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Moving from Outputs to Outcomes: Practical Advice from Governments Around the World

Burt Perrin

Based upon the Roundtable
"Moving from Outputs to Outcomes:
Implications for Public Sector Management"
December 15–16, 2004
Sponsored by The World Bank and the
IBM Center for The Business of Government

Includes Key Themes and Conclusions
in French (français) and Spanish (español)

Managing for Performance and Results Series

THE WORLD BANK

IBM Center for
The Business of Government

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FOREWORD

January 2006

On behalf of the IBM Center for The Business of Government and the World Bank, we are pleased to present this report, "Moving from Outputs to Outcomes: Practical Advice from Governments Around the World," by Burt Perrin.

Governments around the world are under increasing pressure to produce results. There is general recognition of the importance of a focus on outcomes for effective and responsive public management, because an outcome approach requires a strategic focus on what matters to citizens. Yet implementing an outcome-oriented approach has proved deceptively difficult.

Perrin's report provides substantial evidence that countries *are* moving toward a results-oriented approach in a wide variety of government contexts. Until recently, the process and performance of government has been judged largely on inputs, activities, and outputs. Based on a two-day forum sponsored by the World Bank and the IBM Center—involving officials from six developed and six developing countries—Perrin identifies state-of-the-art practices and thinking that go beyond the current literature.

This report is not a prescriptive guide to developing or implementing an outcome focus. Rather, Perrin's emphasis is on the practical, identifying what needs to be done in terms of both small steps and large steps that have had success in reorienting government systems to an outcome approach. This includes good practices, learning, and practical steps that could be of use to other governments in further developing an outcome-oriented approach to public sector management.

Perrin makes it clear that there is not one "correct" or best model that could or should apply in all countries. The political and social context, past history, and other factors require an approach tailored to the situation in each country. As Gregory Ingram, former director general of the World Bank's Operations Evaluation Department, observed: "Each of these countries are considered leaders in this area, though they have not all taken the same path nor focused on the same framework." Yet both developed and developing countries have demonstrated that it is possible to move toward an outcome orientation that places emphasis on results that count to citizens.

We hope that this report will be useful to public managers in countries either in the early stages of such efforts or those who are considering beginning such reforms.

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KEY THEMES AND CONCLUSIONS FROM THE ROUNDTABLE

All governments are under increasing pressure to produce—and to demonstrate—results. The importance of an outcome focus for effective and responsive public management is generally recognized. Yet implementing an outcome-oriented approach has proved deceptively difficult.

To address this situation, the World Bank, with the support of the IBM Center for The Business of Government, convened a two-day Roundtable Discussion involving officials from 12 countries: six developed countries and six from the developing world that have begun to move from an output focus to an outcome focus in public management. This report identifies state-of-the-art practices and thinking based upon the experiences of these countries. The emphasis is on the practical, identifying good practices, learnings, and practical steps that could be of use to other governments in further developing an outcome-oriented approach to public sector management. The primary source of information for this report consists of the experiences and insights of the participants shared during the discussions at the Roundtable, but it also draws upon short background papers prepared in advance by each of the participants and a Discussion Note prepared by the Rapporteur to set the stage for the Roundtable.

Following are the key themes and conclusions emerging from the experiences of these leading countries that have been engaged in the process of shifting public sector management toward an outcome orientation. These themes are discussed in more detail in the full text of this report, along with numerous examples both of good practices and of challenges that are still being addressed.

Linking Outcomes to Strategy

- Moving toward an outcome approach is important and worth doing. It is basic to the appropriate and effective management of government and the delivery of public services. Substantial evidence emerged from experiences of countries around the world that it *is* possible to move toward a results-oriented approach in a wide variety of government contexts.
- An outcome approach requires a strategic focus central to the *raison d'être* of government and directly connected to *something that matters* to the citizenry, such as a focus on poverty reduction or democracy. It cannot succeed if it is peripheral to or isolated from the major political priorities of government.
- An outcome focus potentially can provide a framework for an integrated "whole of government" approach involving the coordination of different policy and program areas that are all expected to contribute in some way to the same outcome, such as employment creation, economic development, or the improved health of the population.
- An outcome focus has been used by the political leadership in many different countries as a means of demonstrating how they are addressing the needs and concerns of their citizens. In this way, it can represent a powerful tool to increase the credibility of political institutions, with corresponding political gains in some jurisdictions.

Facilitating the Implementation of an Outcome Focus

- Implementing an outcome focus represents a fundamental shift in the nature of thinking, acting, and managing within the public sector, away from a focus on *process* and on what one needs to do, to a focus on *benefits*. This in turn has implications for many other aspects of management—for example, to existing accountability and reward mechanisms, as well as the manner in which government relates to its citizens. Countries that have moved in this direction have found that it is very difficult to bring about, it is never right the first time, and it has proved to be much harder than anticipated in many situations. They have emphasized that it needs to be looked upon as a long-term process—and with long-term benefits.
- Given the above, one should not expect perfection. A development or transition period of some form is essential. Rather than attempting to impose such a major change across an entire government, it is usually best to pilot it in selective areas, with support and encouragement for innovation, as well as allowing for "failure" during at least the early stages. This is essential to develop learning about what works best and what does not, and can help to develop support and champions for further development and expansion of the approach.
- Both a top-down and a bottom-up approach are needed. Strong support from the top political or administrative levels is essential to provide legitimacy and priority to an outcome orientation and to make sure that it actually will happen. But unless there is also support throughout the system, and particularly at the middle-management levels, an outcome focus runs the risk of becoming a mere administrative exercise rather than representing an actual change in thinking or managing. Countries have used various strategies to change the culture toward one where there is buy-in and commitment to an outcome-oriented philosophy. In particular, an outcome-oriented approach is more likely to be relevant and to be perceived as useful when there is sufficient flexibility such that program areas can develop an approach that is meaningful for their own context and when all staff are actively involved in the development of the process.
- Lack of sufficient capacity and expertise in results-oriented thinking and managing, as well as expertise in more specialized tasks such as monitoring and evaluation, can represent a major hurdle. Lack of sufficient capacity in particular was identified as a challenge in many of the developing countries. But it was recognized as a barrier in some developed countries as well.
- Given the challenges in implementing an ambitious outcome approach, the reform effort should itself be subject to regular review, evaluation, and revision. This can provide an opportunity to identify what is and is not working well, and how the approach can be improved. By "walking the talk," it can represent one way of demonstrating commitment to outcome evaluation, which can assist in establishing credibility for a focus on outcomes across all areas of government.

Monitoring, Evaluating, and Reporting on Outcomes

- Countries have found that being able to document what actually happens is absolutely critical to an outcome orientation. Without good information on what has happened, a focus on results is impossible. And for good information, all countries recognize that one requires monitoring or tracking of progress in accordance with objectives and indicators, along with evaluation that can look at broader considerations.
- Much of the current activity is at the monitoring level, and the need for more attention to evaluation was identified. Evaluation is required to assess the continuing relevance and appropriateness of strategies and programs, and to provide information about all types of impacts, including unintended or unexpected consequences. Evaluation also can identify the continued appropriateness of objectives and of indicators used for monitoring. Evaluation is needed to demonstrate causality or attribution, to determine if the program intervention was indeed responsible for any documented results. Perhaps most importantly, evaluation can provide "why" and "how" information that is needed for an understanding of how and in what circumstances a program approach "works" or does not, and what would be needed to be able to learn from what has happened and to make informed decisions on future actions.

- The outcome focus needs to take into account the entire results chain. Given that major outcomes depend upon numerous factors working together and are usually sometime in the future, there is also a need to pay particular attention to intermediate-level outcomes and even to outputs. The priority should be given to "results that matter to people." While it is not always appropriate to hold programs and program managers accountable for the actual achievement of higher-level outcomes, many countries still expect managers to be accountable for taking a results *orientation*, thinking through the results chain and identifying how their own initiatives are contributing to the desired outcomes, taking into account the activities of others as well as external factors.
- Transparency is important to provide for the legitimacy and credibility of the outcome approach and of information and reports. There are many ways being used to make information transparent. Perhaps surprisingly, many of the developing countries describe the Internet as an important means of dissemination, emphasizing that demonstrating the government is producing results that matter to people is an essential part of the democratic process.
- Government data about what it has accomplished frequently are viewed with at least some degree of skepticism. This can be minimized through the involvement of independent bodies from outside government in external analysis or at least corroboration of outcome information. Countries have highlighted the critical role that civil society can play in supporting an outcome orientation and providing for its legitimacy. While audit bodies can play a role in validating the integrity of results information, it was noted that auditors traditionally have taken more of a process- and compliance-oriented, rather than a results-oriented, approach—which can act as a deterrent to buy-in and the sustainability of an outcome orientation. To be able to carry out effective monitoring of outcome information, it is essential that audit bodies have the appropriate capacity and expertise, recognizing that outcome information is different in kind from financial information and requires a different management philosophy and set of skills than many auditors have been trained in.

Using Outcome Information

- There is little point in engaging in a major reform effort, such as shifting an entire government toward an outcome focus, unless it is going to be used in some way. Perhaps the most fundamental use and benefit of an outcome focus as demonstrated from the country experiences is the shifting in thinking and the orientation of public services from a primary preoccupation on inputs and activities to a focus on the benefits and results of these activities. Outcome approaches have also proved useful in many different countries as a means of demonstrating how public services are addressing the needs of their citizens.
- Use (or "utilization") is sometimes viewed as something to start thinking about after the data have been produced. But considerations about use need to start at the beginning of the process and guide *all* aspects of the outcome approach, including the form of the strategy and how it is implemented, who is involved, which data will be collected and analyzed, and how they will be reported.
- An important use of outcome information, indeed one of its major rationales, is to provide for more rationality to the resource allocation process so that funds are allocated where they are most likely to maximize the achievement of outcomes. Because many factors influence budgetary decisions, countries indicated that a mechanistic link between outcomes and budget allocations is neither possible nor desirable. Nonetheless, performance information *can* play an important role in informing the overall budgeting process.

Conclusion

It is clear that there is not one "correct" or best model that could or should apply in all countries. The political and social context, past history, and many other factors require an approach tailored to the situation in each country. Nevertheless, countries around the world have demonstrated that it *is* possible to move toward an outcome orientation that places an emphasis on results that count to their citizens. There are many common principles and learnings that can provide direction to other jurisdictions. And the Roundtable has demonstrated how it can be very useful to discuss successes and challenges with colleagues from other countries.

PRINCIPAUX THÈMES ET CONCLUSIONS DE LA TABLE RONDE

Tous les États sont soumis à des pressions grandissantes qui les obligent à produire des résultats visibles. Si l'on reconnaît généralement qu'il importe de mettre l'accent sur les résultats pour assurer une gestion publique souple et efficace, il s'avère plus difficile qu'il n'y paraît de passer de la théorie à la pratique.

Pour relever ce défi, la Banque mondiale a organisé avec le concours du *Center for the Business of Government* d'IBM une table ronde de deux jours à laquelle ont participé des représentants de douze pays (six pays développés et six pays en développement) qui ont commencé à accorder plus d'importance aux résultats finals qu'aux produits intermédiaires dans la gestion publique. Le présent rapport décrit les théories et les pratiques les plus récentes à la lumière de l'expérience de ces pays. Il met l'accent sur les aspects concrets, en identifiant les bonnes pratiques, les enseignements et les mesures concrètes que d'autres pays pourraient utiliser pour tenir davantage compte des résultats dans la gestion du secteur public. Ce rapport s'appuie principalement sur les données d'expérience et les informations échangées par les participants durant la table ronde, ainsi que sur les brefs documents de référence préparés à l'avance par chacun des participants et une note de synthèse rédigée par le Rapporteur en vue de la table ronde.

Les principaux thèmes et conclusions qui se dégagent de l'expérience de ces pays pionniers qui ont entrepris de recentrer la gestion du secteur public sur les résultats sont exposés ci-après. Ces thèmes sont repris plus en détail dans le corps du rapport, illustrés par de nombreux exemples de bonnes pratiques et de défis qui restent à relever.

Faire le lien entre les résultats finals et la stratégie

- Il est à la fois important et justifié d'évoluer vers une approche basée sur les résultats. C'est indispensable pour la gestion appropriée et efficace des affaires publiques et pour la prestation des services publics. On a pu constater dans de nombreux pays qu'il est possible de mettre l'accent sur les résultats dans différents types d'administrations.
- Une approche basée sur les résultats nécessite une focalisation stratégique qui est au coeur de la *raison d'être* de l'administration et directement liée à une *question importante* pour les membres de la société, tel que la réduction de la pauvreté ou la démocratie. Elle ne peut porter ses fruits si elle est accessoire ou isolée des grandes priorités politiques de l'État.
- La focalisation sur les résultats peut fournir le cadre nécessaire pour une gestion publique intégrée qui implique la coordination des différentes mesures et programmes censés contribuer d'une manière ou d'une autre à un résultat commun, tel que la création d'emplois, le développement économique ou l'amélioration de la santé publique.
- Dans de nombreux pays, les dirigeants ont utilisé une approche basée sur les résultats pour démontrer comment ils répondent aux besoins et préoccupations des citoyens. Cela peut être un moyen très efficace d'accroître la crédibilité des institutions politiques, tout en présentant également des avantages politiques dans certains pays.

Faciliter la focalisation sur les résultats

- La mise en oeuvre d'une approche basée sur les résultats représente une transformation profonde des mentalités, des pratiques et des méthodes de gestion dans le secteur public, en mettant l'accent sur les *avantages* plutôt que sur les *processus* et sur l'action à mener. Ce recentrage influe lui-même sur de nombreux autres aspects de la gestion, tels que les mécanismes de contrôle et de rétribution et les relations entre l'État et les citoyens. Les pays qui ont adopté cette voie ont constaté qu'un tel changement est très difficile à amorcer, que les résultats ne sont jamais parfaits la première fois et que la tâche est beaucoup plus ardue qu'on ne s'y attendait dans bien des cas. Leur expérience montre qu'il s'agit d'un processus de longue haleine—qui produit des avantages à long terme.
- Dans ces circonstances, nul ne peut s'attendre à la perfection. Une période de mise au point, ou de transition, est indispensable. Au lieu d'essayer d'imposer un changement en profondeur à tous les niveaux de l'administration, il est généralement préférable d'expérimenter dans certains domaines, en encourageant l'innovation et en s'attendant à des « échecs » tout du moins au début. Une telle période de transition est riche d'enseignements sur ce qu'il faut faire ou ne pas faire, et peut aider à mobiliser l'appui nécessaire pour promouvoir et élargir l'approche.
- Il faut procéder à la fois du sommet à la base et de la base au sommet. L'appui soutenu des dirigeants politiques et des échelons supérieurs de l'administration est indispensable pour faire reconnaître la légitimité et la priorité d'une approche basée sur les résultats, et pour la mettre en œuvre. Mais à moins d'obtenir le soutien du système tout entier, en particulier aux échelons intermédiaires, la focalisation sur les résultats risque d'être un simple exercice administratif, sans véritablement changer les mentalités ou les méthodes de gestion. Les pays ont utilisé des stratégies différentes pour évoluer d'une simple volonté d'engagement et de soutien vers une philosophie axée sur les résultats. En particulier, une approche basée sur les résultats a plus de chances d'être jugée pertinente et utile si les programmes ont une marge de manoeuvre suffisante pour formuler une approche adaptée à leur propre contexte et si tous les services participent étroitement à la mise en place du processus.
- Le manque de capacités et d'expérience en ce qui concerne l'approche et les méthodes de gestion axées sur les résultats, ainsi que l'aptitude à exécuter des tâches plus spécialisées telles que le suivi et l'évaluation, peuvent être un obstacle majeur. Le manque de capacités est un problème dans de nombreux pays en développement, mais c'est également un obstacle reconnu dans certains pays développés.
- Vu la difficulté à mettre en oeuvre une ambitieuse approche basée sur les résultats, l'effort de réforme doit lui-même faire l'objet d'examens, évaluations et révisions périodiques. Cela peut être l'occasion de voir quelles sont les bonnes et les mauvaises recettes, et comment améliorer l'approche. Prêcher par l'exemple est un moyen de démontrer la volonté d'évaluer les résultats, ce qui peut aider à établir la crédibilité d'un recentrage sur les résultats dans tous les domaines de la gestion publique.

Suivi, évaluation et documentation des résultats

- L'expérience des pays montre qu'il est impossible de mettre en oeuvre une approche basée sur les résultats sans documenter les faits. En l'absence d'un bon système d'information sur ce qui a été accompli, il est impossible de mettre l'accent sur les résultats. Et pour avoir des informations fiables, tous les pays reconnaissent qu'il faut suivre les progrès réalisés par rapport à des objectifs et des indicateurs, parallèlement à une évaluation plus générale de la situation.
- La plupart des activités en cours portant sur le suivi, il importe d'accorder une plus grande attention à l'évaluation. L'évaluation est nécessaire pour déterminer si les stratégies et les programmes restent pertinents et appropriés, et pour fournir des informations sur tous les types d'impact, y compris les conséquences non voulues ou inattendues. L'évaluation permet également de voir si les objectifs et les indicateurs de suivi restent valables. L'évaluation est nécessaire pour démontrer la causalité ou l'attribution, afin

de déterminer si un programme est bel et bien à l'origine des résultats obtenus. Aussi et surtout, l'évaluation permet de comprendre pourquoi et dans quelles circonstances un programme donne de bons résultats ou est inefficace, et de déterminer ce qu'il faut faire pour tirer les leçons de l'expérience et prendre des décisions éclairées à l'avenir.

