RESULTS BASED MANAGEMENT

UNEP Brown Bag Lunch

September 2006

Kabell Konsulting ApS
Managing for results

Agenda

Presentation

- **What is RBM?**
- **The Evolution of RBM**
- **Key Concepts**
- **Results Reporting**
- **Behavioural Issues**

Dialogue

- **RBM in UNEP**
- **Feed back**

Introduction

- **Objectives**

  - **To provide input to UNEP's discussions on RBM**

  - **To share some international lessons with using RBM**

  - **To discuss where strengthening is needed in UNEP**

What is RBM?

Definition:

- "RBM is a management strategy focusing on performance and achievement of outputs, outcomes and impacts"

  (DAC OECD 2002)

Facilitates the systematic thinking about three basic questions:

- What is our goal: "Are we doing the right thing"?
- How will we reach that goal: "Are we doing it right?"
- How do we know whether we have achieved our goal and that we are doing it right: "How do we know?"

What is RBM?

RBM is not:

- **"A management strategy focusing on inputs and activities"**

It may include, but should not be limited to, the following elements:

- **Performance Measurement**
- **Performance Reporting**
- **Performance Based Budgeting**

The Evolution of RBM

- Focus on management, not administration

- Client-centered and citizen focused

- Emphasis upon Outputs versus Inputs; reduction in *ex-ante* controls

- Extensive use of outsourcing, competition and private service providers

- *Next Steps* Program in the United Kingdom

- *Reinventing Government* in the United States

- Australian and New Zealand PEM Reforms

- *Alternative Service Delivery* in Canada

The Evolution of RBM

Focus on performance *not* compliance

"Did projects spend their budget and comply with rules and procedures?"

→

"Did projects achieve their objectives and deliver results?"

Focus on outcomes and impact *not* input, activities (and output)

"How many trees were planted and people trained?"

→

"What was the development result e.g. reduction in poverty and improved living conditions"

The Evolution of RBM

RBM has gained considerable following because:

- It improves transparency
- It provides the basis for stronger external and internal accountability
- It rewards achievement of results
- It encourages evidence based policymaking and management
- …and as a result improves the quality of policy and decision making

RBM in Development Cooperation

- 2000 MDGs
- 2002 Monterrey
- 2003 Rome
- 2004 Marrakesh
- 2005 Paris HLF-2

- Coherence
- Partnership
- Harmonization
- Alignment
- Results

Mutual responsibility   for shared results

Lessons

- Indicators and evaluations should go beyond compliance and accountability

- M&E should contribute to build bridge between individual projects and sectorwide or global programmes

- Indicators should measure contribution to MDGs and intermediary outcomes

- Evaluation of the performance of partners should be based on results achieved towards joint objectives

