hindered by underlying technical and political obstacles; capacity constraints limit the reforms needed to develop financial and performance budgeting (Driscoll and Evans 2004). Booth (2003) suggests that in the cases of Ghana, Malawi, and Tanzania, the difficulties of implementing the appropriate expenditure framework (MTEF) have undermined the PRSP process; however, there are substantial benefits in having both an expenditure framework and poverty reduction strategy in place. Country evidence suggests that the value of connecting budgeting processes and PRSPs stems from both general increased reform efforts and through the opening of new policy spaces for dialogue about poverty (Booth 2003).

Ownership

The concept of ownership can be considered at various levels: ownership of programme initiations, intellectual and political commitment, public and government support and ownership of the institutionalisation of measures (Booth 2003). There is significant conflict between these understandings of ownership, which is evident within the case studies discussed here. While table 3 suggests ownership is significant for the majority of targets, it is important to note that the definition of ownership varies, and often overlaps, for the case studies discussed.

A sense of ownership and understanding of rationale of targets is important both at the international and state level, however, establishing a vision of development appears to be more significant at the international level. This type of ownership of targets is similar to the political dimension of ownership described by Booth (2003, p155). Ownership discourse in the MDG and Paris Declaration focuses on the international commitment to targets, alongside the need to harmonise and align global development approaches. Understood as

part of this framework, ownership is important for over-arching top-down commitment required for international development aid. Other forms of ownership are important at the bilateral and national implementation levels. For example, the concept of fostering a shared understanding and responsibility is important in the international development contexts. This translates as the need for trusted, purposeful targets attached to financial incentives at the local level.

In theory, PRSPs are based on the principles of ownership and partnership. Engagement with the PRSP process is a critical factor in the success of such performance measurement. Driscoll and Evans (2004) suggest that local engagement is characteristically higher in ministries and institutions where coordination is based; however, it is difficult to develop a deeper sense of ownership at the sub-national, regional and district tiers of organisation. Country studies reinforce this finding, suggesting that although the PRSP processes are based on external initiative, commitment and institutionalisation are key factors in the successful development of PRSPs (Booth 2003).

Despite the prevalence of the concept of country-level ownership in the PRSP discourse, there is a conflict between the use of input and process indicators and local government ownership. In combination with difficulties created by the incentive structure of development aid, this undermines local action and compliance procedures of donors (Adam and Gunning 2002). Although the move towards outcome-based targets has gone some way to reconciling this divide, the concept of ownership remains context dependant. 'Institutionalisation' of policy measures is particularly important for fostering national and local ownership (Booth 2003). Booth's assessment suggests that international commitment to, and origination of, targets is of lesser importance for implementation than local commitment.

For example, the authors suggests that in the case of Mali 'the study team considers that lack of commitment further down the administrative hierarchy, reflecting the poor level of motivation in the civil service, is a greater worry than commitment at the top' (Booth 2003, p156). While this may reflect a local lack of effort, the literature discussed in table 3 supports this; suggesting that successful targets are tied to meaning, supported by financial incentives and motivated by local considerations. Clarke's (2004) criticisms of the divide between the practice and rhetoric of ownership and partnership discourse substantiate this argument.

Partnership

The influence of participatory processes on policy targets is evident throughout the literature, with participation considered as important at the international MDG and PRSP level as for local government targets. Whilst PRSPs are based on participation principles, the nature of cooperation and dependence is contested.

World Bank and IMF partnership has a different meaning to Local PSA partnership; conditionality, the nature of compliance mechanisms and the structure of negotiations are fundamentally different in the two schemes. World Bank partnership includes top-down processes and instruction, while elements of the structure and design of PRSPs should not be imposed; dependence on financial assistance requires some form of conditionality. Priorities are often distorted due to the need to meet conditionality terms and time-frames designed according to donor constraints.

A minimalist concept of participation was adopted by many countries during the production of the first PRSPs; however, participation has increased rapidly through use of consultation type activities during the second generation of papers (Guthrie 2008).

