

**Best Practices in Results-Based Management:  
A Review of Experience**

**A Report for the United Nations Secretariat**

**Volume 1: Main Report**

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## **Foreword**

This report has benefited from interviews held at the UN Secretariat in 2007 and the discussions held at a UN Workshop on Best Practices in Results-Based Management in Geneva in 2007 and the subsequent reports (UN Secretariat Interviews 2007, UN Workshop 2007). Helpful comments on this report have also been received from the UN Secretariat.

The report, however, is the product of the author's review and interpretation of this material and other reports and studies. It does not necessarily represent the views of the UN Secretariat. Any errors and omissions are the responsibility of the author.

## Summary

Worldwide, organizations in the public and not-for-profit sectors are taking steps to better measure what results they are achieving and to use that information to improve how they manage and deliver their policies, programmes and services. And these efforts have been underway for some time. As a result, considerable experience has been gained in a wide range of settings in results-based management (RBM). Based on published studies, reports and articles, and on a UN Workshop on RBM held in May 2007, this report brings together that experience, identifying and discussing best practices in RBM.

Given the extensive experience that has been gained around the world, it is not surprising that many best practices can be identified. Here they are organized around six principles for effective RBM regimes:

Principle 1. Foster senior-level leadership in RBM

Principle 2. Promote and support a results culture

Principle 3. Build results frameworks with ownership at all levels

Principle 4. Measure sensibly and develop user-friendly RBM information systems

Principle 5. Use results information for learning and managing, as well as for reporting and accountability

Principle 6. Build an adaptive RBM regime through regular review and update

In the report, best practices are identified under each Principle as ways of bringing about the RBM actions indicated. And for many of the best practices, best practice approaches are described as ways of implementing the best practice.

### ***Principle 1. Foster senior-level leadership in RBM***

The best practices here centre around getting senior managers to visibly, regularly and consistently lead and support RBM through their words and actions, such as expecting results information, supporting RBM with resources, fostering peer RBM champions and managing the expectations for RBM.

### ***Principle 2. Promote and support a results culture***

There are quite a few aspects of an organization's processes and systems that need to encourage and support managers and staff in adopting a results focus in their work.

In developing informed demand for results information, best practices include having managers at all levels ask for results information in planning and managing and having results-oriented planning, budgeting and reporting systems in place.

Both formal and informal incentives are needed in the organization that support RBM practices including giving managers the autonomy to manage for results and an accountability regime that recognizes the challenge of managing for outcomes.

RBM is essentially about deliberately learning from past performance and adjusting accordingly. Best practices identified include specifically building in learning

approaches in the organization, such as through regular learning forums, sharing of results information, and fostering learning when things go wrong.

A culture of results is also supported by in-house professional RBM capacity and through ongoing training of managers and staff in RBM thinking and practices.

And underlying a culture of results is a clear and shared vision of the value of results information and the role it should play in managing the organization, and of the roles and responsibilities of the various parties involved in RBM.

***Principle 3. Build results frameworks with ownership at all levels***

In establishing a results orientation, an organization needs to develop and agree on a strategic results framework, outlining the organizational objectives being sought and how the organization is structuring its activities and resources to achieve the objectives. The second layer of the RBM framework structure is developing results frameworks for the programmes, outlining how it is expected that the specific activities to be carried out are to lead to the achievement of the intended results for each programme. There is considerable guidance available on developing such results frameworks and the sequence of results underlying them. At both the organization and programme levels, it is good practice to address the risk faced in meeting objectives.

A results focus in planning implies that realistic and clear objectives for programmes are identified and that there are performance expectations set out for each programme as to what will be accomplished and when. Best practices here stress the need to understand the kinds of expectations/targets being set—predictive or stretch targets; consider a multi-year strategy for establishing expectations as experience in measuring is gained; base expectations on established baselines, past trends and available resources; and involve all those engaged in the managing and delivery of programmes.

Setting indicators to track performance completes the RBM framework structure. Critical here is using a manageable number of indicators—it is easy to develop too many; not just falling back on what is easily measured and missing what is important; and being aware of the potential of performance indicators to cause perverse consequences through changes in behaviour and activities to move the indicators the ‘right’ way. Examples abound of indicators causing unintended distortions in the delivery of programmes.

Finally, it is important to build ownership for the various results frameworks established in an organization. Without ownership, there will likely be little use made of the results information gathered. Here there are a variety of best practices to build buy-in through involvement of those using the framework; linking the frameworks with work plans; building a solid base for RBM using champions and pilots; and ensuring that the RBM regime is relevant and useful to managers, flexible enough to accommodate a variety of types of programmes.

***Principle 4. Measure sensibly and develop user-friendly RBM information systems***

Setting up well thought out results frameworks is a good base, but without then actually measuring and analyzing the results being achieved, the RBM regime will not deliver much. There is extensive experience available in measuring results and best practice is to make use of this experience. Measurement and analysis ‘fit for purpose’ and appropriate use of evaluations to complement ongoing performance measurement are seen as best practices. In addition, steps should be taken to control the quality of the data being gathered. Both results and the costs of achieving the results need to be measured. There is also a need to assess as best possible the extent to which a given programme has contributed to the results being observed.

The results data and information gathered as part of the RBM regime will be part of the information system of the organization. The need to customize the results information within the IT system and to make the RBM system user-friendly is stressed as a best practice.

***Principle 5. Use results information for learning and managing, as well as for reporting and accountability***

Using the results information to help manage the organization and its programmes is the aim of RBM. There can be a tendency for results information to be mainly used for reporting purposes. Best practices here point to the need to see results information as informing not determining decisions; to balancing the use of results information between corporate and line managers needs; and to seeing ‘use’ as more than influencing a specific decision where by the accumulation of results information over time can impact on accepted understanding of how programmes are working. Use also involves identifying and communicating best practices in programme managing and delivery.

Most organizations do use results information for reporting on how well they are doing, especially to external audiences such as governing bodies. There is a growing body of best practice here and in some jurisdictions reporting standards are being developed. Key is perhaps to be able to tell a credible performance story about the accomplishments and under achievements.

Finally, results information can play a useful role in the accountability processes in an organization informing on the results achieved, through the use of such mechanisms as results-based performance agreements and balanced scorecards.

***Principle 6. Build an adaptive RBM regime through regular review and update***

The last principle speaks to the need to regularly review and update the RBM system, to keep it current and addressing issues of the day. Best practices here include annual reviews and a willingness to change the RBM system, keeping track of problems with the RBM system during the year, getting feedback from users of the system and after a few years, undertaking an evaluation of the RBM regime.

Organizations working to enhance their RBM capacity should be able find in the report quite a few specific suggestions for improvement. For a particular organization, the ‘most important’ best practices would depend on the robustness of its RBM and the major problems in its RBM system.

The report concludes by suggesting the Principles of prime weakness in many RBM regimes:

**Principle 1: There has been inadequate senior leadership for RBM.** Senior management in the organization may speak to the importance of RBM but are not seen in fact as championing RBM. Indeed, in most organizations, few efforts have been undertaken to build up the RBM understanding, knowledge and capacity of senior managers. Experience is that where senior managers are active supporters of RBM—usually as a result of their own personal interests or experience—RBM can flourish in the organization. Where this senior champion role is weak, RBM usually has difficulty in developing beyond an RBM planning and reporting system.

**Principle 2: There is a weak results culture.** Organizations do not easily learn, and many RBM regimes do adequately address the importance of a culture of results, and of the challenges in bringing about the needed cultural change to a focus on results. Even when the need is noted, there is often not much actually done to directly address fostering a results culture. This author would argue that it is precisely the lack of a culture of results in an organization, which allows well-intentioned RBM regimes over time to turn into inflexible bureaucratic systems. If results information was seen by managers and staff as a valuable commodity and essential to good management and delivery, care would be taken to ensure that the ‘system’ met their needs, was cost-effective and produced good quality data and information.

**Principle 6: There is a lack of review and adapting of the RBM regime.** There is rarely a strong effort made to regularly review and update the RBM regime to reflect what has been learned about the regime itself. Indeed, there are incentives to not try and change things once in place, such as:

- fixed planning and budgeting cycles,
- the difficulty and cost of changing large IT systems,
- fatigue with focussing on results,
- the (mistaken) belief that once in place, the RBM regime is good for some time, and
- the (mistaken) belief that time series data are essential to good measurement.

Yet experience strongly suggests (Principle 6) the need for an adaptive and flexible RBM regime, geared to meet current issues and concerns.

Knowing where the weaknesses are in an RBM regime is a major step towards improvement. This reports identifies the lessons learned from both outside and inside the UN system in implementing RBM to address these potential weaknesses and others. A large number of the best practices and best practice approaches are discussed in the report, along with references that interested readers could follow up with.

# **Best Practices in Results-Based Management: A Review of Experience**

## **1. Introduction**

Public and not-for-profit sector organizations around the world are adopting results-oriented approaches to manage their affairs (OECD 2005, MfDR Sourcebook 2006). Results-based management (RBM), managing for results, managing for outcomes, performance management and results management are some of the expressions used to describe this approach to managing. Many organizations and jurisdictions have been working towards RBM for many years, sometimes decades, and considerable experience has been built up on the challenges and lessons learned in implementing RBM.

The UN Secretariat initiated a focus on results with the introduction in 2000 of results-based budgeting (RBB). RBB has set the stage for moving to a broader RBM approach to planning, budgeting and managing its programmes, as part of larger efforts to reform the administration of the Secretariat. “The Secretary-General has placed “comprehensive implementation of RBM” at the top of the list of proposals aimed at improving governance, oversight and the effectiveness and accountability of management.”<sup>1</sup>. It is in that light that the Secretariat commissioned this report on RBM experiences both within the wider UN system and more generally in other jurisdictions. RBM best practices can be used to guide further development of RBM in the Secretariat.

Quite a number of workshops, conferences and reports in a large variety of national and international settings have been held to discuss experiences and identify useful practices that have been used to implement the various elements of RBM. While one of the lessons learned has been that each organization or jurisdiction has to tailor the specifics of its own RBM system to meet its own needs and circumstances, it is also true that there are many general lessons that can be taken into account when implementing RBM. This report identifies and discusses these ‘best practice’ lessons.

The report first sets out a number of principles for RBM that comprise a framework for the discussion on best practices. It then discusses the concept of a ‘best practice’ and the various types of sources used to identify best practices. The main part of the report is a discussion of best practices and best practice approaches in RBM, organized around the principles and framework. The concluding section draws some overriding themes and implications from the evidence provided on best practices in RBM.

## **2. A Framework for Results-Based Management at the UN Secretariat**

Results-based management involves deliberately gathering empirical evidence in order to know the extent to which intended results are being achieved so that

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<sup>1</sup> UN General Assembly (2006: para 6a)



modifications to the design and delivery of activities can be made to improve and account for performance in achieving intended outcome. Organizations successfully adopting RBM will need to have appropriate systems and procedures in place that collectively constitute an RBM regime.

