

## Chapter 4

# DISCUSSION

### 4.1 IMPLICATIONS OF THE WIDER ENVIRONMENT

While this evaluation was focused on UNDP's internal arrangements, the wider context within which the results-based management approach has developed has had significant implications. UNDP works in a multilateral context, in which its mandate emphasizes the centrality of national ownership and the role of UNDP in building national capacity.

This implies the need to work through national systems, where feasible. The evidence from the five case-study countries suggests that UNDP programmes invest significant attention in supporting national statistical and poverty monitoring systems for tracking progress towards the MDGs and other development results. However, the case studies show little evidence that staff make comparable efforts to engage with national planning and results/performance systems at the sector/programme level where budgets are allocated and medium-term planning and objective setting occurs.

This suggests two important things. First, UNDP does not systematically look for opportunities to harmonize UNDP's results-based management approach with results-based management approaches in national partner governments (when present). Not only does this reflect a shortcoming in the planning process, but it also signifies missed opportunities for national capacity development and further enhancing national ownership. Second, UNDP has not fully considered the implications of its results-based management approach on broader UN reform initiatives, such as the Paris Declaration and the Monterrey Consensus, which reinforce greater

alignment with governments and harmonization between development partners. This requires guidance on how to balance demands on the results-based management system to meet internal needs relative with those imposed by the broader environment within which UNDP operates. This evaluation suggests that country programmes are aware of these challenges but have struggled to find solutions to three issues with little support from the corporate level. These are:

- Who do results really belong to?
- The implications of working through national systems and harmonizing with other partners' results-based management approaches and systems.
- What should UNDP be accountable for? While UNDP accountability is clearly set out in legal agreements, accountability for results remains unclear. This applies at several levels. For example, what accountability for project outputs should lie with programme staff, if the major approach to project implementation is national execution? If results-based management means a focus on results at the outcome level, then how can staff be held accountable for managing towards this?

UNDP has not revised its corporate guidance to clarify such issues. The guidance has not been adjusted to reflect the shift in results-based management approaches towards how to manage *for* results, rather than *by* results. Nor has the guidance been revised to clarify the significance of cost-sharing as a source of funding. The case studies suggest that funding partners at the country level, particularly donors, persist in applying their own performance assessment requirements,

imposing additional transaction costs for both UNDP and national implementing partners.

The country programme staff perceive corporate initiatives as being focused on meeting corporate agenda—particularly the demand for reporting and better financial administration. This, in turn, reflects a corporate response to the wider environment.

More broadly, there has been a general shift in demand from assessing aid effectiveness to assessing development effectiveness. Within UNDP, this has most clearly been seen in sustained demand from some constituencies within the Executive Board for an aggregated measure of UNDP’s contribution to development effectiveness. The development of the MYFFs/ Strategic Plan and systems suggests that trying to meet this demand has been the UNDP’s focus at the corporate level, with little attention to supporting development of stronger management decision making based on results at the programmatic level.

#### **4.2 A CULTURE OF RESULTS IS BEING DEVELOPED**

A number of authors and reports have looked at the issue of a ‘results culture’, what it is and how to get there.<sup>70</sup> Based on this literature, an organization with a strong culture of results:

- Engages in self-reflection and self-examination, seeking evidence on what is being achieved
- Engages in results-based learning, with adequate time and opportunity
- Encourages experimentation and change, including risk taking

Thus, a weaker culture of results might, for example:

- Gather results information, but limit its use mainly to reporting
- Acknowledge the need to learn, but not provide the time or structured occasions to learn
- Undergo change only with great effort
- Claim it is results-focused, but discourage challenge and questioning the status quo
- Talk about the importance of results, but frown on risk taking and mistakes
- Talk about the importance of results, but value following process and delivering outputs

The evidence from interviews in the study countries and at headquarters is that UNDP has made some progress. However, the overall conclusion is that the organization still has a long way to go if it is to build a strong and sustainable results-based culture. This conclusion is in line with that from an assessment of results-based management at UNDP, which noted the need to enhance the culture of the organization: “...an ongoing change management effort to embed a results-based culture in the organization is required.”<sup>71</sup> A report comparing results-based management efforts at a number of multilateral development organizations including UNDP concluded that “... [these] multilateral development institutions need to work to amend their internal incentive structures in favour of results.”<sup>72</sup>

