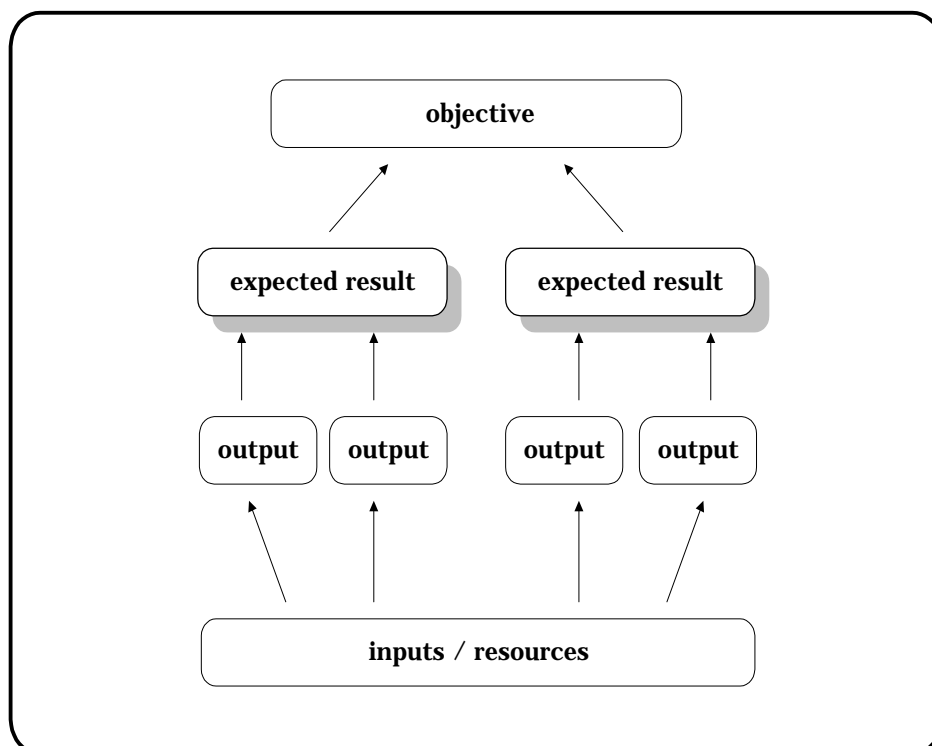


UNITED NATIONS

Guide to results-based budgeting



Version 1.1
(23 October 1998)

Guide to results-based budgeting

Contents

| | <i>Page</i> |
|---|-------------|
| Introduction: about this guide | 3 |
| Part I Introduction to Results-based Budgeting | 6 |
| 1.1 What is results-based budgeting ? | 6 |
| 1.2 Planning, budgeting and evaluation up to 1998 | 7 |
| 1.3 Why results-based budgeting ? | 9 |
| 1.4 How ? Procedure and milestones for introducing RBB | 9 |
| Part II The logical framework: from objectives to inputs | 11 |
| Step 1 Set up a logical framework for the programme | 11 |
| 2.1 Input-Output model | 11 |
| 2.2 What is a logical framework ? | 13 |
| 2.3 How does it work ? | 13 |
| 2.4 What are the advantages of a logical framework ? | 15 |
| 2.5 Preparing the framework | 15 |
| Step 1.1 Define the programme's objectives for the biennium | 16 |
| Step 1.2 Define the expected results | 19 |
| Step 1.3 Specify outputs | 23 |
| Step 1.4 Identify significant external factors | 25 |
| Step 1.5 Determine required resources | 26 |
| Step 1.6 Test the logical framework for consistency | 26 |
| Part III Establishing and using performance indicators | 30 |
| Step 2 Establish performance indicators to measure results | 30 |
| Step 3 Determine the method of measurements | 38 |

| | | |
|--------|--------------|----|
| Step 4 | Collect data | 43 |
| Step 5 | Present data | 43 |

Annexes

Glossary of terms

Guide to Websites

Introduction : about this guide

This guide has been prepared by the Programme Planning and Budget Division (PPBD), Office of Programme Planning, Budget and Accounts, to assist programme managers and other staff in formulating programmes and preparing budget proposals in a results-based format.¹ Its primary aim is to provide step-by-step guidance and to serve as a reference work in the implementation of results-based budgeting at the United Nations. But its intended audience is broader than that.

One of the innovative aspects of result-based budgeting (“RBB”) is its capacity and indeed its aim to involve staff in establishing a link between an individual’s work and the progress in achieving objectives of the Organization. In this sense, the term “results-based *budgeting*” does not do full justice to the broad range of its intended effects: RBB is not just about budgets, but has the potential to bring about a change in strategic management, accountability and responsibilities. Therefore, this guide also highlights the different ramifications and expected dividends of RBB as they affect staff in general. From this perspective, the guide was written for all staff of the United Nations.

This guide is divided into three parts. The first part provides a brief introduction to the

¹This Guide draws from material previously prepared by PPBD in cooperation with consultants of Arthur D. Little International, Inc. With regard to the logical framework and the use of performance indicators, the Guide has also been inspired by material published by the World Bank (“Performance Monitoring Indicators: a Handbook for Task Managers”, Operations Policy Department, World Bank, 1996) and United Way of America (“Measuring Program Outcomes: a Practical Approach”, United Way of America, 1996). In Part III, the Guide uses and refers to a number of concepts and processes described in the UN Evaluation Manual. Quality criteria listed on page xx are adapted from “Purchase Agreement Guidelines with Best Practices for Output Performance Measures”, published by the New Zealand Treasury. Valuable input and comments to draft versions of this Guide (as well as other related documents) were given by participants of a RBB training session held in May 1998, as well as by staff of the Joint Inspection Unit. PPBD wishes to record its particular gratitude (in alphabetical order) to Hitoki Den, John Fox, Leona Forman, Julie Hilton, Mohamud Jama, Joachim Müller and Nikolai Zaitsev.

concept of RBB and describes the context which has led to the adoption of RBB. Part II deals with the general aspects and requirements of results-based programme and budget formulation. Read in conjunction with the programme budget outline and programme budget instructions, this part should enable programme managers to prepare a results-based sub-programme budget proposal, using a logical model or framework that links a subprogramme's objectives, expected results, outputs and resource requirements in one congruous whole. The third and last part focuses on RBB performance measurement, being an evaluation of the progress made in achieving expected results based on so-called performance indicators.

A salient feature of RBB is that it compels the Organization to submit itself to self-scrutiny and to compare actual accomplishments to expected results. This guide should be no exception. As indicated above, its objective is twofold: in the first place, it seeks to enable programme managers and other staff to prepare programme budget proposals in a format which meets all the requirements of RBB. It also aspires to provide a clear and

comprehensive guide on RBB for staff in general. In order to measure its success in achieving these objectives, the Programme Planning and Budget Division requires the feedback of staff. Only through the views of end-users will PPBD be able to determine the effectiveness of this guide and to improve its quality. An electronic address has been established on the United Nations cc-mail network at "*RBB*" (without quotation marks) to serve as a channel for feedback.

Conventions used in this guide

This guide provides a step-by-step approach to the implementation of RBB. In Part II and Part III, the main tasks of establishing a logical framework and measuring performance are broken down into further steps.

Shadowed boxes indicate specific steps required to implement RBB

A fictional (sub-)programme will be used in this guide to illustrate how RBB and the logical framework are to be applied. This programme - starting with background information on the programme further below - does not present a realistic picture of the work or the aims of the United Nations. (For example, while it is presented as one subprogramme, its

diverse activities, if really undertaken, would span several of existing subprogrammes of the Organization). It does, however, display a number of general characteristics that make it similar to actual subprogrammes of the Organization. The texts follow the development of this fictional programme through each of the steps described in this guide.

At the end of each step, text-“buttons” follow the development of a fictional UN programme. See the first button below for the background to this programme.

Throughout this guide, the term “programme” is used to refer loosely to UN programmes, subprogrammes, projects, etc. RBB is neutral to the size, the number of staff or the budgetary resources of a programme, and can be applied to any activity or series of activities that are aimed at a specific and common objective. “Programme planners” is used to refer to both programme managers and other staff who will be involved in the preparation of submissions for the programme budget proposal. It is not a reference to the Programme Planning and Budget Division in the Department of Management.

Results-based budgeting relies to a large extent on the consistent use of a number of other defined terms. Annex 1 contains a glossary of these terms.

UNESE 1 : Background

The Secretary-General has been requested by the General Assembly to study possible measures to introduce the use of a single working language at the United Nations as an instrument to promote international peace and security by facilitating communication between nations and reducing obstacles to mutual understanding between peoples. Studies that have been undertaken by the Secretariat have focused on the merits of launching an “artificial” universal language which has been developed by linguistic scholars using elements from the main world languages. Like Esperanto, this language has never attained

wide-spread application despite its simplicity and versatility. The studies have shown that, with some adaptations and an expansion of the vocabulary, this language would be highly suited for multilateral communication at the UN. Following the approval of the proposed course of action for introducing "UNESE" (as the new language has been coined, UNified Equitable Semantic Exchange facility) in the four-year period covered by the Medium-term Plan for 2000-2003, programme planners in the Secretariat proceed to set up a proposed programme budget for the first biennium in RBB format.

Part I : introduction to RBB

1.1 What is results-based budgeting ?

As a literal reading of the term suggests, RBB is about formulating programmes and budgets that are driven by a number of desired results which are articulated at the outset of the budgetary process. It involves calculating and proposing resource requirements on the basis of pre-determined results, rather than merely on the basis of scheduled outputs or activities. RBB requires managers to identify objectives and results that involve certain changes or benefits to end-users and subsequently to measure the extent to which these changes or benefits have actually been brought about. Or, to give the precise definition for RBB as it has been proposed by the Secretary-General, results-based budgeting is a programme budget process in which (a) programme formulation revolves around a set of pre-defined objectives and expected results, (b) resource requirements are derived from and linked to such expected results and (c) in which actual performance in achieving results is measured by objective performance indicators (see also the glossary of terms in Annex xx).

RBB establishes a top-down, logical framework, using a number of strictly defined concepts, such as objectives for the biennium, expected results, performance indicators and outputs. Its central tool is the biennial programme budget which provides a direct link between expected results and resource requirements. Also crucial to RBB is the measurement of performance in achieving results. Performance measurement shows whether the activities of the Organization actually make a difference.

RBB is *not* a new budget methodology, but involves significant changes in the budget format by placing more demanding standards on programme design and planning. By mapping the expected results for a biennium in advance and by tracking to what extent these have been actually met, this budget format is also a versatile management tool (see further below for the benefits of using RBB).

RBB is not a weapon to trim down the organization and to cut spending. While efficiencies are certainly to be expected from feedback on performance, RBB does not necessarily sanction a failure to meet targets with resource cuts. Rather, RBB will focus

on the question *why* performance was below expectancy and enable managers to detect deficiencies. Nor does it expose programme managers to disproportionate responsibility by penalizing them for subprogrammes that have not met desired results. “Expected results” are not to be understood as irrevocable production targets that one would find in commercial enterprises.