For Local PSAs partnership refers both to cooperation between local government and public/private organisations, and cooperation between central and local government. Local Strategic Partnerships can help to identify local development priorities, which are then incorporated into second and third round PSAs (ODPM 2003). Mechanisms such as the Innovations Forum are useful in promoting dialogue between central and local actors in order to maximise service delivery. Best Value Performance Indicators require partnership between local authorities and both public and private sector organisations; the flexibility produced under this cooperation enabled innovation in service delivery (DETR 2001). The difficulties of partnership cooperation are numerous, but ‘paternalism’ by national government appears to particularly affect the success of agency-level targets such as the Local PSAs, and internal government efficiency targets such as the GPRA targets and BVPIs (Curristine 2002; Sullivan and Gillanders 2005).

It has been suggested that participation is more about process than content (Vandemoortele 2003), and is a ‘mechanism’ that can be employed to produce good governance, efficiency and equity (Guthrie 2008). Fostering the correct institutional environment for practising participation is dependent on political leadership and government-civil society engagement.

Accountability

Accountability has several dimensions: striving for results, demonstrating performance, using resources efficiently, and compliance with policies and laws (Laverge 2002). There is an important distinction between accountability used to achieve objectives and accountability that assesses the effectiveness of a party’s results strategy. This distinction may help to explain why the literature suggests accountability is critical for international country-level targets and the internal government efficiency targets, but not for national government targets such as the Local PSAs. A new understanding of accountability as encouraging ‘a greater degree of pro-activity, greater flexibility in assessing and managing risks, greater appeal to partnership, and greater focus on results’ (Laverge 2002, p5) is aligned with the discourse on international development aid targets, while a more traditional understanding of accountability as responsibility for results, is akin to the management structure of local government reform. A systems perspective suggests that accountability loses its relevance at intermediate level national government targets due to the fact that outcomes are not usually attributed to the actions of a single party, but are considered to demonstrate the effectiveness of the results framework. An increasing use of the ‘mutual accountability’ (OECD 2006) concept goes some way to bridging this divide, as responsibility for targets is achieved by all involved through shared commitment to successful implementation. The evaluation of the success of such an approach would involve further work investigating the political economy of individual sets of governance targets.

Design, Implementation, Institutional aspects, Understanding of commitment and targets:		International – country level implementation		National - local level or internal government implementation	
Summary evaluation of targets and indicators	Based on following literature	International targets - MDGs and Paris Declaration: A, B, C	Donor-partner targets - PRSPs and PSAs: 1,2,3	National government targets – LPSAs: i, ii, iii	Internal Government targets – GPRAs and BVPIs: a, b, c, d
Need for outcome-based targets : some input / process measures, capture cross-cutting outcomes	A, E, F, 2, 5, 6, 7, 8, 9, I, III, V, VI, VII, ii, iii, d, e, g, h	XX	XX	XX	XX
Lack of ability and availability of local mechanisms, need financial/ institutional capacity	D, E, F, 3, 8, I, ii, iv, vii, viii, b, h	XX	XX	X	X
Participatory assessments, importance of Partnership approach and local involvement	A, B, C, D, 1, 3, 8, 10, III, V, i, ii, iii, vi, a, c, d	XX	XX	XX	XX
Sense of ownership of targets	D, E, 1, 3, 9, II, IV, V, ii, iv, vii, viii, a, b	X	XX	X	X
Use of reward schemes. Financial commitment /incentives. Link to national budget processes	B, D, E, F, 9, VI, VII, ii, vi, viii, II, b, e, h	XX	X	XX	X
Accountability in implementing targets	C, D, E, 2, 8, I, III, IV, VI, VII, viii, a, b, f, g, h	XX	X		XX
Targets believed to be achievable. Credibility of targets	A, B, F, 4, 5, i, ii, iii, v, vi, d, h	XX	X	XX	
Establish inspiring vision , Alignment and harmonisation of donor and partner strategies	1, B, C, viii	X	X		
Ability of local institutions to define targets. Linked to existing local management systems	i, ii, iii, iv, a, f			XX	X
Paternalism of state government, imposed targets	B, i, ii, iv, vi, b			XX	X

Table 3: Evaluation matrix: criteria for success and failure (See Appendix 1 for sources). x significant within the literature, xx substantially significant Dark grey: important at all levels. Medium grey: importance varies across implementation levels. Light grey: important only at national or local level.

