

Draft, 23 March 2010

Introduction of Result Based Management in NLR supported programmes

- an approach in four phases -

## Guidelines for NLR country staff

### Introduction

NLR started with the systematic introduction of Result Based Management (RBM) principles in 2004. Using the logical framework approach, a series of in-country workshops and discussions have been held to stimulate an increased results focus in the NLR supported programmes<sup>1</sup>. The background for this initiative was NLR's wish to ground its support activities in the wider local setting and to better justify its activities towards its contributors. The main objectives for this approach are:

- Increased local ownership of the NLR supported projects
- Improved local management capacity
- Increased project efficiency, i.e. transparent linkages between objectives, results, activities and budget

An evaluation of the implementation in 2009<sup>2</sup> generated the need for process guidelines when introducing and strengthening RBM principles in the NLR partner countries. There are differences between countries in terms of planning and management realities and in terms of cooperation partners, implying different country approaches.

A practical definition of RBM is formulated by UNDP<sup>3</sup>:

A management strategy or approach by which an organization ensures that its processes, products and services contribute to the achievement of clearly stated results. Results-based management provides a coherent framework for strategic planning and management by improving learning and accountability. It is also a broad management strategy aimed at achieving important changes in the way agencies operate, with improving performance and achieving results as the central orientation, by defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance.

In drafting the RBM process guidelines, NLR has taken into account two important developments since it started with the RBM approach: the

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<sup>1</sup> From 2004-2009 experience has been gained with over 30 multi-stakeholder workshops using a standard manual

<sup>2</sup> Workshop among NLR staff from 5 countries with their partners, held from 15-17 December 2009 in Surabaya, Indonesia.

<sup>3</sup> RBM in UNDP – selecting indicators: Technical Note 2000

sustained emphasis on results and the enlarged attention to capacity development.

*A sustained emphasis on results.* Since the wider application of result based management techniques in the 1990s, both donor and recipient countries have gradually translated RBM from the project/programme level to the national level, creating increased development coherence. An important consensus were the Paris Principles<sup>4</sup>, one of which is *Managing for Results*. This principle has been further elaborated in the Managing for Development Results (MfDR) strategy, itself consisting of a number of guiding principles<sup>5</sup>:

1. Focus the Dialogue on Results at all Phases. From strategic planning through implementation to completion and beyond – focus the dialogue on results for partner countries, development agencies, and other stakeholders.
2. Align actual programming, monitoring, and evaluation activities with the agreed expected results.
3. Keep the results reporting system as simple, cost-effective, and user-friendly as possible
4. Manage for, not by, results, by arranging resources to achieve outcomes
5. Use results information for management learning and decision making, as well as for reporting and accountability

This strategy provides the framework for result based management in projects and programmes, both with GO and NGO partners<sup>6</sup>.

*Enlarged attention to capacity development.* Capacity issues are increasingly seen as crucial to development, and donors cannot develop local capacity themselves; they can only provide assistance to local capacity development initiatives. Capacity is seen as wider than the mere individual capacity to act, the development of capacities is generally divided into Human Resource Development, Organisation Development and Institutional Development, e.g.:

Capacity development involves much more than enhancing the knowledge and skills of individuals. It depends crucially on the quality of the *organisations* in which they work. In turn, the operations of particular organisations are influenced by the *enabling environment* – the structures of power and influence and the institutions – in which they are embedded. Capacity is not only about skills and procedures; it is also about incentives and governance. *Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully*<sup>7</sup>.

This view on capacity<sup>8</sup> has implications for external interventions:

- More attention to a context analysis before planning the interventions

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<sup>4</sup> And reconfirmed in the Accra Agenda for Action (September 2008) in which also the work of Civil Society Organisations were incorporated.

<sup>5</sup> For more information on MfDR see [www.MfDR.org](http://www.MfDR.org)

<sup>6</sup> NGOs and government organisations have similar issues concerning aid effectiveness, e.g. OECD/DAC, Financing Development 2008: Whose Ownership?, Chapter 3, A Paris Declaration for International NGOs?

