

DEPARTMENT OF PUBLIC ADMINISTRATION

# Result Based Management Policy

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## FOREWORD

This document presents the results-based management (RBM) policy of the Government of Seychelles to improve the allocative and operational efficiency of the public-sector.

The Government has a great responsibility towards its citizens in terms of guaranteeing access to basic services such as health, education, water and sanitation, transportation infrastructure etc. The Government is also committed to keep Seychellois citizens well trained, competitive and fully employed. The government's attainment of these goals, however, has been historically limited by a shortage of resources, which have failed to grow at the same pace as the demands of a rising population, and more recently by the constraints of the global economic downturn. In recent years, this problem of resource constraint, coupled with the wish to reduce and eliminate a fiscal deficit, has resulted in the government aiming to reform and improve public administration through the creation of leaner structures bearing in mind the strategic orientation of government based on citizen preferences and fiscal capacity.

As efforts continue to increase the resource base in consonance with the demands, the government recognises that addressing the efficiency of public spending is at the core of decreasing the gap in its public service delivery. The Government thus intends to create greater fiscal space for the provision of public services by reforming its management practices to achieve greater public expenditure control, to increase the efficiency of resource allocation and usage, and to facilitate reinvestment of part of the saved resources in active labour market programmes.

This *Policy on Integrated Results-Based Management* underscores the government's strong commitment to this reform and lays the foundations of a robust framework to enable a shift from traditional public-sector management to results-oriented management. This policy will augment existing efforts of the government to control expenditure and add to the tools required to measure and improve the effectiveness of public spending – e.g. through the introduction of Programme-Performance Based Budgeting. At the same time, the policy also underscores that this reform is not simply about process improvements in either public financial management (PFM) or public administration reform (PAR). The shift that is envisaged will also require a new mind-set and behavioural change with acceptability of the need for greater accountability – both for MDAs and for individuals working in the public service. A sense of urgency for such a change is necessary, and its communication and achievement will need the sponsorship and commitment of champions at all levels of the system – most particularly by the leadership – both political and administrative. The main

emphasis of this policy, therefore, is managing for measurable outputs (leading to policy outcomes for people), as opposed simply to managing inputs (activities and resources).

The Department of Public administration (DPA) has the mandate to lead the process as part of its responsibility for the wider Public Administration Reforms (PAR) and will formulate the strategy for RBM implementation and for the necessary systemic capacity building to sustain the benefits. In many cases RBM will help MDAs to achieve their mandated outputs more effectively and efficiently. Furthermore, the community of practice of RBM Focal Persons in MDAs should consequently develop learning and good practices which will help to ensure that outcomes (which may well be joint outcomes achievable only in concert with others) are coordinated, monitored, mapped and communicated.

To this end, and to facilitate the implementation of the PAR, DPA has produced a Programme Results Framework (PRF) for the PAR. This sets out 5 cross-cutting component pillars of activities that will frame the Government's efforts to achieve the benefits of the PAR. Taken together these constitute the core of the strategy to implement the reforms in the spirit of this Integrated Results Based Management Policy.

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## **LIST OF ACRONYMS AND ABBREVIATION**

CAF – Common Assessment Framework

DPA - Department of Public Administration

HLRC – High Level Reforms Committee (for the PAR)

IPMS – Integrated Performance Management System

IRBM –Integrated Results-based Management

M&E – Monitoring & Evaluation

MDAs – Ministries, Departments and Agencies

MDGs – Millennium Development Goals

MIS – Management Information System

MTBF – Medium Term Budgetary Framework

MTEF – Medium Term Expenditure Framework

OECD – Organisation of Economic Co-operation & Development

OM – Outcome Mapping

PAR – Public Administration Reform

PCM – Programme / Project Cycle Management

PFMR (Public Financial Management Reform

PMS – Performance Management System

PPBB – Programme-Performance Based Budgeting

PRF – Programme Results Framework (for the PAR)

PSR – Public Sector Reform

RBB – Results Based Budgeting

RBM – Results-Based Management

RBMC – Results Based Management Committee (the Government High Level Reforms Committee)

RBM&E – Results-based Monitoring & Evaluation

RBMU – Results-Based Management Unit (the Performance Management & Capacity Building Section of DPA)

