



CHAPTER 2

INTRODUCTION

A. Scope and Approach

A key lesson from international experience is that both results management and capacity development need to be approached in a holistic and comprehensive manner. There are many facets to results management, and there are certainly no simple technical solutions. What represents a critical challenge or opportunity in one country may be less important in another.

However, while specific country needs and requirements will vary, there are a number of issues that will be generally helpful to a results orientation in public sector management. This guide highlights a set of issues and questions that can be raised in seeking to determine the strengths and weaknesses of a national results management system. It does not analyze capacity development for results management in individual ministries and line agencies.⁴ Few of the issues raised are new. What is new is looking at national systems as a whole to assess whether the building blocks for results management are in place.⁵

B. Principles Guiding the Assessment of the National Capacity for Results Management

Results management is often associated with some of the particular public sector management arrangements that have been adopted by developed countries and their donor agencies in the last decade or two such as corporatization, performance contracts, output budgeting, outsourcing, and service standards. Similar reforms are also being piloted in a number of developing countries.⁶ The focus of this guide is more basic, namely ensuring that institutions and individuals maximize performance, relevance, responsiveness, and cost effectiveness in achieving intended results. Results management thereby aims to link the things that a government wants to achieve with what it actually does.

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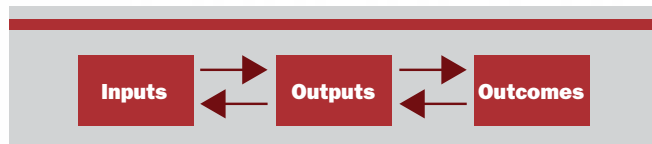
⁴ Among the publications that address organizational development, the reader may wish to consult Lusthaus et al. 2002. *Organizational Assessment: A Framework For Improving Performance*, published jointly by Inter- American Development Bank in Washington DC and the International Development Research Centre in Ottawa, Canada (<http://web.idrc.ca/openbooks/998-4/>) or Rodriguez-Garcia, R. and E.B.White. 2005. "Self-Assessment in Managing for Results: Conducting Self-Assessment for Development Practitioners", World Bank Working Paper No. 41, World Bank, http://publications.worldbank.org/ecommerce/catalog/product?item_id=4600312). Also, see the World Bank's website for institutional analysis and assessment at <http://wbin0018.worldbank.org/PREM/ps/iaamarketplace.nsf>.

⁵ Original sources for the issues highlighted include ADB materials on country governance assessment (see http://www.adb.org/Governance/gov_cga.asp), the country policy and institutional assessment (CPIA), methodology that has been developed by the World Bank and which ADB will be using as part of allocating resources under Asian Development Fund-IX. (see <http://siteresources.worldbank.org/IDA/Resources/CPIA2004questionnaire.pdf>), and the World Bank's *Administrative and Civil Service Assessment Guide*.

⁶ For an overview of developed country reform initiatives, see Pollit and Bouckaert. 1999. *Public Management Reform*. On developing country experiences see Polidano. 1999. *The New Public Management in Developing Countries*. For a critical review of relevance to developing countries see Schick, A. 1998. "Why Most Developing Countries Should Not Try New Zealand Reforms," *World Bank Research Observer*, Vol. 13.

► **Results management is built upon the notion of a "results chain" that corresponds to a series of cause-and-effect relationships.**

Results management is built upon the notion of a "results chain" that corresponds to a series of cause-and-effect relationships or transformations from the allocation of resources to the completion of activities to genuine development effects. Above all, results management is intended to emphasize higher-order priorities and downstream achievements to anchor managerial learning, accountability, and decision making throughout the cycle of planning, implementing, monitoring, and evaluating public programs. In its simplest form, the results chain can thus be illustrated in terms of inputs, outputs, and outcomes.⁷



Three key lessons that have been learned from a generation of results management capacity development and development assistance are the following.

- Capacity development is a complex, fluid, long-term process that involves multiple stakeholders who often have conflicting interests. Capacity development efforts at the project and individual agency levels all too frequently run into different constraints. The availability of skills and technical facilities is only a small indication of an organization's ability to perform.
- More often, capacity constraints emerge from the underlying, enabling policy and institutional environment related, for example, to political priorities, coordination among institutions, public sector incentives for recruiting and retaining professionals, and so on.⁸

⁷ The results chain can also be visualized as a hierarchical problem tree whereby a certain outcome gives rationale to a set of outputs each of which in turn can be affected by a set of inputs. When coupled with indicators that allow for target setting and monitoring performance, the results chain represents the backbone of different approaches to logical results frameworks. In its basic form, the input-output leg of the results chain is commonly understood as what lies within the realm of individual managerial control. The output-outcome leg, on the other hand, is usually the result of the combined efforts of multiple factors, agencies, and managers. Results management implies focusing on desired outcomes and attempting to understand the logical flow from outputs to outcomes. However, both outputs and outcomes are counted as results. The results chain should be understood as a two-way relationship. In terms of causing change, it is read from left to right, with inputs influencing outputs and outputs influencing outcomes. However, in terms of planning for actual results, it is read from right to left with desired outcomes determining outputs and outputs in turn determining the composition of inputs. While adaptation and refinement may be needed for application in specific organizational contexts, this basic results chain is sufficient for generalizing.

⁸ As noted in several ADB Operations Evaluation Department (OED) evaluations of projects in support of capacity development. See "Performance Audit Report on Selected Technical Assistance Projects for Strengthening Evaluation Capacity in DMCs, ADB OED," July 2001. See also "Capacity Development in ADB Operations." ADB's contribution to Good Practice Paper on Capacity Development, Organisation for Economic Co-operation and Development/Development Assistance Committee Network on Governance, Paris, 2005.

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- Unless tailored to the unique circumstances of each country, capacity development invariably fails and at best fills temporary gaps with no longer-term sustainability. Furthermore, any initiative imposed on an unwilling constituency will, at best, be unsustainable. There can thus be no blueprint for success; rather, promoting results management needs to nurture genuine national initiatives and the mechanisms that make sense in national decision making.