- La focalisation sur les résultats doit prendre en compte toute la chaîne de résultats. Étant donné que les principaux résultats dépendent de multiples facteurs qui sont interdépendants et n'interviennent parfois que dans l'avenir, il faut également prêter une attention particulière aux résultats et produits intermédiaires. Les « résultats qui comptent pour les individus » devraient être prioritaires. Bien qu'il ne soit pas toujours approprié de tenir les programmes et les chefs de programme comptables des résultats ultimes obtenus, dans de nombreux pays les chefs de programme sont tenus d'*orienter* leur action sur les résultats, de considérer toute la chaîne de résultats et d'identifier dans quelle mesure leurs propres initiatives contribuent aux résultats recherchés, en tenant compte des activités des autres et des facteurs externes.

- La transparence est importante pour assurer la légitimité et la crédibilité de l'approche basée sur les résultats, ainsi que des informations et des rapports. Il y a de nombreuses manières de rendre l'information transparente. Certains seront peut-être surpris d'apprendre que bon nombre de pays en développement considèrent Internet comme un important moyen de diffusion, ce qui prouve qu'un aspect essentiel du processus démocratique est de démontrer que les pouvoirs publics produisent des résultats qui comptent pour les individus.

- Les données officielles sur ce que l'administration a accompli sont souvent accueillies avec un certain scepticisme. Ce problème peut être atténué en chargeant des organismes extérieurs indépendants de l'État d'effectuer une analyse externe, ou du moins en corroborant les données relatives aux résultats. Les pays ont mis en évidence le rôle critique que la société civile peut jouer en favorisant une approche axée sur les résultats et en assurant sa légitimité. Bien que les organismes d'audit puissent contribuer à valider l'intégrité des informations sur les résultats, l'expérience montre que les auditeurs ont jusqu'à présent mis davantage l'accent sur les processus et la régularité des procédures que sur les résultats—ce qui peut être un obstacle à l'acceptation et à la viabilité d'une approche axée sur les résultats. Afin de pouvoir assurer un suivi efficace des informations relatives aux résultats, il est essentiel que les organismes d'audit aient les capacités et les connaissances techniques voulues, compte tenu du fait que les informations sur les résultats ne sont pas de même nature que les informations financières et exigent des principes et des aptitudes de gestion auxquels de nombreux auditeurs n'ont pas été formés.

Savoir exploiter les informations

- Il ne servirait pas à grand chose de lancer un vaste effort de réforme, tel que l'adoption d'une approche axée sur les résultats à tous les échelons de l'administration, si cet effort n'est pas mis à profit. Les données d'expérience montrent que l'un des avantages fondamentaux d'une telle approche est de transformer les mentalités et de faire passer au second plan les intrants et les activités des services publics pour privilégier les avantages et les résultats de ces activités. Les approches axées sur les résultats se sont également avérées utiles dans de nombreux pays très différents pour montrer dans quelle mesure les services publics répondent aux besoins de la population.

- Bien souvent, on ne se penche sur la question de l'utilisation des données qu'une fois qu'elles ont été produites. Mais c'est dès le début du processus qu'il faut réfléchir à l'utilisation des données, afin de guider *tous* les aspects de l'approche basée sur les résultats : le type de stratégie, les moyens de la mettre en œuvre, les parties prenantes, les données à recueillir et à analyser, et la façon de les présenter.

- Une utilisation importante des informations sur les résultats, et en fait l'un de ses principaux arguments, est de rationaliser le processus de répartition des ressources de façon à affecter les fonds aux activités qui sont les plus susceptibles de maximiser les résultats. Vu que de nombreux facteurs influencent les décisions budgétaires, les pays ont indiqué qu'il n'était ni possible ni souhaitable de lier systématiquement la réparti-

tion des crédits budgétaires aux résultats. Les données de performance *peuvent* néanmoins contribuer de manière significative à éclairer le processus global de budgétisation.

Conclusion

Il est clair qu'il n'existe pas de modèle « correct » ou idéal qui s'applique à tous les pays. L'approche doit être adaptée à la situation de chaque pays, en tenant compte du contexte politique et social, des antécédents et de nombreux autres facteurs. Différents pays à travers le monde ont cependant démontré qu'il *est* possible d'adopter une approche qui met l'accent sur les résultats importants aux yeux des citoyens. Il y a de nombreux principes et enseignements communs qui peuvent indiquer la voie à suivre aux autres pays. Pour sa part, la table ronde a démontré l'intérêt d'examiner les succès et les enjeux avec les représentants d'autres pays.

PRINCIPALES TEMAS Y CONCLUSIONES DE LA MESA REDONDA

Todos los gobiernos están sometidos a presiones cada vez más fuertes para producir y demostrar resultados. En general se reconoce la importancia de concentrar la atención en los resultados para que la gestión del sector público sea eficaz y receptiva. Sin embargo, la aplicación de una estrategia orientada al logro de resultados no es tan fácil como parece.

Para examinar esta situación, el Banco Mundial, con el apoyo del *IBM Center for The Business of Government,* convocó a una Reunión de Mesa Redonda de dos días de duración en la que participaron altos funcionarios procedentes de 12 países, seis de los cuales eran países desarrollados, y los otros seis, países en desarrollo que han comenzado a reorientar la gestión pública, centrada hasta el momento en el producto, hacia los resultados. En el presente informe se identifican las prácticas y los conceptos más avanzados en esta materia, sobre la base de la experiencia de esos países. Se hace hincapié en los aspectos prácticos, y se especifican las prácticas satisfactorias, las enseñanzas adquiridas, y las medidas que podrían ser de utilidad para otros gobiernos en la tarea de seguir elaborando una estrategia de gestión del sector público orientada al logro de resultados. La principal fuente de información en que se basa este informe son las experiencias y percepciones dadas a conocer por los participantes en el curso de los debates en la Reunión de Mesa Redonda, pero se basa también en los documentos sucintos de antecedentes preparados de antemano por cada uno de los participantes y en una nota para discusión preparada por el Relator para crear el marco para la Mesa Redonda.

A continuación se presentan los temas y las conclusiones principales que se derivan de la experiencia de esos países líderes que han emprendido el proceso de reorientar la gestión del sector público hacia el logro de resultados. Los temas se examinan con más detalle en el cuerpo principal de este informe, junto con numerosos ejemplos de las prácticas satisfactorias así como de las dificultades que aún se están abordando.

Vinculación de los resultados con la estrategia

- Adoptar un enfoque centrado en los resultados es importante y merece la pena hacerlo. Es fundamental para la gestión apropiada y eficaz del gobierno y la prestación de los servicios públicos. De la experiencia de países de todo el mundo han surgido pruebas sustanciales de que *si es* posible avanzar hacia un enfoque centrado en los resultados en una amplia variedad de sectores gubernamentales.
- Un enfoque centrado en los resultados requiere una selección de objetivos estratégicos fundamentales para la razón de ser del gobierno y directamente ligados a *algo que tenga importancia* para la ciudadanía, como la reducción de la pobreza o la democracia. No puede tener éxito si es tangencial a las principales prioridades políticas del gobierno o si está aislado de éstas.
- Un enfoque centrado en los resultados ofrece la posibilidad de proporcionar un marco para un sistema integrado de "gobierno en su totalidad" que entrañe la coordinación de diferentes esferas de políticas y programas que se espera que contribuyan de algún modo al mismo resultado, como la creación de empleos, el desarrollo económico, o el mejoramiento de la salud de la población.

- Un enfoque centrado en los resultados ha sido utilizado por los dirigentes políticos de diferentes países como medio para demostrar cómo atienden a las necesidades y preocupaciones de sus ciudadanos. En esa forma, puede representar una herramienta poderosa para aumentar la credibilidad de las instituciones políticas, con los correspondientes beneficios políticos en algunas jurisdicciones.

Facilitación de la aplicación de un enfoque centrado en los resultados

- La implementación de un enfoque centrado en los resultados representa un cambio fundamental en la manera de pensar, actuar y administrar dentro del sector público, pues la atención ya no se centra en el *proceso* y en lo que es preciso hacer, sino que se centra en los *beneficios*. Esto a su vez tiene consecuencias para muchos otros aspectos de la gestión—por ejemplo, para los mecanismos existentes de rendición de cuentas y de recompensa, así como para la forma en que el gobierno se relaciona con sus ciudadanos—. Los países que han optado por esta vía han descubierto que es un cambio muy difícil de lograr, que nunca se acierta la primera vez, y que ha resultado ser mucho más duro de lo previsto en muchos casos. Han subrayado que es preciso considerarlo un proceso a largo plazo, con beneficios también a largo plazo.
- En vista de lo anterior, debe esperarse resultados perfectos. Un período de evolución o transición de algún tipo es esencial. En lugar de tratar de imponer un cambio tan grande en todos los sectores de gobierno, generalmente lo mejor es hacerlo primero en áreas seleccionadas, prestando apoyo al proceso y fomentando la innovación, y al mismo tiempo dejando margen para el "fracaso" por lo menos durante las primeras etapas. Esto es esencial para llegar a saber cuáles medidas dan mejor resultado y cuáles no, y puede contribuir a obtener apoyo y a crear defensores del ulterior perfeccionamiento y expansión del sistema.
- Se necesita una estrategia tanto descendente como ascendente. El fuerte apoyo de los más altos niveles políticos o administrativos es esencial para conferir legitimidad y prioridad a la orientación hacia los resultados y para asegurarse de que realmente llevará a cabo. Pero a menos que también exista apoyo a lo largo del sistema, especialmente a nivel del personal directivo intermedio, se corre el riesgo de que el enfoque centrado en los resultados se transforme en un simple proceso administrativo en lugar de representar un verdadero cambio en la forma de pensar y de administrar. Los países han utilizado distintas estrategias para reemplazar la cultura vigente por otra en que haya participación y compromiso con una forma de pensar orientada a los resultados. En particular, es más probable que un enfoque orientado a los resultados sea procedente y sea considerado útil si hay flexibilidad suficiente para que las áreas de programas puedan elaborar un enfoque que sea válido para su propio ámbito y si todo el personal participa activamente en el desarrollo del proceso.
- La falta de capacidad y competencia suficientes en materia de mentalidad y gestión orientada a los resultados, así como la falta de competencia en tareas más especializadas como el seguimiento y la evaluación, pueden representar un obstáculo importante. En particular la falta de capacidad suficiente fue considerada un problema en muchos de los países en desarrollo. Pero también en algunos países desarrollados se reconoció que constituía un obstáculo.
- Tomando en cuenta las dificultades que plantea la implementación de un ambicioso enfoque centrado en los resultados, el propio proceso de reforma debería ser objeto de examen, evaluación y revisión periódicos. Ello puede ofrecer la oportunidad de determinar lo que está dando buen resultado y lo que no, y en qué forma se podría mejorar el enfoque. Al "practicar lo que se predica", puede representar una forma de demostrar compromiso con la evaluación de los resultados, lo que puede ayudar a establecer credibilidad para un enfoque centrado en los resultados en todas las esferas de gobierno.

Seguimiento, evaluación y presentación de informes sobre los resultados

- Los países han determinado que poder documentar lo que realmente sucede es absolutamente fundamental para una orientación hacia los resultados. Sin información satisfactoria

sobre lo que ha ocurrido, un enfoque en los resultados es imposible. Y todos los países reconocen que, para obtener información satisfactoria, se necesita hacer un seguimiento o rastreo del progreso con respecto a objetivos e indicadores, junto con una evaluación que permita considerar aspectos más amplios.

- Gran parte de la actividad actual se produce a nivel de seguimiento, y se determinó que era necesario prestar más atención a la evaluación. Ésta es necesaria para juzgar si las estrategias y los programas siguen siendo pertinentes y apropiados, y para obtener información acerca de los impactos de todo tipo, entre ellos, las consecuencias no buscadas o imprevistas. Mediante la evaluación se puede determinar además si los objetivos e indicadores utilizados para el seguimiento siguen siendo apropiados. La evaluación se necesita para demostrar causalidad o atribución, con objeto de determinar si alguno de los resultados documentados se debió efectivamente a la intervención programática. Tal vez lo más importante sea que la evaluación puede proporcionar información acerca del "porqué" y el "cómo" que se necesita para entender en qué forma y bajo qué circunstancias "funciona" o no un enfoque programático, y qué se necesitaría para poder aprender de lo ocurrido y tomar decisiones informadas sobre medidas futuras.
- El enfoque centrado en los resultados debe tener en cuenta toda la cadena de resultados. Como los principales resultados dependen de numerosos factores que actúan en conjunto y generalmente se producen en algún momento en el futuro, es necesario además prestar atención especial a los resultados de nivel intermedio e incluso a los productos. Debería asignarse prioridad a "los resultados que tienen importancia para la gente". Aunque no siempre resulta apropiado hacer responsables a los programas y a los administradores de programas del logro efectivo de resultados a nivel más alto, muchos países aún esperan que los administradores sean responsables de adoptar una *orientación* hacia los resultados, planear detenidamente la cadena de resultados y determinar en qué forma sus propias iniciativas contribuyen a los resultados deseados, teniendo en cuenta las actividades de los demás así como los factores externos.
- La transparencia es importante para asegurar la legitimidad y credibilidad del enfoque centrado en los resultados y de la información y los informes que se presenten. Se están utilizando muchos medios para hacer transparente la información. Tal vez resulte sorprendente, pero muchos de los países en desarrollo señalan a la Internet como medio importante de difusión, y destacan que demostrar que el gobierno produce resultados que tienen importancia para la población, es parte esencial del proceso democrático.
- Los datos del gobierno acerca de lo que ha logrado frecuentemente se miran con cierto grado de escepticismo. Éste se puede reducir a un mínimo mediante la participación de órganos independientes ajenos al gobierno en análisis externos, o al menos en la corroboración de la información sobre resultados. Los países resaltado la función decisiva que puede desempeñar la sociedad civil en lo que respecta a prestar apoyo a la orientación a los resultados y asegurar su legitimidad. Aunque los órganos de auditoría pueden cumplir una función de validación de la integridad de la información sobre resultados, se observó que tradicionalmente los auditores han adoptado un enfoque orientado más bien a los procesos y el cumplimiento que a los resultados, lo que puede disuadir la participación y el sostenimiento de una orientación a los resultados. Para poder llevar a cabo un seguimiento eficaz de la información sobre resultados, es esencial que los órganos de auditoría tengan la capacidad y la competencia apropiadas. Éstos deben reconocer que la información sobre resultados es de una naturaleza distinta a la información financiera y requiere un concepto de la gestión y un conjunto de habilidades distintos de aquellos incluidos en la formación de muchos auditores.

Uso de la información sobre resultados

- No tiene mucho sentido emprender un importante proceso de reforma, como es la reorientación de todo un gobierno hacia el logro de resultados, si no se va a utilizar de alguna forma. Tal vez el uso y el beneficio más importantes de un enfoque centrado en los resultados sean, como lo demuestra la experiencia de los

países, el cambio de mentalidad y de orientación de los servicios públicos, los que en lugar de centrar su atención primordialmente en los insumos y las actividades, la centran en los beneficios y los resultados de esas actividades. Los sistemas centrados en los resultados han sido también de utilidad en muchos países como medio para demostrar la forma en que los servicios públicos atienden a las necesidades de sus ciudadanos.

- El uso (o "la utilización") se considera a veces como algo en que hay que comenzar a pensar después de que los datos han sido producidos. Sin embargo, las consideraciones acerca del uso deben comenzar al iniciarse el proceso y deben guiar *todos* los aspectos del enfoque centrado en los resultados, entre ellos la forma de la estrategia y cómo se aplica, quiénes participan, qué datos se reunirán y analizarán, y en qué forma se difundirán.
- Un uso importante al que se le puede destinar la información sobre resultados, y que es sin duda una de las principales justificaciones de esa información, es al aumentar la racionalidad del proceso de asignación de recursos de modo que los fondos se asignen a donde sea más probable que maximicen el logro de resultados. Debido a que son muchos los factores que influyen en las decisiones presupuestarias, los países indicaron que no es posible ni conveniente establecer un vínculo mecanicista entre los resultados y las asignaciones presupuestarias. No obstante, la información sobre el desempeño sí puede ser un elemento importante para dar forma al proceso presupuestario en general.

Conclusión

Está claro que no hay un único modelo "correcto" u óptimo que podría o debería aplicarse en todos los países. El contexto sociopolítico, la historia, y muchos otros factores exigen un enfoque que se ajuste a la situación de cada país. Sin embargo, países de todo el mundo han demostrado que *es* posible avanzar hacia una estrategia orientada al logro de resultados, que haga hincapié en aquellos que tienen importancia para los ciudadanos. Hay muchos principios y enseñanzas comunes que pueden servir de guía a otras jurisdicciones, y la Mesa Redonda ha demostrado que puede ser muy útil discutir los éxitos y las dificultades con colegas de otros países.