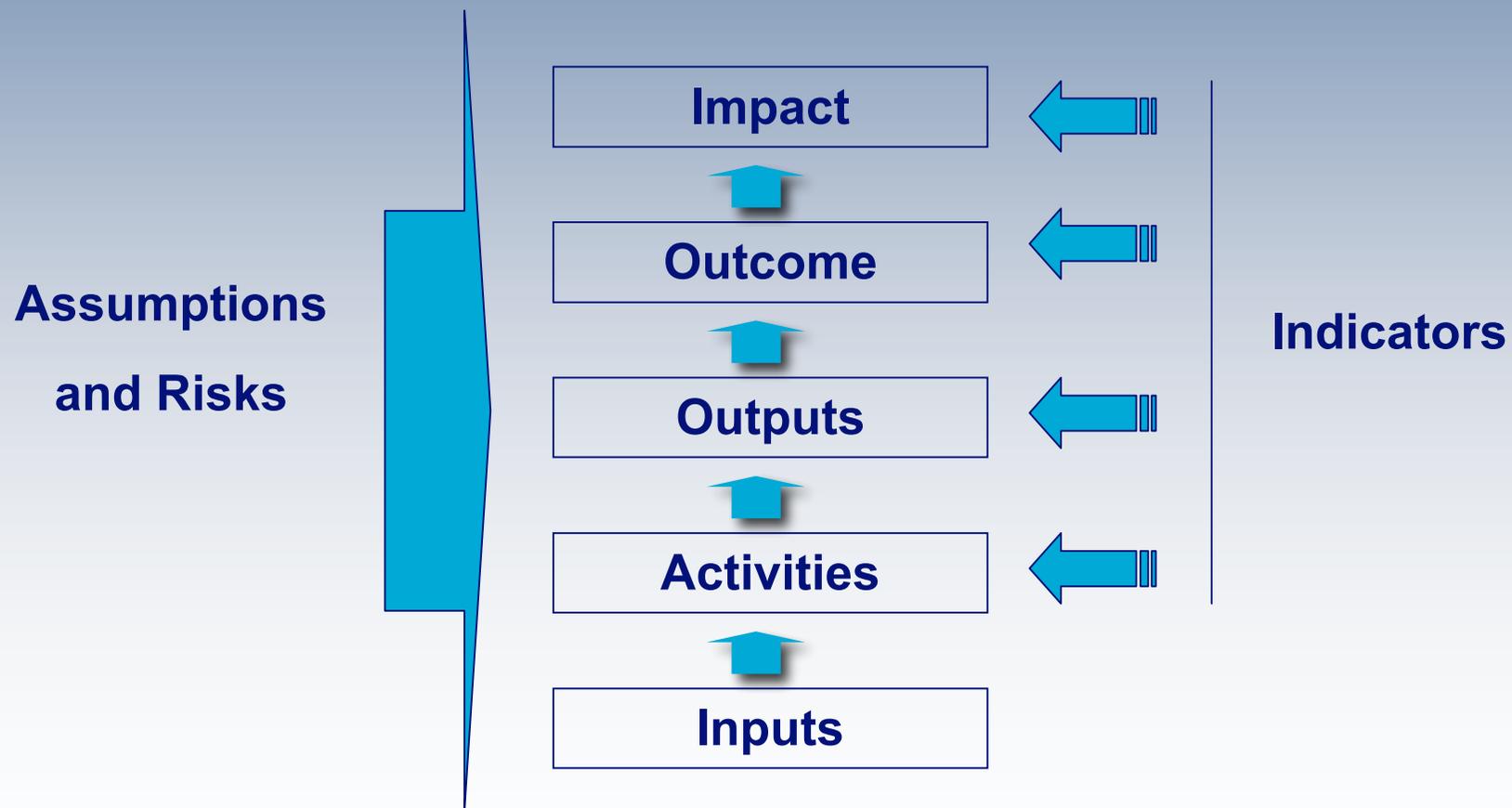# Key Concepts

Glossary of Key Terms in Evaluation & Results Based Management

www.oecd.org/dac

Key Concepts

The Results Chain

Key Concepts

- **Input**
  - The financial, human and material resources for the development intervention

- **Activities**
  - The coordination, technical assistance or training tasks delivered

- **Output**
  - The products, capital goods and services which results from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes

Key Concepts

- **Outcome** *(- a consequence of outputs)*

  - The likely or short term and medium term effect of an intervention's outputs

- **Impact**

  - Positive and negative, primary and secondary long term effects produced by a development intervention, directly or indirectly, intended or unintended

Key Concepts

Result

- The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention

Results may:

- Appear within a short time or take years to be fully realized
- Be planned or unforseen;
- Be either positive or negative;
- Be reflected at the level of individuals, groups, institutions or society

Key Concepts

- **Indicator**
    - A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the the changes connected to an intervention or to help asses the performance of a development actor

- **Quality-test of indicators:**
    - S   Specific
    - M   Measurable
    - A   Available
    - R   Relevant
    - T   Trackable

Key Concepts

- **Identify indicators for output, outcome and process:**
    - Specify exactly what is to be measured
    - Use a mix of qualitative and quantiative indicators
    - Use project rating systems, where aggregation is needed
    - Consider proxy indicators where direct indicators are not available
    - Make sure to have baselines and target value

Remember:
- "An imprecise indicator about an important result is better than a precise indicator of an insignificant result"

Example

- **Indicators in UNDP Work Programme - 2008**

  Do they say something significant?