RFD – Results Framework Document

WB – World Bank

## 1. INTRODUCTION

1.1. The Government of Seychelles (the Government) is committed to improving the income levels and access to public services of its citizens. To this end, the Government has committed itself to a programme of Public Administration Reform (PAR). The suite of policies covering the principal component elements of these reforms is set out in the Memorandum of Action for Public Administration and Public Sector Reform Policies - 2009. The implementation of a comprehensive public sector reform programme is one of the main elements of the Government's reform strategy and the principal area of World Bank support. The government's Public Sector Reforms aim to transform the role of the State. From the previous focus on direct provision of a large range of public goods and services, the role of the state is now to shift to that of a facilitator and regulator. This will require a significant change in both the *modus operandi* of government as well as in mentality for public servants. DPA has formulated a Programme Results Framework (PRF) for the implementation strategy of the PAR. This is informed by the Memorandum of Action for Public Administration and Public Sector Reform Policies<sup>1</sup>, by the Memorandum on Programme-Performance Based Budgeting<sup>2</sup>, and by this IRBM Policy. The PRF sets out 5 Key Result and Activity Areas for the PAR:

- Continuing review of the role and functions of government and further restructuring accordingly;
- Establishment of an accountability framework for budget-dependent public bodies;
- Capacity building including for Leadership Development and Strategic Communications;
- Human Resources Management & Development; and
- Maximising / Optimising the use of ICT systems and networking in government.

Focusing on the achievement of measurable results in all 5 of these areas will ensure that the outcomes of this Policy on IRBM are met for the benefit of the citizens of Seychelles.

1.2. The Department of Public Administration is the core department responsible for the design and management of the above reform strategy, and operates in close collaboration with the Ministry of Finance. In order to successfully achieve the goals of the PAR and MDGs, the Government has increased budget allocations to social sectors over time and introduced reforms to strengthen local government systems and to improve service delivery standards. It is now desirable to establish a system of Integrated Results Based Management (IRBM) across government that will aim for continuous improvement, but will incorporate Minimum Service Delivery Standards (MSDS) as part of the drive to increase the responsibility and accountability

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<sup>1</sup> Government of Seychelles 2009

<sup>2</sup> Presented to Cabinet by Ministry of Finance, Trade & Investment, January 2013

of government employees to provide for an efficient, transparent and sustainable long-term viable service within an affordable expenditure framework.

- 1.3. The Government's efforts to grow its social sector services at the required pace, however, have been restricted owing to a widening resource gap in a downturned national economy. Being unable to affect further revenue generation substantially (although this remains a medium term goal), the Government has turned to realigning macroeconomic fundamentals through a comprehensive macroeconomic reform programme (bolstered by an IMF Standby Arrangement), and to improving its operational efficiency in order to create fiscal space for public service delivery. Good progress with this has led to initiatives such as the WB funded project - 'Advisory Support and Capacity Development on Critical Aspects of the PAR Process in the Republic of Seychelles'.
- 1.4. The Government recognises that operational efficiency can only be improved by strengthening public sector management and accountability through the alignment of resources, activities and results. The Overall Policy Objectives and Strategies, together with Specific Policy Objectives and Sector-Wide Policy Statements are set out in the Memorandum of Action 2009.
- 1.5. This *Policy on Integrated Results-Based Management (IRBM)* furthers this effort by the Government to establish a results-based management (RBM) framework in which resources, activities, and results can be linked transparently across the Government. The Government intends to use a standard-basis for reporting of financial and non-financial information by MDAs to achieve better accountability for its resources, and yet provide MDAs with the flexibility and discretion they need to execute their business in a manner that achieves the best results for the citizens of Seychelles. Programme Budgeting is to be piloted in two Departments: the Ministry of Education and the Seychelles Fishing Authority (together with its respective Ministry of Natural Resources & Industry). It is appropriate, therefore, to pilot RBM in these same Departments to ensure congruence between the two sets of reforms.
- 1.6. This policy reinforces the Government's commitment to achieve the goals of the PSR by improving operational and allocative efficiency in order to increase the quantity and quality of public services. To ensure this, this Policy on IRBM sets out the objectives to be achieved by introducing results-based management. It provides guidance to MDAs on the method of linking resources, activities and results, and provides a mechanism for institutionalising this methodology. First, the objectives of this policy are described, then the institutional framework required to introduce RBM is provided, and finally, the approach for implementing results-based management in MDAs is presented, along with a schedule. This policy also includes an annex to explain RBM in greater detail.

## 2. POLICY OBJECTIVES

2.1. Results-based management is an integrated approach to bind performance measurement to the planning and budget processes that has been widely adopted by many governments worldwide for the following benefits:

- 2.1.1. Alignment of overall goals and the delivery of policies to recipients and stakeholders;
- 2.1.2. Improvement of public service delivery and value for money;
- 2.1.3. Reduction in programme and project completion time and costs; and
- 2.1.4. Timely and regular feedback to stakeholders on activities.