Introduction

Purpose of This Report: Practical Ideas About How to Move Toward an Outcome Orientation

All governments are under increasing pressure to produce—and to demonstrate—results. The importance of an outcome focus for effective and responsive public management is generally recognized. Yet implementing an outcome-oriented approach has proved deceptively difficult. There often has been more attention in practice to activities and outputs rather than to outcomes.

What can help facilitate moving from a traditional input-activities-output model to a results-based approach that is focused on outcomes and impacts? While a number of countries have at least started to reorient their public sectors toward a focus on outcomes, there have been few evaluations of such efforts. There is limited knowledge about how to deal with some of the key challenges, such as how to generate the necessary senior-level support at both the political and administrative levels to focus on outcomes, and how to change the culture so that there is commitment and buy-in to an outcome-oriented approach across all levels within the public sector.

To address this situation, 12 present and former senior government officials, equally divided between developing and developed countries, came together under the auspices of the World Bank for a Roundtable Discussion on the ways in which their respective countries are moving toward an outcome focus in the public sector. These are not the only countries in the world that have been doing this with some success, but they are considered among the most notable. As Gregory Ingram, former director general of the World Bank's Operations Evaluation Department, observed in his opening remarks: "Each of these countries are considered leaders in this area, though they have not all taken the same path nor focused on the same framework." Page 18 provides further information about the Roundtable process and format and its participants.

The purpose of the Roundtable, and the purpose of this report, was to identify state-of-the-art practices and thinking that go beyond the present literature. The emphasis was on the practical, indicating what needs to be done and identifying both small and large steps that have had at least some degree of success in reorienting government systems toward an outcome orientation. This includes good practices, learnings, and practical steps that could be of use to other governments in further developing an outcome-oriented approach to public sector management. Perhaps just as importantly, the discussion—and this report—also identifies some cautions and challenges, including past and current hindrances and how these are being addressed.

This report is not intended as a prescriptive guide for the development or implementation of an outcome focus. It is apparent that there is not just one right way. Context is very important. What works in one country may not be appropriate in another, given differing political systems, administrative cultures, and levels of development. In fact, each of the countries represented at the Roundtable has taken a somewhat different approach in the development of an outcome orientation. All countries, to some extent or another, are in transition. Nevertheless, despite these differences, many common basic principles and considerations regarding the implementation of an outcome focus have emerged, along with numerous insights and ideas about how this can be done.

"Moving from Outputs to Outcomes: Implications for Public Sector Management" Roundtable Discussion, December 15–16, 2004

On December 15 and 16, 2004, 12 present and former senior government officials came together under the auspices of the World Bank in Washington, D.C., to discuss the ways in which their respective countries are moving forward in designing and implementing a results focus for their public sector management.

The 12 Roundtable participants, equally divided between developed and developing countries, addressed a number of key issues central to the establishment of a results orientation. The conversations over the two days focused on the political context, linking outcomes to national and sectoral strategies, linking outcomes to budget decisions, evaluating and reporting on outcomes, and the pressures of moving forward or sliding backward.

Why this Roundtable? All governments are under increasing pressure to produce results. There is general recognition concerning an outcome focus for effective public sector management. Yet implementing an outcome-oriented approach has proved deceptively difficult. As the title of the Roundtable suggests, often more attention has been paid in practice to activities and outputs than to outcomes.

What can help facilitate moving from a focus on outputs to a focus on outcomes? While a number of countries (both developed and developing) have moved their public sectors toward a focus on outcomes, few evaluations of such efforts have been undertaken. Consequently, there is limited knowledge on how to deal with some of the key challenges in public sector reform of this magnitude. For example, questions such as how to generate the necessary senior-level support at both the political and administrative levels, how to change the culture so that there is commitment and acceptance to an outcome-oriented approach across all levels within the public sector, and how to effectively establish results-based monitoring and evaluation systems that bind all levels of government together are all in need of further understanding.

This Roundtable provided an opportunity to learn from champions who have helped lead this change in their respective countries. There was frank and candid discussion of personal experiences, of what facilitated or hindered their efforts at reform, and of the challenges they faced in generating both the political will as well as institutional capacity to move forward. The discussions brought into sharp relief the need for understanding the context in the respective countries as to how to lead such change efforts.

Context is critical. It is clear that there is no magic formula or "cookbook" that can be applied everywhere. The political and cultural contexts, as well as history (such as experience with democracy) represent important factors that can influence the choice of a particular approach in moving toward outcomes. Nevertheless, as this report makes clear, there is considerable agreement among the 12 on many principles and factors that need to be in place to facilitate such a fundamental change in approach and philosophy to public sector governance.

The Roundtable produced a number of insights and suggestions on good practices, the preconditions for undertaking such an effort, and how similar/dissimilar the 12 countries are on different dimensions of building a results-based approach. What was clear was that no country would claim to have all the answers; no system is working perfectly. But what was also clear was that all 12 of these countries are moving in the same direction—they are all interested in achieving (and being able to document) results from government action.

The Format

The Roundtable format itself was different in nature from more conventional formal exchanges. It was kept very informal, with no prepared talks or presentations, in order to provide an environment facilitating honest and open discussion among a small group of some of the most knowledgeable people on this topic from around the world. To help provide some focus on the issues to be discussed, a short "Discussion Note" was prepared in advance of the meeting and shared with the participants. In addition, each of the 12 participants prepared a short three- to four-page note on the present situation in their respective countries. These notes were also shared in advance.

Roundtable Participants

(Affiliations current at the time of the Roundtable)

- Canada: Maria Barrados, Public Service Commission
- Chile: Francisco Meneses, General Secretary of the Presidency
- Colombia: Manuel Fernando Castro, National Department of Planning
- Egypt: Medhat Hassanein, American University of Cairo
- Ireland: Richard Boyle, Institute of Public Administration
- Mexico: Mohammad Azarang, Monterrey University
- Netherlands: Peter Van Der Knaap, Netherlands Court of Audit
- Spain: Eduardo Zapico-Goni, Ministry of Finance
- Tanzania: Paschal Assey, Office of the Vice-President
- Uganda: Mary Muduuli, Ministry of Finance, Planning, and Economic Development
- United Kingdom: Alex Hill, HM Treasury
- United States: Jonathan D. Breul, IBM Center for The Business of Government
- World Bank: R. Pablo Guerrero O., Ray C. Rist
- Rapporteur: Burt Perrin, France

"We hope that this report will be a useful tool to other countries either in the early stages of beginning this reform or those who are considering beginning such reforms. It should also help countries that are trying to move forward and finding little traction in doing so."

— Gregory Ingram,
former Director General,
Operations Evaluation Department,
The World Bank

Sources of Information

This paper is based upon the following sources of information:

- The experiences and insights of the participants shared during the discussions at the Roundtable, which served as the primary source of information for this report.
- Short background papers prepared in advance by each of the participants. Each of these papers provided short responses to the following: the political context in each country, steps taken to change the culture and incentives in the public sector, hindrances and obstacles currently being faced, and key lessons learned from experiences to date in moving toward an outcome focus.
- The Discussion Note "Moving from Outputs to Outcomes: Implications for Public Sector Management," prepared in advance by the author of this report, to help set the stage for the discussion at the Roundtable.
- The experiences of the author, for example as Rapporteur for an Organization for Economic Cooperation and Development (OECD) experts meeting considering challenges to results-focused management and budgeting.

The Discussion Note and country background papers are available at the following website: www.worldbank.org/oed/outcomesroundtable.

Why Is a Strategic Focus on Outcomes Considered So Important?

Over the last decade, countries around the world have undertaken reforms with the aim of improving the relevance and effectiveness of public services and the quality of public sector management. A key aspect of most reform processes is a focus on results and, in particular, on outcomes.

> *"Nothing that we have advanced as a country in the last 15 years could have been done before getting democracy back. So it's very interesting how these two different levels of topics come together when the government has to show the people what it is doing and why, and why it is prioritizing one thing over others."*
>
> *— Participant from Chile*

Until recently, the performance of public sector programs, and of their managers, has been judged largely on inputs, activities, and outputs. This approach, however, has come into question. One of the major factors behind many reform initiatives is a concern that government too often is preoccupied with *process* and following rules, and it is not clear what *benefits* are actually arising from public sector expenditures and activities.

> *"[The president of Colombia] introduced to the whole government this vision of let's show results, and people want to see results from what the government does.… This in the political context is very important because what it really expresses is that this focus on results has political gains, not only costs, and it happens very often that governments tend just to see the costs associated with this kind of focus on results."*
>
> *— Participant from Colombia*

The importance of outcomes was reinforced by the experiences of the countries represented at the Roundtable. The exact rationale and sources of pressure varied considerably from country to country, but in all cases was driven by a *political imperative* to produce—and to be able to demonstrate—results of importance to the political leadership and to the citizenry. Following are some examples of this:

- As their background papers highlight, the major driving force in Uganda and Tanzania was a desire to achieve tangible reductions in poverty in their countries.
- The Mexico background paper indicates that the reform effort is directly connected to the goals of the new president, who was elected after 71 years of rule by a single party. The outcome focus is seen as a central element of aligning the entire government to the president's promises.
- Similarly in Colombia, the new outcome orientation was also tied to the vision of the new president, who realized that people want to see results from what the government does.
- The recent return to democracy in Chile sets the context for government needing to demonstrate its responsiveness in providing services to citizens.
- In the Netherlands, the main driving force for reform was Parliament, which felt that it was getting hardly any information on policy results.
- In some other countries in both the north and the south, such as in Egypt and Spain—and to some extent in many countries—the imperative for reform is linked to comprehensive administrative and political reforms and modernization

with respect to the nature of public services, sometimes connected to a move to greater democratization. For example, in Spain:

> There was a huge increase with the change of regime from autocracy to democracy, a huge increase in 20 years on spending. At the same time, there was a huge decentralization from central government to autonomous governments, which means in fact a completely turbulent change in those years. That means a huge change. Spain has been in a huge quantitative and qualitative change in the administrative and political context without the corresponding effective public management capacity development.

- In some other countries, such as Canada and the United Kingdom, a principal driving force has been the increased pressure to demonstrate the value of public expenditures and their resulting benefits. In the United States, a main driving force is the widespread distrust of government. Unlike in some other countries, various reform efforts have taken place over a period of time and have been largely bipartisan in nature.
- Ireland may be different from some other countries, where as its background paper indicates, the primary initiative for reform came from the administrative rather than the political level. This was partly out of a recognition of the need to deliver outcomes important to citizens, and partly due to an awareness that: "If we don't do something to put our own house in order, the politicians are likely to come along and maybe impose a system on us that we like even less."

External influences also have played a role in stimulating movement toward a results orientation. An outcome focus increasingly is a prerequisite for financial and other forms of support. For example, as both Ireland and Spain have indicated, one pressure for a results orientation came from the European Union (EU). Leadership from the EU has influenced the administrative systems of the 10 new Member States, mainly from Eastern Europe, and is a major factor influencing reform in other countries that are interested in future membership or closer relations with the EU. Both Spain and Ireland touch upon the role the EU has played in influencing directions in their countries. The World Bank and other development banks, along with many multilateral and bilateral donors, are increasingly demanding an outcome orientation, along with appropriate monitoring and evaluation systems, as a condition of financial and other forms of support.

Linking Outcomes to Citizens

"We are supposed to be in the business of improving services to citizens, and outcomes are what are important to them."

"Managing for results and the focus on results has been tied to administrative and political reforms and modernization processes of the state."

"There was pressure from the civil society, from the political parties, demanding real tangible results on the ground."

"Focus on what matters to people."

"A driving concern throughout is to make the public sector work better. And the second part of that is, are we really getting value for our money."

"A focus on results is a means to achieve some ends, not an end in itself."

"Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions."

"That is what the public sector is all about—producing benefits, or results, for its citizens."

External pressure can come as well from the other direction, such as from civil society. A number of countries emphasized the importance of the demands of civil society for tangible results that helped lead to their outcome approach. Civil society attention has also been cited as an important factor in sustaining the efforts and in providing a democratic basis for reform efforts linked to the needs and desires of the citizenry.

External factors also can have a more subtle influence. For example, one of the factors influencing reform that participants (including the United States) at the Roundtable, as well as at other forums such as OECD gatherings, acknowledged is a realization that "they may be behind other countries who have made greater progress in measuring performance and putting it to some direct application in national programs."

Perhaps the single most important finding arising from these experiences is the importance of the outcome focus being *central to the raison d'être of government*, such as poverty reduction in Uganda and Tanzania or presidential reform in Mexico, and directly connected to *"something that matters"* both to the political leadership and to the citizenry. As the Tanzania background paper put it: "People wanted to know the real change that has happened as a result of the policies and strategies." Otherwise, it is likely to remain a technical exercise that is unlikely to be accepted or to result in real, positive differences.

As suggested above, a number of benefits to an outcome-oriented approach have been identified. For example, it can serve as a frame of reference to ensure that inputs, activities, and outputs are appropriate. It represents a means of demonstrating the value and benefits of public services to citizens and to the legislature. At least as important, an outcome focus is an essential component of a learning approach that can identify how policies and program approaches may need to be adjusted, improved, or replaced with alternatives. It is essential not only to demonstrate that outcomes have occurred, but that the interventions in question have contributed to these in some way.

> *"Results-oriented management clearly is both good economics and good politics, because the politicians who understand the use of focusing on the results really can ride on this and prosper in their own positions."*
>
> *— Roundtable participant*

Yet implementing an outcome-oriented approach has proved deceptively difficult. Countries that have moved in this direction indicated that it has proved to be more challenging than they had anticipated, with actual implementation uneven, at least initially. No one seems to have gotten everything right at the beginning. Even the leaders would not claim their efforts to be more than work in progress at this stage.

Why has an outcome focus proved to be so difficult? Following are some of the reasons for this:

- An outcome orientation represents a fundamentally different way of thinking and of managing, across *all* aspects of government and how it relates to its citizens and major stakeholders. To be effective, this means of thinking needs to be incorporated into the organizational culture at all levels. Organizational change of this nature is rarely easy. The experience in just about every country that has tried is that it always takes time to put into place and to sustain, it is certain to encounter at least some initial resistance, and it requires an array of approaches and supports.

> *"It is important to stay with the approach; it will not be perfect immediately. It takes about five to six years of continuous effort for a department to become comfortable with the results-based approach, and there will always be roadblocks in the way that the departments will need support to get around."*
>
> *— Canada background paper*

- Outcomes are longer term in nature than outputs and typically are influenced by a variety of factors in addition to the program intervention in question. They tend to be more difficult to quantify than activities or outputs. Given that achievement of outcomes may depend in part upon factors beyond the direct control of a program or its manager, a different approach to attribution may be required than with inputs or outputs. This can imply the need for changes to existing accountability and reward mechanisms.

Nevertheless, an outcome orientation is considered essential when the role of public services is viewed not as engaging in activities and producing outputs for their own sake and demonstrating how busy they are, but in achieving "big picture" outcomes that result in real, positive differences. Substantial evidence from many different countries shows that it *is* possible to provide for a focus on outcomes. It *is* possible to assess the extent to which outcomes have been achieved. The balance of this report identifies some of the major considerations that various countries have had to deal with in order to result in a true outcome-oriented approach to public sector management.

How Outcomes Are Being Linked to Strategy

The Use of Both Top-Down and Bottom-Up Support

It was clear from the experiences of countries with an outcome approach that both support from the top political and administrative levels, as well as from middle management and staff within government, are *both* essential for the approach to work. We consider each of these below.

The Role of Political and Senior Management Commitment and Direction

A common theme reinforced by experiences in many different jurisdictions is the necessity of top-level support for an outcome orientation. As the previous section indicated, a political imperative to produce and to be able to demonstrate results that are of central importance to government is a prerequisite for any reform effort.

> *"It is necessary to have higher political commitment in the government, the prime minister, or even higher up. Yet, commitment is two pronged. Without eliciting the support of middle management and senior management, the results-oriented budgeting program won't fly."*
>
> *— Egypt background paper*

> *In Uganda, strong political commitment for the reform effort came from the very top, from the president himself. But "that was the beginning. What happened thereafter was that everybody was mobilized; we not only mobilized the public sector, we mobilized the private and civil society as well to become involved."*
>
> *— Participant from Uganda*

Thus, support from the top is essential to provide legitimacy and priority to an outcome orientation. This requires an expressed and ongoing commitment from senior-level officials as well as from the political level. Such commitment can provide direction and coordination to the reform effort as well as the necessary clout and profile to ensure attention and action. Top-level support can aid in garnering the necessary resources and system-wide supports and in providing overall coordination. As with any other major organizational change effort, senior-level commitment is required to address the inevitable challenges that are sure to come up, to continue the momentum, and to make adjustments and changes to the approach as needed.

