RESULTS-BASED MANAGEMENT WORKBOOK

FOR THE WORKSHOP ON DEVELOPMENT MANAGEMENT FOR SENIOR EXECUTIVES

Asian Development Bank Institute

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Table of Contents

INTRODUCTION

This Workbook is an accompanying resource material for participants in the Workshop on Results Based Management.

It guides participants through a series of sequential activities, each of which facilitates the application of RBM concepts to the participant's work situation.

Using the Workbook systematically throughout the Workshop will enable each participant to take back to his/her workplace the recorded concept applications he/she has undertaken through the Workshop.

These workbook activities will ensure that this Workshop on RBM is not just a concept-learning experience for participants, but that each concept offered for participant consideration can be applied to the work situation.

Participants should be able to take away from the Workshop :

- examples of RBM tools such diagnostic analysis, client identification, and force-field analysis.
- Initial work on an 'RBM plan' for a sector and an agency comprising :
    - outcomes and indicators
    - outputs and indicators
    - constraints analyses
    - change management or capacity plan to address constraints

This Workbook has been developed by Cedric Saldanha and Robert Hood the lead resource persons of the Workshop with contributions from Keith Leonard.

SESSION 1
PARTICIPANT ACTIVITY 1 -

ASSESSMENT OF RBM STATUS IN THE PUBLIC SECTOR IN YOUR COUNTRY

Typically, governments manage the "results" of their public sectors at three levels:

- the National Level
- the Sector Level
- the Local Government Level

The Government typically delivers results at these three levels through two key institutional mechanisms:

- public sector agencies, and
- public sector policies, programs and projects

Thus, an overview of how results-focused a government is a function of how effectively it manages outputs and outcomes from these five perspectives.

The effective and efficient delivery of results within these five perspectives is usually a function of –

- clarity of goals and targets
- adequacy of resources to help achieve these results
- effective institutional structures and arrangements
- a culture of performance accountability

The attached questionnaire provides a tool for participants at the RBM workshop to undertake a quick overview of how their governments manage results from these five different perspectives.

PARTICIPANT ACTIVITY 1 -

ASSESSMENT OF RBM STATUS IN THE PUBLIC SECTOR IN YOUR COUNTRY

Circle the appropriate rating, based on the following scale :
Process : 1 = not existing, 2 = just beginning, 3 = operating with some difficulties,
4 = operating satisfactorily, 5 = operating very well

Key Aspects / Characteristics of RBM in a Public Sector	Rating
1. National Results	
1.1 National Development targets are specified in terms of concrete and monitorable outcomes	1 2 3 4 5
1.2 National Policies are adjusted to and focus on the achievement of the national development targets	1 2 3 4 5
1.3 National Development Targets and Policies are clearly communicated to all public sector agencies and to the public	1 2 3 4 5
1.4 Actual results against planned development targets are monitored and recorded	1 2 3 4 5
1.5 Sector goals and targets are clearly linked to the achievement of the national priority development goals an targets	1 2 3 4 5
1.6 All public sector agencies and local level governments are required to demonstrate that in their respective annual plans they emphasize the achievement of the national priority goals and targets	1 2 3 4 5
2. *Budgets*	
2.1 National budgets are developed with an integral and strong link to the national goals and targets	1 2 3 4 5
2.2 The Public Investment Program is clearly linked to the achievement of the national development goals and targets	1 2 3 4 5
2.3 Budgetary allocations to sub national governments and agencies is based on specified ‘outputs’ to be delivered, and these are in turn linked to the national priority development goals and targets	1 2 3 4 5
2.4 Planned budget allocations are sufficient to meet agreed targets	1 2 3 4 5
2.5 Cash release is timely and matches approved budget	1 2 3 4 5
2.6 Budget flexibility exists if problems arise with cash release and target change	1 2 3 4 5
2.7 Existence of medium-term budget and ceilings, including Government/donor sources	1 2 3 4 5
2.8 Existence of open negotiation process on budget allocations and targets,	1 2 3 4 5

taking account of the specific conditions in each Province/Local Government area	
2.9 Processes exist for an appropriate mix of salary and operational spending to meet targets	1 2 3 4 5
2.10 Processes allow Province and Local Governments to vary salary and operational spending to meet targets	1 2 3 4 5
3. Organizational Arrangements	
3.1 Organizational accountabilities are clearly specified various departments, and between different levels of government	1 2 3 4 5
3.2 Accountability specification of each department and level of government is documented and available for public information	1 2 3 4 5
3.3 The organizational arrangements allow for adequate delegation and decentralization of authority to facilitate effective service to the people	1 2 3 4 5
3.4 Within each department or agency, there is clear specifications of accountability at each level and for each position	1 2 3 4 5
3.5 Within each department or agency there is flexibility on delegation of authority to different levels to facilitate efficiency and effectiveness	1 2 3 4 5
3.6 Job holders responsibilities and authority are sufficient to meet agreed targets	1 2 3 4 5
3.7 Strong leadership and understanding exists to support target setting process	1 2 3 4 5
3.8 Staff appointment and promotion process is sufficiently based on job performance	1 2 3 4 5
3.9 Community bodies are actively involved in approving or commenting on targets	1 2 3 4 5
3.10 Senior officials and political leadership openly support the setting of targets and measuring performance	1 2 3 4 5
4. *Processes*	
4.1 Planning process includes wide consultation, including communities and customers	1 2 3 4 5
4.2 Strategic plans include specified targets at various intervals along the way	1 2 3 4 5
4.3 Delegated authority allows sufficient flexibility for responding to different situations?	1 2 3 4 5
4.4 There is an effective information system for monitoring targets and reviewing strategy on a regular basis	1 2 3 4 5
4.5 There is an effective process for sector and central agency consultation and cooperation	1 2 3 4 5
4.6 There is an increasing practice of making performance comparisons with similar countries, agencies and key processes	1 2 3 4 5

5. ***Performance Accountability***	
5.1 The national government reports on national performance against development targets to parliament each year	1 2 3 4 5
5.2 Sector agencies, SOEs and local governments report to national government their respective performance against target	1 2 3 4 5
5.3 Performance is reported in terms of outputs and outcomes achieved, and not just budget expenditure and activities	1 2 3 4 5
5.4 Lack of performance usually results in changes being made in respect to personnel appointments or agencies scope of services.	1 2 3 4 5

Summary of RBM assessment

It may be helpful to convert the assessment into a quick quantitative rating by multiplying the number of answers for each rating, summing the result and dividing by the number of statements within each major aspect of RBM. This example illustrates this process:

OVERALL ASSESSMENT OF RBM STATUS

NATIONAL RESULTS	Ratings 1	2	3	4	5		Average Score Per Category
number of answers for each score		3	2	2			
multiplied number of answers by the rating	0	6	6	8		20	
calculation of average for this aspect of RBM				divide total by		7	2.9

In this example for 'National Results' the answers multiplied by their ratings, sum to 20 and by dividing, the average for this factor is 2.9. This means that overall, it is a shade under 'operating with some difficulties' The desired average score would be greater than 3.

