UNDPI RESULTS FRAMEWORK

Overview

The present overview is part of the set of documents prepared for the global implementation of the results-oriented approach in UNDP. It provides information on the general background against which changes are taking place and presents the new system as well as its essential implications.

The overview, which serves as an introduction to the system, is followed by a technical note and training modules, both of which elaborate further on the main points and provide technical guidance for the implementation of the approach in UNDP.

I. Context

The approach to a results-based management (RBM) emanates from the broad trend towards an emphasis on results that is increasingly characterizing the management of public sector institutions, particularly development agencies.

- Both aid recipients and taxpayers are increasingly insistent that the effective, efficient use of public resources allocated to development be demonstrated. In response, an increasing number of Governments and organisations, including UNDP, are adopting policies to demonstrate more clearly the results they are achieving.

- The objective of RBM is to “provide a coherent framework for strategic planning and management based on learning and accountability in a decentralised environment. It is first a management system and second, a performance reporting system.”\(^1\) Introducing a results-oriented approach therefore aims at improving management effectiveness and accountability by “defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance”.\(^2\)

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\(^1\) Note on RBM, Operations Evaluation Department, World Bank 1997.

\(^2\) “Results Based Management in Canadian International Development Agency” January 1999
• The adoption of these policies takes place in an external environment where there is a general congruence on global goals for development, in large part through global conferences supported by the UN, and where development results are required. In this environment, UNDP becomes less an institution transferring resources and more a focused development agency. This focus prompts the organisation to act proactively and not reactively. It also stresses not only the volume of assistance provided but also more importantly the results attained.

• These changes in turn affect the management culture of an organisation:

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<th>FROM</th>
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<tr>
<td>Entitlements</td>
<td>Results</td>
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<td>Control</td>
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<td>Inputs</td>
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<tr>
<td>Bureaucratic</td>
<td>Speed</td>
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<td>Risk averse</td>
<td>Opportunity driven</td>
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The challenge for UNDP lies in achieving this coherent set of changes by stressing results, using its decentralised structure to develop delegation, concentrating on identifying and achieving outcomes and outputs so as to seize emerging opportunities and better respond to needs and priorities of programme countries.

• In 1998, the Administrator of UNDP requested the Evaluation Office to initiate work on a system that measures results and links individual countries and project performance to corporate goals and priorities. This work developed into the preparation of an approach for results-based management in UNDP led by the Bureau of Planning and Resource Management, the Operations Support Group and the Evaluation Office. This work was carried out in close consultation with the Bureau for Resources and External Affairs, the regional Bureaux, other units at headquarters and country offices.

♦ The shift towards results for aid agencies also stemmed from the dramatic downward trend in the overall resources for aid and increased competition for them. In 1997, official development assistance (ODA) reached its lowest level in the current decade, with $ 49.8 billion against $ 57.9 billion in 1996 and over $ 60 billion in 1992. Between 1992 and 1997, ODA provided by OECD members dropped by 20 per cent in real terms. According to OECD tentative figures, the decrease continued in 1998.
• To halt the continued decline of its core resource volume and reverse the trend, UNDP must become a more results-driven organisation and better demonstrate its value.

• In addition to being a management tool, the new results-oriented approach underpins the funding strategy for UNDP. Decision 98/23 of the Executive Board represents a compact between the Board and UNDP. The Board adopted an annual funding target of $1.1 billion and a commitment to multi-year pledging and decided that UNDP should “develop a multi-year funding framework that integrates programme objectives, resources, budget and outcomes”. Subsequently in January 1999, the Report of the Administrator to the Board for the first regular session of the year established the main components and articulation of the system (DP/1999/CRP.4).

• The Administrator’s Direct Line number 19 dated February 2, 1999 provides information on the Executive Board decision and formally launches the introduction of the new system in UNDP.

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<tr>
<th>Introducing a result-oriented approach in UNDP activities provides windows of opportune</th>
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<tr>
<td>It will lead to an improvement of the definition of objectives and strengthen capacity for strategic management.</td>
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<td>It offers a mechanism for identifying key results and a basis for learning and telling UNDP’s story.</td>
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<td>It will lead to re-defining the presentation of budgetary expenditures, to demonstrating results derived from its presence at the country level and to providing a mechanism for capturing results from soft interventions.</td>
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<td>It provides UNDP with an opportunity for resource mobilisation at both the corporate and the country level, in particular to improve the balance between core and non-core resources.</td>
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II. Process followed

♦ Moving to results is an essential part of the process of internal management changes that UNDP has initiated.

• The decision to adopt a results-oriented approach follows the conclusions of UNDP 2001 and the dialogue developed with the Executive Board and donors on the UNDP funding strategy.

