

RBM at an Agency Level

Cedric Saldanha
Melbourne

The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank Institute (ADBI), the Asian Development Bank (ADB), or its Board of Directors, or the governments they represent. ADBI does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with ADB official terms.

csaldanha@netspace.net.au

Government has Various Functions

- Policy making
- Regulation
- Fiscal management
- Service delivery
- Maintaining law, order and justice
- International relations, etc.

Public Sector Agencies

Government uses Various Types of Agencies:

- **Central Agencies** (Ministries of Finance, Planning, PSC..)
- **Sectoral Agencies** (Transport, Energy, Agriculture,.....)
- **Regulatory Agencies** (Investment Board..)
- **SOEs** (Electricity Agency, Airport Authority..)
- **Local Government Agencies**
- **Municipalities**

RBM Principles at Agency Level

Same two fundamental principles:

- Clarity of Results
- Clarity of Accountability for delivery of Results

RBM's Supporting Principles at Agency Level

- Agency Results must be translated into Unit Results and Individual Staff Results with related accountabilities
- The Agency's Budget must be results-focused
- The Agency Systems and Processes must support results focused
- Performance Monitoring and Reporting of all results becomes integral to operations

Clarity of Agency Purpose and Results

- Agencies are created to respond to a ‘need’ expressed by specific clients
- The ‘need’ reflects the expectation of specific **services** or **products** (outputs) from the Agency

“An Agency exists to Serve its Clients”

The Agency's Purpose must be Unique

The Agency must be providing a product or service

- Which is considered a **necessary** public good
- Which **no other agency** can or should be offering
- Which is therefore the **sole reason for the existence** of the Agency

Starting Point for RBM at an Agency Level is Clarifying Purpose / Expected Performance / Results

- Why does this organization exist?
- What would be lost if it did not exist?
- Who does it serve?
- What is it supposed to deliver for them?

An Agency typically has multiple clients

The Department of Planning, for instance, serves:

- Cabinet
- Sector Agencies
- Local Level Governments
- Private Sector, etc.

The Agency addresses Multiple Needs for its Clients

The Department of Planning, for instance, provides various services for different clients:

- **1. Cabinet**
 - Strategic Directions and Priorities on the National Development Process
 - A coordinated Medium Term Development Framework or Strategy
 - Development Policy Advice on Submissions to Cabinet
 - A coordinated Public Investment Program and a realistic Development Budget
 - Periodic Reports evaluating progress on implementation of the MTDS and PIP

- **2. Sector Agencies**
 - Strategic Directions and Priorities on the National Development Process
 - A coordinated Development Framework or Strategy, taking account of their priorities
 - A coordinated Development Investment Program – the PIP and Development Budget, taking account of their priorities
 - Funds mobilization from both national and international donor sources for the PIP
 - Advice on sectoral planning frameworks and implementation

Exercise on Clarifying Expected Performance -

- Who are the key clients of your organization? Identify the two or three most significant.
- Identify their key expectations from your organizations
 - Write these in terms of output areas

Step 1 - Identifying Agency Clients and Client Expectations

Name of Agency:

Client	Client Expectations
1.	1.1
	1.2
	1.3
	1.4
2.	2.1
	2.2
	2.3
	2.4

Client Expectations Provide the Basis for the Mission Statement

- The Mission Statement is the crystallization of the role of the agency based on client expectations
- It is a succinct statement of the ‘core purpose’ of the agency
- It is critical to continually review the agency’s mission statement since client expectations change over time

Mission Statement of Department of Planning

Provide a coherent strategy and development planning process, and a coordinated public investment program for effective, sustained and equitable national development

Client Expectations Provide the Basis for Key Output (Result) Areas

- Key Output Areas logically flow from client expectations and the Mission Statement
- Typically, an Agency will have between 3 and 6 Key Output Areas
- Within each Output area, will be identified specific outputs the Agency will deliver to the client in a specified time period

Example of Department of Planning's typical Key Output Areas

- Area 1** - Strategic and Policy Directions for the National Development Process
- Area 2** - The Public Investment Program to support National Strategic Directions
- Area 3** - Mobilization and coordination of Development Funding, from both internal and external sources

Performance Indicators and Targets

- Outputs need to be tied down by Indicators
 - Quantity, quality, time
- Indicators need to be developed into targets
 - Basis for targets are past performance and comparator performance

Priority Outputs / Objectives of Planning Agency (2005 – 2006)

Output Area 1: Set Strategic and Policy Directions for the National Development Process

Priority Outputs / Objectives	Performance Indicator/ Completion Date	Division Accountable
1. Obtain approval of <u>Medium Term Development Framework</u>	Cabinet Approval – May 05	Policy Division
2. Prepare Budget Framework for the <u>Development Budget</u>	Cabinet Approval / Revise Ceiling by August each year	Policy Division Planning/Program ming Division
3. Develop and implement a “ <u>Dissemination Plan</u> ” for explaining the <u>MTDF</u> to all key stakeholders	Cabinet Submission – May 2005 Implementation – May to December 2005	Policy Division
4. Establish <u>Link with Partner Research Agencies</u> to utilize their Outputs for Government Policy and Strategy	Institutionalized linking mechanism in place by end 2006	Policy Division

Exercise on Outputs and Performance Indicators, Targets

Area 1 – Priority Outputs / Objectives	Performance Indicator/ Completion Date	Division Accountable
1.		
2.		
3.		
4.		

Area 2 - Priority Outputs / Objectives	Performance Indicator/ Completion Date	Division Accountable
1.		
2.		
3.		
4.		