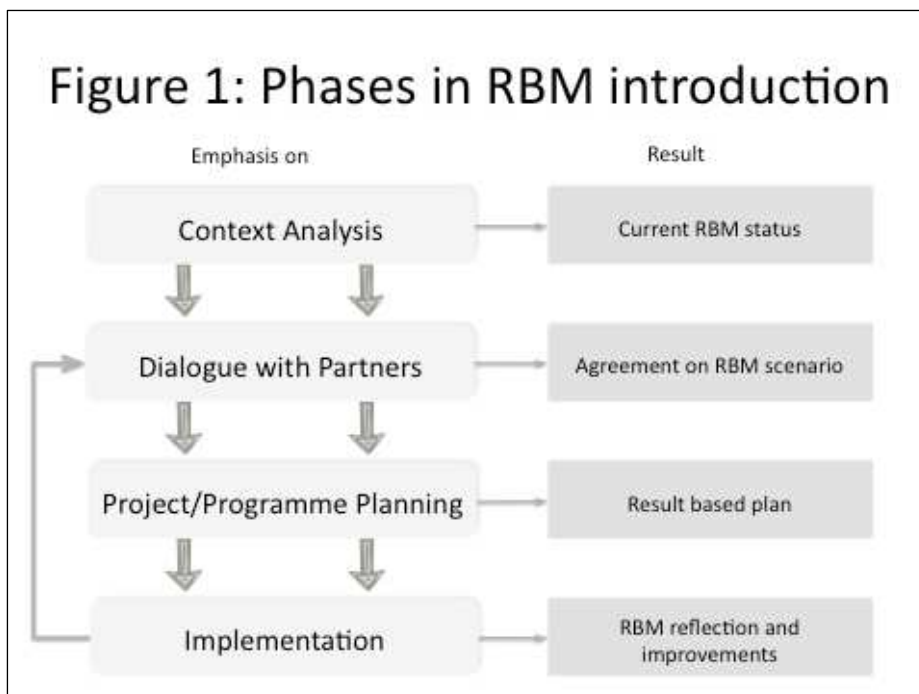
<sup>7</sup> The Challenge of Capacity Development, Working Towards Good Practice, OECD/DAC, 2006

<sup>8</sup> For more information on capacity development, see [www.capacity4dev.eu](http://www.capacity4dev.eu) , [www.undp.org/capacity](http://www.undp.org/capacity) and [www.capacity.org](http://www.capacity.org)

- More continuous dialogue with partners to ensure alignment of actions both before and during project implementation
- Change processes cannot be planned entirely in advance; it is an iterative process at three levels in which learning and adaptations are facts of life
- Capacity for RBM will develop over a longer period of time. Result based practices will emerge gradually from political, organisational and individual commitments.

For NLR, capacity development is a means, not an end. The financial support of NLR’s contributors is provided in order to address the leprosy disease and its consequences. The policy of working through local partners is a practical choice to achieve the objectives. Capacity development of local partners is a necessary condition, but needs to be linked to its impact at community level. Stimulating and assisting local partners in introducing RBM will need to be looked at with this perspective in mind.

