

Chapter 5

CONCLUSIONS AND RECOMMENDATIONS

The findings from this study have been summarized in short text boxes at the end of major sections and Chapter 4 has drawn together core strands from the analysis. Elements of a results focus within UNDP predate introduction of results-based management into UNDP, which for this evaluation is taken to have occurred in 1997, when the Administrator's Annual Report called for the establishment of "an overall planning and results management system in UNDP." This was operationalized in 1999 with the introduction of strategic results frameworks across all programme countries and development of the first MYFF. Chapter 2 discusses the subsequent eight-year period of rolling innovation, redesign and change. It is important to understand that this evolution was not guided by a comprehensive design and that there is little consensus within UNDP on what the results-based management approach and systems include.

What is clear is that, over the period, UNDP has established a cycle of setting and revising corporate goals, has introduced improved office systems to manage project finances, has institutionalized the need to report on corporate and individual performance, and has raised awareness about results throughout the organization.

Conclusion 1: The experience of UNDP with introducing results-based management is similar to that of other organizations.

UNDP was one of the first UN organizations to move to a results-based management approach,

but the information does not exist to rank its achievements and status relative to other organizations. Review of the literature discussing experiences with results-based management (see Annex 6) strongly suggests that UNDP's experience has not diverged significantly from that of many other public-sector organizations.⁷⁶ Overall, this evaluation identifies a significant number of areas where greater progress could have been made, but even with perfect knowledge and the required management commitment, it is unlikely that UNDP could have fully institutionalized a results-based management approach within eight years. Subsequent conclusions and the recommendations therefore focus on the key challenges for UNDP and draw on wider experience on how these may be successfully addressed.

Conclusion 2: UNDP has a weak culture of results.

International experience suggests that 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

Adopting results-based management was a logical continuation of management reforms during the

⁷⁶ See Box 1, which summarizes challenges identified by the World Bank 2006 Annual Report on Operations Evaluation on operationalizing managing for results.

1990s, and UNDP probably had little option in view of pressure to improve performance from the Executive Board and across the United Nations as a whole. Significant progress has been made on a number of fronts: sensitizing staff to results, and creating the tools to enable a fast and efficient flow of information. Despite considerable investment in development of systems, managing for results has proved harder to achieve. In particular, the strong emphasis on resource mobilization and delivery, a culture supporting a low level of risk-taking, systems that do not provide information relevant for managing for results at the country programme level, the lack of clear lines of accountability, and the lack of a staff incentive structure to judge performance based on managing for development results all work against building a strong culture of results.

Conclusion 3: The corporatist approach has had only a limited effect on development effectiveness at the country level.

UNDP adopted a systems approach to stimulate managing for results, which meant that change was to be driven by the implementation of centrally designed and prescribed systems. The MYFF strategic plans were used to set corporate results frameworks with complex structures of service lines that tried to reflect the diversity of country programmes. These were primarily developed to enable aggregate reporting of UNDP performance to the Executive Board while at the same time creating a clearer focus to the programme.

UNDP has not developed corporate oversight systems that track the degree to which country programmes implemented a results-based management approach, instead focusing on development of systems required for upwards corporate reporting and oversight of processes. Notable is the lack of oversight systems that focus on tracking whether programmes use results to adjust resources (people, money and partnerships) to improve future results.

In practice, the corporate service lines set by headquarters have proved too numerous, with

very permissive definitions. This has led to country offices manipulating their programmes to fit into corporate service lines, diverting attention away from country needs, and has made reporting to the Executive Board more about process than substance. There is also little evidence that this approach has significantly affected the shape of country-level programmes, but there is evidence that it has imposed unnecessary transaction costs at country level.

There is little evidence indicating a significant role for results-based management systems in the strategic allocation of resources (people and money) within UNDP.

Conclusion 4: Results-based management has been misinterpreted as not supporting the decentralized way in which UNDP works.

UNDP works in a strongly decentralized way, yet the results framework in the MYFF were not geared to country processes. Emerging new systems under the UNDAF/CPD/CPAP reforms are seen to have the potential to create objectives for UN organizations that are aligned with national plans and responsive to country needs. Working through these structures, UNDP country offices are now able to define realistic outcome objectives that are within UNDP's mandate, aligned to the UNDAF and harmonized with other development partners.

Decentralization has been accompanied by delegation of authority over the CPD. Under current procedures, country programmes are not scrutinized for development potential by regional management, an abdication of responsibility. As a result, evaluation and audit provide the only means to check that country programmes are contributing to corporate goals.

The corporatist top-down approach has inadvertently fuelled concerns that having corporate goals is a means of imposing programmes at the country level. Decisions about the nature and content of country programmes are inevitably reached through a political process between the

Resident Representative/Country Director, the national government and those funding specific projects. The role of results-based management is not to constrain that process but to provide a framework so that UNDP works within its mandate, or areas of competence, and ensure that adequate resources are aligned behind achieving results agreed among partners. Once programmes are agreed upon at the country level, results-based management should provide standards as a basis for dialogue about how to craft realistic outcomes, select objective indicators that can demonstrate progress towards development objectives, and jointly monitor progress.