2.2. The *Policy on Integrated Results-Based Management* is the principal policy of the Government to establish such a management system in the Seychelles Public Service. Its objective is to ensure that the Government receives integrated financial and non-financial performance information on the business (and particularly initially on Programmes) mandated to MDAs in order to improve allocation and reallocation decisions, and enable the Government to observe overall performance towards planned policy outcome results in order to take timely corrective actions.

2.3. The policy provides a standardised framework for assessing the performance of a ministry or department by organising all its activities into results-focused functions for the achievement of programme outputs that can be clearly linked to policy outcome indicators and budgets.

2.4. The expected results of the *Policy on Integrated Results-Based Management* are:

- 2.4.1. **Focusing on results:** Departments collect sound information on activities (whether or not these are funded by core budget or by donors) to support informed decisions on public management and new programme proposals.
- 2.4.2. **Decision-making for results:** All departmental activities are strategically linked to results, and sound financial and non-financial performance information is used to make allocation and reallocation decisions across the Government.
- 2.4.3. **Performing for results:** All public-service managers are evaluated on the basis of their ability to deliver results (to be stipulated in their job descriptions), and are held accountable for their performance and their contribution to that of their organisation.
- 2.4.4. **Planning for results:** Decision-makers are able to allocate resources according to government priorities and on the effectiveness of returns. This will provide more power,

autonomy and flexibility to successful MDAs and to those managers who implement effective continuous improvement.

2.5. This implementation of results-based management across the Government is expected to improve operational and allocative efficiency in the public-sector, and create greater fiscal space for the provision of public services. For the citizens of Seychelles this will mean:

2.5.1. **More** services to bridge existing deficiencies in health, education, natural resources management, water and sanitation, energy, infrastructure and other basic services, together with more effective fiscal and social impact assessment; thus giving rise to -

2.5.2. **Better** services to improve the quality of life across large segments of the population.

2.6. The *Policy on Integrated Results-Based Management* aims to achieve these objectives by requiring:

2.6.1. Departments to prepare a **Results Framework Document (RFD)** that combines financial and non-financial information on their business (regardless of whether it is operational or donor-funded development work) for requesting budget allocations. The RFD shall:

2.6.1.1. Provide the **hierarchical functional structure** that logically groups all operational and developmental activities into functions, with the top-level functions having responsibility for key programmes that link **directly** to strategic outcomes that reflect the mandate and vision. Where the strategic objectives of a function (or even a programme) cannot independently achieve a policy outcome, joint functions (and intended outcomes) shall be mapped with other departments.

2.6.1.2. Provide the framework to **prioritise functions** and form the foundation for establishing any horizontal linkages between MDAs with similar or natural groupings of programme outputs that can thus be aggregated to create joint outcomes.

2.6.1.3. Provide the framework to **link planned budget allocations to each programmatic function at all levels** of the RFD (by aggregating allocations) and against which financial results are reported.

2.6.1.4. Provide the framework to **link expected results and performance measures to each function at all levels** of the RFD and for which actual results are reported by defining clear objectively verifiable indicators.

2.6.1.5. Provide a framework to **link the measurable performance of personnel responsible for each function at all levels** of the RFD so they can commit to the results they intend to achieve **with** the resources they have been allocated. This

should increase the autonomy they enjoy over time. Such objectives shall be incorporated into job descriptions and into the performance appraisal system as part of an integrated performance management system (IPMS).

2.6.2. Principal Secretaries and appropriate officers (e.g. Chief Executives of Executive Agencies) will be required to establish a robust monitoring system within their respective departments and agencies to periodically capture information against the indicators listed in the RFD. The frequency of measurement may differ from function to function, depending on the nature of grouped activities, and shall be determined by the Departmental Principal Secretaries and CEOs of Agencies. This monitoring information shall be presented at review meetings and used as a basis for assessing department and agency performance.

2.6.3. The Government will:

2.6.3.1. Carry out a systematic evaluation of each programme function listed in the RFD at mid- term and at the end of each fiscal year when MDAs place requests for budgets. An annual assessment of the performance of a department shall be submitted to the Cabinet or Parliament at this time for review as well.

2.6.3.2. Establish a centralised web-based management information system to integrate information from departmental and agency RFDs and make information accessible to key stakeholders, both within departments and agencies, as well as top decision makers, the Cabinet, National Assembly and the public, as deemed appropriate.

### 3. INSTITUTIONAL ARRANGEMENTS

#### A. Main Components

3.1. The success of the RBM reform requires the establishment of clear, effective and efficient institutional arrangements. Although the effective, on-going implementation of the *Policy on Integrated Results-Based Management* is primarily the responsibility of Principal Secretaries and Chief Executive Officers (of Agencies), the Government shall create the following new entities as an integral part of enabling the RBM framework:

3.1.1. A high-level inter-departmental **RBM Committee** for steering and oversight purposes; (The HLRC shall be deemed to be an appropriate body to perform this function *pro tem* as part of its overall responsibility for oversight of the PAR. Giving this responsibility to the HLRC will obviate the need to create another board, committee, or level of oversight).

