



CHAPTER 7

MAKING RESULTS MATTER: FEEDBACK TO DECISION MAKING (BUILDING BLOCK 5)

Making Results Matter: Feedback to Decision Making (Building Block 5)

Collecting results information is a means to an end. Benefits are only obtained when their work or findings are used in operational, budget, and policy decision making. In an ideal results management world, all decision making from resource allocation to work planning to managerial performance assessment and incentives would neatly proceed from clearly articulated outcome objectives and targets that can be monitored. In reality, public affairs certainly cannot be run on the basis of information about outcomes alone. What ultimately matters most is that whatever results information is fed back to and used in decision making. When progress against original objectives has been determined and fed back to planning and managing, a full cycle of results management has been completed.

A. Review Policy Priorities

When a cycle of setting results objectives, management, and review has been completed, the process starts afresh by revisiting the original objectives, the programs that were designed to make a difference, and the managerial arrangements that were put in place. Arguably, the key question is not whether the government has caused a particular outcome but whether an outcome should spur the government to examine its policies and programs and adapt the actions that are part of its strategy. With updated facts about socioeconomic trends together with an improved understanding of what works and what does not, policy priorities as well as operational targets can be updated and revised.

Questions to Pose

- Are policy objectives and priorities regularly revisited in the light of research, statistics, and other facts and analyses regarding changes in the status of development outcomes?
- Are output and outcome information used in decision making?

B. Resource Re-Allocation

When results information is effectively fed back into budgeting decisions, questions about re-allocating funds from lesser to higher priorities and from less to highly effective programs and agencies may arise. What guides resource allocation is then relative merit in terms of cost effectiveness in contributing to development results at both the outcome and output levels. At the same time, managers are allowed discretion in decision making about detailed items of expenditure in exchange for pre-specified outputs.

▶ **Benefits are only obtained when findings are used in operational, budget, and policy decision making.**

► All that managers in general can and should be held accountable for is identifying outcomes they aim to influence.

Questions to Pose

- Do sector plans and budget requests provide an explicit description of results and performance during the previous period?
- Are resources regularly re-allocated from low- to high impact programs?
- Are lessons learned from reviews and evaluations systematically embedded in new (project and program) designs?

C. Service Delivery Strategy Adjustment

Likewise, when new information is made available on public service user needs and priorities, on opportunities for reducing production costs relative to outputs, and on alternative means of satisfying clients, service delivery agencies can adapt and refine their strategies.

Questions to Pose

- Are options for improved effectiveness of service delivery sought, considered, and acted upon?
- Do progress and performance reports actually lead to changes in service delivery strategies?
- Is client feedback on service delivery acted upon?
- Are lessons and experiences sought through domestic and international learning networks?

D. Staff Incentives

Lastly, information about results and performance undoubtedly has the greatest potential to change behaviors and practices when it actually affects how managers are sanctioned or rewarded. At the same time, it must be

recognized that changes in outcomes invariably are made by the collective efforts of many different managers, programs, or institutions. Accordingly, outcomes are usually not realistic benchmarks for assessing individual performance. All that managers in general can and should be held accountable for is identifying outcomes they aim to influence, ascertaining that outcome change is monitored, and explaining how the activities and outputs they are responsible for make a difference to the outcomes pursued. When major shifts in outcomes occur, it is usually possible to determine if individual managers played a material role or not. Although incentives cannot be tied to outcomes in general, it may be possible that outstanding cases can be identified and rewarded or sanctioned as the case might be.

Questions to Pose

- Are managerial and staff performance assessments conducted regularly and transparently?
- What is the differential between government and private sector wages?
- Are cases of corruption generally detected, investigated, prosecuted, and sentenced?
- Is there an incentive system in place to motivate staff to achieve results?

Appendix 1: Examples of Capacity Assessment Reports

A. A Summary of the Rapid Assessment of Results Management Capacity in Uzbekistan¹¹

Since independence in 1991, Uzbekistan has progressed in its transformation to a market economy. Some of the country's achievements include decentralization in some areas of public administration and the institution of a stronger parliamentary system. However, significant challenges remain and impede progress toward more effective results management. Donors including the Asian Development Bank (ADB) have responded to these challenges in the context of their respective development agendas for Uzbekistan. There are many donor-supported initiatives in the country including in monitoring and evaluation and statistical development. It is essential that these efforts are aligned with the government's plans and are well coordinated with one another to exploit potential synergies and avoid duplication.

Commitment, Norms, and Values Underpinning the Demand for Results Monitoring and Evaluation. Although significant reforms are underway, the existing values and norms in government are insufficient to generate a strong demand for performance and results. These are reflected in weak accountability, lack of transparency, inadequate engagement of civil society in development, and a lack of institutional capacity to apply results-oriented approaches.

Functional Elements of Results Monitoring and Evaluation. The institutions that could potentially support and sustain results management are mostly in place. These are the Ministry of Finance (MoF), the Ministry of Economy (MoE), the State Statistics Committee (SSC), parliament, and a system of public service management. However, factors such as a lack of coordination between ministries, a mismatch between resources and priorities, a lack of poverty analysis and statistical capacity, and limited engagement by civil society hamper their ability to function effectively. Current initiatives include establishing a poverty monitoring unit in the MoE, new budget and treasury laws, a new budget classification, adoption of a multiyear Medium-Term Expenditure Framework (MTEF), creation of a new bicameral parliament in early 2005, and capacity development for SSC including linking SSC systems with line ministries/agencies.

Clarity of Results and Expectations. The forthcoming welfare improvement

¹¹ The Uzbekistan assessment was done by Josie Balane, Senior Results Management Officer in ADB's Results Management Unit.