#### **4.3 FACTORS HELPING AND HINDERING A CULTURE OF RESULTS**

The evaluation team conducted force-field analysis exercises in the study countries to seek the views of staff on factors that affect a results focus in UNDP.<sup>73</sup> An example from Zambia is

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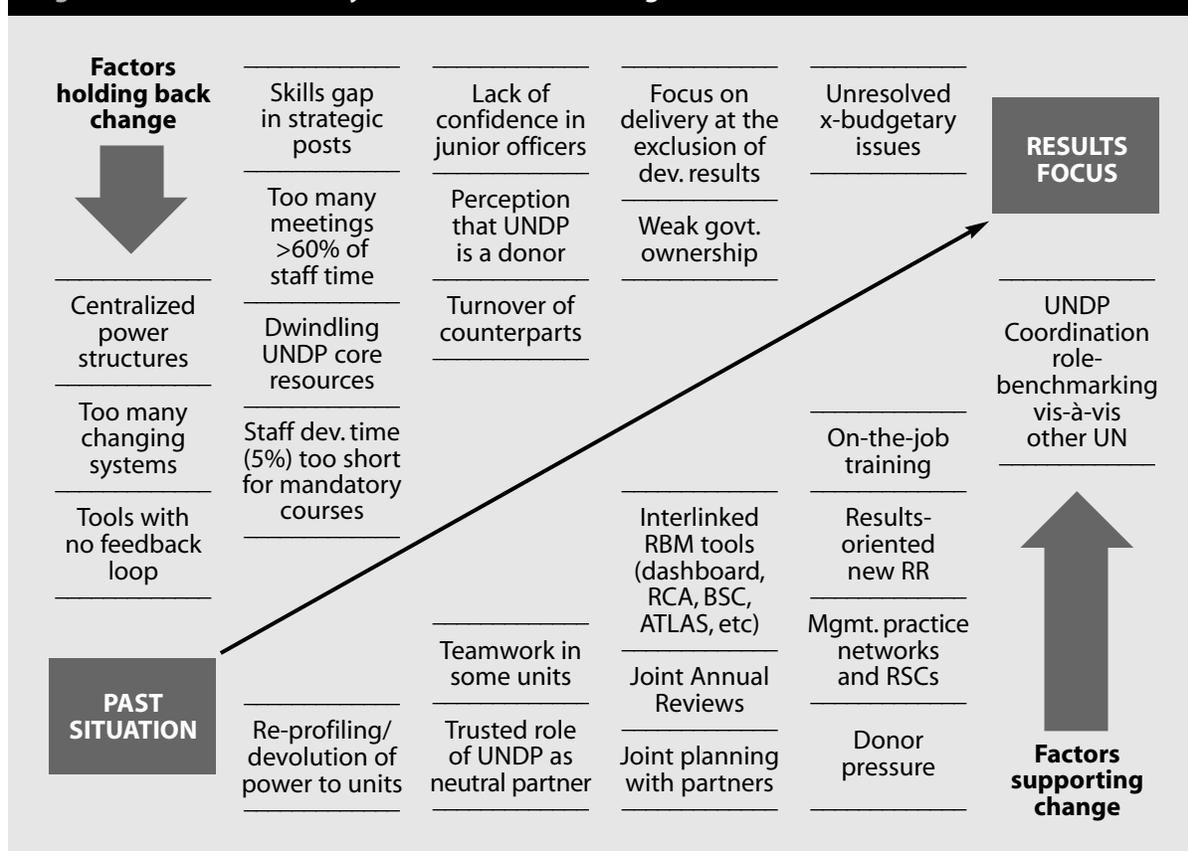
70 See text and bibliography in Annex 6.

71 Dalberg and Global Development Advisors, ‘Assessing Results Management at UNDP’, Commissioned by the Danish Ministry of Foreign Affairs, 2006, p 20.

72 Flint M, ‘Easier Said Than Done: A Review of Results-Based Management in Multilateral Development Institutions’, Department for International Development (DFID), London, UK, 2002, p 50.

73 The ‘force-field’ is a visual sorting tool used to categorize issues and stimulate discussion.

**Figure 2. Force field analysis of factors for and against a results focus in UNDP Zambia**



reproduced as Figure 2. These exercises found a broad consensus around the features summarized in Table 8.

It is interesting how clear the importance of the government is. It can be a positive, as a force

seeking results, and a negative, as a constraint where planning and M&E capacity is weak. The tension between country offices and headquarters is also clear, with belief that the results-based management approach is heavily driven by headquarters' needs.