3.1.2. A central **RBM Unit** located in DPA to act as the secretariat and provide support to the RBM Committee and RBM Focal Persons. (Note: As this unit would normally be placed under the Chief Secretary Public Service under who has authority and responsibility for implementation of the PAR, it is considered appropriate for this responsibility to fall to the existing Performance Management & Capacity Building Section based in DPA); and

3.1.3. **RBM Focal Persons** (and RBM Cells if MDAs' resources permit or require this) as focal points for implementing RBM in MDAs.

#### B. Results-Based Management Committee

3.2. The Results-Based Management Committee (RBMC) shall be an executive oversight body that provides the strong and effective top-level coordination and policy direction that is necessary to make the implementation of RBM successful in Seychelles.

3.3. The HLRC is the appropriate body to take on this responsibility and thus obviate the need for another layer of oversight or supervision. The HLRC is chaired by the Vice President and comprises Cabinet Ministers as deemed appropriate. It may be necessary to co-opt the services of the Principal Secretary, Ministry of Finance (with respect to the need for detailed advice on RBB, MTBF and MTEF issues), and the Head of the Results-Based Management Unit (the Performance Management & Capacity Building Section of DPA) could serve as Secretary for all RBM related business, with the Performance Management Section effectively

as Secretariat. The HLRC shall be the final deciding body for all matters relating to this policy. It shall be responsible for:

- 3.3.1. Providing policy direction to the RBMU / PM & CB Section in DPA; approving any changes to the policy for presentation to the Cabinet for approval, and approving draft legislation for presentation to the National Assembly for promulgating an RBM law if deemed necessary;
- 3.3.2. Supervising implementation of RBM policy in MDAs, and taking appropriate actions to address deficiencies;
- 3.3.3. Assisting MDAs in solving major problems impeding the implementation of this policy; and
- 3.3.4. Reviewing performance reports on all MDAs based on their RFDs, and taking appropriate actions to improve delivery of results.

#### **C. Results-Based Management Unit**

- 3.4. The Results-Based Management Unit (the Performance Management & Capacity Building Section in DPA) shall act as the secretariat of the RBM Committee (for affairs of the HLRC directly relating to RBM), and will be responsible for ensuring the policy is implemented in a consistent manner across the Government. As an appropriate unit is already established in DPA in the form of the Performance Management & Capacity Building Section, its responsibility for RBM shall be mandated permanently once the policy is endorsed.
- 3.5. The Results-Based Management Unit, as the secretariat that regulates and oversees the implementation of the *Policy on Integrated Results-Based Management*, is responsible for:
  - 3.5.1. Issuing detailed rules, guidelines, standards, or any other forms of communication, as appropriate, and as it deems fit, to better implement the spirit of this policy;
  - 3.5.2. Drafting modifications to this policy, if required, for presentation before the Cabinet, and drafting the future RBM legislation for presentation before the National Assembly;
  - 3.5.3. Carrying out any preparatory work necessary for the smooth implementation of this policy; such as conducting capacity readiness assessments or facilitating self-assessments and working with MDAs to address any identified gaps;
  - 3.5.4. Providing leadership, advice and guidance in the use and advancement of information relating to the use of integrated financial and non-financial performance information across the

Government – especially where it proves necessary for joint outcomes to be mapped by more than one department or agency;

- 3.5.5. Providing close intellectual and technical support to MDAs until the policy is fully implemented, including support to the Ministry of Finance for adopting the use of RFDs to make resource allocation decisions, and for understanding the progress of the (non-financial) PAR aspects of RBM implementation;
  - 3.5.6. Approving an RFD submitted by a MDA IRBM Cell / Focal Person, after ensuring its quality, for submission to the Ministry of Finance for budgetary allocation; and
  - 3.5.7. Reporting to the Results-Based Management Committee on all aspects related to the implementation of this policy, including a consolidated performance report on all MDAs based on their intermediate and annual results.
- 3.6. The Results-Based Management Unit shall work closely with MDAs to ensure that the spirit and intent of this policy is understood and fully implemented. However, if compliance issues arise the Unit may raise the matter with the Results-Based Management Committee.