Conclusion 5: Results-based management systems are not helping build a results-based culture.

There are strong perceptions within UNDP that systems related to financial administration and management have improved. Also, training in PRINCE 2 and ATLAS may be strengthening project administration and management skills, in some offices, where these have declined in the last decade.

However, there is little evidence that systems have led to increased focus on development results (managing for outcomes). ATLAS and PRINCE 2 both deal with information at the project level and the project is at the core of their designs. The RCA does not effectively incorporate key results that reflect successful management for results by individuals. There are also concerns that systems have become overly complex and time-consuming.

Design and use of results systems have mainly focused on producing data to meet reporting commitments to the Executive Board, rather than managing for outcomes, which is central to achieving a results orientation in UNDP at the programmatic level. However, UNDP has failed to develop a system for reporting on its contribution towards development results, which meets the demands of constituencies within the Executive Board. This reflects a number of issues.

The corporate level results frameworks have never included high-level goals with substantive measurable and agreed indicators against which to assess global progress towards meeting the goals. Comparison of the goal-level reporting by UNDP with the objectivity of reporting against the MDGs is stark. UNDP also needs to be contrasted with many other UN organizations, which can rely on objective results data reported through internationally developed systems to discuss whether or not progress is being made under their key mandated areas.

UNDP has developed a reporting system that aggregates whether results will be delivered when expected or not. This approach has limitations: first, because the country-programme outcomes against which UNDP will deliver are poorly defined and there is insufficient consistency across the country programmes on the definition of an outcome; second, because the logic linking outputs delivered by UNDP with achievement of the outcomes, and the higher level objectives found in the corporate strategic results frameworks, is often not explicitly defined and accessible; third, and the main point of interest for the Executive Board, this approach fails to report on UNDP's performance against outcomes for which it is accountable.

Conclusion 6: Managing for results requires leadership.

The importance of leadership to drive results-based management forward has been noted several times in this report. A good example of effective leadership comes from the role of the previous Administrator in fighting the decline in resources. Staff are quick to acknowledge the Administrator's success at shifting the focus of managers. A strong personal commitment was supported by: a single simple and consistent message on resource mobilization, which was used for both internal and external audiences; development of systems to track, measure and report managers' success at resource mobilization; and a clear perceived link between successful resource mobilization and advancement within the organization.

The same drive and visible, consistent senior-level support is needed for results-based management. Four relationships stand out as the most critical: at the Executive Board to ensure the programme is held to account for development results; between the Administrator or Associate Administrator and the directors of bureaux; between directors of regional bureaux and Resident Representatives or Country Directors; and by Resident Representatives/Country Directors within country offices.

5.1 RECOMMENDATIONS

Managing for results is a dynamic process, and many of the issues raised in this report are known to UNDP management and are receiving attention. There is genuine interest and support at the country level for a better focus on results. As noted at the beginning of this report, results-based management is a journey not a destination. The recommendations here are designed to help UNDP navigate that journey.

Recommendation 1: Strengthen leadership and direction.

The first and overarching recommendation addresses the need to capitalize on what has been achieved to date and establish a stronger culture of results. The success of this is not dependent upon tools and systems, but leadership and direction. Sustained commitment by top management, the Administrator and the Associate Administrator is required.

Strong leadership is necessary. Attention to a focus on UNDP's results throughout management processes is necessary. That commitment needs to cascade down through the critical management relationships highlighted earlier. Without that, changes to systems will merely reinforce a reporting culture.⁷⁷

Leadership is a necessary, but not sufficient, condition. Attention to the issues summarized in Table 9 is also needed: a shift in the accountability framework from process and compliance to results; outspoken commitment by senior management, especially the directors of regional bureaux; a change in dialogue throughout the organization that prioritizes management for development results and addresses how this will be balanced against competing demands such as resource mobilization; time and space for staff to give feedback on and learn from experiences; a shift in organizational practices to take risks and manage for outcomes rather than outputs; and improved capacity to measure results.

Recommendation 2: Global goals, local solutions—Sharpen the role of the strategic results framework.

Management should adopt a results framework that distinguishes more clearly between corporate goals and country programme outcomes.

UNDP's operational role has four focus areas: crosscutting and multi-sectoral challenges of poverty reduction, democratic governance, crisis prevention and recovery, and environment and sustainable development. For these focus areas, objectives should be based on the key results areas, with indicators of substantive development change comparable to those used for the MDGs. The corporate key results areas contain the basis of what could be measurable goal-level objectives, for example: promoting inclusive growth; promoting gender equality; fostering inclusive participation (in governance); and empowering the poor, women and youth. This approach will take time. The Executive Board and UNDP should start with those key results areas where internationally agreed-upon indicators already exist. This will be a major challenge for the programme, but this will provide clear guidance to country programmes about UNDP's overall objectives and help ensure

⁷⁷ Experience around the world underscores the important role of top management in creating a focus on results. Examples are quoted in Annex 6.

that debates on performance are about development rather than the quality of reporting.