Table 1 outlines the RBM terms used in this report. In order not to limit aspects of the framework, in this report, for the most part, generic results management terms are used—such as results, outcomes, and objectives rather than the specific terms currently used in the UN—such as “expected accomplishments” and “objectives of the organization”.

**Table 1**  
**RBM Terms**

<b>programme</b>	A set of activities and resources aimed at accomplishing an intended result. Here the term covers both UN Programmes and Subprogrammes.
<b>results</b>	The variety of outputs and outcomes—immediate, intermediate and end outcomes—associated with a programme.
<b>outputs</b>	The specific goods and services produced directly by a programme.
<b>outcomes</b>	The different impacts and effects resulting from the outputs. Usually, immediate, intermediate and end outcomes can be identified.
<b>results chain (also logic model)</b>	The causal or logical sequence of activities, outputs and outcomes illustrating—usually in diagrammatic form—how it is expected that the intended outcomes of the programme will be brought about.
<b>theory of change</b>	Similar to the results chain, but stressing the underlying theory for each link in the results chain of why it is expected that the activities of the programme will lead to the intended results.
<b>objective</b>	The specific aim(s) of the programme
<b>performance expectations</b>	The expected level of performance that is expected as a result of the programme. Performance expectations can be set at both the output and outcomes levels. In the UN, the “expected accomplishments” are specific statements of expectations for Programmes and Subprogrammes. “Objectives of the organization” are higher level performance expectations at the level of the UN organization.
<b>performance indicator</b>	The metric used to measure an aspect of performance.
<b>results information</b>	Data and analysis on the results— including unintended effects — associated with the programme, in light of the performance expectations.
<b>results framework</b>	A description of a programme and its context, outlining the results chain, performance expectations, performance indicators and measurement strategy. Logframes are a form of results framework.

The elements of an RBM regime are fairly well understood, although expressed differently in different settings. The principles and framework discussed in this report (Table 2) are based on an RBM framework that was used to audit the RBM efforts in the government of Canada (Auditor General of Canada 2000). The version here reflects more recent experience in implementing RBM, particularly the RBM principles discussed in the MfDR Sourcebook (2006) and has been adapted to better suit the UN Secretariat context. Annexes A and B in Volume 2 of this Report identify

studies and reports on RBM that speak to the importance of various elements in the principles and framework.

An organization may not have all aspects of such a framework in place and/or not all elements may be effectively in place. Rather, the principles and framework identifies what elements would be in place in the organization with a fully functioning RBM regime. Table 2 identifies the key elements required to manage a specific UN organization for results.

**Table 2: Principles and a Framework for Results-Based Management in an Organization**

**Principle 1. Foster senior-level leadership in results-based management**

Effective leadership is essential if results-based management is to succeed and requires:

- 1.1 Demonstrated **senior** management **leadership** and commitment
- 1.2 A senior management **capacity** for results management

**Principle 2. Promote and support a culture of results**

Fostering an appropriate organizational culture of results is critical and requires:

- 2.1 **Informed demand** for results information
- 2.2 **Supportive organizational systems**, incentives, procedures and practices
- 2.3 A **results-oriented accountability** regime
- 2.4 A capacity to **learn** and adapt
- 2.5 Results measurement and results-based management **capacity**
- 2.6 Clear **role** of and **responsibilities** for results-based management

**Principle 3. Build results frameworks with ownership at all levels**

The organization needs to set out the overall and specific strategic results its programmes are collectively and individually intended to achieve and how best to structure itself to achieve them, namely:

- 3.1 A **strategic results framework**, outlining organizational objectives and strategies and major risks, aligned with the organization's programmes.
- 3.2 **Results frameworks** for programmes showing objectives, strategies and resources used, risks faced and the logic behind the programme design.
- 3.3 Reasonably clear and concrete **performance expectations** for programmes.
- 3.4 A **strategy for measuring** key results, including a manageable set of **performance indicators** for programmes and complementary evaluations.
- 3.5 **Ownership** by managers and staff of results frameworks that are **relevant and useful**.

**Principle 4. Measure sensibly and develop user-friendly RBM information systems**

The organization needs to gather and analyse credible information on performance through:

- 4.1 **Measuring** results and costs using both ongoing monitoring and evaluation, and **assessing** actual results and costs in light of the performance expectations.
- 4.2 Assessing the **contribution** and influence made by the programmes to the observed results.
- 4.3 Building **cost-effective, user-friendly** and **relevant** RBM information systems.

**Principle 5. Use results information for learning and managing, as well as for reporting and accountability**

Realizing the benefits from results-based management requires:

- 5.1 **Using performance information** to inform and improve programme performance and budgets.
- 5.2 Identifying and **using best practices** to improve performance.
- 5.3 Credible **performance reporting** internally and externally, telling a coherent performance story.

**Principle 6. Build an adaptive RBM regime through regular review and update**

Implementing RBM is an ongoing learning process:

- 6.1 **Regularly review and update** all aspects of the RBM regime—frameworks, indicators, expectations, measurement strategies, systems and use—as to continued relevance, usefulness and cost.

The more robust are these elements of the Principles and Framework, the better will be RBM in the organization.

Many organizations today are in the process of developing and maintaining an RBM regime of some sort. This framework presents what needs to be in place for RBM to flourish in an organization, and serves to identify where improvements could be undertaken to strengthen the RBM regime. For organizations thinking of putting an RBM regime in place, it is often suggested that an RBM readiness or needs assessment be first undertaken (see, for example, Kusek and Rist 2004) to see where the organization is with respect to the key elements of RBM and which need to be developed.

### 3. What is a Best Practice?

There are a number of issues that need clarification regarding the concept of ‘best practices’.

**What does a ‘practice’ mean?** The elements in the Framework (Table 2) constitute the essential features of an effective RBM regime. The question of ‘best practices’ revolves around what can be done—what approaches or practices can be used—to bring about these essential features. Thus, an *RBM practice* is a particular way of bringing about or maintaining an element of the Framework.

The literature most frequently identifies best practices at a principle level. For example, to build up results measurement and results-based management capacities (Element 2.4), one *best practice* might be:

- build up the RBM capacity of senior managers

To do this, some *best practice approaches* might be:

- provide RBM training to senior managers,
- use RBM peer champions to discuss RBM practices, and
- provide senior managers with questions about results to routinely use.

In presenting best practice approaches, some examples of how organizations have undertaken a best practice approach will be discussed.

**What might ‘best’ mean?** ‘Best practice’ is a common term, but many have argued an inappropriate one in most cases, in the sense that it would usually not be possible to determine if the practice identified was indeed the best, as opposed to a good or even very good practice. Patton (2001) argues that point well.

Nevertheless, the term ‘best practice’ is widely used, and with a little reflection it is clear that its meaning must be that the practice has been identified as a good way to bring about the intended result, certainly one that an organization should be considered using, taking into account the circumstances of the organization. It is unlikely that a single best practice would work in all circumstances.

In this report, a best practice and best practice approach is verified through:

- noting that the practice has been identified in reviews of RBM practices in several different jurisdictions and organizations,
- noting that an organization has identified a best practice, and/or
- using common sense and our own experience.

For the purposes of this report, the term ‘*best practice*’ will be used, with the understanding that alternative terms such as ‘good practices’, ‘high-quality lesson learned’, ‘recommended practices’, ‘effective practices’ and ‘promising practices’ have a similar meaning.

#### 4. Sources for Best RBM Practices

In preparing this report, a number of types of sources of information were used:

First, findings from interviews on RBM held in the Spring of 2007 with UN Member State Delegates and UN Secretariat staff. The report on the interviews (UN Secretariat Interviews 2007) includes individual’s suggestions for improving RBM at the Secretariat. This report notes when a best practice identified elsewhere was mentioned in the interviews.

Second, as part of the UN Secretariat work on moving forward with RBM, a workshop was held in Geneva on 3-4 May 2007, to discuss RBM experiences by organizations throughout the UN system. The final report—UN Workshop (2007)—provided up-to-date information on RBM experiences and best practices within the UN system and was a major source for this report.

Third, a number of other international workshops and conferences have been held and review reports prepared over the past several years where RBM experiences and

practices were discussed. Reports from these events and studies provide particularly good sources of information on best practices. Particularly useful were:

- World Bank Roundtable (2006). *Moving from Outputs to Outcomes: Practical Advice from Governments Around the World*. Prepared by B. Perrin for the World Bank and the IBM Centre for The Business of Government, Managing for Performance and Results Series. Washington, DC.

This Roundtable was held in December 2004 and attended by representatives from 12 countries six developed countries (Canada, Ireland, the Netherlands, Spain, the UK and the USA), and six from the development world (Chile, Columbia, Egypt, Mexico, Tanzania and Uganda) that are moving from an output focus to an outcome focus in public management. The report identifies state-of-the-art practices and thinking based upon the experiences of these countries.

- OECD (2006). Senior Budget Officials Network of Performance and Results Meeting on *Challenges and Lessons Identified*.

This network of officials meets annually to discuss RBM experiences. Country papers for the 2006 meeting are available from Australia, Canada, Denmark, Korea, the Netherlands, Sweden, the UK and the USA.

- MfDR Sourcebook (2006). *Managing for Development Results, Principles in Action: Sourcebook on Emerging Good Practices*. Paris: OECD-DAC.

The Sourcebook is a product of the OECD-DAC Joint Venture on Managing for Development Results, a group of bilateral and multilateral donors – and, more recently, of partner country representatives – that are working to promote the implementation of the Paris commitments. The Sourcebook provides some illustrative examples of how MfDR is being used in practical ways at the country, program, project, agency, and interagency levels. It also sets out five principles for good MfDR.

- MfDR Workshops (2006). *Mutual Learning Initiatives on Managing for Development Results: Key messages from four workshops: Burkina Faso, Singapore, Uganda, Uruguay*. Prepared by H. Snelder for the DAC Joint Venture on Managing for Development Results.

A report summarizing RBM experiences in a large number of developing countries in regional workshops in Asia, East/South Africa, West (Francophone) Africa and Latin America.

- Mackay, K. (2006). *Institutionalization of Monitoring and Evaluation Systems to Improve Public Sector Management EDC Working Paper Series - No. 15*. Washington, DC: Independent Evaluation Group, World Bank. <http://www.worldbank.org/ieg/ecd/>

A report on lessons learned at institutionalizing RBM at the country level.

- OECD (2005). *Modernizing Government: The Way Forward*. Paris: OECD.

Chapter 2 on enhancing public sector performance reviews OECD country experiences, trends, limitations and future challenges in moving from inputs to results.

- Diamond, J. (2005) *Establishing a Performance Management Framework for Government*, IMF Working Paper, International Monetary Fund.  
<http://www.imf.org/external/pubs/cat/longres.cfm?sk=17809.0>

Based on the experience of budget management reforms that have been introduced over the last two decades in a large number of OECD member countries, the paper reviews the hurdles in moving toward a performance management framework.