#### **D. Results-Based Management Cells / Focal Persons**

- 3.7. The success of the *Policy on Integrated Results-Based Management* depends on the degree of ownership exhibited by MDAs in implementing the RBM framework. In consideration of this, Principal Secretaries and Chief Executive Officers shall be responsible for the effective, on-going implementation of the policy in ministries, departments (and any attached or subordinate or autonomous bodies such as Public Enterprises) and agencies, respectively.
- 3.8. Principal Secretaries and Chief Executive Officers shall establish, and appoint a Focal Person to head a permanent office called the Result-Based Management Cell in their respective departments and agencies. These RBM Cells shall comprise, at a minimum, a suitably qualified Focal Person, and may co-opt the services of an officer each from budgeting, planning and operations with the necessary technical knowledge of the business of the department or agency if the workload in a larger MDA requires this and resources permit.

3.9. PSs and CEOs, as responsible officers for the RBM Cells are responsible for:

- 3.9.1. Developing and updating strategic outcomes as necessary, in consultation with key stakeholders and under direction from the Government;
- 3.9.2. Providing leadership in developing a logical RFD that adequately and accurately reflects all the department or agency's business in programme-outcome-oriented functions, and devising suitable measurable indicators to measure performance in carrying out these functions;
- 3.9.3. Approving the departmental and / or agency RFD and ensuring its timely update each year for presentation to the Ministry of Finance for budgetary considerations, after approval from the RBMU, (thus shifting the emphasis of proposed expenditure requests from inputs to outputs);
- 3.9.4. Ensuring that the department or agency's information systems, performance measurement strategies, reporting, capacity and governance structures are consistent with the objectives of this policy;
- 3.9.5. Ensuring that officers are held accountable for the agreed outputs and outcomes set out in the RFD through appropriate modifications to ensure that their job descriptions and the performance appraisal system highlight the necessary post objectives with line-of-sight to corporate strategic policy outcomes;
- 3.9.6. Principal Secretaries and Chief Executive Officers shall also be responsible for monitoring compliance to this policy by their respective MDAs, and for taking appropriate measures to address any failures to comply in good time before the start of the budgeting process. Any major problems impeding the implementation of the policy may be referred to the RBM Unit for presentation before the Results-Based Management Committee.

## 4. IMPLEMENTATION STRATEGY

4.1. The successful implementation of this policy in Seychelles requires the Government effectively to address the common challenges in instituting processes and systems to mainstream results-based management into governance. This section of the policy describes an implementation strategy that aims specifically to address the following challenges:

4.1.1. Difficulty in changing attitudes among public-sector personnel;

4.1.2. Inadequate capacity in departments and agencies to effectively manage better results;

4.1.3. Difficulty of aligning organisational culture and work patterns for results;

4.1.4. Difficulty in adopting better planning and budgetary systems that are supportive of results-based development plans and programme / project portfolios;

4.1.5. Complexity of communication of the potential benefits of the policy on RBM; and

4.1.6. Improving systems based on lessons learned.

4.2. The implementation of RBM has to start with top level support and the reform will only be driven forward if there is commitment and awareness of the top leadership – both political and administrative. The enactment of this policy demonstrates the commitment of the political leadership, while the establishment of the Results-Based Management Unit as a permanent body under the Chief Secretary and DPA provides the administrative ownership necessary to move the reform forward. But ultimately, champions will be needed at all levels to sponsor and support this policy to achieve the stated objectives.

4.3. The Results-Based Management Unit is to become fully operational with the enactment of this policy and take the lead role in create an enabling environment for a successful government-wide implementation. The unit will take the following steps for this purpose:

4.3.1. Engage relevant stakeholders by holding awareness workshops with the purposes of:

4.3.1.1. Initiating them to the concept of results-based management;

4.3.1.2. Sensitising them to RBM as a tool of service delivery improvement as well as of accountability; and

4.3.1.3. Communicating the benefits of results-based management over the traditional form of (inputs-based) public-sector management.

4.3.2. Carry out of a readiness assessment in each department and MDA for implementing RBM using the readiness assessment tool<sup>3</sup> or the EU's Common Assessment Framework – CAF that has already been piloted in DPA, SIM (before joining the University) and UNISEY, to assess the existing capacity of each public sector organisation.

4.3.3. Work with Principal Secretaries and Chief Executive Officers on change management and by assisting them in:

4.3.3.1. Developing an action plan to address capacity gaps identified through readiness assessment;

4.3.3.2. Formulating a mandate and vision that is linked to the Government's priorities and intended results;

4.3.3.3. Improving future plans and supporting behavioural change within departments and agencies for improving results;

4.3.3.4. Enhancing project quality through linking PCM to the RFD / RBM process, and improving portfolio management; and

4.3.3.5. Creating an effective RBM Cell that is staffed by a Focal Person, and where necessary additional people having appropriate skills.