In addition to understanding what RBB is not, it is important to place RBB in its context of the development of the UN programme budget.

1.2 Planning, budgeting and evaluation up to 1998

The introduction of RBB at the United Nations is not an abrupt or revolutionary event, but should be seen as as an outcome of a gradual development in budgetary theory and practice - both at the UN and among Member States - which has been preceded by other budgetary reform initiatives over the past two decennia.

Up to 1974, budget sections had been defined in terms of the major objects of expenditure. In that year, the use of pure input budgets was replaced by programme budgeting and since then budget sections have been largely defined in terms of programmes to be carried out by major organizational units. Those programmes have been formulated within the framework of a medium-term plan that describes their components, their legislative basis and their objectives. Subsequent refinements in the definition of programmes, activities and outputs were eventually formalized, in 1987, in the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (subsequently revised).

The scope and kind of information provided in the budget document since 1987 has changed over the years, resulting in a number of modifications, both in the presentation (groupings of objects of expenditures, categories of activities/outputs, extrabudgetary resources, composition of tables, etc.) as well as in methodology (resource base, measurement of growth, recosting, etc.). Such efforts were generally prompted by the

desire to increase the transparency and clarity of the budget document.

At its thirty-second session in 1992, the Committee on Programme and Coordination approved a number of such changes in methodology and format and recommended that the General Assembly give due attention to the relationship between mandates, programmes, budget sections and the structure of the Secretariat. It also emphasized that direct responsibility and accountability of programme managers as well as improvements in evaluation and performance reporting methods were essential in the implementation of the programme budget and in the capacity of Member States to assess the implementation of the mandates and decisions of legislative bodies.

Pursuant to the recommendation of the CPC - expressed at its thirty-third session in 1993 (A/48/16, para. 235) - that the programme budget narrative of the substantive subprogrammes should consist of clearly formulated objectives that were designed to bring about, to the extent possible, observable change, an attempt was made, in the medium-term plan for 1998-2001, to focus on objectives rather than on detailed descriptions of activities and outputs. Congruence between the programmes in the medium-term plan and

the budget sections was also established, in an effort to show more clearly the link between programmes and budget sections, and to enhance accountability of those who implement the programmes. Similarly, for the programme budget for 1998-1999, efforts were made to formulate clear objectives during the biennium, but the "observable change" remained unclear, since the budget document continued to present activities and outputs to be delivered rather than results to be achieved.

Nor do current monitoring and evaluation methods allow for adequate means of assessing changes or achievements relative to objectives. At the moment, programme performance reporting - entrusted to the Office of Internal Oversight Services - is limited to a review of the status and pattern of output delivery. This is largely a quantitative exercise, showing the implementation rate in terms of outputs programmed, implemented, postponed, terminated etc. Such programme performance monitoring does not, however, reveal the quality and relevance of the output and to what extent the output has led to the achievement of the objectives of the medium-term plan. In this respect, the CPC has recommended that the programme and budget performance reports should detail

the achievements relative to the objectives of the programme framework of the plan and the resources of the programme budget (A/48/16, para. 236). Current evaluation studies primarily focus on management-oriented issues, with recommendations addressing needs assessment, programme design, problem solving, quality of outputs, timeliness, requirements of end-users, etc. Such studies have not generally assessed whether or not intended results or objectives were achieved.

In sum, following the shift from input budgets to programme budgeting in 1974, recommendations and initiatives for budgetary reform have been taken in the past decade which were directed at improving the transparency of the programming and budgetary process as well as the ability of Member States to provide direction and to assess implementation of the programme budget. These reforms have led to the introduction of a number of elements which are also used in results-based budgeting.

These elements, however, were introduced in a piece-meal fashion and have never been consolidated in one interrelated whole. The link between results or objectives and resources has remained very weak: resource requirements are still correlated to outputs and activities. Programme objectives, while incorporated in the MTP and reflected in the programme budget for the biennium, are formulated in a virtual vacuum since no mechanism is in place to measure to what extent these objectives have been met. Without a corresponding change in performance monitoring and evaluation of results rather than outputs, the impact of defining objectives has been practically negligible. Moreover, the shift from input to output budgets has not resulted in reduced input control relaxation, which could allow programme managers to determine and adjust the “mix” of resources required to achieve objectives. The current programme budget still combines a number of restrictive elements of both input and output budgeting without according any significant discretionary flexibility to programme managers.

1.3 Why results-based budgeting ?

The current programme planning, budgeting, monitoring and evaluation cycle of the United Nations allows the Organization to track the number of inputs and outputs, showing us whether quantitative targets have been met and - at best - whether programmes have been *efficient* in the use of resources. We do not, however, have sufficiently reliable means to determine the *quality* of our services. Neither are we able to tell how *effective* the work of the Organization is or what the impact of our activities has

been. One of the main answers, therefore, to the question of “why introduce results-based budgeting?” is to see if the programmes and activities of the United Nations really make a difference in the relations between nations and in the lives of people. In a period where the United Nations meets with scepticism about the relevance of its work, the Organization should be able to provide convincing justification for its existence and its activities. RBB helps to formulate such justification by compelling us to focus on *why* we are doing the things we do and by providing a tool to measure the actual results of our work.

As will be shown in detail in this guide, RBB also serves as a strategic planning tool, improving the clarity, and consistency of programme or project designs, facilitating a common understanding and better communication between Member States, programme managers and staff in general of the desired results of programmes of the Organization.

RBB allows the Organization to attain a unified sense of purpose and direction.

Moreover, through the measurement of performance in achieving defined results, RBB provides feedback to programmes on how well they are doing, and creates a strong incentive for adopting best practices and efficiencies in use of resources, as well as improving the quality of services and other outputs.

RBB has also been proposed by the Secretary-General as a means to release programme managers from overly restrictive input and/or central controls and to accord them more discretion in determining the right mix of resources to meet expected results. In RBB, the increase of the accountability and responsibility of programme managers (a consequence of holding them responsible for achieving results) is designed to go hand in hand with an amplified authority for managing financial and human resources.

1.4 How ? Procedure and milestones for introducing RBB

The introduction of RBB is part of the Organization-wide reform measures proposed by the Secretary-General in January 1997 (see document A/51/950, paragraphs 45, 46 and 240). Following the consideration of the Secretary-General’s report, and upon the recommendation of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the General Assembly, in its resolution 52/12B, requested a detailed report on

RBB including further justification for the proposed change, as well as a “mock-up” of the proposed budget format. At the time of issuing this guide (October 1998), the detailed report on RBB will have been issued to the General Assembly (A/53/500), including a prototype of the envisaged new format (A/53/500/Add.1). That report is recommended for learning more about the background and considerations leading to the introduction of RBB.

It is the intention that future comprehensive programme budget proposals for the regular budget will be in compliance with requirements of results-based budgeting. This means that RBB will be implemented throughout the Secretariat within one budget cycle. Broadly speaking, this process will span approximately three years, and can be broken down into three principal stages. These stages will overlap to some extent and a broad view of the whole process will need to be taken throughout: not until biennial performance following the initial introduction of RBB has been measured will we be able to fully determine the success of our efforts in implementing RBB. As indicated above, this guide has been prepared to provide guidance to programme managers and staff in all three stages.

In the first - **preparatory** - stage, establishing objectives, results as well as performance indicators and linking these to resource requirements in one logical framework will constitute the basis for the programme budget proposals.

By the time PPBD has reviewed and finalized the programme budget submissions, programme managers will need to have identified and established sources of information and methods of collecting data to measure the values of performance indicators that have been incorporated in the programme budget. This will be considered as the start of the second - **measurement** - stage. Where necessary, baseline measures will need to be taken at the beginning of the biennium for subsequent comparison. Throughout this stage, mid-term measurements should provide feedback on the usefulness of the performance indicators and the progress of the programmes. Towards the end of the biennium, final values will have to be established for all performance indicators. Moreover, throughout this measurement stage, mechanisms for linking the expected results of the subprogrammes to those of the relevant organizational units and to the performance assessment of individual staff will need to be developed.

In the final - **evaluation** - stage immediately following the collection of data,

measurements will be used to establish the actual results of the programme and to determine its success and, where necessary, to analyze shortcomings in performance or programme design. These findings will be reflected in a “**results report**”, to be presented to the relevant intergovernmental bodies within six months of the close of the biennium. The issuance of this report will complete the implementation cycle.

Part II : the logical framework : from objectives to inputs

| | |
|----------------|---|
| Step 1: | Set up a logical framework for the programme |
| Step 1.1 | Define the programmes objectives for the biennium |
| Step 1.2 | Define the expected results |
| Step 1.3 | Specify outputs |
| Step 1.4 | Identify significant external factors |
| Step 1.5 | Determine required resources |
| Step 1.6 | Test the logical framework for consistency |

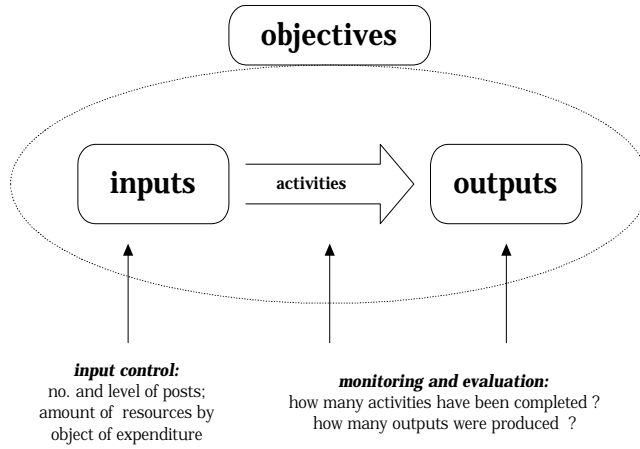
2.1 *The input-output model*

Figure 1.1 below depicts the conceptual model underlying the current programme planning, budgeting, monitoring and evaluation process: links are established between inputs, activities and outputs. Objectives are defined in the medium-term plan and the programme budget but are not strictly tied in to the budgetary process. Programme budgets and evaluation of performance both focus on activities, outputs and the resources that are required to deliver these. As discussed in Part I of this guide, such a model is not capable of providing meaningful information about the desired results or the accomplishments of a programme in terms of bringing about benefits to end-users or other changes.