The Monterrey Consensus (UN 2003) recognises that the majority of these features – good governance, accountability, capacity building and the use of public international flows – are fundamentally important in producing successful development cooperation through effective performance management. Previous development decades have changed conceptions of development cooperation: the focus is no longer only on outcomes and development effectiveness but reflects also the dominant evaluation paradigms of participatory involvement, risk analysis and portfolio evaluation (Picciotto 2002). The literature suggests that there is an increasing focus on alignment and harmonisation of development cooperation, especially in the Paris Declaration targets. The importance of a unified vision and a harmonised approach appears to be more important for the MDGs, and to some extent the PRSPs, than at the national or local level. The PRSPs require alignment and harmonisation at the donor-partner level, with alignment of the budget processes and the PRS within a country being of particular importance (Driscoll and Evans 2004). Authors such as Maxwell (2005) warn that the current international development meta-narrative of accountability and partnership is unlikely to achieve the desired changes in the given timeframes: reform requires that well-defined targets must be produced in combination within results-based approaches.

Good governance, partnership and ownership in developing countries reinforce, and are reinforced by, technical cooperation and capacity building. The literature suggests that relying on local institutions to define targets creates realistic aims, while top-down imposed targets are seen as paternalistic and limiting. Fukuda-Parr et al (2002) suggest that it is necessary to consider capacity building at three levels: individual, institutional and societal. The Paris Declaration (2005) also differentiates between financial management capacity and development capacity. These distinctions are of particular importance for cooperative climate policy, and are worthy of more discussion than is possible here.

6. Discussion

This paper has discussed the relation of target policies and performance management to governance, both in terms of international development policies and national government monitoring and evaluation schemes.

Targets can be defined at different stages of delivery dependent on the policy objective: it is possible to have input, output, intermediate and final outcome indicators for targets. Outcome-based targets are employed by almost all policies examined in this paper. Input and process targets also have a place in the majority of policies. This minimises the risk of targets developing a ‘missing middle’ problem with regard to policy objectives, captures cross-cutting issues, and enables progress to be assessed at regular intervals. Linking intermediate and final outcome targets avoids ineffective use of resources and allows capture of long-term policy goals.

Timeframes for target setting varies by case study. The MDGs are defined for a 15-year horizon, Poverty Reduction Strategy Papers and Local Public Service Agreements are usually implemented for 3 years, while GPRA targets are measured on an annual basis. Targets defined over a longer timeframe provide less structure for actual implementation. GPRA targets function under a dual measurement framework, using a six-year overall timeframe complemented by annual milestones and monitoring. While shorter time frames also allow for flexibility in the design of target

regimes and thus for rapid learning from past experience, they do not allow for the full policy impact to develop. Therefore they measure intermediate outcomes and occasionally even inputs rather than final outcomes.

A sense of ownership and understanding of the rationale of targets is important both at the international and state level. Commitment at the local level is fundamentally important for the achievability of targets. Local engagement is characteristically higher in institutions where coordination is based: it is therefore difficult to develop a deeper sense of ownership at the sub-national, regional and district tiers of organisation. The case studies provide evidence to support this finding, suggesting that although the PRSP processes are based on external initiatives, local commitment and institutionalisation are key factors in successful development of targets. Institutions and capacity building are particularly important in fostering national and local ownership.

Relevance to Climate Policy and Further Work

Experience from national and international target policy can inform climate policy. The lessons from domestic country regimes analysed in this paper suggest the importance of partnership and accountability in the production of valuable policy experience. Domestic policies offer the flexibility in design and implementation to create new governance frameworks, connecting local development needs with emissions reductions to create co-benefits for government. International cooperation for climate policy implementation is the subject of wide discussion. In developing countries, mitigation may not require absolute targets. In developed countries, policy makers recognise that absolute targets can form the basis for cap and trade emissions trading schemes, but need to be complemented by other policies. Such differences raise the question as to whether policy targets can be used for the implementation of specific policies with climate co-benefits – and to what extent their implementation can benefit from the degree of international cooperation necessary for such implementation.