**Table 8. Factors supporting and holding back a results focus**

Factors Supporting Results Focus	Factors Holding Back Results Focus
<ul style="list-style-type: none"> <li>■ Government and development partners seeking results</li> <li>■ Growing professional competence</li> <li>■ Stronger project management</li> <li>■ Appointment of M&amp;E specialists or units</li> <li>■ Increased delegation of responsibilities</li> <li>■ Interlinked results-based management tools</li> </ul>	<ul style="list-style-type: none"> <li>■ Lack of planning and M&amp;E in government</li> <li>■ Too much focus on the UNDP headquarters agenda</li> <li>■ Focus on delivery rather than results</li> <li>■ UNDP comparative advantage not clear</li> <li>■ Unclear guidelines and frequent changes</li> <li>■ Tools tailored to headquarters needs</li> <li>■ Lack of coordination and poor communication</li> </ul>

#### 4.4 STAFF SURVEY ON RESULTS-BASED MANAGEMENT

A wider sample of views was sought in an electronic survey of all staff in the country offices not visited for the evaluation. The results are summarized in Annex 8. The responses reveal a number of interesting views.

- Overall, staff do not think there is a strong culture and leadership for results, although managers (Deputy Resident Representatives and above) take a more positive view that UNDP does encourage risks in pursuit of results and has an adequate budget for results-based management.
- Staff and managers believe that programmes are well focused, organized to deliver outcomes, planned with reference to evidence, and have well understood outputs and outcomes. There is a high degree of optimism.
- The ROAR is clearly seen as the primary tool for outcome monitoring, although managers think it is less effective than staff do. All agree that UNDP monitoring and reporting is not well harmonized with other development partners nor does it make use of government systems (both important features of working in a decentralized way, driven by country needs, and reflected in the Paris Declaration).
- Staff and managers think adjustment is done collectively in discussion with stakeholders (another important feature of delivering through partners) and that there is adequate scope for managers to manage. All also agree that results affect neither the Biennial Support Budget nor programme allocation (including TRAC 2) and that cost sharing reduces scope to allocate resources according to results.
- Responses about evaluation and accountability are less straightforward. The majority of staff agree that roles and responsibilities are well known. Most agree that pressure to mobilize resources and deliver on time is greater than

pressure to achieve results. Staff think resource mobilization is a more important factor for advancement in their RCA, but managers disagree. The Resident Representative/Country Director is acknowledged by all staff to be accountable for outcomes.

- Staff believe they have received adequate training and support from RSCs/SURFs for design and indicators, but are not given enough time to learn from results and evaluations. Managers disagree about support from RSCs and headquarters and think adequate time for learning is made available.
- Both staff and managers think that UNDP's rewards systems do not provide real incentives to strengthen a results culture.

Other supportive evidence includes the 2006 Global Staff Survey finding that “responses to the question ‘My office works consistently towards achieving long-term objectives’ have hit a low point, with the bulk of the decline coming in country offices.”

#### 4.5 EARLY GAINS, LOST MOMENTUM

The shift in strategic direction and new results framework brought early gains to the programme through a clearer expression of UNDP roles and functions. This fostered an improved relationship with the Executive Board that helped prevent further decline in resources. There is good evidence that staff have found strategic frameworks valuable in discussions with both government and development partners. But the clarity of expression in the first MYFF that helped bring these gains was not taken further in subsequent rounds. MYFF 2 was a missed opportunity to improve programme focus, an original aim of the corporate strategy. The draft Strategic Plan is still under debate, but does not take focus much further.

The goals in the results frameworks for the two MYFFs and draft Strategic Plan are too broad to focus UNDP's support in areas where it has a

comparative advantage. UNDP has attempted, in each succeeding results framework, to reduce the number of ‘strategic areas’<sup>74</sup> under which it makes a contribution. This approach has had limited impact upon programme composition at the country level beyond some attrition of outlier projects. Therefore, it has not been a successful approach to enhancing focus across the organization into declared areas of comparative advantage.

This is because the strategic objectives have not been used as a set of ‘hard boundary’ rules, defining what is and is not possible for country programmes to support. Instead, this approach has increased work for staff in country programmes, as retrofitting the programme into each new corporate results framework has become a clerical exercise rather than an approach having real influence on future programme composition.