4.3.4. Create a web-based information system that provides for knowledge-management as well as improved communication so that stakeholders can easily coordinate information sharing and lessons learned.

4.4. The *Policy on Integrated Results-Based Management* shall be implemented in a sequential (phased and sequenced) manner, starting with three key departments, to allow incremental learning from experience. Adopting RBM in priority departments first shall provide the benefit of maturing the implementation over time, and provide insight on how to move the reform forward most efficiently in the remaining departments and agencies. Furthermore experience elsewhere has shown that such a phased and sequenced approach to the integration of PFMR and PAR can help to ensure that both proceed 'hand-in-hand' and do not frustrate one another. The RBMU will work closely with the three pilot departments and provide technical assistance in:

4.4.1. Operationalising the RBM Cells including capacity-building of Focal Persons and any team members ;

4.4.2. Defining or refining departmental vision and mission statements, strategic outcomes and objectives, functions, results and performance measures for strategic and operational plans;

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<sup>3</sup> Tool available at <http://www.adb.org/Documents/Others/RA-Toolkit/Readiness-Assessment-Toolkit-southasia.pdf>

4.4.3. Development of RFDs as required by this policy to their fullest details;

4.4.4. Establishment of a reporting and monitoring structure to collect and process information against performance measures;

4.4.5. Collecting, processing, interpreting and using statistical inferences that can be used to inform decisions and support the overall economic development and PAR agenda; and

4.4.6. Preparation of reports for stakeholders, including the RBM Committee, Cabinet and the National Assembly;

4.5. The Government aims to adopt RBM as the primary management tool in priority (first phase) MDAs of Seychelles by the year 2015. An implementation strategy with guidelines for MDAs will be issued by DPA. Thereafter the policy will be implemented according to the schedule laid out in the following table.

<b>Table 1 – Implementation schedule</b>		
Activity		Deadline
1	Operationalisation of Results-Based Unit (RBMU)	PM & CB Section already in place in DPA
2	Approval of RBM policy by Cabinet	End of March 2013
3	Pilot of RBM in 3 departments: DPA, Ministry of Education, Ministry of Natural resources & Industry; Preparation of RFDs in these departments	By Dec 2013
4	Implementation of RBM in 3 pilot ministries or departments as above	By Dec 2014
5	Approval of RBM act by Assembly (Legislation enacted if required or a decree from the President – further advise is required here)	
6	Implementation of RBM in 3 further MDAs (CS and HLRC to advise)	
7	Implementation of RBM in 10 departments and agencies (CS and HLRC to advise)	
8	Implementation of RBM completed in all MDAs	

## ANNEX A – RBM CONCEPT

### A. Rationale

4.6. Over the past three decades, leading management thinkers have advocated for governments to take steps to manage for performance and results. Results-based management is an integrated approach to bind performance measurement to the planning process, and has been widely adopted by many governments worldwide. Accordingly it forms a central pillar of the WB Project on 'Advisory Support and Capacity Development on Critical Aspects of the PAR Process in the Republic of Seychelles'. This approach has demonstrated the following benefits:

- 4.6.1. Alignment of overall goals and the delivery of policies to recipients and stakeholders;
- 4.6.2. Improvement of public service delivery and value for money;
- 4.6.3. Reduction in project completion time and costs; and
- 4.6.4. Timely and regular feedback to stakeholders on activities.

### B. RBM Definition

4.7. The Organisation for Economic Co-operation and Development (OECD) defines a results-based management framework as "a management strategy focusing on performance and achievement of outputs, outcomes, and impacts"<sup>4</sup>, adopted to improve result delivery through "strategic planning; systematic implementation; effective resource usage; performance monitoring, measurement and reporting, and evaluation".<sup>5</sup> (Thomas, 2008)

4.8. The World Bank has adopted this definition and augments it by saying that public sector reforms for RBM should focus on:

- 4.8.1. Performance issues and on achieving results;
- 4.8.2. Emphasis on participation and teamwork; and
- 4.8.3. Budget processes and financial systems focused on 'value-for-money'.

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<sup>4</sup>Glossary of Key Terms in Evaluation and Results Based Management, OECD, DAC, 2002.

<sup>5</sup> Thomas, Koshy, Malaysia: Integrated Results Based Management, 2008 Community of Practice on Managing for Development Results, Annual Publication.