A results-based programme model is depicted in figure 1.2. Here, links are created between inputs, activities and outputs, as well as expected results and objectives. In order

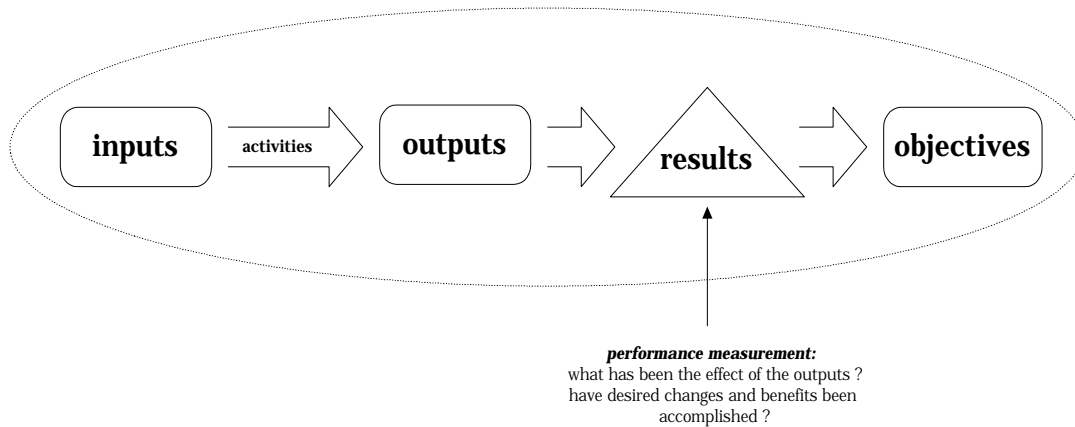
to allow programme planning and decision-making that is based on such a results-based model, RBB uses the logical framework approach.

Figure 1.1
The input-output
programme model



Inputs are determined by the number of outputs to be delivered. Emphasis is on input control and measurement in terms of number of outputs. Overarching objectives are defined but are not structurally linked to either input determination or outputs.

Figure 1.2
The results-based
programme model



Through the production of outputs, pre-determined results are to be achieved, leading to the accomplishment of objectives. Inputs are derived from desired results. Measurement of performance only in terms of results achieved.

2.2 What is a logical framework ?

A logical framework or logical model is a written tool for conceptualizing programmes, describing how a programme theoretically works to achieve results, identifying the components that go into achieving these results, and pointing to indicators that would measure the actual performance. It has the capacity of communicating complex programmes clearly and understandably on a single page. The logical framework is the cornerstone of results-based budgeting as it provides the basis for the formulation of the programme budget as well as for performance measurement.

2.3 How does it work ?

A logical framework requires programme planners to link the components of a programme in a strictly hierarchical and logical way. It assumes that there are four levels of components in a programme, each of which need to be interrelated to each other. Although more levels could be distinguished, RBB requires that the following components be defined: objectives for the biennium (in this Guide often simply referred to as objectives), expected results, outputs and inputs. Each of these need to be related by an “if-then” or cause-and-effect relationship. This means that each component constitutes a *necessary* condition for achieving the next level component, objectives being the “highest”, inputs the “lowest” level components. Thus, obtaining the input should allow the delivery of certain output; producing the output should lead to the expected results; and achieving expected results should accomplish meeting one or more objectives.

Underlying the framework are a number of conditions which have to be met in order for the programme to succeed, but which cannot be controlled by the programme. At each level, these factors (or the absence thereof) tell us what else is needed - besides the specified programme components - to enable us to achieve the next level component of the framework. A programme may fail if such conditions are not met. If it cannot control these influences, a programme should at least be able to recognize them. It is therefore meaningful to have a clear view of these **external factors** and to articulate them in the programme planning phase. As described in step 1.4 below, RBB requires that significant external factors relevant to achieving the expected results be identified and formulated in the framework. While RBB does not, therefore, require that these exogenous factors are made explicit for *each* framework level, identifying these factors for the entire framework

can facilitate analysis and understanding if performance measurement shows that expected results have not been met.

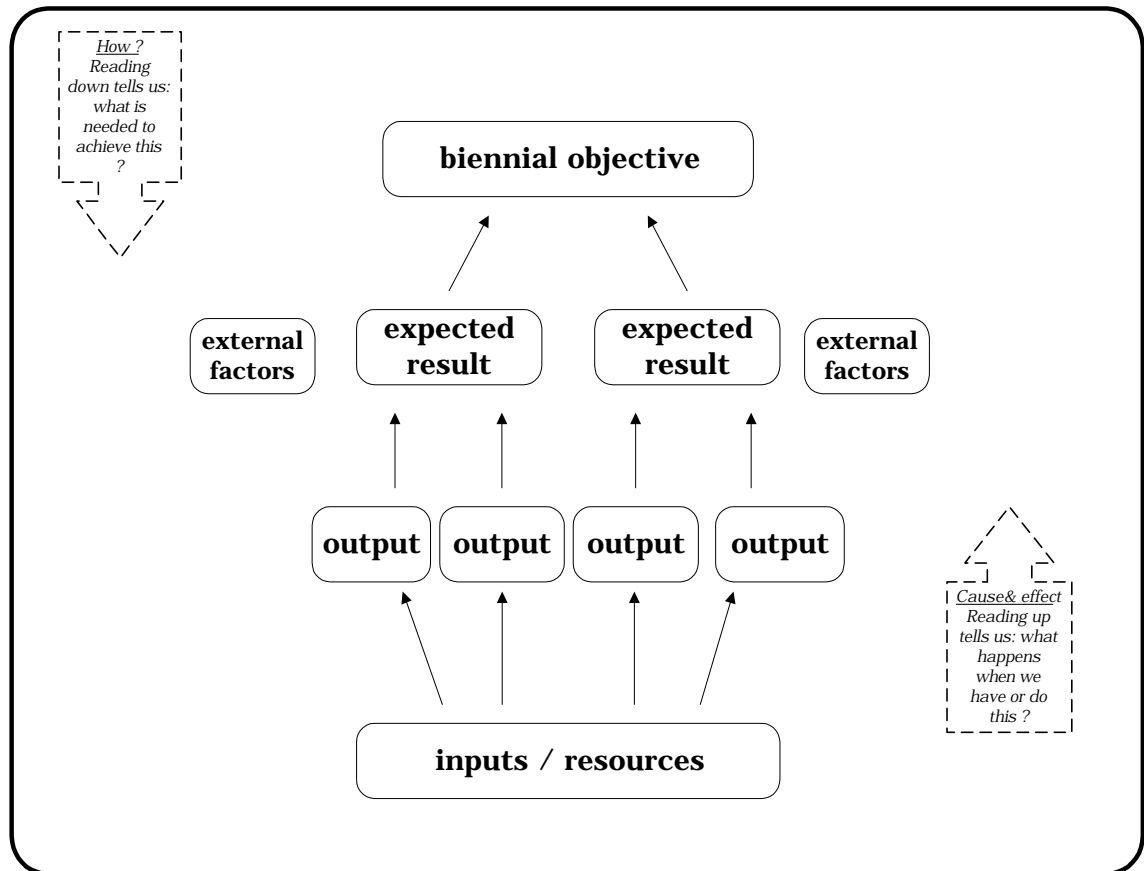
On a conceptual level, the logical framework is graphically represented in a top-down fashion (see figure 2; note how external factors are only identified for the phase leading to the achievement of results). When establishing a logical framework for a particular programme, however, programme components are charted in a horizontal table (see further below, and figure 3).

In addition, RBB requires the identification of values or indicators that would be able to measure progress made towards achieving expected results: these are called performance indicators. While these do not have to meet the cause-and-effect criteria, they are an integral part of RBB and the logical framework. They are graphically reflected, however, in a separate table (see further below, step 2).

2.4 What are the advantages of a logical framework ?

Setting up a logical framework helps to articulate proper objectives and expected results, ensure that a programme design is consistent, recognize the external factors on which the success of the programme depends, and derive required resources. The framework can improve the preparation of a programme budget submission and its

Figure 2
The logical framework



performance measurement process by clarifying a programme's design and making it transparent to Member States, managers and staff in general. Establishing the framework forces managers and planners to identify and articulate the causal relationship between

the programme components. By charting all of a programme's components in its design phase, it ensures that critical questions are raised and weaknesses of the design are recognized before the programme is implemented.

2.5 Preparing the framework

In order to chart the design of a particular programme, the table in figure 3 will be followed, which is simply a horizontal representation of the logical framework in figure 2 (that is, the first column represents the highest-level component of a programme). In addition, the bottom row of this table will be used to record the significant external factors that are likely to have an influence on the achievement of the expected results. Each part of step 1 will result in a column (or row) being completed. Eventually, each table-cell should relate to the cells immediately to its left and right.

Figure 3 : establishing a logical framework

| Objectives for the biennium | Expected results | Outputs | Required resources |
|--------------------------------------|-------------------------|----------------|---------------------------|
| 1. | 1.1 | 1.1.1 | |
| | | 1.1.2 | |
| | 1.2 | 1.2.1 | |
| | | 1.2.2 | |
| 2. | 2.1 etc. | | |
| Significant external factors: | | | |
| C | | | |

The experience of Member States in implementing a results-oriented based measurement system shows that much can be gained by involving staff and/or obtaining staff input from various levels and sections when establishing a logical framework and formulating its components. They can contribute knowledge of the day-to-day level of operation and their perception of what it is the programme seeks to achieve. This approach can also ensure that the objectives and expected results - which are to become the basis of performance measurement of both the programme in general and that of

individuals - have been reviewed by staff, rather than simply imposed from “the top”. It is recommended that all staff who will be involved in programme planning or development of the logical framework read this guide before starting.

Step 1.1 Define the programme’s objectives for the biennium

Too often we believe that we are not expected to do more than “provide assistance”, “plan and organize meetings” or to “conduct research”. Too often we do not ask ourselves: why are we doing these things ? What is it we want to achieve by doing this ? In short, what are our *objectives* ?

In the logical framework approach, programme planners are required to start out by defining a programme’s objectives. **The objective expresses what the Organization wishes to accomplish within the biennium.** In particular, objectives are defined as the expression of an overall desired achievement, involving a process of change and aimed at meeting certain needs of identified end-users or clients. They describe the underlying or overall rationale for implementing a programme by representing a meaningful benefit or change. Managers and planners should therefore begin the formulation of their objective by addressing the following questions: what is the problem we are trying to address ? what do we intend to accomplish? who are the intended end-users / beneficiaries ?

Objectives represent what we want to accomplish, not how we should do it. In other words, objectives are not equivalent to strategies, activities, processes or outputs. Thus, activities such as: to study, to provide support, to advise, to cooperate with etc, are not proper objectives. Rather, objectives should be formulated along the following lines: to reduce/ increase; to change; to make progress towards; to strengthen, etc. (Note that objectives are expressed in the infinitive form of a verb).

Setting objectives at the right level

There are many levels of objectives, both in terms of abstraction and in terms of time-frame (i.e. long-term or short-term). Requiring objectives to be set at the right level means that they should be both **realistic or attainable**. This aspect is particularly

important as the level of abstraction is the key characteristic that distinguishes objectives from expected results (see the full discussion further below, page 20).

In general, objectives can be far-reaching and abstract (i.e., as opposed to concrete or tangible), such as the aims and purposes reflected in the Charter of the United Nations. Objectives for the biennium should not be set at this level, as it would be too ambitious to assume that these could be realistically achieved within two years. Objectives should also reflect the limitations of both the nature and the impact of the Secretariat's work: in most cases, a direct influence on achieving changes at a national level will be restrained by the role and position of the Secretariat within the Organization and the willingness of States to cooperate. The more abstract or long-term an objective, the more external factors will be of influence, and the less direct impact a programme will have on its accomplishment. (On external factors, see above, under 2.3, *how does it work ?*).