- Norman, R. (2002). Managing through measurement or meaning? Lessons from experience with New Zealand's public sector performance management systems. *International Review of Administrative Sciences*, 68: 619-628.

An assessment of the RBM experiences in New Zealand.

- Binnendijk, A. (2001) *Results-Based Management in the Development Cooperation Agencies: A Review of Experience*. Background Report, DAC OECD Working Party on Aid Evaluation. Paris.

This paper is based on a document review of the experiences and practices of selected OECD Member development co-operation agencies with establishing performance or results based management systems. Covered in the review are the experiences of seven donor agencies—USAID, DFID, AusAID, CIDA, Danida, UNDP and the World Bank—establishing and implementing their results based management systems, comparing similarities and contrasting differences in approach.

A fourth source of references were reports by external audit or evaluation groups on the RBM efforts in a number of jurisdictions and of several institutions. Finally, there are numerous articles in the academic literature discussing the issues involved in implementing RBM.

Annex B lists the various reports, studies and articles used in this review of RBM practices and provides more complete references and available URLs.

While reasonably comprehensive, this report undoubtedly has missed some best practices and specific useful RBM experiences. Even though this report has reviewed and used a wide range of sources, there are likely additional sources of good practices that exist. And certainly there are more examples of best practices than the country or organizational ones used in the report.

## 5. Best Practices and Best Practice Approaches for RBM

Best practices will be presented and discussed in relation to the Principles and Framework outlined in Table 2. Annex C provides a list of the best practices and best practice approaches discussed below. Annexes A and B identify the sources for the specific best practices and best practice approaches.

### *Principle 1. Foster leadership in results-based management*

#### 1.1 Demonstrate senior management leadership and commitment

Strong senior-level commitment and support for results-based management needs to be visibly demonstrated. Three best practices are identified:

- *Provide visible senior leadership and support for RBM*
- *Maintain ongoing commitment for RBM*
- *Manage expectations for RBM*

#### **Best Practice: *Provide visible senior leadership and support for RBM***

**Discussion:** Support from the top for RBM is probably the most frequent lesson cited in reports on experiences in implementing RBM. For example, Binnendijk (2001) in discussing development agencies and the World Bank Roundtable (2006) stress the need for visible senior-level support for RBM: Egypt and Colombia were two examples of where RBM efforts were driven from the top, in Egypt by the Minister of Finance and in Columbia by the President. Experience in other developing countries (MfDR Workshops 2006) is similar on the need for senior leadership. The JIU (2006) calls for institutional ownership of RBM efforts (JIU#8)<sup>2</sup>. In reviewing results management experience in a number of countries, the GAO (2002) identified demonstrating and sustaining top leadership as the single most important element of successful RBM regimes, as did the Auditor General of Canada (1997). Norman's 2002 review of New Zealand experience noted (p. 627) 'the need for motivation of performance through leadership not management'. Participants at the UN Workshop (2007) confirmed the importance of senior leadership to make RBM work.

#### **Best Practice Approaches:**

##### *1. Visibly lead and demonstrate the value of RBM*

Senior managers need to be visibly seen leading the RBM regime, and overseeing its development. Consistent communication on results-based management and its aims is critical. The value and need for results information for good management should be clear. Experimentation and innovation in results management need to be supported, and managers and staff provided with occasions to demonstrate their good results-based management practices and what their programmes are accomplishing.

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<sup>2</sup> Reference is to the Joint Inspection Unit Benchmark # 8, as found in JIU (2006).

## 2. *Walk the talk*

In an organization introducing RBM, the senior managers will likely say the right things to be seen as supportive. However, their actions may suggest otherwise. Inconsistency with respect to RBM will be noticed in the organization and can undermine progress. Norman (2002) in reviewing New Zealand's experience, noted that RBM systems will only affect behaviour if top management chooses to use the information throughout the organization. The Canadian delegate at the World Bank Roundtable (2006) spoke to the need to 'walk the talk'. For example, senior managers need to respect managerial freedom granted as part of an RBM regime, and to support managers that are experimenting with new approaches. Senior managers also need to lead by example in the use of results information.

## 3. *Ask the results questions*

A key way to support and be seen to support RBM efforts is to raise the question of results as a routine part of managing and challenging others. If it becomes known that senior manager, for example, will always ask for evidence to support proposals, will insist on clear and concrete expectations in planning settings, and will expect good results reporting, the need for results thinking will be clear to all. This need to ask the results questions was noted in the UN Secretariat Interviews (2007) as well as at the UN Workshop (2007). Annex D provides a list of the kinds of results questions that senior managers (and others) can ask.

## 4. *Foster peer RBM champions*

Peer pressure is an effective way to convince others of a good thing, as noted at the World Bank Roundtable 2006. If an organization has at least one credible senior manager who is actively behind RBM, he or she can be a great asset in convincing other senior managers to get on board. Seeking out and supporting such champions is a good way to build senior management leadership in RBM.

## 5. *Support resources for RBM*

RBM does require resources, resources for training and acquiring RBM expertise, and for a central unit to provide RBM support to managers and staff (see below and Section 1.6). Visibly support from senior management for such resource needs clearly demonstrates support for RBM, as noted by several participants at the UN Workshop (2007) and during the UN Secretariat Interviews (2007).

## 6. *Leverage political and other external support for RBM*

In several different forums, developing countries have stressed the importance of political support for moving forward with RBM (Binnendijk



2001, Korea-SBO<sup>3</sup>, Egypt-WBRT<sup>4</sup>, Colombia-WBRT). Where such support is found, it is clearly good practice to build on it. Senior leadership is required to effectively translate such support into actions in the organization.

**Best Practice: *Maintain ongoing commitment for RBM***

**Discussion:** Institutionalizing RBM is an ongoing process, a journey not a destination. Initial efforts might show good results, only to fade over time through lack of ongoing attention. Reforms in public administration often have a short life time, disappearing to be replaced by the next wave of good ideas. Both Canada and the Netherlands with long histories working on RBM stress the need to be persistent and stick with it (Canada-WBRT, Canada-SBO, Netherlands-WBRT). The same point was made at the UN Workshop 2007.

**Best Practice Approaches:**

1. *Provide central RBM leadership*

Having a central unit responsible for RBM policies and practices provides an ongoing presence for RBM efforts and technical support. Senior managers need to support the creation and continuation of such a ‘central’ unit.

2. *Allow sufficient time and resources for implementation*

The OECD development agencies (Binnendijk 2001) stressed the need to give the implementation of RBM adequate time and resources, as did participants at the UN Workshop (2007).

3. *Consistent regular communication on RBM to all staff*

The value of communication to all staff on RBM from top management was noted at the UN Workshop (2007), including the issuing of directives to senior managers on RBM as occurred in a number of UN agencies.

**Best Practice: *Manage expectations for RBM***

**Discussion:** Unrealistic expectations about what RBM can accomplish in an organization is a sure way to undermine the initiative. The World Bank Roundtable (2006) concluded that managing RBM expectations was critical to success, as did Diamond (2005) in his study for the IMF on OECD country experiences over several decades. And senior managers need to be in the forefront of setting and managing these expectations in an organization. They need to show a good understanding of RBM in balancing its benefits yet being modest.

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<sup>3</sup> Reference is to the Korean country paper at the May 2006 meeting of the OECD Senior Budget Officials Network on Performance and Results. See OECD (2006)

<sup>4</sup> Reference is to the Egypt country paper at the December 2004 World Bank Roundtable (2006).

### **Best Practice Approaches:**

1. *Set out reasonable yet challenging expectations for RBM*

The organization and its senior managers need to be clear and reasonable as to what is expected from RBM and communicate the expectations widely. And the expectations have to be both reasonable so they are believable, recognizing the many challenges facing the implementation of RBM, and at the same time represent a clear goal to strive for over time.

2. *Proceed gradually and with modesty*

RBM on its own will not solve all of an organization's problems nor immediately improve its performance. Itell (1998) in his review of RBM efforts in a number of RBM pioneer US states and counties, identifies the need not to overreach as a key lesson learned. Similarly, Korea talks about being patient (Korea-SBO) and Chile about the need for the RBM implementation process to be gradual (Chile-WBRT). At the UN Workshop (2007) the need to give time for RBM to develop was noted.

3. *Balance accountability and learning*

RBM inevitably entails competing pressures of providing information for accountability purposes and information for helping managers do a better job through learning about prior experience. Senior managers need to speak to these two interests and explain how the organization will deal with or balancing accountability and learning (World Bank Roundtable 2006).

## **1.2 Build a capacity for senior-level results management**

### **Best Practice: *Build up the results-based management capacity of senior managers***

**Discussion:** As noted, visible support of RBM by senior managers is essential. In some cases, a senior manager may be a keen and knowledgeable RBM supporter. In other cases—often more the norm—senior managers may only passively support RBM efforts. They may not be that familiar with what RBM is all about and/or skeptical that it is worth a lot of effort. It may be seen as something imposed on them or the organization, or something that can be left to the technical experts, but in any event, not something they need to do much about. What can be done to bring them on board?

### **Best Practice Approaches:**

1. *Building the knowledge and understanding of RBM through training of senior managers*

Special training for middle and senior managers was a topic identified at the World Bank Roundtable (2006). Ireland had a program for encouraging senior managers to undertake formal higher education on public management

matters, including results management. Training could include better understanding of RBM as well as approaches that could be used by senior managers to foster RBM in their units.

2. *Use peer champions to sell the benefits of RBM*

Advice, suggestions and encouragement from senior manager peers within the organization on the benefits from developing RBM is an excellent way to spread interest, understanding and acceptance of RBM by other senior managers (World Bank Roundtable 2007).

3. *Bring in outside senior managers to discuss RBM*

Senior manager peers from other like organizations can be used to discuss their experiences with RBM. The Asian Development Bank organized a one-day seminar on RBM for its Vice Presidents with a Vice President from the Canadian International Development Agency and a senior manager from the International Development Research Centre, both of whom had had extensive RBM experience.

4. *Have an RBM expert observe senior managers working and provide feedback to them on how they could make better use of RBM approaches*

By observing senior managers ‘in action’, suggestions could be made—perhaps in private—on how RBM thinking and approaches could help them with their work.

5. *Provide senior managers with the kinds of results questions they could be asking in meetings*

A visible and ongoing commitment to RBM can be demonstrated, as noted in the MfDR Sourcebook 2006 and in UN Secretariat Interviews 2007, by having senior managers ask the results questions (see Annex D) in planning, operational and review meetings.

## ***Principle 2. Promote a culture of and support for results***

Fostering an organizational culture of results is essential for successful RBM. In many forums, presentations and reports, both developed and developing countries stress the need for a change in mindset where results information is sought out and valued (UN Workshop 2007, World Bank Roundtable 2006, Binnendijk 2001, MfDR #4<sup>5</sup>).