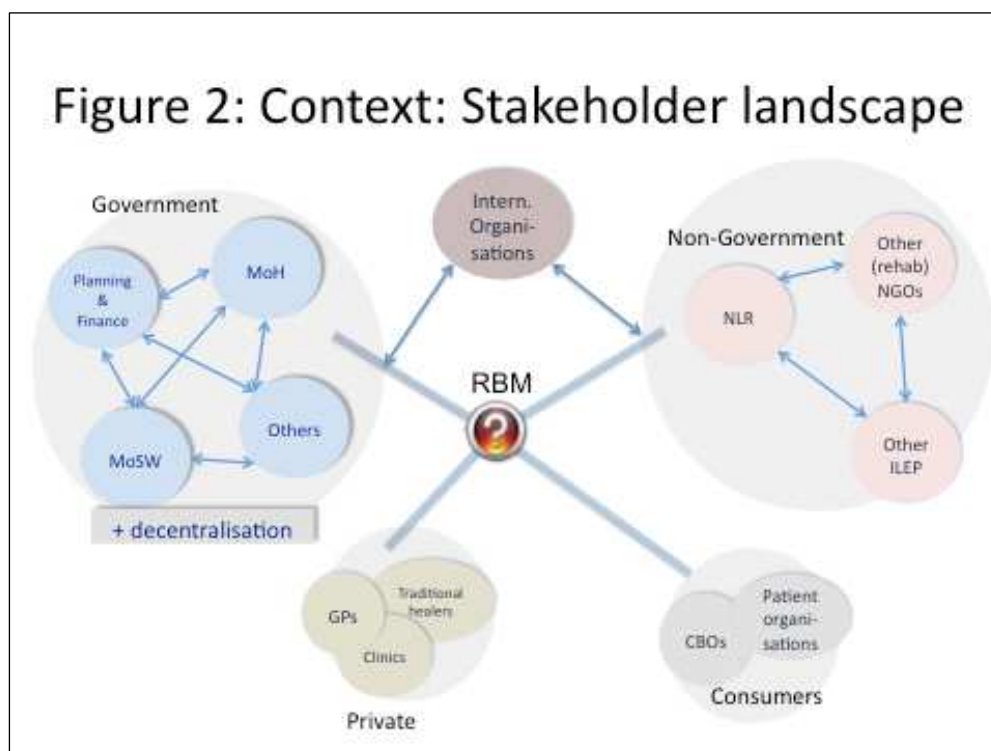
NLR distinguishes four phases when working on RBM with a partner country, see Figure 1. First a context analysis to assess the extent to which RBM is used in the partner country. Then, given the current context, a dialogue with prospective partners will lead to an initial agreement on cooperation arrangements. A third phase will operationalise the external interventions (project/ programme), the monitoring arrangements and the results that are expected to be achieved. A last phase is the implementation period in which experience is gained on how RBM functions in the partner country.



In the remainder of these guidelines each phase is described and intends to assist NLR country staff to improve the results focus of NLR’s support activities.

## Phase I: Context Analysis

Ask managers if they are results oriented and most likely they will answer: "Yes, I get things done". In the context analysis for RBM the question is whether this results orientation is reflected systematically in the wider health and social welfare sector and whether these results are formulated in logical results chains, e.g. resources, activities, outputs, outcomes, impact. The analysis will address the institutional environment for RBM, see Figure 2. A context analysis is important for NLR to ensure that future assistance will start within the existing environment; it will make NLR's assistance feasible and realistic.



In case NLR has already formulated a country strategy, the main partners and stakeholders for NLR will probably have been identified as part of describing the institutional environment. If not, first carry out a stakeholder analysis. The main question is to what extent RBM is being used as a guiding strategy by NLR's partners. The checklist below will help in finding the answers. Be aware that NLR, as one of the stakeholders, is also expected to work towards an RBM approach. This will imply a results orientation of the country strategy as well as the HQ policies.

Checklist for RBM context analysis:

1. Are the partner's policy statements result based and translated into result based budgets?
  - Results chains are reflected in the policy documents
  - Budgets are linked to results
  - Procedures are in place for planning, monitoring and coordination

2. Is the partner capable to implement RBM?
  - Partner managers have sufficient expertise in RBM
  - Monitoring reports reflect the RBM approach
  - Related (sector) agencies coordinate to achieve joint results
3. To what extent is there a result-based culture in the partner organisation?
 

Most organisations introducing RBM come from a situation that can be described as activity-, input-, or assignment-based, i.e. staff and managers are held accountable for the actions they were supposed to carry out. In a result-based culture you will more likely see:

  - Communication about results
  - Rewards based on results
  - Delegation of authorities is result-based
  - Monitoring visits and reports that focus on results
  - Accountability statements on results towards external stakeholders and public
4. Are the result-based policies translated in feasible strategies and plans?
  - Action plans link activities and budget
  - Monitoring activities are included in the action plans
5. Can sufficient resources be timely available for implementing the strategies and plans?
  - Budgets are released according to plan (recurrent and operational budget)
  - Staff and managers have the time to work on the action plan, to coordinate with stakeholders and to reflect on achieved results

When working with different partners – and even within one partner organisation – variations on the RBM approach might exist. This will have implications for the next phase.

The answers to the questions above will not be yes/no, but will reflect shades of grey. The result of this phase will be an informed assessment on how conducive the environment is for RBM. One out of roughly three situations will emerge. These three situations will lead to three RBM scenarios for NLR.

1. *Little results orientation and not to be expected in the near future.* Hardly any partner is using an RBM approach, a results culture is not sufficiently available. In this case NLR will likely emphasise working with stand-alone support projects that can show their own results. There will be separate project documents.