As already discussed, the choice of an appropriate timeframe for targets is an important question for both domestic and international policy: while fifteen-year timescales allow for more holistic policies, shorter three-year frameworks enable rapid learning from the policy process. The role of learning for policy development is an iterative process, and one that feeds directly into the effectiveness of domestic target regimes.

The challenge for the transfer of this experience to climate policy is likely to revolve around the definition of appropriate metrics (Cust 2008). The negotiations of these metrics is an inherently political activity; involving complicated negotiations between international and national, or national and local, levels of government. Further work could investigate the gaming of such strategies in the design of policy metrics. For climate policy, the translation of long-term emissions reduction objectives towards intermediary outcomes that reflect the success of government policy within, for example a three-year timeframe, could prove useful. Experience in other fields suggests that where suitable and appropriate metrics were used to define policy targets, successful implementation often follows. These experiences may offer insights which inform the design of climate policy. Governments have to implement robust and comprehensive policy frameworks to internalise carbon externalities and

provide regulatory and market structures for the transition towards a low-carbon economy. This in turn will shift private sector investments and activities towards low-carbon sectors and technologies, which will deliver the desired emissions reductions. The long chain linking initial policy decisions and ultimate emissions reductions creates a delay that is often in excess of the short-term, five-year frameworks. This creates a challenge for the policy processes. The paper explored the experience from other policy fields to inform the discussion of the role of targets in policy implementation. Targets can be used to measure the effectiveness of governance, and provide information to improve the management and implementation of both national and international policy. The challenge for future work is to assess the role of targets in connection with technological, financial and capacity building measures for climate policy.

Appendix 1

Literature in Table 3: *Evaluation matrix: criteria for success and failure.*

Sources - compiled from:

General results-based management literature

I: Wholey 1999; **II:** Walker, R. and Boyne, G. 2006; **III:** DAC Development Assistance Committee 2000; **IV:** Laverge, R. 2002; **V:** Picciotto, R. 2002; **VI:** Rose, A. 2003; **VII:** Andrews, M. 2005

Literature on Millennium Development Goals and Paris Declaration indicators

A: Black and White 2004; **B:** Vandemoortele 2003; **C:** Guthrie, D. 2008; **D:** OECD 2005; **E:** OECD 2006; **F:** Roberts, J. 2005.

Literature on Poverty Reduction Strategy Papers, DFID PSA

1: Maxwell 2003; **2:** Booth and Lucas 2002; **3:** ODI 2001; **4:** World Bank 2002; **5:** Adam, C. and Gunning, J. W. 2002; **6:** Booth and Lucas 2004; **7:** Lucas, H., Evans, D., Pasteur, K. and Lloyd, R. 2004; **8:** Holvoet, N. and Renard, R. 2007; **9:** Booth, D. 2003.

Literature on national Government implementation strategies, for example: LPSAs

i: Enticott and Entwistle 2007; **ii:** Sullivan and Gillanders 2005; **iii:** Young 2005; **iv:** Sullivan 2004; **v:** Poston, M., Conway, T. and Christiansen, K. 2003; **vi:** Boyne and Chen 2007; **vii:** Driscoll, R. and Evans, A. 2004; **viii:** DFID 2006.

Literature on internal Government implementation strategies, for example: GPRAs and BVPIs

a: Groszyk 1996; **b:** Curristine 2002; **c:** Department for Communities and Local Government 2006; and **d:** DETR Department for Environment, Transport, and the Regions 2001; **e:** Radin, B.; **f:** Boyne, G. et al 2002; **g:** Heinrich, C. 2002; **h:** GAO General Accounting Office 1999.

References

Ackerman, J. (2002) Co-governance for accountability: beyond 'exit' and 'voice'. *World Development* 32 (3): 447-463.

Adam, C., Chambas, G., Guillaumont, P, Guillaumont Jeanneney, S. and Gunning, J. (2004) Performance-based conditionality: a European perspective. *World Development* 32 (6): 1059-1070.