But objectives should neither be formulated in a way that are hardly aimed at bringing about a change or benefit, or in a fashion that underestimates the influence of the Organization. Objectives that are too concrete risk being mere activities or strategies that are actually means of achieving proper objectives.

A useful method to verify whether an appropriate level has been reached is by asking of each suggested objective: "**why?**", "**for what purpose?**", and "**for whom?**". If a further rationale for pursuing that outcome can be found, short of being one of the aims or purposes of the Charter, and if the programme can realistically hope to have an influence in fulfilling that rationale, it is likely that a proper level has not yet been found. For example, a first suggestion for an objective of a (hypothetical) programme relating to public information could be "to implement outreach programmes that use modern communication technologies". Obviously, this is more of an activity and does not reflect much of a desirable outcome or change. Asking "why?" and "for what purpose" could lead to the answer: "to increase the awareness of the general public of the aims and activities of the UN". While this certainly shows change, asking the same questions again could lead us to the following: "to increase worldwide support for the work of the UN". Ultimately, to increase worldwide support could lead to better mutual understanding and friendly relations between peoples which, however, would be closer to the goals of the Charter and not be suitable for defining an objective for the biennium. Consequently, in this hypothetical case, the objective relating to global support for the work of the UN would be

at a proper level. (In this context, the expected result could be increased funding of UN programmes.)

By definition, the objectives for the biennium should reflect the outcome that a programme hopes to achieve by the end of the two-year period, not in one or three years. Objectives also need to be **time-based** in the sense that they should not be of an open-ended or on-going nature: comparing the situations addressed by the programme at the beginning and at the end of the biennium, a meaningful change should be detectable.

Most programmes will find that only one or at most two objectives can be identified. This is considered adequate. Indeed, if more than two objectives have been identified, planners should reconsider whether objectives have been set at the right level, using the method described above.

Relation to Medium-term Plan

The requirements for defining objectives will in due course also apply to the Medium-term Plan (MTP), the difference being the time-frame. Objectives for the biennium will therefore be derived from, and serve as a component in achieving, the objectives of the MTP. Objectives for the biennium and for the MTP should show a difference in what is to be accomplished in two and four years respectively. That is to say, while they will necessarily overlap, the objectives - if properly formulated - will not be identical with those in the MTP. For the biennium, planners should question what it is the programme wants to achieve over a two-year period, but remain fully within the overall mandate of the programme.

UNESE 2 : defining the objective

In setting up the programme plan for introducing UNESE, planners initially considered the following objective : "to instruct 50% of delegates of permanent missions and UN staff members in UNESE". This was dismissed because, although it contains an element of achievement by seeking to reach a certain portion of delegates, it is more of an activity and does not show sufficient change: half of the delegates may well be instructed, but never actually acquire a working knowledge of UNESE, let alone ever use

it for business purposes.

A higher-level objective was then formulated as follows: “to ensure proficiency in UNESE of at least 50% of delegates”. While this objective showed more of a desired accomplishment, it appeared that this did not set sufficiently high standards to the programme: it was felt that proficiency did not necessarily lead to its use for intergovernmental communication. The programme should attempt to accomplish more than just dispensing knowledge (which is an activity).

A meaningful benefit that seemed to be more in keeping with the original mandate of the General Assembly would be if, by ensuring that delegates actually use UNESE in their official dealings, the Organization could improve intergovernmental communication and dialogue.

In the meantime, however, an objective at yet a higher level was considered. A long-term desired objective of this programme is to contribute to international peace and security through more direct communication between Member States. Such an objective, however, is similar to the goals set forth in the Charter of the United Nations. Besides being difficult to measure, such a goal is not attainable within a two-year period. Moreover, the programme could not realistically hope to influence this outcome, given the myriad of other, external factors that are involved. Such an objective was therefore dismissed because it seemed unattainable.

Returning to the next lowest level, planners agreed upon the objective involving an improvement in international dialogue, and formulated this as follows: “to improve the available means for intergovernmental communication and dialogue at the UN through the introduction of a single working language”. Included in this formulation are the identity of the end-users (Member States, the international community in general), the problem (inadequate communication and dialogue), as well as the aim of bringing about a specific change. The objective reflects the understanding that the full implementation of UNESE could not be accomplished within one biennium.

Step 1.2 Define the expected results of the programme

As the term results-based budgeting suggests, expected results are its core elements. Not only are they the link between the outputs and the objective of a programme, they also provide the basis on which performance will be measured. Considerable attention should therefore be given to a proper formulation of results. The formulation of the result should answer the question "**What benefit will accrue to the end-user at the end of the biennium?**".

Expected results are the desired outcomes of a programme, involving benefits to end-users and, after gaining experience in measuring results, should be expressed as a qualitative or quantitative value or rate. For example, an expected result at the initial stage could be "increased funding for the organization". But after gaining experience, the expected result could be "increased funding for the organization by 5%". Results are the direct and often tangible effect or consequence of the delivery of outputs, leading to the fulfilment of a certain objective. Results may relate to knowledge, skills, attitude, behaviour, condition, or status. The formulation of expected results has to meet the following "**smart**" requirements:

Specific and measurable

The expected results should be **specific** enough - as opposed to vague or general - that a subsequent assessment can objectively determine whether the programme has been successful or not, and to what extent. If an expected result is not specific, a programme could always claim success by simply interpreting it favourably. Remember that performance indicators will be linked to the expected results.

Either explicitly or implicitly, the identity of the **end-users** or target audience should also be included in the expected results. As much as possible, generic terms such as "governments", "countries" or "public" should be further specified to refer to either delegates, policy-makers at national level, Government officials, Government departments, parliamentarians, lawyers, scholars, the media, etc.

Measurable does not mean that expected results should necessarily be quantifiable, or expressed in numerical terms. Certainly for most programmes of the United Nations, ratios, proportions, percentages or absolute numbers will be difficult to

formulate in view of the sometimes intangible aims that drive the Organization. Rather, measurable means that the expected result should be able to set a quantitative or qualitative value or rate, formulated in a way which will allow a meaningful comparison with actual accomplishments.

Including a numerical target will make the result more specific and - as will be discussed with respect to performance indicators in step 2 - will make measurement of performance easier. Numerical targets can be expressed as numbers, ratios, percentages and so on. Rather than simply expressing "increased funding for U.N. programmes", the expected result should preferably define this increase, namely "increased funding for U.N. programmes by 5% for the next biennium".

Attainable and realistic

These are criteria that were also discussed in relation to setting the objectives for the biennium at the right level. Similar considerations apply to expected results. Results are not equivalent to strategies, activities, processes or outputs. If set at a too low level, the result will probably be a mere activity. **Relative to objectives**, expected results should always be of a more concrete (or less abstract) nature. Planners that are tempted to formulate an expected result on a high or long-term level should consider going back to step 1.1 and include it as an objective.

Expected results will generally be formulated along these lines: increase in awareness of; progress towards; change in; strengthened capacity in; agreement in; etc. (Note that results are formulated as a noun).

Time-based

As reflected in the discussion of objectives, expected results should express the benefits or changes that a programme hopes to bring about by the end of the two-year period of the biennium, not in one or in three years. Expected results should not be of an open-ended or on-going nature: comparing the situations addressed by the programme at the beginning and at the end of the biennium, a meaningful change should be detectable.

Relation to objectives for the biennium

To emphasize the descriptions which have already been given above: the expected results are the tangible outcomes of a programme which should lead to the achievement of the objective(s) for the biennium. Expected results are the answer to the question: what benefits will accrue to the end-user at the end of the biennium? Or, reversing the order in which the components are considered here, objectives should be considered as the impact that accomplishing the expected results would have. This is the required cause-and-effect relationship. In the logical framework, one or more results can be correlated to each of the objectives.

It is obvious from the discussion in this step that the criteria applicable to objectives and expected results are for the most part very similar. Consequently, deciding what constitutes an objective and what an expected result can be difficult. In addition, objectives and expected results will have to fulfill the requirements of a cause-and-effect relationship, satisfying the internal logic of the framework. This means that, in most cases, objectives can only be recognized as such when considered relative to the expected results or vice versa. To a large extent, objectives and expected results are defined by their place in the framework and their relation to each other. This also means that, in practice, one cannot be sure that the right objective has been found without considering it against the expected results. Planners may therefore find themselves going back to review step 1.1 after completing step 1.2. There is no objection to this approach, as long as in the end the proper level is found for both components and the relation to each other satisfies RBB requirements.

It is important to realize that, while the objectives are hierarchically at the top of the framework, they are not its primary components: these, of course, are the expected results. Focusing on the expected results does not make the objectives irrelevant: higher-level objectives are important as a basis from which results can be derived, serving as a reference point and a quality control to ensure that results are chosen at a proper level and are consistent.

Making a selection

Applying these criteria, planners may come up with multiple expected results. Preferably, the number of expected results for a logical framework (i.e. per subprogramme) should be limited to a maximum of five. Therefore, planners should eliminate duplications and limit expected results to those that will be meaningful, using the next two criteria:

Would measurement of performance relative to these results help assess the success or progress of the programme and point to problems or shortcomings ? Anticipating the formulation of performance indicators described in step 2, the measurement of progress made towards the expected results should be meaningful to both end-users and managers. They should have the capacity to reveal how well the programme is doing in trying to reach the objective.

Would the expected result be accepted as a valid and meaningful outcome of the programme ? Among others, this would require taking into account the framework within which the programme is being formulated: the relevant mandate or related resolutions of legislative decisions, the priorities set in the Medium-term plan, views expressed by Member States, results of previous biennia etc.

UNESE 3 : defining the expected results

The foremost expected result was considered to be that a sizable proportion of meetings of legislative bodies would be conducted exclusively in UNESE. After further consideration, this was expressed in a more specific and measurable way as the expected result that “25% of meetings of UN legislative bodies are held exclusively in UNESE”. This met the requirements of being a benefit to end-users (Member States, officials), as well as a necessary condition for improving means of intergovernmental dialogue.

Another condition to meet the objective was that part of delegates of permanent missions (including observer missions etc.) as well as UN staff would acquire a working knowledge of UNESE. Hence, the next expected results were that “50% of delegates of permanent missions to the UN have a working knowledge of UNESE” and that “75% of UN Staff

have a working knowledge of UNESE”.

The planning group at first doubted whether the next proposed expected result, the “availability of all new official documents in UNESE”, was not too close to being an output or activity, namely, that of issuing or translating documents in a certain language. Nevertheless, in view of the direct relevance to achieving the objective and the other expected results (the introduction of a new language and the improvement of intergovernmental dialogue would certainly fail if the documents underlying discussions and meetings were in another language), and the fact that this in itself constituted a benefit to the programme’s end-users, the proposal was included in the framework as an expected result.

