



## Results Based Management

The concept of Results Based Management (RBM) comes to the social sector from the world of management. It was a gradual evolution from Management by Objectives (MBO) to Values Based Management (VBM) to Results Based Management (RBM). MBO was first conceptualised by Peter Drucker and outlined in his book *The Practice of Management* published in 1954. In that seminal book Drucker cautioned managers from falling into the 'activity trap' and getting so involved in their day-to-day activities that they forget the main purpose or objective of their business.

Traditionally organisations focused on managing activities and outputs. An activity and its associated output is only the 'means' to an 'end'. An activity is not an end in itself. The end is the objective of the programme or business. India has achieved a growth rate of 8 percent, but 53 percent of our children under 5 years of age are malnourished. Achieving a high growth rate is necessary but not sufficient. The end is ensuring healthy and productive lives for our citizens. An output may be achieved but it does not necessarily

follow that the larger objectives have been met.

Over the years there was a perceptible shift to the larger picture. Organisations began to focus on outcomes and impacts. They had to ensure that their processes, products and services were contributing to the achievement of results. This applied as much to national governments as to social development organisations. Governments of UK, US, Canada, and The Netherlands were the pioneers in this field in demonstrating results and in ensuring that the resources were being used in the most efficient manner in achieving those results. Back home in his last budget speech the Finance Minister, Mr. P. Chidambaram, spoke of an outcome-oriented budget.

Agencies like the World Bank, UNDP, UNFPA, USAID, CIDA, GTZ, etc realised that adopting results-based programming and management is particularly important for development agencies since social development is a 'soft' sector where it is very difficult to demonstrate that resources are being used efficiently and programmes are having the intended impact. Agencies

needed to improve their performance, management and accountability in order to increase the confidence of donors and other partners, and reverse the past decline in development assistance.

MBO evolved into Logical Framework, which was first developed by Practical Concepts Inc. in 1969 for the U.S. Agency for International Development (USAID). It has since been widely adopted and adapted by both business organisations as well as the development sector. The development sector used the Logical Framework as a management tool to improve the design of interventions, most often at the project level. Logical Framework involves identifying strategic elements (inputs, outputs, outcomes and impact) and their causal relationships, indicators, and the assumptions/risks that may influence success and failure. It is, thus, a tool that facilitates planning, execution, monitoring and evaluation of development intervention.

### RBM and Logical Framework

In order to implement RBM it is crucial to first define the inputs (or resources available), activities, outputs and outcomes (See Glossary for definition of terms). A Logical Framework (logframe for short) helps us do that. A logframe is a

matrix that summarises what a project intends to do and how, what the key assumptions are, and how outputs and outcomes will be monitored and evaluated. Thus a logframe defines a project in terms of goal - purpose - outputs - activities. These are logically linked, given certain defined assumptions, so that if [activities] then [outputs], if [outputs] then [outcome]. For ease of reference the framework is presented as a 4x4 matrix as shown below:

A logframe is a systematic and structured way of thinking, as well as a discipline, that helps planners and managers to:

- Analyse the existing

situation during project preparation;

- Establish a logical hierarchy of means by which objectives will be reached;
- Identify some of the potential risks;
- Establish how outputs and outcomes might best be monitored and evaluated;

Once the logframe is established, RBM builds on the logframe. Broadly RBM involves:

- Identifying clear and measurable results aided by logical frameworks, based on appropriate problem analyses;
- Selecting indicators that will be

used to measure progress towards indicators;

- Setting explicit targets for each indicator, used to judge indicators;
- Developing performance monitoring systems to regularly collect data on actual results;
- Reviewing, analysing and reporting actual results vis-à-vis the targets;
- Integrating evaluations to provide complementary performance information, not readily available from performance monitoring systems;
- Using performance information for internal management accountability, learning and