2. *An overall policy direction towards results orientation exists* (policy and procedures formulated), but practices do not yet function properly. Several partners have started to use (parts of the) RBM approaches. NLR will work with these government and non-government partners to integrate the support activities in the result based programme(s), bearing in mind the need to be able to identify NLR's contribution to the programme. In these countries NLR will also assist the country stakeholders in improving the RBM approach. The

project documents will be more like programme documents that will include NLR supported items.

*3. A result based planning and management approach is functioning relatively well.* RBM is commonly accepted. In this case NLR's assistance can be integrated in the programmes of country stakeholders, and at the same time identifying its contribution to these programmes. There will be one or more programme documents with NLR supported items.

## Phase II: Dialogue with in-country partners on partnership arrangements

NLR's work is taking place in a multi-stakeholder setting. Some of these stakeholders will be NLR's funding partners, others will be stakeholders with which the funding partners will seek cooperation agreements. Increasingly, partners from the health sector are being supplemented with partners from the social welfare sector, both GO and NGO. There will likely be a differentiation in the extent to which RBM approaches are practiced. The previous phase has provided insights on this issue.

NLR makes agreements at Country, State and/or Provincial level. In the case of rehabilitation projects, agreements might be made at lower (district/community) levels, and in some cases agreements are made with separate organisations like Training Institutes. Partnership agreements are made with the main partners in the selected geographical area, implying that the partners will be jointly responsible for achieving the expected results. The MoU stipulates the general commitments, the project documents (4-5 year) detail results, activities and budget.

In most partner countries agreements already exists, because NLR has a presence in these countries. When renewing partnerships, the RBM approach will also become part of the dialogue leading to a partnership agreement, in the form of project document and MoU.

Dialogue is a deliberate and purposeful instrument that leads to a consensus about future cooperation among partners. Dialogue is not the same as debate, see Box below. A constructive dialogue will use the information generated in the previous phase and incorporate the main partners in the discussions. It will clarify the implications of the situation selection of phase I describing a scenario towards an optimal use of RBM. This can be at country, state or provincial level. The interest of NLR in this dialogue is that its contributions and effects (results) should be as identifiable as possible. The various partner roles can be described in three scenarios, each related to the three situations described in phase I:

### Scenario 1:

There will be separate project agreements in which NLR has a special role in planning and monitoring (parallel arrangement). Because there is insufficient results orientation within the partner organisations, the project document will most likely be in a different format than the regular partner organisation's format. The dialogue will focus on the acceptability of this kind of arrangement.

### Scenario 2:

NLR support is integrated and identifiable in the partner's programme and its planning cycle, with special NLR attention to monitoring and evaluation. Because it is the partner's wish to follow a results based approach – but with varying operational implications in the day to day practice – NLR may follow the partner's procedures and instruments (e.g. planning format), provided they comply with NLR's RBM intentions. The project document will consist of partner results to some of which NLR will contribute. In the dialogue NLR will put special emphasis to planning procedures, monitoring the process towards these results and on strengthening the local capacities for RBM, e.g. by stimulating alliances and by advocacy. These alliances can be with different types of organisations, leading to a stronger network of RBM facilitators.

### Scenario 3:

NLR support is integrated and identifiable in the partner's programme and planning cycle. Moreover, partner systems for planning and monitoring are properly functioning and acceptable for NLR's administration. NLR will prefer to assist in a selected number of results. In the dialogue, NLR will be interested in overall evaluation of results achievement and special areas of concern that are not (yet) fundable by the partner organisation.

#### Box: Differences between Debate and Dialogue

##### Debate

- Assuming there is a right answer; and you have it.
- About winning
- Listening to find flaws for counter-arguments.
- Defending assumptions as truth.
- Defending one's views
- Defending positions
- Talking at each other

##### Dialogue

- Assuming that many people have pieces of the answer.
- About win-win & finding common ground
- Listening to understand, find meaning and areas of possible agreement.
- Revealing assumptions for re-evaluation
- Openness to learning
- Revealing and exploring underlying interests
- Side-by-side looking together at the issues

The end of phase II will be an agreement with the main in-country partners on what will be NLR's roles in planning, monitoring and evaluation.