Another proposal was related to end-user satisfaction, that is, the assessment of the value and quality of the new language by delegates. After some discussion, it was felt that, when actual results were to be measured against this target, no additional, meaningful information would be obtained: the extent to which the language would be used in meetings would say enough about the appreciation of delegates. In view of the partial overlap with other results, this formulation was not included. What was considered necessary, however, was that delegates would become aware of the benefits of using UNESE: simply teaching them the language would not in itself lead to its widespread use.

Applying the distinction between short-term, intermediate and long-term results (the latter usually being equivalent to objectives), the programme planners realized that three of the expected results (increased awareness of the benefits of using UNESE; acquisition of a working knowledge of the language by delegates and staff members; increased availability of documents) would be short-term results of the programme relative to the achievement of having a percentage of meetings held in UNESE, which could be considered as an intermediate result: the short-term results would be conducive to the intermediate result. The long-term “result” would be the objective: to improve the way in which intergovernmental dialogue is conducted).

Step 1.3 Specify outputs

Outputs are the deliverables of a programme: the **final goods and / or services** rendered to end-users. RBB distinguishes outputs from activities: the latter are merely the processes which transform the inputs into outputs. It is important to realize that activities as such do not have a place in the RBB framework. Another way of seeing this is that only final - as opposed to intermediate - outputs should be recorded. For example, where a programme is exclusively responsible for writing and issuing x number of reports, the output would be specified as that number of reports, not as “*preparing x reports*”, which is simply the process or activity leading to the output. Similarly, for a programme responsible for providing policy advice, the output should read “policy advice on x”, but not “providing policy advice”.

In principle, the identification of outputs can be done following the major categories of work activities and guidelines for the citation of outputs/activities established for the programme budget, but bearing in mind that activities and outputs are not the same in the context of RBB.

Outputs should meet the cause and effect requirement vis-à-vis the results, that is: producing the selected outputs should lead to the achievement of the expected results of the programme (assuming that necessary conditions involving external factors are met). Moreover, the sum of the outputs should constitute the optimal combination of deliverables and products for achieving these results. An output that does not serve to achieve the results should not be considered. Moreover, for each expected result, at least one output should be identified that can lead to that result.

Section 2.3 of this Part has already touched on the relevance of external factors, which figure in the process leading from outputs to expected results. Another link between outputs and results is provided by the *strategy* adopted by the programme: the strategy represents the underlying approach to the problem, and indicates why a particular mix of outputs was chosen to “do the job”. A strategy should manifest the reasons for expecting that producing outputs x and y will lead to result z. RBB does not require that strategies be included in the programme budget, but making them explicit

in the programme design phase can be useful in identifying strengths and weaknesses and in making adjustments in the design. A sound strategy will ensure a higher degree of probability that the cause and effect relationship between the outputs and the expected results will hold true.

As already indicated before, the measurement of performance under RBB will not be done on the basis of outputs. In principle, the measurement of the number of outputs is not meaningful for determining whether an office has been successful in achieving expected results. Output statistics are only relevant to performance measurement when an increase in productivity is in itself one of the expected results. Nevertheless, the counting of outputs will continue to be relevant to Member States in ensuring transparency in the use of resources as well as to programme managers for internal management purposes, and will provide supplemental information to the budgetary process of the UN (see also step 5 below).

UNESE 4: specifying outputs

Outputs were correlated to the expected results as follows:

Awareness of advantages

- Workshops, seminars, addresses to delegates/ staff
- Publications, pamphlets, other promotional materials

Working knowledge

- Language training for staff and delegates
- Training materials

Availability of documents / meetings held exclusively in UNESE

- Documentation services
- Translation services
- Re-training of UN translators and interpreters
- UNESE thesaurus/ dictionary

Step 1.4 Identify significant external factors

In each phase of the implementation of the programme, and at each component or level of the framework, external factors will have an impact on results. These are the influences or forces beyond the control of the programme which can nevertheless determine its success or failure. RBB only requires the identification of significant external factors at the level of expected results. Achieving the expected results will not only require a sound programme design and the production of the necessary outputs, but also that external factors are either present or lacking, depending on whether they are enabling factors or obstacles. In general, planners make assumptions about whether these conditions will be met. Describing the external factors in the programme design can therefore be seen as a way of articulating these assumptions. This may serve at least two purposes: first, planners will need to verify the validity of their assumptions, which could lead them to adjust the expected results or outputs or in some other way strengthen the internal logic of the framework. This will help increase the likelihood of success of the programme. Second, mapping the factors which will influence the actual results will be relevant when assessing and reporting on the progress of the programme, in particular when expected results have not or only partially achieved. The inclusion of significant external factors are linked to the increased accountability of programme managers for achieving expected results.

The correlation between accountability and external factors is also the reason why external factors need not be made explicit for the other programme components: since performance would not be judged on the basis of outputs produced or inputs used, there is no need to identify factors that could influence production or expenditures. This would involve a considerable amount of effort which would not be justified by a certain value to the performance measurement process.

Significant external factors are recorded in the bottom row of the logical framework table (figure 3, page 13). In the optional verification method described in step 1.5, external

factors are included for each component of the framework. Again, this is not required by RBB, but can be helpful for confirming the validity of the programme design.

Step 1.5 Determine required resources

As mentioned in Part I of this guide, RBB is not a new budget methodology. It is neutral to the mechanisms chosen for the calculation of requirements, for recosting, measurement of growth etc. As to the format for presenting information on resource requirements - or inputs - RBB inclines towards a reduction of the level of detail by shifting the focus to expected results. Moreover, RBB would also allow for more flexibility in shifting resources as may be required during a biennium to achieve the results. Specific instructions concerning the format for presenting relevant information (e.g. objects of expenditures, resource tables, etc.) are set forth in the programme budget instructions, and not included in this Guide.

RBB does require, however, that, in order to ensure the consistency of the logical framework, all the necessary resources be identified in the programme design on the basis of the specified outputs and that a link be established between the two components. Moreover, as a final test, the connection between the required resources and the expected results needs to be verified: do these resources represent the optimal mix of what is required to accomplish the desired results ?

Step 1.6 Test the logical framework for consistency

Once the elements have been identified on the basis of the guidelines above, the resulting framework should be reviewed in its entirety. Are all elements logically related ? Are the cause and effect relationships valid ? Are the indicators relevant and meaningful?

In order to verify the validity of the framework, either or both of the following two methods can be used, set forth in figure 4. These methods are based on the general structure of the logical framework as represented in figure 2 on page 12. The first involves

reading the framework from the top down, that is, from objectives to inputs. Here, each lower-level step answers the question “how?”. The second method requires reading the framework from the bottom up, where each level provides an answer to questions like “why?”, “for what purpose?”, “so what?”. Inserting the identified programme components in the bracketed sections, and linking these to the appropriate next-lower level component, each row needs to result in a true and meaningful premise. In addition, both figures include columns for significant external factors at the level of each programme component, not just the expected results: this is not required by RBB, but can help to establish a sound programme design.

Figure 4. Method 1 - Putting the logical framework to the test 1: how ?

| In order to : | the programme needs to: | and assume that: |
|----------------------|--------------------------------|--|
| Meet [objectives] | achieve [expected results] | [external factors] are present / lacking |
| Achieve [results] | deliver [output] | [external factors] are present / lacking |
| Deliver [output] | receive [input/ resources] | [external factors] are present / lacking |

Method 2 - Putting the logical framework to the test 2: why / for what purpose ?

| If the programme : | and provided that : | then the programme will be able to: |
|-----------------------------|--|--|
| Receives [inputs/resources] | [external factors] are present / lacking | deliver [outputs] |
| Delivers [outputs] | [external factors] are present / lacking | achieve [results] |
| Achieves [results] | [external factors] are present / lacking | meet [objectives] |

Part II: summing up

The result of setting up a logical framework for the programme as described in

steps 1.1 to 1.6 above should be something that looks like the table in figure 5 below. While the framework as such will have no official status and will not be used directly in the programme budget proposal, it will be very useful to actually issue and distribute a “final” programme design among staff involved in its implementation. As a document, it will serve as an important tool in communicating the programme’s objective and expected results to all staff, providing a link to what will be expected of them throughout the biennium.

With the logical framework completed and the performance indicators defined following step 2 (which follows hereafter in Part III), all the necessary elements for the programme budget proposal can simply be extrapolated using the programme budget instructions as guidelines on format and presentation. Although different in format, the resulting programme budget should be able to convey the same conceptually consistent design and the links between programme components. Outputs will be listed in accordance with existing categories and guidelines. As discussed in Part I and under step 1.3 above, RBB involves a shift of focus from inputs to results and can impact on the way in which information on resource requirements is presented. The programme budget instructions contain detailed guidance on this aspect.

Figure 5. Testing the logical framework

Applying the tests to the draft framework using Figure 4, Method 1 to the UNESE programme resulted in the following table:

| In order to : | the programme needs to: | provided that : |
|--|---|---|
| <p>Meet the objective:</p> <p>to improve available means of intergovernmental communication and dialogue within the UN by introducing a single working language</p> | <p>Achieve these expected results:</p> <ol style="list-style-type: none"> 1. ensure that 25% of meetings of UN legislative bodies are held exclusively in UNESE; 2. create awareness and understanding of delegates and UN staff of the advantages of UNESE; 3. achieve that 50% of delegates of the permanent missions and 75 % of UN staff acquire a working knowledge of UNESE; 4. make 90% of all new UN documents, and 10% of the documents of the preceding biennium, available in UNESE; | <p>External factors:</p> <ol style="list-style-type: none"> 1. there is sufficient political willingness to adopt a new language, to the exclusion of other languages, especially among the Member States where the national language is one of the existing official UN languages; 2. the distribution of delegates acquiring a working knowledge will be such that, in 25% of all meetings, each attending delegation will comprise a delegate with a working knowledge of UNESE. |
| <p>Achieve the expected results 1 & 4:</p> <ol style="list-style-type: none"> 1. ensure that 25% of meetings of legislative bodies are held exclusively in UNESE <p><i>and to</i></p> <ol style="list-style-type: none"> 4. make 90% of all new UN documents, and 10% of the documents of the preceding biennium, available in UNESE | <p>Deliver these outputs:</p> <ol style="list-style-type: none"> 1. provide documentation and translation services; 2. re-train UN interpreters and translators; 3. establish a UNESE thesaurus or dictionary. | <p>External factors:</p> <p>language is considered suitable for UN terminology</p> |

| | | |
|--|--|--|
| <p>Achieve the expected result 2:</p> <p>create awareness and understanding of delegates and UN staff of the advantages of UNESE</p> | <p>Deliver these outputs:</p> <ol style="list-style-type: none"> 1. issue publications, pamphlets and other promotional material; 2. hold workshops and seminars, and give addresses by senior UN officials. | <p>External factors:</p> <p>delegates and UN officials are interested in and responsive to merits of new language</p> |
| <p>Achieve the expected result 3:</p> <p>achieve that 50% of delegates of the permanent missions and 75 % of UN staff acquire a working knowledge of UNESE</p> | <p>Deliver these outputs:</p> <ol style="list-style-type: none"> 1. provide training courses; 2. create (self-)training manuals and other materials. | <p>External factors:</p> <p>training courses are completed by participants</p> |
| <p>Deliver outputs 1:</p> <p>provide training to delegates, staff (including interpreters / translators); hold workshops/ seminars</p> | <p>Receive input/resources:</p> <p>funds for staff, consultants, expert services, operating expenses</p> | <p>External factors:</p> <p>training schedule for delegates does not conflict with their participation in meetings of intergovernmental bodies</p> |
| <p>Deliver outputs 2:</p> <p>provide documentation and translation services; issue publications; UNESE dictionary</p> | <p>Receive input/resources:</p> <p>funds for staff, printing, operating expenses</p> | <p>External factors:</p> <p>there is no major equipment breakdown</p> |