## Logical Framework Matrix

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Impact	What is the overall impact of the project? <span style="float: right;">⑬</span>	What are the key indicators related to the impact? <span style="float: right;">⑭</span>	What are the sources of information for these indicators? <span style="float: right;">⑮</span>	
Outcomes	What specific outcomes is the action intended to achieve? <span style="float: right;">⑨</span>	Which indicators clearly show that the outcome has been achieved? <span style="float: right;">⑩</span>	What are the sources of information that exist or can be collected? What are the methods required to get this information? <span style="float: right;">⑪</span>	Which risks should be taken into consideration? <span style="float: right;">⑫</span>
Outputs	Outputs are the results envisaged to achieve the specific objective. Enumerate the outputs. <span style="float: right;">⑤</span>	What are the indicators to measure whether and to what extent the action achieves the expected outputs? <span style="float: right;">⑥</span>	What are the sources of information for these indicators? <span style="float: right;">⑦</span>	What external conditions must be met to obtain the expected outputs on schedule? <span style="float: right;">⑧</span>
Activities	What are the key activities to be carried out and in what sequence in order to produce the expected results?(group the activities by result) <span style="float: right;">①</span>	Means: What are the means required to implement these activities, e.g. personnel, equipment, training, studies, supplies, operational facilities, etc. <span style="float: right;">②</span>	What are the sources of information about action progress? <span style="float: right;">③</span>	What pre-conditions are required before the action starts? What conditions outside the beneficiary's direct control have to be met for the implementation of the planned activities? <span style="float: right;">④</span>

decision making processes, and also for external performance reporting to stakeholders and partners.

The first four phases generally relate to a results-oriented planning approach, also referred to as Strategic Planning. The first five steps, together, are included in the concept of Performance Measurement. All seven phases combined are essential for an effective Results Based Management System.

### Results Based Monitoring & Evaluation

Results Based Monitoring and Evaluation is a continuous process aimed at tracking actual performance against expected results. It is an information management process that helps the organisation to learn from experience, identify strengths and shortcomings, and recommend corrective measures. It is a continual and systematic process of collecting and analyzing data to measure the performance of interventions towards the achievement of results. The system will accumulate information on an ongoing basis regarding progress towards a result and then will periodically compare the current situation against the baseline for results indicators to assess and analyze the situation. It will keep an eye on key outputs because they can indicate whether a strategy is relevant and efficient or not.

Results Based Evaluation assesses how and why results are or are not being achieved. They help to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative), recommend actions to improve performance in future planning, and

generate lessons learned.

The essential actions involved in building a monitoring and evaluation system are:

- Formulation of outcomes
- Selection of outcome indicators to monitor
- Gathering baseline information on the current condition.
- Setting of specific targets and dates for reaching them
- Regular collection of data to assess whether the targets are being met and
- Analyzing and reporting the results

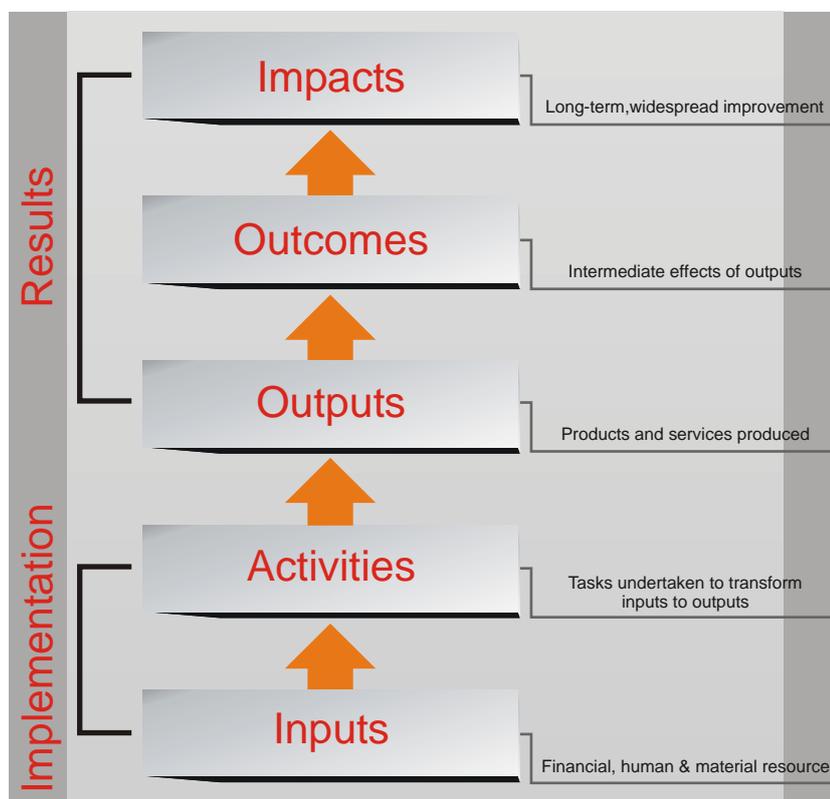
Hence for managing a project adopting a RBM approach moves agencies away from budget driven operations and focuses on tangible results to be delivered. It provides a framework for strategic planning and management and promotes benchmarking and performance analysis. RBM helps to ensure that

