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Results Based Management (RBM)

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Learning differently

Thinking differently

Acting differently

Results Based Management (RBM)

Summary

This brief paper is prepared to provide a short introduction to RBM and to encourage further reading in areas that are most relevant to organisations. RBM is sometimes referred to as results framework or performance measurement. It has been defined by different organisations in slightly different ways but at its core is *a broad approach to strategic management with a distinctive set of principles and tools that will assist an organisation to achieve improved performance and demonstrable results*. It is widely adopted within the international development sector. The paper also briefly explores latest developments with RBM's variant – Managing for Development Results (MfDR).

RBM and Strategy

RBM is defined here as: *a broad approach to **strategic management** with a distinct set of principles and tools that will assist an organisation to achieve improved performance and demonstrable results*. RBM is used extensively, and increasingly more commonly, within international development. More widely, many definitions of strategy exist. The one adopted here is taken from JI Moore (2002) from *Writers on Strategy and Strategic Management*: “how an organisation, in its entirety, best directs itself in a changing world”

Origins and Practices of RBM

RBM gained momentum in the 1990s when rich countries were facing budget deficits and economic problems. Increasing demand by taxpayers to **demonstrate changes** that their taxes were bringing about to the lives of poor people led to efforts by donor governments to demonstrate improved aid delivery performance, measure results better, and assure citizens that their money was used most effectively and efficiently.

Other concepts used alongside RBM include “**doing more with less**”, “**value for money**” and “**accountability**”.

For **DFID**, Results Framework is a tool “to monitor and manage progress and report publicly on delivery. It sets out the development outcomes DFID is seeking to contribute to, the actual results we will deliver, and the metrics we will use to measure our organisational effectiveness and efficiency”¹.

Irish Aid has “developed, and are implementing, at every stage of the planning and implementation process, an approach to our own work and to that of our partners that focuses on results and effecting changes in the lives of poor people. To help us in working in this way, we have developed a framework

¹ DFID's RESULTS FRAMEWORK: Managing and reporting DFID results, DFID, Undated

for planning strategically, for managing risk, for monitoring progress, for measuring performance and for evaluating results.”²

In relation to their work with CSOs, Irish Aid state that “Each programme grant is based on a Memorandum of Understanding (MoU) and an agreed results framework. These results frameworks are monitored on an annual basis to determine if they are on track or off track.”³

In a presentation prepared for a training programme, **UNDP** has usefully summarised two key messages and seven steps of what they consider to be “Holistic RBM”⁴.

- The two key messages are: (1) Organisations get what they focus on (If one wants to get high-level results {national impact} then this is what it must focus on; and (2) RBM is about much more than outcomes/outputs/indicators being pasted into a matrix... It’s about having a clear articulation of what you want to change and how to make it happen.
- The seven steps are:
 1. Identifying clear and measurable objectives.
 2. Selecting indicators.
 3. Setting explicit targets.
 4. Developing performance monitoring systems.
 5. Reviewing, analysing and reporting actual results vis-à-vis targets.
 6. Using evaluation findings to generate lessons and increase the understanding of strengths, weaknesses and comparative advantages.
 7. Using performance information for internal management accountability, learning, resource allocation decisions incl. human resources management and reporting to stakeholders and partners

Key International Developments Related to RBM

Whereas international declarations and agreements may not be directly relevant at an agency (NGO) level, they influence the policies and practices of developing country governments – with whom most agencies and their partners collaborate with – and donor governments. Therefore, having a broad understanding of these declarations and agreements will be useful. The following are among the most relevant recent agreements.

The **Monterrey Consensus** emerged out of the first United Nations hosted conference to address key financial and development issues. It resolved, among others, “Mobilising and increasing the effective use of financial resources and achieving the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration...”⁵

² <https://www.irishaid.ie/what-we-do/how-our-aid-works/delivering-results/>

³ <https://www.irishaid.ie/what-we-do/who-we-work-with/civil-society/civil-society-programme-funding/>

⁴ Results Based Management: Theory and Application, JPO Training Programme, Oct-Nov 2011, Marielza Oliveira, UNDP

⁵ Monterrey Consensus on Financing for Development, United Nations, Monterrey, Mexico, 18-22 March 2002

The First High Level Forum on Aid Effectiveness led to the **Rome Declaration**⁶ which was primarily focused on making commitments by donor agencies to harmonise their operational policies, procedures and practices.

The Monterrey Consensus encompasses a commitment by developed countries to increase levels of aid in conjunction with better governance, policy reform, and a greater focus on development effectiveness on the part of the developing countries. The **Paris Declaration** on Aid Effectiveness reflects a broad consensus on how best to reform aid to contribute to these commitments. According to the Paris Declaration, “Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making... Partner countries and donors jointly commit to work together in a participatory approach to strengthen country capacities and demand for results based management.”⁷

The **Accra Agenda for Action** has a section devoted to RBM – Delivering and Accounting for Development Results⁸. Both developing countries and donors commit to improve their management for results by taking actions related to developing countries strengthening the quality of policy design, implementation and assessment; donors aligning their monitoring with country information systems; and developing countries and donors working to develop cost-effective results management instruments to assess the impact of development policies, and strengthening incentives to improve aid effectiveness.