Part III: performance measurement: using performance indicators

- | | |
|----------------|--|
| Step 2: | Establish performance indicators to measure results |
| Step 3: | Determine the measurement methods |
| Step 4: | Collect data |
| Step 5: | Present data in results report |

This part will describe the way in which performance indicators can be established and consequently used. It is important to realize that the preparation of the programme budget submissions will require planners to complete steps 1 and 2, that is, to establish the logical framework and the related performance indicators. Nevertheless, the determination of indicators is discussed here rather than immediately following the establishment of the logical framework in Part II, in view of the need to take into account the information gathering implications for each performance indicator.

| | |
|---------------|--|
| Step 2 | Establish performance indicators to measure results |
|---------------|--|

Performance indicators

Performance indicators do not fit into the logical framework in the same way the other programme components do - that is, they do not fulfill the cause-and-effect relationship. Nevertheless, they form an integral part of RBB because of their direct link to expected results. Choosing the right performance indicators is one of the more challenging parts of RBB.

Performance indicators are features or characteristics used to measure the progress of the programme in reaching its expected results. The measured values of performance indicators tell us if and to what extent the expected results have been

achieved. Indicators provide answers to questions like : **what characteristic or feature, when measured, will indicate that expected results have been achieved?**

A distinction is to be made between the indicator itself - a characteristic - and its *value*, which is to be obtained by measurement. For an expected result involving an increased funding of U.N. programmes, the timeliness of a certain output (radio programmes, information brochures, etc.), for example, could be one of several indicators. A measurement for timeliness could be “*time required to do x*” or “*the reduction in time required to do x*”. The *value* of that indicator could then be “10 days” or “20%”. It is, in fact, the value of the indicator which is of importance to performance measurement. This distinction allows us to elaborate on the definition: a performance indicator is the answer to the question “what feature - once it has been measured - will indicate that expected results have been achieved?”.

To define and track performance indicators, RBB uses an ancillary “performance measurement framework”, depicted in figure 6. This framework links each of the expected results to performance indicators and charts the method of measurement, which covers both the source of information and the process of data collection. Step 2 will result in the completion of the middle column of the framework. The third column - the sources of data and the method of data collection - will be addressed in step 3. Nevertheless, steps 2 and 3 cannot be strictly separated as a basic understanding of the issues relating to sources and information gathering methods is required in defining the performance indicators themselves.

Figure 6 : the performance measurement framework

| Expected result | Performance indicator | Method of measurement (source + process) |
|------------------------|------------------------------|---|
| 1. | | |
| 2. | | |
| 3. | | |

For the purposes of RBB, performance indicators will not be established to measure

the number, quality, effectiveness or any other aspect of *outputs*, unless a change in such aspects of outputs is actually an expected result of the programme. Nevertheless, measurement of outputs will still be relevant for programming and managerial purposes, as it may be meaningful to point to weaknesses if results have not been met (this may, for example, be due to insufficient outputs). The difference is that these measurements will no longer be the basis for determining whether the programme has performed adequately or not, nor will they be the focus in determining the required resources of the following biennium. In order to distinguish consistently between the measurement of results and that of outputs, the term performance indicator (or sometimes simply “indicator”) should be used only to refer to the measurement of results. Output measurement will be clearly referred to as such (e.g. output statistics).

Similarly, RBB does not exclude measurement of inputs used or the consumption of resources. Again, such data will not be used in the assessment of the performance of a programme. Nevertheless, information on the extent to which available resources were used will continue to be relevant to programme managers on a regular basis and in the context of the biennial budget performance reports.

The measurement of the various programme components are summed up in figure 7, reflecting the general form of the logical framework. As discussed above, RBB focuses on expected results, but does not prohibit the measurement of output and input to provide complementary information to programme managers. These, however, are not referred to as performance indicators. Also note that, although performance relative to objectives is not directly measured, an assessment of the performance in achieving the objectives will have to be made by programme managers based on the measurement of results. Anticipating the discussion in step 3, the column on the right also reflects in which format or document the measurement will be represented.

Figure 7. Measurement of programme components

| <i>Programme Component</i> | <i>Measurement</i> | <i>Presentation</i> |
|-----------------------------------|---------------------------|----------------------------|
| Objective for the biennium | - | evaluation report |

| | | |
|------------------|---------------------------------------|-------------------------------------|
| Expected results | performance indicators | results report |
| Outputs | output statistics | programme performance report (OIOS) |
| Inputs | expenditures, use of resources | budget performance report (PPBD) |

Criteria for establishing and selecting performance indicators

For each expected result, select indicators that best represent characteristics or features which, when measured, will show the achievement of the expected results.

Performance indicators must be **measurable** or **observable**: they must reflect characteristics that are concrete. The extent to which indicators can be measurable will, of course, also depend on the formulation of the expected result. (See further below for a discussion of quantitative and qualitative performance indicators).

Indicators must be **relevant, meaningful, valid and verifiable**: they should answer the central question: what will indicate that the programme has achieved its expected result? Performance indicators should provide meaningful information on the actual performance of the programme relative to its expected results and should be able to measure what they claim to measure. They must not allow subjective interpretations: repeated measurement must yield the same results, and mean the same thing to different people.

Last but not least, performance indicators must be designed in a way that allows their measurement to be **cost-effective**. A reliable system for collecting the data required for performance indicators must be developed. This will require the identification of the sources where information will be taken from and the methods of collecting the data. These data collection issues are discussed in step 3. Relevant here is that the costs associated with the method of gathering information should not be outweighed by the

relevance of the information that can be obtained. Planners will therefore need to consider the data collection dimension of indicators during the programme design stage before making a final determination about performance indicators.

In many cases, sources of information may have to be identified or even created for the first time and new methods of data collection set up. The additional efforts and costs of collecting material must be weighed against the value of using the performance indicator in question: the efforts involved in measurement may be inhibitive and may require that the indicator be adapted or even rejected. Performance measurement should always be seen in the context of being a tool in providing feedback and as a basis for improving performance and should not result in the establishment of elaborate measurement processes or bureaucracies.

UNESE 5

For measuring performance in striving to have “a quarter of all meetings conducted exclusively in UNESE”, it would be meaningless and invalid to count the number or proportion of delegates speaking in UNESE at meetings. A valid indicator would be “meetings conducted exclusively in UNESE”. The corresponding measurement would be expressed as a percentage of all meetings held in UNESE.

Examples of performance indicators for results

The examples below are merely indicative of the kind of formulation one would expect to see in a performance indicator. Whether they are proper indicators from a substantive point of view cannot be ascertained without first determining the expected results.

- Member States adopting the proposed guidelines and procedures

- Growth of investment in construction activities in target areas
- Targeted readers with favourable comments on quality of the information
- Targeted audience who actually use the information provided
- Recommendations contained in report that were adopted
- Member States that incorporated the codes/standards in legislation
- Participants of seminar which considered seminar as having contributed to formulation of concrete recommendations / new solutions.

Quantitative and qualitative indicators

Most performance indicators will be expressed in a quantitative way, that is, they will involve amounts, numbers, ratios, percentages, etc. In all these cases, measurement will yield a certain numerical value that will be indicative of the performance of the programme. Such quantitative performance indicators will correspond to the numerical targets usually contained in the expected result. Quantitative performance indicators are therefore fairly straightforward to formulate.

But not all expected results necessarily contain such numerical targets. Difficulties arise when indicators have to be formulated for expected results that relate to concepts such as behaviour, attitudes, knowledge, awareness etc., in other words, qualitative aspects that cannot simply be expressed in terms of numbers. The challenge here is to define indicators that can accommodate such abstract or intangible results. Depending on the circumstances of the case, this can be done using indirect indicators for which any of the following methods, or a combination thereof is discussed below.

Qualitative performance indicators

A seemingly straightforward solution is to use a *qualitative* performance indicator. Qualitative indicators cannot be measured by means of numbers, but examine whether a certain situation or feature is present or not. Has the new policy been implemented ? Has the institutional capacity to do x been increased ? The measurement of such an indicator will yield either a positive or negative answer: the feature is either present or absent, the criterion either met or not. The disadvantage or risk of purely qualitative

performance indicators is that they are considerably more prone to subjective interpretation than numbers: whereas one observer may consider that the new policy is in place, another may find that its application is not yet consistent and conclude that implementation has not been completed (this would mean that the indicator is either not sufficiently measurable or not verifiable). Consequently, qualitative indicators should only be used when none of the other methods described below are practical, and the indicator meets all other requirements, such as being measurable, verifiable and meaningful.

There may be cases where qualitative results that are too abstract to measure directly can be defined - or broken down - in more concrete but still qualitative components and hence into verifiable qualitative indicators. To determine progress in creating “a performance-oriented working environment for staff” (the expected result of a hypothetical programme), one could examine whether a merit-based career development policy is in place, whether performance evaluation is conducted consistently and whether staff training courses are readily available, all which are qualitative indicators. Or consider concepts such as democracy, health and sustainable development. How would one recognize any of these in daily life? Again, qualitative performance indicators could be formulated that are based on the programme’s definition of these concepts (e.g. for democracy: is there a division of legislative, executive and judiciary branches?; are multiple political parties allowed?; free and fair elections; freedom of speech; etc.).

Converting qualitative results into quantitative indicators

A very similar approach involves using indicators that are based on *quantifiable* features that one could expect to arise when the result is actually achieved. This can result in the conversion of a qualitative result into *quantitative* indicators. For example, a possible indicator for the “increased awareness of Member States of the need to take common action to prevent global warming” (again, the expected qualitative result (“awareness”) of a hypothetical programme) could be the number of Member States signing or ratifying multilateral air- and climate-related treaties. Admittedly, this is an indirect measurement for an abstract concept such as “awareness”, but provided that there is a clear causal relationship between the result and such measurable features, this is a valid method, and often the closest one can get to objectively measuring performance.

A more general way of looking at this is as follows. Many of the programmes of the Organization are directed at influencing the knowledge, capacity or behaviour of Member States. Simply making others aware of a problem or dispensing knowledge about possible solutions are not the final goals, but will always be an intermediate element in achieving longer-term objectives: having States act upon the newly acquired awareness, use the new skills, knowledge, etc. This means that the actions and activities of States (or the lack thereof) will provide us with meaningful and valid information on how successful a programme is. The measurement of States' activities can therefore constitute an acceptable performance indicator.