• Several decisions of the Executive Board (94/14, 95/23 and 98/1) led to a refocusing of UNDP activities. Priority themes identified for UNDP are reflected in the thematic categories used for the results-oriented approach.

♦ UNDP adopted an interactive and consultative process to shape the approach.

• In May 1998, the Santo Domingo workshop on results-orientation brought together over 40 UNDP staff members, including 3 regional Bureaux Directors and 10 Resident Representatives. As a result of the workshop, consensus was reached on the definition of results for UNDP. Draft frameworks to show the results of UNDP interventions in governance and poverty were tested during this event.

• The proposed approach was presented during several UNDP regional events, including the Seoul regional meeting for Resident Representatives of the Asia and Pacific region in November 1998. It figured on the agenda of the Deputy Resident Representatives’ meeting of the Arab States region held in late 1998 in Damascus, during which the approach was tested. It was also recently presented in Benin during the Resident Representatives’ meeting for the Africa region.

• In addition, a number of informal discussions with the Executive Board took place at the different stages of the preparation process.

• Working groups composed of UNDP staff members were established and met regularly to define the contents of the main components for the RBM approach in UNDP.

• The proposed approach was then discussed extensively at a senior management meeting held at Mohonk, New York, in November 1998. During this meeting, the senior management committed itself to its implementation. RBM was made a corporate priority with a time frame established for its implementation by the whole organisation.
Moving towards results is an iterative process during which learning by doing and learning from others are essential dimensions.

- The preparation drew primarily from human resources available within the organisation. Using in-house expertise was the best means to ensure that the organisation’s needs would be fully met. The preparation therefore involved a large cross-section of professionals from country offices and headquarters units. External consultants were used for the purpose of quality control.

- To build on existing experience, the UNDP Evaluation Office and the Swedish International Development Cooperation Agency in 1996 conducted a joint review of performance measurement systems of selected public sector and aid agencies\(^3\) that served as an initial building block for the introduction of RBM within UNDP.

- In October 1998, UNDP together with SIDA and the OECD Development Assistance Committee organised a workshop to review the experience of bilateral and multilateral agencies in introducing RBM principles and practices. This provided a useful opportunity to compare approaches and learn from experience under-way in other agencies and organisations.

As a result of consultations and exchanges of experience, key lessons were learned, which should guide the implementation of the UNDP results-oriented approach:

- The organisation should be clear on the objectives it wants to achieve: helping managers in their performance (performance management) rather than merely measuring results, aiming at a strategic rather than a classification exercise (performance measurement), and covering planning and reporting functions.

- The system must be designed to fit UNDP’s specific needs. RBM is not a fixed exercise that can be applied in a similar way to any organisation. As an approach, it requires that the culture and specific nature of the organisation be carefully taken into account. In particular, the decentralised structure of UNDP requires flexibility in using the approach at the country level. The country offices should play a key role in indicating their results, which will then be aggregated to demonstrate the UNDP global results and value.

- Implementing RBM is a learning process that takes time. The system is not meant to be in its final form from the outset. Although the proposed tools are the products of extensive consultation and concrete testing, it is expected that

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they will further evolve. By applying the approach, the organisation will learn how to adapt it so that it best fits its needs. The process must therefore be seen as a **work in progress** with experience driving the design of the instruments used. In the future, RBM should be further construed as an evolving approach to serve UNDP management and reporting requirements.

- It is essential to **keep the approach simple**. The number of instruments must be limited. Full consistency must be established between those used at the corporate and the country level. The new system must not contradict or complicate existing planning and reporting requirements. It should not lead to an increased workload.

- To refine the approach, a total of 10 UNDP country offices were selected to represent different regions and different situations and serve as **pilots**. Bolivia, Bulgaria, Burkina Faso, China, Egypt, Haiti, Kyrgyzstan, Nepal, the United Republic of Tanzania and Yemen implemented aspects of results-based management and tested proposed frameworks.

- It is important to emphasize that results are **not a new concept** to UNDP. For many years, the organisation has been working to get things done and produce results, but it has not been able to demonstrate them sufficiently and tell its story to donors and stakeholders. “*Results-oriented Monitoring and Evaluation: a Handbook for Programme Managers*” published by UNDP in 1997 placed an emphasis on results. Results-based management appeared more as a reorientation for UNDP that builds on the organisation’s experience. Results-based management is a means of going back to essentials in defining what results are meant to be and the way to measure them. **What is new is** the corporate-wide methodology for capturing results; the commitment to assess progress made toward achieving results and to capture and integrate learning. Project monitoring, country programme reviews and evaluation reports provide information on UNDP achievements at the country level but do not fully allow for a presentation of global results for UNDP as a corporate organisation.