Enhancing focus would require two things. First, an operational definition of focus for UNDP programmes. Second, change in the relationship between regional bureaux and country offices. To date, this relationship has mainly focused on oversight of processes and resources, with little systematic discussion of programmes’ substantive content. This has meant that programme focus is not discussed. However, the low level of core funding and high reliance on non-core funds will mean that the management spotlight needs to be on the degree to which Resident Representatives manage to refocus in this situation. This is where interaction between regional bureaux and country offices should concentrate.

In the Inception Report for the evaluation, a table of benchmarks was introduced as an evaluation tool, drawing on performance standards for results-based management abstracted from three sources: the Joint Inspection Unit of the UN, the Paris Declaration on Aid Harmonization and Alignment, and the OECD-DAC Source Book

on Managing for Development Results. Those benchmarks provide an organizing framework for the evaluation assessment. Annex 9 sets out in detail the assessment of each benchmark, drawing on the findings of this study and relevant independent studies.

Progress has been made in most areas. Two of the 21 categories are assessed as fully achieved, 16 are partially achieved and 3 are not achieved. The large number of partially achieved benchmarks reflects the positive work of UNDP in creating the architecture to manage for results. But the large number of partially achieved benchmarks also reflects this evaluation’s finding that too many elements of the approach are not functioning satisfactorily. Most importantly, results performance is not informing decisions about programmes or resources across the organization. The evaluation case studies identified managers who have a strong results orientation for decision making, but they make little use of information drawn from UNDP’s results-based management systems to support their work and decision making.

It is not possible to use the benchmarks to assess UNDP’s status relative to other UN organizations, or the wider population of public sector organizations that use results-based management approaches. This is because benchmarking across organizations requires a database that collates individual organizational performances against a common standard, and the current benchmarks have not been set up in this way.

The literature highlights a number of areas where an organization committed to embedding results-based management should focus while introducing the approach. As shown in Table 9, UNDP has addressed many of the themes that are normally recommended but not in a consistent and sustained manner. This has resulted in a culture of results akin to the ‘weak’ culture described in section 4.2.

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<sup>74</sup> Terminology used for describing the corporate-wide strategic areas has changed with each results framework. Under MYFF2, the service lines have defined these areas.

**Table 9. Themes associated with managing for results<sup>75</sup>**

What Should Be Expected	What Is Found in UNDP
<p><b>Demonstrated senior management leadership and commitment</b></p>	<ul style="list-style-type: none"> <li>■ The MYFF initiative was, to some extent, an initiative in parallel with the Administrator’s Business Plans during 2000-2003 and contributed to a disconnect between the balanced scorecard and the ROAR.</li> <li>■ Results-based management is not closely associated with any one Administrator. Current results-based management initiatives, though innovative and positive, are associated more with middle/senior management than with top management.</li> </ul>
<p><b>Informed demand for results information</b></p>	<ul style="list-style-type: none"> <li>■ All managers acknowledge the importance of results, but management is driven consistently by resource mobilization and delivery targets, rather than results. Some managers claim that’s because there are no systems to measure results well, but then don’t commit resources to solving that problem.</li> </ul>
<p><b>Supportive organizational systems, practices and procedures</b></p>	<ul style="list-style-type: none"> <li>■ Current systems do not provide rewards for risk taking or for achieving results. There is no evidence that the organization values enquiry and reflection.</li> <li>■ Management at the project level is geared towards outputs, and although managers have the scope and flexibility to adjust operations, the evaluation found no evidence of results being a significant consideration in that process.</li> </ul>
<p><b>A results-oriented accountability regime</b></p>	<ul style="list-style-type: none"> <li>■ Accountability is disjointed with a narrow focus on the Resident Representative; accountability at lower levels is limited to managing for outputs.</li> </ul>
<p><b>A capacity to learn and adapt</b></p>	<ul style="list-style-type: none"> <li>■ There is little formal learning although the practice networks are lively and widely used. Staff think that not enough time is set aside for learning, though managers differ in this view.</li> </ul>
<p><b>Results measurement and results management capacity</b></p>	<ul style="list-style-type: none"> <li>■ There is no recognized institutional home for results-based management in UNDP, nor is there a core of excellence in the organization. Some countries have appointed M&amp;E specialists but there is no corporate policy or incentive to do this.</li> </ul>

#### **4.6 MANAGING FOR OUTCOMES WAS CORRECT BUT UNSUPPORTED**

The move to manage for outcomes was sensible, but the structure needs to be revisited, given the experience and escalation in UN reform,

changing aid-delivery modalities with the growth of sector and general budget support, and the Paris Declaration. A critical question is: Whose outcomes need to be based on country-owned objectives with which the United Nations and

