

New Zealand Aid Programme Results-Based Management Toolkit

Purpose

The purpose of this toolkit is support staff and partners in their understanding and application of Results-Based Management (RBM) for New Zealand Aid Programme funded activities.

RBM definition

RBM is a ***management approach that focuses on performance and achievement of results throughout the Activity cycle*** (e.g. through design, implementation and completion /transition).

At its essence, RBM involves:

- **agreeing goals, results and targets** and allocating resources;
- **implementing interventions** and undertaking regular **monitoring and evaluation**; and
- using an evidence base of performance and results information to **support effective management through learning, decision-making, improvement and accountability**.

Importance of RBM

RBM is an **important part of making the New Zealand Aid Programme more effective**. By measuring and managing for results we get a much better idea of what works and what doesn't. We can adjust our activities accordingly, leading to more effective delivery of development results.

Collating an evidence-base of performance and results information to support Activity management is an important part of RBM, **supporting regular partner discussions and encouraging learning, continuous improvement and innovation**.

RBM provides an effective approach to **support accountability, focus resources and demonstrate value for money for results being achieved**. The New Zealand Aid Programme is accountable to the New Zealand Government and the New Zealand public to be effective and deliver meaningful development results. RBM supports greater transparency and mutual accountability between New Zealand and its partners. RBM also helps to ensure our aid is focused on best value poverty reduction activities.

The importance of **RBM as a key principle of effective aid and development** is widely recognised, and links to other principles such as inclusive partnership, ownership, alignment, harmonisation, mutual accountability and transparency¹. An RBM approach to activity and programme management has been adopted by a majority of international aid agencies.

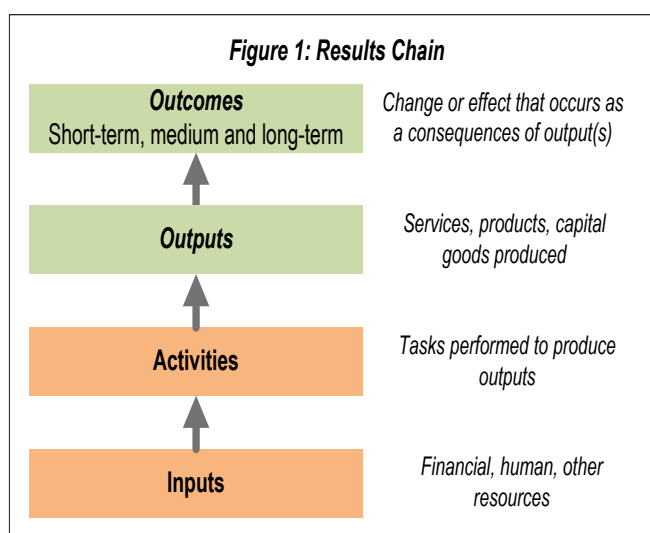
¹ 'Managing for Development Results' and 'Managing for Results' are common terms in aid and development effectiveness language. Both are similar concepts to Results-Based Management.

RBM PRINCIPLES	
1. Keep it simple	Ensure RBM approach is widely understood by partners and can be easily applied (but not at the expense of effectiveness)
2. Participatory approaches	Build common understanding, ownership and commitment by partners
3. Evidence-based decision-making	Effective Activity management and decision-making requires an evidence-base of performance and results information
4. Learning and continuous improvement	Effective Activity management requires continuous improvement - what works, what doesn't and what can we do better
5. Capacity building	Build the capacity of partners, systems and processes for RBM
6. Using partner systems	Make use of partner systems where possible (and support where they need strengthening)

What are Results?

We define results as both outputs and outcomes. We budget for (or purchase) outputs, which are services, products or capital goods. Outcomes are the change or effect that occurs as a consequence.

We use a **results chain** to provide a simplification of complex reality, describing the causal/logical relationship between results (e.g. theory of change). It starts with inputs/activities through to outputs through to outcomes (short-term, medium-term and long-term). Outcomes represent the most important results-level in RBM.



RBM working with Partners

Effective partnership and a strong participatory approach are essential for RBM and achieving sustainable development results. A participatory approach **encourages strong ownership, commitment and mutual accountability.**

Working closely with partners also **means aligning with partner goals, results, strategies, plans and procedures, and drawing on and supporting partners systems**, especially for monitoring and reporting of results information. A strong participatory approach occurs during both the planning and implementation phases of the Activity. During **implementation regular performance and results discussions are a core part of RBM**, encouraging learning, decision-making, improvement and mutual accountability.

RBM Tools

We have developed tools to assist with RBM, these range from results focused Activity policy and guidance through to training presentations and good practice examples. See the New Zealand Aid Programme Compass site.

Results-Based Management during Design Stage

Effective Activity design requires a strong focus on results². A key part of the design stage is development of an Activity Results Framework (ARF) which identifies intended results and how they will be measured, monitored and evaluated to support effective Activity implementation.

The ARF is an integral part of the design process and should not be developed in isolation. It should reflect the wider analysis, research, considerations and decisions that are made throughout design. Key design considerations, especially those crucial to Activity success such as cross-cutting issues should be reflected in the ARF.

ARFs should follow relevant RBM Principles, including: 1) Keep it simple; 2) Participatory approaches; 5) Capacity building; and 6) Using partner systems.

ACTIVITY RESULTS FRAMEWORK

The ARF is made up of three components³:

1. Activity Results Diagram

What: A simple diagram based on results chains that describe: a) intended results (outputs and outcomes) and b) causal relationship/logic between results (e.g. theory of change).