4.9. Although most practitioners agree on what results-based management represents, its implementation differs due to a lack of standardisation. For the purposes of this policy, the aim of RBM is to link resources (or inputs), activities and results. The term ‘result’ here refers to the generally accepted definition of being the “output, outcome, or impact (intended or unintended, positive or negative) of a development intervention”<sup>1</sup>

4.10. It is essential to understand how outputs, outcomes, impacts, goals and results refer to specific and distinct effects of a development intervention (Table 1<sup>1</sup>). Most governments, similar in nature to that of Seychelles, manage against inputs or outputs without a clear line-of-sight to end results. RBM serves to establish such a link and make decision-making results-oriented.

**Table 1 – Key terms in results-based management<sup>6</sup>**

**Results:** Changes in a state or condition which derive from a cause-and- effect relationship. There are three types of such changes which can be set in motion by a development intervention – its output, outcome and impact.

**Goal:** The higher-order objective to which a development intervention is intended to contribute.

**Impact:** Positive and negative long-term effects on identifiable population groups produced by a development intervention. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types.

**Outcome:** The intended or achieved short-term and medium-term effects of an intervention’s outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.

**Outputs:** The products and services which result from the completion of activities within a development intervention.

**Activities:** Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs

**Inputs:** The financial, human, and material resources used for the development intervention

**Performance:** The degree to which a development intervention or development partner operates according to specific criteria, standards or guidelines and achieves results in accordance with stated goals or plans.

4.11. Results-based management thus represents a fundamental shift in the philosophy of public management. It reorients governments to place focus on:

4.11.1. Performance issues and achieving results;

4.11.2. ‘Value-for-money’ in the budget processes and financial systems; and

4.11.3. Letting and making managers manage through autonomy and accountability.

<sup>6</sup>Glossary of Key Terms in Evaluation and Results Based Management, OECD, DAC, 2002.

4.12. In order to do this, Government must aim to integrate the key elements of RBM, performance management, and planning systems and processes, as shown in Table 2. In accordance with the Memorandum on Programme-Performance Based Budgeting (January 2013) these systems and processes will be aligned with the PPBB approach.

**Table 2 – Key elements in results-based management<sup>7</sup>**

**Key Elements of RBM**

(adapted from: Results Based Management in the Development Cooperation Agencies: Review of Experience, OECD DAC, 2002)

**Planning**

Identifying clear expected results to be achieved with the budget;  
Selecting indicators to measure progress toward results;  
Setting explicit targets for each indicator; and  
Analysing assumptions and risks

**Performance Measurement**

Developing performance monitoring systems;  
Reviewing, analysing, and reporting on results; and

**Results-Based Management**

Using evaluations for additional analysis of performance; and  
Using performance information for internal management, accountability, learning, and decision-making processes.

<sup>7</sup>Glossary of Key Terms in Evaluation and Results Based Management, OECD, DAC, 2002.

## **ANNEX B – RBM COMPONENTS**

4.13. The integrated results-based management system is made up of four key components that provide the necessary framework for planning, implementing, monitoring and reporting on organisational performance, and linking organisational performance to personnel performance. These are:

4.13.1. Strategic planning;

4.13.2. Programme-Performance Based Budgeting (PPBB);

4.13.3. Results-based personnel performance;

4.13.4. Results-based monitoring & evaluation (RBM&E) and the Management Information System (MIS).

### **A. Strategic Planning**

4.14. Strategic planning is a core component of results-based management as it provides the foundation upon which indicators are designed to measure performance towards the achievement of Strategic Objectives (Outcomes). A well-documented strategic plan will lay the foundations for focused sector and programme level plans – (also for the medium term). These Medium Term Strategic Plans must then cascade their hierarchy of objectives to Annual Operational (Business or Work) Plans, and establish the criteria for assessing how successful the Government has been in achieving the planned results set out in these.

4.15. This policy requires departments and agencies to develop a mandate and vision, and then breakdown all their business into functions that have strategic outcomes that link to them. By logically grouping all operational and developmental activities so that they can be seen to have 'line of sight' to a hierarchy of objectives, functions, with the top-level objectives (Outputs) linking directly to Strategic Outcomes that reflect the mandate and vision, departments and agencies will have a clear picture of how much of their total effort is being invested towards their primary goals. This overview will allow Principal Secretaries and Chief Executive Officers to make strategic plans that then move the development agenda towards the Government's policy priorities.