<sup>75</sup> For further elaboration and a bibliography, see Annex 6, ‘Results-based management in development organizations.’

other development partners are aligned? This has proved challenging in several ways. Processes to foster alignment between UN organizations' objectives and national objectives have evolved substantially during the period. New rounds of the UNDAF show evidence of improved ownership and alignment. But this has led to a complex multiplicity of higher levels goals: MDGs, country national plans, UNDAF outcomes, UNDP strategic outcomes, and UNDP country outcomes. UNDP's strategies have not simplified this framework and guided resources and monitoring. As a result, the UNDP corporate outcome statement is more of a bland programme aspiration than an accountable management objective. UNDP country offices are at pains to set outcomes that are distinct from UNDAF and other UN organizations, yet in reality UNDP should probably be contributing towards joint outcomes.

The attempt to shift monitoring focus from outputs to outcomes failed for several reasons: projects are a natural unit of management around which resources are configured; project tools are simple and effective; lines of responsibility are straightforward at the project level; and there was an established body of experience at managing projects in UNDP. Collaboration with other development partners takes place mainly at the project level, perpetuating the project as the natural unit of analysis. For projects to contribute to outcomes there needs to be a convincing chain of results or causal path. Despite familiarity with tools such as the logframe, no new methods were developed to help country staff plan and demonstrate these linkages and handle projects collectively towards a common monitorable outcome.

Quality and technical support issues also failed the system. The ROAR was developed for outcome monitoring, but the initial design was too complicated and it became diverted into MYFF reporting—an example of Executive Board pressure shifting the system away from country needs and from managing for results. Selection of indicators and targets is hard (especially in the newer 'soft' areas of policy

engagement), and little guidance was available. The UNDP results framework has involved non-standard and changing terminology, which has been difficult to work with in non-English speaking contexts. Results-based management is demanding from a quality perspective, with the need for well stated outcomes, objectively verifiable indicators, timely and accurate reporting for management action, and accountability. Poor initial specification of outcomes and indicators can negate the rest of the system, yet no provisions were made for quality assurance and independent scrutiny beyond infrequent expanded audits.

Faced with these problems—and bearing in mind that development outcomes are slow to emerge, hard to attribute to small UNDP interventions, and in areas difficult to measure objectively—continuing with project-level quarterly and annual reporting on outputs was as good a tool as any and has helped maintain a basis of evidence. Furthermore, project managers have freedom to intervene. Limited resource flexibility tends to mean that adjustments take place within projects rather than within outcomes. In view of the pre-eminence of projects, it is not surprising that accountability is presently at the project output level. This may be satisfactory for programme staff but at Assistant Resident Representative/Deputy Resident Representative/Country Director level, there is a need to move to managing for outcomes.

Evaluation has been under used as a tool of results-based management, although it is becoming more prominent with the advent of outcome and country programme evaluations. It is increasingly inappropriate for UNDP to evaluate outcomes in isolation from government and other development partners. A forward-looking stance for results-based management is that stakeholders, as a group, agree to manage inputs and contributions to a common result above the level of the project output. This leads logically to joint evaluations. Joint programme reviews are already found in countries with high levels of sector programmes and budget support.

A first step would be joint UNDAF outcome evaluations, an area where UNDP is well placed for an active role.

#### **4.7 RESULTS-BASED MANAGEMENT IS MORE THAN TOOLS AND SYSTEMS**

To a large extent, systems are in place for effective results-based management, but the challenge is how they have been implemented and the degree to which they have helped foster a 'results culture' within UNDP. This culture of results is emerging, but the question is whether putting in more systems will improve the situation, given clear evidence in Chapter 3 of limited capacity at the country office level and the low level to which results are considered in management decision making. As a result, systems have had the effect of reinforcing a reporting rather than performance culture.

Results-based management cannot work if project level M&E systems are not operating effectively. The decision to remove mandatory M&E requirements in 2002 was a risk, and the result is that M&E capacity is weak in many offices. ATLAS and PRINCE 2 are positive efforts to build capacity at the project level, but there remains a danger that they push towards a process and reporting approach rather than managing for results.

Systems can change behaviour if supervised well, as seen with financial management under ATLAS. But systems don't provide the types of data that managers at the country office level really need in order to manage better strategically. In practice, lack of good data in the reporting system is because those responsible for inputting the data don't see it as something important they are accountable for. It's just one more imposition from headquarters.