processes, products and services contribute to the achievement of clearly stated objectives and promotes learning and accountability within the organization.

### RBM and ICTD

In order to ensure that pilot projects are having the intended impact, NISG has implemented RBM based monitoring and evaluation for all ICTD pilot projects. A three-day workshop was conducted on 10-12 July 2006, to acquaint partner agencies with the theoretical concepts of RBM and also to provide hands-on training for the MIS.

The MIS has been developed by IPFM (formerly ATI), Bangalore and in collaboration with NISG IPFM will carry out RBM based monitoring and evaluation of all ICTD pilot projects. IPFM has been



given the responsibility of (a) developing the project logframe in consultation with the partner agencies (b) helping partner agencies to collect and input data into the MIS (c) helping the partner agencies to move towards an output and outcome based project (d) carry out monitoring and evaluation of all pilot projects. This is a pioneering effort at implementing RBM for multiple ICTD projects at a programme management level in ICTD for Development projects and will show the way for the future.

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ICTD

## Glossary of RBM Terms

### Activity

Action taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilised to produce specific outputs.

### Benchmark

Reference point or standard against which progress or achievements can be assessed. A benchmark refers to the performance that has been achieved in the recent past by other comparable organisations, or what can be reasonably inferred to have been achieved in similar circumstances.

### Assumptions

Hypotheses about factors or risks which could affect the progress or success of a development intervention.

### Development Intervention

An instrument for partner (donor and non-donor) support aimed to promote development. A development intervention usually refers to a country programme (CP) or a thematic component within a CP or a project.

### Goal

The higher-order objective to which a development intervention is intended to contribute.

### Impact

Positive and negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types.

### Indicator

Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

### Inputs

The financial, human, material, technological and information resources used for the development intervention.

### Logical Framework (Logframe)

Management tool used to improve the design of interventions,

most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes and impact) and their causal relationships, indicators, and the assumptions and risks that may influence success and failure.

### Outcome

The likely or achieved short-term and medium-term effects of an intervention's outputs.

### Outputs

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

### Performance

The degree to which a development intervention or a development partner operates according to specific criteria/standard/guidelines or achieves results in accordance with stated plans.

### Performance indicator

A quantitative or qualitative variable that allows the verification of changes produced by a development intervention relative to what was planned.

### Performance measurement

A system for assessing the performance of development interventions relative to what was planned, in terms of the achievement of outputs and outcomes.

### Results

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

### Results Based Management (RBM)

A management strategy by which an organization ensures that its processes, products and services contribute to the achievement of desired results (outputs, outcomes and impacts). RBM rests on clearly defined accountability for results, and requires monitoring and self-assessment of progress towards results, and reporting on performance

*Source: OECD DAC (Development Assistance Committee) Working Party on Aid Evaluation*