Another possibility to measure knowledge or awareness is to ask Member States directly whether the programme has led to greater awareness - at the national policy-making level, for example - of the issue. This would require, however, developing appropriate surveying or other data collection methods, and may prove to be impractical if the related costs are inhibitive.

There are but few cases where a qualitative expected result cannot be quantified one way or the other. This guide has only provided a few examples. Planners should first explore the possibilities of formulating quantitative performance indicators before reverting to qualitative measurement.

a. Measuring efficiency and effectiveness of outputs

In most cases, performance indicators will relate directly and exclusively to actual results. Sometimes, however, expected results can be defined in terms of the efficiency and effectiveness of the programme's outputs. One of the expected results of a UN programme, for example, could be the achievement of a more efficient use of its resources, efficiency being the amount of inputs used to produce one unit of output. Moreover, a programme's expected result could be the increased the effectiveness of its outputs: the extent to which outputs lead to actual results. Both examples could be valid expected results. (Notice how these are expressed as an improvement in the relation between two lower-level programme components: between inputs and outputs, and between outputs and results).

In such cases, performance measurement would require the use of composite performance indicators, combining the measurement of two features. *Effectiveness* indicators - measuring the degree to which outputs have affected the actual results - should be formulated as the *ratio of outputs per unit of results*. For example, in a programme aiming to improve the impact of staff training, the performance indicator would be “number staff members utilizing new skills in their work” (or simply “number of staff using new skills / number of staff members who have attended training workshops”). *Efficiency* indicators are represented as the *ratio of inputs used per unit of output produced*. Assuming the same programme of the example above would also strive for a more economic use of resources, the indicator would be “efficient use of funds for training courses” (or simply “funds used / number of course given”). However, caution should be exercised in the use of efficiency indicators as some indicators may fail to be meaningful or valid. Using the preceding example, a reduction of funds used may not necessarily indicate efficiency unless one is measuring the reduction of funds for the same training course.

b. Measuring the quality of outputs

In cases where the expected result of a programme depends on the improvement of the quality of reports, recommendations or other written advice to end-users, measurement of the quality of individual reports could be accomplished against pre-defined quality parameters. The following non-exhaustive list suggests seven quality criteria. Further criteria which are particular to the programme or subject matter could be added. In the list below, all outputs such as recommendations, advice, reports, notes, proposals etc. are collectively referred to as 'report'. Some criteria are, however, more relevant for reports containing specific proposals or policy advice.

1. *Purpose* (is the aim of the report clearly stated and does it answer the questions set or addresses the relevant issues?).
2. *Logic* (are the assumptions behind the report explicit and is the argument logical and supported by facts?).
3. *Accuracy* (are the facts in the report accurate and are all material facts included?).

4. *Options* (is an adequate range of options presented and are the benefits, costs and consequences of each option to the Organization / individual Member States assessed?).

5. *Practicality* (have the problems of implementation, technical feasibility, timing and consistency with other policies/actions been considered?).

6. *Presentation* (does the format meet Member States requirements; is the material effectively, concisely and clearly presented?).

An assessment against such criteria would have to be effected by the end-user(s) - not the section or unit producing the output itself - and would require setting up a standardized survey mechanism or other data collection method. A performance indicator could then be phrased along the following lines: "*percentage of respondents (Member States) to surveyed who rate quality of reports as X or better based on standard quality criteria (purpose, logic, accuracy, options, practicality, presentation)*", X in this case representing a normative rating such as "good" or "high". Notice how this is an example of two of the methods described above: defining an abstract concept ("quality") in terms of more concrete characteristics (the quality criteria), and converting a qualitative expected result into a quantifiable performance indicator by counting the positive assessments of end-users by means of a survey.

c. Measuring timeliness of outputs

Performance of a programme in achieving an expected result that depends on improvement of the timeliness of output can be measured as follows.

In cases where Member States are the end-users (for example, reports of the Secretary-General), requests for reports are commonly accompanied by a deadline. If timeliness is then defined as "meeting deadlines", an improvement in timeliness could be measured by using the performance indicator: "*percentage of reports meeting deadlines set by legislative bodies*". Assessment against percentages of previous biennia would indicate whether or not improvement has been made.

Alternatively, in the absence of deadlines set by legislative bodies, timeliness can be defined in terms of the response time - the time between the request for the output and the delivery. This may be relevant, for example, in interoffice policy advices. A possible performance indicator could be: “*average response time to provide policy advice*”.

These definitions of timeliness can also be incorporated as a component of, or criterion for, the quality of reports and used in the type of measurement described in the preceding section (“measuring the quality of reports”).

Step 3 Determine the method of measurement

Introduction

The methods for measuring performance indicators cover two related aspects: the actual process of collecting information and the source from which that information will be obtained. Often, choosing a particular approach to information gathering will necessarily point towards a certain kind of source. Nevertheless, it is useful to make a distinction between the two. The results of this step will be recorded in the right hand column of the measurement framework, Figure 6, thereby completing the framework.

Planners should not be tempted to put too much effort in identifying new sources or developing novel collection procedures. The study and development of information gathering techniques is a field of expertise in its own right. RBB does not require each office to set up elaborate data collection facilities or to reach academic heights in its approaches to performance measurement. For each indicator, relevance to the expected result, feasibility and cost aspects should always be at the back of planners' minds. It is also important to realize that relevant expertise is available in the Organization, to wit, the Central Evaluation Unit (CEU), Office of Internal Oversight Services (OIOS), which is entrusted with the evaluation of the efficiency and effectiveness of the implementation of the programme and legislative mandates. If necessary, further guidance on information

gathering techniques should therefore be requested from CEU. (The measurement itself, of course, will have to be undertaken by the implementing organizational unit).

This Guide will only identify and briefly describe the types of collection methods and sources of information. It is beyond its scope to provide guidance on the more technical details of data collection like, for example, defining populations and samples, data entry and data processing, statistical analysis, etc. First, as already pointed out above, RBB does not seek to create measurement experts for each programme and the level of sophistication performance measurement should be commensurate with available resources. In addition, many of these issues are covered in the Evaluation Manual of the United Nations, which is recommended reading for implementing this part of the RBB process. Particular reference should be made to the types of sources and collecting methods described in Section IV - *Basic Steps in the Self-Evaluation Exercise*- of Part II of the Manual. In fact, the information given below draws extensively from subsection D of that section, entitled *Information gathering*. One of the first considerations should therefore always be whether there are existing sources and processes which could provide relevant information. Copies of the Evaluation Manual can be obtained from CEU.

It should be noted, however, that the Evaluation Manual was not originally designed to accommodate RBB (it was prepared in 1986). While some of its principles and concepts are common to RBB, many others are not, and RBB establishes a fundamentally different framework. That is why reference is made here only to the section relating to information gathering techniques, which are not dependent on the framework within which they are used.

Sources of information

A source of information is the person, entity or location from whom or where relevant data can be found and collected. Below is a list of a small number of possible sources, grouped in three categories. Many more could be identified. Information obtained from these sources should be credible, objective and of course relevant to the performance indicator.

- c End-users/clients of programmes
 - (Representatives of) Member States, Permanent Missions, government agencies
 - Other international organizations
 - Non-governmental organizations
 - Universities and other research institutions
 - Participants in conferences, symposia
 - General public (or selections thereof by occupation, gender, etc.)
 - Departments/Offices of the U.N. Secretariat

- c UN documented records and databases
 - Decisions and resolutions
 - Verbatim records, summary records, reports on the proceedings of conferences
 - Reports of the Secretariat, intergovernmental bodies and UN related agencies
 - Audit reports

- c Other documentary evidence
 - Public records of Member States: legislation, policy and press statements, parliamentary discussions, development plans, social and economic statistics
 - Professional and academic journals; studies of research institutions
 - Articles, reviews and critiques in national press and other media
 - Reports of non-governmental institutions

Methods of collection

The methods of collecting the data from these sources are more limited. Each method has its own advantages and limitations, and each will require a varying level of effort. These aspects are highlighted below. Choosing a proper performance indicator will require an assessment of these factors against the expected result to which the indicator is to be

linked.

c desk review

The desk review involves researching (written) material that is already available or easily obtainable. The desk review has the advantage of being cost effective, of not requiring any significant amount of special skills, and of having a response time that is in proportion to the amount of data needed. It is limited, however, in the sense that it focuses exclusively on written material (see the type of documents listed above), that is, it cannot yield more information than obtainable from this material (contrary to the other methods described below, which can be designed or tailored to the requirements of the programme).

The review of records will usually be suitable for performance indicators relating, for example, to economic growth, strengthening of institutional capacity, changes in behaviour and attitudes, the adoption of legislation or policies, compliance with decisions or standards, etc. In principle, this method is less suitable for an assessment of end-user opinions.

Assistance in accessing some of the document-based sources listed above is provided by the Dag Hammarskjöld Library (DHL), first of all through the UN Bibliographical Information System (UNBIS). UNBIS contains bibliographic files which act as a guide to the documentation published by and about the United Nations, as well as a selection of published material on issues that are covered by United Nations programmes. DHL also provides access to numerous commercial or subscription-based electronic resources and information services, such as NEXIS or the Economist Intelligence Unit. Other services can be accessed through the Intranet Homepage, including News Distribution Online (press clippings and press analysis) and “cyberlinks”, providing links to relevant Internet resources.

c questionnaire / survey

Questionnaires or surveys can cover a large number of end-users, but only a limited amount of data. Relative disadvantages of questionnaires are a longer response

time and an unpredictable response rate. In addition, it is difficult and often impossible to verify the validity of responses. Programmes using questionnaires should also allow for sufficient time for recipients to respond and keep the number of questions to a minimum.

Using questionnaires will generally involve higher costs than desk reviews, but less than interviews. Time and skills are required to develop suitable questions. Attached to the Evaluation Manual, however, are a number of pre-designed surveys. With some modifications tailored to the specific programme and its expected results, these model surveys are ready to be used, saving efforts and costs in setting up new questionnaires.

A questionnaire or similar approach will usually be the appropriate method in connection with expected results relating to end-users' opinion of the usefulness or other feedback on the programme's output. Questionnaires can also be a suitable method (but not the only method) for determining the level of knowledge, awareness, etc., of a target audience.

Regardless of the amount and kind of information sought, the design of a questionnaire will have to meet a number of requirements (based on pages 56 - 58 of the Evaluation Manual). The questionnaire should generally be organized as follows:

Introduction and subprogramme data:

should explain the purpose of the questionnaire and how the response will be used; summarize the objectives and expected results of the subprogramme and the performance indicator that is to be measured; provide clear instructions accompanied by examples wherever necessary.

Questions :

differences between categories of questions should be clearly indicated; respondents should preferably be invited to submit additional comments.

Respondent identification (where appropriate):

name, professional background, position, office/agency of respondent should be requested.