To compute your own assessment, use the following worksheet:

OVERALL ASSESSMENT OF RBM STATUS

	Ratings 1	2	3	4	5		Average Score Per Category
NATIONAL RESULTS	1	2	3	4	5		
number of answers for each score							
multiplied number of answers by the rating							
calculation of average for this aspect of RBM				divide total by		7	
BUDGET	1	2	3	4	5		
number of answers for each score							
multiplied number of answers by the rating							
calculation of average for this aspect of RBM				divide total by		10	
ORGANISATIONAL ARRANGEMENTS	1	2	3	4	5		
number of answers for each score							
multiplied number of answers by the rating							
calculation of average for this aspect of RBM				divide total by		10	
PROCESSES	1	2	3	4	5		
number of answers for each score							
multiplied number of answers by the rating							
calculation of average for this aspect of RBM				divide total by		6	
PERFORMANCE ACCOUNTABILITY	1	2	3	4	5		
number of answers for each score							
multiplied number of answers by the rating							
calculation of average for this aspect of RBM				divide total by		4	

SESSION 2 AND 3
PARTICIPANT ACTIVITY 2 -

SHORT CASES ON RBM CONCEPTS AND APPLICATIONS

Background

Session 2 and 3 together are intended to provide a greater understanding of the RBM basic concepts, partly through presentation and partly through case work.

There are four mini cases. They each deal with a different aspect of RBM and participants are asked to work in groups to consider the case, then discuss and agree upon their collective response to the question posed in each of the case descriptions. The focus is not on a right response but in ensuring participants have an opportunity to fully discuss the underlying concepts and identify issues they wish to have the discussed in open forum.

Mini case 1 is about the Health Ministry in the State of Victoria Australia – and seeks to clarify outputs, outcomes and impacts.

Mini case 2 refers to the urban water services in Uzbekistan and seeks to clarify what are the important conditions [assumptions, risks] that are necessary to enable planned results to be achieved.

Mini case 3 deals with a Ministry that meets transportation demands by the public. It has outsourced service delivery. This case is expected to facilitate understanding of performance indicators and target setting.

Mini case 4 is about a National Audit Authority and addresses their planned results. It seeks to stimulate discussion and clarity of understanding on what the agency is seeking to achieve.

TIME ALLOCATION PER CASE WILL BE SUFFICIENT TO ALLOW FOR ITS UNDERSTANDING, SMALL GROUP DISCUSSION, FEEDBACK TO THE LARGER GROUP AND OPEN DISCUSSION ON EMERGING ISSUES.

Mini Case 1: Identifying Impacts, Outcomes and Outputs.

The Bracks Government's vision for Victoria is that by 2010 we will be a State where:

- *innovation leads to thriving industries generating high quality jobs;*
- *protecting the environment for future generations is built into all government decision making;*
- *there are caring, safe communities with equitable opportunities; and*
- *all Victorians have access to the highest quality health and education services all through their lives.*

Growing Victoria Together identifies the important strategic issues and these have guided budget and policy choices in the 2002-03 Budget.

From: 2002-2003 Victorian Budget Overview, Department of Treasury and Finance, State Government of Victoria.
Reproduced with the courtesy of Department of Treasury and Finance, State Government of Victoria.

In Victoria, a state in Australia, the Government has committed to a vision for the citizens as illustrated in the box opposite. It expects that each Minister and department will translate this vision into its work.

One such Department is the Department of Health. It is organised into a number of major Divisions which are:

- Rural Health including Aged Care
- Metropolitan Health including Aged Care
- Housing Services
- Disability Services
- Community Care
- Corporate Services

and spends about $7 billion principally on operating the rural and metropolitan hospitals and clinics and aged care facilities. The Health Department has given guidance to its managers of these Divisions by stating that it wants each of them to ensure they improve service quality, build sustainable and efficient services, reduce inequities in health and well being, achieve benchmark waiting times so patients are not disadvantaged and ensure there is access to services. For allocation of funds, the Department has worked with the Treasury Department and agreed that costs and revenues will be tracked under the headings of acute services, ambulance services, aged and home care, primary health, dental health, mental health, public health, disability services, community care and housing assistance. The Health Department, apart from service delivery, is expected to monitor health performance and provide health policy advice through its Minister to Cabinet.

Community perceptions of the Health services are that there is a lack of access because there are waiting lists for admission to hospital, that there have been instances of ambulances taking too long to get to emergency situations, that patients are discharged from hospitals too quickly because hospitals are paid less per day after the first few days, that there is insufficient aged care services and that the rural community do not get similar quality of care that is available in metropolitan areas – doctors do not want to work in rural areas and hospitals are less equipped. Department and hospital staff claim on the other hand that demand continues to grow for all services and that under such circumstances, they are doing an excellent job.

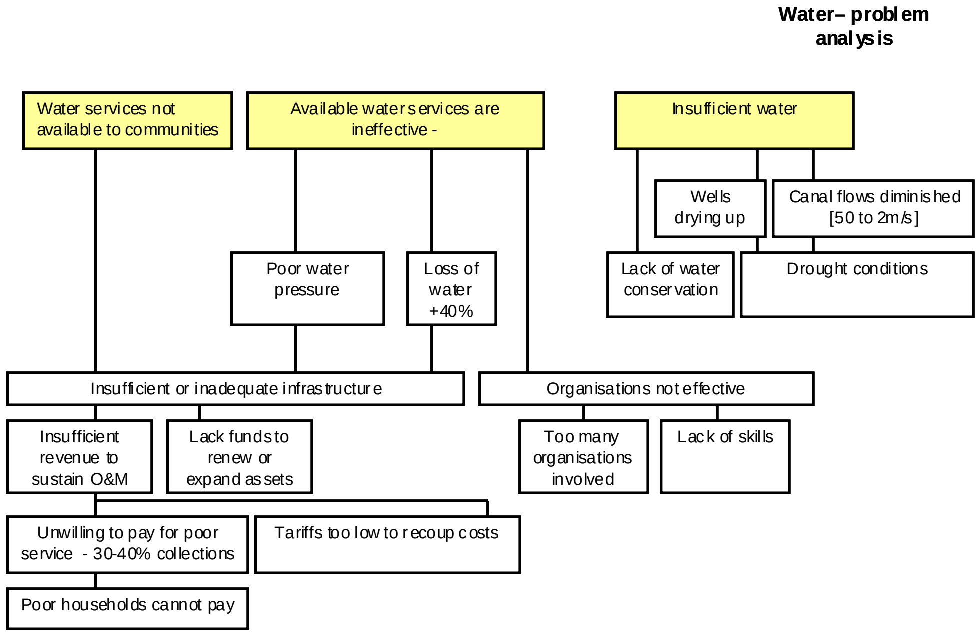
Within each of the functional areas of the Department of Health, there is a further breakdown of services. For example, within the Aged Care part of Metropolitan Health and Aged Care Division, services are identified as 'assessment, support, residential and positive ageing [events that engage older citizens].