This commitment needs to be backed by actions as well as words. Otherwise, it is not likely to be taken seriously. For example, how much attention is given to an outcome approach vis à vis other priorities? How is it resourced and supported? How much recognition is given to those who undertake an outcome approach? And perhaps most important of all, how is it used? Does it represent an actual shift in how management and policy are carried out, or is it perceived as just a paper exercise?

In addition to political support, a prominently located central unit, close to the center of power, was identified as essential to set expectations and to drive an outcome-oriented approach across government. Above all, a central unit is needed to provide overall leadership, direction, and coordination. Some type of unit, whose form varies from country to country, has served in establishing overall policy, in reviewing and adjusting the approach as needed, and in identifying how results-oriented information can be used in government-wide policy and decision making.

A central unit also has served to marshal the necessary resources and to arrange for the necessary guidance, assistance, and support.

Outcome information is different in kind from financial information and can be used in somewhat different ways. This suggests staffing the central unit with experts in policy or evaluation, as well as in finance or economics, who understand the nature of outcome information and what this implies. As the Discussion Note indicates, input and participation from across government to policies and requirements developed by a central unit can help ensure that the approaches it mandates or advises are realistic and relevant, and can help with communications and enhancing the credibility of the overall approach.

Senior-level support and commitment to an outcome focus has been provided in a number of different ways. For example, in Egypt the process was led personally by the minister of finance, who met directly with those most closely involved on a bimonthly basis. In Colombia, the president himself provides the leadership, talking about results wherever he goes. The outcome approach in Mexico is closely related to the president's political agenda. But in other countries, such as the United States, support comes from across the political spectrum. In some countries, legislative or even constitutional changes may be needed to facilitate the new outcome focus, whereas this is not necessary in other jurisdictions.

> *"In Colombia, the president himself is in charge of being the first communicator; so that everywhere he goes, he talks about results—everywhere. When the journalists and the media come to him to ask him questions, he always talks about results, giving figures, so the people and the media get used to that kind of information."*
>
> *— Participant from Colombia*

Perhaps the most common placement for the central unit with lead responsibility for the outcome approach is within the Ministry of Finance or equivalent. But there can be many other arrangements. For example, in some countries, such as Chile, the office responsible for coordination of the outcome focus is located directly in the President's Office. The Ministry of Planning or equivalent is another common placement. In some places, the central unit is independent—but with close links to the President's Office or equivalent to give it the necessary authority.

The Role of Bottom-Up Support and Engagement

Bottom-Up Commitment as a Prerequisite

There was a strong consensus that while the role of the center is to provide direction and act as an enabler, actual implementation of a results orientation needs to happen at the line ministry and program level. And for this to happen, there needs to be buy-in, commitment, and ownership to an outcome approach down the line.

> *"The Ministry of Finance doesn't deliver the outcomes. It empowers departments to do so."*
>
> *— Participant from Egypt*

Senior management sets the broad vision and provides leadership. But it is the people working in the departments, closer to the ground, who need to take responsibility for identifying how to get there.

The management literature also highlights the importance of *leadership* in facilitating culture change, and in motivating knowledge workers in particular. For example, Robert Behn[1] in a recent report for the IBM Center for The Business of Government argues: "Good performance cannot be compelled, commanded, or coerced." He indicates that performance systems created in law or by central management agencies representing attempts to compel good performance basically do not work. He says that what is needed is leadership.

This was reinforced by the experiences of the participating countries. Numerous presenters emphasized that it is the line ministries and not the Ministry of Finance (or other central agency) in their government that delivers outcomes and is responsible for results on the ground. While it is the role of the center to make it possible, middle management and staff must believe in it for an outcome approach to work in practice. The Roundtable heard about a series of previous results efforts in the United States (for example, Planning, Programming, and Budgeting System [PPBS], zero-based budgeting) that did not work, in large part because they were not seen as relevant or useful to those at the program level.

Involving Middle Managers

"I am fascinated with the number of different people who are addressing the issue of involving the middle in this process. We have the clear push from senior political levels, but to make it really happen, it has to involve the middle levels."

"What we are hearing is that we certainly need strong commitment from the top, be it the top levels of the bureaucracy or at a political level, but at the same time, we are hearing very strongly that we need commitment at the lower levels as well, down to those who are really delivering the services to the public."

"The trick is to subtly and incrementally fuse the performance information into those ongoing ways of doing business, not to force-fit it to the point of rejection, but to make it available and to adjust it, taking those processes into consideration."

Many of the countries provided numerous examples of the importance of involving the middle in the process. This point perhaps was made most forcefully by Medhat Hassanein, former minister of finance in Egypt, who consistently emphasized the need to get middle managers brought into the process if it is to work. As he observed:

> We should not at all forget that bottom-up is better than top-down.
>
> I'm more interested in the middle managers than the senior managers. Senior management will remain in office for maybe the next two or three years, and this program is a long-term program in the sense that you have to address all that you have in terms of intensive training, in terms of commitment, in terms of interest for the middle management, who will still be around maybe for 10 to 15 years.

A Supportive Results-Oriented Culture

All countries were unanimous in emphasizing that a prerequisite to successful development and sustainability of an outcome-oriented approach is the creation of a culture that values an orientation to outcomes. In this context, people focus on outcomes not because it is mandated, but because they see the value in it themselves, often because they cannot conceive of doing things any differently. The *thinking* process is critical. The values and beliefs inherent in an outcome orientation are internalized and acted upon as a matter of course. Conversely, participants gave examples of how, without an actual commitment to the process, the result is just going through the motions, resulting in a paper exercise rather than actual change in approach.

> *"You need to convince managers that the system is for them, to aid them in their own decision making, a tool to aid them. But it takes time to change the culture. You need to convince people rather than to force them, otherwise the information will not be used."*
>
> *— Roundtable participant*

> *"The system is less important than the behaviors that follow."*
>
> *— Roundtable participant*

Mainstream human resources and management thinking recognizes that effective leaders work not by ordering people what to do but by instilling a desire in them. Particularly with knowledge workers, a command-and-control style of management or narrow application of a principal-agent approach can have the opposite effect from that intended. This was acknowledged during discussions at the Roundtable. Leaders work at the basic human level by guiding, by providing stimulation and motivation, and by transmitting a vision that people *want* to buy into. Thinking in outcome terms cannot be mandated—but conditions can be set in place where this can germinate and develop.

There is no simple means of creating culture change. Following are some strategies in this direction that different countries have used:

Developing an approach that is seen as relevant and useful to programs. Participants underlined the importance of an outcome approach being applicable, and being recognized as such, at the grassroots level. Otherwise, staff will see little point in investing the considerable time and effort into implementing an approach that does not have any value to them in their work. Conversely, they are most likely to buy into the process when they can see its benefits.

"During the Roundtable, the experience of one country was shared where a new minister, Harvard Business School–trained but with no previous public sector experience, came in and said: 'Government is broken, I don't think it's very efficient, it has to change, and I have all kinds of ideas.'

"A new outcome focus, along with many other changes, was imposed, requiring changes in basic program structures and procedures, as well as extensive reporting in an impossible time frame. The result? Compliance but with passive resistance, along with confusion and, at best, considerable cynicism to an approach that, if handled differently, might have met with approval and support within a system that already supported at least the idea of outcomes."

— Roundtable participant

Fostering bottom-up participation and ownership. The evidence is overwhelming, from the experiences of the countries represented at the Roundtable as well as from many other sources: Buy-in and support arises through the active involvement of all staff. People are inclined to reject an approach imposed upon them. But if they are actively involved in its development, then it becomes their own. Nevertheless, an outcome-oriented approach is more likely to be relevant and to be perceived as useful when there is sufficient flexibility such that the staff in each program area can develop an approach meaningful for their own context and situation and that they feel is relevant to them.

It is quite appropriate, indeed essential, that line ministries and programs be required to adopt an outcome-oriented approach. It is appropriate to provide guidelines for what this means and must include. Yet it is also necessary to recognize that one size does not fit all among the wide variety of different types of programs and initiatives across any government.

Many of the countries identified another good, indeed essential, reason why program staff—preferably in conjunction with communities, civil society, and beneficiaries—rather than senior government figures should determine the most appropriate outcomes at their level. This is because they are closer to the people and may be better placed to determine what is needed. For example, the Chile background paper observed that "agencies need to work closer to people," and the United Kingdom paper spoke of the advantages of its approach of "devolving decision making." As some of the Roundtable participants observed, the alternative is to return to the central planning model, where a central unit imposes targets and conditions, which we know from numerous failed attempts around the world does not work.

"At the level of someone who lives in a village or far from the center of government, they say, 'Well, what are you going to do about our own problems? And no one is hearing us.' Should we be leaving the president to set these goals? Doesn't it have to be bottom up?"

— Roundtable participant

Providing feedback. As the Discussion Note indicated, one of the major complaints of staff within government, as well as within external agencies, is that they are required to report to government, but they do not always hear back on what happens with the information. They sometimes have no idea how their submissions are used, if at all. Without at least some form of feedback, people start to question if there is any value to the work they are required to do on performance measurement. This can be very de-motivating and breed cynicism.

Providing training, assistance, and support. Taking an outcome approach can represent a fundamentally different way of thinking and managing, and requires expertise and skills that few managers start out with. The experience of many different jurisdictions is that technical assistance and guidance is required over a period of time.

"Ireland, as well as some other countries in both the north and south, has been emphasizing extended training and development of up-and-coming middle managers. Over a period of time, as these individuals receive promotions, this leads to increased understanding of an outcome orientation."

— Participant from Ireland

Training, assistance, and support have been provided in a variety of different ways. Examples of approaches that have been used include training courses and seminars; identification of selective managers to attend intensive, university-based

programs resulting in some form of certificate or diploma; availability of outside consultants to advise and to assist; an internal advisory service within government (either centrally or based within line ministries) that can provide advice and assistance; mentors and secondments of experienced staff and managers to help out in other areas; and informal and formal networks to provide for sharing of experiences.

Appropriate use of incentives. One way that has been used to promote an outcome-oriented approach is through appropriate use of recognition, rewards, and punishments. Both positive and negative incentives can be effective, at a minimum indicating what types of approaches are considered appropriate or not. As suggested earlier, mere acknowledgment and feedback of what has been done can be an important first step. Various countries have found that recognition of exemplary efforts can be motivating for those involved and illustrate to others what is expected. This can also give an important message that an outcome orientation *is* considered important and that positive efforts will be recognized.

> *"Reward the ones who try.... The perceived threat of 'eager fault finders' may lead to quite substantial defensive mechanisms."*
> *— Netherlands background paper*

It is equally important to take care not to punish those who try, even if the initial efforts are not perfect. In particular, it was acknowledged that there are few perfect programs. One of the major uses of outcome evaluation that was identified is to identify weaknesses and areas where changes or improvements can be made. An example of this is by rewarding rather than punishing managers who undertake honest evaluations, identifying the limitations as well as strengths of their programs, as long as they can indicate how they are addressing any identified deficiencies. Otherwise, managers will believe, perhaps justifiably, that evaluation is something best avoided, which can cast a negative pallor over the entire outcome perspective and lead to self-serving evaluations in the future. While the right incentives have been helpful in creating support for an outcome approach, there was also recognition of a real danger of the wrong incentives, perhaps unintentionally, reinforcing undesired behaviors.

A Strategic Approach That Provides for a Long-Term Vision and Attention to Appropriate Medium-Term Outcomes

The Importance of a Long-Term Vision

As the previous section indicated, most reform efforts represent significant efforts to bring about fundamental change in the very nature and focus of government, such as in Egypt, Mexico, Spain, and other countries. Many goals are very ambitious, such as the intent in Uganda and Tanzania to eradicate poverty.

Goals such as these are strategic and long term in nature. They require a multitude of strategies and interventions, with intermediate outcomes over a period of time. An outcome orientation represents a fundamentally different way for the management and organizational culture of the public sector. This can include significant changes in structure, responsibilities, means of decision making and operating, and liaising with civil society and others outside of government.

Perhaps most importantly of all, moving from a focus on inputs and outputs to one on outcomes requires a different way of thinking. Organizational change of this nature and magnitude can never be achieved quickly. As it became clear throughout the discussion of the experiences in the different countries, a sure way to sabotage an outcome approach is to try to rush it. A key challenge and prerequisite to success is to manage expectations—while ensuring that the process does not get bogged down or abandoned when it encounters the inevitable setbacks.

A clear strategic focus, such as has been discussed, is essential. Otherwise, the reform effort will not be relevant and will become just a technical exercise with no meaningful consequences.

What time frame is appropriate? Mexico has developed a 25-year plan! This reflects the reality that outcomes are long term in nature, and a desire to avoid the typical short-term political cycle. This is similar in nature to many other ambitious change initiatives (for example, the Millennium Development Goals, as described in the sidebar on page 28). Spain acknowledged that it would take a number of years to change many decades of thinking. Egypt recognized from the

beginning that it would take at least two years to see the very first fruits of its outcome approach, and longer for fundamental change to set it.

> *"A long-term orientation is critical. Outcomes don't happen quickly, and there is a limited time frame of elected officials."*
>
> *— Roundtable participant*

> *Mexico created a "national development plan with the vision of 2025. We had each objective at different levels connected to indicators and to goals."*
>
> *— Participant from Mexico*

Millennium Development Goals

"The Millennium Development Goals (MDGs) are among the most ambitious of global initiatives to adopt a results-based approach towards poverty reduction and improvement in living standards. The eight comprehensive MDGs were adopted by 189 UN member countries and numerous international organizations in 2000. They consist of a series of goals for the international community—involving both developed and developing nations—to achieve by the year 2015."[2]

The Nature of Outcomes, Taking into Account the Entire Results Chain

Roundtable participants highlighted the importance of considering the place of outcomes in the results chain. This has significant implications for planning and management, and in establishing realistic expectations for what can be expected to be achieved when, and what forms of monitoring and evaluation would be most appropriate.

As the discussion highlighted, outcomes are long term in nature. This is particularly the case for higher-level outcomes, such as major policy objectives. They are typically several steps along the results chain, so that outcomes generally arise only indirectly as a result of program interventions. And unlike outputs, outcomes are influenced not just by the action of the program but by other factors as well, such as other interventions, actions of other programs and players within and outside of government, as well as by social, economic, and environmental factors. Context can be critically important. These factors would apply to most public sector initiatives of any significance. In addition, most major government initiatives have more than one expected key outcome, with different pathways and intermediate outcomes for each.

The participants were well versed in the concept of the results chain (or logic model), and discussed a number of the implications—and perhaps limitations—of this for successful and meaningful implementation of an outcome orientation.

Government Interventions, by Their Very Nature, Are Complex

Country presentations highlighted that interventions to achieve major government goals are of necessity multi-dimensional. Major outcomes rarely come about as a result of a single action. For example, strategies for poverty reduction require action along many different fronts and by many different government departments—education and training, health, macro-economic policy, and trade, just to name a few. Similarly, health promotion efforts to reduce the incidence of smoking typically require actions going well beyond those of just the Health Ministry—for example, various forms of communications, educational activities in the schools and at the workplace, changes in taxation and pricing policies, legal changes regarding availability of tobacco products, actions by customs officials, and legislation restricting smoking in public (and perhaps private) places.

> *"Governing is a very complex thing to do, so governments need to care about both outputs and outcomes, as well as inputs and everything."*
>
> *— Roundtable participant*

It may be appropriate to hold a program and a program manager accountable for outputs. But outcomes are further down the line in time and space from what a program does, and thus can be difficult to identify and quantify. And in particular, they rarely result from just a single intervention, but rather through the interaction of multiple interventions and a variety of other factors. While it might be possible to speak of a specific intervention *contributing* to an outcome, it is rarely possible to say that it *caused* it.

As the example in the sidebar "Looking at Indirect Outcomes in the Netherlands" suggests, government interventions are complex and indirect in nature.

Many interventions cannot be expected on their own to *cause* the desired outcomes, but rather to put in place the necessary conditions so that others can do this. For example, more and more multilateral and bilateral donors are focusing on capacity building, so that countries and communities themselves can address their needs on their own. The impact of such activities, by design, is indirect and long term in nature. But this is true of many other government interventions, such as when a central government removes barriers to the development of infrastructure by the private sector that in turn can enable increased development at the local levels.

Thus, it was acknowledged that it is not always appropriate to hold programs and program managers accountable for the actual achievement of higher-level outcomes. Nevertheless, many countries still expect managers to be accountable for taking a results *orientation*, thinking through the results chain and identifying how their own initiatives are contributing to the desired outcomes, taking into account the activities of others as well as external factors.

For these and other reasons, Roundtable participants noted that outcome information tends to have somewhat different characteristics from input or output data. Unintended and unexpected consequences also can be as important to identify as stated objectives. Indeed, any significant policy initiative is almost certain to have a number of unintended effects that can be positive or negative. Outcome information, by its very nature, often is "messy" in nature, involving qualitative as much as quantitative data, and frequently is more approximate than exact.

Consideration of the Right Level of Outcome at the Appropriate Point in Time

Given the nature of outcomes, a long-term approach of some form invariably is required. Measuring a long-term outcome or blaming a program or intervention for lack of impact prematurely makes no sense, can be demoralizing, and can defeat the point of an outcome approach.