The **Busan Partnership for Effective Development Cooperation** acknowledges that progress has been made in advancing aid effectiveness, yet major challenges persist. It confirms the partnership spirit between both developing and donor countries and their commitment to increase their focus on development results.⁹

The global monitoring framework tracks progress on the commitments agreed in Busan. Based on this information, the First High-Level Meeting of the Global Partnership for Effective Development Co-operation recognised the progress made in upholding the Busan principles of country ownership, focus on results, inclusiveness, and transparency and mutual accountability. In the **Mexico High Level Meeting Communiqué**, the Meeting also recognised that many more efforts and behavioural changes are required to fully implement these commitments.¹⁰

Managing for Development Results (MfDR)

Key donors had given a lot of attention to a variant of RBM called MfDR in the first decade of this century. MfDR supporters have pointed out that although RBM is nearly synonymous with MfDR, some approaches to RBM have focused only on accountability; MfDR goes further, incorporating newer ideas about collaboration, partnership, country ownership, harmonisation, and alignment. The concepts that underlie MfDR are that “global development assistance can be made more effective by enhancing country

⁶ Rome Declaration on Harmonisation, First High Level Forum on Aid Effectiveness, Rome, 24-25 February 2003

⁷ Paris Declaration on Aid Effectiveness, Second High Level Forum, Paris, February 28-March 2, 2005

⁸ Accra Agenda for Action, Third High Level Forum on Aid Effectiveness, September 2-4, 2008, Accra, Ghana

⁹ Busan Partnership for Effective Development Co-operation, Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November-2 December, 2011

¹⁰ First High-Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC): Building Towards an Inclusive Post-2015 Development Agenda, Mexico High Level Meeting Communiqué, 16 April 2014, Mexico

ownership, aligning assistance with country priorities, harmonising development agencies' policies and procedures, and focusing more consistently on the achievement of development outcomes."¹¹

However, whereas RBM is still prominent, the MfDR movement seems to have declined in the last few years and there is hardly any mention of it on major donors' literatures. Whereas MfDR is primarily relevant to the public sector, NGOs cooperate with developing country governments and investigating further whether MfDR is still widely practiced may be useful.

Challenges of Implementing RBM

There are a few challenges that agencies face in implementing RBM. These include:

1. At what level (country, programme, project and individual performance) to adopt the model;
2. The difficulty in selecting SMART indicators that measure relevant results rather than activities;
3. Lack of human capacity or knowledge to fulfil the complex requirements demanded by an RBM-approach; and
4. The pressure on agencies to focus on quantitative results that can be counted (relegating qualitative changes to a secondary importance level).

RBM and Theory of Change

Most donors demand different approaches for programme cycle management. One such approach promoted by USAID since the late 1960s and subsequently adopted by other donors is the Logical Framework Approach (LFA). Another more recently developed approach is the Theory of Change (ToC).

At a programme level, the two approaches are similar in as far as they describe how a programme will lead to the desired results. At a higher level, whereas LFA focuses on the specific pathway that a programme deals with and creates a structure for it; ToC presents the big picture with all the possible pathways leading to change. RBM uses various approaches (including LFA and ToC) to make the conceptual framework clearer.

The increasing focus on results requires such approaches to be more "*results-oriented*" and less input-oriented.

Conclusion

RBM is well-established. Its origins can be traced back to the world's most famous management guru, the late Peter Drucker, and his pioneering work from the 1950s and 1960s (including his concept of *Management by Objectives* and his book (1964) on *Managing for Results*) then the subsequent contextualisation and evolution elsewhere; this paper has focused on the international development sector. Quintessentially, it is simply a distinctive approach to strategic management that has gained great traction within the international development sector.

¹¹ mfDR link no longer available

Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

Our vision is: *A world where leaders deliver a sustainable future for all*

Our purpose is: *To be courageous, compassionate and creative in facilitating transformational change*

Our values are:

- **Courage** – We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations
- **Compassion** – We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others
- **Creativity** – We learn, think and act differently, and are innovative and resilient in an ever-changing world

Our beliefs are:

- Through diversity we ignite dynamic innovation
- Collaboration helps achieve greater impact
- Everyone matters
- We are all leaders in our individual and collective ways – we are all change makers!
- Learning is more effective if it is fun, engaging and creative
- Building on people's strengths creates greater resilience

Our strategic goals:

- Goal 1: Transforming Leadership
- Goal 2: Strengthening Resilience
- Goal 3: Increasing Collaboration

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