**III. Results system and its components**

- Based on the premises described earlier and as a result of the consultation process, **key instruments** for the implementation of the approach were defined. They are presented as part of the present overview. Further explanation on how to apply them is given in the technical note.
Three main components should be distinguished:

- A multi-year funding framework (MYFF). UNDP has committed itself to establishing a four-year framework that will underpin the UNDP funding strategy for the financing of programmes based on the key results identified and targeted by the organisation. The MYFF is therefore a corporate instrument and represents a major change for UNDP since for the first time, a comprehensive framework will be prepared that assesses results and presents an integrated resource framework.

  The MYFF is comprised of two parts:
  - Strategic results frameworks (SRF)
  - Integrated resource framework (IRF) which integrates all financial allocations.

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\text{MYFF} = \text{SRF} + \text{IRF}
\]

- A results-oriented annual report (ROAR). This report will be supplied both for country, regional and global programmes and at the corporate level. The ROAR is the principal instrument for reporting on the entire range of UNDP activities by operational units. At the aggregated level, it provides the Executive Board at its second regular session each year with a comprehensive assessment of key results achieved and a review of the use of resources at the organisational level.

- A Multi-year funding framework report (MYFFR). The MYFFR, a corporate instrument, is a more in-depth assessment of performance relating to the outcomes and outputs identified in the MYFF. It is produced every four years.

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\begin{array}{c}
\text{• MYFF (corporate level)} & \text{PLANNING} \\
\text{• SRF (operating unit level)} & \text{• ROAR (operating unit and corporate level)} & \text{REPORTING} \\
\text{• MYFFR (corporate level)} & \text{} \end{array}
\]

- Strategic results framework (SRF). The SRF represents a key management tool both for headquarters and the country offices. It is the primary planning instrument for country, regional and global programmes.
To respond to UNDP’s strategic development goals, seven categories have been selected.

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<tr>
<th>SHD Programme categories</th>
<th>Non-programme categories</th>
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<td>(a) Enabling environment for SHD</td>
<td>(f) UNDP Support to the UN</td>
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<tr>
<td>(b) Poverty</td>
<td>(g) Management</td>
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<td>(c) Gender</td>
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<td>(d) Environment</td>
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<td>(e) Special development situations</td>
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The first four programme categories are the focus areas mandated by the UNDP Executive Board. The fifth programme category encompasses special situations arising from disaster- and crisis-related events. Category (f) relates to UNDP activities in support to the United Nations system. The management category covers functions and resource allocations that pertain to the overall management of the organization and that need to be accounted for separately. This last category therefore relates to issues that are of interest to the organisation at the corporate level.

SRFs have been prepared at the corporate level for each of the categories and tested by pilot countries. They include (a) an overall goal, (b) several sub-goals, (c) strategic areas of support for UNDP, (d) outcomes and outputs and (e) indicators.

- **Goals** translate the ultimate aims of assistance but are not exclusive to UNDP. The goals build on UN conferences and UN inter-agency agreements;
- **Sub-goals** are specific to UNDP, reflect UNDP’s comparative advantages and which show how UNDP contributes to the overall goal;
- **Strategic areas of support** (SAS) pertain to more specific categories of UNDP’s work and to the terrain in which UNDP does or can be a key player or have a leadership role.
- **Outcomes** are actual or intended changes in development conditions, which UNDP interventions are seeking to support. These changes are or will be the results of collective interventions of different partners (not generally the result of an intervention of a single partner).
- **Outputs** are the specific products and services that emanate from programmes or non-programme activities and over which managers have a relatively high degree of influence. They relate to the completion (rather than the conduct) of activities.
- **Indicators** help monitor progress made (see technical note for definition and application of different types of indicators).
• The SRF is designed to be a strategic management instrument that is useful to country offices and that helps programme managers to ascertain more precisely that the assistance they are providing through programmes and projects is achieving intended results.

• It should be stressed that the system is designed to give country offices flexibility in filling in the frameworks. Activities undertaken at the country level that do not belong to the focus areas of UNDP should nevertheless be reported. To this end, activities developed at the country level that do not fall under established sub-goals or strategic areas of support can be reflected in a separate part of the framework (see more detailed section in technical note).

• At headquarters, SRFs will assist managers to judge whether the overall results of UNDP assistance world-wide meet the goals, principles and standards set out in the Mission Statement and Executive Board decisions as well as in operational and thematic policies. This will, as a consequence, facilitate the oversight and quality-control functions of headquarters. The SRF must be a strategic tool for what UNDP wants to be doing and be known for, particularly with regard to a funding strategy. They will improve UNDP substantive accountability to national stakeholders and the Executive Board and for the first time lay the basis for a funding strategy to support approved programmes based on planned results clearly identified and monitored.