But, as some participants noted woefully, the above considerations are often forgotten. Too often, there is a tendency for central agencies, legislative bodies, and donors to demand high-level outcome information that may be premature or not relevant and that gives no consideration to how these can be achieved or not.

Looking at Indirect Outcomes in the Netherlands

"In the case of the Ministry of Foreign Affairs in the Netherlands, I think at least one third of our activities are toward helping others to achieve goals. For example, coordinating in the case of the European Union. The Ministry of Foreign Affairs is supposed to allow the line ministries to be effective in Brussels. The ones who are achieving the results in these regards are the line ministries, whereas the Ministry of Foreign Affairs is taking care of the enabling environment for them to do this, getting them at the right moment in Brussels to be at the critical moment in the negotiations and so on, and for them to be aware of what is happening and so on.

"This kind of indirect involvement in the results chain has to be recognized. If the results-based management is just simply thought through as a linear process, you are going from A to B, then you are not recognizing the complexities of some of the things that we are doing in government. So this is a lesson also from the pragmatic side. We have to take that into account in setting up results-based systems."

A number of participants suggested that there should be more attention to intermediate objectives and targets that may be achievable in a given period of time and can indicate if the intervention is on the right path toward the desired overall outcomes or impact. Some participants noted that outputs themselves can be useful, and that the primary focus at a given point in time should be on "what matters to people," whatever it may be called.

"It is essential to consider the entire results chain when working with and reporting on outcomes.... There is a danger of outcome measures that are cast too high."

— Roundtable participant

"If you pass the test of are you trying to measure a result that really matters to your population, then it doesn't matter whether you've really got a final outcome or whether you've got an intermediate outcome or whether you have an output. If that's the thing that your population and your political leadership think is important, then I think that's all that matters."

— Roundtable participant

Developing/Developed Country Perspectives

To an observer, perhaps one of the most remarkable aspects emerging from the Roundtable discussion was the overall commonality of issues, questions, and concerns across developed and developing countries. Yet despite this, some differences did emerge.

For example, there often seemed to be more fervor to the reforms coming from the developing countries than from those in the north. There appears to be a simple reason for this: Reforms in the developing countries tend to be dealing with more fundamental issues, such as the eradication of extreme poverty or establishing appropriate government structures in relatively new democracies that still have sometimes archaic public sector systems. Indeed, an outcome approach, demonstrating responsiveness of the government to what it has promised to do in response to what people feel is important, is seen as basic to democracy. Outcomes for developing countries, such as establishing very basic education or health services, may be even more important than for some Western countries whose citizens take these for granted and are more concerned about waiting times, for example. Perhaps for these reasons, the outcome orientation often seems to be more closely connected to top-level political agendas and is attracting attention and support right from the president or equivalent.

Developing countries also are influenced more by the support and demands of the international donor community. There were many examples of how this direction and guidance—for example, from the World Bank—has acted as a catalyst for change that has been found to be extremely helpful in enabling outcome reforms to take place and continue, and in developing capacity that can lead to sustainability of the efforts in the future. But sometimes demands of different donors can be highly intensive and conflicting ("the new conditionality"), and may be more closely aligned to the accountability requirements of the donor agency or country itself than to what may be most appropriate for the recipient country.

By design, the developing countries represented are among the leaders in the area of outcomes. All have democratic structures of some form, along with a functioning public sector. In this respect, they may not be typical of some other developing countries that are not so advanced. There was some discussion, but no clear resolution, about at which stage it is appropriate to begin work on an outcome approach. For example, should this happen at the very beginning of democratic and bureaucratic reforms, or is a prerequisite that a basic government structure, with at least minimal budgetary controls, be in place first?

An independent review of poverty monitoring systems in Tanzania, carried out on behalf of two donors, observed "international pressures towards outcome and impact measures and away from monitoring changes in performance and outputs over shorter time periods."

It recommended a shift "towards a more systematic monitoring of the intermediate levels of the results chain between inputs and final policy objectives."[3]

Using Results Information to Demonstrate Understanding

There is little value in identifying whether or not outcomes have occurred without being able to say *why* this was the case, what this means, what should be done to address identified problems or to increase the impact that has taken place. For this, information about intermediate outcomes is of particular importance. A number of examples of this were mentioned at the Roundtable.

Integrated 'Whole of Government' Approach

Background documents and discussion made it clear that significant outcomes such as poverty reduction, economic development, employment creation, or crime reduction rarely arise from initiatives in just one program area or department. There is increasing recognition that solutions to horizontal issues such as these that governments need to address require action, and coordinated action, from across multiple program areas.

An outcome orientation potentially can aid in taking a crosscutting approach to issues that transcend program or departmental boundaries. Indeed, it was noted that an outcome approach potentially

could serve as a unifying framework for interdepartmental collaboration. Nevertheless, experience across numerous jurisdictions indicates that it can be challenging to instill an all-of-government approach, with true coordination across departmental and program boundaries. While there was discussion about ways to do this, no simple and easy solution emerged.

One means that has been used in some jurisdictions as a way of addressing horizontal approaches is to identify a lead department or agency so somebody takes responsibility for ensuring that the results information is identified in one of the budget documents. Others, however, observed that there is a mixed record with respect to the lead agency approach. In some cases, it has worked well, such as with the Treasury Board of Canada and regarding research and development in the United States (see the sidebar "Successful Lead Agency Approaches in the U.S. and Canada" for more information). But in other cases, "the participating agencies get offended and see the lead agency as the owner and they kind of walk away and say if it's your party, fine, you take care of it, but I'm just not contributing, and have a nice day."

The *importance of the process* and the creation of joint ownership emerged as vital to the success of joint coordination of crosscutting considerations. At an organizational as well as at a personal level, it is apparent that if one party feels dominated or marginalized by others, they will have a lack of commitment to the process—and to the outcome. Neglect, or even sabotage of some form, is a potential outcome in such situations.

Also, most organizations in both the public and private sectors likely have vertical structures, budgets, and reward systems. The wrong approach to measurement and rewards, including decisions on promotions, can reinforce "silo" thinking and action and act as a barrier to a cross-functional approach. Managers typically get recognized and rewarded for doing their own jobs and meeting their own targets, not for helping other people do their work. Counterbalancing horizontal mechanisms, along with rewards for cross-functional work, may be required to avoid this situation and give people—and organizational units—a reason and appropriate incentives to work together.

Successful Lead Agency Approaches in the U.S. and Canada

"Cross-program coordination is very difficult to do. We are really struggling because if you miss out on some of these sectors in terms of their contribution, you are clearly disadvantaging your final outcome. And it's very difficult to correct those mistakes once they have been made. So you really have to keep a very, very tight check on all of them to make sure that they are moving together."

"In terms of committees and councils, our best example is with regard to research and development. That's coordinated in a loose and collaborative fashion by an adviser to the president and it actually works reasonably well, putting attention on issues like nanotechnology or climate change and other big crosscutting issues. And the agencies over time have grown accustomed to working together and setting priorities and executing these big-science issues together. And that's on a fairly loose and collaborative basis."

"To the extent that there is a more coercive and powerful degree of control, the less effective the arrangement turns out to be."

"It's necessary that they as persons feel comfortable with each, because when one agency is too important or too big or the person feels that he doesn't need anybody else, he's not included and the program doesn't work."

"But where it's a joint responsibility, two or three ministries have equal responsibility. No matter what the balance is between the different ministries who have to deliver the outcome, they have equal responsibility both in terms of public reporting, reporting to Parliament, and also accountability to the center."

Making It Happen: Approaches to Facilitating Implementation

The Use of Carrots, Sticks, Sermons—and Capacity[4]

Countries that have been implementing an outcome focus have found that a multi-faceted approach is required to bring this about. A combination of different policy instruments, including carrots (incentives), sticks (requirements and sanctions), and sermons (information) is needed, along with various forms of assistance—particularly with respect to the development of capacity and the necessary resources that are required.

For example, experiences to date indicate the need for understanding and commitment to an outcome focus across *all* levels of government, from the highest political levels to the grassroots public officials and other workers in remote villages. In particular, a prerequisite to any outcome approach becoming a real rather than a procedural sleight of hand is commitment and buy-in at the middle-management level. Development and support of an outcome-oriented culture is essential.

One of the identified challenges in moving to an outcome focus is the need for development of the necessary expertise, or capacity. There is a need for increased capacity at all levels—for example, among managers in results-oriented thinking and managing—as well as expertise in more specialized tasks, in particular with respect to monitoring and evaluation.

Lack of capacity was identified as a particular challenge in many of the developing countries, such as suggested in the quote from the Uganda background report. But it was also recognized as a problem in some developed countries as well. For example, both Canada and the United States, countries with many years of experience with program evaluation and with extensive evaluation training programs of various forms, surprisingly indicated that it nevertheless frequently is difficult to find the expertise for high-quality, robust evaluations.

> *"The scope for achieving results is highly constrained by the limited public sector capacities in the critical skills like planning and budgeting, monitoring and evaluation, accounting and value for money auditing."*
>
> *— Uganda background report*

Following are some of the ways in which capacity is being developed and expanded:

- **Formal training sessions, provided internally or externally to government.** For example, Egypt identified the training provided to many of the managers involved in its pilot projects by the World Bank as a major asset.
- **Learning through experience.** This represents a traditional—and still the most common and often the most effective—way in which managers and professionals learn. Nevertheless, the management literature indicates that learning on the job can only occur when certain conditions are met. These include being exposed to new and challenging situations in which opportunities for learning are provided—that is, where managers are given an opportunity to make mistakes and preferably where there are structured settings in which learnings arising from these experiences can be identified. Pilot projects were identified as one example in which

learning opportunities can take place. Other examples can include working with others with more or different experience and expertise, from within the same government or sometimes in other settings.

- **Higher-level education for middle managers.** The sidebar "Education for Senior Managers in Ireland" briefly summarizes Ireland's approach to this, which helped to create greater understanding and support for outcome approaches throughout government. Similar approaches have been used elsewhere—for example, in Malaysia, where selected middle managers were given specialized training in evaluation in Malaysia and in Australia, leading to a university certificate. This helped to create expertise and commitment to a results orientation, which again permeated the system as these individuals were promoted into more senior positions.

Education for Senior Managers in Ireland

"One thing we did quite well in the Irish case was at the senior management level, the investment that was put into educational initiatives for senior managers, the next level down from the top level in terms of a high, prestigious master's degree in public service management. The idea was that you would expose those senior managers to good practice examples internationally, new thinking, academic literature; so that as they then moved on into the top positions, they would be a critical mass of supporters for change initiatives, including more of a focus on outcomes.

"And that was quite a bold and a wise decision in the Irish government because obviously with that kind of investment, you're talking about a three-, four-year lead time before you actually see any outcomes from that event itself. But when you look back, you can see the difference that has made; it has created the 25 percent [of the early adopters and enthusiasts]. And because this program is continually running, you're maintaining, renewing, and developing that 25 percent over time. That's one lesson we could pass on."

- **Combining international with local consultants to assist in the development of local expertise.** This was suggested as one way of getting the best out of expensive international consultants, so that they could pass on their expertise to researchers and consultants living and working within the country.

Nevertheless, despite these ideas and examples, capacity development remained a "hanging issue," important to all countries in both the north and the south, to which there still does not appear to be a clear and simple answer.

A Progressive Approach to the Development of an Outcome Approach

The consistent experience of all countries is that implementation of an outcome orientation has proved to be much harder than was anticipated. Participants were perhaps most passionate in emphasizing that one should not expect perfection initially, as well as underscoring the importance of patience and the need to allow for—indeed to encourage—mistakes. This is consistent with the experiences in other countries that have also attempted to implement a results-oriented approach, such as discussed at an OECD expert meeting discussing challenges to a results-focused orientation.[5]

Numerous participants emphasized that moving to an outcome focus represents a fundamentally different way of thinking and managing. A major organizational change of this nature is rarely easy. Participants pleaded not to underestimate the challenge of moving toward an outcome orientation. Proper management of expectations—by the political leadership as well as within government—can be very important to the ultimate development and success of an outcome-oriented approach.

> *"This is extremely important because I don't want anyone in my country to have to face a sudden shift from what they are accustomed to over almost half a century, or close to a century, to something else that they would like to try. So a transition period is extremely important so that we will not fail."*
>
> *— Roundtable participant*

A key finding, emphasized in various background papers and in the discussion, was the importance of providing for some form of phased or transition period, an opportunity for trial and error, where

failures are not punished. Different countries have followed various strategies. There was no clear answer about which approach is best, because it can depend upon the circumstances.

However, there is considerable interest in using a pilot-project approach to introduce an outcome orientation. Egypt and the United States represent countries with sophisticated approaches to piloting.

"The process has to be gradual."
— Roundtable participant

"An overly critical approach can kill it [implementation of an outcome approach]."
— Roundtable participant

"Risk avoidance and the fear of exposing failure have been blocking the way to further improvements."
— Roundtable participant

Egypt's approach was driven by the need to improve the effectiveness of its budget expenditures and to reduce the gap between expenditures and revenues. Part of this strategy required a move from an input-based budget to one that is performance-based, focusing on outcomes. The strategy involved a set of 10 "performance pilots" among interested parts of the government, including such diverse areas as the Post Office, the Ministry of Planning, the Ministry of Industry, the Ministry of Health, and the Ministry of Education. All pilots met biweekly with the minister of finance to discuss progress.

This led to some significant results, documented by a World Bank mission. It also led to a sense of pride and accomplishment in the pilot areas—and to some degree of jealousy and interest in other areas in being able to do something similar themselves.

The United States took a multi-year, progressive approach in developing its results-oriented approach, now in its 11th year. The first three to four years started with a small number of pilots that were subsequently expanded. The next six or seven years involved operational experience, but with no connection to the budget. Linkages to budgetary information have been applied progressively, 20 percent at a time, with a set of consequences that have been modest, at best.

This strategy provided opportunities to develop and test out approaches developmentally, since initially there were no major consequences attached to the findings. In the experience of the United States, this transition period was absolutely essential. It was particularly important to give breathing space, so that new approaches could be tried without risking an overly critical reaction.

"We really haven't done pilots, but what we have done is we have said, look, this is what we want everyone to do, but you're allowed to put in a lot of 'to be determined.' So as long as you're stating in there that you are working on doing it, it's okay. So it's a different approach, but with the expectation that, in time, it will come right."
— Roundtable participant

Another developmental strategy is to require everyone to initiate action of *some* form in the direction of a results orientation. But perfection is not expected initially, and managers are allowed to put in a lot of "to be determined" in their interim reports.

The alternative is a "big bang" approach, where one attempts to move to an outcome orientation all at once, across all of government. While this may seem appealing, the reality has been that this represents such a fundamental change as to be nearly impossible to bring about. Such an approach is certain to encounter resistance and cynicism. It is unlikely to be perceived as useful to the program areas themselves.

A mandatory big-bang approach perhaps may result in the *appearance* of compliance, with the production of all required numbers and detailed reports. But it rarely results in a change in thinking or in management, or a change in what actually happens on the ground. Indeed, it can result in cynicism about the value of a results-oriented approach. The experience of the World Bank is that big-bang approaches rarely are effective in changing the orientation of government, nor are they sustainable.

It was clear from the country experiences that there can be strengths, as well as limitations and dangers, to all possible approaches. There is no clear answer about which approach is best, since it can depend

upon the particular circumstances. For example, there was some concern about a pilot approach being used to sideline the debate and to marginalize the process rather than to lead to widespread adoption. It was apparent that this would depend very much upon how the pilot approach was managed. In this respect, important contributing factors to the success of pilots included an emphasis on learning, on providing support and encouragement, on publicizing successes across government, and in particular on avoiding punishment for "failure."

> *"What we're getting in the bureaucracy is passive resistance. If we have to do this, we will do this, so we're all doing it. I've got outcomes like you wouldn't believe, but it's not going to help me. It's not going to help me get the kind of change I want.... What would be more helpful is if I keep the outcomes at the very high level for my activity, make linkages to any other kind of strategy, such as reforming government, improving operations, but do that qualitatively and not quantitatively. But it's much more helpful for me to have more output-oriented measures for my sub-activities. And for me to manage my own organization, I'm going to have to create those and I'm going to have to tell a story which is not going to be a measurement story on the other things that I'm being asked to produce."*
>
> *— Roundtable participant*

Similarly, it was observed that not all countries are at the same stage of development. In situations with very fixed bureaucracies, voluntary approaches may be difficult to bring about and it may be necessary to force at least some change.

Provision of Flexibility

Experiences in different countries demonstrated both the importance of being clear that, over time, an outcome orientation *will* form the basis of government management, and at the same time allowing considerable flexibility in how this can be approached.

As suggested earlier, implementing an outcome orientation has proven to be challenging almost everywhere. Things are unlikely to proceed exactly as planned. Country representatives emphasized that expectations of perfection can be the kiss of death for changing to a fundamentally different way of thinking and doing business. The approach to implementation should allow room for flexibility, including changes in approaches and strategies to get around the inevitable bumps that will be encountered.