## **B. Results-Based / Programme-Performance Based Budgeting (PPBB)**

- 4.16. Results-based budgeting is a strategic management tool that links performance measurement and resource management at the organisational level. This policy relies on PPBB to be the key driver in the implementation of RBM in Seychelles. To be an effective tool for this, the budget has to constitute a credible and predictable resource for the medium term. Medium Term Budget Frameworks (MTBF) for ministries, departments and agencies must relate on the one hand to a credible, predicted budget envelope established by the Ministry of Finance and agreed with sector departments, and on the other hand to realistic strategic plans for the same medium term (and most importantly annual operational plans), so that a Medium term Expenditure Framework (MTEF) can provide the basis for meaningful monitoring and evaluation (M&E) of results achieved with this expenditure.
- 4.17. Initially this will be done through ensuring that pilot departments' expenditures are classified into groups of similar services with similar objectives in terms of the long term mandates of Government. Currently in Seychelles budgets are structured by administrative divisions and units of Government, and then by line items. In programme budgeting an additional dimension is developed and used. In other words, every expenditure and allocation is identified by the programme and sub-programme which it supports. Ultimately the aim is to link these expenditures to the results they deliver making use of systematic use of performance information. The ultimate aim is to allocate resources to a (and thus to its parent institution) by tightly linking these resources directly to targeted measurable performance.
- 4.18. The budgeting system in Seychelles is in transition from the traditional line-item budgeting to medium-term output based budgeting. This policy aims to further evolve the budgetary process into results-based budgeting in order to enable central departments such as Finance and DPA to make resource allocation decisions on the basis of an aggregate picture of departments and agencies' performance.

## **C. Results-Based Personnel Performance**

- 4.19. Results-based personnel performance has been internationally identified as a major component of RBM. Even though this policy adopts resource-based budgeting as the key driver of the RBM initiative, many countries have used personnel performance to drive the reform.
- 4.20. A robust personnel performance measurement system establishes the accountability framework that allows clear lines to be established between organisational performance and personnel performance. Without the implementation of such a system, the Government will

unable to reap the full benefits of results-based management. It must also be said that the lack of an accountability framework to date for the large number of agencies that the Government has created through its horizontal functional reviews, is potentially problematic, but the establishment of RBM across government (with the various bodies described in this policy for the oversight and management of the IRBM) should rectify this deficiency.

4.21. To this end, the *Policy on Integrated Results-Based Management* requires departments and agencies to use the RFD to provide a framework to link personnel responsible for each function at all levels of the RFD so they can commit to the results they intend to achieve with the resources they have been allocated with complete autonomy. The incorporation of post objectives into job descriptions will provide an initial step towards this.

4.22. The Performance Management System (PMS) initiative undertaken by the DPA to develop manager-level performance indicators incorporates much of the groundwork required to establish a personnel performance measurement system. Departments and agencies may refer to the work done under the PMS already being rolled out by DPA when preparing an RFD where appropriate, and seek to link organisational objectives captured in plans and subsequently in job descriptions to personal objectives that require individual officers to be accountable for such results (and appraised accordingly) when they hold a particular post.

#### **D. RBM&E and the MIS**

4.23. The Results-based budgeting and personnel performance system will establish the underlying framework required for implementing RBM, but they only become effective in the presence of a vehicle that provides accurate, reliable and timely information to decision-makers.

4.24. A management information system (MIS) and a monitoring and evaluation (M&E) system work in tandem to ensure that the right information is produced for the right people at the right time. The establishment of a robust monitoring & evaluation system creates a standardised and regular flow of performance information, which has a greater catalytic impact on results-based management. This information provides a knowledge-base that allows public-sector managers to share and disseminate lessons, replicate good practice and avoid making repeated mistakes.

4.25. The management information system, on the other hand, identifies the information needs at different levels, gathers data from the on-going process of tracking performance

indicators (monitoring) and makes it available to stakeholders in a timely fashion in order to enable them to make the targeted decisions necessary to achieve results.

4.26. A sound monitoring system will provide early warning of difficulties in work and enable the management to pinpoint the problem area and its root causes so that the necessary and timely remedial actions can be taken. A regular evaluation regime, on the other hand, will provide information and analysis to assist decision-makers in making judgments about the efficiency and effectiveness of a function (or perhaps even the appropriateness of indicators). Information on the achievement of objectives, resource utilisation, activity completion, output generation, outcomes and impact achievement will assist top management in modifying overall policy to achieve better results. It should be noted, however, that measuring impact may be a long term aspiration and impact indicators will necessarily be 'high-level'. The WB Project providing support to critical aspects of the PAR has provided technical assistance to support the introduction and improvement of social and fiscal impact indicators – particularly in the context of the economic downturn and efficiency measures.

4.27. Evaluation can then – at a later time – seek to establish the extent to which such indicators were actually achieved, so that they, or the activities to achieve them, may be modified with a view to continuous improvement of performance.

4.28. This policy requires the establishment of a centralised web-based management information system to integrate information from departmental and agency results reports, and to make information accessible to key stakeholders, both within departments and agencies, as well as to top decision makers, the Cabinet, Parliament and the public, as deemed appropriate.