### Phase III: Project Planning

NLR prefers the Logical Framework Analysis (LFA) as an appropriate tool for RBM. However, LFA cannot substitute planning and management functioning, it is a tool that provides managers with a structure and a language to have a meaningful discussion among stakeholders, and guide planning, financing, monitoring and evaluation practices.

For all three scenarios NLR prefers to organise a multi-stakeholder planning workshop in order to create the outline of a results based project document. A separate manual for facilitating such workshops is available. For smaller projects a joint workshop might be organised. In case of funding or time constraints, two other options might be used to work towards a results based plan:

- A series of planning meetings with partner managers that gradually formulate the plan. Project Leader will lead this process (this option is further elaborated in the annex of the facilitator's manual)
- The plan is formulated by the Project Leader, assisted by NLR staff and/or external consultants.

The main drawback of these two options is the reduced stakeholder participation which might lead to implementation constraints.

During this planning phase, the monitoring activities (including generation of base-line information) will be planned as well, budgeted and staffed.

The product of phase III will be a result-based plan describing how the project will be carried out, who will do which activities, how monitoring is organised and where the budget will come from.

### Phase IV: Project management

Project implementation is an in-country partner's responsibility, with NLR being a more or less prominent assistant, depending on the agreed role in phase II and the M&E arrangements agreed in phase III.

NLR's involvement in project management will be:

#### Scenario 1:

NLR has a relatively large role in project guidance and monitoring. NLR staff will regularly liaise with the Project Leader on monitoring and evaluation. A dialogue with partner managers might create interest in the RBM approach.

#### Scenario 2:

NLR has a limited involvement in project monitoring; the Project Leader will take care of project progress and liaise with NLR staff on the monitoring reports. Further activities will be the organisation of RBM capacity building and advocacy, in order to make the approach more practical and sustainable.

#### Scenario 3:

NLR has less involvement in guidance and monitoring, this will be more on demand because it has accepted the local project management arrangements. Involvement in evaluation of NLR's investments will remain, together with a dialogue on mutual improvements of the RBM approach.

The aim of this phase will be proper result based project implementation and information on how to improve planning and management practices of the country stakeholders.

## Reflection

The phases described in these guidelines will need moments of reflection and feedback, assessing whether the RBM approach is working as it should work. For instance, the results focus might become a bureaucratic routine that has little relation with reality anymore. Or, expected results are achieved but these are no longer valid in a changed environment. For this reason an annual reflection on how the RBM approach is functioning will be carried out at various levels.

### 1. Project level

- Is the RBM approach (staff, formats, procedures, decision making) working as it was agreed upon in the project document?
- Is sufficient capacity for RBM available in the projects
- Are results still realistic in a changing environment? Are they becoming a bureaucratic routine?
- Is there sufficient/increasing ownership amongst staff involved?
- How do other support projects use RBM ?

These reflections can be stimulated through regular project staff meetings where NLR in-country consultants, versatile with the RBM approach, provide guidance. Where appropriate, other local relevant actors could be invited to contribute.

## 2. National, inter-project or programme level

- Is there sufficient exchange between projects on the identification of results, OVI 's etc. Is there sufficient cross fertilization during implementation?
- Is sufficient capacity for RBM available at country (programme) level?
- Is the Country Office capable of managing the process (workshops, monitoring, identifying facilitators, financial management, etc.)?
- How does communication on results function and does this communication stimulate an increased results focus within projects and programme?
- Is it possible to go from level 1 to 2, or from level 2 to 3?

The annual Project Leaders' meeting will be an appropriate setting for reflection at this level. An annual in-country session between HQ en Country Office can add to assess the ongoing RBM improvement process, identify shortcomings and discuss remedial actions.

## 3. International - NLR HQ level

- Are the different countries progressing as formulated in their strategy paper?
- Are Country Offices sufficiently equipped to guide the process ?
- Is there an adequate exchange between Country Offices, focussing on mutual learning?
- Do individual country processes stay within the overall NLR RBM objectives, i.e. multi-stakeholder participation, management capacity development and transparent linkages between results, activities and budget?

An annual meeting between HQ and Country Offices will be an essential prerequisite for reflection at this level.

The reflections described above will assist decision making on how to improve the RBM approach within NLR (country/HQ), within the partner organisations and towards other support organisations.