One important factor that has led to buy-in and commitment to a results orientation and successful implementation is when programs and managers view the approach as relevant and useful to themselves, and not just a bureaucratic requirement. This means that programs should be free to develop an approach suitable for their own situation and context that can provide *them* with useful information that they can use *themselves* for reviewing the impact of what they are doing and identifying how this information can aid them in their own planning and practice. This, however, has a challenging corollary. It recognizes that one size does not fit all types of programs and initiatives across an entire government system. Each program needs some flexibility in order to adapt the overall approach to make it most useful to its own situation and information needs.

A Diffusion of Innovation Approach

It was noted that there typically is a common pattern in how populations adopt a wide variety of new innovations, such as use of new technologies (computers, mobile telephones), cultural changes (patterns of dress, new management practices), or innovations in other domains. At the early stages of an innovation or new development, just a minority of the population—perhaps the 15 or 20 or 25 percent "early adopters" or enthusiasts—are willing to give it a try. But once a critical mass have done so, interest spreads or "diffuses" and most others will follow along. What is left is a minority, perhaps 20 or 25 percent, the hard-core resisters or holdouts who will adopt the new practice only much later, if at all, and usually very reluctantly so, fighting it to the end. This is commonly referred to as "diffusion of innovation."

This has implications for implementation of an outcome approach within a public service. As the discussion in the previous section indicated, a big-bang approach, where one expects immediate compliance and full implementation, is rarely realistic or advisable.

Instead, during the *initial* stage of implementation, just a minority of managers can be expected to express interest. But this can be used as a strength. To facilitate initial participation, it should be as easy as possible for those who require little persuading to get involved, such as the innovators, those who already are aware of the benefits of an outcome approach, or others who are interested enough to give it a try. This, for example, could involve the provision of incentives, training, and support. Above all, as was emphasized, one should avoid punishing the innovators, even if problems arise or things do not work out quite as expected. That would give a negative message to other potential innovators or even followers.

A pilot approach, such as discussed earlier, is compatible with a diffusion of innovation strategy. As the Egyptian experience illustrates (see the sidebar "Pilots in Egypt"), none of the pilots received special funding to participate. Recognition for their efforts served an important incentive.

Once information about the benefits of the new outcome approach started to "diffuse," others became interested. In Egypt's case, many other middle managers asked if they could become pilots as well. This is typical of how innovations become mainstream. Others will follow along the footsteps of the pioneers because they now can see the benefits—or at least recognize that everyone will be moving in this direction and that they will be out of step if they do not join in. It will start to become apparent that this is normal, expected behavior of an effective manager.

One can stimulate the diffusion process, such as using a variety of approaches to disseminate information about the new approach—and how the pioneers have benefited from it themselves. As discussed further in the next section, promoting and supporting natural champions who will use their own informal networks to spread the word is another means of facilitating the diffusion process.

Typically, this leaves perhaps 20 or at most 25 percent of managers who still resist what is no longer an innovation. It will eventually become clear that they represent a backward minority. Some may reluctantly follow along, just as there are still some managers who refuse to use a computer, and others will resist to the bitter end. One can deal with the hard-core recalcitrants later on, when it is clear that they are in the minority and out of step with current thinking.

Pilots in Egypt

"None of the pilots secured extra funds.… It was public recognition and competition inside."

"I am not at all interested in reducing your annual budget, but I am interested in seeing results so that I can defend the increase in your annual budget. So this was one of the incentives."

"For the first year and second year, no one was listening, as if I am telling a story that has no impact whatsoever on anybody. But when results became successful, I [minister of finance] cited the results—I never quoted anything in the Ministry of Finance; I was quoting results in the Ministry of Electricity, in the Ministry of Industry—and the ministers were very proud that I was citing them as performing very well in the area of results. So everyone started to ask what is going on in the ministry of this or that.… So it started to arouse their interest to know more and to join the program."

"It became sort of a jealousy—why these ministers started these efforts, and they are now getting some results, and there are some improvements.…"

Roundtable participants advised against wasting too much time and effort with the resisters. As the Pareto principle (frequently referred to as the "80-20 rule") suggests, it is too easy—and all too common—to spend 80 percent of one's efforts on the 20 percent of the most difficult cases. Rather than expecting everyone to come on board and wasting attention on those most resistant, one will have more success by starting initially with those who are most open.

> *"The most classic example of failure is when you give over the agenda to the bottom 25 percent and say, we won't move forward until we have consensus."*
>
> *— Roundtable participant*

Champions at All Levels

Substantial evidence exists that major organizational and culture change and innovations frequently succeed through the efforts of champions. Champions typically are passionate about their cause, never giving up and doing their best to overcome hurdles

and to win others over. Passion and enthusiasm can be at least as important as rational argument and hard evidence.

Champions can be at any level within an organization. Just as there is a need for both top-down and bottom-up support for an outcome approach, discussion at the Roundtable highlighted the need for champions at two levels:

- With connections to the top decision-making levels
- At the grass-roots level within the government hierarchy

Advocates or champions with connections close to the center of policy making are needed to obtain high-level commitment to an outcome orientation. This includes making sure that priority to an outcome approach is maintained, in spite of the inevitable ups and downs, and to defend it against attacks from those who have not yet bought into the process.

> *"You made sure you had in each of those pilot ministries somebody whom you could view as a champion or a person who is specifically there because of their expertise and training they received, and they are there to help accomplish this change. But if you just give it to the ministries and say: 'Do this,' everybody in the ministry already has a job. They are all busy. This is just an added burden."*
>
> *— Roundtable participant*

A high-level champion can be a senior official or even a politician. The personal dedication and dogged determination of a senior executive officer to a cause can go a long way toward setting the tone across the entire organization. For example, in Egypt, the outcome orientation was led very directly and personally by the minister of finance. In other situations, an official with close connections to key decision makers can help ensure that commitment to an outcome approach does not fall off the agenda.

But frequently champions can be hidden within isolated "pockets" or program areas ("islands of excellence"). They may not be known at the central agency level. In many cases, especially in the early stages of an innovation, champions work semi-fugitively, using informal networks rather than formal structures, finding allies, generating small successes, and gradually winning over others to their cause. Champions can also be located at middle levels—for example, in units specifically devoted to supporting an outcome-based approach.

Thus, innovation and buy-in to an outcome focus can come from inspiration from the top, as well as the diffusion of innovations from champions at various locations throughout a governmental hierarchy. Personal commitment and enthusiasm is key to an effective champion, and this cannot be mandated. Sometimes the best way of supporting champions is to get out of their way. But often they can be supported—for example, by providing networking opportunities for them to spread the word and generate support, and by providing recognition of their efforts.

Sustainability of Outcome-Oriented Approaches

Implementing an outcome orientation is one thing. Sustaining it is something else again. As was noted, there are numerous examples of well-intended past efforts that led nowhere. Unless the outcome focus can be sustained, there will be limited benefit from the investment of the considerable effort required to establish it in the first place.

Outcome-Oriented Thinking Embedded Within the Bureaucracy and Culture

It was noted that there could be a danger of continuity to an outcome approach if the political leadership changes and if the main driving force is top-down pressure. Roundtable participants were very clear about how to avoid this danger. It is necessary to use the political leadership as a springboard, but also to embed a commitment within the civil service, with outcome-oriented thinking and with support for a results orientation down the line.

The importance of bottom-up as well as top-down support was emphasized, once again, with the former considered even more important to keep the process going. Once a critical mass of support has been created, with outcome thinking part and parcel of thinking throughout, it will be nearly unstoppable.

Much of what is required for sustainability has already been discussed, and is just touched upon again briefly below.

The experiences of countries implementing reforms indicate that the most important way of providing for sustainability is to embed outcome thinking within the culture. In this way, it can become internalized. People will want to carry on with this approach because they believe in it, because they see it as valuable to their own work. One knows from social and organizational psychology that when motivation is extrinsic, when it comes from the outside, the desired behavior will persist only while the external pressures are present. With intrinsic motivation, however, it will continue on its own.

> *"The key aspect of leadership is that it usually tends to institutionalize good practices, such as in the case of Colombia. In our case [Chile], I believe that leadership such as this, which focuses on results, can really set standards that other governments are going to use because the people get used to obtaining information from governments regarding results."*
>
> *— Participant from Chile*

> *"This process of introducing a focus on results may reflect on institutions, norms, and things like that, such as in the Colombia case. But the more difficult and the most important thing to do to make these efforts sustainable is to see that they really, really permeate the daily practices of public servants and politicians."*
>
> *— Roundtable participant*

Availability of Necessary Supports

Supports can include various forms of capacity building as discussed earlier, such as training, and guides. But it can also include organizational supports to make it as easy as possible for managers and staff to implement and to make the best use of outcome information. This can include tangible supports, such as the availability of external expertise and funding assistance. But it can also include other forms of organizational support, including appropriate recognition and rewards, so that an outcome orientation is recognized as a basic component of good management rather than as an add-on.

Acknowledging the Role of Champions

As discussed earlier, champions, especially those at the program level, can play an important role in providing informal support and encouragement to their co-workers.

Making the Best Use of External Pressures for a Results Approach

Sources external to government can aid in leading to the development of an outcome-oriented approach, supporting both its credibility and often its sustainability. As noted earlier, one of the driving forces behind the implementation of results-oriented approaches in some countries has been pressure from donors, such as the World Bank and the European Union. For example, the World Bank has been credited for assisting with reform efforts in Egypt, Uganda, and Colombia.

Pressures such as these have a lot in common with top-down support, as discussed earlier. The countries involved, however, say that this has been invaluable as a catalyst. But unless this results in an understanding and commitment at lower levels within government, the result will be tenuous compliance rather than enduring commitment that is likely to continue. Some donors, such as the World Bank, have attempted to address this issue by providing training and other forms of ongoing support and capacity building, and making available other tools and assistance over an extended period of time.

In some countries, the media has been identified as a source of support for a results orientation and as an aid to transparency. In other countries, however, the media has been identified as a negative, especially when its interest is in selectively searching for findings that can be used to embarrass the government. This can result in difficulties for officials whose mistake may have been being too honest about situations needing attention or who may be caught in the middle. Unless those officials who genuinely try to do their best are protected, this can act as a deterrent to the openness that should characterize outcome-oriented thinking and lead to a defensive mentality.

Involvement of Civil Society

Perhaps one of the surprises from the presentations of numerous countries was the significance and importance placed on civil society to the success of an outcome approach. This was particularly pronounced in presentations from the developing countries.

> *"It was very, very important to introduce channels to disseminate those efforts [at results] and try to include civil society organizations in the analysis and validation of the information the government was generating, because we didn't want to have a government propaganda instrument. We wanted to have a system that was really able to make the government more accountable, to have effective accountability.... So we have been trying to establish alliances with civil society organizations in order for them to be the ones who analyze and validate information that the government was producing."*
>
> *— Participant from Colombia*

> *"[The] democratic process has increasingly embraced open government and an expectation of popular consultation before major policy changes."*[6]
>
> *— OECD*

> *"Civil society is keen to track what is happening to the budget and to speak out very openly on what might be going wrong.… This leads to more attention by ministers."*
>
> *— Roundtable participant*

Civil society was identified as being able to play three important roles in the development and sustainability of an outcome approach:

- **Providing legitimacy to the government's goals and strategies.** Civil society involvement has helped to demonstrate that government is responding to what citizens feel is important to them. Indeed, this represents democracy. Without at least some involvement from civil society, an outcome-oriented approach risks becoming, or at least to be viewed as, an internal bureaucratic exercise detached from what the citizenry views as important—or worse.
- **Adding support—and pressure—for results.** Civil society has been identified as a major supporter and ally of a results approach by demanding that government focus on results that matter to citizens and document what is actually being delivered. Civil society frequently may be more concerned about what outcomes are produced than the officials who deliver services. This form of support from outside government can help to reinforce the importance of a results orientation, emphasize its raison d'être, and, as a result, help to provide for its sustainability.
- **Providing validation and credibility.** Involvement of civil society organizations has been identified as an important means of providing for validation of results information produced by government. This plays an important role in ensuring that results information is credible and meaningful and is seen as such.

The Role of Monitoring and Evaluation in Making an Outcome Approach Possible

Countries have found that being able to document what actually happens is absolutely critical to an outcome orientation. Without good information on what has happened, a focus on results is impossible. And for good information, all countries recognize that one requires *both* monitoring and evaluation. It is not, however, always clear what types of information are most appropriate in given situations, or how this information could be put to best use. Almost all the countries identified lack of sufficient expertise and capacity in monitoring and evaluation as a barrier.

> *"If you want to have a focus on results, you have to have information. If you don't have good information, you cannot have a good focus on results.... Management by results schemes can only be successful with adequate and timely information."*
>
> *— Colombia background paper*

A Forward-Looking, Strategic Approach to Assessment

Many of the Roundtable participants emphasized the need for more strategically oriented evaluations that could provide guidance for future policy directions. Participants noted that even in the developed countries, it sometimes has been difficult to generate interest in policy-oriented (as opposed to project-level or operational) evaluations.

This raises a paradox. Most information is about what happened in the past. Yet all decisions are about what needs to take place in the future. There was agreement that monitoring and evaluation are most useful when they are future oriented, concentrating on providing information that is most likely to be of strategic use, even if this means information that is "softer" in nature than the "hard" information that can be provided about past accomplishments.

This paradox was noted by at least some of the participants, for example: "I was struck by the remark on the dynamics of policy evaluation and the static nature of performance indicators."

Non-Traditional Indicators of Performance

A challenge to the monitoring of performance in the public sector that has been identified is:

"The need to consider dimensions of performance beyond the traditional ones of economy, efficiency, and effectiveness. With an increasingly diverse, interdependent, and uncertain public sector environment, for some stakeholders meeting objectives fixed some time ago may not be as important as the capacity to adapt to current and future change."[7]

"Management and boards of directors [in the private sector] focus far too much on financial results that represent lagging indicators of past performance. We believe they should pay far more attention to non-financial factors such as customer satisfaction, product and service quality, operational performance, and employee commitment—leading indicators of future performance."[8]

Monitoring

The primary purpose of monitoring is to determine if what is taking place is as planned. The results approach in most of the countries represented at the Roundtable tends to be based, to a greater or lesser extent, upon setting indicators or targets in advance and then assessing the extent to which they

have been reached or not. While indicators can be qualitative, they most frequently are quantitative in nature, as this facilitates ease of measurement.

There was considerable discussion at the Roundtable about the appropriate use of indicators, with no clear consensus. For example, as the background papers make clear, the outcome approach in the United Kingdom is heavily based on the use of explicit targets. In contrast, Ireland is concerned that "an overly target-driven focus on outcomes may lead to goal displacement, misplaced incentives, etc." Other countries were at various points on this spectrum.

"Far better an approximate answer to the right question than an exact answer to the wrong question, which can always be made precise."
– attributed to noted scientist John Tukey

"If we only look for quantitative indicators, we'll never be able to achieve anything."
— Roundtable participant

How Many Indicators Are Appropriate?

Some countries have been using a huge number of indicators, into the thousands in some cases. What is noteworthy is that as these systems started to mature, the numbers of indicators tended to be reduced. The general view arising from the discussion is that too many indicators can confuse rather than help.

"Avoid huge numbers of indicators, which can cause confusion and do not provide clear priorities for change."
— Roundtable participant

"What is the capacity of the system to deal with a multiplicity of objectives?"
— Roundtable participant

"Instead of having 2,500 indicators, let's reduce them maybe to 50 indicators."
— Roundtable participant

"What is important is not the total number of indicators, but how they are used."
— Roundtable participant

Yet there is no clear answer to the question of how many indicators are enough. As was noted, this should be based, at least in part, on the capacity to manage all the information that will be produced and, even more importantly, on how this information will be used. For example, indicators can be used at many different levels within a government hierarchy. Program staff may be able to use indicators that are more specific in nature than may be required by the President's Office, for example. Different stakeholders may be interested in just their own small subset of indicators.

Characteristics of Indicators and Important Factors to Bear in Mind

The nature of indicators. Two very different types of indicators were touched upon in the discussion:

- Indicators that are used or translated into mandatory targets, or minimum standards. These indicators are expected to be met, one way or another.
- Indicators indicating direction, such as "steering by the stars." These types of indicators are highly ambitious in nature, suggesting what one should strive toward and in what direction one needs to move. They can be very useful as a management tool—for example, in helping to create a consensus about important issues that need to be addressed and motivating staff to go all out in this direction. But because they can be very ambitious in nature, they do not necessarily represent achievable targets.

"Indicators such as the Holy Grail, indicating direction, have driven people to dream."
— Roundtable participant

There can be a danger of confusing the two types of indicators,[9] which can result in undesirable consequences, such as rewarding those who are just interested in "meeting the numbers" and looking good, and punishing those who are ambitious, innovative, and responsive. The same indicator can be interpreted in very different ways by different people.

For example, some ambitious managers think big and strive toward outcomes that it is unlikely they will attain, at least in the short term. Nevertheless,

this can help energize those involved, and may result in accomplishments that would not have occurred with a narrower perspective. Other managers, however, may want to be sure that they reach their target, and thus set them more narrowly. Yet even if both managers accomplish exactly the same thing, the first one could be labeled a failure and the second a success.