  Mix of qualitative or quantitative?

  Can they be aggregated?

  Are there baselines or target values?

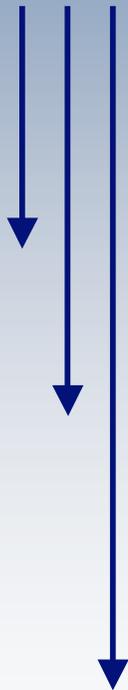 **Use of process indicators?**

  Indicators of change?

Elements of an RBM System

A Results Based Management System

Strategic Planning

- Situation and problem analysis
- Formulating objectives, intended results and strategies
- Identifying indicators

Performance Measurement

- Setting baseline and targets
- Collect data on performance

Performance Management

- Analyse and report performance
- Integrating monitoring and evaluation findings
- Using performance information for future planning and decision making

Results Reporting

- **Having determined expected results, identified indicators, and set baselines and targets as described, it is time to:**

    - **Collect data on performance**
    - **Analyse performance**
    - **Report on performance – for external and internal use**

- **Three important issues to consider:**
    - **Purpose of results reporting**
    - **Aggregation**
    - **Attribution/contribution**

Results Reporting

Aggregating results: output or outcome?

- **Project/programme outcome**
  - Easier to establish link between outputs and project outcome than national development changes
  - More relevant for internal learning purposes

    but

- **Difficult to aggregate due to diversity in outcomes**
  - One possibility is to establish standard outcomes for common program approaches (groupings of similar projects)
  - Establish rating system measuring succes in meeting outcomes (Consider issue of validity/reliability)

Results Reporting

- **Attribution vs. Contribution**
  - **The move from projects and outputs to programmes and outcomes/higher order goals makes it difficult to attribute specific outcomes to individual donors**
  - **In Denmark, even National Audit Office has accepted this in terms of performance measurement**
  - **However, in-depth evaluations are still sometimes carried out with the specific objective of demonstrating attribution (counterfactual methodology)**

Example of results measurement system

- **RBM in UNDP**
  - **5 Goals**
  - **30 services lines**
  - **6 cross-cutting drivers**

- **Reporting on:**
  - **rate of achievement of annual targets towards expected outcomes**
  - **extent to which UNDP promote drivers of development effectiveness**

Results Reporting

Lessons learned in regards to results reporting

- Qualitative assessments / statements are more interesting for internal learning than quantitative assessments
- Ratings provide a good indication of status in projects but should be supplemented with qualitative assessment and validation
- Supplement performance measurement (monitoring) with evaluations
- Establish a solid validation process

Behavioural Issues

Different approaches to RBM are likely to effect equally different on behaviour of staff

Managing For Results

- Performance measurement is used with the aim of achieving better results
- Stretch targets and assessments for learning to modify targets

Managing By Results

- Performance measurement is used for accountability/reporting to internal and external stakeholders
- Sanctions if targets not met (creates push for staff to focus on outputs)
- Fixed targets
- Ressource allocation

Behavioural Issues

Experiences from implementing RBM

- ”What gets measured gets done”

- ”Measuring a phenomenon affects a phenomenon”

- ”You become what you measure”

RBM in UNEP?

Enablers and constraints for introducing RBM:

Conducive Conditions

- An organisation has products and products that are simple
- Products are uniform, isolated and the production is autonomous
- An organisation is product oriented
- Causalities are known
- Quality definable in performance indicators
- Environment is stable

Problematic Conditions

- An organisation has obligations and is highly value-oriented
- Products are multiple and generated together with others
- An organisation is process oriented
- Products are interwoven and causalities are unknown
- Quality not definable in performance indicators
- Environment is dynamic

Self assessment in UNEP

- **Conditions?**
- **Experiences?**
- **Incentives?**
- **Capacity?**
- **Plans?**

What next?