You are asked to complete the following table based upon your interpretation of text:

Impact	Outcomes	Outputs

Mini Case 2: Identifying Risks and Assumptions

In Uzbekistan, one of the concerns of the Government has been its urban and rural infrastructure, especially essential services like water. The condition of this infrastructure has been declining as there has generally been difficult to afford maintenance and asset renewal. Uzbekistan has seen its per capita income fall over the past ten years and its currency exchange rate move from around 30 soums to the dollar [1991] to 1070 soums [2005]. A tentative analysis of the water problem is shown below:



The effect of water problems show up in a greater incidence of waterborne diseases from using untreated water, personal time loss by household members to fetch water, loss of income in water using enterprises unsatisfactory living conditions.

The service agency charged with supplying water to urban dwellers has embarked on a rehabilitation program and borrowed substantial US dollar funds to do so. It has proposed that its water tariffs be raised to recoup full costs so that it will be financially self sustaining. It argues that people will pay full cost once they begin to receive better services. It has put forward its results statement [see below] but needs to assess risks and assumptions.

Outcome	**Output:**	**Activities**
a) All urban dwellers receive 24/7 quality water services b) Agency financial self sufficiency	Efficient quality water services availability	a) Rehabilitate water system b) Operate the water system

You are asked to identify major risks and assumptions

Achieving the outcome:	**Achieving the output:**
Risks:	Risks:
Assumptions:	Assumptions:

Mini Case 3: Identifying Indicators and Targets

The Department of Infrastructure [Victoria, Australia] covers many services, among them the provision through outsourced operators, of bus services. An extract from their annual report for 2000-1 showed the **following:**

OUTPUT PERFORMANCE

OUTPUT DESCRIPTION AND MEASURES

OUTPUT: COUNTRY BUS SERVICES

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contractual service standards and implement initiatives for new rural bus services, air-conditioning and lowering rural student fares to a Statewide standard of 50 per cent of the adult fare.

PERFORMANCE MEASURES	UNIT OF MEASURE	2000–01 TARGET	2000–01 ACTUAL
Quantity			
Total kilometres timetabled	million	17	17
Quality			
Timetabled bus services delivered	per cent	99	99.9
Passengers carried	million	11.5	11.5
New air-conditioned buses in service	number	30	10*
Timeliness			
Services within five minutes of timetable	per cent	95	99.2
Cost			
Total output cost:	$ million	49.5	38.5

*Delays in signing contracts with bus operators have delayed this year's program.

OUTPUT: SCHOOL BUS SERVICES

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contract service standards and implement approved initiatives for school bus services, including two-way emergency communication, air-conditioning on bus replacements, flashing lights, and first-aid kits and training.

PERFORMANCE MEASURES	UNIT OF MEASURE	2000–01 TARGET	2000–01 ACTUAL
Quantity			
Kilometres scheduled	million	33.4	33.4
Quality			
Timetabled bus services delivered	per cent	99	100
New air-conditioned school buses in service	number	70	70
School bus safety program delivered	per cent	30	48
Timeliness			
Services within five minutes of timetable	per cent	95	100
Cost			
Total output cost:	$ million	120.1	120.5

These indicators and targets have been developed by those responsible for providing the services and often have some incentives and penalty payments associated with them.

As a member of a bus users association, you have been presented with the above indicators and targets as clear evidence of a superior service. Please consider the following questions:

- Do you agree that the output indicators address the key aspects of the service from both a provider and consumer point of view?
- If you disagree – what shortcomings have you identified?

Mini Case 4: Objectives and Results

The **National Audit Authority** has the responsibility to Parliament for supporting its overarching goal of *a more transparent and accountable government*. In seeking to contribute to that goal achievement, it has identified several services it should provide. These services are:

- External Audit Compliance Service
- Internal Audit Establishment Advisory Service for Ministries
- Investigation Service
- Systems Control Review Service

Three senior executives have convened a meeting to clarify what should be the objectives, results and performance indicators of the National Audit Authority. One of the executives has put forward this proposal for objectives:

- All Departments and Ministries have effective internal audit services;
- Whole of Government complies with financial and audit act provisions;.

She suggests these objectives can have performance indicators that would show a) the coverage of internal audit within the whole of Government and b) the extent to which compliance audit reports for ministries contain any qualifications.

Another executive considers that the Authority cannot really use those statements as objectives and has put forward an alternative proposal that centres around 'clients':

- Ministries: Beneficial use of internal audit services
- Parliament: Confidence in the quality of government's financial management
- Public: Awareness of the financial management performance of the Government.

A third executive has stated that the measurements of the outputs and outcomes are the results of the Authority and has proposed that they simply refer to their results as being:

- Number of compliance audits conducted;
- Level of demand for the Authority's other services
- A high satisfaction rating from a survey of members of Parliament about the Authority's work and
- Good press coverage of the Authority's annual report on government compliance.

As an outside observer, you have been asked your opinion about the various proposals and provide advice upon:

What would you consider are the Authority's objectives

How would you describe 'results' of the Authority

SESSION 5
PARTICIPANT ACTIVITY 3 -

IDENTIFY SECTOR OUTCOMES – GOALS AND PERFORMANCE TARGETS

Typically, governments deliver results for their people through various sectors, be these ‘economic’ sectors such as agriculture, fisheries and industry, or ‘social’ sectors such as health and education.

These sectoral results are primarily responsible for achieving macro national outcomes such as GDP and per capita income growth and poverty reduction.

Thus, it is critical that disciplined sector analysis is undertaken for each sector to identify how best its sector outcomes can be achieved and in turn facilitate achievement of macro national outcomes.