"What gets measured gets done."
— Roundtable participant

"You mentioned this idea that we have to measure everything. That scares me. In a way, I understand you have to try to do that. But you know that what you measure is what you do, and you don't do anything that is not measured. So to what extent can this represent a problem?... From my perspective, you are trying to measure and control everything, not to measure and manage, trying to use your apparatus, your instruments, your software, etc., in trying to control in a very rational way. I think this is an aim that we all search for, but I think there is no space then for management."
— Roundtable participant

"There is a lot of debate about targets and the nature of the targets and how perverse target setting can be."
— Roundtable participant

Dangers of the misuse of indicators. Participants noted that there could be a real danger of focusing just on what is easiest to measure rather than on what is most important. This danger is most prominent when indicators need to be quantitative. This was identified as a common mistake that can sabotage the process.

For example, it often is easier to monitor inputs, activities, and outputs than outcomes. Thus, there is a tendency to fall back to monitoring performance at these levels. While it is quite important, indeed essential, to monitor outputs as well, this should be done consciously and not at the expense of thinking about outcomes.

The danger of perverse, unintended consequences resulting from the misuse of indicators was also discussed. For example, too much pressure to achieve predetermined targets can lead to goal displacement (that is, working to the indicator rather than to the actual program goal) and even manipulation or distortion of the data. These dangers are particularly strong when incentives and punishments are attached to target achievement. There is an increasing body of literature that discusses some of the potential dangers of the misuse of performance indicators.

Making indicators as appropriate and useful as possible. There was some discussion about how to develop indicators so that they can be as appropriate as possible. These points are closely related to those previously discussed with respect to making the outcome approach itself relevant. For example, buy-in and commitment to indicators will be greater when those responsible for delivering the performance improvements, and those who will need to collect the data, are involved in establishing indicators that are meaningful to them. If indicators are viewed mainly as a tool for control rather than for management, this will make it harder to obtain commitment to the process, and can even lead to perverse effects such as previously touched upon.

Also, participants emphasized that developing meaningful indicators is not easy. It cannot be done in a single setting. First attempts are rarely perfect. This suggests a dynamic approach, so that indicators and targets are reviewed periodically and revised as necessary. But in some cases this may not be so easy. For example, it was noted that the political leadership may fear that revising targets once set, particularly if this is done downward, may be interpreted by the public and interest groups as the government backing down on its commitments.

"If the indicators are not tied to the strategy, they are like an audit report and do not serve as a management tool."
— Roundtable participant

"Indicators should always be dynamic and not static, which means that if they are set at one time, we have to review them now and then in order to be able to upgrade them."
— Roundtable participant

In summary, the overall view was that monitoring of some form is essential to track progress. Indicators

of some form are required. But they need to be used appropriately, and it is necessary to bear in mind the potential for inappropriate or perverse use or misuse of indicators.

Evaluation

All countries acknowledged that there has been considerably more attention to monitoring than to evaluation. It was also observed that many of the indicators that are being used are more activity- and output-oriented than focused on outcomes. Participants nevertheless recognized the need for evaluation as a complement to monitoring. For example:

> It has been important to make the distinction between monitoring and evaluation. We have had a relatively long tradition of monitoring since the system was born 10 years ago, but we didn't really have evaluation practices. With monitoring, you use one tool to follow up on indicators that you have set up. With evaluation, you are trying to see the causality between an intervention, a public policy, and its results. This has major implications for policy making, both for budgeting and for defining programs and policies.

"A lot of what has been behind the conversation over these two days in terms of data and data quality has been about the monitoring systems, as opposed to evaluation."
— Roundtable participant

Indeed, while the need for more efforts along these lines was highlighted, at least some evaluation appears to be taking place in all the participating countries, given its importance to effective management and to the policy process. Countries are using evaluation for purposes such as the following:[10]

- **Assessing the appropriateness of programs, policies, and strategies for the present and the future.** Unlike monitoring, which largely takes existing objectives and indicators as givens, evaluation can consider the rationale of a strategy or policy and its continued relevance, as well as the strengths and limitations of alternative approaches.
- **Identifying the continued appropriateness of objectives, indicators, and targets used for monitoring.** As discussed, there is potential for the misuse of performance indicators and targets. Evaluation can help identify when this may be occurring or is in danger of occurring, and suggest how these problems can be avoided, and how objectives and indicators can be kept up to date and focused on what is really important.
- **Providing "why" and "how" information that is needed for an understanding of how and in what circumstances a program approach "works" or not.** Frequently evaluation can take off where monitoring data leaves off. For example, just knowing that a program has failed to meet its performance targets provides limited guidance about what to do about it, unless the reasons for the given performance are identified.
- **Explaining the factors behind positive impacts.** This information could potentially help inform good practice in other contexts or settings. In addition, evaluation can demonstrate linkages across the results chain and can play an essential role in demonstrating if various outputs and intermediate outcomes are likely to lead to the desired impact.
- **Identifying unintended or unexpected consequences.** Evaluation can look at outcomes and impacts, including those that were planned or not. The latter often can be at least as important as stated objectives.
- **Demonstrating causality or attribution—the linkage between inputs and activities and results.** Evaluation is needed to determine if the program intervention was indeed responsible for any documented results, or if these results would have occurred in any case. It is impossible to make informed decisions without understanding what results, if any, really came about in response to the program or policy. Given the complex linkages between activities, outputs, and outcomes that are typically influenced by a variety of factors and are long term in nature, evaluation that can document the nature of these linkages was identified as essential to an outcome orientation. Given these complexities and the indirect nature of many government interventions, qualitative as well as quantitative data usually are needed to explore these linkages, and it may be more appropriate to speak of the *contribution* of a program to outcomes,

or of *plausible association* (or *reasonable attribution*), rather than of *cause*.

"There was considerable discussion a year ago if these types of evaluations were too expensive and if the government should or [should] not use them as an instrument. But the majority of the social programs and other sector programs have never been evaluated seriously. So you have had programs that have been running for 20 to 40 years, and you have allocated an incredible amount of resources year by year, and you don't know now if those programs really reach the objectives they were formulated for.... So when compared in those terms, the cost of impact evaluation really becomes low."

— Roundtable participant

Technology as an Enabler

Technology emerged as an important enabler to an outcome approach. Some form of automated approach is necessary to keep track of all the data that are generated and to link them to the appropriate expenditure categories and to objectives.

There was some discussion, but no consensus, about the type of software that would be most appropriate. Opinion was also divided about the merits and limitations of a centralized information system. Mexico, for example, wants to be able to identify objectives and indicators at all three levels within its government structure and to track progress in accordance with its national development plan with the vision of 2025. It did not find any existing software suitable, so it developed its own web-based system with the help of an outside supplier and then started applying the system, first on a pilot basis with one department, and then gradually expanding across all other areas.

Similarly, Tanzania is in the process of developing software that will be able to identify all its poverty reduction strategy (PRS) targets and non-PRS targets and to link operational outcomes with sector strategies and with the budget.

There were, however, mixed views about the applicability of a centralized, all-of-government information system. As the sidebar "Decentralized IT in the UK" suggests, some of the participants felt that it is more appropriate to leave departments to decide which types of systems are more appropriate for them.

Decentralized IT in the UK

"Mostly, in the UK we don't have a single information system, and as a Ministry of Finance we wouldn't prescribe one. We want departments to manage this performance and manage the planning for the outcomes. And it's up to them to decide what systems they use.

"Some of the most radical results in the UK haven't been a result of IT. It has been as a result of planning, of innovation, of people being motivated and of people actually focusing on outcomes and not necessarily being bound into particular outputs. And that's where the real value lies."

In conclusion, information systems and other forms of technology may be essential to the ability to monitor what is taking place. Technology, however, as with measurement in general, should not be viewed as an end in itself. There sometimes can be a danger of measurement and technology taking on a life of its own, which could inhibit outcome-oriented thinking and could be self-defeating.

Data Quality

As indicated at the beginning of this section, good information has been identified as essential for an outcome approach. Yet "good" information implies information that is based upon accurate, trustworthy, and relevant data. If the data are not accurate and valid, then they are worse than useless; they can lead to inappropriate decisions.

Participants indicated that there can be real questions about data quality—in developed as well as in developing countries. Much of the discussion about data quality at the Roundtable was focused upon the use of indicators. For example: "A lot of what has been behind the conversation over these two days in terms of data and data quality has been about the monitoring systems, as opposed to the evaluative data."

There are several aspects when considering the quality of indicators. First, are the indicators that are used appropriate reflections of what is really taking place? As discussed earlier, do they result in

perverse effects (for example, "gaming" the system)? And are the data accurate?

> *"Data quality is a very essential part of the whole process. You have to have from the beginning what will be considered as quality data. Otherwise, if you don't have the right data, you'll never be reaching anything really. You're just wasting your time and say, well, no, after all, the measures are excellent, but the data are garbage in, garbage out, as one says."*
>
> *— Roundtable participant*

> *"So I think we have to be very realistic in terms of what are we requiring of people, because the worst scenario is that you think you have good measures. You make judgments on them and they're not robust. This should not be the kind of information you make decisions on.... So I think that's a concern, and it may mean that you have to cope with it in other ways, like the suggestion of having evaluation done by a panel of experts. You'd rather have numbers, but if you can't have numbers, you need something else that is sufficiently robust."*
>
> *— Roundtable participant*

While data quality was identified as a concern, there was no clear answer. To some extent, data quality can be linked to capacity and greater expertise in monitoring and evaluation, which all countries identified as a concern. Given that those responsible for setting indicators and for collecting the data can be found across all levels within government, all program staff have a need for a greater understanding of these considerations.

How Countries Are Reporting on Outcomes and Providing for Their Credibility

Countries have found that outcome information rarely speaks for itself, even with attention to quality data, as discussed in the previous section, unless attention is paid to how outcome information is viewed by citizens and what contributes to its credibility. Based upon the experiences in many countries, what was apparent is that government data, indicators, and reports will not be believed unless there is already strong support for the government.

> *"Indicators are not enough if people don't trust the government."*
>
> *— Roundtable participant*

> *"We have this focus on outcomes and lots of information that goes into the public domain, and a lot of it making very positive steps. The public doesn't believe it, no one believes it, probably because the media don't believe it and they don't report it."*
>
> *— Roundtable participant*

For example, in the United Kingdom, where there is often a hostile press and trust in the government has been limited, people tend to have little confidence in the government's own reports and indicators, and question if indicators on healthcare, for example, truly reflect the experiences of the public. In Colombia, in contrast, where the president reportedly has 80 percent approval and where the president himself is always talking about results and people can see things happening that did not happen before, reports have considerable believability.

Roundtable participants shared many ideas, with good examples, about how to enhance credibility and believability in information about results.

An Emphasis on Transparency and Visibility

All countries have recognized the importance of transparency and visibility of results information as a prerequisite to credibility. If the information is largely hidden and government officials offer just selective bits when it fits their agenda, this is unlikely to result in confidence in either the information or in the government. Conversely, when results themselves are visible to ordinary people, this helps to generate trust in government.

Representatives from new democracies in particular emphasized the importance of transparency. They said that demonstrating that the government is producing results that matter to people is as an essential part of the democratic process and accountability of political leaders.

As the quotes in the sidebar "Transparency" suggest, there are many ways that are being used to make information transparent. Perhaps surprisingly, many of the developing countries describe the Internet as an important means of dissemination, along with more traditional approaches. Political leaders, such as those in Colombia and Chile, who personally believe in a results approach and who are always talking about results, help to create visibility and also to increase the interest of the media and others, such as civil society, in reporting results information.

This does, however, raise a potential paradox. As discussed elsewhere, too many indicators and too many long reports can serve to obscure rather than to inform.

Transparency

"Civil society and the ordinary public have been sensitized in a way. There is a lot of material going out, and now people are more conversant with what is in the budget and what the budget means. Apart from the quarterly reports which are available, there are more user-friendly documents for transparency, which can even be read by an ordinary citizen, and the civil society is more keen to track what is happening and to speak out very openly."

— Participant from Uganda

"I think the issue on information is to make it public. I think we have to think more about how to make more public the information that the government produces. If you do that, that is the more powerful validator.... The first incentive and disincentive at the same time is visibility. It is visibility—information is available to the public all the time, through the media and through the web page of the government. We have a system where we have in real time the results on all these indicators. The system is very simple, and every citizen can access the system and see in the system how it is going regarding education and other programs. That visibility is very important."

— Participant from Colombia

"We can try to introduce quality standards and controls and verification means for the information that the government produces, and that's a good thing to do, but the best evaluator at the end is that the people know if a public work is being done or not—they do know it. So just put the information out and make sure that it goes to everyone."

— Participant from Chile

The Use of Independent and External Bodies to Carry Out Evaluations and Analyses, and to Produce Reports

If information is prepared and presented by government itself, there can be a built-in conflict of interest that can lead to questions about the credibility of what is reported. One approach that a number of countries have adopted, in order to increase the believability of evaluations and other information about outcomes, is to make use of evaluators and others external to government to produce at least some assessments of progress.

External people who frequently are used for this purpose can come from a variety of places:

- Respected experts from academia
- Independent research institutes
- Independent consultants, from within or from outside the country
- Civil society
- Accounting or auditing bodies that are considered to be independent from the government administration

"We need independent institutions somehow to validate in front of the citizens and in front of the press, and probably we no longer can accept the traditional parliamentary way of informing or reporting to the public, which is not working well."

— Roundtable participant

Provision of Some Form of External Oversight and Validation

This can be viewed as a variant of the previous approach. In this situation, external individuals or bodies do not carry out the evaluation or analysis of results information, but they serve to provide for independent confirmation of its validity. Providing for external oversight, again recognizes that it is not sufficient for the government just to say that it has been achieving results, unless this holds up to independent scrutiny.

The oversight role can be ongoing or after the fact. For example, external citizens or experts could be part of an ongoing advisory or review committee that meets on a regular basis to advise on the development of the results approach. Or oversight can consist of agreeing that final figures and reports are presented accurately.

All of the categories of experts listed above could also provide an oversight role. In addition, sometimes panels or committees of experts and/or citizens can take on this role. Sometimes this can also be done by an external body, such as the review of Egypt's pilots by the World Bank.

Civil society involvement was singled out as essential to provide for validation of results information produced by government. Indeed, countries from the developing world in particular see civil society involvement as essential to provide for the legitimacy of the entire outcome focus and to help ensure that government is focusing on the priorities of citizens.

Perhaps what was surprising was the limited mention at the Roundtable of the audit as a tool to enhance an outcome-oriented approach. Traditionally, the role of auditors has been to attest to the integrity of the financial accounts and expenditures. Increasingly, public sector auditors are engaging in performance or "value for money" audits that consider performance information. Increasingly, such as in Canada, supreme audit institutions are taking an active role in providing quality assurance for performance reports and, perhaps, for the integrity of the overall approach to performance management and the resulting performance data.

> *"The single-minded focus of inspectors general in the United States, an oversight group licensed to investigate, audit, and go after fraud, waste, and abuse, was on process and compliance. They ignored results.... One of my favorite examples is a study by the Department of Energy inspector general, who wrote a scathing report about the bicycle racks in front of the building. He wasn't paying much attention to energy and energy policy and anything having to do with the program; it was the condition of the bicycle racks in front of the building. That typified the focus on compliance and inputs and led to quite a bit of frustration."*
>
> *— Roundtable participant*

However, most mentions of audits depicted them as more of a problem rather than a support to the development and implementation of an outcome focus. Auditors were described as taking an overly process- and compliance-oriented rather than a results-oriented approach. Auditors typically carry out their reviews in the context of a top-down, principal-agent, command-and-control model. As we have seen, such an approach does not acknowledge the importance of a bottom-up approach that creates buy-in for a results orientation throughout the hierarchy, and that is essential for the sustainability of an outcome orientation and true outcome thinking and acting.

In addition, auditors were criticized for taking a short-term rather than a longer view of what is needed to bring about such a fundamental change in the approach to government as represented by an outcome orientation. They were criticized for a lack of recognition of the implications of a transition period, which were discussed earlier, such as the importance of encouraging experimentation where not everything will work right, at least at the beginning, sometimes resulting in a danger of punishing the innovators and placing a chill on the outcome orientation.

Despite this, it would seem that audit bodies still do and will continue to play a role in validating the integrity of results information produced by government. Perhaps this discussion has implications for redefining the role of auditors in the context of an outcome approach, recognizing that this represents a different management philosophy from what many auditors may have been trained in. To have the ability to carry out effective monitoring of outcome information, it is essential that audit bodies have the appropriate capacity and expertise. At a minimum, this would require auditors with backgrounds in evaluation, policy development, or in the social services rather than in accounting or economics.

Reporting That Is Meaningful

There is little point in collecting outcome information if nothing is done with it. This in turn implies the need for a variety of different forms of reports. Following are examples of the types of reporting that are taking place:

- Regular reports from programs and departments to the Center, indicating what has been achieved with respect to objectives and indicators, along with syntheses putting these data into context.
- Reports of a more strategic nature, for example, discussing the impact of various interventions on a higher-level outcome.