• The new instrument offers an opportunity to capture UNDP soft interventions. Although not always fully acknowledged, advocacy and dialogue form an important aspect of UNDP activities through the organisation’s presence at the country level. The SRFs offer possible means of indicating and capturing the results of UNDP soft interventions (see technical note).

IV. Key building blocks

♦ Results:

• One of the most immediate implications of the RBM approach is a focusing of attention away from inputs and outputs and directing UNDP more towards development outcomes and impact. (Practical issues regarding this shift are addressed in the technical note).

• The shift to outcomes is particularly important since it is linked to the issue of aid credibility. Emphasis on outcomes brings to light the difference an organisation is making and its tangible contribution to development changes at the country level. It will in particular help recipient Governments better to assess progress towards identified results.
What are results: **Outputs** and **Outcomes**

<table>
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<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Experts Equiment</td>
<td>People trained; studies completed;</td>
<td>Jobs created; incomes increased;</td>
<td>Conditions improved; health/longevity;</td>
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**Outcomes**

- national authorities
- UN agencies
- UNDP
- civil society organizations
- private sector
- other donors

**Highlights**
- partnerships/strategy
- UNDP’s role

**Role/function**
- coordination/leadership
- advocacy
- resource mobilisation
• Shifting to results and, in particular, to outcomes implies an increasing use of **indicators**, which are derived from expected results and are used to measure performance. Indicators in this context facilitate monitoring and evaluation judgements. They are not a substitute for clearly stated goals (see technical note).

• Becoming results-oriented highlights the importance of **partnership and the UNDP role** since no single actor on its own can produce an outcome. It highlights the role of **resource mobilisation** and cost-sharing since it takes a pool of resources from different actors to achieve an outcome. Finally, it places a new emphasis on **coordination** and **leadership** issues. To reflect this emphasis, a column on partnership is included in the SRF. The column describes the role played by UNDP and other development partners and the synergy developing between them to achieve an identified common outcome.

♦ **An iterative relationship: top-down and bottom-up:** in the work of the pilot countries, UNDP followed a top-down and bottom-up approach, which will further characterize RBM adoption by the organisation.

• Introducing this new approach in UNDP requires **balancing corporate and country needs**. It is acknowledged that at the corporate level, requirements must be kept to the minimum level necessary to integrate information and present results. At the country level, flexibility must be retained in order to incorporate conditions and activities that are country specific and reflect the UNDP decentralised structure. In a second stage, based on the experience gained, the corporate frameworks will be adjusted for a better matching of the corporate and the country level.

• As part of the top-down approach, UNDP headquarters’ responsibility includes measuring and reporting on the global, organisation-wide results.

• The bottom-up approach is key since UNDP is a country-based organisation. Country offices will lead activities, which form part of the bottom-up approach. They will emphasize expected results and associated performance indicators required within the framework of concrete programmes and projects in the thematic areas of sustainable human development. This will ensure the full respect of the integrity of the programming process at the country level.
Convergence of the top-down and the bottom-up approach will yield a single integrated system. The integration is takes place at two levels:

(i) from the project/programme level to the country level;
(ii) from the country to the corporate level.

This integration will be achieved by treating corporate results and indicators as a subset of a wider-ranging and more detailed set of results and indicators identified at the country level. This integration of different layers will require a pragmatic process of adjustment to avoid mismatching. It will necessarily be iterative and evolve over time. There will be a constant process of adjustment on both sides, which provides a basis for substantive organizational learning.

**Accountability versus reporting:**

- The compact and the SRF share a focus on attainable and measurable results in programme, management and UNDP support to the UN. They also share a linkage between results and resources, but the compact captures the human and financial resources that are allocated and deployed to ensure that results are achieved.

- The ROAR represents a reporting mechanism that will capture key programme and management goals and expected outcomes and outputs. At the end of each calendar year, the manager reports on progress towards expected outcomes using appropriate indicators, actual achievements of
outputs and any advances on proposed partnerships. This updated SRF, together with some narrative text, becomes the operating unit’s ROAR. The ROAR will become an important tool for strategic management, but it is not intended as a tool for implementing accountability.

- The compact identifies the key strategic results for which a resident representative will be held accountable over a period of one year. The results of the compact are derived from the larger set of planned results contained in the Strategic Results Framework. “The compact will provide the tool for pursuing accountability. The new structure and format of the compact will be implemented for 1999. In principle, it will follow the same general structure as the ROAR but will be at a higher level of aggregation and selectivity. Items chosen for the compact will represent conscious decisions by the managers concerned that they wish to be held accountable for the goals and outputs indicated in the compacts.”