Sector analysis is usually undertaken in a three step process, the first of which is the identification of Sector Outcomes, goals and targets.

1. Choose Relevant Sector Outcomes

- Definitions –
  - The <u>goals</u> of the sector are represented by intermediate and final outcomes which reflect improvements in the lives of people.
  - <u>Final outcomes</u> are desired quality-of-life factors such as employment and incomes, long life, education levels etc.
  - <u>Intermediate outcomes</u> are outcomes which are considered essential to reaching final outcomes, such as private investment (for employment and incomes), access to clinics, doctors, immunization (for mortality and morbidity rates), school enrolments (for literacy) etc.
  - <u>Outcome Indicators</u> are measures used to monitor the achievement of the final or intermediate outcome. Some examples –
    - Health sector: Access to Clinics, Ratio of Doctors / Population, Mortality rates, Morbidity rates,…
    - Education Sector: Enrolment rates, Literacy rates, School Completion rates …..
    - Transport: Distance to closest Road, Frequency of Maintenance, Travel Time, ….

- Select **5 to 8 Intermediate or Final Outcomes** for the Sector as the overarching Medium Term Sector Objectives
- Identify what indicator you will use to monitor each outcome.

2. Identify Current Performance on Sector Outcomes

- Establish current performance as a benchmark and **baseline performance**. This is the starting point. If this is not known accurately, then planning for improvement becomes rudderless.

3. Identify Desired Level of Outcomes 3 to 5 Years hence

- This is setting the target. Where would you like to see performance on each sector outcome indicator to be three to five years hence. (As a guide it is useful to use (a) past performance, and (b) comparator performance, eg performance by the same sector in a neighboring or similar country).

- It is always preferable to be modest and realistic in these targets. The adage 'aim high and you will reach high' is not necessarily helpful. If targets are realistic, they become more meaningful and are taken seriously.

Sector Performance Targets
Name of Sector:……………………

Sector Outcome	**Current Performance** (As of a specific date. Insert target – not just indicator description)	**Targeted Performance** (Specify by which date)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
9.		
10.		

Sector Performance Targets

Examples from Various Sectors

Sector Outcome	**Current Performance** *(As of a specific date. Insert target – no just indicator description)*	**Targeted Performance** *(Specify by which date)*
1. Education - Enrollment Rates in Primary School	In January 2005 approximately 65% of children under 10 years are enrolled.	By December 2009, 75% of children under 10 years will be enrolled.
2. Health – Access to Health Services	In January 2005, there is 1 urban clinic for 20,000 population and 1 rural clinic per 5000 pop	By December 2009, there will be 1 urban clinic for 10,000 pop and 1 rural clinic per 2000 pop
Immunization	In January 2005, immunization rate for infectious diseases (malaria, TB etc) was approximately 60%	By December 2009, immunization rate will be raised to 75%.
3.		
4.		
5.		
6.		

SESSION 5
PARTICIPANT ACTIVITY 4 -

SECTOR PERFORMANCE GAP ANALYSIS
IDENTIFY SECTOR CONSTRAINTS

Using the Problem Tree

Each targeted outcome will have an identified 'gap' based on current and desired performance.

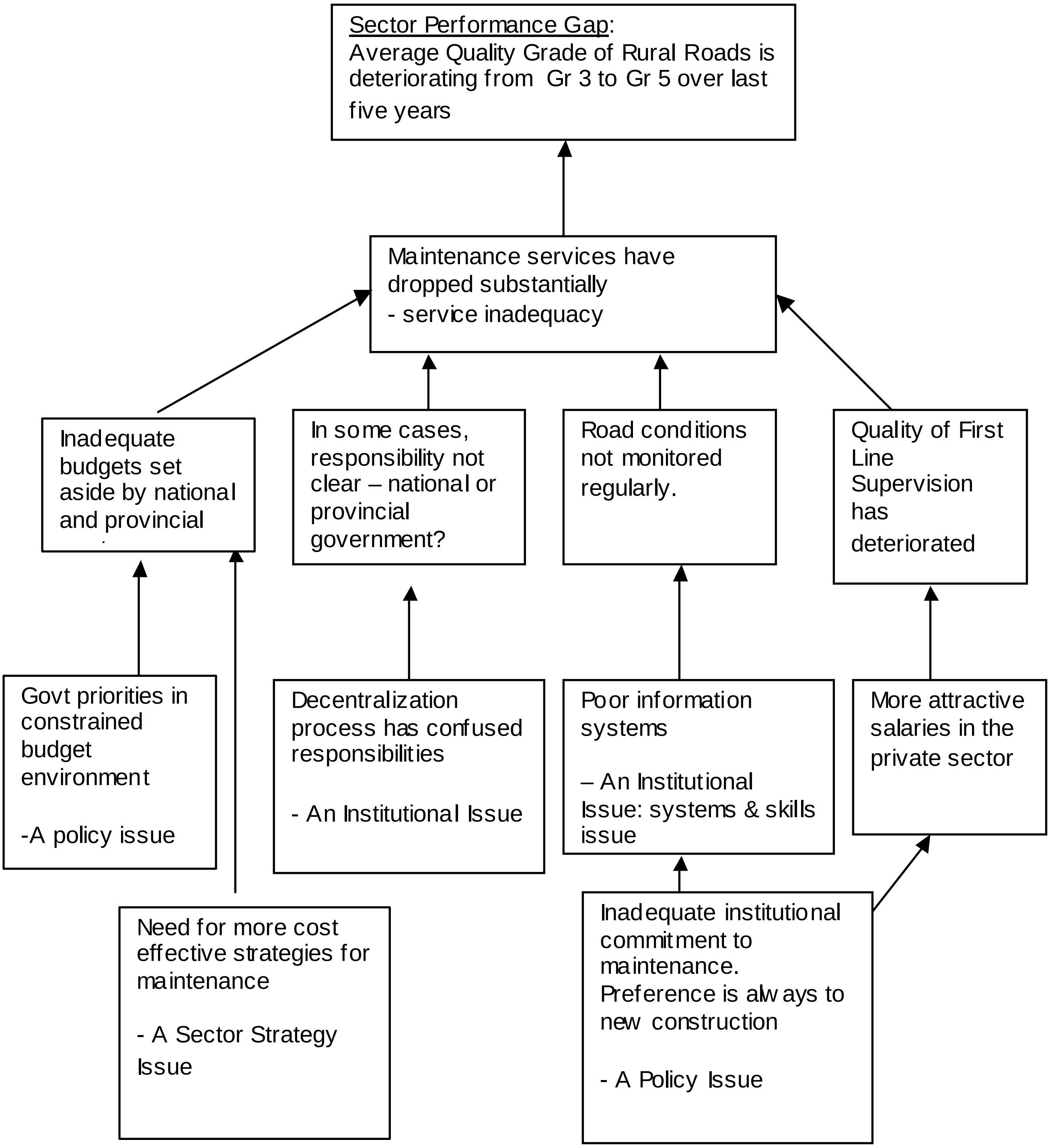
Select the most important two to three outcomes of the sector, and their performance gaps (current versus desired performance). Now, subject each performance gap to a problem tree analyses in the following three steps -

- Seek for causes for these gaps. List them.
- Place causes in a tree-linkage pattern to identify cause-effects (see example below)
- Mark each cause as - (i) policy related, (ii) institutional capacity related, (iii) service inadequacy related, (iv) infrastructure related, or (iv) budget related.