Elements of a culture of results are outlined in Annex E. A culture of results requires a number of elements discussed below.

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<sup>5</sup> Reference is to the MfDR Principle # 4, as found in MfDR Sourcebook (2006).

## 2.1 Informed demand for results information

Demand is needed in the organization and elsewhere for results information that recognizes the strengths and limitations of measuring results. Three best practices are identified:

- *Managers at all levels asking for results information*
- *Requirements for results-informed planning and budgeting*
- *Requirements for results-based performance reporting, both internally and externally*

### **Best Practice: *Managers at all levels asking for results information***

**Discussion:** Robust results information will only be forthcoming if there is demand for the information and it is seen as being used. If managers do not appear to be interested in results information and undertake planning and managing without asking for evidence and relevant results data, the message will be clear to all. The MfDR Sourcebook (2006) speaks to the importance for a demand for results information and this was identified in the UN Secretariat Interviews (2007). In terms of demonstrating visible support for RBM, asking the results questions ranks high as a best practice. Annex D illustrates the kinds of questions on results that managers can be asking.

### **Best Practice: *Requirements for results-informed planning and budgeting***

**Discussion:** Most organizations that are implementing RBM have introduced requirements for results-based planning in the form of results frameworks for individual programmes and for the organization as a whole (Principle 3). This introduces results terms and concepts and puts planning on a results basis. Almost as common is for budgeting to move away from focusing on line items to a system where the budget funds programmes that identify specific intended results, such as the UN's expected accomplishments. While results-based planning in particular is a good way to move toward RBM, it is also the case that some organizations move no farther (Auditor General of Canada 2000).

### **Best Practice: *Requirements for results-based performance reporting, both internally and externally***

**Discussion:** Equally common is to foster RBM through requirements for performance reporting, especially for external reporting on performance (see Principle 5). There is a danger, however, that if reporting is seen as the main reason for gathering results information, the RBM system can become mechanistic, producing reports for someone else. Managers requiring performance reporting internally can reduce this danger, especially if they are seen to use the reported information (Principle 5).

## 2.2 Put in place supportive organizational systems, incentives, practices and procedures

Organizational systems, incentives, procedures and practices that stress and support the need for and use of results information are essential to support RBM. Four best practices are identified:

- *Supporting incentives in the organization, both formal and informal*
- *Give managers the autonomy to manage for results, as well as holding them to account*
- *Results-friendly information systems*
- *Link RBM with other reform initiatives*

**Best Practice: *Supporting incentives in the organization, both formal and informal***

**Discussion:** The MfDR Sourcebook (2006) suggests that incentives are more important than capacities in institutionalizing RBM. The DAC developing countries workshops identified (MfDR Workshops 2006) the importance of the right incentives, as did Flint (2002). Incentives in an organization lead behaviour. Without the right incentives, any initiative is unlikely to succeed. The UN Workshop 2007 noted that incentives were needed for a change to RBM. And often in organizations the less formal incentives are more important than the formal ones. Annex F of this report discusses the issue of incentives for RBM and lists a number of incentives that could be used to support RBM.

**Best Practice Approaches:**

1. *Have rewards for groups as well as individuals*

Programme results are achieved as the consequence of group efforts and the incentive system should reflect this (Wholey 1983).

2. *Ensure incentives are in place for the end parts of activities not just the planning parts*

The World Bank review of their RBM efforts noted the need for back end as well as front end incentives (OED 2005). As noted earlier, RBM efforts are often solely focused on planning and reporting.

3. *Align organizational incentives with a focus on results*

Flint (2002) noted the need to align incentives so that they are consistent with and supporting a focus on results.

4. *Get the incentives right*

Incentives do drive behaviour and hence it is critical to get them right. OECD (2005) experiences points to the danger of inappropriate incentives especially with respect to resource allocation. Rewarding good performance with additional resources may not be always be best. Swiss (2005) discusses incentives for RBM.

**Best Practice: *Give managers the autonomy to manage for results, as well as holding them to account***

**Discussion:** A key feature of many RBM systems is the idea of providing greater flexibility to managers in exchange for greater accountability for results (OECD 2005). In order to manage for results, managers should have the ability to modify their activities and outputs to reflect past experience, and hence be better able to achieve results. The extent to which this is implemented varies among organizations, but it is clear that if managers are restricted to simply producing predetermined outputs, progress in RBM will be difficult. The DAC development agencies (Binnendijk 2001) recognized the need to give managers more autonomy. Norman (2002) notes that in the New Zealand system, managers are given more autonomy and are held accountable through performance contracts. This point was also noted in the UN Secretariat Interviews 2007.

**Best Practice: *Results-friendly information systems***

**Discussion:** Prior to introducing RBM, organizations have financial, human resource and planning systems. These may only be able to incorporate results information with considerable difficulty and frustration by those trying to move to RBM. Revising or building new organizational systems that are results-friendly is essential to integrating RBM into an organization. The need for data systems to reflect a results focus was noted at the UN Workshop (2007).

**Best Practice: *Link RBM with other reform initiatives***

**Discussion:** At the World Bank Roundtable 2006, the Irish delegate stressed the importance of making sure the implementation of RBM is not seen as a one-off initiative but is linked to other administrative reforms that are underway. This same best practice was identified at the UN Workshop (2007). Most organizations are instituting a variety of reforms and for there to be a culture of results created, RBM needs to be seen as a key aspect of reform.

### **2.3 Ensure a results-oriented accountability regime**

The accountability regime in the organization needs to support a results and learning focus. Two best practices are identified:

- *Recognize the challenge of accountability for outcomes*
- *Reward good RBM performance*

**Best Practice: *Recognize the challenge of accountability for outcomes***

**Discussion:** If achieving results is to be important, accountability must include accountability for outcomes—which by definition are beyond the control (but not the influence) of managers. If accountability is seen as mainly focused on following procedures or producing outputs—which are under the control of managers—moving to RBM will likely not succeed. The essence of RBM is managing so that intended outcomes are achieved, outcomes that are subject to many factors including the influence of the programme in question. Not achieving intended outcomes may be due

to factors other than the management of the programme. Management, however, should be aware of these other factors and the risks faced, and be taking steps to maximize their own programme's influence.

### **Best Practice Approaches:**

1. *Base accountability on influencing outcomes not achieving outcomes per se*

Accountability for outcomes can be based on demonstrating that the programme has made a significant contribution to the intended outcomes, rather than whether or not the outcomes were achieved per se. UNFPA at the UN Workshop (2007) mentioned their move from an input to an outcome focus in their accountability regime using the idea of influencing outcomes.

2. *Base accountability on demonstrating good RBM*

Some have suggested that reasonable accountability for outcomes should mean demonstrating that good RBM practices have been followed, including that learning has occurred from the empirical evidence gathered on past performance (Auditor General of Canada 2002, Baehler 2003). The World Bank Roundtable (2006) suggested accountability for at least taking a results orientation. This was also a suggestion made during the UN Secretariat Interviews (2007). The Irish delegate to the World Bank Roundtable argued for keeping where possible the assessment of outcomes separate from the assessment of individual departmental performance, such as with government-wide outcomes.

3. *A results-informed performance appraisal system*

Performance appraisals and their role in an organization are clearly important motivators. As such, there does need to be some link with RBM. The best practice approaches above do link with RBM in the sense that appraisals can be informed by—not determined by—results and results-based management information.

### **Best Practice: *Reward good RBM performance***

**Discussion:** However the formal accountability regime is structured, it is good practice in developing a results culture to reward good RBM performance. A number of reward incentives are listed in Annex F. At the World Bank Roundtable (2006), the Netherlands argued to reward the ones who try.

## 2.4 Develop a capacity to learn and adapt

Learning from past experience, proactive monitoring of the environment and developing a capacity to cope with changing circumstances is an integral part of good result-based management. Two best practices are identified:

- *build learning*
- *tolerate and learn from mistakes*

### **Best Practice: *Build in learning***

**Discussion:** Learning from empirical evidence on past performance is what RBM is all about. Organizations, however, are often not great learners. Deliberate efforts are needed to build a capacity for and acceptance of learning in an organization. At the World Bank Roundtable (2006), Spain stressed the need to build a learning capacity when implementing RBM.

### **Best Practices Approaches:**

#### 1. *Institutionalize learning forums*

A number of authors (Barrados and Mayne 2003, Moynihan 2005) have argued the need for structured events in organizations at which learning, informed by results information from monitoring and evaluation, is the main aim. They could be organized around recent results information or around current policy or delivery issues.

#### 2. *Encourage knowledge sharing*

Learning is also encouraged when results information is widely communicated and shared within an organization, allowing others to learn from the experiences of different units. This is one of the aims of knowledge management in an organization. Sharing of both programming experiences and results-based management practices supports a learning culture. This need to encourage knowledge sharing was identified at the UN Workshop 2007.

#### 3. *Encourage learning through experience*

The World Bank Roundtable (2006) discussed the value of encouraging learning from direct work experience, where results information is reflected upon by individuals and groups and changes are made in how things are being done.

### **Best Practice: *Tolerate and learn from mistakes***

**Discussion:** Mistakes occur in organizations and are not welcomed. But in a learning and results culture, mistakes need to be tolerated and seen as an opportunity to learn what went wrong and how to do better the next time. Michael (1993) talks about ‘governing by learning’ and the need to embrace mistakes if society is to advance.



The evaluation of the World Bank's RBM efforts (OED 2005) and Norman's (2002) review of New Zealand experience similarly point to the importance of experimentation and learning from mistakes.

## **2.5 Develop a capacity for results measurement and management**

Professional measurement expertise is needed and those implementing programmes and projects need to have an understanding of and capacity for results-based management. Three best practices are identified:

- *Have central in-house professional support for RBM*
- *Build the RBM capacity of middle managers and staff*
- *Build the RBM capacity of delivery partners*

### **Best Practice: *Have central in-house professional support for RBM***

**Discussion:** Key aspects of RBM require professional assistance. Developing results frameworks, measuring results and assessing contribution all will require professional assistance and advice. While there is a role for external consultants here, building some level of internal professional expertise in RBM is seen by many as essential (World Bank Roundtable 2006, Binnendijk 2001, Ramage and Armstrong 2005). Such a group need not be large and a relatively small unit centrally located can serve the whole organization. The professional skills required are those often found in persons working in performance measurement or evaluation. At the UN Workshop 2007, the need for a hub for RBM and an RBM leader was noted—a focal point on RBM to advise top management.

### **Best Practice: *Build the RBM capacity of middle managers and staff***

**Discussion:** If RBM is to succeed in an organization, it will be implemented by line managers and their staff. All reviews of RBM make the point that capacity development is a key barrier to RBM implementation.