Why: Important to support design process and build common understanding and ownership among stakeholders of intended results and the approach (including assumptions and risk identification) being taken.

How: Workshop with key stakeholders.

2. Results Measurement Table

What: A concise set of indicators, targets, baseline information, source and methodology information to enable measurement, monitoring and evaluation of intended results

Why: Supports Activity management by providing performance and results information to evidence when measurable progress is being made towards intended results. It will be used for regular Activity reporting (either 6-monthly or annually).

How: Workshop with key stakeholders. Important to draw on partner approaches and systems including indicators, targets, and monitoring and evaluation approaches.

3. Monitoring and Evaluation Work Plan

What: Describes monitoring, reporting and evaluation approach that will be used to support Activity management. Identifies formal points for results discussions with partners and opportunities to review and refine the ARF to ensure relevance. It identifies opportunities to build capacity. The M&E Work Plan includes: specific tasks, timelines, those responsible and indicative costs.

Why: Essential to ensure relevant measurement, monitoring and evaluation takes place to support Activity management.

How: Workshop with key stakeholders. Operationalised during implementation with regularly review during implementation.

Results-Based Management during Implementation Stage

² Note concept stage occurs before design stage and requires a broad description of results and underlying logic (or theory of change) for the Activity

³ For New Zealand Aid Programme led design the ARF should following recommended standards and format. For partner led designs it is possible to use the partner's format as long as recommended standards are met.

Effective Activity management and implementation (and completion/transition stages) requires a strong focus on results. RBM is about using evidence of performance and achievement of results to support effective Activity management – this requires a strong focus on monitoring, reporting and evaluation (defined within the ARF)⁴.

During implementation all RBM Principles should be applied: 1) Keep it simple; 2) Participatory approaches; 3) Evidence-based decision-making; 4) Learning and continuous improvement; 5) Capacity building; and 6) Using partner systems.

RBM FOCUS DURING ACTIVITY IMPLEMENTATION

Build a strong focus on results

Work closely with partners to build a strong focus on results to support Activity management. Ensure everyone has a clear understanding of RBM, why it's important, what it means in practice, and what peoples' roles are.

Ensuring an effective monitoring, reporting and evaluation approach is operational

RBM practice during implementation is dependent on an evidence base of performance and results information. This requires operationalising an effective monitoring, reporting and evaluation approach, including allocation of resources (described in the M&E Work Plan). It is important that the approach is practical and relevant, this requires regular review and updating of the M&E Work Plan to ensure its on-going relevance.

Regular performance and results discussions with partners

Effective Activity management requires regular partner discussions that are focused on performance and results information. A useful approach to support these discussions is to make use of the Results Diagram and progress reporting (based on agreed indicators and targets) to help identify key decisions that are required to keep the Activity on track towards achieving its results. Regular discussions are important to maintain ownership, commitment and mutual accountability among partners, essential for effective and sustainable results.

Learning from experience and continuous improvement and innovation

It is important to learn from experience and evidence of performance and results. This means reflecting on 'what has worked well, what hasn't and what can we do better?' Activity implementation is often done under challenging circumstance, it is therefore crucial that we learn from experience and evidence.

Informed decision-making to enable corrective actions where needed, management of risks and opportunities

Effective Activity management is about making timely informed decisions based on evidence to enable successful implementation and achievement of development results.

Accountability and communications

A strong focus on accountability, value for money and being able to communicate results that have been achieved are a crucial part of effective Activity Management. It is important because partners / stakeholders need to know that resources are being used efficiently (and effectively) to deliver intended results (crucial for on-going and possible new funding). Communicating results is important for learning, building ownership among stakeholders and being able to communicate successes.

⁴ A full description of Activity Results Framework standards and requirements are detailed within Activity policy and guidance

Results-Based Management terminology

Activity Results Framework: includes three parts: 1) Results Diagram; 2) Results Measurement Table; and 3) Monitoring and Evaluation Work Plan. See definitions below.

Baseline information: results data against indicators prior to the implementation stage of the Activity. Enables changes/ effects to be measured and assessed.

Cross-cutting issues: 1) environment and climate change; 2) gender equality and women's empowerment; and 3) human rights.

Indicators: a neutral quantitative or qualitative factor/ variable that provides a simple and reliable means to measure achievement or change.

Inputs: the financial, human and material resources used to produce the Activity's outputs.

Monitoring and Evaluation Work Plan: describes monitoring, reporting and evaluation approach that will be used to support Activity management.

M&E: Monitoring and Evaluation

Outputs: outputs are services, products or capital goods that are provided. Note: outputs are budgeted hence there is clear accountability on implementing partners.

Outcomes: outcomes are the change or effect that occurs as a consequence of output(s) or other outcome(s). Note: implementing partners have responsibility to manage (and monitor) for outcomes.

RBM: Results-Based Management

Results: outputs and outcomes.

Results Diagram: a simple diagram based on results chains that describe: a) intended results (outputs and outcomes) and b) causal / logical relationship between results (describing logic or theory). Includes identification of assumptions (and risks) that underpin the logic or theory.

Results Measurement Table: a concise set of indicators, target, baseline information, source and methodology information to enable measurement, monitoring and evaluation of intended results

Results Chain: describes the causal/logical relationship between results (e.g. theory of change). It starts with outputs through to outcomes (short-term, medium-term and long-term). Multiple results chains make up a results diagram.

Targets: desired level of achievement for an indicator (time-bound).

Theory of Change: The theory or logic that underpins the intended change that will come about for individuals, groups or communities. A theory of change is results centred rather than process or mechanisms centred (e.g. Theory of Action).