A simplified example of such an analysis is presented below.

Consider if the problem analyses for the top three sector outcomes can practically be 'consolidated' into an overall sector picture

Sector Performance Gap Analysis Simplified Example of a Problem Tree Analysis



Sector Performance Gap Analysis

Sector Performance Gap:

SESSION 5
PARTICIPANT ACTIVITY 5 -

PREPARING A SECTOR ROADMAP

Preparing a Sector Plan or Roadmap of Sectoral Initiatives

1. Sequencing of Required Outputs

The performance gap analysis will surface a host of required actions (or outputs) on policy, institutional capacity, services, infrastructure and investments. Given limited resources, these will need to be prioritized and then sequenced

Each Output is the responsibility of a specific agency (more than one agency usually contributes to sector outcomes). Each Output can become, potentially, a project or program in and of itself. The important issue is that each output, in this framework, is intrinsically connected to the achievement of an agreed to set of sectoral outcomes.

The analysis will, most importantly, establish the need not just for service enhancement or infrastructure development, but in parallel, for policy reform and capacity building.

If donors wish to assist, this common framework of required outputs provides them with a 'menu' from which to select where and how they will assist.

2. Costing of Required Outputs

The realistic costing of these planned outputs is necessary as a base for (i) preparing the eventual Sector Budget Framework, (ii) establishing what is indeed feasible within constrained resources, and (iii) providing a basis to seek external assistance. Typically, sector budgets are not prepared like this. But if there is an initiative to develop a sector approach, preparing a sector budget in this manner facilitates its justification. It also provides the opportunity to coordinate with other agencies whose outputs (and related budgets) may be necessary in a complementary manner, to support the achievement of the outcome target desired.

3. Assignment of Responsibility for Output Delivery

Each identified sector output must be assigned as a responsibility to some agency. Invariably, responsibilities will need to be distributed among central, the sectoral, and the local government agencies. This underscores the need for all these agencies to be involved in the sector planning process.

The sector plan and roadmap is an excellent tool for agency coordination. If done with stakeholder involvement, it is a good way to obtain agreement and commitment of all concerned to the delivery of required outputs, in a schedule which ensures that multiple agency efforts complement each other effectively.

4. Develop the Consolidated Sector Budget

This is the final step of the sector plan and roadmap. The identification of required outputs provides a rational and strategic basis for seeking budget and donor funding.

It is important that all sources of funds are reflected in the budget framework. If funding is constrained, it should be relatively simple to work back to the priority list of outputs, and eliminate outputs or adjust levels of service accordingly.

The budget planning should include:

- Capital cost requirements – to be funded by Government and donors
- The recurrent cost implications of these new assets and services being created
- The Government's ongoing recurrent cost budget for ongoing sectoral services
- A multi-year presentation to allow for an understanding of budget-growth dimensions.

The Sector Roadmap – A Summary Schematic Outline

Name of Sector: ………………………

Key Sectoral Outcomes (between 5 – 8 Indicators)
1……………………………… 2…………………………………
3……………………………… 4…………………………………
5………………………………

Major Sectoral Constraints:

Outcome 1:	Outcome 2:	Outcome 3:	Outcome 4:	Outcome 5:
……..	………	………..	………..	……….
……..	………	………..	………..	………..
……..	………	………..	………..	…………
……..	………	………..	………..	…………

Planned Outputs :	**Estimated Cost** : Capital / Recurrent	**Schedule**:	**Responsibility**: Govt Agency / Donor
1 Policy Reforms:			
1.1……………………………..			
1.2……………………………..			
1.3……………………………..			
2. Capacity Building:			
2.1……………………………..			
2.2……………………………..			
2.3……………………………..			
3. Service Enhancement			
3.1…….			
3.2…….			
3.3…….			
4. Infrastructure Enhancement:			
4.1……			
4.2……..			

SESSION 7
PARTICIPANT ACTIVITY 6 -

REVIEW SAMPLE PROGRAM AND PROJECT RESULTS FRAMEWORKS

Purpose

The purpose of this exercise is to give participants the knowledge required to assess whether a project framework meets an acceptable standard. It will NOT equip participants with the skills needed to prepare a project framework, although it is essential knowledge for framework preparation.

Materials

Example project frameworks are provided. These are drawn from 2004 ADB loan project approvals. In addition to the framework, a summary of the project is also provided as additional background. Reading this may help critique the framework. The frameworks have been selected to cover a range of countries and sectors. They also cover the spectrum of quality.

A checklist is also provided to assist in assessing the quality of the sample project frameworks.

It is HIGHLY DESIRABLE that participants familiarize themselves with the checklist prior to the exercise. Also, if participants wish to indicate a preference to work on a particular framework, the organizers will try and accommodate this. However, please advise us as soon as possible of any such preference.

The Task

Each group will discuss one project framework.

The task will be to critique (using the guidance provided by the checklist) the main elements of the framework - goal (impact), puropse (outcome), output, activity and input statements; targets and indicators; monitoring mechanisms/data sources; and assumptions and risks.

While each group should attempt to cover all aspects in their group discussions, the group will be assigned one area on which it should report in the plenary session - for example, one group may be required to report back on targets and indicators, while another will lead a discussion on assumptions and risks.

An opportunity will be then be provided for general comments.