### **Best Practice Approaches:**

1. *Provide ongoing RBM training and/or coaching to all managers and staff*

At the UN Workshop (2007), the need to provide training and coaching on culture change and less on techniques was noted. The need for ongoing RBM training was raised in the UN Secretariat Interviews (2007).

2. *Identify and encourage RBM champions*
3. *Integrate RBM into management training*

As noted at the UN Workshop (2007), regular management training should routinely include RBM training.

4. *Include self-evaluation training in RBM training*

The UN Workshop (2007) noted the usefulness of including self-evaluation training for managers and staff as a way of promoting a results and evaluation culture. This was also noted in the UN Secretariat Interviews (2007).

5. *Provide clear and effective guidance and professional support on RBM*

Training can only go so far. As was discussed at the UN Workshop (2007), managers and staff will need good guidance and expertise support on results measurement and RBM practices. UNICEF, for example, updates their RBM guide every year, includes examples at all levels and provides it to all country offices.

6. *Use RBM networks to nurture a results culture*

The usefulness of RBM networks to meet regularly, exchange experiences and nurture a results culture was identified at the UN Workshop (2007).

**Best Practice: *Build the RBM capacity of delivery partners***

**Discussion:** Many organizations deliver their programmes and services in collaboration with other partner organizations. If these partners have little or no RBM capacity, the organization will not be able to manage for results itself. The need to build up the capacity of delivery partners was noted at the UN Workshop (2007) and stressed in the MfDR Sourcebook (2006).

**Best Practice Approaches:**

1. *Include partners in the organization's RBM training*

Organizations may invite partners to participate in the training provided within the organization, or put in place specific training for their partners, such as is often done by development agencies when the partners are developing member states.

2. *Make RBM approaches part of the agreement to work with partners*

In other cases, organizations may feel that their partners should have or develop RBM capacity on their own before entering into joint efforts or contracts with the organization.

## 2.6 Establish and communicate a clear role of and responsibilities for RBM

The role of and responsibilities for results measurement need to be agreed and communicated among managers, senior managers, oversight bodies, internal audit and evaluation. Two best practices are identified:

- *Set out a clear role for RBM*
- *Set out clear roles and responsibilities for the various parties involved in RBM*

### **Best Practice: *Set out a clear role for RBM***

**Discussion:** Without widespread and frequent communication to develop a common understanding of RBM, there is often confusion on the concepts and terms in RBM. Clarity on RBM terms and concepts helps to ensure a common vocabulary and reduce debate over the meanings of commonly used terms (UN Workshop 2007). It also helps develop understanding of what RBM is all about and what it is trying to accomplish.

### **Best Practice Approaches:**

1. *Develop and communicate a clear strategy for RBM*

The JIU (2006) stressed the need for a clear strategy for RBM (JIU#8). The UN Workshop 2007 identified the importance of having a clear understanding of results and what they are to be used for.

2. *Agree on common RBM terminology*

The need for common terminology and the confusion that can be created without such agreement was extensively discussed at the UN Workshop 2007. Suggestions were made for UN agencies to use the OECD-DAC terminology (OECD-DAC 2002).

### **Best Practice: *Set out clear roles and responsibilities for the various parties involved in RBM***

**Discussion:** In an organization, a wide variety of individuals and groups are involved in the RBM system: senior managers, managers, staff, evaluators, RBM specialists, and oversight bodies. Each has a different role to play and there needs to be clarity on who is to do what. This is particularly the case in measurement and reporting, where clarity on who is to do which kind of measuring and reporting is essential. The JIU (2006) calls for clear role and responsibilities and division of work (JIU#2) as does the IMF study (Diamond 2005). The UN Workshop noted the need to build RBM for both HQ and the field.

### ***Principle 3. Build results frameworks with ownership at all levels***

To develop a structure for RBM, the organization needs to set out the overall strategic results its programmes are individually (with results frameworks) and collectively (through a strategic results framework) intended to achieve and how best to structure itself to achieve them.

#### **3.1 Develop a strategic results framework for the organization**

A strategic results framework sets out organizational objectives and strategies, aligned with the organization's programmes. The DAC developing countries workshops (MfDR Workshops 2006) spoke to the need of a organization-level results framework if results planning is to occur at that level, as did Canada at the OECD Senior Budget Officials meeting (OECD 2006). Four best practices are identified:

- ***Set strategic objectives for the organization***
- ***Align results with programmes and resources***
- ***Include programming risks in the strategic results framework***
- ***Have the strategic framework approved by the governing body***

#### **Best Practice: *Set strategic objectives for the organization***

**Discussion:** The organization needs to set out what high-level objectives it intends to accomplish using which strategies and which organizational units over a multi-year time frame, in light of the organization's mission, past experiences and external environment. The strategic framework can also discuss the major risks faced in accomplishing the objectives. The JIU (2006) calls for clear long-term objectives (JIU#3).

#### **Best Practice: *Align results with programmes and resources***

**Discussion:** The organizational objectives need to be aligned with the individual programmes, showing how each programme is expected to contribute to the overall objectives. The JIU (2006) calls for programmes to be aligned with long-term objectives (JIU#4) and for alignment between resources and long-term objectives (JIU#5). The MfDR Sourcebook (2006) speaks the need to align programming with results. At the UN Workshop (2007), the need for UN agencies to align their contributions to UNDAG and national priorities was noted.

#### **Best Practice Approaches:**

1. *Link work plans with the strategic framework*

Several UN agencies linked their strategic results frameworks down through the organization to the work plans.

**Best Practice: *Include programming risks and their mitigation in the strategic results framework***

**Discussion:** The strategic results framework is a good place to discuss the risks the organization faces in achieving its objectives, and how the organization plans to manage them. The UN Workshop (2007) noted the need to include risk assessment into RBM planning to develop risk mitigation strategies.

**Best Practice: *Have the strategic framework approved by the governing body***

**Discussion:** The strategic framework sets out the overall vision of what the organization is trying to accomplish. As such, it needs highest level support and approval. Having the organization's strategic framework endorsed by their governing body was seen by several UN agencies as a good practice at the UN Workshop (2007).

### **3.2 Develop results frameworks for programmes**

In light of the organization's objectives, objectives for each programme, the strategies and resources to be used and the major risks faced, and the theories of change underlying the strategies need to be developed, outlining what sequence of outcomes is intended to occur as a result of the strategies used, and why. Logframes are a form of results framework. Three best practices are identified:

- *Don't loose track of the specific objectives of the programme*
- *Use established practices for developing logic models/results chains/theories of change*
- *Address the specific risks to the programme succeeding*

**Best Practice: *Don't loose track of the specific objectives of the programme***

**Discussion:** While a results chain or theory of change displays all that it is hoped to happen as a result of the programme, programmes usually have more specific objectives which will define what success means—what specifically has to happen for the program to be called successful. Such success criteria can be lost in the setting out of the sequences of outcomes in a results chain. In a critical review of Canada's results framework regime for transfer programmes, a Blue Ribbon Panel (2006) stressed the need to focus on what constitutes success and failure—clear, realistic and determinable objectives.

**Best Practice: *Use established practices for developing logic models/results chains/theories of change***

**Discussion:** It has been said that programmes are only as good as the theories built into them. The postulated theory of change (Weiss 1995)—the 'supposed to do theory' (Tilley 2004)—sets out what those funding and/or managing the programme expect to happen with the implementation of the programme: what will be achieved and how the desired results were expected to be brought about.

Evaluation practice offers numerous approaches to developing the theories or logic behind programmes. Specific best practice techniques are not discussed here. Annex G provides some annotated references on approaches. Expertise is needed to do the work well, working with programme managers, funders, perhaps other stakeholders and evaluation or performance measurement experts.

### **Best Practice Approach**

#### *1. Use a top-down and bottom-up approach*

Both the UN Workshop (2007) and the World Bank Roundtable (2006) identified the usefulness when developing results frameworks of working both from the top down and bottom up, balancing direction from the top with real life down the line.

#### *2. Accept feedback from all*

The UN Workshop (2007) noted the need to accept feedback from all concerned when developing result frameworks.

### **Best Practice: *Address the specific risks to the programme succeeding***

**Discussion:** Identifying risks to the programme meeting its objectives serves as a starting point to developing strategies to mitigate the risks and points to areas where monitoring and evaluation may be particularly needed. The MfDR Sourcebook (2006) notes the need to assess and discuss programming risks with stakeholders.

### **3.3 Set meaningful performance expectations**

A set of realistic and challenging statements of what each subprogramme is intended to accomplish in terms of key outcomes and outputs need to be arrived at, including expected accomplishments. Expectations should be clear and concrete, relate to the objectives and specify a time frame for their achievement. Two best practices are noted:

- *Take care in setting performance expectations and targets*
- *Review and revise performance expectations and targets*

### **Best Practice: *Take care in setting performance expectations and targets***

**Discussion:** Performance cannot be assessed unless there is a comparison of what is with what was expected. Setting out expectations for the levels of performance anticipated at some time in the future provides a needed baseline with which to compare actual accomplishments. Such performance expectations can be in the form of targets or more general statements of performance to be achieved. While setting performance expectations can provide motivation for achieving higher levels of performance, poorly thought out expectations can be viewed as unrealistic or lead to perverse behaviour as the targets become the new goals of the activity (see 3.4). The literature is replete with examples of performance measurement systems causing

perverse behaviour as managers and staff undermine the intent of programmes in order to meet poorly designed targets.

### **Best Practice Approaches:**

#### 1. *Distinguish predictive from stretch targets*

Targets can play two, quite separate roles. They can be set as best guesses as to what level of performance—such as a quantity of outputs—is achievable by some date in the future. These predictive targets are common, but since performance will be judged by assessing the extent to which they have been met, there is an incentive to set them well within the range of what is possible. As a result, they do not provide much of a motivation for high levels of performance and can become, as the World Bank Roundtable (2006) noted, minimum standards for performance.

In some cases, stretch targets are set as steering guides that are probably beyond what is achievable in the time period, but are set to provide a high level goal to be sought after. Stretch targets are often more appropriate when expectations are being set in terms of outcomes to be achieved (World Bank Roundtable 2006, Mayne 2004). But by definition, they are not expected to be achieved and performance against them requires a more nuanced assessment of the progress made.

#### 2. *Avoid setting expectations and targets too high or too low*

As the OECD (2005) discusses, targets set too high can be seen as unrealistic while if set too low, seen as not serious. Finding the right balance is the challenge, and this can take time. Performance expectations and targets need to be realistic but challenging.

#### 3. *Make sure corporate level expectations are meaningful to those delivering at the front lines*

In an RBM organization, managers and staff need to see how what they are doing fits into the overall results the organization is aiming for. In a 2002 study of RBM practices in several countries, the US GAO noted the importance of ‘creating a line of sight between individual and organizational goals’ so that there were cascading performance expectations. The UK experience (UKSBO) stresses the need to set national targets that are meaningful to local authorities.