V. Additional characteristics of the UNDP approach

- **Results against resources:** An agreement was reached with the Executive Board that no conditionality based on results would be placed on resource allocation. There will therefore be no alteration in the existing allocation principle by broad category and type of country.

- **A strategic rather than a classification exercise:** Rather than attempting to list all activities and using the approach as a classification tool, the results-oriented approach adopted by UNDP aims at being a strategic one that concentrates on priority areas of intervention. It is thus designed to emphasize results in areas of priority focus corresponding to the core mandate of the organisation.

- **Management versus measurement:** RBM implementation for UNDP places a clear emphasis on strategic management versus mere measurement. This is a deliberate choice so that an immediate effect of the new system is to provide tools that are directly applicable and of use to managers. This concern has directly affected the way the instruments have been designed. An unequivocal message from the RBM piloting in ten country offices is that RBM must explicitly aim at changing the way the organization is managed, being a strategic results prioritization effort. Experience from the pilot countries made it clear that the country offices found RBM helpful to them as a strategic management initiative that puts emphasis on the performance management rather than the performance measurement dimension.

- **Use to country offices:** To be an effective management instrument, RBM must bring value to a country office.

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4 Report of the Administrator to the Executive Board January 1999 (DP/1999/CRP.4)
• At the country level, RBM has the potential to reinforce the UNDP focus and position in dialogue with programme countries, donors and development partners.

• It will facilitate the providing of credible evidence of results achieved by UNDP. For the country office itself, RBM represents a means of providing strategic direction to the programme and a new framework for reporting to headquarters.

• By doing so, however, RBM should not result in increasing the workload of the country offices. The exercise should not create a need for additional data collection or reporting requirements. To this end and to ensure that the SRF becomes the central reporting vehicle, the mandatory requirement for the advisory note has been discontinued as part of the UNDP reprioritisation exercise (Letter of the Administrator of 2 February 1999).

♦ **Link to the Country Cooperation Framework (CCF) and the United Nations Development Assistance Framework (UNDAF):**

• In their preparation and implementation, the MYFF, the CCF and the UNDAF should be complementary and mutually reinforcing. Information contained in the CCF can provide inputs for preparing the SRF. Relevant indicators in the Common Country Assessment (CCA) should appear in one of the categories of indicators (situational indicators) used for the SRF (see technical note on situational indicators).

• The results-oriented approach leads UNDP to concentrate on the outcomes it is aiming at and the partnerships involved. Focusing on outcomes highlights the needed partnerships and helps identify synergies and areas of joint cooperation between UNDP and other UN development agencies, funds and programmes. This approach will facilitate the formulation of the UNDAF. UNDP has also expressed its commitment to harmonise the respective cycles of the MYFF and the UNDAF.

• It is recognised that the CCF period will differ from the four-year fixed period covered by the MYFF. To overcome this difference, it is suggested that the existing programme base (CCF, PSDs and project documents) be used in the preparation of the SRF. To cover the remaining years of the MYFF period beyond the duration of the currently approved CCF, country offices should, to the extent possible and in close consultations with the host Government, provide broad directions and define outcomes and indicators to cover the full four-year period. At the time the new CCF cycle starts, the SRFs will be revisited and adjusted as required according to the new CCF content.
VI. Timetable and support for implementation

♦ The roll-out process will consist of the adoption of results-based management in the organisation and, as an immediate step, the implementation of Strategic Results Frameworks by all UNDP country offices as well as managers of global and regional programmes.

♦ The established schedule is as follows:

- The first MYFF will cover the period 2000-2003. The year 1999 is therefore a start-up year devoted to its preparation, with the drafting of the strategic results frameworks at the country level and their aggregation at the corporate level.
- End of May 1999: country offices and the regional and global programmes should complete their SRFs.
- End of September 1999: First MYFF goes to the Executive Board.
- January 2000: ROAR is produced by country offices and operating units.
- April 2000: First corporate ROAR presented to the Board to be reviewed at the session on commitment to the multi-year funding framework.
- The application of the SRFs by all country offices will be conducted with active involvement and support of headquarters.

- Information and guidance will be provided during resident representative and deputy resident representative meetings and other regional/subregional events.
- A help desk will be established to answer requests and direct support will be provided to country offices. The Operations Support Group has set up a web site that provides information on the implementation of the approach.
- The experience of the pilot countries will also be drawn upon. The pilot country offices will become quality support centres and will help identify the best practices for RBM implementation.