LOGICAL/PROJECT FRAMEWORK – CHECKLIST

Design Summary	Guidance
Impact (goal or medium-term development objective)	
A statement of desired medium-term impact that is partly, but not exclusively, attributable to the Project.	❑ Is the statement at the right level (not an outcome, output or activity)? Can a plausible case be made for this project to contribute in a significant way to impact attainment—is the statement too general or at too high a level? ❑ Ideally, the impact statement should state an expected beneficial impact on people. ❑ The statement should be phrased in such a way that the degree of achievement is capable of being measured.
Outcome (purpose or immediate development objective)	
The development outcome (solution to a problem) that follows from having successfully produced the outputs. The outcome should be directly attributable to the project (subject to assumptions and risks) and be achievable by completion of the project.	❑ Is the outcome given as a single succinct statement of a desired development result? There should be only one outcome statement. ❑ Is the outcome phrased as a development result and not as an activity (by containing verbs) or as a restatement of outputs? ❑ Is the outcome a plausible result from delivery of the outputs (subject to assumptions and risks)? ❑ Is achievement of the outcome solely attributable to the project? ❑ Can the outcome plausibly be attained by the end of the project (subject to assumptions and risks)? ❑ Does the outcome statement reflect an expected improvement from a baseline situation? ❑ Is it clear from the outcome statement what the problem or opportunity being addressed was?

Design Summary	Guidance
Outputs	
The physical goods, services, institutional and/or behavioral changes produced by the project.	❑ Should be phrased as the main "deliverables" that arise from using inputs and transforming these through activities. ❑ There should be no words in the output description that imply action—these are activities. ❑ Can the outputs plausibly be produced carrying out the planned activities and with the inputs to be provided (taking account of assumptions and risks)? ❑ Components are not outputs although outputs can be grouped under component sub-headings.
Activities	
Groups of tasks carried out to transform inputs into each output to be produced. Only the main activities should be included—in particular, those whose completion represent important milestone dates that will allow implementation progress to be tracked.	❑ Have the main activities, necessary to produce the outputs, been included? ❑ Are activities grouped (numbered) by output so that the relationship between activities and outputs is clear? ❑ Do activities describe a transformation process rather than simply rephrasing outputs as activities? ❑ Can the activities plausibly be carried out with the proposed inputs? ❑ Are all important milestone events reflected as activities?
Inputs	
The main resources (financial and in-kind) required to carry out the project provided by the financiers, government, co-financiers, NGOs, beneficiaries and other stakeholders.	❑ Is funding by key cost category (civil works, equipment, consulting services, etc.) spelt out? ❑ Are complementary inputs by the DMC, co-financiers, private sector, beneficiaries, NGOs, etc., stated in financial or physical terms?

Indicators/Performance Targets

Indicators are the measures to be used for determining the level of achievement of a result area (impact, outcome, outputs), and milestones indicate the completion of activities. Indicators can be quantitative (i.e., no. of students receive diploma increased by…) or qualitative (no. of graduated students employed within 6 months increased by ….). Qualitative indicators are more meaningful and better suited to measure benefits.

A **target** is the timebound and desired level of achievement for a results area (impact, outcome, outputs), over a baseline level.

Checklist	Guidance
Impact, outcome and outputs have at least one measurable indicator with an explicit target.	❑ There is no point in having a planned result area (impact, outcome, output) if its attainment will not or cannot be measured or assessed.
Indicators and targets should be **SMART** (specific, measurable, attributable, relevant and timebound).	❑ Being specific means that generalized statements are not acceptable. It should be very clear what is to be measured—the yardstick for success. ❑ Indicators should be measurable—in quantitative terms, either directly or through proxy measures, or qualitative terms through, for example, client/beneficiary satisfaction surveys. ❑ Achievement of the target should be attributable to the project (partially only at the impact level). ❑ The target and indicators should be relevant measures for design summary attainment—that is, they should allow assessments to be made of the extent to which the design summary statement has been achieved. In this regard, they should specify a base level situation and a desired target level. ❑ The due date for target achievement should be specified. It is given that the due date for outcome attainment is the project completion date. Milestone dates for completion of activities are desirable.

Data Sources/Reporting Mechanisms

Data sources (which organization or dataset) are those that provide the information for measuring the attainment for each target/indicator.

Reporting mechanisms (how) indicate in which form the information is provided.

Checklist	Guidance
There is a strong preference for using established sources of data from government or others.	- Established data sources are more likely to be available when needed and continue to be collected also after project completion. - They do not require additional resources and do not burden the already stretched government systems with additional donor driven information requirements. - If and when appropriate, strengthening existing or building new data collection systems can be included in the project as activities.
Data sources should be very specific.	- General statements such as "surveys", or "statistical data" are inadequate.
Each indicator has at least one source of data.	- There is no point in including targets and indicators for which data is unlikely to be available.
The means of recording or reporting data are not data sources.	- Project progress reports are not data sources, they are means of reporting/analyzing data. We need to know where the information is going to come from that goes into these reports.

Assumptions and Risks

Assumptions are conditions, events or actions that are recognized as being necessary for the cause and effect logic to hold true but which have not been included within the project scope and are the responsibility of others—they are external to it.

Risks are potential adverse events or actions that are outside the control of project management but which, if they occur, would negatively influence the attainment of impact, outcome, outputs or activities. Risks may be capable of mitigation, and provisions might be included as activities.

Checklist	Guidance
Assumptions and risks provide the horizontal logic of the project.	❑ There is a horizontal logic between assumptions and risks and the design summary (impact, outcome, outputs) which starts at the bottom right field – inputs. The following sequence of questions will guide you through the horizontal logic: ❑ Are the inputs sufficient to carry out the activities? ❑ After the activities are completed what assumptions have to hold true and what risks should not occur to produce the respective outputs. ❑ Having produced the outputs what assumptions have to hold true and what risks should not occur to achieve the outcome. ❑ Having achieved the outcome what assumptions have to hold true and what risks should not occur to make a contribution to achieving the impact.
Assumptions and risks are clearly identified as to which is which.	❑ Assumptions and risks are grouped separately under their respective headings. ❑ An assumption is a condition that is assumed to hold true. ❑ A risk is a possible event that would have a negative impact on the project. It either needs to be mitigated or leads to a design change, if it occurs.
Assumptions and risks are specific to a particular level.	❑ There should be no general assumptions and risks. They should be specific and be those that apply for attaining the result statement at the same level.
Assumptions and risks are external to the project.	❑ Assumptions and risks in a design and monitoring framework should only be those factors that are outside the scope of the project or the control of project managers but which are necessary for success (assumptions) or would hinder project (risks).