Adam, C. and Gunning, J. W. (2002) Redesigning the aid contract: donor's use of performance indicators in Uganda. *World Development* 30 (12): 2045-2056.

Andrews, M. (2005) Performance based budget reform: progress, problems, pointers. In: Shah, A. (2005) *Fiscal Management: Public sector governance and accountability series*. World Bank: Washington. p31-70.

Audit Commission (1999) *A measure of success: setting and monitoring local performance targets*. Audit Commission Publications: London.

Audit Commission (2000) *On Target: the practice of performance indicators*. Audit Commission Publications: London.

Audit Commission (2003) *Targets in the public sector: briefing*. Audit Commission Publications: London.

Audit Commission (2006) *Briefing on the Audit Commission's Comprehensive Performance Assessment frameworks*. Audit Commission Local government briefing paper: London.

- Bevan, G. and Hood, C. (2006) What's measured is what matters: targets and gaming in the English public health care system. *Public Administration* 84 (3): 517-538.
- Bird et al (2005) Performance indicators: good, bad, and ugly. Working Party on performance monitoring in the public services. *Journal of the Royal Statistical Society A*. 169 (1): 1-27.
- Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.
- Boland, T. and Fowler, A. (2000) A systems perspective of performance management in public sector organisations. *The International Journal of Public Sector Management* 13 (5): 417-445.
- Booth, D. (2003) Introduction and Overview. *Development Policy Review* 21 (2): 131-159.
- Booth and Lucas (2002) Good practice in the development of PRSP indicators and monitoring systems. Working Paper 172: Overseas Development Institute (ODI): July 2002. ODI: London
- Booth and Lucas (2004) Monitoring progress towards the Millennium Development Goals at country level. In: Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.
- Booth et al (2001) Chapter 1: Overview of PRSP processes and monitoring. In: ODI Report (2001) PRSP Institutionalisation study: Final Report. ODI: London.
- Boyle, R. (1996) Performance Management in government: Contemporary Illustrations. Public management Occasional Papers (No. 9). OECD Report 1996.
- Boyle, R. (2005) Discussion Paper: Civil Service Performance indicators. Institute of Public Administration: Ireland.
- Boyne and Chen (2007) Performance targets and public service improvement. *Journal of Public Administration Research and Theory* 17: 455-477.
- Boyne and Law (2005) Setting public service outcome targets: lessons from Local Public Service Agreements. *Public Money and Management*: Aug 2005.
- Boyne, G., Gould-Williams, J., Law, J. and Walker, R. (2002) Plans, performance information and accountability: the case of Best Value. *Public Administration* 80 (4): 691-710.
- Brignall, S. and Modell, S. (2000) An institutional perspective on performance measurement and management in the 'new public sector'. *Management Accounting Research* 11: 281-306.
- Brautigam, D. (2000) Aid dependence and governance. Almquist and Wiksell International: Stockholm.
- Clarke, P. (2004) Building a global partnership for development. In: Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.
- Coudouel, A., Hentschel, J. and Wodon, Q. (2002) Poverty measurement and analysis. In: World Bank (2002) A Sourcebook for Poverty Reduction Strategies. World Bank: Washington, DC.
- Cranfield School of Management (2004) Literature review on performance measurement and management. Report for the IDeA and Audit Commission Performance Management and Information (PMMI) Project. Cranfield University: Bedford
- Curristine (2002) Reforming the US Department of Transportation: Challenges and opportunities of the Government Performance and Results Act for Federal-State relations. *Publius* 32 (1), 25-44.

DAC Development Assistance Committee (1996) *Shaping the 21st Century: the contribution of development cooperation*. OECD: Paris.

DAC Development Assistance Committee (2000) *Results-based management in the development co-operation agencies: a review of experience (Executive summary)*. OECD: Paris.

Davies, P., Coates, G., Hammersley-Fletcher, L. and Mangan, J. (2005) When 'becoming a 50% school' is success enough: a principal-agent analysis of subject leaders' target setting. *School Leadership & Management* 25 (5): 493-511.

De la Porte, C. and Nanz, P. (2004) The OMC – a deliberative-democratic mode of governance? The cases of employment and pensions. *Journal of European Public Policy* 11 (2): 267-288.