#### 4. *Base expectations and targets on baselines, past trends and resources*

Performance expectations need to be realistic yet challenging. As pointed out at the UN Workshop (2007), it is good practice to base them on baselines already established and/or past trends. To be realistic they also need to take into account the available resources.

**Best Practice: *Review and revise performance expectations and targets***

**Discussion:** Getting expectations and targets ‘right’ usually takes time and several iterations.

**Best Practice Approaches:**

*1. Have a multi-year strategy for setting performance expectations*

As with other aspects of RBM, setting performance expectations should be thought of as a learning process. Most organizations would benefit from at least an annual review of the expectations they have set to see if they are still relevant, if better measures have emerged, or if levels have been set too high or too low for their intended purposes. Organizations may also want to start with less concrete targets—such as targets that set a direction—and move over time to more concrete targets as experience is gained. Over time they may also want to move to expectations set at higher outcome levels in the results framework (Mayne 2004).

**3.4 Develop a measurement strategy and set practical performance indicators**

A manageable set of qualitative or quantitative indicators of each programme's performance need to be agreed to assess and manage the programme. Four best practices are identified:

- *Develop an overall measurement strategy comprising both ongoing performance indicators and complementary evaluations and studies*
- *At any one management level, use a manageable number of indicators*
- *Be aware of the dangers of causing perverse behaviour*
- *Avoid falling back on the easy-to-measure*

**Best practice: *Develop an overall measurement strategy comprising both ongoing performance indicators and complementary evaluations and studies***

**Discussion:** Performance measurement alone will rarely be able to provide the full performance story. Filling in gaps in the data gathered through indicators with that obtained through evaluation and other studies is a good practice. Designing a multi-year measurement strategy comprising performance measures and evaluations will allow all key aspects of performance to be addressed over time. Many observers on RBM have noted this need (Binnendijk 2001, World Bank Roundtable 2006, OECD 2006, UN Workshop 2007).

**Best practice: *At any one management level, use a manageable number of indicators***

**Discussion:** It is usually easier to develop a large number of indicators for a programme than to determine the key ones. Experience in many jurisdictions have discussed the problem of having too many indicators, resulting in information overload, both for the information system and more critically for those who are supposed to be using the information (Binnendijk 2001, Diamond 2005, OECD 2005,



UKSBO, World Bank Roundtable 2006, UN workshop 2007). Performance measurement systems have sometimes collapsed as a result. More often, over time, the number of indicators gets whittled down to a more manageable number, discarding the ‘nice-to-know’ measures, those that prove uninteresting and those that are too expensive to maintain. This is what happened in Columbia, which reduced the 940 indicators it used in 2002, down to around 300 (Mackay 2006).

There is no simple answer to the question: How many indicators should there be? But for a programme of any size there are various layers of management involved: front line staff, middle managers and senior managers. These different groups will have different information needs, and hence be interested in different indicators or different aggregations of indicators. Thus there would normally be a pyramid of indicators for a programme, with, for example, senior managers only receiving those at the top.

### **Best Practice Approaches:**

#### *1. Prioritize indicators and build in trial and error*

In developing a set of indicators, it is almost inevitable that a large number will be initially produced. A results chain will set out the outputs to be delivered and the sequence of immediate and intermediate outcomes expected to lead to the end outcomes (objectives) of the programme. At each level of the chain, there could be numerous results, for each of which several indicators could be possible. But they can’t all be of the same importance. Determining which are thought to be the key indicators will help keep the numbers manageable, and experience can confirm if they are key (Diamond 2005).

Deliberately building in the idea of trial and error—recognizing at the outset that the first cut will not be the perfect set of indicators—is good practice and consistent with seeing RBM as a learning process. It also allows one to get on with some initial measurement, gaining valuable experience, without getting caught in the trap of trying to design the perfect indicator system at the outset.

#### *2. Review indicators regularly for usefulness*

While it is nice to have a time series of data behind indicators, it is more important that the indicators are seen as useful. Routinely, and at least annually, it is good practice—as noted at the UN Workshop 2007—to review the indicators for a programme to see, for example, if they are:

- providing information that is actually being used,
- still seen as measuring the more important aspects of performance,
- producing credible data, and
- the best and most cost-effective way of measuring the particular aspect of performance.

#### *3. Avoid gathering the nice-to-know*

When planning data to collect, it is a common problem that more than essential information is identified (Diamond 2005). The “wouldn’t it be nice-

to-know” request may seem innocent, but typically leads to a lot of data collected that is rarely used. This can add significantly to the cost of data gathering and can create cynicism in those doing the data gathering since they know or suspect the data is not really relevant. Those proposing that a data item be collected should be challenged to answer a number of questions:

- What specifically will you do with the data?
- How often do you need it?
- What will you do if you don't get it?

As noted above, over time many organizations have been able to significantly reduce the number of indicators they track and noticeably improve the usefulness of their indicator measurement system.

**Best Practice: *Be aware of the dangers of causing perverse behaviour***

**Discussion:** One of the most discussed issues in performance measurement and RBM is the phenomena of indicators put in place in an organization resulting in perverse behaviour of employees as they seek to make their number look good (Binnendijk 2001, Diamond 2005, OECD 2005, World Bank Roundtable 2006). ‘Creaming’ or ‘cherry picking’ is a frequently used example, where, for example, hospitals or job placement centres select easy cases to make waiting times look good. Goal displacement occurs when, for example, furniture factories are assessed on the total weight of furniture produced, and factory managers change production to produce fewer pieces of, very heavy furniture. This can happen when performance expectations are set in terms of outputs rather than the desired outcomes sought. The oft-used expression ‘what gets measured gets done’, used as a good principle, might rather be seen as a warning of what can happen when measurement gets it wrong. This danger is real and needs to be guarded against.

**Best Practice Approaches:**

*1. Review indicators regularly for perverse effects*

Another benefit from regularly reviewing indicators is to see if they are causing some unwanted behaviour in delivery aimed to make the performance numbers go up.

*2. Use a set of balanced indicators*

The most pronounced cases of perverse effects occur when a single indicator is being used to ‘easily’ measure performance. If a broader set of measures are being tracked, then it is harder to alter delivery so as to move all the indicators artificially up. This is more so the case if some of the indicators balance each other, so that if one moves upward, another moves down, as noted at the UN Workshop (2007).

### 3. *Focus on outcomes*

As suggested, if the only indicators that count are for outputs, then it is likely that outcomes and hence the desired results will be ignored. Tracking and paying attention to key outcomes will lessen the chances for goal displacement—assuming the ‘right’ outcomes are being measured.

### 4. *Use an inclusive approach to developing indicators*

de Bruijn and Helden (2006) in a study examining performance measurement approaches in several systems in the Dutch public sector, argue that if indicators and targets are developed using dialogue and extensive interaction with all those involved, incentives for perverse behaviour are reduced. Ownership and usefulness build trust in the indicator system.

### **Best Practice: *Avoid falling back on the easy-to-measure***

**Discussion:** Measurement costs time and resources, and many results that programmes are trying to accomplish are not straightforward to measure. Most programmes collect a variety of administrative data, which, while perhaps not perfect, may be seen as an adequate second-best measure of aspects of performance. Some aspects of performance of most programmes are relatively easy to measure while others not so. In all these cases, it may be tempting to use what is available or readily available. Such an approach, of course, is unlikely to generate a relevant and reliable performance measurement system (World Bank Roundtable 2006). Norman (2002) noted that in New Zealand, it was often felt that what was being reported was not what was important.

### **Best Practice Approaches:**

#### 1. *Set out the whole results chain*

A well-developed results chain sets out the various results (outputs, and the chain of outcomes) expected from the program and acts as a template of possible performance measures. If only a few are being measured, the results chain shows the limited role they play in the theory of the program and points to other areas that may be in need of measurement. The results chain at least puts individual measures in context, and hence reduces the chance that individual indicators are misinterpreted or misused. It points to the gaps in measurement.

#### 2. *Use evaluations and performance studies for harder-to-measure aspects of performance*

Ongoing measures for some aspects of performance may not be practical leaving only selected aspects amenable to performance measurement per se. And many aspects of performance such as dealing with attribution and analysis of the implications of performance data often cannot be dealt with well simply using indicators. A good measurement strategy is to identify

where evaluations and other performance studies (Mayne 2006) can be used, over time, to supplement and compliment the set of performance indicators.

### 3.5 Build ownership of results frameworks by management and staff

If the RBM system is to be used by managers and staff, they have to feel that they have had input into the design of the system and that the planning processes and the information produced is relevant and useful to their work. Three best practices are identified:

- *Build buy-in for RBM*
- *Build a base for RBM*
- *Build a relevant RBM system*

#### **Best Practice: *Build buy-in for RBM***

**Discussion:** RBM takes hold and gets used in an organization (or a programme) when managers and staff take ownership of the RBM systems and approaches. But building buy-in is not easy.

#### **Best Practice Approaches:**

##### *1. Involve all parties*

The importance of involving those who will be designing, providing data and using the RBM system is highlighted by many (Binnendijk 2001, Ramage and Armstrong 2005, MfDR Sourcebook 2006, World Bank Roundtable 2006, UN Workshop 2007). The MfDR Sourcebook suggests ownership is key. The UK presentation at the World Bank Roundtable stressed the need to ‘engage the whole delivery chain’. The Netherlands suggested getting everyone involved to do something to move toward RBM. de Bruijn and Helden (2006) in discussing Dutch experience stress the importance of engaging in interaction and dialogue.

##### *2. Provide feedback to those supplying the data and information*

Staff and managers, especially those on the front lines, provide much of the data for an ongoing performance measurement system. If it is supplied and never heard of again, there may be few incentives for being diligent. An indication that the data is being used, or even better, feeding the data in some useful way back for their own use to those supplying it, will go a long way to enhancing interest in the data gathering.

##### *3. Link RBM with individual and unit work plans*

As noted at the UN Workshop 2007, linking an organization’s RBM system with the work plans focuses attention on results information and allows individuals and units to see clearly how they fit into the overall organizational plan.

**Best Practice: *Build a base for RBM***

**Discussion:** Implementing RBM everywhere across an organization can be challenging, as can be expecting too much progress too soon. Organizations have found that focusing RBM implementation efforts and building on small successes over time can be quite effective in building a more solid base from which to further develop and expand RBM.

**Best Practice Approaches:**

*1. Use RBM champions at all levels*

Frequently there are individual managers or units within an organization that are eager to adopt RBM practices. A good approach is to try and identify such cases and provide them with needed RBM support to become champions for RBM. Their talk with their peers about their own use of RBM can be a powerful way to advance RBM elsewhere in the organization. The World Bank Roundtable (2006) discusses cases of this, such as in Egypt where a few senior government officials led the charge. Mackay (2006) also points to the usefulness of RBM champions.

*2. Use pilots*

In much the same vein, many organizations and jurisdictions have proceeded to first try out some RBM pilots, to learn and to set examples of what could be done. The use of pilots is discussed by Binnendijk's 2001 report on development agencies and the World Bank Roundtable (2006).

