

RESULTS BASED MANAGEMENT

UNU-INWEH'S WORKING MANUAL

2ND EDITION



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What is Results Based Management

Basic Principles of RBM

Results Based Management (RBM) can be broadly defined as a management philosophy and approach that emphasizes development results in planning, implementation, learning and reporting. It complements a whole array of policies and strategies on such issues as human resources and information management, gender mainstreaming, and learning approaches. At the broadest level, RBM process should supply answers to some fundamental questions, like:

- Is the institutional design relevant to the attainment of its objectives?
- What major results have been achieved to date? Are they relevant?
- Were these results achieved in a cost-effective manner? How successful is the institution in leveraging its resources?
- Are these results sustainable?
- Is there adequate sharing of responsibility and accountability within the institution?
- Is there institutional capacity for informed and timely action to adapt to changing situations?

As a management philosophy, RBM will take on different forms when applied to organizations with their different missions and varied challenges. The implicit assumption in applying the RBM approach is that whether an organization is performing really well or not, performance can always be improved further. RBM presents a structured and organized way to achieve this improvement and steer institutional strategies. In a pragmatic sense, RBM emphasizes specific steps that are taken and associated techniques that are employed in order to focus more attention on the achievement of results.

Effectiveness of RBM also depends on how the staff members in an organization engage in and benefit from it. Acceptance, adoption and deployment by staff members and management teams are, thus, quite central to its success.

Many examples for RBM philosophy are available. This document relies heavily on those promoted by the Joint Inspection Unit (JIU) of the United Nations and the-then Canadian International Development Agency (CIDA; now referred to as Department for Foreign Affairs, Trade and Development or DFATD). Those approaches and their application to UNU-INWEH are discussed in detail in a formal report.¹

Pitfalls in Implementing RBM

Some aspects of RBM approaches, if not designed carefully, can be counter-productive. It is useful to know these pitfalls and actively plan to avoid them. Provided here is a list of some of the most common pitfalls:

- Creating monitoring and reporting processes that are overly elaborate, so that they assume a life of their own and detract from the intended objective.
- Incorrect definition of indicators such that they are either not representative of the results sought or simply not measurable.

¹ Results-Based Management: A Practical Approach and Guidelines for Use by UNU-INWEH, UNU-INWEH 23 July, 2007

- Setting the bar too low for achievements, such that while the projects or institutions may ostensibly meet the goals set out in a RBM framework, they represent major under-performance.
- Not putting adequate adaptive management processes in place at either the project or the institutional level, so that lessons learned are not adequately applied.

RBM and UNU-INWEH

Over the past 10 years, UNU-INWEH has built a strong reputation as the United Nation’s think-tank on water, and has demonstrated leadership in research and capacity building, closely coupled with high-level policy development. This institutional growth has also brought along with it new challenges and opportunities. In order to fully meet the challenges and exploit the opportunities, it must continue to follow a systematic and carefully laid out strategy. Such a strategy must be underpinned by the contemporary approaches used to measure performance and provide course correction, as needed. Results-based management (RBM) provides such a framework within which achievement of results is assured by regular monitoring, feedback and strategic guidance.

Devising an RBM approach for a unique institution like the UNU, which serves as a bridge between the academic and UN realms, is no textbook task. There are not any readily available methodologies that can be picked off the shelf, ready for use. In designing a new approach, one has to be particularly mindful that it should not stifle the innovative and entrepreneurial spirit of a relatively small organization.

UNU-INWEH’s adoption of an RBM approach has been invariably be a learning-by-doing process – it is also gradual and iterative. After seven years of implementation since 2007, UNU-INWEH’s senior management team undertook a careful review of the RBM indicators in 2013, and offered a number of improvements, which are reflected in the subsequent sections.

Operationalizing RBM for Projects

At the operational level, RBM approach influences how a project is designed, recorded, implemented, monitored, reported and modified over time. The documentation of that process is available in the detailed UNU-INWEH RBM report; some general steps for its implementation are outlined here.

General Steps for Operationalizing RBM

In a broad sense, the following seven key steps are undertaken to operationalize RBM for an institution:

Step 1: Establish a clear conceptual framework for the introduction of RBM.

Step 2: Articulate realistic objectives and sought-after results for each project. This takes the form of a “logical framework” (or LogFrame), described in **Annex 1**, that ties objectives ►► activities ►► outputs ►► outcomes ►► impacts.

Step 3: Identify and list the key indicators to be used in measuring progress – typically aligned with outputs, outcomes and impacts.