Department for Communities and Local Government (2006) *The long-term evaluation of the Best Value regime*. Department for Communities and Local Government: London.

Department for Communities and Local Government (2007) *Best Value User Satisfaction Surveys 2006-2007: general survey national report*. Department for Communities and Local Government: London.

DFID Department For International Development (2002) *DFID Public Service Agreement 2003-2006*. DFID: London.

DFID Department For International Development (2004) *DFID Public Service Agreement 2005-2008*. DFID: London.

DFID (2006) *DFID's medium term action plan on aid effectiveness: Our response to the Paris Declaration*. Donor Policy and Partnerships team, Policy Division. DIFD: London.

DOT Department for transport (2006) *Technical appendix 3: SMART targets*. Department for transport: London.

Driscoll, R. and Evans, A. (2004) *The PRSP process and DFID engagement: survey of progress 2003*. ODI: London.

DETR Department for Environment, Transport, and the Regions (2001a) *Improving public services: evaluation of the Best Value pilot programme: final report*. DETR publication.

DTLR Department for Transport, Local Government and the Regions (2001) *Local Public Service Agreements: New challenges*. DTLR publication.

Enticott, G. and Entwistle, T. (2007) *The spaces of modernisation: outcomes, indicators and the local government modernisation agenda*. *Geoforum* 38: 999-1011.

European Commission (2004) *Evaluation of socio-economic development: the guide publication*. European Commission: Brussels.

European Commission (2007) *Indicators for monitoring and evaluation: an indicative methodology*. Methodological working paper 3. European Commission: Brussels.

Freudenberg, M. (2003) *Composite indicators of country performance: a critical assessment*. OECD Science, Technology and Industry Working Papers 2003/16. OECD Publishing.

Fukuda-Parr, S., Lopes, C. and Malik, K. (2002) *Institutional innovations for capacity development*. In: Fukuda-Parr, S., Lopes, C. and Malik, K. (2002) *Capacity for development: new solutions to old problems*. Earthscan: London.

GAO General Accounting Office (1999) *Managing for results: Opportunities for continues improvements in agencies' performance plans*. US GAO: Washington D.C.

Grindle, M. (2004) Good enough governance: poverty reduction and reform in developing countries. *Governance* 17 (4): 525-548.

Grindle, M. (2007) Good enough governance revisited. *Development Policy Review* 25 (5): 553-574.

Groszyk, W. (1996) Performance Management in government: Contemporary Illustrations. Public management Occasional Papers (No. 9). OECD Report 1996.

GTZ German Federal Ministry for Economic Cooperation and Development (2004) National monitoring of strategies for sustainable poverty reduction / PRSPs. Governance and Democracy Division Mainstreaming Poverty Reduction Project. GTZ: Eschborn, Germany.

Guthrie, D. (2008) Strengthening the principle of participation in practice for the achievement of the Millennium Development Goals. In: UNDESA United Nations Department for Economic and Social Affairs (2008) Participatory governance and the Millennium Development Goals. United Nations: New York.

Heinrich, C. (2002) Outcomes-based performance management in the public sector: implications for government accountability and effectiveness. *Public Administration Review* 62 (6): 712-725.

Hewitt de Alcontara, C (1998) Uses and abuses of the concept of governance. UNESCO: Paris.
HM Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics (2001) Choosing the right fabric: a framework for performance information. HM Treasury: London.

HM Treasury (2001) Outcome focused management in the United Kingdom. General Expenditure Policy briefing. HM Treasury: London.

HM Treasury, Cabinet Office and National Audit Office (2003) Setting key targets for executive agencies: a guide. HM Treasury: London.

HM Treasury (2007a) Pre-Budget report and comprehensive spending review: Meeting the aspirations of the British people. HM Treasury: London.

HM Treasury (2007b) Service Transformation Agreement. HM Treasury: London.

HM Treasury (2007c) PSA Delivery Agreement 27: Lead the global effort to avoid dangerous climate change. HM Treasury: London.

HM Treasury (2007d) PSA Delivery Agreement 29: Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals. HM Treasury: London.