There are no “killer” assumptions and risks.	❑ “Killer” assumptions and risks are those that if they occurred would render the project unsuccessful. If such assumptions and risks are present, the rationale for proceeding with the project should be questioned, particularly if it is judged that there is a reasonable chance that the assumption might not hold true or the risk might occur. ❑ Design changes are necessary to eliminate these killer assumptions and risks.
The assumption and risk statements are capable of being monitored.	❑ Assumptions and risks should be monitored so that corrective action can be taken as soon as it is determined that assumptions no longer hold true or risks are eventuating.
Each assumption and risk is recorded only once.	❑ All assumptions and risks should be unique to a level. Record assumptions and risks only once and at the highest level they occur (e.g. impact, outcome, output).

SESSION 9 AND 10
PARTICIPANT ACTIVITY 7 -

AGENCY PERFORMANCE AND CAPACITY ANALYSIS
STEP 1 - IDENTIFYING AGENCY CLIENTS AND CLIENT EXPECTATIONS

Public sector agencies over time often become budget- and procedure- driven in their operations, sometimes losing sight of their fundamental purpose which is to serve a client/s and specific client expectations.

This tendency is natural given some inherent characteristics of the public sector –

- It is accountable for public money; hence the emphasis on the budget.
- It is necessary that appropriate checks and balances are in place to ensure financial probity.
- Thus, incentives (or sanctions) within the public sector are usually skewed to supporting a budget and activity focus, as against an output/outcome focus.

In analyzing Agency Performance and Capacity, it is necessary to take the agency back to its fundamental purpose by asking two key questions –

- who are the Agency's clients?
- what are the Clients' expectations of the Agency?

Typically, a public sector agency will have numerous clients, in some order of priority.

Also, typically, it is easier to identify the client/s of 'service delivery agencies' such as heath and education, and more difficult in the case of central and regulatory agencies such as departments of finance, planning and the trade & investment board.

Use the sheet attached to (i) first identify key clients of your agency; and (ii) to then identify each of their respective expectations.

Work on at least the two or three priority clients.

PARTICIPANT ACTIVITY 7 -

AGENCY PERFORMANCE AND CAPACITY ANALYSIS

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
3.	3.1
	3.2
	3.3
	3.4
4.	4.1
	4.2
	4.3
	4.4
5.	5.1
	5.2
	5.3
	5.4
	5.5

EXAMPLE - IDENTIFYING AGENCY CLIENTS AND CLIENT EXPECTATIONS

NAME OF AGENCY: CENTRAL PLANNING AGENCY

CLIENT	CLIENT EXPECTATIONS
1. CABINET	• Researched 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	• Researched 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
3. LOCAL GOVERNMENTS	

PARTICIPANT ACTIVITY 8 -

IDENTIFY AGENCY'S KEY OUTPUT AREAS
OR
AREAS OF CORE BUSINESS

An Agency's Key Output Areas, or its Areas of Core Business derive from its clients' expectations. These are the areas of results in which the Agency must deliver specific outputs and outcomes (impacts/benefits to clients) in order to fulfill its mandate and client expectations.

These are the Agency's unique contributions to the working of government.

Identify five to six Key Output Areas for your Agency based on the Client Expectations identified in the pervious Activity-

1.

2.

3.

4.

5.

6.

EXAMPLE – Central Planning Agency

The Key Output Areas based on Client Expectations -

1. **Strategic and Policy Directions** for the National Development Process

2. The **Public Investment Program** to support National Strategic Directions

3. **Research, Monitoring and Evaluation** to provide information to the Development Planning and Investment Process

4. Mobilization and coordination of **Development Funding**, from both internal and external sources

5. **Networking and Participation** of all key stakeholders in the development planning and programming processes

6. Selective **Project / Program Coordination**–………..

PARTICIPANT ACTIVITY 9 -

DEVELOP MONITORABLE PERFORMANCE OUTPUTS/OBJECTIVES IN EACH OUTPUT AREA

As mentioned earlier, each Output Area represents an aspect of the Agency's operations within which the Client expects a set ongoing outputs or services.

In its Annual Planning Process, the Agency must each year identify, in monitorable terms, specific outputs it will deliver to its clients in each Output Area.

In this Activity, the participant will:

1. Identify the priority Outputs for each Output Area
2. Establish a Performance Indicator and/or Completion Date for the Output
3. Assign accountability for the Output to a specific unit within the Agency.

See example as applied to a Central Planning Agency.

Priority Outputs / Objectives of Planning Agency (2004 – 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 Medium Term Development Framework	Cabinet Approval – May 05	Policy Division
2. Prepare Budget Framework for the Development Budget	Cabinet Approval / Revise Ceiling by August each year	Policy Division Planning/Programming Division
3. Develop and implement a "Dissemination Plan" for explaining the MTDF to all key stakeholders	Cabinet Submission – May 2005 Implementation – May to December 2005	Policy Division
4. Establish Link with Partner Research Agencies to utilize their Outputs for Government Policy and Strategy	Institutionalized linking mechanism in place by end 2006	Policy Division

Output Area 2:
Public Investment Program to Support National Development

Priority Outputs / Objectives	**Performance Indicator/ Completion Date**	**Division Accountable**
1. Institutionalize the Sector Approach across all Sector Agencies	- Framework and Guidelines established by end 2005 - Implementation begins with Sectoral Agencies in 2006 - Sector Development Plans and Budgets in place for all key sectors for 2006 Budget	Planning and Programming Division
1. Operationalize MTDF through Sector and Provincial Development Plans	- Sector Development Plans integrated into 2006 Budget - Provincial Development Plans finalized and monitored starting 2006	Planning and Programming Division
4. Strengthen the Project Proposal System for the PIP	Workshops for Sectoral and Provincial Agencies during 2005, 2006	DPPD
5. Provide a dialogue link between C. Planning and sectoral, Provincial and District Agencies	Institutionalize Quarterly Meetings between Planning and Sectoral / Provincial Agencies	Policy Division Planning and Programming Division

Output Area 3:
Mobilization and Coordination of Development Funding

Priority Outputs / Objectives	**Performance Indicator Completion Date**	**Division Accountable**
1. Re-start the Consultative Group (CG) Meeting Process for improved coordination between Government's Budget Process and Donors	- Next CG will be mid 2005	Aid Coordination Div
2. Establish a Grant Management Scheme to better identify and coordinate sources of financing for development	- established by mid 2005	Aid Management Div
3. Strengthen the Focal Point Services offered to all Government Agencies and NGOs seeking External Development Funding	- Annual Briefings of all agencies and NGOs on Donor polices and programs - Annual Briefings of Donors on SIPs and implementation progress starting 2005	Aid Management Division
5. Facilitate and negotiate development loans, grants, technical cooperation.	- No. of loans secured per annum - Extent of budget gap in the development budget	Aid Management Division

PARTICIPANT ACTIVITY 9 -

Develop Monitorable Performance Outputs / Objectives in each Output Area, with Performance Targets and Accountability Specification

Output Area 1:

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

Output Area 2:

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

Output Area 3:

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

PARTICIPANT ACTIVITY 10 -

Agency Diagnostic Analysis of Constraints to delivery of Key Performance Outputs

Use a Force Field Analysis

Force Field Analysis is a useful technique for looking at all the forces for and against the achievement of a specific output or objective, particularly those w ithin the control of the agency.