Step 4: Align the resource inputs with the planned activities and initiatives.

Step 5: Develop a simplified monitoring and reporting process, using the indicators selected in Step 3.

Step 6: Learn from the successes and shortcomings to the benefit of future development. A systematic strategic review process can be central to this exercise; for example, the International Advisory Committee (IAC) could perform this function on a regular basis.

Step 7: Identify actions to be undertaken and assign responsibilities for responding to the review.

Adaptive Project Management Based on RBM Findings

It is quite likely that recommendations for immediate modification to the management of any one project are acted upon because those modifications are generally easy to introduce. However, it is more challenging to extrapolate institutional guidance based on RBM findings for individual projects. Rigorous assessment processes need to be in place (to undertake steps 6 and 7 listed above).

In the short term, regular annual reports to the UNU Council and to DFATD should contain *inter alia* summary analyses of progress being made by each project. These annual reports would draw upon: the monitoring of the projects; assessments of lessons learned from end-of-project reviews; and, assessments of significant change in UNU-INWEH's global operating environment. These same reports should also contain summary analyses of significant developments in UNU-INWEH's structure, mode of operation, funding and staffing.

At the institutional level, the results of these reports can be aggregated to provide a composite picture. Such a picture is to be presented in the UNU-INWEH's Strategic Plan – which is reviewed and revised in a cyclical manner every two years, making it a living document.

Using RBM at the Institutional Level

General Principles

As a UN think-tank, UNU-INWEH needs to learn lessons from its successes and setbacks to help guide its ongoing development as an institution. To ensure that the feedback is utilized, a clear, practical and systematic procedure must be established. This procedure should take advantage of information generation by each project – as well as taking a broad overview of institutional progress.

Such a broad institutional overview requires some measurable indicators to be monitored on a periodical (e.g., annual) basis. Those indicators – both quantitative and qualitative – must provide answers to the questions listed on page 2. Intensive discussion of these results with the UNU-INWEH team would provide any course correction needed. Conversely, the questions listed on page 2 can also be used to construct a framework of indicators. Such a framework of Macro-indicators of Institutional Development (or simply, MIDs) is presented in this section.

Macro-Indicators of Institutional Development – MIDs

MID 1: Resource Mobilization: The resources available to UNU-INWEH are to be measured as: (a) the core funding; and (b) additional leveraging. Of the latter, we need to document the in-kind contributions provided by our partners as well as third party contributions that do not flow through the UNU-INWEH accounts; these resources are critical to the success of UNU-INWEH's programmes. These indicators also indirectly represent the ability to support activities in developing countries.

MID 2: Relevance of results: The key interested parties (the donors, the developing country partners, and UNU-INWEH's staff) share an interest in ensuring the relevance of UNU-INWEH's work to the needs arising from the global water crisis. However, expression of those needs will always evolve as political priorities are adjusted and our understanding improves. The following qualitative measures can be used for this purpose.

- The fit between UNU-INWEH's priorities and those of related national governments, scientific/researcher community, and international development organizations, as expressed through the number of partners actively working with UNU-INWEH.
- Dissemination of findings through media.
- Uptake of the findings from UNU-INWEH's activities into ongoing policy formulation and planning processes at the international and national levels; this also relates to impacts on UN development agenda.

MID 3: Cost-effectiveness of results: This indicator records the reasonableness of the relationship between the costs and the results of UNU-INWEH's activities. The resource leverage obtained for every dollar of core, untied funding, in terms of: (a) specific programme contributions; and (b) direct and indirect revenue leverage by UNU-INWEH's partners.

MID 4: Sustainability of results: This indicator relates to the sustainability of the results being achieved in the partner countries as well as the sustainability of UNU-INWEH to continue to generate such results. The following measurements are used:

- The percentage of project completed that had succeeded in getting adequate resources in place for their execution.
- The percentage of received funding and other services that were sought from the partner institution for the reporting period.

MID 5: Sharing of responsibility and accountability: UNU-INWEH depends upon its sharing of responsibility and accountability with its partners, as documented in the working relationships. Joint activities – co-hosted meetings, co-organized capacity building, and shared publications – are a direct indication of commonality of interests that leads to mutual implementation of key tasks.

MID 6: Capacity for informed and timely action: This indicator should capture significant changes in UNU-INWEH's capacity to minimize risks associated with the development, funding and implementation of creative responses to developing country needs. It is intended to measure the capacity of UNU-INWEH to minimize and respond to risks that may affect project funding through: (a) the involvement of local people in project design (to ensure relevance); and (b) the involvement of community representatives in design and implementation of activities.