HM Treasury (2007e) PSA Delivery Agreement 30: Reduce the impact of conflict through enhanced UK and international efforts. HM Treasury: London.

Hodson, D. and Mayer, I. (2001) The open method as a new mode of governance: the case of soft economic policy co-ordination. *Journal of Common Market Studies* 39 (4): 719-46.

Holvoet, N. and Renard, R. (2007) Monitoring and evaluation under the PRSP: solid rock or quicksand? *Evaluation and Program Planning* 30: 66-81.

House of Commons Public Administration Select Committee (2003) On Target? Government by measurement. Fifth report of session 2002-2003: Volume 1. House of Commons: Stationary Office Limited: London.

IMF International Monetary Fund (2008) Poverty Reduction Strategy Papers – a Factsheet. IMF: Washington, D.C.

- Ireland, M., McGregor, A. and Saltmarshe, D. (2003) Challenges for donor agency country-level performance assessment: a review. *Public Administration and Development* 23: 419-431.
- Johnson, C. and Osborne, S. (2003) Local strategic partnerships, neighbourhood renewal, and the limits to co-governance. *Public Money and Management*: July 2003.
- Kaufmann, D. (2003) Rethinking governance: empirical lessons challenge orthodoxy. World Bank: Washington, DC.
- Kaufmann, D., Kraay, A. and Mastruzzi, M. (2005) Governance matters IV: Governance indicators for 1996-2004. World Bank Policy Research Paper 3630. World Bank: Washington, DC.
- Kristensen, J. K., Groszyk, W. S. and Buhler, B. (2002) Outcome focused management and budgeting. *OECD Journal on Budgeting* 1(4):7-34.
- Kusek, J. and Rist, R. (2003) Building results-based monitoring and evaluation systems: assessing developing countries readiness. *Zeitschrift fur Evaluation* 1: 151-158.
- Laverge, R. (2002) Results-based management and accountability for enhances aid effectiveness: A reference paper for CIDE officers engaged in capacity development and program-based approaches such as SWAps. Canadian International Development Agency: Quebec.
- Lucas, H., Evans, D., Pasteur, K. and Lloyd, R. (2004) Research on the current state of PRS monitoring systems. IDS Discussion Paper 382. Institute of Development Studies: Sussex.
- Maxwell, S. (2003) Heaven or Hubris: reflections on the New 'New Poverty Agenda'. *Development Policy Review* 21 (1): 5-25.
- Maxwell, S. (2005) The Washington Consensus is dead! Long live the meta-narrative! Working Paper 243. ODI: London.
- Mercer-Blackman, V. and Unigovskaya, A. (2004) Compliance with IMF program indicators and growth in transition economies. *Emerging Markets Finance and Trade* 40 (3): 55-83.
- Moynihan, D. (2006) Managing for results in state government: evaluating a decade of reform. *Public Administration Review* 66: 77-89.
- Obser, A. (2007) Multilateral Organisations Performance Assessment: opportunities and limitations for harmonisation among development agencies. DIE German Development Institute working paper 19/2007: Bonn.
- ODI Overseas Development Institute Report (2001) PRSP Institutionalisation study: Final Report. ODI: London.
- ODI Overseas Development Institute Report (2004) Second generation Poverty Reduction Strategies. ODI: London.
- ODPM Office of the Deputy Prime Minister (2003) Building on success: A guide to the second generation of local public service agreements. ODPM: London.
- ODPM Office of the Deputy Prime Minister (2005) National evaluation of Local Public Service Agreement: First Interim Report. ODPM: London.
- OECD, IMF, World Bank and UN (2000) A better world for all: progress towards the international development goals. Paris 21: OECD: Paris.
- OECD (2005) Paris Declaration on Aid Effectiveness. OECD: Development Assistance Committee: Paris