Moreover, the questions to be posed should be brief, to the point and accompanied by instructions and/or illustrative examples. Together with these instructions, the questions should be limited to four lines. They should preferably be closed-ended, based on the use of rating scales, or using a true/false, yes/no or multiple choice format. Questions should have the same meaning to all who read them. Whenever possible, surveys should be translated into the official languages of the Organization.

c interview

This technique is useful for obtaining a large amount of data from a small sample. It enables the evaluator to probe for more detailed and complete data. Moreover, it is adaptable to different situations as it can be used on an individual or group basis, and in person or over the telephone. Interviews are suitable to obtaining information from end-user sources of limited size, such as participants of a workshop or seminar, delegates of Member States etc. If the number of questions is limited - the straightforward rating of an output, for example - the size of the sample could be increased for the purpose of a telephone survey, a combination of the interview and survey techniques. This may result in a higher response rate than a written questionnaire. An interview, however, is particularly costly in terms of time and resources. Proper interviewing involves skills that can only be acquired through training. Since they are costly, interviews will be of limited use for measuring performance indicators of UN programmes.

Step 4 Collect data

The result of steps 2 and 3 should be the completion of the performance measurement table. This should be accomplished immediately following the completion of the logical framework, as described in step 1. Implementing offices should now be in a position to start gathering information based on the performance measurement framework.

Setting up and actually having performance measurement yield meaningful results is one of the demanding aspects of RBB. For many programmes, it may initially be a process of trial and error. It is therefore recommended that “pilot” measurements be undertaken at an early stage during the biennium. This may give a clearer view of the time required to collect data, the response rate on surveys, etc. Such testing may reveal the need to adjust the collection method or to expand or change the source of information. At worst, initial measurements may indicate that performance indicators that were included in the programme budget are unfeasible, too costly to measure, or provide meaningless information. In such extreme cases, planners should approach PPBD to examine the possibility of reformulating the indicator. This may be permissible on an exceptional basis if warranted by the particular circumstances. (It is clear, of course, that the expected results which the indicators are supposed to measure cannot be altered without approval by the appropriate legislative bodies).

Information on the performance of programmes in achieving is to be presented to the legislative bodies within six months of the end of the biennium. This means that implementing offices should have their measurement facilities operational and yielding information immediately after the close of the two-year period.

| | |
|---------------|---------------------|
| Step 5 | Present data |
|---------------|---------------------|

Results report

Guidelines on the format and presentation of the results report will be developed in due course. In any event, submissions will necessarily need to contain the “raw data”, that is, the performance indicators and their measured values. In addition, implementing offices should provide an analysis of their measurements, drawing conclusions from these on the success or progress of the programme. In the event that expected results have not or only partially been met, full explanations should be provided, drawing from the logical framework and the programme design. The following are only some of the situations which, at the end of a biennium, may prove to have caused a discrepancy between expected and actual results and which programme managers should

address in their submissions:

outputs were not produced as scheduled

this requires a further explanation as to why this was the case.

resources were not sufficient

this could either mean that requirements were not properly estimated or that , in the course of the biennium more outputs had to be produced than scheduled.

*necessary conditions beyond the control of the programme were not met; or
assumptions about external factors were incorrect; or
not all external factors were taken into account*

here lies the importance of accurately identifying external factors in step 1.4.

the scheduled production of outputs did not lead to the expected results, despite favourable external factors

this could mean that the assumed cause-and-effect relationship between outputs and results was not accurate or that the underlying strategy was flawed.

Performance measurement and current forms of monitoring and evaluation

It has already been discussed that the use of performance indicators is confined to the measurement of actual results. This is not the only possible use of indicators, but that is simply how performance indicators have been defined in RBB. It has also been mentioned that other forms of measurement will continue to be relevant to the budgetary process. This section briefly examines the relation of RBB to those current forms of monitoring and evaluation.

Current monitoring involves, among others, the determination of the actual

delivery of output in comparison to the commitments set out in the approved programme budget. Evaluation, on the other hand, is defined as a process that seeks to determine the relevance, effectiveness and impact of an activity in the light of its goals and objectives. These two concepts are not strictly separated from each other, but are seen as parts of a “monitoring-evaluation continuum”. In theory, the following categories of monitoring and evaluation can be distinguished :

1. programme performance reporting (i.e. performance against schedule of outputs) by Office of Internal Oversight Services (OIOS)
2. monitoring of progress in assignments against schedules or norms, including output and services (serves as input for 1.)
3. identification of major users and use made of output and services
4. self-evaluation / thematic and project evaluations: examining efficiency of activities and effectiveness of results
5. in-depth evaluations conducted by OIOS

RBB performance measurement partially overlaps with a number of these processes, as it would cover both the implementation of the programme budget against expected results -“schedules” (similar to current monitoring) as well as the effectiveness and impact of programmes (similar to forms of evaluation). One major distinction, of course, is that RBB performance measurement, unlike current evaluation, is directly linked to the budgetary process, in other words, prior to the implementation. RBB (as well as this Guide) therefore uses the term “performance measurement”, only in reference to the measurement of actual results.

If and when fully implemented, RBB will have incorporated and/or replaced most current forms of self-evaluation, notably the evaluation of the effectiveness, relevance and impact of programmes. Other forms of self-evaluation, for example those relating to management or efficiency aspects, will not be covered by RBB and will continue to be relevant. Moreover, RBB will not affect the schedule of in-depth evaluations conducted by OIOS at the request of the Committee for Programme Coordination. For these evaluation processes, the Evaluation Manual will continue to be the sole source of guidance.

With regard to monitoring, legislative bodies of the UN are likely to continue to seek maximum transparency in the use of resources through the submission of reports on actual output. Consequently, for the first implementation stage of RBB, output monitoring will not be affected, and will be presented in a programme performance report at the end of the biennium (see also figure 7 on the measurement of programme components). In due course, RBB performance measurement and output monitoring may perhaps be fully integrated into one report.

Another form of measurement (also reflected in figure 7) is undertaken by PPBD and relates to the (estimated) expenditures for the biennium. These budget performance reports (distinct from *programme performance reporting* entrusted to OIOS) are prepared twice during the biennium (the second report before the end of the biennium). From a RBB perspective, these reports are the equivalent of input monitoring.

Annex 1
Glossary of Results-based Budgeting Terms

| | |
|-------------------------|---|
| Activity | Action taken to transform resources (inputs) into outputs |
| Effectiveness | Extent to which results are achieved |
| Efficiency | How well inputs are converted to outputs |
| End-user/client | The recipient or beneficiary of an output or result. |
| Evaluation | Determination of the relevance, effectiveness and impact of the outputs, projects, subprogrammes or programmes in light of the objectives and expected results. |
| Inputs | Personnel and other resources necessary for producing outputs and achieving results. |
| Monitoring | Tracking and determining the actual delivery of an output in comparison with the commitments as reflected in the programme budget. |
| Objective | An overall desired achievement, involving a process of change and aimed at meeting certain needs of identified end-users/clients within a given period of time. Objectives can be met through reaching certain results. |
| Output | Final product or service delivered by a (sub)programme to end-users/clients. |
| Performance indicator | A feature or characteristic used to measure whether the results have been achieved. |
| Performance measurement | The determination of values of performance indicators for a given period of time or at a certain reference date. |

Results or expected results

Desired outcomes involving benefits to end-users/clients, expressed as a quantitative standard, value or rate. Results are the direct consequence or effect of the generation of outputs, leading to the fulfilment of a certain objective.

Results-based budgeting

Programme budget process in which (a) programme formulation revolves around a set of predefined objectives and expected results, (b) expected results justify the resource requirements which are derived from and linked to outputs required to achieve such results and (c) in which actual performance in achieving results is measured by objective performance indicators.

* * * * *

Annex 2

Guide to Websites

The following is a selection of websites relating to experiences with a results-oriented or performance based budget- or measurement process at the national level. Many of the documents located at these addresses are relevant to either the formulation of objectives and results or of performance indicators.

Sites of general interest (results-based budgeting; performance measurement)

www.worldbank.org/html/opr/pmi/contents.html

Full text of World Bank publication "Performance Monitoring Indicators : A handbook for task managers"

www.undp.org/und/eo/e96c1.htm

Experiences of the UNDP in introducing results-oriented management

www.oecd.org/puma

Public management home page of the Organisation for Economic Cooperation and Development, including OECD activities concerning performance measurement.

www.finance.gov.au/budget/budget97/home.htm

1997-98 Commonwealth Budget, Australia

www.whitehouse.gov/WH/EOP/OMB/html/gpptoc.htm

Government-wide Performance Plan 1999

www.govexec.com/reinvent/results

Regular coverage of experiences in implementing Government-wide results-oriented budgeting

www.govexec.com/dailyfed/0997/09089b1.htm

Establishes links to strategic and performance plans of federal agencies

www.unitedway.org/outcomes

Performance measurement in human services / volunteer organizations (United Way of America)

Political

www.state.gov

Homepage of the US State Department. Its 1999 performance plan is at:

http://www.state.gov/www/global/general_foreign_policy/rpt_980200_perf_toc.html

www.whitehouse.gov/WH/EOP/OMB

US Government-wide performance plan (1999), including sections on international affairs (Chapter 13, under Section VI)

Legal / justice

www.usdoj.gov/jmd/mps/cover.htm

www.usdoj.gov/ag/perfplan.htm

Five year strategic plan and (annual) performance plan, respectively, of the US Department of Justice.

www.ssc.govt.nz

(Homepage of State Services Commission, New Zealand). Search for "Department for Courts", then link to site and select "Strategic Plan".

law.gov.au/publications/budget.htm

1998 Portfolio of the Attorney-General of Australia, setting forth main objectives

www.open.gov.uk/lcd/deprep/contents.htm

Annual report of the Lord Chancellor's Department, UK.

Development

www.worldbank.org/html/opr/pmi/contents.html

World Bank handbook on performance indicators, including sectoral notes on poverty reduction, private sector development, technical assistance, urban development, agriculture, economic adjustment.

www.worldbank.org/html/opr/pmi/envindic.html

Sectoral note of the World Bank handbook on performance indicators dealing with environment-related projects

gopher.un.org/00/esd/cn17/1996/backgrnd/INDICATO

“Paper no. 15: Indicators of sustainable development”, publication by the Division for Sustainable Development, DPCSD

Budget & administration

www.whitehouse.gov/WH/EOP/OMB/Special_Emphasis/stratplan.html

Strategic (five-year) plan of the US Office of Management and Budget

www.dofa.gov.au

Department of Finance and Administration, Australia. Contains results-oriented elements, performance targets etc. Look under Budget - 1998 Portfolio Statements - Section 4, Programme Resources and Variations.

www.opm.gov/budget/index.htm

Annual performance plan (1999) of the US Office for Personnel Management

www.finance.gsa.gov/perform/perform.htm

Annual performance plan (1999) of the US General Services Administration

www.ospl.state.nc.us/pubs/vol7

Performance plan of the State of North Carolina, covering areas such as general government (area 10).

* * * * *