MID 7: Gender Sensitivity: As part of its mandate, UNU-INWEH strives to achieve equitable development of women and men by focusing on productivity, equality of opportunity, sustainability and empowerment in all aspects of its functioning. To achieve this, we provide assistance to project partners to help generate understanding on gender sensitivity, and build their capacities to incorporate gender perspectives into joint activities. These are both quantitative and qualitative indicators.

Compiling Information for Macro-Indicators

In order to successfully use the MIDs for strategic planning and direction setting, it is essential that the baseline for each MID is clearly defined and the overall targets to be achieved are laid out at the outset of the planning cycle. Operationally, it is also useful to define “stepping stones”

or short-term targets. Similarly, it is important to articulate the assumptions and risks associated with achievement of sought-after results and targets.

The overall framework for MIDs, description of achievement targets, and the respective timeframe are to be described in the Strategic Plan. Reporting on most of the MIDs should be done on annual basis. However, it is reasonable to anticipate that some MIDs may be measurable only over longer periods of time, and thus, be reviewed only in 5-year institutional reviews which are conducted by an external evaluation team or individual.

Annex 1 – Sample LogFrame

OBJECTIVES	ACTIVITIES	OUTPUT		OUTCOME		IMPACTS	
		DESCRIPTION	INDICATOR	DESCRIPTION	INDICATOR	DESCRIPTION	INDICATOR
<p><i>THIS ELABORATES THE GOAL STATEMENT BY IDENTIFYING TWO OR POSSIBLY THREE INTENDED ACTIONS THAT HAVE TO BE TAKEN IN ORDER TO REALIZE THE GOAL.</i></p>	<p><i>THIS LISTS THE MAIN ACTIVITIES THAT HAVE TO TAKE PLACE IN ORDER TO REALIZE THE OBJECTIVES. THE NUMBERED ACTIVITIES SHOULD BE REFLECTED IN THE STRUCTURE OF THE WORKPLAN. MORE THAN ONE ACTIVITY MIGHT RELATE TO A SINGLE OBJECTIVE</i></p>	<p><i>THE LIST OF OUTPUTS, OR SHORT-TERM RESULTS.</i></p>	<p><i>THE INDICATORS TO BE LISTED HERE ARE MORE LIKELY TO GENERATE QUANTITATIVE INFORMATION ON THE PROGRESS BEING MADE (OR LACK THEREOF) IN REALIZING THE OUTPUTS.</i></p>	<p><i>THE OUTCOMES LISTED HERE RELATE TO BOTH THE OBJECTIVES AND THE BROADER SOUGHT-AFTER IMPACTS. THESE OUTCOMES ARE EXPECTED TO BE REALIZED AND MEASURABLE IN THE LIFETIME OF THE PROJECT.</i></p>	<p><i>THE INDICATORS ARE LIKELY TO BE QUALITATIVE OBSERVATIONS ON PROGRESS BEING MADE (OR LACK OF PROGRESS) AS A RESULT OF THE OUTCOMES HAVING BEEN REALIZED.</i></p>	<p><i>THE MAIN DIRECT OR INDIRECT CHANGES EXPECTED TO OCCUR ARE IDENTIFIED. THESE RELATE DIRECTLY TO THE GOAL AND ARE EXPRESSED IN SIMILARLY BROAD TERMS. AN IMPACT IS NOT NECESSARILY REALIZED IN THE DURATION OF THE PROJECT OR TO BE MEASURABLE IN THAT PERIOD.</i></p>	<p><i>THE INDICATORS TO BE LISTED HERE ARE THOSE THAT SERVE TO IDENTIFY THE DEGREE OF CHANGE OVER THE LONG TERM. THEY WOULD BE USED IN ANY EX-POST EVALUATION OF THE PROJECT, SEVERAL YEARS AFTER IT FORMAL COMPLETION.</i></p>
OBJECTIVE 1	ACTIVITY 1	OUTPUT 1	INDICATOR 1 INDICATOR 2	OUTCOME 1	INDICATOR 8	IMPACT	INDICATOR 11 INDICATOR 12
	ACTIVITY 2	OUTPUT 2	INDICATOR 3 INDICATOR 4				
OBJECTIVE 2		OUTPUT 3	INDICATOR 5 INDICATOR 6	OUTCOME 2	INDICATOR 9		
	ACTIVITY 3	OUTPUT 4	INDICATOR 7		INDICATOR 10		