Identifying and reporting on UNDP contributions should not be an obstacle, any more than it is for organizations reporting country progress against the MDGs. Key to this would be the development of robust models that show the links between country programme outcomes and UNDP contributions with achievement of these high-level objectives. This approach would also strengthen the quality of information reported, since senior management would have a greater interest in ensuring that the information is accurate, as it should also be part of the internal UNDP accountability framework.

The current practice of setting corporate outcome-level objectives and indicators within the strategic plan should end. Instead, outcome objectives and indicators should be set at the country programme level, where they should be linked to UNDAF outcome objectives in the context of agreed-upon national development objectives. Comparable outcome objectives should be set within the regional and global programmes.

This change would reinforce the decentralized nature of UNDP activities and build on UN reforms. The change would have to be supported by a shift in the oversight roles of the regional bureaux, senior management and the Executive Board away from compliance with procedures towards ensuring that country programmes implement robust, results-based management approaches and are designed to contribute to the UNDP focus areas.

Recommendation 3: Support managing for outcomes at country offices.

Managing for outcomes means that managers learn from results and empirical evidence and use that evidence to adjust either the projects under their control or the composition of the portfolio of projects to maximize the contribution of the organization to that outcome. At a minimum, this means that there is a clear link between

projects and changes at the outcome level. More sophisticated approaches require managers to demonstrate that they are monitoring the assumptions and risks associated with the projects to ensure that they adjust the project outputs and project portfolio if the assumptions don't hold valid and to manage risks.

Implementing such an approach requires that UNDP consider the wider environment at the country level when defining outcomes. There is a need for improved guidance on how to balance demands on the results-based management system to meet internal UNDP needs with those imposed by the wider environment within which UNDP operates at the programmatic level. This includes dealing with three core issues raised in this report:

- Ownership of results at the country level
- The implications of harmonizing other partners' results-based management approaches and systems
- UNDP accountability for managing for results

The positive effects of some of the newly developed UNDP systems are noted previously in this report, with the caution that they are based predominantly on managing projects. Introduction of new management and reporting systems will impose significant costs on country programme teams, and the country-level perception is that there has been insufficient appreciation at the corporate level of the impact of these costs.

Country offices want to be effective and need support in several ways:

- A streamlining of systems, aiming for a more user-friendly integrated approach with better prioritization and introduction of new requirements across the organization.
- Improved practical tools and guidelines to plan how projects will contribute to programme outcomes and to improve the specification of indicators. These are needed to change the configuration of country

programmes so that programme objectives drive the selection of projects that are implemented. This will also help resolve the tension between resource mobilization and development effectiveness.

- A large-scale capacity-development programme to improve staff knowledge and skills.
- Programmes that are designed around proven models of intervention that can be tailored to country circumstances, managed, monitored and evaluated. The BDP should develop documented intervention models of good practice based on lessons from the programme and from development partners, making greater use of evaluations as a source of learning.
- Quality assurance to examine country programmes and assess evaluability. Periodic programme-wide reviews of programme objectives, indicators and measurement arrangements can be used to provide neutral feedback to managers.
- Expanded use of country office outcome evaluation plans geared to joint evaluations with government and development partners.
- Working in a multisectoral environment means that, increasingly, country programmes need to work within the context of medium-term expenditure frameworks, programme budgets and sector-wide programmes. Future outcome evaluations, when possible, should be joint evaluations with government and development partners. As the tools and guidelines are developed, the ROAR should be revised to improve the evidence-base and structure of the report.

Recommendation 4: Expand investment and use of evaluation and performance audit.

Improving country programmes requires attention to detail and development of sound objectives and indicators. A quality assurance process is recommended as an ex ante way of scrutinizing country programmes. This needs to be supported by independent review of processes and compliance, along the lines of the current enhanced audits.

The structure of results proposed here places more responsibility on country offices to develop programmes that respond to country needs and contribute towards global goals. It also frees them from having to fit into centrally determined service lines. The test, therefore, is whether the programmes that are developed contribute to the goals of UNDP. This will require a stronger evaluation function that addresses both learning and accountability. The 2006 Evaluation Policy is a step in the right direction. The challenge now is implementation that supports accountability and the new results management guidance.

These recommendations are intended to be mutually reinforcing and ought to be viewed as a whole. Some recommendations focus on overall framework rather than specific tools or issues. Dealing with leadership, the results framework, programme focus and accountability of the regional bureaux are the highest priority, followed by tools to help country offices chart contributions to outcomes, and quality assurance systems for programme review.