By carrying out this type of analysis you can establish a rational and disciplined basis for strengthen the capacities necessary to achieve the output, and reduce weaknesses in organization capacity w hich will constrain performance.

To carry out a force field analysis, follow these steps:

- List all helpful organization strengths as indicated below
- Then list all the constraining organization w eaknesses.
- Assign a score to each force, from 1 (w eak) to 5 (strong).

Capacity Constraints (Hindering Factors): **WT** (1-5)

1……………………………………………………

2……………………………………………………

3……………………………………………………

4……………………………………………………

5……………………………………………………

Output to be Achieved:

Capacity Strengths (Supporting Factors): **WT** (1-5)

1……………………………………………………..

2……………………………………………………..

3……………………………………………………..

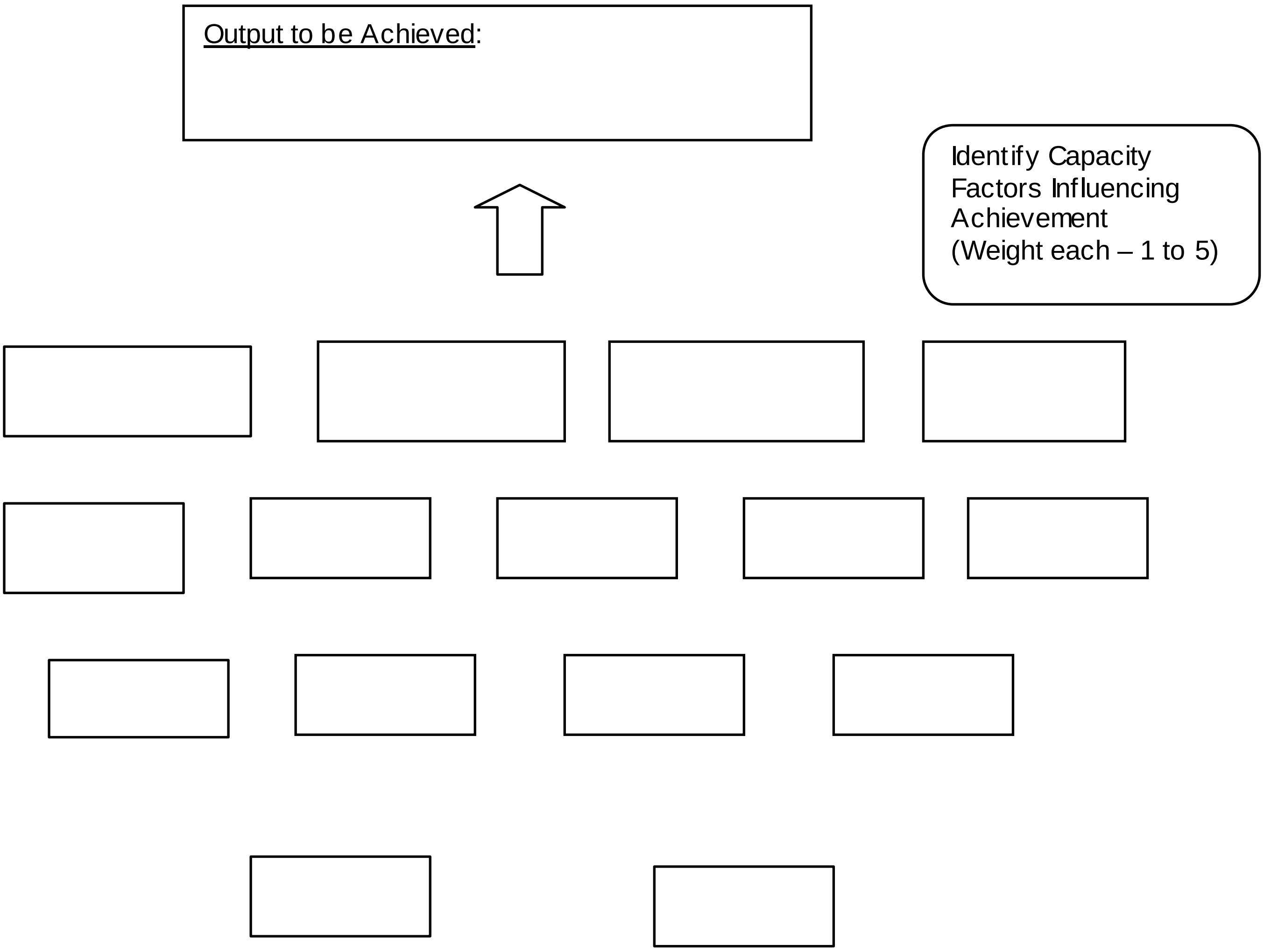
4……………………………………………………..

5……………………………………………………..

6……………………………………………………

Use a Problem Tree Analysis Approach to the Diagnostic Analysis

An alternative approach to do a diagnostic analysis with regard to the Agency capacity to deliver a specific output is to use the Problem Tree approach.



PARTICIPANT ACTIVITY 11 -

DEVELOP CAPACITY BUILDING PLAN TO ENHANCE AGENCY PERFORMANCE

The Agency Capacity Building Plan must –

- Be linked to the Agency's capacity to deliver a specific and monitorable output which pertains to an Output or Key Result Area
- Be responsive to the major constraints identified as hindering capacity to deliver
- Precede or at least run in parallel with the implementation of the Output Plan which is the target for the capacity building

The criteria of success of the Capacity Building Plan will be the effective and efficient achievement of the target Agency Output.

If you have done a disciplined and thorough Diagnostic Capacity Analysis, the Capacity Building Plan is the easy next step.

Refer Schematic Outline of the Capacity Building Plan in the sheet attached.

DEVELOP CAPACITY BUILDING PLAN TO ENHANCE AGENCY PERFORMANCE

High Impact Output / Objective :

Identified Constraints	**Capacity Building Plan**	**Schedule**	**Accountability**
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			