



# CHAPTER 5

MAKING RESULTS HAPPEN: LINKING OBJECTIVES AND PLANNING (BUILDING BLOCK 3)

## Making Results Happen: Linking Objectives and Planning (Building Block 3)

Clear objectives for results have little meaning if they are merely theoretical and divorced from the operational realities of the government. It is only when objectives are linked to decision making on planning and managing government projects and programs that they have consequences for actual service delivery. Ideally, national development goals and targets inform and guide the entire service delivery system from central planning to sector agencies to district or local governments to frontline providers.

It is difficult to have a coherent and comprehensive approach to results-based management unless all branches of government use similar concepts and terminology, e.g., for what constitutes an outcome, for how to relate outputs to outcomes, or for the purpose of a performance indicator. Convergence in terminology and practices is also dependent on a common understanding of where accountability lies.

### A. Budget Management

A budget informs the population at large what the government intends to spend its funds on and what it intends to achieve thereby. The problem in many DMCs, however, is that the budget provides little guidance as to how a government determines its priorities. This is because the budget may be based on an excessively large public sector that may have been in office for a long time and in which each agency generally gets a proportion based on what it received in previous years. A change in government policies and priorities might result in appropriating additional funds for a particular agency,

but from the budget documents, it is rarely possible to determine the impact the increase is likely to have on service delivery.

The budget represents the most concrete and visible component of a country's decision making. The format for budget proposals is generally uniform meaning that the basic components and structure of budget requests are the same for different sectors and departments. To align national development goals and targets, a medium-term expenditure framework (MTEF) is generally necessary because it is only in a medium- to longer-term perspective that any changes in development outcomes are likely to materialize. Further desirable characteristics of an MTEF are that it is comprehensive (all items of financing and expenditure are included), realistic, clear (about how resources will be used), and endorsed at the highest political level.

Results-oriented budget proposals express and assess the contributions that a sector, ministry, or agency is likely to make to attaining outcomes. In a results-based budget management system, managers are given a degree of freedom as to how they manage the resources they are allocated. As long as goals and objectives

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► **Results-oriented budget proposals express and assess the contributions that a sector, ministry, or agency is likely to make to attaining outcomes and to an aggregate budget that corresponds to national development priorities.**

are attained, they can make decisions about how to shift resources around among different items. Managers should, for example, be able to make adjustments to service delivery in accordance with differences in local needs and preferences on the one hand and variations in local cost and supply conditions on the other.

#### *Questions to Pose*

- Is the government budget a meaningful reflection of national political priorities?
- Are budget decisions made in a rational and considered manner taking the prospects for creating results into account?
- Do budget systems comprise the full costs of planned activities, i.e., recurrent costs or future investment implications of commitments made?
- Are official development assistance loans, donor grants, and technical assistance accounted for in the budget?
- Are there any formal government-led mechanisms for donor-to-donor coordination?
- Is budgeting done over a medium-term timeframe during which an effect on outcomes can be calculated?
- Are the budget requests of ministries and agencies justified by their contributions to national development outcomes?
- Does the government budgeting system provide for clear expressions of the outputs and products that follow from ministry and agency activities?
- Do sector plans and budget requests provide a description of results and performance during the previous period?
- Are budget requests articulated in terms of improving performance and contributing to development results?

## **B. Sector Policy and Strategy**

Some countries have a national development strategy that was conceived in isolation from the actual planning and managing of the public sector. The first step in bringing national development objectives into the realm of operational management is for outcome objectives and targets to be established as the rationale for sector planning. This normally involves sector policies, road maps, or strategies that have been derived from national outcome objectives, e.g., those found in a national development plan or poverty reduction strategy. Moreover, a sector strategy should be explicit about the contributions or outputs that its service delivery system will make toward achieving outcome objectives. Because it aims to contribute to national development outcomes, a results-based sector plan will also clarify individual roles and responsibilities in a sector and the partnership arrangements and coordinating mechanisms that can help provide a coherent and comprehensive response to the multifaceted challenges that any sector invariably faces.

*Questions to Pose*

- Are sector strategies and plans aligned with national development outcome objectives?
- Do forums for coordination exist among interdependent public institutions (e.g., ministries of health, education, and water and sanitation)?
- Do mechanisms exist for a sector-wide approach to planning?

### C. Departmental Work Planning

Closely connected with the need for objectives to guide and inform budgeting is that they also serve as the framework for work planning within ministries, departments, and agencies. First, individual organizations and organizational units must have a clear picture of what their missions are relative to other agencies that also contribute to the same outcomes. Work planning also involves prospects for improving performance at all levels. It determines how organizations and their units are staffed and organized, how projects and programs are formulated and screened, how services are scheduled and clients are targeted, how purchasing and procurement needs are determined, how customers and users are handled and so on.

*Questions to Pose*

- Are departments required to have a clearly articulated mission statement?
- Are policies, programs, and projects clear and logical and planned based on cause-and-effect relationships?
- Are departmental plans linked to higher-order outcomes?
- Are cost-benefit analyses conducted as part of preparing projects and programs?
- Do practices exist that seek to establish (sector ministry/agency) stakeholder and client expectations?
- Does program/project design integrate monitoring and evaluation systems and practices that yield an evidence-based foundation for decision making?

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► Once objectives have been used for budgeting and departmental work planning, it follows that they should also be reflected in individual work plans.



#### **D. Individual Performance Plan**

Lastly, once objectives have been used for budgeting and departmental work planning, it follows that they should also be reflected in individual work plans.

Ideally staff should be recruited on the basis of their potential for contributing to results spelt out in their job descriptions and work plans as contributions to outputs and outcomes.

#### *Questions to Pose*

- Do civil servants have annual performance plans that specify their roles and contributions to ministries' /agencies' objectives and targets?
- Is tenure tied to explicit expectations of performance?
- Are senior managers' salaries and remuneration tied to standards or targets for achieving organizational goals and targets?
- Is there an oversight body that reviews hiring decisions and ensures fairness and professionalism in recruitment?
- Is there one (or more) civil service employment regime (or cadre) that assigns rights and responsibilities to public employees?