- Reports to legislative bodies, and perhaps also to other oversight bodies such as auditors, external donors, etc.
- Reports for program managers indicating how their programs are doing and potential areas for improvement.
- Reports to stakeholders and to the public.

Reporting emerged as another area with some good ideas but also with a number of challenges for which there are no simple solutions. One challenge concerns the manner of reporting. A number of participants observed that some reports represent procedural compliance but do not provide useful information. An approach that is too common is the preparation of reports that provide lots of data but no real information.

> *"Too many reports, too long, with too many indicators result in no real information."*
> *— Roundtable participant*

> *"The outcome framework is largely 'a supply machine,' generating reports, representing procedural compliance but with no requirement or evidence that they are used."*
> *— Roundtable participant*

> *"There is this burgeoning number of measures and paper and almost malicious compliance that drowns it all."*
> *— Roundtable participant*

> *"We have a statutory requirement to produce three yearly strategy statements. And the legislation requires each department to produce an annual progress report on how they're proceeding against that strategy. But it has been very hard to shift departments away from an activity and output focus. And despite it being a statutory requirement, some departments have not produced reports every year and others have not produced any at all."*
> *— Roundtable participant*

As noted earlier, the results systems in some countries track hundreds or even thousands of indicators. Participants observed that reporting on so many indicators ("data dumps") could obscure what is really important. Indeed, some participants indicated that for reports to be meaningful, they need to focus on just a small number of strategically important core indicators. It is not always so clear-cut what level of detail in reporting is appropriate.

Related to this is the quality of reports. There was a feeling that too many reports are of poor quality, representing nominal or even "malicious" compliance at best. Many reports still focus more on activities or outputs rather than on outcomes. In some cases reports are not even produced at all, or at a very minimum level, in spite of statutory requirements.

Participants also proposed some suggestions for improved reporting. For example, reports in the Netherlands address the three key questions illustrated below. Other participants found this approach very helpful. It was also noted that a simple framework such as this could also provide focus to the entire results approach, right from the beginning.

The Three Questions Used in the Netherlands

- What do we want to achieve (outcomes)?
- What will we do to be able to achieve it (outputs)?
- What will be the cost of our efforts?

There was also some discussion about the importance of keeping the audience in mind, of providing for the credibility of reports, and of considering alternative means of providing information. It was noted that reporting to the public in some fashion is necessary to provide for the transparency and accountability that is also basic to democracy. For example, Canada publishes a summary of key results information entitled *Results for Canadians*. Ireland does something similar, but it uses the central statistics office, an independent, well-respected body, to publish its report *(Measuring Ireland's Progress)*. Working in partnership with civil society to identify progress toward outcomes was identified as another way of providing results information in a credible way.

There are also alternative means of reporting to formal written reports. For example, some countries such as Chile make extensive use of the Internet. And the presidents of Colombia and Chile, who talk frequently of results and accomplishments when meeting with the media and in public speeches and gatherings, represent another form of reporting.

A Developmental Approach, with Regular Review, Evaluation, and Revision of the Outcome Approach

The experience of all countries attempting an outcome approach is that this is never easy, and that it is never right the first time. Implementation rarely is equally successful across all areas. This suggests that an outcome reform effort should itself, just as with other government initiatives, be subject to regular review, evaluation, and revision. This can provide an opportunity to identify what is and is not working well, what are the barriers, and what might be modified to make the approach more effective. As with other forms of evaluation, needed modifications could range from minor fine-tuning to more significant changes to the approach and how it is implemented.

In essence, as suggested in the Discussion Note, this means taking a developmental approach to the outcome-oriented approach, with regular review and revision based upon the evidence of what is working well or not. This can represent one way of demonstrating commitment to outcome evaluation, which by itself can assist in establishing credibility for a focus on outcomes across all areas of government.

> *"You have to walk the talk.… Until the policies are truly used and reviewed, departments will not fully believe in the government's commitment to results-based management."*
>
> *— Roundtable participant*

To what extent has the outcome approach achieved its own intended outcomes? Are there unintended consequences, and are these positive or negative? How can the approach be improved or modified? Evaluation of reform efforts can be helpful in identifying any potential problems in the early stages of the process while they can still be addressed. This can also be a way of identifying learnings and good practices that can be shared with other areas. Documenting the benefits of the approach can help in establishing its credibility and in generating additional support.

Participants acknowledged the need to take a developmental approach to the development and implementation of outcome approaches. Nevertheless, there have been few systematic evaluations to date of outcome-focused reform initiatives.

Using Outcome Information Meaningfully

The Purpose of an Outcome Approach: To Be Used

As is apparent from the country experiences, there is little point in engaging in a major reform effort such as shifting an entire government toward an outcome focus unless it is going to be used in some way. Furthermore, if staff do not see how the outcome approach can be used—for example, with limited feedback on their own reports and little appreciation of how their work fits into the strategic direction of the overall organization—this is likely to result in cynicism that can make further efforts to apply outcomes more difficult.

Use (or "utilization") is sometimes viewed as something to start thinking about after the data have been produced. But considerations about use need to start at the beginning of the process and guide *all* aspects of the outcome approach, including the form of the strategy and how it is implemented, who is involved, which data will be collected and analyzed, and how these will be reported. In fact, many of these considerations were raised throughout the Roundtable and have already been referred to in this report.

A New Way of Thinking and Managing

Use is often thought of as a very direct, short-term application of information. There is considerable evidence, however, that outcome information most often is used conceptually rather than instrumentally. The nature of use in this way may be diffuse, but its effects potentially can be most profound.

All countries have emphasized that an outcome focus represents a fundamental change in the approach to thinking and managing within government. Indeed, it represents a shift in the entire orientation of public services—away from a primary preoccupation on inputs and activities to a focus on the benefits and results of these activities. This form of use may be intangible, but arguably it may represent the greatest benefit of an outcome approach.

> *"What is important is not so much to have a strategy and a set of outcomes fixed in a document, but the continuous debate, updating both as learning and contextual changes take place."*
>
> *— Roundtable participant*

> *"In Colombia, everyone is talking about results."*
>
> *— Participant from Colombia*

This is one reason why participants emphasized the importance of instilling a results-oriented culture, and why it is so absolutely critical to the success of an outcome approach to generate buy-in and commitment at all levels of a government hierarchy. This can result in change that can represent the most enduring—and the most significant—form of use.

As is apparent from many of the country experiences, a results orientation means that information about impact informs the policy debate and helps to determine the agenda. In this way, questions about outcomes, and what forms of approaches are likely to be effective or not, may be taken into consideration in the design of policy. One of the important values of an outcome approach is providing vision, which acts as a frame of reference for everything including planning, setting priorities, organizing government services, allocating resources, assessing the appropriateness of what was done, and thinking about future needs and the types of strategies that will be needed.

Actual data about what works or not and in what contexts can help inform the development of new policies, strategies, and programs. This can only increase the potential for the relevance and effectiveness of new policy directions and interventions.

A move to an outcome orientation thus results in a change of mentality—away from keeping busy and thinking about what one needs to do, to identifying what needs to be accomplished. This in turn leads to related questions and steps, in particular:

- Asking how one would know what has been accomplished, and identifying what information will be needed through monitoring and for evaluation and in order to be able to assess results and to identify implications for future actions.
- Challenging current assumptions and thinking about different ways of addressing the identified needs and producing results that are important to people.

An outcome orientation can be useful at the highest strategic level of government. Indeed, its primary benefit is often thought of in this way, and much of the discussion in the background papers and at the Roundtable was about use at this level. But participants also identified the role that an outcome approach can play in program improvement.

Program delivery typically involves work by staff in the lower levels of a government hierarchy. Work at this level is often given little recognition, and may be nearly invisible to those at the Center. It may not appear in high-level objectives or indicators. But many of the countries emphasized that it is often those at the grassroots level who have the most contact with the citizenry, and that outcomes or even outputs at this level may be more visible and viewed as more important to citizens than macro-level initiatives.

Demonstration of Value to the Citizenry

One of the major reasons given for moving to an outcome orientation is to enable governments to demonstrate how public services are addressing the needs of their citizens. As noted earlier, political leaders in countries such as Mexico, Colombia, Chile, and the United Kingdom are using outcome objectives and results as a way of demonstrating what they have accomplished. Countries are emphasizing transparency and using a variety of means to make results information available to all. For example, some countries, such as Chile, make results information available on a real-time basis on a public website.

> *"Focusing on results is also a powerful tool to increase the credibility of political institutions."*
> *— Roundtable participant*

In this respect, an outcome approach represents an important form of accountability. It differs, however, from some traditional approaches to accountability by placing less emphasis on procedures and use of resources (although that clearly is important as well), and instead attempting to show the benefits that people gain from government interventions and programs. Publications such as *Results for Canadians* and *Measuring Ireland's Progress* serve as examples in which outcome information is used to demonstrate accountability.

Linking Outcome Information Appropriately with the Budgeting Process

One of the major rationales for an outcome-oriented approach is to provide for more rationality to the resource allocation process, so that funds are allocated where they are most likely to maximize the achievement of outcomes. At a minimum, linking outcomes to budgeting can illustrate what benefits arise from expenditures.

> *"Results are always tied to money."*
> *— Roundtable participant*

> *"In Chile, the budget office plays a crucial role in making sure that the right incentives are being allocated through the budget."*
> *— Participant from Chile*

Nevertheless, countries indicated that a mechanistic link between outcomes and budget allocations is neither possible nor desirable. Resource allocations do not appear to have been influenced significantly to date in any jurisdiction. Nonetheless, (information about) outcomes can play a very significant role in the overall budgeting *process*.

As the statements in the sidebar "Budgets" suggest, the budgetary decision-making process is complex. There are many other factors besides technical information based upon "rational" analysis that must be taken into account in making decisions about future directions. These can include political priorities, competing priorities and alternatives, value judgments of stakeholders, administrative and economic considerations, and many other issues that need to form part of the government decision-making process. Information about results is used most appropriately as one input into the budgetary process.

Budgets

"The budgetary process is a very complex process that implies political restrictions, legal restrictions, administrative restrictions, economic restrictions."

— *Roundtable participant*

"Priorities and politics and other matters will continue to trump budgetary decisions, as they should in an open and democratic fashion. Performance information just makes that debate richer."

— *Roundtable participant*

There are other reasons why a mechanistic link between performance and budget can be problematic. As various participants emphasized, one can only budget to outputs and not to outcomes, as managers only have direct control over the former. Nevertheless, as one participant put it: "If you have your theory of change right, this should lead to outcomes."

It also is necessary to understand *why* given outcomes have been achieved or not in order to be able to make informed decisions. For example, poor performance potentially could be a result of poor management, insufficient funding, inappropriate staffing, factors beyond anyone's control (for example, an environmental disaster), or a host of other possible variables. If the need is still there, it may be appropriate to even increase funding and/or to make management changes.

There is also increasing evidence from both the private and public sectors about unintended consequences that can result when there is a mechanistic link between funding or compensation with results attainment. This can result in goal displacement, in working toward the target rather than to the *raison d'être* of the program, as well as to outright distortions of performance data.

Nevertheless, participants identified the importance of highlighting the relationship between resource allocations and outcomes. At a minimum, this helps provide a *frame of reference* for assessing the overall strategy. It provides an important context for assessing the alignment between strategic priorities and resource allocation. It can serve as a framework for identifying areas where there should be greater (or fewer) resources allocated. Thus, results information can play an important role in *informing* the budgetary process.

"The consequence in the United States has not been rigid or mathematical, which is to say that if you perform well, you get more money, or if you perform poorly, you get less. In fact, just the opposite occurs in many cases. What it has done, though, is enriched the debate in the policy process about which programs ought to proceed and at what pace and with what management style, and which need to be redesigned."

— *Participant from the U.S.*

"In the UK system there is absolutely no mechanistic link between the results and the outcomes that people achieve and the resources that they receive. But by setting an expectation of outcomes alongside the spending review, when it comes to the next allocation of resources, there's a very clear statement there of what the currency of that discussion is going to be. People know what they were expected to deliver. They know what they were expected to show progress against, and that then forms a basis for the resource allocation."

— *Participant from the UK*

"A less fundamentalist approach will tell you that a results-based budget might be a very good additional tool to improve the budget process, which means that you will have more elements. You, the people who program the budgets, formulate the budget, will have more elements to allocate better."

— *Participant from Colombia*

As the sidebar "Linking Budgets and Outcomes in Tanzania" suggests, Tanzania is using its outcome approach to bring more coordination and linking of the budget with the broad areas of outcomes that it has defined in the national strategy for growth and poverty reduction. In this way, outcome information may be able to play a significant role in helping to focus expenditures on those areas that are most likely to result in the reduction of poverty. Similarly, Mexico is moving toward showing how all goals and indicators are linked to its strategic plan and to the budget. Parliament in particular has asked for more information demonstrating how the budget is aligned to the strategic plan.

Participants noted that a results-oriented budget is very different from traditional approaches. They emphasized that a progressive approach is required to develop buy-in and support (for example, budgetary officers often view this as a challenge rather than as a support to their own roles), and also to be able to develop the proper technology and to present the information appropriately. For example, both Tanzania and Mexico indicated that they are currently involved in major efforts to be able to demonstrate the links between objectives and results and areas of expenditure.

The country experiences regarding linkages between performance information and budget are reinforced by the literature. For example, an Organization for Economic Cooperation and Development (OECD) report specifically dealing with this issue[11] discusses the implications of technical limitations in both performance and financial data, and suggests that integration could be appropriate only for certain types of programs, in particular those involving the delivery of tangible, standardized activities providing recurring products or services. The report also observes that given the outcomes of many public sector activities can only be achieved some time in the future, they thus are not on the same time scale as budgetary cycles.

> *"Performance data inform, but do not drive, budgetary decision making."*
> *— Melkers and Willoughby (see endnote 12)*

The IBM Center for The Business of Government has supported two studies dealing with this topic.[12] The findings and recommendations in these reports, again, are consistent with the experiences and perspectives of countries that have undertaken outcome reforms.

In summary, outcome information rarely can be applied directly or mechanistically in making budgetary decisions. It *can*, however, play an important role in informing the budgeting process.

Linking Budgets and Outcomes in Tanzania

"Various initiatives within the poverty reduction strategy are coordinated by different institutions within government. The instrument that is used to link the reforms or the results that we are anticipating with the budget is the strategic plan. And the strategic plan is coordinated by the public service management team that is reforming the public sector.

"What we plan to do is link the budget with operational outcomes, which are then linked with the sector strategies. We hope that in this way, over time, the non-PRS targets will continue to be reduced so that the ministries, departments, and agencies link their strategic plans with the poverty reduction strategy, which is defining the broad outcomes that we are expecting."

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7. John Mayne and Eduardo Zapico-Goñi (eds.). *Monitoring Performance in the Public Sector: Future Directions from International Experience.* Transaction Publishers, 1997.

8. William Parrett. *The Economist.* 11 December 2004.

9. In fact, an indicator represents the quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, and a target represents the specific level of the indicator that is aimed for (see Kusek and Rist, op. cit., for further discussion of the distinction between indicators and targets). In keeping with common practice, however, many of the country papers, as well as discussion at the Roundtable, have used "indicator" in a way that encompasses "targets" as well.

10. See Kusek and Rist, op. cit., for a further discussion on the types of information that can be provided from evaluation, and how this relates to and complements monitoring information.

11. Christopher Pollitt. *Integrating Financial Management and Performance Management.* OECD report: PUMA/SMO(99)4/FINAL, 1999. Also available at: http:www.oecd.org/puma/.

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ABOUT THE AUTHOR

Burt Perrin has over 30 years' practical experience internationally in evaluation, policy and program development, and strategic planning on behalf of governments at all levels, international organizations, non-governmental organizations (NGOs), and the private sector. Perrin, who is based in France, places strong emphasis on taking a practical approach, so that evaluation is most likely to result in action. He is particularly known for his ability to identify and synthesize information that cuts across topic areas, jurisdictions, and discrete program boundaries.

His clients include the European Commission, various national and local governments, United Nations agencies, the World Bank, the International Labour Organization, the Organization for Economic Cooperation and Development, NGOs, and private sector organizations. Perrin is recognized internationally as a leader in the evaluation field. He is frequently called upon to make presentations and present workshops around the world, and he provides editorial assistance to a number of academic journals. He is a member of the board of directors and secretary general of the European Evaluation Society, a founding member and Fellow of the Canadian Evaluation Society, and a founding member of the Societé française d'Evaluation, as well as actively involved with other organizations, such as the International Evaluation Research Group (INTEVAL).

Examples of recent publications include "How Evaluation Can Help Make Knowledge Management Real," "How to—and How Not to—Evaluate Innovation," "Making Yourself—and Evaluation—Useful," "Implementing the Vision: Addressing Challenges to Results-Focused Management and Budgeting," and "Effective Use and Misuse of Performance Measurement." Perrin is also co-editor of a forthcoming book examining how accountability mechanisms, including the roles of audit and evaluation, can support rather than inhibit innovation and effectiveness in modern, outcome-oriented public sector organizations.

Perrin earned an honors B.A. in psychology from Northwestern University and an M.A. in organizational and social psychology from York University.

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