*3. Use a transition period for trial and error*

RBM is about learning, and a good practice to introducing RBM can be to set out a well-defined transition period where it is expected that numerous approaches can be tried, learned from and revised, before the 'complete' RBM system is seen as being in place. In the US, the Government Performance and Results Act had a 5-year transition period built into its design. The usefulness of a transition period was noted at the UN Workshop 2007.

**Best Practice: *Build a relevant RBM system***

**Discussion:** If the results information is not relevant, it is unlikely to get much use and the credibility of the RBM will be undermined. Ensuring that the RBM system is relevant and useful to programmes was a key point discussed at the World Bank Roundtable (2006). Ownership and buy-in of the RBM system would likely help ensure it is relevant.

**Best Practice Approaches:**

1. *Ensure the system can accommodate different types of programmes*

At the World Bank Roundtable, Chile and the UK spoke to the need to keep the system flexible to accommodate different programmes. The same point was noted at the UN Workshop 2007.

***Principle 4. Measure sensibly and develop user-friendly RBM information systems***

The organization needs to gather, analyse and communicate credible information on the results it is achieving, and in an economical and easy to use manner :

**4.1 Measuring and assessing results and costs**

Practices and information systems need to be in place for collecting credible results information and costs using the performance indicators identified. Measurement occurs through both ongoing monitoring and evaluation, and the data and information collected needs to be analysed and interpreted. Actual results and costs are assessed in light of the performance expectations. Five best practices are identified:

- ***Build on the extensive experience in measuring and analysing results data and information***
- ***Use sensible measurement***
- ***Worry about data quality***
- ***Measure all key elements of the results framework***
- ***Have an annual (or more frequent) review of performance against expectations***

**Best Practice: *Build on the extensive experience in measuring and analysing results data and information***

**Discussion:** For over 30 years, organizations have been measuring and analyzing their performance. Extensive experience has been built up, both in ongoing monitoring of results and through evaluations. Many organizations and jurisdictions have issued guidance on good measurement and analysis practices. Key is perhaps that there is a level of professionalism required to undertake credible measurement and analysis. But the knowledge and skills exist, and organizations need to make use of this experience.

**Best Practice Approaches:**

1. *Use or seek help from in-house measurement specialists*

The need for in-house professional RBM capacity has been previously identified (see 2.5). Those developing measurement strategies should first seek assistance there.

2. *Seek help from the literature and other similar organizations*

The measurement literature is extensive and it is likely that in the literature or in other organizations with similar programming, measurement issues being looked at have already been addressed.

3. *Make use of outside expertise*

There is considerable outside consulting expertise available whose skills and experience can be checked out.

**Best Practice: *Use sensible measurement***

**Discussion:** Measurement in the public and not-for-profit sectors is not an exact science. The Auditor General of Canada (1996: 21) argued that “... measurement [should be seen as] the gathering of relevant information to enhance understanding about what a program is accomplishing. ... [rather than] trying to determine the precise magnitude of things.” Common sense needs to play a strong role in what is sensible to measure and how the measuring needs to be done.

**Best Practice Approaches:**

1. *Measurement fit for purpose*

Reflecting the point just made, the Netherlands contribution at the OECD (2006) Senior Budget officials Network meeting argued against ‘the fruitless search for certainty’. Thought should be given prior to deciding on measures on what degree of certainty in measurement is required, and the measurement and analysis approach matched with the intended use of the information.

2. *Review and update the measurement strategy and practices*

As well as reviewing and updating the indicators used, the measurement strategy and measurement and analysis practices used to gather the data and information should also be regularly reviewed and updated. Reflecting on the experience in measurement to date and seeking more effective approaches contributes to sensible measurement and analysis.

**Best Practice: *Worry about data quality***

**Discussion:** Too often, little thought is given to the quality of the data being collected. Yet data which is perceived as not reliable or credible likely won’t be used. Quality assurance practices are not a key feature of many performance measurement systems. Many discussants on RBM issues talk about data quality problems and the need to worry about quality (Ramage and Armstrong 2005, Diamond 2005, World Bank Roundtable 2006, MfDR Sourcebook 2006, Korea SBO, UKSBO, Mackay 2006).

### **Best Practice Approaches:**

#### *1. Build in quality assurance practices*

Normal good practice is to build quality assurance or quality control practices into how data is gathered and analysed. Schwartz and Mayne (2005) note the general lack of attention to quality in performance measurement practices, especially in comparison to evaluation and audit practices. Ginsberg and Payne (2005) provide suggestions for developing such practices, based on experience in the US Department of Education.

#### *2. Use the evaluation group to oversee quality*

The UN Workshop 2007 noted the useful role an organization's evaluation group could play in both advising and overseeing the quality of the data in the RBM system. This approach is used in the Canadian federal government.

#### *3. Use oversight bodies to check quality*

The World Bank Roundtable (2006) discussed the use of national audit bodies to audit the quality of performance information used by government to report to their legislatures. Inside organizations, internal audit could be used to provide assurance that the performance information being used is of adequate quality. Chile relies on external audit committees to review quality of data (Mackay 2006).

### **Best Practice: *Measure key elements of the results framework***

**Discussion:** The results framework provides an overview of the various aspects of performance of a programme. Measuring only some of these elements—such as a specific output and/or outcome—will provide only a partial picture of performance. A more complete description of performance would discuss the extent to which the various results and linkages in the results framework have been verified in practice. It is unrealistic and not good practice to try and measure all aspects of performance of a programme, but—and especially over time—it is important to capture some data and information on the key aspects.

### **Best Practice Approaches:**

#### *1. Track both implementation and results achievement*

Measuring the results achieved is important, but so is tracking how the programme is being implemented (Binnendijk 2001). This information can build an understanding of why certain results are or are not being attained. Without knowing just what was in fact implemented on the ground—what activities were actually carried out—it is impossible to recommend realistic improvements.



## 2. *Recognize the challenge in measuring costs*

Key aspects of performance relate to the costs of programmes, such as efficiency and overall budget expenditures. In the rush to measure results, the challenges in measuring costs may not be given adequate attention. Measuring costs is often not straightforward and financial systems may not provide the kind of cost data needed. At a minimum, unit costs of key outputs are needed. Unit costs for many outcomes, however, may be not practical. For some discussion see Treasury Board Secretariat 2002 and Pollitt 2001.

## 3. *Use both qualitative and quantitative measures and methods*

Qualitative methods can be a useful complement to the more quantitative approaches in performance measurement. They can be used to better understand softer aspects of performance and to solicit views on performance. (MfDR Sourcebook 2006, UN Workshop 2007)

**Best Practice:** *Have an annual (or more frequent) review of performance against expectations*

**Discussion:** Setting performance expectations is of little use if actual performance is not assessed against the expectations on a regular basis, as noted at the UN Workshop (2007). This not only confirms that setting expectations is not just a paper exercise, but also serves as an occasion to review expectations and review and update as required.

## 4.2 Assessing contribution

Practices should exist to assess the contribution and influence made by the outputs of a programme to the observed results, and by the programme to the organization's objectives.

**Best Practice:** *Address the contribution/attribution issue*

**Discussion:** This is a challenging measurement area, yet, as discussed at the UN Workshop 2007, one that needs to be addressed, if only to acknowledge what is not known.

### **Best Practice Approaches:**

#### 1. *Consider an evaluation*

A well-designed evaluation using some form of experimental or quasi-experimental design may be able to provide valuable information on attribution. The need to consider commissioning and evaluation was noted at the UN Workshop 2007.

## 2. *Use contribution analysis*

One approach suggested has been to try and determine if the immediate and intermediate outcomes expected in the results chain have indeed occurred. If so, this provides some evidence that the expected results chain is validated and hence that the theory of change behind the programme is reasonable. A number of authors have discussed an approach like this, including Weiss 1995, Connell et al 1998, Reynolds 1998, Mayne 2001 and Gysen et al 2006.

## 3. *Assessment by all contributors*

At the UN Workshop 2007, the suggestion was made that some insight into attribution issues could be gained if the various major contributors to a joint outcome met to discuss on a regular their basis their respective contributions.

### 4.3 Build a cost-effective and user-friendly RBM system

#### **Best Practice: *Ensure RBM information systems are easy to use and worth the cost***

**Discussion:** This sounds an obvious thing to do, but in practice has proved challenging. If the RBM information systems are bothersome to use or access, their usefulness will be limited, and the credibility of the RBM effort may be undermined. The importance of ease of use is mentioned in many reports, for example Binnendijk 2001, the MfDR Sourcebook 2006 and the MfDR Workshops 2006.

#### **Best Practice Approaches:**

##### 1. *Customize RBM to the organization*

With lots of examples of RBM regimes in other organizations and numerous software packages now available for building at least parts of RBM systems, it may be tempting to try and minimize upfront costs and efforts by more or less adopting an approach from elsewhere. Experience argues against this (MfDR Sourcebook 2006, MfDR Workshops 2006).

##### 2. *Build simple and user-friendly RBM IT systems*

This best practice is probably the aim of all those developing such systems. However, with the various data being generated and the multiple demands for types of performance reports, complexity increases, especially over time as add-ons are thought useful. The third principle in the MfDR Sourcebook (2006) speaks to the importance of keeping measurement and reporting simple. The Netherlands at the World Bank Roundtable (2006) echoed this view. At the OECD SBO 2006 meeting, Australia stressed not letting the RBM system becoming a mechanical exercise. Advice at the UN Workshop 2007 argued to practice “appropriate simplicity” when developing RBM. Reviewing and revising RBM systems is probably key here.

### ***Principle 5. Use results information for learning and managing, as well***

## *as for reporting and accountability*

Realizing the benefits from results-based management requires using the information for both managing and learning, as well as for reporting and accountability purposes (Binnendijk 2001, MfDR#5). The UN Workshop 2007 noted the need for managers to use RBM as a management tool and not just for reporting. Mackay (2006) argues that utilization is the yardstick of success.

### **5.1 Use results information to budget, inform and improve performance**

The performance information gathered and assessed must be used and seen to be used by senior managers and managers to budget, inform, improve and account for performance of the programme. Three best practices are identified:

- *Use results information to inform not make decisions*
- *Balance corporate and manager's use of results information*
- *Encourage both conceptual and instrumental use of results information*

#### **Best Practice: *Use results information to inform not make decisions***

**Discussion:** In some discussions of RBM, there is a simplistic expectation that results information will be directly used by managers or others to determine decisions, such as dropping or reducing funding to programmes that show weak performance. Some managers may be nervous about RBM because it may appear to them to take managing out of their hands. Such expectations about RBM are naïve and not what RBM is all about. Most jurisdictions now understand that results information is meant to inform decision-making not replace it. This was clear in the World Bank Roundtable (2006) and also understood in the private sector (Itell 1998). In most cases, there is no mechanistic link between results information and a decision, including in budgeting situations as the OECD has reported (Curristine 2005). Many factors go into decisions about programmes and results information should be one source.