- OECD (2006) Aid effectiveness 2006 survey on monitoring the Paris Declaration: Overview of the results. OECD: Paris
- Picciotto, R. (2002) Development cooperation and performance evaluation: the Monterrey challenge. Working paper series. World Bank Operations Evaluation Department: Washington.
- Pollitt, C. (2001) Integrating financial management and performance management. OECD Journal on Budgeting 1(2): 7-38.
- Poston, M., Conway, T. and Christiansen, K. (2003) The Millennium development Goals and the IDC: driving and framing the Committee's work. ODI: London.
- Radin, B. (2000a) Intergovernmental relationships and the Federal performance movement. Publius 30 (1): 143-158.
- Radin, B. (2000b) The government performance and Results Act and the tradition of Federal management reform: square pegs in round holes? Journal of Public Administration and Research Theory 10 (1): 111-135.
- Radnor, Z. (2005) Developing a typology of organisational gaming. Working Papers: University of Warwick.
- Roberts, J. (2005) Millennium Development Goals: are international targets now more credible? Journal of International Development 17: 113-129.
- Rose, A. (2003) Results-orientated budget practice in OECD countries. ODI Working paper 209. ODI: London.
- Schacter, M. (2002) Not a 'tool kit': Practitioner's guide to measuring the performance of public programs. Institute on Governance: Ottawa, Canada.
- Schafer, A. (2006) A new form of governance? Comparing the open method of co-ordination to multilateral surveillance by the IMF and OECD. Journal of European Public Policy 13 (1): 70-88.
- Social Market Foundation (2005) To the point: A blueprint for good targets. Social Market Foundation: London.
- Sippel, M. and Neuhoff, K. (2008) Lessons from conditionality provisions for south-north cooperation on climate policy. Forthcoming in: Neuhoff et al (2008) South-north cooperation: public finance to support cooperation on domestic climate policy. Climate Strategies: Cambridge.
- Sullivan (2004) Report for ODPM: Evaluation of Local Public Service Agreements: Literature Review.
- Sullivan and Gillanders (2005) Stretched to the limit? The impact of Local Public Service Agreements on Service Improvement and Central-Local relations. Local Government Studies 31 (5).
- UN United Nations (2003) Monterrey Consensus on financing for development. UN: New York.
- UNDESA United Nations Department for Economic and Social Affairs (2008) Participatory governance and the Millennium Development Goals. United Nations: New York.
- UNDP United Nations Development Programme (2003a) Evaluation of UNDP's role in the PRSP process. United Nations: New York.

UNDP United Nations Development Programme (2003b) Indicators for Monitoring the Millennium Development Goals: Definitions, Rationale, Concepts and Sources. United Nations: New York.

US Government Performance and Result Act (1993) Senate and House of Representatives of the United States: Washington D.C.

Vandemoortele, J. (2003) The MDGs and pro-poor policies: can external partners make a difference? United Nations Development Programme: New York.

Vandemoortele, J. (2004) In: Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.

Walker, R. and Boyne, G. (2006) Public Management Reform and Organisational performance: an empirical assessment of the UK Labour government public service improvement strategy. Journal of Policy Analysis and Management 25 (2): 371-393.

White, H. (2002) The road to nowhere? Results-based management in international cooperation. Evaluating International Cooperation Think Tank: No. 3.

White, H. (2004) In: Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.

White, H. and Black, R. (2004) Millennium Development Goals: a drop in the ocean? In: Black, R. and White, H. (2004) Targeting development: critical perspectives on the Millennium Development Goals. Routledge: London.

Wholey (1999) Performance-based management: Responding to the challenges. Public productivity and management review 22 (3), 288-307.

World Bank (2002) A Sourcebook for Poverty Reduction Strategies. World Bank: Washington, DC. Chapters 1-3

Young (2005) Local Public Service Agreements and Performance Incentives for Local Government. Local Government Studies 31 (1-3).

Title: Understanding the Role of Policy Targets in National and International Governance

Acknowledgement:

For Andy Ward. Thanks are due to Anne Neumann and Charlie Withers for many useful comments; Kate Grant and James Cust for being two vital parts of a wonderful team. Particular thanks to Tim Laing and Roland Ismer for the many hours of support and input. The authors also wish to thank, without implicating, the two anonymous reviewers for many useful comments and assistance. Financial support from the UK research council, grant TSEC2 is gratefully acknowledged.