#### **Best Practice Approaches:**

##### *1. Use results information to inform planning*

Results information should inform planning, identifying what has worked well and why, and what is not working so well (UN Workshop 2007).

##### *2. Use results information as a mechanism for discussion*

The UN Workshop 2007 noted the use of results information as a starting point for budget discussions and as a means to enlist support for plans and actions.

##### *3. Use results information for problem analysis*

Results information can be quite useful in addressing and analysing programming problems in the organization (UN Workshop 2007).

**Best Practice: *Balance corporate and manager's use of results information***

**Discussion:** RBM systems that are aimed to meet the information needs mainly of line managers or mainly of corporate managers are unlikely to be successful. If corporate managers are the principal client—seeking information for reporting and/or budgeting—then the data which is supplied by line managers and their staff will not be gathered with much care. If the system is mainly seen as aimed at line managers, central support may not be vigorous and alternative systems for data gathering maybe developed. The MfDR Sourcebook (2006) argues to ensure there is use at the centre. Binnendijk (2001) argues that donor agencies need to strike a balance so that the system is seen as reasonably credible and useful to both groups.

**Best Practice: *Encourage both conceptual and instrumental use of results information***

**Discussion:** A main aim of RBM is to provide a means by which organizations can learn from evidence on past experience. Some instrumental use of results information is expected, i.e., that specific decisions are informed by the information. But it should also be expected that conceptual or enlightenment use occurs as well. That is, over time cumulative evidence on performance leads to better understanding of programming and how different interventions work. The World Bank Roundtable (2006) argued not to neglect this less direct use of results information.

**5.2 Identifying and using best practices to improve performance**

Based on what is found to work or not work, lessons and good practices should be identified and used to improve performance.

**Best Practice: *Identify and communicate best practices***

**Discussion:** RBM is about learning and results information should be identifying where good practices can be found and built on. This includes good programming practices and good RBM practices. Indeed, demonstrating the benefits of RBM and communicating them is an important way to support and further RBM, as Pal and Teplova (2003) note. Managers and staff, on the other hand, want to learn about good management and implementation practices they can use to improve performance. The OED (2005) review of RBM at the World Bank noted that the lessons that were available were not being learned. The UNWTO at the UN Workshop 2007 spoke of technical cooperation lessons being shared across countries.

**5.3 Credibly report performance internally and externally, telling a coherent performance story**

Reporting on the performance of programmes and the organization as a whole needs to be done in a manner that is relevant, timely, understandable and reliable, and tells a coherent and credible performance story.

**Best Practice: *Consider using performance reporting standards***

**Discussion:** Credibly reporting on the performance of a programme or organization is challenging, and a wide variety of approaches and formats are used. However, standards for reporting on performance have been developed over the past 10 years, although they are not universally accepted. Nevertheless, they provide good frameworks to consider, suitably adapted to the particular case.

Examples of such standards are:

- CCAF (2002). *Reporting Performance: Taking Public Sector Reporting to a New Level*.
- Global Reporting Initiative (2006). *G3 Sustainability Reporting Guidelines*.
- Government guidelines such as those from Canada, New Zealand, and the Netherlands.

**Best Practice: *Tell a credible performance story***

**Discussion:** To be most useful, a report on the performance of a programme or organization should tell a story in the sense of explaining what was expected, what was achieved, what was learned and what will be done differently (Mayne 2004). A narrative is needed and not just the reporting of data on indicators. At the UN Workshop 2007 it was noted that good reporting increased confidence of donors.

**5.4 Inform accountability processes with result information**

**Best Practice: *Use relevant results information to inform accountability assessments***

**Discussion:** The accountability practices in an organization are influential in determining behavior. Informing accountability assessments in a manner that acknowledges the challenge of working with outcomes (see 2.3) will focus attention on results, as noted at the UN Workshop 2007. “Inform” is the key word here, as holding to account needs to take into account the context and other relevant factors.

**Best Practice Approaches:**

*1. Use results-based performance agreements*

Results-based performance agreements are commonplace in many organizations, as noted at the UN Workshop 2007. The UK Next Step agencies and New Zealand have made extensive use of such arrangements.

*2. Use balance scorecards to inform senior management accountabilities*

The UN Workshop 2007 noted the use of balanced scorecards—measures of overall organizational performance—as a means to inform the accountability of senior management.

***Principle 6. Build an adaptive RBM regime through regularly review and update***

As noted frequently, based on experience gained, changing circumstances and experience in similar programming areas elsewhere, the performance indicators, evaluations, expectations, and measurement and communication strategies all need to be periodically reviewed and improved.

**Best Practice:** *Regularly review and update all aspects of the RBM system—frameworks, measurement strategies, systems and use—as to continued relevance, usefulness and cost*

**Discussion:** The need for such review has been discussed as part of a number of other best practices. It can help ensure the data being collected are useful, that perverse behaviour is being checked, that measurement approaches are cost-effective, and that expectations set some time ago remain relevant to current context. The importance of reviewing the RBM regime was identified at the World Bank Roundtable (2006), by Diamond (2005) in his review for the IMF and at the UN Workshop 2007. de Bruijn and Helden (2006) argued that the system should be ‘lively’ (p. 420).

**Best Practice Approaches:**

*1. Review results frameworks and be prepared to change and update*

Institute as part of the regular planning process, an annual review of the results frameworks for programmes involving both the measurers, as well as programme staff and managers. The aim would be to identify what needs to be changed, why and how. The UN Workshop 2007 identified RBM gap analysis, internal corporate review, external evaluation and using a performance review committee as means of reviewing the RBM regime.

*2. Flagging problems as they arise*

Perhaps as part of a troubleshooting or help line for RBM, have in place a system that records problems that users of the RBM system have identified during the year, whether or not something was done about the problem at the time. Such a ‘complaint’ system could complement an annual review of how things are going.

*3. Get feedback from users*

The UN Workshop 2007 noted the value of getting feedback from the users of the RBM systems in order to identify what was working well, as well as problems in order to improve the systems.

*4. Conduct an evaluation of the RBM regime*

After a few years, it is probably a good idea to undertake an evaluation of the RBM system, to provide an overview assessment of how the system is working from an independent perspective. Chile commissioned the World

Bank to evaluate its M&E system (World Bank 2005), and, as noted at the UN Workshop 2007, many UN agencies have had evaluations carried out on their RBM efforts, including the UNDP (Dalberg 2006), ILO, WFP (GDE Consulting 2006), UNICEF, and FAO, over and above the Joint Inspection Unit's general review of the UN RBM systems (JIU 2006).

## 6. What Have We Learned?

This report has presented quite a few best practices and best practice approaches in RBM, organized around six principles:

- Principle 1. Foster senior-level leadership in RBM
- Principle 2. Promote and support a results culture
- Principle 3. Build results frameworks with ownership at all levels
- Principle 4. Measure sensibly and develop user-friendly RBM information systems
- Principle 5. Use results information for learning and managing, as well as for reporting and accountability
- Principle 6. Build an adaptive RBM regime through regular review and update

The best practices and best practice approaches were distilled from a large literature on RBM experiences and from the discussion that occurred in the UN workshop held in Geneva on 3-4 May 2007 to discuss RBM experiences by organizations throughout the UN system.

Organizations working to enhance their RBM capacity should be able find in the report quite a few specific suggestions for improvement. For a particular organization, the 'most important' best practices would depend on the robustness of its RBM and the major problems in its RBM system.

But what is the overall picture? Are there then some overall messages that can be extracted from this review of best practices? This report has not assessed RBM practices in organizations. Nevertheless, based on the literature, discussions within the UN system and personal observations, a number of general conclusions are offered.

In many organizations, the best RBM practices are in developing results-focused planning (Principle 3). Challenges still exist, especially with regard to the ownership aspect of the results frameworks and in moving up from a project focus, but the usefulness of a results focus in planning is perhaps the most widely accepted aspect of RBM.

Advice and experience on measuring results is widespread, and while again there are many challenges—both technical and in being 'sensible'—this author would argue that measurement per se (Principle 4) is not the main challenge in implementing RBM.

What can be seen in the RBM practices in a number of jurisdictions, are a number of other general problems:

- Despite good intentions when RBM regimes are being initiated, there is a tendency for the RBM regime to become over time a rather inflexible organizational planning and reporting system serving mainly external reporting and accountability ends.
- The main use of results thinking is in planning, where results-based planning requirements can lead to more results-focused program designs. Use in improving delivery is less observed.
- RBM as a planning and reporting system becomes seen by managers and staff as serving other than their interests and hence as a system to be fed not nurtured, and even as a detraction from their efforts to deliver programs and services.
- There is none or only a limited results culture in an organization where results information would be seen as valuable in managing and as a means for learning about what works well.

The principles and best practices outlined in this report would suggest that in these situations, the main shortcomings are likely:

**There has been inadequate senior leadership for RBM.** Senior management in the organization may speak to the importance of RBM but are not seen in fact as championing RBM. Indeed, in most organizations, few efforts have been undertaken to build up the RBM understanding, knowledge and capacity of senior managers. Experience is that where senior managers are active supporters of RBM—usually as a result of their own personal interests or experience—RBM can flourish in the organization. Where this senior champion role is weak, RBM usually has difficulty in developing beyond an RBM planning and reporting system. A number of the best practices and best practice approach speak to fostering senior leadership in RBM

**There is a weak results culture.** Organizations do not easily learn, and many RBM regimes do speak to the importance of a culture of results, and of the challenges in bringing about the needed cultural change to a focus on results. However, once noted, there is often not much actually done to directly address fostering a results culture. This author would argue that it is precisely the lack of a culture of results in an organization, which allows well-intentioned RBM regimes over time to turn into inflexible bureaucratic systems. If results information was seen by managers and staff as key to good management and delivery, care would be taken to ensure that the ‘system’ met their needs, was cost-effective and produced good quality data and information.

**There is a lack of review and adapting of the RBM regime.** There is rarely a strong effort made to regularly review and update the RBM regime to reflect what has been learned about the regime itself. Indeed, there are incentives to not try and change things once in place, such as:

- fixed planning and budgeting cycles,
- the difficulty and cost of changing large IT systems,
- fatigue with focussing on results,
- the (mistaken) belief that once in place, the RBM regime is good for some time, and



- the (mistaken) belief that time series data are essential to good measurement.

Yet experience strongly suggest (Principle 6) the need for an adaptive and flexible RBM regime, geared to meet current issues and concerns.

Thus, it is argued that the overriding weaknesses seen in many RBM regimes are due to inadequate attention having being paid to developing and supporting:

- senior-level leadership for RBM,
- a culture of results, and
- a flexible adaptive RBM regime.

This report provides best practices and best practice approaches for addressing these (and other) shortcomings in RBM.